

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

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A New Geography of Centrality and Marginality

The global economy materializes in a worldwide grid of strategic places, from export-producing 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. 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 such cities as Sao 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 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.

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.

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 economic 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. 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. 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. 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, suggests 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 placeboundedness 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 placeboundedness 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 responsibility 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. 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 today's 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.

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 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 are reterritorialized in a few single places, places such as New York, Los Angeles, Paris, London, and most recently Tokyo.

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 multiplicity of 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. 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. Although 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 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 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 they 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 workers) 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 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 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 in the city, claims that lack the de facto legitimacy for recognition and entitlement, claiming their rights to the city. 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 the city the strategic terrain for their operations. But it is hardly the terrain of a balanced playing field.