VIEWPOINT

THE TRANSACTIONAL CITY: A CALL FOR RESEARCH AND POLICY ATTENTION

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Some societies and economies are manifesting a shift to a dominance of employment in services and post-industrial, information-age occupations. Introduced here are some of the implications for cities as this new, "transactional" era evolves. The need for geographers to utilize their knowledge towards better understanding the transactional city is stressed.

In his landmark book *Megalopolis,* Jean Gottmann documented that something new was happening in the metropolis (Gottmann, 1961). Two decades later, except for the continuing work of Jean Gottmann, these new — *transactional metropolitan forces* — are little understood, barely measured, and not found in contemporary theories, policies and future plans.

What are *transactional forces*? Gottmann and others have demonstrated that *employment is shifting* from a labor force dominated by workers who produce and handle goods and tangible products (i.e., farmers, miners, and factory craftsmen) to a labor force with a majority of its members engaged in the generation, processing and management of such intangibles as information, knowledge and decisions. The completion of these activities are *transactions;* the forces driving them are embodied in the transformation of economies and societies revolving around hardware to ones concerned increasingly with software. But the key question posed here has to do with the role of cities in transactional economies and societies, and the contributions that geographers and others might make to understanding these changes.

Gottmann has made the case that cities are the principal loci for this transformation to the transactional order. He has debunked the prevailing American myth that cities are dying. Indeed, the metropolis is shown by Gottmann to be the well-spring of contemporary and future change.

Gottmann has taken us through the logic of understanding how communications affect location and distance. Rather than operating to eliminate the *raison d'etre* for cities, communications technology has the effect of generating even more face-to-face, location-bound transactions (Gottmann, 1983). Cities are, and will continue to be, the places and points on the global communication network that provide the richest, and the required diverse environment for modern innovation — as well as the locus for the extension and application of transactional knowledge.

Over the years, Professor Gottmann has made several key points that run counter to conventional wisdom. Urban population counts based on some form of self-designated, *night-*

time residence are misleading. Population counts that do not control for *changes in city area* also tend to convey false trends. Thus at a time of unprecedented change, when cities are being transformed from one kind of employment generator to another, we are hampered, indeed we are being deceived, by census-type statistics that measure the trends of an age fast passing into history. In order to analyze and plan for the transactional city, measurements are needed to count the *daytime population* of the metropolis, including population subtotals by its core, central city, peripheral areas, and its daily commuting areas. Prevailing urban census approaches generally do not permit us to measure the small-area impacts of such contemporary dynamics as: redevelopment; gentrification; population decline-to-dwelling unit and floor area increase; multiple residences; and various forms of transiency. These observations lead to the conclusion that certain reforms are long overdue in the way metropolitan population counts should be conducted in a transactional age.

Dr. Gottmann has pointed to the central and catalytic role that needs to be performed by *the university* in the transactional city. At a time and place when innovation, information, knowledge and decisions are powering the engines of transactional change, the urban university becomes the locus for mining and renewing transactional resources. This bold mission challenges public policy makers and private enterpreneurs alike to act and support the urban university in this role. Ultimately, our ability to stimulate and steer transactional urban growth may hang in the balance.

Professor Gottmann also has introduced the notion that *current ways of classifying employment and occupations are inadequate* to the task of measuring the dominant form of modern employment — services. It is ironic that in this information age our information on urban population and various service-occupation employees is so poor. Gottmann has offered a great deal of useful guidance (Gottmann, 1983). To the policy maker, Gottmann directs attention to the actual results of attempts to deconcentrate services and the offices that house them. To the geographer, Gottmann advises that analyses are needed that go beyond the study of offices merely as land uses; the processes and forces that operate to locate the activities that are housed in offices need to be taken into account. To the planner, Gottmann says that policies and programs need to embody an understanding of the concentration/centralizing factors that nurture transactional activities. Thus, developing policies and plans for the transactional city requires teamwork that results in coordination among the various roles and diverse actors just cited above.

The 1982-83 recession has produced widespread acknowledgement that certain parts of U.S. industry have undergone fundamental change. Even steel workers recognize that their industry will not be the keystone of American economic vitality in the future. But while the shift from an industrial to a largely post-industrial service economy seems obvious to all, generally there has not been a parallel set of actions by scholars, investors and public officials. The remainder of this essay is *a call for action;* action that serves to extend and advance our knowledge of transactional forces; action that is designed to harness these forces, and in the process, produce cities and regions in the future that better serve humankind.

How is one to begin this quest? We need to *inform ourselves* about transactional forces, then we need to *execute our various responsibilities* with the new, transactional perspective guiding our day-to-day actions. By incorporating the lessons that we are observing in our daily activities and by acting accordingly, we are likely to produce the kind of knowledge, policies, and programs that are needed to navigate the transactional future.

I would recommend that geographers, regional scientists, planners and other urban officials begin informing themselves by reviewing much of the writings of Jean Gottmann over the last three decades. After doing so myself a few years ago (Corey, 1980; 1981; 1982), it was

surprising to learn how much knowledge about these new urban forces, in fact, had been developed and organized. Since the publication of *Megalopolis* it was surprising also to note how little of Gottmann's recent, transactional work has found its way into the literature and practice of U.S. urban affairs. I believe that we and our communities have suffered by not taking earlier account of Gottmann's observations.

Some of the main transactional lessons that I extracted from reviewing nearly thirty Gottmann publications were (Corey, 1980):

1. Because we have slight knowledge of, and therefore have paid little attention to, transactional forces, our *plans too often have little resemblance to the development that actually takes place.* For example, Professor Gottmann has noted the relative ineffectiveness of European policies to deconcentrate offices from large cities.

2. Because we seem to have a latent love of the countryside and a distrust of the city, *there is a tendency to view the large city as something to be avoided, and even dismantled,* rather than going with and exploiting the unique attributes that result from such bigness — and plan accordingly. Primate capital cities represent an archtype here, but each large and medium-sized metropolis would seem to have transactional forces subject to intervention and nurturing (Gottmann, 1979).

3. Because transactional forces are driven essentially by brain-power, they are *renewable and self-generating.* Therefore they represent resources of nearly unlimited opportunity. With the right mix of knowledge and skills concentrated in cities, individuals and nations may be able to pursue future development somewhat unfettered by the limitations of natural resources (Gottmann, 1981).

4. Because communications and related technologies are becoming ubiquitous, and because the hosting environment for transactional activities involves more than mere bigness, *transactional cities increasingly are found among the ranks of the medium-sized metropolis.* For example, Oxford, England, Nantes, France, and Edinburgh, Scotland have been so described (Gottmann, 1979).

5. Because increased knowledge of transactional forces in cities can lead to more effective policies, we should *begin pilot and demonstration projects* that provide us with experience and practice in transactional city planning (Corey, 1980).

6. Because our collective operational knowledge of transactional forces is so relatively sparse and not widespread, we need to *initiate systematic research* of the many factors of the transactional city, including:
   a. various *transactional flows,* such as of people, paper, money, decisions and ideas (Harper, 1982a);
   b. the *processes used by office-space developers and office-space users* in making office location decisions and investments (Fuchs, 1983); and the examination of *office activities as a separate entity* in location research (Daniels, 1983);
   c. the *impact of telecommunications* in and on cities (Langdale, 1982);
   d. detailed analyses of the transformation of employment systems and *the changing nature of urbanization* (Stanback, 1981);
   e. the locational distributions and growth patterns associated with *service industries* in regions and cities (Daniels, 1982); and among other aspects;
   f. the position of the city in *transactional metropolitan networks,* as in communications and air transport (Harper, 1982b).

7. Because current censuses of population and employment are not measuring changes resulting from transactional urbanization, *future censuses need to be reformed at the*

earliest so as to be able to establish baselines for urban transactional change. The recent appointment by the U.S. Bureau of the Census of the first geographer, Richard L. Morrill, to serve on the Census Advisory Committee on Population Statistics, is a sign of some promise that the long-needed reforms in the U.S. census will occur sooner, rather than later.

8. Because it is important to know the impacts of policies and plans on the transactional city, *interventions and their effects need to be monitored.* The reform of the census will go a long way towards generating effective indicators of transactional metropolitan change. Applied urban geographers may have a special role to play in monitoring the transactional society and its economic development (Harper, 1982b).

As a result of my own interpretation of Gottmann's and others' related work, I have attempted to frame *an operational definition of the transactional city* (Corey, 1981). Simply put the transactional city is:

> . . . driven by the structural evolution in *employment* from manual labor to work on intangible products where the relative position of white-collar workers increasingly is more dominant than that of blue-collar workers. The *central district* of the metropolis is dominated by special abstract, information-oriented functions that operate in *offices* and in *skyscrapers* that form *skylines.* The activities of *city center* include the concentration of the highest-level forms of customized decision making and knowledge utilization, as in the management of multi-national service firms that are specialized in the processing of information and the provision of expert consultation. Both face-to-face contact, and electronic communications are central to the effective operation of all these transactional establishments in the core. Other elements of transactional centrality include visitors and *transients* who come to the central district primarily to transact business, and also to take advantage of the amenities and dynamic activities of the metropolitan "cross-road". The constant presence of these transactional transients, in turn, shapes and confers vitality to the region, especially to the metropolitan center. Universities, cultural institutions and recreational opportunities are particularly reinforcing of transactional behavior.
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> The *outlying areas* of the larger modern metropolis increasingly receive employment in manufacturing production, wholesaling, branch offices, and retailing that services nearby residential parts of the suburbs. These suburban firms cluster in *subcenters* on major links in the metropolitan *transportation network* that provide accessibility both to surrounding low-density residential areas, and to the center of the metropolis.
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> The transactional metropolis is connected to, and interwoven with other transactional centers, forming *metropolitan networks* within national territories and across international boundaries. The principal transactional metropolitan *concepts* coined by Jean Gottmann include: *terms of employment, hosting environment, interweaving of quaternary activities, evolution of urban centrality, the Alexandrine Model,* and *Megalopolis.*

Using this notion of the transactional metropolis, including some of the transactional lessons cited earlier, I have applied these concepts to planning for the metropolitan region of Seoul, South Korea for the year 2000 (Corey, 1981). If one uses transactional city ideas to analyze and strategize for an empirical reality, it can be most helpful. It serves to make real and concrete many of the abstractions associated with these new urbanization forces. Further, even a rudimentary grasp of the forces that are transforming modern economies, societies and cities provides new insights into likely futures, and thereby, possible policy directions. Taking the key needs, problems, and issues facing the large and medium-sized cities, I recommend that *you* too begin to frame an understanding and a strategy for a city's future, by utilizing the guidance presented in the literature by Jean Gottmann (1983) and others (Daniels, 1983; Gottmann, 1981). Thereby, as our collective understanding of the transactional city improves, it needs to be shared with our students and our public-policy decision makers. The extent to which we can develop these emerging research themes and have them influence policy decisions is likely to be the degree to which we will be catalytic in the development of the next generation of urban geography.

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