

The Global City: Strategic Site/New Frontier

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The master images in the currently dominant account about economic globalization emphasize hypermobility, global communications, the neutralization of place and distance. There is a tendency in that account to take the existence of a global economic system as a given, a function of the power of transnational corporations and global communications.

But the capabilities for global operation, coordination and control contained in the new information technologies and in the power of transnational corporations need to be produced. By focusing on the production of these capabilities we add a neglected dimension to the familiar issue of the power of large corporations and the new technologies. The emphasis shifts to the *practices* that constitute what we call economic globalization and global control: the work of producing and reproducing the organization and management of a global production system and a global marketplace for finance, both under conditions of economic concentration.

A focus on practices draws the categories of place and production process into the analysis of economic globalization. These are two categories easily overlooked in accounts centered on the hypermobility of capital and the power of transnationals. Developing categories such as place and production process does not negate the centrality of hypermobility and power. Rather, it brings to the fore the reality that many of the resources necessary for global economic activities are not hypermobile and are, indeed, deeply embedded in place, notably places such as global cities and export processing zones.

Why does it matter to recover place and production in analyses of the global economy, particularly as these are constituted in major cities? Because it allows us to see the multiplicity of economies and work cultures in which the global information economy is embedded. It also allows us to recover the concrete, localized processes through which globalization exists and to argue that much of the multiculturalism in large cities is as much a part of globalization as is international finance. Finally, focusing on cities allows us to specify a geography of strategic places at the global scale, places bound to each other by the dynamics of economic globalization. I refer to this as a new geography of centrality, and one of the questions it engenders is whether this new transnational geography also is the space for a new transnational politics. Insofar as my economic analysis of the global city recovers the broad array of jobs and work cultures that are part of the global economy though typically not marked as such, it allows me to examine the possibility of a new politics of traditionally disadvantaged actors operating in this new transnational economic geography. This is a politics that lies at the intersection of economic participation in the global economy and the politics of the disadvantaged, and in that sense would add an economic dimension, specifically through those who hold the other jobs in the global economy—whether factory workers in export processing zones in Asia, garment sweatshop workers in Los Angeles, or janitors on Wall Street.

These are the subjects addressed in this paper. The first section examines the role of production and place in analyses of the global economy. The second section posits the formation of new geographies of centrality and marginality constituted by these processes of globalization. The third section discusses some of the elements that suggest the formation of a new socio-spatial order in global cities. The fourth section discusses some of the localizations of the global by focusing particularly on immigrant women in global cities. In the final section I discuss the global city as a nexus where these various trends come together and produce new political alignments.

Place and Production in the Global Economy

Globalization can be deconstructed in terms of the strategic sites where global processes materialize and the linkages that bind them. Among these sites are export processing zones, off-shore banking centers, and, on a far more complex level, global cities. This produces a specific geography of globalization and underlines the extent to which it is not a planetary event encompassing all of the world.¹ It is, furthermore, a changing geography, one that has changed over the last few centuries and over the last few decades.² Most recently, this changing geography has come to include electronic space.

The geography of globalization contains both a dynamic of dispersal and of centralization, a condition that is only now beginning to receive recognition.³ The massive trends towards the spatial dispersal of economic activities at the metropolitan, national, and global levels that we associate with globalization have

contributed to a demand for new forms of territorial centralization of top-level management and control operations. The spatial dispersal of economic activity made possible by telematics⁴ contributes to an expansion of central functions *if* this dispersal is to take place under the continuing concentration in control, ownership, and profit appropriation that characterizes the current economic system.⁵

National and global markets as well as globally integrated organizations require central places where the work of globalization gets done.⁶ Further, information industries also require a vast physical infrastructure containing strategic nodes with hyperconcentration of facilities; we need to distinguish between the capacity for global transmission/communication and the material conditions that make this possible. Finally, even the most advanced information industries have a production process that is at least partly place-bound because of the combination of resources it requires even when the outputs are hypermobile.

Further, the vast new economic topography that is being implemented through electronic space is one moment, one fragment, of an even more vast economic chain that is in good part embedded in non-electronic spaces. There is no fully dematerialized firm or industry. Even the most advanced information industries, such as finance, are installed only partly in electronic space. And so are industries that produce digital products, such as software designers. The growing digitalization of economic activities has not eliminated the need for major international business and financial centers and all the material resources they concentrate, from state of the art telematics infrastructure to brain talent (Castells 1989; Graham and Marvin 1996; Sassen 1998, chapter 9).⁷

In my research I have conceptualized cities as production sites for the leading information industries of our time in order to emphasize the infrastructure of activities, firms, and jobs that is necessary to run the advanced corporate economy, including its globalized sectors.⁸ These industries are typically conceptualized in terms of the hypermobility of their outputs and the high levels of expertise of their professionals rather than in terms of the production process involved and the requisite infrastructure of facilities and non-expert jobs that are also part of these industries. A detailed analysis of service-based urban economies shows that there is considerable articulation of firms, sectors, and workers who may appear as though they have little connection to an urban economy dominated by finance and specialized services, but in fact fulfill a series of functions that are an integral part of that economy. They do so, however, under conditions of sharp social, earnings, and often racial/ethnic segmentation (Sassen 2000a, chapters 8 and 9).

In the day-to-day work of the leading services complex dominated by finance, a large share of the jobs involved are lowly paid and manual, many held by women and immigrants. Although these types of workers and jobs are never represented as part of the global economy, they are in fact part of the infrastructure of jobs involved in running and implementing the global economic system,

including such an advanced form of it as international finance.⁹ The top end of the corporate economy—the corporate towers that project engineering expertise, precision, “techne”—is far easier to mark as necessary for an advanced economic system than are truckers and other industrial service workers, even though these are a necessary ingredient.¹⁰ We see here at work a dynamic of valorization that has sharply increased the distance between the devalorized and the valorized, indeed overvalorized, sectors of the economy.¹¹

A New Geography of Centers and Margins

The ascendance of information industries and the growth of a global economy, both inextricably linked, have contributed to a new geography of centrality and marginality. This new geography partly reproduces existing inequalities but also is the outcome of a dynamic specific to current forms of economic growth. It assumes many forms and operates in many arenas, from the distribution of telecommunications facilities to the structure of the economy and of employment. Global cities accumulate immense concentrations of economic power while cities that were once major manufacturing centers suffer inordinate declines; the downtowns of cities and business centers in metropolitan areas receive massive investments in real estate and telecommunications while low-income urban and metropolitan areas are starved for resources; highly educated workers in the corporate sector see their incomes rise to unusually high levels while low- or medium-skilled workers see theirs sink. Financial services produce superprofits while industrial services barely survive.¹²

The most powerful of these new geographies of centrality at the global level bind the major international financial and business centers: New York, London, Tokyo, Paris, Frankfurt, Zurich, Amsterdam, Los Angeles, Sydney, Hong Kong, among others. But this geography now also includes cities such as Bangkok, Taipei, Sao Paulo, and Mexico City (Sassen 2000). The intensity of transactions among these cities, particularly through the financial markets, trade in services, and investment has increased sharply, and so have the orders of magnitude involved (e.g., Noyelle and Dutka 1988; Knox 1995).¹³ At the same time, there has been a sharpening inequality in the concentration of strategic resources and activities between each of these cities and others in the same country.¹⁴

Alongside these new global and regional hierarchies of cities is a vast territory that has become increasingly peripheral, increasingly excluded from the major economic processes that are seen as fueling economic growth in the new global economy. Formerly important manufacturing centers and port cities have lost functions and are in decline, not only in the less developed countries but also in the most advanced economies. Similarly in the valuation of labor inputs: the overvalorization of specialized services and professional workers has marked many of the “other” types of economic activities and workers as unnecessary or irrelevant to an advanced economy.

There are other forms of this segmented marking of what is and what is not an instance of the new global economy. For instance, the mainstream account about globalization recognizes that there is an international professional class of workers and highly internationalized business environments due to the presence of foreign firms and personnel. What has not been recognized is the possibility that we are seeing an internationalized labor market for low-wage manual and service workers; or that there is an internationalized business environment in many immigrant communities. These processes continue to be couched simply in terms of immigration, a narrative rooted in an earlier historical period.

This signals that there are representations of the global or the transnational that have not been recognized as such or are contested representations. Among these is the question of immigration, as well as the multiplicity of work environments it contributes in large cities, often subsumed under the notion of the ethnic economy and the informal economy. Much of what we still narrate in the language of immigration and ethnicity I contend is actually a series of processes having to do with (a) the globalization of economic activity, of cultural activity, of identity formation, and (b) the increasingly marked racialization of labor market segmentation so that the components of the production process in the advanced global information economy taking place in immigrant work environments are components not recognized as part of that global information economy. Immigration and ethnicity are constituted as otherness. Understanding them as a set of processes whereby global elements are *localized*, international labor markets are constituted, and cultures from all over the world are de- and re-territorialized, puts them right there at the center along with the internationalization of capital as a fundamental aspect of globalization.

How have these new processes of valorization and devalorization and the inequalities they produce come about? This is the subject addressed in the next section.

Elements of a New Socio-Spatial Order

The implantation of global processes and markets in major cities has meant that the internationalized sector of the urban economy has expanded sharply and has imposed a new set of criteria for valuing or pricing various economic activities and outcomes. This has had devastating effects on large sectors of the urban economy. It is not simply a quantitative transformation; we see here the elements for a new economic regime.

These tendencies towards polarization assume distinct forms in (a) the spatial organization of the urban economy, (b) the structures for social reproduction, and (c) the organization of the labor process. In these trends towards multiple forms of polarization lie conditions for the creation of employment-centered urban poverty and marginality, and for new class formations.

The ascendance of the specialized services-led economy, particularly the new finance and services complex, engenders what may be regarded as a new

economic regime because, although this sector may account for only a fraction of the economy of a city, it imposes itself on that larger economy. One of these pressures is towards polarization, as is the case with the possibility for superprofits in finance, which contributes to devalorize manufacturing and low-value added services insofar as these sectors cannot generate the super-profits typical in much financial activity.

The super-profit-making capacity of many of the leading industries is embedded in a complex combination of new trends: technologies that make possible the hypermobility of capital at a global scale and the deregulation of multiple markets that allows for implementing that hypermobility; financial inventions such as securitization that liquify hitherto unliquid capital and allow it to circulate and hence make additional profits; the growing demand for services in all industries along with the increasing complexity and specialization of many of these inputs, which has contributed to their valorization and often overvalorization, as illustrated in the unusually high salary increases beginning in the 1980s for top level professionals and CEOs. Globalization further adds to the complexity of these services, their strategic character, their glamour, and therewith to their overvalorization.

The presence of a critical mass of firms with extremely high profit-making capabilities contributes to bid up the prices of commercial space, industrial services, and other business needs, and thereby makes survival for firms with moderate profit-making capabilities increasingly precarious. And while the latter are essential to the operation of the urban economy and the daily needs of residents, their economic viability is threatened in a situation where finance and specialized services can earn super-profits. High prices and profit levels in the internationalized sector and its ancillary activities, such as top-of-the-line restaurants and hotels, make it increasingly difficult for other sectors to compete for space and investments. Many of these other sectors have experienced considerable downgrading and/or displacement—for example, the replacement of neighborhood shops tailored to local needs by upscale boutiques and restaurants catering to new high-income urban elites.

Inequality in the profit-making capabilities of different sectors of the economy has always existed. But what we see happening today takes place on another order of magnitude and is engendering massive distortions in the operations of various markets, from housing to labor. For instance, the polarization among firms and households and in the spatial organization of the economy contribute, in my reading, towards the informalization of a growing array of economic activities in advanced urban economies. When firms with low or modest profit-making capacities experience an ongoing if not increasing demand for their goods and services from households and other firms in a context where a significant sector of the economy makes super-profits, they often cannot compete even though there is an effective demand for what they produce. Operating informally is often one of the few ways in which such firms can

survive: for example, using spaces not zoned for commercial or manufacturing uses, such as basements in residential areas, or space that is not up to code in terms of health, fire, and other such standards. Similarly, new firms in low-profit industries entering a strong market for their goods and services may only be able to do so informally. Another option for firms with limited profit-making capabilities is to subcontract part of their work to informal operations.¹⁵

The recomposition of the sources of growth and of profit-making entailed by these transformations also contributes to a reorganization of some components of social reproduction or consumption. While the middle strata still constitute the majority, the conditions that contributed to their expansion and politico-economic power in the post-war decades—the centrality of mass production and mass consumption in economic growth and profit realization—have been displaced by new sources of growth.

The rapid growth of industries with strong concentration of high and low income jobs has assumed distinct forms in the consumption structure, which in turn has a feedback effect on the organization of work and the types of jobs being created. The expansion of the high-income work force in conjunction with the emergence of new cultural forms have led to a process of high-income gentrification that rests, in the last analysis, on the availability of a vast supply of low-wage workers.

In good part the consumption needs of the low-income population in large cities are met by manufacturing and retail establishments that are small, rely on family labor, and often fall below minimum safety and health standards. Cheap, locally produced sweatshop garments, for example, can compete with low-cost Asian imports. A growing range of products and services, from low-cost furniture made in basements to “gypsy cabs” and family daycare is available to meet the demand for the growing low-income population.

One way of conceptualizing informalization in advanced urban economies today is to posit it as the systemic equivalent of what we call deregulation at the top of the economy (See Sassen 1998, chapter 8). Both the deregulation of a growing number of leading information industries and the informalization of a growing number of sectors with low profit-making capacities can be conceptualized as adjustments under conditions where new economic developments and old regulations enter into growing tension.¹⁶ “Regulatory fractures” is one concept I have used to capture this condition.

We can think of these development as constituting new geographies of centrality and marginality that cut across the old divide of poor/rich countries, and new geographies of marginality that have become increasingly evident not only in the less developed world but inside highly developed countries. Inside major cities in both the developed and developing world we see a new geography of centers and margins that not only strengthens existing inequalities but sets in motion a whole series of new dynamics of inequality.

The Localizations of the Global

Economic globalization, then, needs to be understood also in its multiple localizations, rather than only in terms of the broad, overarching macro level processes that dominate the mainstream account. Further, we need to see that some of these localizations are not generally acknowledged as having anything to do with the global economy. The global city can be seen as one strategic instantiation of such multiple localizations.

Here I want to focus on localizations of the global that are marked by those two features. Many of these localizations are embedded in the demographic transition evident in such cities, where a majority of resident workers are today immigrants and women, often women of color. These cities are experiencing an expansion of low-wage jobs that do not fit the master images about globalization yet are part of it. Their embeddedness in the demographic transition evident in all these cities, and their consequent invisibility, contribute to the devalorization of these types of workers and work cultures and to the “legitimacy” of that devalorization.

This can be read as a rupture of the traditional dynamic whereby membership in leading economic sectors contributes conditions towards the formation of a labor aristocracy—a process long evident in western industrialized economies. “Women and immigrants” come to replace the Fordist/family wage category of “women and children” (Sassen 1998, chapter 5).¹⁷ One of the localizations of the dynamics of globalization is the process of economic restructuring in global cities. The associated socio-economic polarization has generated large growth in the demand for low-wage workers and for jobs that offer few advancement possibilities. This has occurred amidst an explosion in the wealth and power concentrated in these cities—that is to say, in conditions where there is also a visible expansion in high-income jobs and high-priced urban space.

“Women and immigrants” emerge as the labor supply that facilitates the imposition of low wages and powerlessness under conditions of high demand for those workers and the location of those jobs in high-growth sectors. It breaks the historic nexus that would have led to empowering workers and legitimates this break culturally.

Another localization that is rarely associated with globalization—informalization—re-introduces the community and the household as an important economic space in global cities. I see informalization in this setting as the low-cost (and often feminized) equivalent of deregulation at the top of the system. As with deregulation (e.g., as in financial deregulation), informalization introduces flexibility, reduces the “burdens” of regulation, and lowers costs, in this case especially the costs of labor. Informalization in major cities of highly developed countries—whether New York, London, Paris or Berlin—can be seen as a downgrading of a variety of activities for which there is an effective demand in these cities—but also a devaluing and enormous competition given low entry costs and few alternative forms of employment. Going informal is one way of

producing and distributing goods and services at a lower cost and with greater flexibility. This further devalues these types of activities. Thus, immigrants and women are important actors in the new informal economies of these cities who absorb the costs of informalizing these activities (See Sassen 1998, chapter 8).

The reconfiguration of economic spaces associated with globalization in major cities has had differential impacts on women and men, on male-typed and female-typed work cultures, on male and female centered forms of power and empowerment. The restructuring of the labor market brings with it a shift of labor market functions to the household or community. Women and households emerge as sites that should be part of the theorization of the particular forms that these elements in labor market dynamics assume today.

These transformations contain possibilities, even if limited, for women's autonomy and empowerment. For instance, we might ask whether the growth of informalization in advanced urban economies reconfigures some types of economic relations between men and women. With informalization, the neighborhood and the household re-emerge as sites for economic activity. This condition has its own dynamic possibilities for women. Economic downgrading through informalization creates "opportunities" for low-income women entrepreneurs and workers, and therewith reconfigures some of the work and household hierarchies in which women find themselves. This becomes particularly clear in the case of immigrant women who come from countries with traditional male-centered cultures.

There is a literature showing that immigrant women's regular wage work and improved access to other public realms has an impact on their gender relations (Grasmuck and Pessar 1991; Pessar 1995; Mahler 1995; Castro 1987; Hondagneu-Sotelo 1994; Boyd 1989; Bose and Acosta-Belen 1995; but for a different set of findings see Prieto 1992; Fernandez Kelly and Garcia 1992). Women gain greater personal autonomy and independence while men lose ground. Women gain more control over budgeting and other domestic decisions, and greater leverage in requesting help from men in domestic chores. Also, their access to public services and other public resources gives them a chance to become more fully incorporated into the mainstream society—they are often the ones in the household who mediate in this process. It is likely that some women benefit more than others from these circumstances; we need more research to establish the impact of class, education, and income on these gendered outcomes. Besides the relatively greater empowerment of women in the household associated with waged employment, there is a second important outcome: their greater participation in the public sphere and their possible emergence as public actors.

There are two arenas where immigrant women are active: institutions for public and private assistance, and the immigrant/ethnic community. The incorporation of women into the migration process strengthens the settlement likelihood and contributes to greater immigrant participation in their communities and vis-a-vis the state. For instance, Hondagneu-Sotelo (1995) found immigrant

women come to assume more active public and social roles, which further reinforces their status in the household and the settlement process. Women are more active in community building and community activism and they are positioned differently from men regarding the broader economy and the state. They are the ones that are likely to have to handle the legal vulnerability of their families in the process of seeking public and social services for their families. This greater participation by women suggests the possibility that they may emerge as more forceful and visible actors and make their role in the labor market more visible as well.

There is, to some extent, a joining of two different dynamics in the condition of women in global cities described above. On the one hand they are constituted as an invisible and disempowered class of workers in the service of the strategic sectors constituting the global economy. This invisibility keeps them from emerging as whatever would be the contemporary equivalent of the “labor aristocracy” of earlier forms of economic organization, when a low-wage worker position in leading sectors had the effect of empowering that worker—i.e., by enhancing the possibility of unionizing. On the other hand, the access to (albeit low) wages and salaries, the growing feminization of the job supply, and the growing feminization of business opportunities brought about with informalization do alter the gender hierarchies in which they find themselves.¹⁸

The Global City: A Nexus for New Politico-Economic Alignments

What makes the localization of the above described processes strategic, even though they involve powerless and often invisible workers, and potentially constitutive of a new kind of transnational politics is that these same cities are also the strategic sites for the valorization of the new forms of global corporate capital as described in the first section of this article.

Typically the analysis about the globalization of the economy privileges the reconstitution of capital as an internationalized presence; it emphasizes the vanguard character of this reconstitution. At the same time it remains absolutely silent about another crucial element of this transnationalization, one that some, like myself, see as the counterpart of that of capital: this is the transnationalization of labor. As I suggested above, we are still using the language of immigration to describe this process.¹⁹ Second, that analysis overlooks the transnationalization in the formation of identities and loyalties among various population segments that explicitly reject the imagined community of the nation. With this come new solidarities and notions of membership. Major cities have emerged as a strategic site for both the transnationalization of labor and the formation of transnational identities. In this regard they are a site for new types of political operations.

Cities are the terrain where people from many different countries are most likely to meet and a multiplicity of cultures come together. The international character of major cities lies not only in their telecommunication infrastructure

and international firms; it lies also in the many different cultural environments in which these workers exist. One can no longer think of centers for international business and finance simply in terms of the corporate towers and corporate culture at its center. Today's global cities are in part the spaces of post-colonialism and indeed contain conditions for the formation of a postcolonialist discourse (See Hall 1991; King 1990).²⁰

The large Western city of today concentrates diversity. Its spaces are inscribed with the dominant corporate culture but also with a multiplicity of other cultures and identities. The slippage is evident: the dominant culture can encompass only part of the city.²¹ And while corporate power inscribes these cultures and identities with "otherness," thereby devaluing them, they are present everywhere. For instance, through immigration a proliferation of originally highly localized cultures now have become presences in many large cities, cities whose elites think of themselves as cosmopolitan—that is, transcending any locality. An immense array of cultures from around the world, each rooted in a particular country or village, now are reterritorialized in a few single places, places such as New York, Los Angeles, Paris, London, and most recently Tokyo.²²

Immigration and ethnicity are too often constituted as "otherness." Understanding them as a set of processes whereby global elements are localized, international labor markets are constituted, and cultures from all over the world are deterritorialized, puts them right there at the center of the stage along with the internationalization of capital as a fundamental aspect of globalization today.

The specific forms of the internationalization of capital we see over the last twenty years have contributed to mobilize people into migration streams—regional, national, transnational (Sassen 1998, Part One). They have done so principally through the implantation of western development strategies, from the replacement of small-holder agriculture with export-oriented commercial agriculture and export manufacturing, to the westernization of educational systems. At the same time, the administrative, commercial, and development networks of the former European empires and the newer forms these networks assumed under the Pax Americana (international direct foreign investment, export processing zones, wars for democracy) have not only created bridges for the flow of capital, information, and high level personnel from the center to the periphery, but, I argue, also for the flow of migrants from the periphery to the center. See, for example, Hall's account of the post-war influx of people from the Commonwealth into Britain and his description of how England and Englishmen were so present in his native Jamaica as to make people feel that London was the capital where they were all headed to sooner or later (1997).

Similarly, the renewal of mass immigration into the United States in the 1960s, after five decades of little or no immigration, took place in a context of expanded U.S. economic and military activity in Asia and the Caribbean Basin. Today, the United States is at the heart of an international system of investment and production that has incorporated not only Mexico but areas in the Caribbean

and Southeast Asia. In the 1960s and 1970s, the United States played a crucial role in the development of a world economic system. It passed legislation aimed at opening its own and other countries' economies to the flow of capital, goods, services, and information. The central military, political, and economic role the United States played in the emergence of a global economy contributed, I argue, both to the creation of conditions that mobilized people into migrations, whether local or international, and to the formation of links between the United States and other countries that subsequently were to serve as bridges for international migration. Measures commonly thought to deter emigration—foreign investment and the promotion of export-oriented growth in developing countries—seem to have had precisely the opposite effect. Among the leading senders of immigrants to the United States in the 1970s and 1980s have been several of the newly industrialized countries of South and Southeast Asia whose extremely high growth rates are generally recognized to be a result of foreign direct investment in export manufacturing.

This way of narrating the migration events of the post-war era captures the ongoing weight of colonialism and post-colonial forms of empire on major processes of globalization today, and specifically those binding emigration and immigration countries. While the specific genesis and contents of their responsibility will vary from case to case and period to period, none of the major immigration countries are innocent bystanders.

The centrality of place in a context of global processes engenders a transnational economic and political opening in the formation of new claims and hence in the constitution of entitlements, notably rights to place, and, at the limit, in the constitution of "citizenship." The city has indeed emerged as a site for new claims: by global capital, which uses the city as an "organizational commodity," but also by disadvantaged sectors of the urban population, frequently as internationalized a presence in large cities as capital.

I see this as a type of political opening that contains unifying capacities across national boundaries and sharpening conflicts within such boundaries. Global capital and the new immigrant workforce are two major instances of transnationalized categories that have unifying properties internally and find themselves in contestation with each other inside global cities. Global cities are the sites for the over-valorization of corporate capital and the devalorization of disadvantaged workers. The leading sectors of corporate capital are now global, in both their organization and operations. And many of the disadvantaged workers in global cities are women, immigrants, people of color. Both find in the global city a strategic site for their economic and political operations.

The linkage of people to territory as constituted in global cities is far less likely to be intermediated by the national state or "national culture." We are seeing a loosening of identities from what have been traditional sources of identity, such as the nation or the village (Yaeger 1996). This unmooring in the process of identity formation engenders new notions of community, of membership, and of entitlement.

Yet another way of thinking about the political implications of this strategic transnational space is the notion of the formation of new claims on that space. Has economic globalization at least partly shaped the formation of claims?²³ There are indeed major new actors making claims on these cities, notably foreign firms that have been increasingly entitled to do business through progressive deregulation of national economies, and the large increase over the last decade in international businesspeople. These are among the new city users. They have profoundly marked the urban landscape. Perhaps at the other extreme are those who use urban political violence to make their claims on the city, claims that lack the *de facto* legitimacy enjoyed by the new “city users.” These are claims made by actors struggling for recognition and entitlement, claiming their rights to the city.²⁴

There is something to be captured here—a distinction between powerlessness and a condition of being an actor or political subject even though lacking power. I use the term presence to name this condition. In the context of a strategic space such as the global city, the types of disadvantaged people described here are not simply marginal; they acquire presence in a broader political process that escapes the boundaries of the formal polity. This presence signals the possibility of a politics. What this politics will be will depend on the specific projects and practices of various communities. Insofar as the sense of membership of these communities is not subsumed under the national, it may well signal the possibility of a transnational politics centered in concrete localities.

Conclusion

Large cities around the world are the terrain where a multiplicity of globalization processes assume concrete, localized forms. These localized forms are, in good part, what globalization is about. If we consider, further, that large cities also concentrate a growing share of disadvantaged populations—immigrants in Europe and the United States, African-Americans and Latinos in the United States, masses of shanty dwellers in the megacities of the developing world—then we can see that cities have become a strategic terrain for a whole series of conflicts and contradictions.

We can then think of cities also as one of the sites for the contradictions of the globalization of capital. On the one hand they concentrate a disproportionate share of corporate power and are one of the key sites for the overvalorization of the corporate economy; on the other, they concentrate a disproportionate share of the disadvantaged and are one of the key sites for their devalorization. This joint presence happens in a context where (1) the transnationalization of economies has grown sharply and cities have become increasingly strategic for global capital; and (2) marginalized people have increasingly found their voice and are making claims on the city as well. This joint presence is further brought into focus by the sharpening of the distance between the two.

These joint presences have made cities a contested terrain. The global city concentrates diversity. Its spaces are inscribed with the dominant corporate

culture but also with a multiplicity of other cultures and identities, notably through immigration. The slippage is evident: the dominant culture can encompass only part of the city. And while corporate power inscribes noncorporate cultures and identities with “otherness,” thereby devaluing them, they are present everywhere. The immigrant communities and informal economy in cities such as New York and Los Angeles are only two instances.

The space constituted by the global grid of global cities, a space with new economic and political potentialities, is perhaps one of the most strategic spaces for the formation of new types, including transnational, of identities and communities. This is a space that is both place-centered in that it is embedded in particular and strategic sites; and it is transterritorial because it connects sites that are not geographically proximate yet intensely connected to each other. It is not only the transmigration of capital that takes place in this global grid, but also that of people, both rich—i.e., the new transnational professional workforce—and poor—i.e., most migrant workers; it is also a space for the transmigration of cultural forms, for the reterritorialization of “local” subcultures. An important question is whether it is also a space for a new politics, one going beyond the politics of culture and identity, though at least partly likely to be embedded in these. The analysis presented in this article suggests that it is.

The centrality of place in a context of global processes engenders a transnational economic and political opening in the formation of new claims and hence in the constitution of entitlements, notably rights to place, and, at the limit, in the constitution of new forms of “citizenship” and a diversity of citizenship practices. The global city has emerged as a site for new claims: by global capital, which uses the city as an “organizational commodity,” but also by disadvantaged sectors of the urban population, frequently as internationalized a presence in large cities as capital. The de-nationalizing of urban space and the formation of new claims centered in transnational actors and involving contestation constitute the global city as a frontier zone for a new type of engagement.

Notes

1. Globalization is also a process that produces differentiation, but the alignment of differences is of a very different kind from that associated with such differentiating notions as national character, national culture, national society. For example, the corporate world today has a global geography, but it isn't everywhere in the world: in fact it has highly defined and structured spaces; second, it also is increasingly sharply differentiated from non-corporate segments in the economies of the particular locations (a city such as New York) or countries where it operates. There is homogenization along certain lines that cross national boundaries and sharp differentiation inside these boundaries.

2. We need to recognize the specific historical conditions for different conceptions of the international or the global. There is a tendency to see the internationalization of the economy as a process operating at the center, embedded in the power of the multinational corporations today and colonial enterprises in the past. One could note that the economies of many peripheral countries are thoroughly internationalized due to high levels of foreign investments in all economic sectors, and of heavy dependence on world markets for “hard” currency. What center countries have is strategic concentrations of firms and markets that operate globally, the capability for global control and coordination, and power. This is a very different form of the international from that which we find in peripheral countries.

3. This proposition lies at the heart of my model of the global city (See Sassen 2000a, chapter 1).

4. By telematics I refer to telecommunications and computer technologies that allow for instantaneous transmission of information over short and long distances.

5. More conceptually, we can ask whether an economic system with strong tendencies towards such concentration can have a space economy that lacks points of physical agglomeration. That is to say, does power, in this case economic power, have spatial correlates?

6. I see the producer services, and most especially finance and advanced corporate services, as industries producing the organizational commodities necessary for the implementation and management of global economic systems (Sassen 2000, chapters 2-5). Producer services are intermediate outputs, that is, services bought by firms. They cover financial, legal, and general management matters, innovation, development, design, administration, personnel, production technology, maintenance, transport, communications, wholesale distribution, advertising, cleaning services for firms, security, and storage. Central components of the producer services category are a range of industries with mixed business and consumer markets; they are insurance, banking, financial services, real estate, legal services, accounting, and professional associations.

7. Telematics and globalization have emerged as fundamental forces reshaping the organization of economic space. This reshaping ranges from the spatial virtualization of a growing number of economic activities to the reconfiguration of the geography of the built environment for economic activity. Whether in electronic space or in the geography of the built environment, this reshaping involves organizational and structural changes.

8. Methodologically speaking, this is one way of addressing the question of the unit of analysis in studies of contemporary economic processes. "National economy" is a problematic category when there are high levels of internationalization. And "world economy" is a problematic category because of the impossibility of engaging in detailed empirical study at that scale. Highly internationalized cities such as New York or London offer the possibility of examining globalization processes in great detail, within a bounded setting, and with all their multiple, often contradictory aspects. King (1990) notes the need to differentiate the international and the global. In many ways the concept of the global city does that.

9. A methodological tool I find useful for this type of examination is what I call circuits for the distribution and installation of economic operations. These circuits allow me to follow economic activities into terrains that escape the increasingly narrow borders of mainstream representations of "the advanced economy" and to negotiate the crossing of socio-culturally discontinuous spaces.

10. This is illustrated by the following event. When the first acute stock market crisis happened in 1987 after years of enormous growth, there were numerous press reports about the sudden and massive unemployment crisis among high-income professionals on Wall Street. The other unemployment crisis on Wall Street, affecting secretaries and blue collar workers, was never noticed nor reported upon. And yet, the stock market crash created a very concentrated unemployment crisis, for instance, in the Dominican immigrant community in northern Manhattan where a lot of the Wall Street janitors live.

11. For me as a political economist, addressing these issues has meant working in several systems of representation and constructing spaces of intersection. There are analytic moments when two systems of representation intersect. Such analytic moments are easily experienced as spaces of silence, of absence. One challenge is to see what happens in those spaces, what operations (analytic, of power, of meaning) take place there. One version of these spaces of intersection is what I have called analytic borderlands (Sassen 1998, chapter 1). Why borderlands? Because they are spaces that are constituted in terms of discontinuities; in them discontinuities are given a terrain rather than reduced to a dividing line (see Sassen 2000b).

12. There is by now a vast literature documenting one or another of these various aspects. (See generally, Fairstein et al. 1993; see Abu-Lughod 1999 on New York, Chicago, and Los Angeles, which she defines as the three U.S. global cities.)

13. Whether this has contributed to the formation of transnational urban systems is subject to debate. The growth of global markets for finance and specialized services, the need for transnational servicing networks due to sharp increases in international investment, the reduced role of the government in the regulation of international economic activity, and the corresponding ascendance of other institutional arenas, notably global markets and corporate headquarters—all these point to the existence of transnational economic arrangements with locations in more than one country. These cities are not merely competing with each other for market share, as is often asserted or assumed; there is a division of labor that incorporates cities of multiple countries, and in this regard we can speak of a global system (e.g., in finance) as opposed to simply an international system (See Sassen 2000a, chapters 1-4, 7). We can see here the formation, at least incipient, of a transnational urban system.

14. Further, the pronounced orientation to the world markets evident in such cities raises questions about the articulation with their nation-states, their regions, and the larger economic and social structure in such cities. Cities have typically been deeply embedded in the economies of their region, indeed often reflecting the characteristics of the latter; and they still do. But cities that are strategic sites in the global economy tend, in part, to disconnect from their region. This conflicts with a key proposition in traditional scholarship about urban systems, namely, that these systems promote the territorial integration of regional and national economies.

15. More generally, we are seeing the formation of new types of labor market segmentation. Two characteristics stand out. One is the weakening role of the firm in structuring the employment relation. More is left to the market. A second form in this restructuring of the labor market is what could be described as the shift of labor market functions to the household or community.

16. Linking informalization and growth takes the analysis beyond the notion that the emergence of informal sectors in cities like New York and Los Angeles is caused by the presence of immigrants and their propensities to replicate survival strategies typical of Third World countries. Linking informalization and growth also takes the analysis beyond the notion that unemployment and recession generally may be the key factors promoting informalization in the current phase of highly industrialized economies. It may point to characteristics of advanced capitalism that are not typically noted. For an excellent collection of recent work focusing on the informal economy in many different countries, see Parnreiter et al. (1997).

17. This newer case brings out more brutally than did the Fordist contract, the economic significance of these types of actors, a significance veiled or softened in the case of the Fordist contract through the provision of the family wage.

18. Another important localization of the dynamics of globalization is that of the new professional women stratum. Elsewhere I have examined the impact of the growth of top level professional women in high income gentrification in these cities—both residential and commercial—as well as in the re-urbanization of middle class family life (See Sassen 1998, chapter 9).

19. This language is increasingly constructing immigration as a devalued process insofar as it describes the entry of people from generally poorer, disadvantaged countries, in search of the better lives that the receiving country can offer; it contains an implicit valorization of the receiving country and a devalorization of the sending country.

20. An interesting question concerns the nature of internationalization today in ex-colonial cities. King's (1990b, 78) analysis of the distinctive historical and unequal conditions in which the notion of the "international" was constructed is extremely important. King shows us how during the time of empire, some of the major old colonial centers were far more internationalized than the metropolitan centers. Internationalization as used today is assumed to be rooted in the experience of the center. This brings up a parallel contemporary blindspot well captured in Hall's (1997) observation that contemporary post-colonial and post-imperialist critiques have emerged in the former centers of empires and they are silent about a range of conditions evident today in ex-colonial cities or countries. Yet another such blindspot is the idea that the international migrations now directed largely to the center from former colonial territories, and neo-colonial territories in the case of the United States, and most recently Japan, might be the correlate of the internationalization of capital that began with colonialism.

21. There are many different forms that such contestation and "slippage" can assume. Global mass culture homogenizes and is capable of absorbing an immense variety of local cultural elements. But this process is never complete. The opposite is the case in my analysis of data on electronic manufacturing, which shows that employment in lead sectors no longer inevitably constitutes membership in a labor aristocracy. Thus Third World women working in export processing zones are not empowered: capitalism can work through difference. Yet another case is that of "illegal" immigrants; here we see that national boundaries have the effect of creating and criminalizing difference. These kinds of differentiations are central to the formation of a world economic system (Wallerstein 1990).

22. Tokyo now has several, mostly working-class, concentrations of legal and illegal immigrants coming from China, Bangladesh, Pakistan, Philippines. This is quite remarkable in view of Japan's legal and cultural closure to immigrants. Is this simply a function of poverty in those countries? By itself it is not enough of an explanation, as they have long had poverty. I posit that the internationalization of the Japanese economy, including specific forms of investment in those countries and Japan's growing cultural influence there have created bridges between those countries and Japan, and have reduced the subjective distance with Japan (See Sassen 2000, 307-315).

23. For a different combination of these elements see e.g., Dunn (1994).

24. Body-Gendrot (1999) shows how the city remains a terrain for contest, characterized by the emergence of new actors, often younger and younger. It is a terrain where the constraints placed upon, and the institutional limitations of, governments to address the demands for equity engenders social disorders. She argues that urban political violence should not be interpreted as a coherent ideology but rather as an element of temporary political tactics, which permits vulnerable actors to enter into interaction with the holders of power on terms that will be somewhat more favorable to the weak.

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