The Global City: Introducing a Concept

SASKIA SASSEN
Professor of Sociology
University of Chicago

EACH PHASE IN THE LONG history of the world economy raises specific questions about the particular conditions that make it possible. One of the key properties of the current phase is the ascendance of information technologies and the associated increase in the mobility and liquidity of capital. There have long been cross-border economic processes—flows of capital, labor, goods, raw materials, tourists. But to a large extent these took place within the inter-state system, where the key articulators were national states. The international economic system was ensconced largely in this inter-state system. This has changed rather dramatically over the last decade as a result of privatization, deregulation, the opening up of national economies to foreign firms, and the growing participation of national economic actors in global markets.

It is in this context that we see a re-scaling of what are the strategic territories that articulate the new system. With the partial unbundling or at least weakening of the national as a spatial unit due to privatization and deregulation and the associated strengthening of globalization come conditions for the ascendance of other spatial units or scales. Among these are the sub-national, notably cities and regions; cross-border regions encompassing two or more sub-national entities; and supra-national entities, i.e. global digitalized markets and free trade blocs. The dynamics and processes that get terrritorialized at these diverse scales can in principle be regional, national or global.

I locate the emergence of global cities in this context and against this range of instantiations of strategic scales and spatial units.[1] In the case of global cities, the dynamics and processes that get territorialized are global.

SASKIA SASSEN is the Ralph Lewis Professor of Sociology at the University of Chicago, and Centennial Visiting Professor at the London School of Economics. Her new book is *Denationalization: Territory, Authority and Rights in a Global Digital Age* (Princeton University Press 2005).

Copyright © 2005 by the *Brown Journal of World Affairs*

ELEMENTS IN A NEW CONCEPTUAL ARCHITECTURE

The globalization of economic activity entails a new type of organizational structure. To capture this theoretically and empirically requires, correspondingly, a new type of conceptual architecture.[3] Constructs such as the global city and the global-city region are, in my reading, important elements in this new conceptual architecture. The activity of naming these elements is part of the conceptual work. There are other closely linked terms which could conceivably have been used: world cities,[4] "supervilles,"[2] informational city.[5] Thus, choosing how to name a configuration has its own substantive rationality.

When I first chose to use global city,[6] I did so knowingly—it was an attempt to name a difference: the specificity of the global as it gets structured in the contemporary period. I did not chose the obvious alternative, world city, because it had precisely the opposite attribute: it referred to a type of city which we have seen over the centuries,[7] in earlier periods in Asia[8] and in European colonial centers.[9] In this regard, it can be said that most of today's major global cities are also world cities, but that there may well be some global cities today that are not world cities in the full, rich sense of that term. This is partly an empirical question; further, as the global economy expands and incorporates additional cities into the various networks, it is quite possible that the answer to that particular question will vary. Thus, the fact that Miami has developed global city functions beginning in the late 1980s does not make it a world city in that older sense of the term.[10]

THE GLOBAL CITY MODEL: ORGANIZING HYPOTHESES

There are seven hypotheses through which I organized the data and the theorization of the global city model. I will discuss each of these briefly as a way of producing a more precise representation.

First, the geographic dispersal of economic activities that marks globalization, along with the simultaneous integration of such geographically dispersed activities, is a key factor feeding the growth and importance of central corporate functions. The more dispersed a firm's operations across different countries, the more complex and strategic its central functions—that is, the work of managing, coordinating, servicing, financing a firm's network of operations.

Second, these central functions become so complex that increasingly the headquarters of large global firms outsource them: they buy a share of their central functions from highly specialized service firms—accounting, legal, public relations, programming, telecommunications, and other such services. While even ten years ago the

key site for the production of these central headquarter functions was the headquarters of a firm, today there is a second key site: the specialized service firms contracted by headquarters to produce some of these central functions or components of them. This is especially the case with firms involved in global markets and non-routine operations. But increasingly the headquarters of all large firms are buying more of such inputs rather than producing them in-house.

Third, those specialized service firms engaged in the most complex and globalized markets are subject to agglomeration economies. The complexity of the services they need to produce, the uncertainty of the markets they are involved with either directly or through the headquarters for which they are producing the services, and the growing importance of speed in all these transactions, is a mix of conditions that constitutes a new agglomeration dynamic. The mix of firms, talents, and expertise from a broad range of specialized fields makes a certain type of urban environment function as an information center. Being in a city becomes synonymous with being in an extremely intense and dense information loop.

A fourth hypothesis, derived from the preceding one, is that the more headquarters outsource their most complex, unstandardized functions, particularly those subject to uncertain and changing markets, the freer they are to opt for any location, because less work actually done in the headquarters is subject to agglomeration economies. This further underlines that the key sector specifying the distinctive production advantages of global cities is the highly specialized and networked services sector. In developing this hypothesis I was responding to a very common notion that the number of headquarters is what specifies a global city. Empirically it may still be the case in many countries that the leading business center is also the leading concentration of headquarters, but this may well be because there is an absence of alternative locational options. But in countries with a well-developed infrastructure outside the leading business center, there are likely to be multiple locational options for such headquarters.

Fifth, these specialized service firms need to provide a global service which has meant a global network of affiliates or some other form of partnership, and as a result we have seen a strengthening of cross border city-to-city transactions and networks. At the limit, this may well be the beginning of the formation of transnational urban systems. 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 point to the existence of a series of transnational networks of cities.

A related hypothesis for research is that the economic fortunes of these cities become increasingly disconnected from their broader hinterlands or even their national economies. We can see here the formation, at least incipient, of transnational urban systems. To a large extent major business centers in the world today draw their importance from these transnational networks. There is no such thing as a single global city—and in this sense there is a sharp contrast with the erstwhile capitals of empires.

A sixth hypothesis, is that the growing numbers of high-level professionals and high profit making specialized service firms have the effect of raising the degree of spatial and socio-economic inequality evident in these cities. The strategic role of these specialized services as inputs raises the value of top level professionals and their numbers. Further, the fact that talent can matter enormously for the quality of these strategic outputs and, given the importance of speed, proven talent is an added value, the structure of rewards is likely to experience rapid increases. Types of activities and workers lacking these attributes, whether manufacturing or industrial services, are likely to get caught in the opposite cycle.

A seventh hypothesis, is that one result of the dynamics described in hypothesis six, is the growing informalization of a range of economic activities which find their effective demand in these cities, yet have profit rates that do not allow them to compete for various resources with the high-profit making firms at the top of the system. Informalizing part of or all production and distribution activities, including services, is one way of surviving under these conditions.

RECOVERING PLACE AND WORK-PROCESS

In the first four hypotheses, I attempted to qualify what was emerging in the 1980s as a dominant discourse on globalization, technology, and cities which posited the end of cities as important economic units or scales. I saw a tendency in that account to take the existence of a global economic system as a given, a function of the power of transnational corporations and global communications.

My counter argument is that the capabilities for global operation, coordination, and control contained in the new information technologies and in the power of transnational corporations need to be actualized. By focusing on the production of these capabilities we add a neglected dimension to the familiar issue of the power of large corporations and the capacity of the new technologies to neutralize distance and place. A focus on the production of these capabilities shifts the emphasis to the *practices* that constitute what we call economic globalization and global control.

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

Photo Courtesy of Hilary Koob-Sassen

Video stills from "The Paraculture," under production at ZKM by Hilary Koob-Sassen (Germany, 2003-4).

This entails a whole infrastructure of activities, firms, and jobs which are necessary to run the advanced corporate economy. These industries are typically conceptualized in terms of the hypermobility of their outputs and the high levels of expertise of their professionals rather than in terms of the production or work process involved and the requisite infrastructure of facilities and non-expert jobs that are also part of these industries. Focusing on the work process brings with it an emphasis on economic and spatial polarization because of the disproportionate concentration of very high and very low income jobs in these major global city sectors. Emphasizing place, infrastructure, and non-expert jobs matters precisely because so much of the focus has been on the neutralization of geography and place made possible by the new technologies.

The growth of networked cross-border dynamics among global cities includes a broad range of domains: political, cultural, social, and criminal. There are cross-border transactions among immigrant communities and communities of origin, and a greater intensity in the use of these networks once they become established, including for

economic activities. We also see greater cross-border networks for cultural purposes, as in the growth of international markets for art and a transnational class of curators; and for non-formal political purposes, as in the growth of transnational networks of activists around environmental causes, human rights, and so on. These are largely city-to-city cross-border networks, or, at least, it appears at this time to be simpler to capture the existence and modalities of these networks at the city level. The same can be said for the new cross border criminal networks.

Recapturing the geography of places involved in globalization allows us to recapture people, workers, communities, and more specifically, the many different work cultures, besides the corporate culture, involved in the work of globalization. It also brings with it an enormous research agenda, one that goes beyond the by now familiar focus on cross-border flows of goods, capital, and information.

Finally, by emphasizing the fact that global processes are at least partly embedded in national territories, such a focus introduces new variables in current conceptions about economic globalization and the shrinking regulatory role of the state.[11] That is to say, the space economy for major new transnational economic processes diverges in significant ways from the duality global/national presupposed in many analyses of the global economy. The duality, national versus global, suggests two mutually exclusive spaces—where one begins the other ends. One of the outcomes of a global city analysis is that it makes evident that the global materializes by necessity in specific places, and institutional arrangements, a good number of which, if not most, are located in national territories.

WORLDWIDE NETWORKS AND CENTRAL COMMAND FUNCTIONS

The geography of globalization contains both a dynamic of dispersal and of centralization. The massive trends towards the spatial dispersal of economic activities at the metropolitan, national, and global level which we associate with globalization have contributed to a demand for new forms of territorial centralization of top-level management and control functions. Insofar as these functions benefit from agglomeration economies even in the face of telematic integration of a firm's globally dispersed manufacturing and service operations, they tend to locate in cities. This raises a question as to why they should benefit from agglomertion economies, especially since globalized economic sectors tend to be intensive users of the new telecommunications and computer technologies, and increasingly produce a partly de-materialized output, such as financial instruments and specialized services. There is growing evidence that business networks are a crucial variable that is to be distinguished from technical networks. Such business networks have been crucial long before the current technologies were

developed. Business networks benefit from agglomeration economies and hence thrive in cities even today when simultaneous global communication is possible. Elsewhere I examine this issue and find that the key variable contributing to the spatial concentration of central functions and associated agglomeration economies is the extent to which this dispersal occurs under conditions of concentration in control, ownership, and profit appropriation.[12]

This dynamic of simultaneous geographic dispersal and concentration is one of the key elements in the organizational architecture of the global economic system. Let me first give some empirical referents and then examine some of the implications for theorizing the impact of globalization and the new technologies on cities.

Inside countries, the leading financial centers today concentrate a greater share of national financial activity than even ten years ago, and internationally, cities in the global North concentrate well over half of the global capital market.

The rapid growth of affiliates illustrates the dynamic of simultaneous geographic dispersal and concentration of a firm's operations. By 1999 firms had well over half a million affiliates outside their home countries accounting for US$ 11 trillion in sales, a very significant figure if we consider that global trade stood at US$ 8 trillion. Firms with large numbers of geographically dispersed factories and service outlets face massive new needs for central coordination and servicing, especially when their affiliates involve foreign countries with different legal and accounting systems.

Another instance today of this negotiation between a global cross-border dynamic and territorially specific site is that of the global financial markets. The orders of magnitude in these transactions have risen sharply, as illustrated by the US$ 192 trillion for 2002 in traded derivatives, a major component of the global economy and one that dwarfs the value of global trade which stood at US$ 8 trillion. These transactions are partly embedded in electronic systems that make possible the instantaneous transmission of money and information around the globe. Much attention has gone to this capacity for instantaneous transmission of the new technologies. But the other half of the story is the extent to which the global financial markets are located in an expanding network of cities, with a disproportionate concentration in cities of the global North. Indeed, the degrees of concentration internationally and within countries are unexpectedly high for an increasingly globalized and digitized economic sector. Inside countries, the leading financial centers today concentrate a greater share of national financial activity than even ten years ago, and internationally, cities in the global North concentrate well over half of the global capital market. This is a subject I discuss em-

pirically in a later section.

One of the components of the global capital market is stock markets. The late 1980s and early 1990s saw the addition of markets such as Buenos Aires, Sao Paulo, Mexico City, Bangkok, Taipei, Moscow, and growing numbers of non-national firms listed in most of these markets. The growing number of stock markets has contributed to raise the capital that can be mobilized through these markets, reflected in the sharp worldwide growth of stock market capitalization which reached over US$ 24 trillion in 2000 and US$ 36 trillion in 2001. This globally integrated stock market which makes possible the circulation of publicly listed shares around the globe in seconds is embedded in a grid of very material, physical, strategic places.

The specific forms assumed by globalization over the last decade have created particular organizational requirements. The emergence of global markets for finance and specialized services, the growth of investment as a major type of international transaction, all have contributed to the expansion in command functions and in the demand for specialized services for firms.[13]

By central functions I do not only mean top level headquarters; I am referring to all the top level financial, legal, accounting, managerial, executive, planning functions necessary to run a corporate organization operating in more than one country, and increasingly in several countries. These central functions are partly embedded in headquarters, but also in good part in what has been called the corporate services complex, that is, the network of financial, legal, accounting, advertising firms that handle the complexities of operating in more than one national legal system, national accounting system, advertising culture, etc. and do so under conditions of rapid innovations in all these fields. Such services have become so specialized and complex that headquarters increasingly buy them from specialized firms rather than producing them in-house. These agglomerations of firms producing central functions for the management and coordination of global economic systems, are disproportionately concentrated in the highly developed countries—particularly, though not exclusively, in global cities. Such concentrations of functions represent a strategic factor in the organization of the global economy, and they are situated in an expanding network of global cities.[14]

It is important analytically to unbundle strategic functions for the global economy or for global operation, and the overall corporate economy of a country. These global control and command functions are partly embedded in national corporate structures, but also constitute a distinct corporate subsector. This subsector can be conceived as part of a network that connects global cities across the world through firms' affiliates or other representative offices.[15] For the purposes of certain kinds of inquiry this distinction may not matter; for the purposes of understanding the global economy, it does.

This distinction also matters for questions of regulation, notably regulation of cross-border activities. If the strategic central functions—both those produced in corporate headquarters and those produced in the specialized corporate services sector—are located in a network of major financial and business centers, the question of regulating what amounts to a key part of the global economy will entail a different type of effort from what would be the case if the strategic management and coordination functions were as distributed geographically as the factories, service outlets, and affiliates generally. We can also read this as a strategic geography for political activisms that seek accountability from major corporate actors, among others concerning environmental standards and workplace standards.

National and global markets as well as globally integrated organizations require central places where the work of globalization gets done. Finance and advanced corporate services are industries producing the organizational commodities necessary for the implementation and management of global economic systems. Cities are preferred sites for the production of these services, particularly the most innovative, speculative, internationalized service sectors. Further, leading firms in information industries require a vast physical infrastructure containing strategic nodes with hyper-concentration of facilities; we need to distinguish between the capacity for global transmission/communication and the material conditions that make this possible. Finally, even the most advanced information industries have a production process that is at least partly place-bound because of the combination of resources it requires even when the outputs are hypermobile.

Theoretically, this addresses two key issues in current debates and scholarship. One of these is the complex articulation between capital fixity and capital mobility, and the other is the position of cities in a global economy. Elsewhere I have developed the thesis that capital mobility cannot be reduced simply to that which moves nor can it be reduced to the technologies that facilitate movement. Rather, multiple components of what we keep thinking of as capital fixity are actually components of capital mobility. This conceptualization allows us to reposition the role of cities in an increasingly globalizing world, in that they contain the resources that enable firms and markets to have global operations.[16] The mobility of capital, whether in the form of investments, trade or overseas affiliates, needs to be managed, serviced, coordinated. These are often rather place-bound, yet are key components of capital mobility. Finally, states, place-bound institutional orders—have played an often crucial role in producing regulatory environments that facilitate the implementation of cross-border operations for their national and for foreign firms, investors, and markets.[17]

In brief, a focus on cities makes it possible to recognize the anchoring of multiple cross-border dynamics in a network of places, prominent among which are cities, particularly global cities or those with global city functions. This in turn anchors various features of globalization in the specific conditions and histories of these cities, in their variable articulations with their national economies and with various world economies across time and place.[18] This optic on globalization contributes to identifying a complex organizational architecture which cuts across borders, and is both partly de-territorialized and partly spatially concentrated in cities. Further, it creates an enormous research agenda in that every particular national or urban economy has its specific and inherited modes of articulating with current global circuits. Once we have more information about this variance we may also be able to establish whether position in the global hierarchy makes a difference and the various ways in which it might do so.

Impacts Of New Communication Technologies on Centrality

Cities have historically provided national economies, polities, and societies with something we can think of as centrality. In terms of their economic function, cities provide agglomeration economies, massive concentrations of information on the latest developments, a marketplace. The question here is: how do the new technologies of communication alter the role of centrality and hence of cities as economic entities.

As earlier sections have indicated, centrality remains a key feature of today's global economy. But today there is no longer a simple, straightforward relation between centrality and such geographic entities as the downtown, or the central business district (CBD). In the past, and up to quite recently in fact, the center was synonymous with the downtown or the CBD. Today, partly as a result of the new communication technologies, the spatial correlates of the center can assume several geographic forms, ranging from the CBD to a new global grid of cities.

Simply, one can identify three forms assumed by centrality today.[19] First, while there is no longer a simple straightforward relation between centrality and such geographic entities as the downtown, as was the case in the past, the CBD remains a key form of centrality. But the CBD in major international business centers is one profoundly reconfigured by technological and economic change.

Second, the center can extend into a metropolitan area in the form of a grid of nodes of intense business activity, a case well illustrated by recent developments in cities as diverse as Buenos Aires[20] and Paris.[21] One might ask whether a spatial organization characterized by dense strategic nodes spread over a broader region does or does not constitute a new form of organizing the territory of the "center," rather than, as in the more conventional view, an instance of suburbanization or geographic dispersal.

Insofar as these various nodes are articulated through cyber-routes or digital highways, they represent a new geographic correlate of the most advanced type of "center." The places that fall outside this new grid of digital highways, however, are peripheralized. This regional grid of nodes represents, in my analysis, a reconstitution of the concept of region. Far from neutralizing geography, the regional grid is likely to be embedded in conventional forms of communications infrastructure, notably rapid rail and highways connecting to airports. Ironically perhaps, conventional infrastructure are likely to maximize the economic benefits derived from telematics. I think this is an important issue that has been lost somewhat in discussions about the neutralization of geography through telematics.

There is little doubt that connecting to global circuits has brought with it a significant level of development...[and] economic dynamism. But the question of inequality has not been engaged.

Third, we are seeing the formation of a transterritorial "center" constituted via telematics and intense economic transactions. 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.[22] But this geography now also includes cities such as Sao Paulo 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. Finally, we see emergent regional hierarchies, as is illustrated by the growth corridors in Southeast Asia,[23] the case of Sao Paulo in the Mercosur free-trade area,[24] and by the relation between the participating entities in the Iran-Dubai corridor.[25]

Besides their impact on the spatial correlates of centrality, the new communication technologies can also be expected to have an impact on inequality between cities and inside cities. There is an expectation in much of the literature on these technologies that they will override older hierarchies and spatial inequalities through the universalizing of connectivity that they represent. The available evidence suggests that this is not quite the case. Whether it is the network of financial centers and foreign direct investment patterns discussed here, or the more specific examinations of the spatial organization of various cities, the new communication technologies have not reduced hierarchy nor spatial inequalities.[26] And this is so even in the face of massive upgradings and state of the art infrastructure in a growing number of cities worldwide. There is little doubt that connecting to global circuits has brought with it a significant level of development of expanded central urban areas and metropolitan grids of business nodes,

and considerable economic dynamism. But the question of inequality has not been engaged.

Further, the pronounced orientation to the world markets evident in many of these cities raises questions about the articulation with their nation-states, their regions, and the larger economic and social structure in such cities. Cities have typically been deeply embedded in the economies of their region, indeed often reflecting the characteristics of the latter; and they still do. But cities that are strategic sites in the global economy tend, in part, to disconnect from their region. This conflicts with a key proposition in traditional scholarship about urban systems, namely, that these systems promote the territorial integration of regional and national economies. 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, though this tends to be evident only at fairly disaggregated levels of evidence. For example, Mexico City today concentrates a higher share of some types of economic activity and value production than it did in the past,[27] but to see this requires a very particularized set of analyses.[28]

The emphasis on the transnational and hypermobile character of capital has contributed to a sense of powerlessness among local actors...But an analysis that emphasizes place suggests that the new global grid of strategic sites is a terrain for politics and engagement.

THE GLOBAL CITY AS A NEXUS FOR NEW POLITICO-CULTURAL ALIGNMENTS

The incorporation of cities into a new cross-border geography of centrality also signals the emergence of a parallel political geography. Major cities have emerged as a strategic site not only for global capital, but also for the transnationalization of labor and the formation of translocal communities and identities.[29] In this regard, cities are a site for new types of political operations and for a whole range of new "cultural" and subjective operations.[21] The centrality of place in a context of global processes makes possible a transnational economic and political opening for the formation of new claims and hence for the constitution of entitlements, notably rights to place. At the limit, this could be an opening for new forms of "citizenship."[22]

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 an analysis that emphasizes place suggests that the new global grid of strate-

gic sites is a terrain for politics and engagement.[23] The loss of power at the national level produces the possibility for new forms of power and politics at the sub-national level. Further, insofar as the national as container of social process and power is cracked,[24] it opens up possibilities for a geography of politics that links sub-national spaces across borders.[25] Cities are foremost in this new geography. This engenders questions of how and whether we are seeing the formation of a new type of transnational politics that localizes in these cities.

Immigration, for instance, is one major process through which a new transnational political economy and trans-local household strategies are being constituted. It is one largely embedded in major cities insofar as these concentrate most immigrants, certainly in the developed world, whether in the United States, Japan, or Western Europe. 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.[26]

Global capital and the new immigrant workforce are two major instances of transnationalized actors that each have unifying properties across borders internally, and find themselves in contestation with each other inside global cities.[27] Researching and theorizing these issues will require approaches that diverge from the more traditional studies of political elites, local party politics, neighborhood associations, immigrant communities, and so on through which the political landscape of cities and metropolitan regions has been conceptualized in urban studies.

One way of thinking about the political implications of this strategic transnational space anchored in global cities is in terms of the formation of new claims on that space. The global city particularly has emerged as a site for new claims: by global capital, which uses the global city as an "organizational commodity," but also by disadvantaged sectors of the urban population, frequently as internationalized a presence in global cities as capital. The "de-nationalizing" of urban space and the formation of new claims by transnational actors, raise the question: Whose city is it?

The global city and the network of these cities 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. If we consider that global cities concentrate both the leading sectors of global capital and a growing share of disadvantaged populations (immigrants, many of the disadvantaged women, people of color generally, and, in the megacities of developing countries, masses of shanty dwellers) then we can see that cities have become a strategic terrain for a whole series of conflicts and contradictions. We can then think of cities also as one of the sites for the contradictions of the globalization of capital, even though, heeding Katznelson's[28] observation, the city cannot be reduced to this dynamic.

Saskia Sassen

Conclusion

An examination of globalization through the concept of the global city introduces a strong emphasis on strategic components of the global economy rather than the broader and more diffuse homogenizing dynamics we associate with the globalization of consumer markets. Consequently, this also brings an emphasis on questions of power and inequality. It brings an emphasis on the actual work of managing, servicing, and financing a global economy. Second, a focus on the city in studying globalization will tend to bring to the fore the growing inequalities between highly provisioned and profoundly disadvantaged sectors and spaces of the city, and hence such a focus introduces yet another formulation of questions of power and inequality.

Third, the concept of the global city brings a strong emphasis on the networked economy because of the nature of the industries that tend to be located there: finance and specialized services, the new multimedia sectors, and telecommunications services. These industries are characterized by cross-border networks and specialized divisions of functions among cities rather than inter-national competition per se. In the case of global finance and the leading specialized services catering to global firms and markets—law, accounting, credit rating, telecommunications—it is clear that we are dealing with a cross-border system, one that is embedded in a series of cities, each possibly part of a different country. It is a de-facto global system.

Fourth, a focus on networked cross-border dynamics among global cities also allows us to capture more readily the growing intensity of such transactions in other domains—political, cultural, social, and criminal.

Global cities around the world are the terrain where a multiplicity of globalization processes assume concrete, localized forms. These localized forms are, in good part, what globalization is about. Recovering place means recovering the multiplicity of presences in this landscape. The large city of today has emerged as a strategic site for a whole range of new types of operations—political, economic, "cultural," subjective. It is one of the nexi where the formation of new claims, by both the powerful and the disadvantaged, materializes and assumes concrete forms.

Notes

1. Saskia Sassen, "Digital Networks and the State: Some Governance Questions," *Theory, Culture, and Society* 17 (2000): 19-33. Saskia Sassen, "Spatialities and Temporalities of the Global Elements for Theorization," *Public Culture* 12 (2000): 215-32. Saskia Sassen, "Territory and Territoriality in the Global Economy," *International Sociology* 15 (2000): 372-93.

2. Fernand Braudel, *The Perspective of the World* (New York: Harper and Row, 1984).

3. Here Arrighi's analysis is of interest, in that it posits the recurrence of certain organizational patterns in different phases of the capitalist world economy, but at higher orders of complexity and expanded

scope, and timed to follow or precede particular configurations of the world economy. See, Giovanni Arrighi, *The Long Twentieth Century* (London and New York: Verso, 1994).

4. Originally attributed to Goethe, the term was re-launched in the work of Peter Hall, *The World Cities* (New York: McGraw-Hill, 1966), and more recently re-specified by John Friedmann and Wolff Goetz, *World City Formation: An Agenda for Research and Action* (Los Angeles: Graduate School of Architecture and Urban Planning, UCLA, 1982). See also, R. Stren, "The Studies of Cities: Popular Perceptions, Academic Disciplines, and Emerging Agendas," in M. Cohen, B. Ruble, J. Tulchin, and A. Garland, eds., *Preparing for the Urban Future: Global Pressures and Local Forces* (Washington D.C.: Woodrow Wilson Center Press, 1996).

5. Manuel Castells, *The Informational City: Information Technology, Economic Restructuring, and the Urban-Regional Process* (Oxford: Basil Blackwell, 1989).

6. Braudel (1984), *op. cit.*

7. Ibid.; Peter Hall (1966), *op. cit.*; Anthony D. King, *Urbanism, Colonialism, and the World Economy: Culture and Spatial Foundations* (London and New York: Routledge, 1990).

8. Janet L. Abu-Lughod, *Before European Hegemony: the World System A.D. 1250-1350* (New York and Oxford: Oxford University Press, 1989).

9. King (1990), *op. cit.*

10. See also Abu-Lughod (1999), *op. cit.*; John Rennie Short and Yeong-Hyun Kim, *Globalization and the City* (Essex: Addison Welsley Longman, 1999). A. Sachar, "The Global Economy and the World Cities," in A. Sachar and S. Oberg, eds., *The World Economy and the Spatial Organization of Power* (Aldershot: Avebury, 1990).

11. See generally, Kris Olds, Peter Dicken, Philip F. Kelly, Lilly Kong, and Henry Wai-Chung Yeung, eds., *Globalization and the Asia-Pacific: Contested Territories* (London: Routledge, 1999).

12. Saskia Sassen, "The New Labor Demand in Global Cities," in M.P Smith, eds., *Cities in Transformation* (Beverly Hills, CA: Sage, 2001): Chapters Two and Five.

13. A central proposition here, developed at length in my work, is that we cannot take the existence of a global economic system as a given, but rather need to examine the particular ways in which the conditions for economic globalization are produced. This requires examining not only communication capacities and the power of multinationals, but also the infrastructure of facilities and work processes necessary for the implementation of global economic systems, including the production of those inputs that constitute the capability for global control and the infrastructure of jobs involved in this production. The emphasis shifts to 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.The recovery of place and production also implies that global processes can be studied in great empirical detail.

14. We are seeing the formation of an economic complex with a valorization dynamic that has properties clearly distinguishing it from other economic complexes whose valorization dynamic is far more articulated with the public economic functions of the state, the quintessential example being Fordist manufacturing. Global markets in finance and advanced services partly operate through a "regulatory" umbrella that is not state-centered but market-centered. This in turn brings up a question of control linked to the currently inadequate capacities to govern transactions in electronic space.

15. In this sense, global cities are different from the old capitals of erstwhile empires, in that they are a function of crossborder networks rather than simply the most powerful city of an empire. There is, in my conceptualization, no such entity as a single global city as there could be a single capital of an empire; the category global city only makes sense as a component of a global network of strategic sites. The corporate subsector whcih contains the global control and command functions is partly embedded in this netowrk.

16. There are multiple specifications to this argument. For instance, and going in the opposiute direction, the development of financial instruments that represent fixed real estate repositions the latter in various systems of circulation, including global ones. In so doing the meaning of capital fixity is partly transformed and the fixed capital also becomes a site for circulation. For a fuller elaboration see Saskia Sassen, *The Global City: New York, London, Tokyo*, 2nd ed. (Princeton, NJ: Princeton University Press, 2001), Chapter Two.

17. Sassen (2001), *op. cit.*

18. Carl Abbott, "The Internationalization of Washington D.C.," *Urban Affairs Review* 31, no. 5 (1996): 571-594; Abu-Lughod (1999), *op. cit.*; John Allen, Doreen Massey, and Michael Pryke, eds., *Unsettling Cities* (London: Routledge, 1999); Allan Cochrane, Jamie Peck, and Adam Tickell, "Manchester Plays Games: Exploring the Local Politics of Globalization," *Urban Studies* 33 no. 80 (1996): 1319-13336; Fuchen Lo and Yue-man Yeung, eds., *Emerging World Cities in Pacific Asia* (Tokyo: United Nations University Press, 1996); M. M.A. De Souze Santos, and M.L. Silveira, eds., *Territorio: Globalizacao e Fragmentacao.* (Sao Paul: Editorial Hucitec, 1994).

19. There is a fourth case which I have addressed elsewhere (Sassen (2001), *op. cit.*: Chapters Four and Five), which is represented by new forms of centrality constituted in electronically generated spaces.

20. Pablo Ciccolella and Iliana Mignaqui, "Buenos Aires: Sociospatial Impacts of the Development of Global City Functions," in Saskia Sassen, ed., *Global Networks/ Linked Cities* (New York and London: Routledge, 2002): 309-325.

21. Pierre Veltz, *Mondialisation Villes Et Territoires* (Paris: Presses Universitaires de France, 1996); Josse Landrieu, Nicole May, Dirige Par, Therese Spector, and Pierre Veltz, eds., *La Ville Exclatee* (La Tour d'Aigues: Editiones de l'Aube, 1998).

22. In the case of a complex landscape such as Europe's, we see in fact several geographies of centrality, one global, others continental and regional. A central urban hierarchy connects major cities, many of which in turn play central roles in the wider global system of cities: Paris, London, Frankfurt, Amsterdam, Zurich. These cities are also part of a wider network of European financial/cultural/service capitals, some with only one, others with several of these functions, articulate the European region and are somewhat less oriented to the global economy than Paris, Frankfurt, or London. And then there are several geographies of marginality: the East-West divide and the North- South divide across Europe as well as newer divisions. In Eastern Europe, certain cities and regions, notably Budapest, are rather attractive for purposes of investment, both European and non-European, while others will increasingly fall behind, notably in Rumania, Yugoslavia, and Albania. We see a similar differentiation in the south of Europe: Madrid, Barcelona, and Milan are gaining in the new European hierarchy; Naples, Rome, and Marseilles are not.

23. Lo and Yeung (1996), *op. cit.*

24. Sueli Ramos, "Sao Paulo: Articulating a Cross-Border Region," in Sassen (2002), *op. cit.*

25. Ali Parsa and Ramin Keivani, "The Hormuz Corridor: Building a Cross-Border Region Between Iran and the United Arab Emirates," in Sassen (2002), *op. cit.*:145-182.

26. Stephen Graham 2002, "Communication Grids: Cities and Infrastructure," in Sassen (2002), *op. cit.*: 71-91; Stephen Graham and Simon Marvin, *Splintering Urbanism: Networked Infrastructures, Technological Mobilities, and the Urban Condition* (London: Routledge, 2001); Manuel Castells, *The Rise of the Network Society* (Oxford: Blackwell Publishers, 1996).

27. This also holds in the highly developed world. For instance, the Paris region accounts for over forty percent of all producer services in France, and over eighty percent of the most advanced ones. New York City is estimated to account for between a fourth and a fifth of all US producer services exports though it has only three percent of the U.S. population. London accounts for forty percent of all exports of producer services in the U.K. Similar trends are also evident in Zurich, Frankfurt, and Tokyo, all located in much smaller countries.

28. Cristof Parnreiter, "Mexico: The Making of a Global City," in Sassen (2002), *op. cit.*:145-182.

29. David Smith, "The Urban Sociology Meets the Old: Re-reading Some Classical Human Ecology," *Urban Affairs Review* 30, no.3 (1995): 432-457.

30. Jantet L. Abu-Lughod, *From Urban Village to "East Village": The Battle for New York's Lower East Side* (Cambridge: Blackwell, 1994); Nira Yuval-Davis, "Ethnicity, Gender Relations, and the Multiculturalism," in R. Torres, L. Miron, and J.X. Inda, eds., *Race, Identity, and Citizenship* (Malden, MA: Blackwell Publishers, 1999): 112-125; Richard Sennett, *The Conscience of the Eye: the Design and Social Life of Cities* (New York: W.W. Norton, 1992).

31. James Holston and Arjun Appadurai, "Cities and Citizenship," *Public Culture* 8, no. 2 (1996): 187-204; Rodolfo D. Torres, Louis F. Miron, and Jonathan Xavier Inda (1999), *op. cit.*

32. John Allen, Doreen Massey, and Michael Pryke, eds., *Unsettling Cities* (London: Routledge, 1999);

King (1996), *op. cit.*; Abu-Lughod (1994) *op. cit.*; Joan Copjec and Michael Sorkin, eds., *Giving Ground: The Politics of Propinquity* (New York: Verso, 1999); E. Berner and R, Korff, "Globalization and Local Resistance: The Creation of Localities in Manila and Bangkok," *International Journal of Urban and Regional Research* 19, no. 2 (1995): 208-222.

33. Peter J. Taylor, "World Cities and Territorial States: The Rise and Fall of their Mutuality," in Peter Taylor and P.L Knox, eds., *World Cities in a World-System* (Cambridge: Cambridge University Press, 1995); A. Sachar, "The Global Economy and World Cities," in A. Sachar and S. Odberg, eds., *The World Economy and the Spatial Organization of Power* (Aldershot: Avebury, 1990).

34. Saskia Sassen, *Globalization and its Discountents* (New York: New York Press, 1998): Chapter One and Ten.

35. Sassen (1998) *op. cit.*: Part One; Ronald Skeldon, *Reluctant Exiles? Migration from Hog Kong and the New Overseas Chinese* (Armonk, New York: M.E. Sharpe, 1994).

36. Frank Bonilla, Edwin Melendez, Rebecca Morales, and Maria de los Angeles Torres, *Borderless Borders: U.S. Latinos, Latin Americans, and the Paradox of Interdependence* (Philadelphia: Temple University Press, 1989). Sassen (2000a, b), *op. cit.*; Sassen (1998), *op. cit.*: Chapter One.

37. Ira Katznelson, *Marxism in the City* (Oxford and New York: Clarendon Press and Oxford University Press, 1992).

Copyright of Brown Journal of World Affairs is the property of Brown University and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.