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

The organizing theme is that place is central to the multiple 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 conceptualized in terms of the duality national-global where the latter gains at the expense of the former. And it has largely been conceptualized in terms of the internationalization of capital and then only the upper circuits of capital. Introducing cities in an analysis of economic globalization allows us to re-conceptualize processes of economic globalization as concrete economic complexes situated in specific places. A focus on cities decomposes the nation state into a variety of sub-national 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 in the global economy. And even if to a large extent this was a unitary category constructed in political discourse and policy, it has become even less of a fact in the last fifteen years.

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 multi-culturalism 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 translational geography also is the space for a new translational 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 translational 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 -from factory workers in export processing zones to cleaners on Wall Street.

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. The de-nationalizing of urban space and the formation of new claims centered in transnational actors and involving contestation, raise the question Whose city is it?

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 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 analyses 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 in a context where place is seen as neutralized by the available capacity for global communications and control. My assumption is that it is important to dissect the economics of globalization in order to understand whether a new transnational politics can be centered in the new transnational economic geography. Secondly, I think that dissecting the economics of place in the global economy allows us to recover non-corporate components of economic globalization and to inquire about the possibility of a new type of transnational politics. Is there a transnational politics embedded in the centrality of place and in the new geography of strategic places, such as is

for instance the new worldwide grid of global cities? This is a geography that cuts across national borders and the old North-South divide.

Immigration, for instance, 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 US, Japan or Western Europe are concentrated in major cities. It is, in my reading, one of the constitutive processes of globalization today, even though not recognized or represented as such in mainstream accounts of the global economy.

These are the main issues addressed in this brief paper.

## PLACE AND PRODUCTION IN THE GLOBAL ECONOMY

I think of the mainstream account of economic globalization as a narrative of eviction (Sassen 1996: chapter 1). Key concepts in that account - globalization, information economy, and telematics - all suggest that place no longer matters and that the only type of worker that matters is the highly educated professional. It is an account that privileges the capability for global transmission over the material infrastructure that makes such transmission possible; information outputs over the workers producing those outputs, from specialists to secretaries; and the new transnational corporate culture over the multiplicity of work cultures, including immigrant cultures, within which many of the "other" jobs of the global information economy take place. In brief, the dominant narrative concerns itself with the upper circuits of capital; and particularly with the hypermobility of capital rather than with that which is place-bound.

Massive trends towards the spatial dispersal of economic activities at the metropolitan, national and global level are indeed all taking place, but they represent only half of what is happening. Alongside the well-documented spatial dispersal of economic activities, new forms of territorial centralization of top-level management and control operations have appeared. 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 (social imaginary?) of information outputs 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. A focus on place and production displaces the focus from the power of large corporations over governments and economies 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 recover the infrastructure of activities, firms and jobs, that is necessary to run the advanced corporate economy. I want to focus on the practice of 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. This allows me to focus on the infrastructure of jobs involved in this production, including low-wage, unskilled manual jobs typically not thought of as being part of advanced globalized sectors.

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 in the valorization, indeed overvalorization of leading sectors of capital today. And in this sense they are strategic production sites for today's leading economic sectors. This function is reflected in the ascendance of these activities in their economies. Elsewhere (1996: Chapter Four) I have posited that what is specific about the shift to services is not merely the growth in service jobs but, most importantly, the growing service intensity in the organization of advanced economies: firms in all industries, from mining to wholesale buy more accounting, legal, advertising, financial, economic forecasting services today than they did 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 re-emerged

as significant production sites after losing this role in the period when mass manufacturing was the dominant sector of the economy.

The extremely high densities evident in the downtown districts of these cities are the spatial expression of this logic. The widely accepted notion that agglomeration has become obsolete when global telecommunication advances should allow for maximum dispersal, is only partly correct. It is, I argue, 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 the new logic for agglomeration. These technologies make possible the geographic dispersal and simultaneous integration of many activities. But the distinct conditions under which such facilities are available have promoted centralization of the most advanced users in the most advanced telecommunications 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 very different from that suggested by the concept information economy emerges. We recover the material conditions, production sites, and placeboundness that are also part of globalization and the information economy.

And we recover the broad range of types of firms, types of workers, types of work cultures, types of residential milieux, that are also part of globalization processes though never marked, recognized, or represented as such. Nor are they valorized as such. In this regard, the new urban economy is highly problematic. This is perhaps particularly evident in global cities and their regional counterparts. It sets in motion a whole series of new dynamics of inequality (Sassen 1996: chapter 5). The new growth sectors -- specialized services and finance -- contain capabilities for profit making vastly superior to those of more traditional economic sectors. The latter are essential to the operation of the urban economy and the daily needs of residents, but their survival is threatened in a situation where finance and specialized services can earn super-profits.

This sharp polarization 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. We can see this effect, for example, in the unusually sharp increase in the beginning salaries of MBAs and lawyers 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.

What we are seeing is a dynamic of valorization which has sharply increased the distance 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 towards a growing presence of women, African-Americans and third world immigrants in the urban workforce, a subject I return to later.

We see here an interesting correspondence between great concentrations of corporate power and large concentrations of "others". Large cities in the highly developed world are the terrain where a multiplicity of globalization processes assume concrete, localized forms. A focus on cities allows us to capture, further, not only the upper but also the lower circuits of globalization. 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. 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-- then we can see that cities have become a strategic terrain for a whole series of conflicts and contradictions.

## 2. A NEW GEOGRAPHY OF CENTRALITY AND MARGINALITY

The global economy materializes in a worldwide grid of strategic places, uppermost among which are 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, a transnational space for the formation of new claims by global capital; we return to this in the next section.(( global grid of cities: possibility it creates a new geography,

transnational for politics, the formation of identity and formation of claims. Return to this in last part when I address matter of formation of new claims, new transnational space.)

This new economic geography of centrality partly reproduces existing inequalities but also is the outcome of a dynamic specific to the current forms 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. Global cities are sites for immense concentrations of economic power and command centers in a global economy, while cities that were once major manufacturing centers have suffered inordinate declines.

The most powerful of these new geographies of centrality at the inter-urban 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 Sao Paulo, Buenos Aires, Bangkok, Taipei and Mexico City. The intensity of transactions among these cities, particularly through the financial markets, transactions 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.

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. One would further expect this given the immense increases in the global volume of transactions. 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.

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) accounted for 42 percent of all such international lending in 1980 and for 41 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 6.2 percent to 15.1 percent and the UK's fell from 26.2 percent to 16.3 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 64 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.

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 processes with multiple locations in more than one country. We can see here the formation, at least incipient, of a transnational urban system.

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 mostly 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.

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 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 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 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. These trends are evident, with different levels of intensity, in a growing number of major cities in the developed world and increasingly in some of the developing countries that have been integrated into the global financial markets (Sassen 1996: chapter 2).

### 3. THE FORMATION OF GLOBAL RIGHTS FOR CAPITAL IN THE NEW URBAN GRID.

The analysis presented above points to a space economy for major new transnational economic processes that diverges in significant ways from the duality international/national presupposed in much analysis of the global economy. Economic globalization does indeed extend the economy beyond the boundaries of the nation-state and hence reduces the state's sovereignty over its economy, an observation that by now has become a basic proposition in discussions of the global economy. This is particularly evident in the leading information industries. Existing systems of governance and accountability for transnational economic activities and entities 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.

Yet a focus on the space economy of information industries elaborates and specifies the meaning of deregulation insofar as important components of these industries are embedded in particular sites within national territories and others are located in electronic spaces that escape all conventional jurisdictions or borders.

A focus on a strategic subnational unit such as is the global city illuminates these two conditions that are at opposite ends of the governance challenge posed by globalization and are not captured in the more conventional duality national-global.

On the one hand, a focus on leading information industries in global cities introduces into the discussion of governance the possibility of capacities for regulation derived from the concentration of significant resources, including fixed capital, in strategic places, resources that are essential for participation in the global economy. The considerable placeboundness of many of these resources contrasts with the hypermobility of information outputs. The regulatory capacity of the state stands in a different relation to hypermobile outputs than to the infrastructure of facilities, from fiber optic cable served office buildings to specialized workforces, present in global cities.

At the other extreme, the fact that many of these industries operate partly in electronic spaces raises questions of control that derive from key properties of the new information technologies, notably the orders of magnitude in trading volumes made possible by speed. Here it is no longer just a question of the capacity of the state to govern these processes, but also of the capacity of the private sector, that is, of the major actors involved in setting up these markets in electronic space. Elementary and well known illustrations of this issue of control are stock market crashes attributed to program trading, and globally implemented decisions to invest or disinvest in a currency or an emerging market which resemble a sort of worldwide stampede facilitated by the fact of global integration and instantaneous execution worldwide.

The specific issues raised by these two variables, i.e. place-boundedness and speed, 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 a vis global economic actors. The overarching tendency in economic analyses of globalization and of 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 of the state to regulate those outputs and that capacity insofar as they extend beyond the nation-state. And this is by itself quite correct; but it is a partial account of 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 translational firms. Correspondingly we may see a growing significance of other political categories both sub- and supranational. 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 (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.

A key component in the transformation over the last fifteen years has been the formation of new claims by global capital: the claim on national states to guarantee the domestic and global rights of capital. Transnational economic processes inevitably interact with systems for the governance of national economies insofar as those processes materialize in concrete places. National legal regimes are becoming more internationalized in some of the major developed economies and we are seeing the formation of transnational legal regimes (e.g., Trubek et

al.1993). Transnational legal regimes have become more important and have begun to penetrate national fields hitherto closed. The hegemony of neo-liberal concepts of economic relations with its strong emphasis on markets, deregulation, free international trade has influenced policy in the 1980s in USA and UK 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. Through the IMF and IBRD as well as Gatt (the WTO after January 1, 1995) this regime has spread to the developing world.

Deregulation and transnationalization are key characteristics of the space economy of today's leading information industries. Deregulation has been a crucial mechanism to negotiate the juxtaposition of the global and the national. What deregulation in finance makes clear is that it has had the effect of partly de-nationalizing national territory: e.g. the International Banking Facilities in the U.S., almost all located in New York City, can be seen as such an instance. In other words, it is not simply a matter of a space economy extending beyond a national realm. What globalization does, as illustrated by the space economy of advanced information industries, is denationalize national territory.

#### 4. UNMOORING IDENTITIES AND A NEW TRANSNATIONAL POLITICS

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. We are still using the language of immigration to describe this process. Secondly, 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, 1989).

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. 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 (present?) 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.

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. 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 internationalized 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.

I think that there are representations of globality which have not been recognized as such or are contested representations. Among these is the question of immigration, as well as the multiplicity of cultural environments it contributes in large cities, 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. 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. This way of narrating the migration events 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 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.

## 5. 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. One consequence of this speed is the expansion of the space within which actual and possible linkages can happen. The shrinking of distance and of time that characterizes the current era finds 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 (Internet?) and kindred electronic networks.

I would argue that another radical form assumed today by the linkage of people to territory is the loosening 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 global 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 sites; and it is transterritorial because it connects sites that are not geographically proximate yet 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 these.

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? There are indeed major new actors making claims on these cities, notably foreign firms who have been increasingly entitled to do business through progressive deregulation of national economies, and the large increase over the last decade in international business people. 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.

City users have made an often immense claim on the city and have reconstituted strategic spaces of the city in their image: there is a de facto claim to the city, a claim never made problematic. They contribute to change the social morphology of the city and to constitute what Martinotti (1993) calls the metropolis of second generation, the city of late modernism. The new city of city users is a fragile one, whose survival and successes are centered on an economy of high productivity, advanced technologies, intensified exchanges.

On the one hand this raises a question of what the city is for international business people: 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. 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 involved in 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 conventional representations 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, entitlement, claiming their rights to the city.

There are two aspects in this formation of new claims that have implications for the new transnational politics. One is the sharp and perhaps sharpening differences in the representation of these claims by different sectors, notably international business and the vast population of low income "others"--African Americans, immigrants, 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 --global cities-- but transnational in character. At its most extreme, this divergence assumes the form of a) an overvalored corporate center occupying a smaller terrain and one whose edges are sharper than, for example, in the post-war era characterized by a large middle class; and b) a sharp devalorization of what is outside the center, which comes to be read as marginal.

A question here is whether the growing presence of immigrants, of African Americans, of women, in the labor force of large cities is what has facilitated the embedding of this sharp increase in inequality (as expressed in earnings and culturally). The new politics of identity and the new cultural politics have brought many of these devalorized or marginal sectors into representation, into the forefront of urban life.

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Globalization is a contradictory space; it is 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 overvalorization. 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 (1) the globalization of the economy has grown sharply and cities have become increasingly strategic for global capital; and (2) marginalized people have 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. The center now concentrates immense power, a power that rests on the capability for global control and the capability to produce superprofits. And marginality, notwithstanding little economic and political power, has 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.

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Elsewhere I have tried to show how these new inequalities in profit-making capacities of economic sectors, earnings capacities of households and prices in upscale and downscale markets have contributed to the formation of informal economies in major cities of highly developed countries (see Sassen 1994). These informal economies negotiate between these new economic trends and regulatory frameworks that were engendered in response to older economic conditions.

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. 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: chapter 7), there is also a functional division of labor among various major financial centers. In that sense we can think of a transnational system with multiple locations.

Much of 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 financial center.

The space economy of leading information industries raises a very specific question of control and governance. In these industries more so than in many others, a significant component of transactions and markets operate in electronic space which is not subject to conventional jurisdictions. The question of control and regulation being engendered by the electronic and telecommunications side of this new space economy lie beyond much of the discussion about the shrinking role of the state in a global economy. Once transactions are embedded in these new technologies, speed alone creates problems of control that are new and cannot be handled through conventional state-centered or non-state forms of authority. The most familiar case is that of the foreign currency markets where volumes made possible by multiple transactions in a single day have left the existing institutional apparatus, notably the central banks, impotent to affect outcomes in these markets the way they once expected to. The space economy of these industries points to a reconfiguration of key parts of the governance debate: besides the matter of globalization extending the economy beyond the reach of the state, it is also a matter of control that goes beyond the issue of inter-organizational coordination that is at the heart of governance theory. Insofar as speed is one of the logics of the new information technologies it is not always in correspondence with the logic of the economic institutional apparatus represented by finance and advanced services. (See Sassen, 1996a)

In the three decades after WWII, the period of the Pax Americana, economic internationalization had the effect of strengthening the inter-state system. Leading economic sectors, especially manufacturing and raw materials extraction, were subject to international trade regimes that contributed to build the inter-state system. Individual states adjusted national economic policies to further this version of the world economy. Already then certain sectors did not fit comfortably under this largely trade-dominated inter-state regime: out of their escape emerged the euro-markets and off-shore tax havens of the 1960s. The breakdown of the Bretton Woods system produced an international governance void rapidly filled by multinationals and global financial markets. Inside the state we see a further shift away from those agencies most closely tied to domestic social forces, as was the case during the Pax Americana, and towards those closest to the transnational process of consensus formation.

I have worked with the concept 'regulatory fracture' rather than, say, violation, in order to name a specific dynamic: to wit, that the materialization of global processes in a place often produces a regulatory void. One result is that both 'regulation' and 'violation' become problematic categories and, at the limit, do not apply. We might think of it analytically as a border-land, rather than a borderline -- a terrain for action/activity that remains underspecified at least from the perspective of regulation.

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 (e.g. Coombe, 1993.)

This language is increasingly constructing immigration as a devalued process in so far 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.

In the colonial era, it was the cities in the colonies which were probably the most internationalized (King, 1989).

There are many different forms 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 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, I., 1990 Featherstone, ea.).

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, since 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, 1991: 307-315).

The specific forms of the internationalization of capital we see over the last twenty years have contributed to mobilize 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 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. The renewal of mass immigration into the U.S. 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.

Body-Gendrot (1993) 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 in interaction with the holders of power on terms that will be somewhat more favorable to the weak.