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GLOBALIZATION
AND ITS
DISCONTENTS

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I

INTRODUCTION: WHOSE CITY IS IT? GLOBALIZATION AND THE FORMATION OF NEW CLAIMS

One of the organizing themes in this collection is that place is central to many of the circuits through which economic globalization is constituted. One strategic type of place for these developments, and the one focused on here, is the city. Including cities in the analysis of economic globalization is not without conceptual consequences. Economic globalization has mostly been represented in terms of the duality of national-global where the global gains power and advantages at the expense of the national. And it has largely been conceptualized in terms of the internationalization of capital and then only the upper circuits of capital, notably finance. Introducing cities into an analysis of economic globalization allows us to reconceptualize processes of economic globalization as concrete economic complexes situated in specific places. A focus on cities decomposes the national economy into a variety of subnational components, some profoundly articulated with the global economy and others not. It also signals the declining significance of the national economy as a unitary category. To some extent it was only a unitary category in political discourse and policy; the modern nation-state has always had economic actors and practices that were transnational. Nonetheless, over the last fifteen years we can see a profoundly different phase, one where national economies are less and less a unitary category in the face of the new forms of globalization.

Why does it matter to recover place in analyses of the global economy, particularly place as 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 an 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, I can examine the possibility of a new politics of traditionally disadvantaged actors operating in this new transnational economic geography—from factory workers in export-processing zones to cleaners on Wall Street. This is a politics that lies at the intersection of 1) the actual economic participation of many disadvantaged workers in the global economy and 2) political systems and rhetorics that can only represent and valorize corporate actors as participants.

If place, that is, a certain type of place, is central in the global economy, we can posit a transnational economic and political opening for the formation of new claims and hence for the constitution of entitlements, notably rights to place, and more radically, for 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, which in large cities are frequently as internationalized a presence as is capital. The denationalizing of urban space and the formation of new claims by transnational actors and involving contestation, raise the question—whose city is it?

I see this as a type of political opening with unifying capacities across national boundaries and sharpening conflicts within such boundaries. Global capital and the new immigrant workforce are two major instances of transnational categories/actors that have unifying properties across borders and find themselves in contestation with each other inside global cities. Global cities are sites for the overvaluation of corporate capital and the further devaluation of dis-

in the organization of advanced economies: firms in all industries, from mining to wholesaling buy more accounting, legal, advertising, financial, and economic forecasting services today than twenty years ago. Whether at the global or regional level, cities are adequate and often the best production sites for such specialized services. The rapid growth and disproportionate concentration of such services in cities signals that the latter have reemerged as significant production sites after losing this role in the period when mass manufacturing was the dominant sector of the economy.

- 3 Such informal arrangements can be interpreted as a negotiation between 1) these new economic trends, and 2) existing regulatory frameworks that were developed in response to older economic conditions.
- 4 Furthermore, this unchanged level of concentration has happened at a time when financial services are more mobile than ever before: globalization, deregulation (an essential ingredient for globalization), and securitization have been the key to this mobility – in the context of massive advances in telecommunications and electronic networks. (Securitization is the transformation of hitherto “unliquid capital” into tradeable instruments, a process that took off dramatically in the 1980s). One result is growing competition among centers for hypermobile financial activity. In my view there has been an overemphasis on competition in general and in specialized accounts on this subject. As I have argued elsewhere (Sassen 1991, chap. 7), there is also a functional division of labor among various major financial centers. In this sense we can think of a transnational system with multiple locations.
- 5 For example, international bank lending grew from US\$1.89 trillion in 1980 to US\$6.24 trillion in 1991 – a fivefold increase in a mere ten years. Three cities (New York, London, and Tokyo) account for forty-two percent of all such international lending in 1980 and for forty-one percent in 1991 according to data from the Bank of International Settlements, the leading institution worldwide in charge of overseeing banking activity. There were compositional changes: Japan’s share rose from 7.2 percent to 15.1 percent and Britain’s fell from 26.2 percent to 10.3 percent; the U.S. share remained constant. All increased in absolute terms. Beyond these three, Switzerland, France, Germany, and Luxembourg bring the total share of the top centers to sixty-four percent in 1991, which is just about the same share these countries had in 1980. One city, Chicago, dominates the world’s trading in futures, accounting for 60 percent of worldwide contracts in options and futures in 1991.
- 6 In this context it is worth noting that the discussion around the formation of a single European market and financial system has raised the possibility, and even the need if it is to be competitive, of centralizing financial functions and capital in a limited number of cities rather than maintaining the current structure in which each country has a city that aspires to become a major international financial center.
- 7 An issue that is emerging as significant in view of the spread of Western legal concepts is the critical examination of the philosophical premises about authorship and property that define the legal arena in the West. See Coombe 1995.
- 8 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. And it lacks some of the positive connotations historically associated with immigrants.
- 9 There are many different forms such contestation and “slippage” can assume. See King 1996; Dunn 1994; *Social Justice* 1997. Global mass culture homogenizes and is capable of absorbing an immense variety of local cultural elements. But this process is never complete. I have found the opposite dynamic in the manufacturing of electronic components which shows that employment in lead sectors no longer inevitably absorbs workers into a labor aristocracy. Thus, Third

how these new inequalities in profit-making capacities of economic sectors, earnings capacities of households, and pricing in upscale and downscale markets, have contributed to the formation of informal economies in major cities of highly developed countries.

A whole new arena of politics has emerged with the ascendance of subnational units, especially global cities and high-tech industrial districts, as actors on the international stage. Digitalization and the growing importance of electronic space for private and public activities have further relocated various components of politics away from national governments. This relocation of politics is examined in Section IV.

In this first introductory chapter, I develop the setting for the arguments presented in subsequent chapters. Here I organize my discussion in terms of questions of contestation, new class alignments, and the possibility of a new transnational politics or a denationalizing of politics.

PLACE AND PRODUCTION IN THE GLOBAL ECONOMY

Alongside the well-documented spatial dispersal of economic activities have appeared new forms of territorial centralization of top-level management and control operations. National and global markets as well as globally integrated operations require central places where the work of globalization gets done. Further, information industries require a vast physical infrastructure containing strategic nodes with hyperconcentrations of facilities. Finally, even the most advanced information industries have a work process—that is, a complex of workers, machines, and buildings that are more placebound than the imagery of the information economy suggests.

Centralized control and management over a geographically dispersed array of economic operations does not come about inevitably as part of a “world system.” It requires the production of a vast range of highly specialized services, telecommunications infrastructure, and industrial services. These are crucial for the valorization of what are today leading components of capital. Rather than simply invoking the power of multinational corporations as the explanatory key of economic globalization, a focus on place and production takes us to the range of activities and organizational arrangements necessary for the implementation and maintenance of a global network of factories,

service operations, and markets; these are all processes only partly encompassed by the activities of transnational corporations and banks.

One of the central concerns in my work has been to look at cities as production sites for the leading service industries of our time, and hence to uncover the infrastructure of activities, firms, and jobs, that are necessary to run the advanced corporate economy. I want to focus on the *practice* of global control. Global cities are centers for the servicing and financing of international trade, investment, and headquarter operations. That is to say, the multiplicity of specialized activities present in global cities are crucial for the valorization, indeed overvalorization of leading sectors of capital today. And in this sense such cities are strategic production sites for today's leading economic sectors. This function is also reflected in the ascendance of these activities in developed economies.²

The extremely high densities evident in the downtown districts of these cities are one spatial expression of this logic; another one is the recentralization of many of these activities in broader metropolitan areas, rather than universal dispersal. The widely accepted notion that agglomeration has become obsolete now that global telecommunication advances are allowing for maximum dispersal, is only partly correct. It is precisely because of the territorial dispersal facilitated by telecommunication advances that agglomeration of centralizing activities has expanded immensely. This is not a mere continuation of old patterns of agglomeration but, one could posit, a new logic for agglomeration. Information technologies are yet another factor contributing to this new logic for agglomeration. The distinct conditions under which such facilities are available have promoted centralization of the most advanced users in the most advanced telecommunication centers (Castells 1989).

A focus on the work behind command functions, on the actual production process in the finance and services complex, and on global marketplaces has the effect of incorporating the material facilities underlying globalization and the whole infrastructure of jobs typically not marked as belonging to the corporate sector of the economy. An economic configuration emerges that is very different from that suggested by the concept of information economy. We recover the material conditions, production sites, and placeboundedness that are also

part of globalization and the information economy (*Competition and Change* 1995).

That is to say, we recover a broad range of types of firms, types of workers, types of work cultures, types of residential milieux, never marked, recognized, or represented as being part of globalization processes. Nor are they valorized as such. In this regard, the new urban economy is highly problematic, a fact particularly evident in global cities and their regional counterparts. It sets in motion a whole series of new dynamics of inequality (Sassen 1994, Chap. 5; King 1996). The new growth sectors—specialized services and finance—contain profit-making capabilities vastly superior to those of more traditional economic sectors. While the latter may be essential to the operation of the urban economy and the daily needs of residents, their survival is threatened in a situation where finance and specialized services can earn superprofits. Going informal or subcontracting to informal enterprises is often one solution.³

Unequal profit-making capabilities among different economic sectors and firms have long been a basic feature of market economies. But what we see today takes place on another order of magnitude and is engendering massive distortions in the operations of various markets, from housing to labor. For example, we can see this effect in the unusually sharp increase in the starting salaries of business and law school graduates who succeed in entering the top firms, and in the precipitous fall in the wages of low-skilled manual workers and clerical workers. We can see the same effect in the retreat of many real estate developers from the low- and medium-income housing market in the wake of the rapidly expanding housing demand by the new highly paid professionals and the possibility for vast overpricing of this housing supply.

These developments are associated with a dynamic of valorization which has sharply increased the disparity between the valorized, indeed overvalorized, sectors of the economy and devalorized sectors even when the latter are part of leading global industries. This devalorization of growing sectors of the economy has been embedded in a massive demographic transition toward a growing presence of women, African Americans, and Third World immigrants in the urban workforce.

We see here an interesting correspondence between great concentrations of corporate power and large concentrations of “others.” Ma-

for cities in the highly developed 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. We can then think of cities also as one of the sites for the contradictions of the internationalization of capital, and, more generally, as a strategic terrain for a whole series of conflicts and contradictions.

A NEW GEOGRAPHY OF CENTRALITY AND MARGINALITY

The global economy materializes in a worldwide grid of strategic places, from export-processing zones to major international business and financial centers. We can think of this global grid as constituting a new economic geography of centrality, one that cuts across national boundaries and across the old North-South divide. It signals the emergence of a parallel political geography of power, a transnational space for the formation of new claims by global capital (See Sassen 1996, Chap. 2). This new economic geography of centrality partly reproduces existing inequalities but also is the outcome of a dynamic specific to current types of economic growth. It assumes many forms and operates in many terrains, from the distribution of telecommunications facilities to the structure of the economy and of employment.

The most powerful of these new geographies of centrality at the interurban level binds 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 São Paulo, Buenos Aires, Bangkok, Taipei, Bombay, and Mexico City. 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. 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. Global cities are sites for immense concentrations of economic power and command centers in a global economy, while traditional manufacturing centers have suffered inordinate declines.

One might have expected that the growing number of financial centers now integrated into the global markets would have reduced the extent of concentration of financial activity in the top centers. But it has not.⁴ One would also expect this given the immense increases in

the global volume of transactions.⁵ Yet the levels of concentration remain unchanged in the face of massive transformations in the financial industry and in the technological infrastructure this industry depends on.⁶

The growth of global markets for finance and specialized services, the need for transnational servicing networks because of 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 a series of economic processes, each characterized by locations in more than one country and in this regard transnational. We can see here the formation, at least incipient, of a transnational urban system (Sassen 1991, chap. 7; 1994, chap. 5; Knox and Taylor 1995).

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 generally they still do. But cities that are strategic sites in the global economy tend, in part, to become disconnected from their region and even nation. This conflicts with a key proposition in conventional scholarship about urban systems, namely, that these systems promote the territorial integration of regional and national economies.

Alongside these new global and regional hierarchies of cities and high-tech industrial districts lies a vast territory that has become increasingly peripheral, increasingly excluded from the major economic processes that fuel economic growth in the new global economy. A multiplicity of 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. This is yet another meaning of economic globalization.

But also inside global cities we see a new geography of centrality and marginality. The downtowns of global cities and metropolitan business centers receive massive investments in real estate and telecommunications while low-income city areas are starved for resources. Highly educated workers employed in leading sectors see

their incomes rise to unusually high levels while low- or medium-skilled workers in those same sectors see theirs sink. Financial services produce superprofits while industrial services barely survive. These trends are evident, with different levels of intensity, in a growing number of major cities in the developed world and increasingly in major cities of some of the developing countries that have been integrated into the global economy.

THE RIGHTS OF CAPITAL IN THE NEW GLOBAL GRID

A basic proposition in discussions about the global economy concerns the declining sovereignty of states over their economies. Economic globalization does indeed extend the economy beyond the boundaries of the nation-state. This is particularly evident in the leading economic sectors. Existing systems of governance and accountability for transnational activities and actors leave much ungoverned when it comes to these industries. Global markets in finance and advanced services partly operate through a "regulatory" umbrella that is not state centered but market centered. More generally, the new geography of centrality is transnational and operates in good part in electronic spaces that override all jurisdiction.

Yet, this proposition fails to underline a key component in the transformation of the last fifteen years: the formation of new claims on national states to guarantee the domestic and global rights of capital. What matters for our purposes here is that global capital made these claims and that national states responded through the production of new forms of legality. The new geography of centrality had to be produced, both in terms of the practices of corporate actors and in terms of the work of the state in producing new legal regimes. Representations that characterize the national state as simply losing significance fail to capture this very important dimension, and reduce what is happening to a function of the global/national duality—what one wins, the other loses.

There are two distinct issues here. One is the ascendance of this new legal regime that negotiates between national sovereignty and the transnational practices of corporate economic actors. The second issue concerns the particular content of this new regime, which strengthens the advantages of certain types of economic actors and weakens those of others. The hegemony of neoliberal concepts of eco-

conomic relations with its strong emphasis on markets, deregulation, and free international trade has influenced policy in the 1980s in the United States and Great Britain and now increasingly also in continental Europe. This has contributed to the formation of transnational legal regimes that are centered in Western economic concepts of contract and property rights.⁷ Through the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), as well as the General Agreement on Tariffs and Trade (GATT) (the World Trade Organization since January 1995), this regime has spread to the developing world (Mittelman 1996). It is a regime associated with increased levels of concentrated wealth, poverty, and inequality worldwide. This occurs under specific modalities in the case of global cities, as discussed earlier.

Deregulation has been a crucial mechanism to negotiate the juxtaposition of the global and the national. Rather than simply seeing it as freeing up markets and reducing the sovereignty of the state, we might underline a much less noted aspect of deregulation: it has had the effect, particularly in the case of the leading economic sectors, of partly denationalizing national territory (see Sassen 1996). In other words, it is not simply a matter of a space economy extending beyond a national realm. It is also that globalization—as illustrated by the space economy of advanced information industries—denationalizes national territory. This denationalization, which to a large extent materializes in global cities, has become legitimate for capital and has indeed been imbued with positive value by many government elites and their economic advisers. It is the opposite when it comes to people, as is perhaps most sharply illustrated in the rise of anti-immigrant feeling and the renationalizing of politics.

The emphasis on the transnational and hypermobile character of capital has contributed to a sense of powerlessness among local actors, a sense of the futility of resistance. But the analysis in the preceding sections, with its emphasis on place, suggest that the new global grid of strategic sites is a terrain for politics and engagement. Further, the state, both national and local, can be engaged. Although certain agencies within the state have contributed to the formation and strengthening of global capital, the state is far from being a unitary institution. The state itself has been transformed by its role in implementing the global economic system, a transformation captured in the ascendance of agencies linked to the domestic and international

financial markets in most governments of highly developed countries and many governments of developing countries, and the loss of power and prestige of agencies associated with issues of domestic equity. These different agencies are now at times in open conflict.

The focus on place helps us elaborate and specify the meaning of key concepts in the discourse about globalization, notably the loss of sovereignty. It brings to the fore that important components of globalization are embedded in particular institutional locations within national territories. A strategic subnational unit such as the global city is emblematic of these conditions—conditions not well captured in the more conventional duality of national/global.

A focus on the leading industries in global cities introduces into the discussion of governance the possibility of capacities for local governmental regulation derived from the concentration of significant resources in strategic places. These resources include fixed capital and are essential for participation in the global economy. The considerable placeboundness of many of these resources contrasts with the hypermobility of the outputs of many of these same industries, particularly finance. The regulatory capacity of the state stands in a different relation to hypermobile outputs than to the infrastructure of facilities, from office buildings equipped with fiber optic cables to specialized workforces.

The specific issues raised by focusing on the placeboundness of key components of economic globalization are quite distinct from those typically raised in the context of the national/global duality. A focus on this duality leads to rather straightforward propositions about the declining significance of the state vis-à-vis global economic actors. The overarching tendency in economic analyses of globalization and of the leading information industries has been to emphasize certain aspects: industry outputs rather than the production process involved; the capacity for instantaneous transmission around the world rather than the infrastructure necessary for this capacity; the impossibility for the state to regulate those outputs and that capacity insofar as they extend beyond the nation-state. And the emphasis is by itself quite correct; but it is a partial account about the implications of globalization for governance.

The transformation in the composition of the world economy, especially the rise of finance and advanced services as leading industries, is contributing to a new international economic order, one dominated

by financial centers, global markets, and transnational firms. Cities that function as international business and financial centers are sites for direct transactions with world markets that take place without government inspection, as for instance the euro-markets or New York City's international financial zone (i.e., International Banking Facilities). These cities and the globally oriented markets and firms they contain mediate in the relation of the world economy to nation-states and in the relations among nation-states. Correspondingly, we may see a growing significance of sub- and supranational political categories and actors.

UNMOORING IDENTITIES AND A NEW TRANSNATIONAL POLITICS

The preceding section argues that the production of new forms of legality and of a new transnational legal regime privilege the reconstitution of capital as a global actor and the denationalized spaces necessary for its operation. At the same time there is a lack of new legal forms and regimes to encompass another crucial element of this transnationalization, one that some, including myself, see as the counterpart to that of capital: the transnationalization of labor. However, we are still using the language of immigration to describe the process.⁸ Nor are there new forms and regimes to encompass the transnationalization in the formation of identities and loyalties among various population segments which do not regard the nation as the sole or principal source of identification, and the associated new solidarities and notions of membership. Major cities have emerged as a strategic site not only for global capital but also for 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, but also in the many different cultural environments they contain. One can no longer think of centers for international business and finance simply in terms of the corporate towers and corporate culture at their center. Today's global cities are in part the spaces of postcolonialism and

indeed contain conditions for the formation of a postcolonialist discourse (Hall 1991; King 1996).

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.⁹ And while corporate power inscribes these cultures and identifies them 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, as transcending any locality. Members of these “localized” cultures can in fact come from places with great cultural diversity and be as cosmopolitan as elites. An immense array of cultures from around the world, each rooted in a particular country, town, or village, now is reterritorialized in a few single places, places such as New York, Los Angeles, Paris, London, and most recently Tokyo.¹⁰

I think that there are representations of globality which have not been recognized as such or are contested representations. Such representations include immigration and its associated cultural environments, often subsumed under the notion of ethnicity. What we still narrate in the language of immigration and ethnicity, I would argue, is actually a series of processes having to do with the globalization of economic activity, of cultural activity, of identity formation. Too often 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 reterritorialized, puts them right there at the center along with the internationalization of capital as a fundamental aspect of globalization.¹¹ This way of narrating the large migrations of the post-war era captures the ongoing weight of colonialism and postcolonial forms of empire on major processes of globalization today, and specifically those processes binding countries of emigration and immigration.¹² Although the specific genesis and contents of their responsibility will vary from case to case and period to period, major immigration countries are not passive bystanders in their immigration histories.

MAKING CLAIMS ON THE CITY

These processes signal that there has been a change in the linkages that bind people and places and in the corresponding formation of claims on the city. It is true that throughout history people have moved and through these movements constituted places. But today the articulation of territory and people is being constituted in a radically different way at least in one regard, and that is the speed with which that articulation can change. Martinotti (1993) notes that one consequence of this speed is the expansion of the space within which actual and possible linkages can occur. The shrinking of distance and the speed of movement that characterize the current era find one of its most extreme forms in electronically based communities of individuals or organizations from all around the globe interacting in real time and simultaneously, as is possible through the Internet and kindred electronic networks.

I would argue that another radical form assumed today by the linkage of people to territory is the unmooring of identities from what have been traditional sources of identity, such as the nation or the village. This unmooring in the process of identity formation engenders new notions of community, of membership, and of entitlement.

The space constituted by the global grid of cities, a space with new economic and political potentialities, is perhaps one of the most strategic spaces for the formation of transnational identities and communities. This is a space that is both place centered in that it is embedded in particular and strategic locations; and it is transterritorial because it connects sites that are not geographically proximate yet are intensely connected to each other. As I argued earlier, 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) and it is 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 it.

Yet another way of thinking about the political implications of this strategic transnational space anchored in cities is the formation of new claims on that space. As was discussed earlier, there are indeed new major actors making claims on these cities over the last decade,

notably foreign firms that have been increasingly entitled through the deregulation of national economies, and the increasing number of international businesspeople. These are among the new "city users." They have profoundly marked the urban landscape. Their claim to the city is not contested, even though the costs and benefits to cities have barely been examined.

The new city users have made an often immense claim on the city and have reconstituted strategic spaces of the city in their image: their claim is rarely examined or challenged. They contribute to changing the social morphology of the city and to constituting what Martinotti (1995) calls *the metropolis of second generation*, the city of late modernism. The new city of these city users is a fragile one, whose survival and successes are centered on an economy of high productivity, advanced technologies, and intensified exchanges.

On the one hand, this raises a question of what the city is for international businesspeople: it is a city whose space consists of airports, top-level business districts, top of the line hotels and restaurants—a sort of urban glamour zone, the new hyperspace of international business. On the other hand, there is the difficult task of establishing whether a city that functions as an international business center does in fact recover the costs for being such a center: the costs involved in maintaining a state-of-the-art business district, and all it requires, from advanced communications facilities to top-level security and "world-class culture."

Perhaps at the other extreme of legitimacy 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 business city users. These are claims made by actors struggling for recognition and entitlement, claiming their rights to the city (Body-Gendrot 1995).¹³ These claims have, of course, a long history; every new epoch brings specific conditions to the manner in which the claims are made. The growing weight of "delinquency," for example, smashing cars and shop windows, robbing and burning stores, in some of these uprisings during the last decade in major cities of the developed world, is perhaps an indication of the sharpened inequality. The disparities, as seen and as lived, between the urban glamour zone and the urban war zone have become enormous. The extreme visibility of the difference is likely to contribute to further brutalization of the conflict: the indifference and greed of the new elites versus the hopelessness and rage of the poor.

There are then two aspects of this formation of new claims that have implications for transnational politics. One is these sharp and perhaps intensifying differences in the representation of claims by different sectors, notably international business and the vast population of low-income "others"—African Americans, immigrants, and women. The second aspect is the increasingly transnational element in both types of claims and claimants. It signals a politics of contestation embedded in specific places but transnational in character.

Globalization is a process that generates contradictory spaces, characterized by contestation, internal differentiation, continuous border crossings. The global city is emblematic of this condition. Global cities concentrate a disproportionate share of global corporate power and are one of the key sites for its valorization. But they also 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 the globalization of the economy has grown sharply and cities have become increasingly strategic for global capital; and marginalized people have found their voice and are making claims on the city. This joint presence is further brought into focus by the increasing disparities between the two. The center now concentrates immense economic and political power, power that rests on the capability for global control and the capability to produce superprofits. And actors with little economic and traditional political power have become an increasingly strong presence through the new politics of culture and identity, and an emergent transnational politics embedded in the new geography of economic globalization. Both actors, increasingly transnational and in contestation, find in the city the strategic terrain for their operations. But it is hardly the terrain of a balanced playing field.

NOTES

- 1 The analysis presented here is grounded in a detailed study of what I think of as strategic components of today's global economy. It is impossible to include this level of detail here and I refer the interested reader, the sceptic, and the critic to some of my other publications which have the necessary theoretical and empirical materials and extended bibliographies. In addition to those referred to here, see *The Mobility of Labor and Capital* (Cambridge: Cambridge University Press, 1988), and *Immigration Policy in a World Economy* (under preparation for the Twentieth Century Fund).
- 2 Elsewhere (1999, chap. 5) I have posited that what is specific about the shift to services is not merely the growth in service jobs but, most importantly, the increasing importance of services

sectors of corporate capital are now global in their organization and operations. And many of the disadvantaged workers in global cities are women, immigrants, and people of color, whose political sense of self and whose identities are not necessarily embedded in the "nation" or the "national community." Both find in the global city a strategic site for their economic and political operations.

The analysis presented here grounds its interpretation of the new politics made possible by globalization in a detailed understanding of the economics of globalization, and specifically in the centrality of place against a rhetorical and policy context where place is seen as neutralized by global communications and the hypermobility of capital.¹ We need to dissect the economics of globalization to understand whether a new transnational politics can be centered in the new transnational economic geography. Second, I think that dissecting the economics of place in the global economy allows us to recover noncorporate components of economic globalization and to inquire about the possibility of a new type of transnational politics, a politics of those who lack power but now have "presence."

The essays in this book focus on four major subjects in order to develop these themes. *Immigration* is one major process through which a new transnational political economy is being constituted, one which is largely embedded in major cities insofar as most immigrants, whether in the United States, Japan, or Western Europe, are concentrated in major cities. Immigration is, in my reading, one of the constitutive processes of globalization today, even though not recognized or represented as such in mainstream accounts about the global economy. This is the subject of Section I.

The global city is a strategic site for disempowered actors because it enables them to gain presence, to emerge as subjects, even when they do not gain direct power. Immigrants, women, African Americans in U.S. cities, people of color, oppressed minorities emerge as significant subjects in a way they are unlikely to do in a suburban context or small town. I explore these issues, especially as they coalesce around the condition of women, in Section II of this collection.

One of the links between the new corporate world of power and the disadvantaged in large cities is the labor market, or, more pointedly, the market for labor. Section III examines the new employment regimes we see in global cities and advanced economies generally and the class alignments and inequalities they entail. Chapter 8 shows

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).

- 10 Tokyo now has several, mostly working-class concentrations of legal and unauthorized immigrants coming from China, Bangladesh, Pakistan, and the Philippines, among others. 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, because 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 that have reduced the subjective distance with Japan. See Sassen 1994, 307-415; Shank 1994; see also chapter 4 here.
- 11 There has been growing recognition of the formation of an international professional class of workers and of highly internationalized environments due to the presence of foreign firms and personnel, the formation of global markets in the arts, and the international circulation of high culture. What has not been recognized is the possibility that we are seeing an international labor market for low-wage manual and service workers. This process continues to be couched in terms of the "immigration story," a narrative rooted in an earlier historical period, and, probably, in a distinct cultural narrative.
- 12 The specific forms of the internationalization of capital over the last twenty years have contributed to mobilizing people into migration streams. 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 education 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.
- 13 Body-Gendrot (1995) 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 of equity, engender 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 in interaction with the holders of power on terms that will be somewhat more favorable to the weak.