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Ethnicity and space in the global city: a new frontier?

Economic globalization has contributed to a new geography of centrality and marginality. This new geography assumes many forms and operates in many terrains, from the distribution of telecommunications facilities to the structure of the economy and of employment. Some cities see a strengthening in their concentrations of economic power, while cities that were once major manufacturing centers suffer inordinate declines; 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.

Large cities have emerged as strategic territories for some of these developments. First, cities are the sites for concrete operations of the economy. For our purposes we can distinguish two forms of this. One is about economic globalization and place. A certain kind of city is a place where global processes materialize: we see the concentration of command functions, the installation of global markets, and, I add, the development of production sites for the advanced corporate service industries. The other form through which this concreteness can be captured is by an examination of the day-to-day work in the leading industrial complex, finance and specialized services. Such an examination makes it clear that a large share of the jobs involved in finance, for example, are lowly paid clerical and manual jobs, many held by women and immigrants. These types of workers and jobs do not fit the dominant representation of what the premier industrial complex of our era is about. They are never represented as part of the global economy but are in fact as much a part of globalization as its international finance. Secondly, the city concentrates diversity. Its spaces are inscribed with the dominant corporate culture but also with a multiplicity of other cultures and identities, notably through immigration. The slippage is evident: the dominant culture can encompass only part of the city. And while corporate power inscribes non-corporate cultures and identities with "otherness", thereby devaluing them, they are present everywhere. The immigrant communities and informal economy described in this paper are but two instances. Diverse cultures and ethnicities are especially strong in major cities in the U.S. and Western Europe; these also have the largest concentrations of corporate power.

We see here an interesting correspondence between great concentrations of corporate power and large concentrations of "others". It invites us to see that globalization is not only constituted in terms of capital and the new international corporate culture (international finance, telecommunications, information flows) but also in terms of people and non-corporate cultures. There is a whole infrastructure of low-wage, non-professional jobs and activities that constitute a crucial part of the so-called corporate economy.

Large cities in the highly developed world are the terrain where a multiplicity of globalization processes assume concrete, localized forms. These localized forms are, in good part, what globalization is about. We can then think of cities also as the place where the contradictions of the internationalization of capital come to rest, or fight. If we consider, further, that large cities also concentrate a growing share of disadvantaged populations —immigrants in Europe and the U.S., African-Americans and Latinos in the U.S.— then we can see that cities have become a strategic terrain for a whole series of conflicts and contradictions.

A central framework for this paper is that on the one hand cities concentrate a disproportionate share of corporate power and are one of the key sites for the overvalorization of the corporate economy, and, on the other, they concentrate a disproportionate share of the disadvantaged and are one of the key sites for their devalorization. This joint presence happens in a context where a) the internationalization of the economy has grown sharply and cities have become increasingly strategic for global capital; and b) marginalized people have come into representation 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 super-profits. And marginality, notwithstanding little economic and political power, is an increasingly strong presence through the new politics of culture and identity.

One particular concern in this paper is to understand how new forms of inequality actually are constituted into new social and physical forms, such as gentrified neighbourhoods, informal economies, or downgraded manufacturing sectors. To what extent these developments are connected to the consolidation of an economic complex oriented to the global market, is a difficult question to answer. Precise empirical documentation of the linkages or impacts is impossible; the effort here is focused, then, on a more general attempt to understand the consequences of both the ascendance of such an international economic complex and the general move to a service economy.

The first section very briefly introduces the three major modes of formation and appropriation of urban space in today's large cities which will serve as the anchor for the discussion in this paper. The second section shows how global processes are actually constituted in the urban economy and in urban space. What is the specific economic content and spatial form of internationalization? How is it different from earlier forms? Also of interest here is the attempt to recover the material conditions, including the production process involved in this corporate complex in order to uncover the connections with other sectors and types of firms and workers. The third section examines one of the distinct economic spaces associated with immigrant communities, the informal economy. The purpose here is to understand what the informal economy is. Since it is probably one of the most extreme representations of "backwardness", it invites us to ask what fed its growth in advanced urban economies. Is it a closed system, internal to the immigrant community, as many think, or is it at least in part, deeply intertwined with mainstream sectors. One concern here is also to identify the spaces of the informal economy. Are they always inside the immigrant community, as is often argued?

The fourth section of the paper takes a low-income, low-price commercial district in a large city, a type of place that could be found in any major city. In this case it is 14th Street in Manhattan. To the mainstream eye, much of the commercial area looks rundown, economically marginal, a waste of precious urban space better put to use with high-priced office buildings. I examine this space in order to understand its place in the broader city's economy, and in the light of mainstream cultural narratives about what belongs and what doesn't, what can survive and what cannot in a city like New York, and a place like Manhattan.

The aim of these sections is to uncover a different story about the nature of an advanced urban economy in today's world, and the articulation of economic place, cultural identity and dominant or mainstream ideas about both.

The formation and appropriation of urban space

The corporate complex and the immigrant community today are probably two extreme modes in the formation and appropriation of urban space. The urban form represented by the global city function —the internationalized corporate services complex and the highly paid professional workforce with its high-priced lifestyle— is the one habitually thought to constitute the essence of an advanced post-industrial economy. The urban form represented by the immigrant community, or more specifically, the informal economy, is habitually seen as not belonging to an advanced economy, one to be found here only because it is imported via immigration. These two social-physical forms are increasingly evident in more and more major cities in developed countries. Large U.S. cities represent a "vanguard", containing perhaps the most evolved version these two socio-physical forms can assume.

These two forms reveal how power and the lack of power inscribe themselves in the urban landscape. There are different narratives attached to each. One represents technological advance and cosmopolitan culture, the other, economic and cultural backwaters. One presents itself as part of the global economy, suffused in internationalism; the other, while international in its origin, is promptly reconstituted as a local, vernacular form. One is read to be dis-

embedded in the way Giddens (1990) has described certain aspects of modernity —transterritorial to the point of being thought of as a-spatial through such concepts as the information economy and telematics. The other is read as deeply embedded —in an economic, social and cultural territory of neighbourhoods and particularistic traditions.

I should note promptly that the corporate complex and the informal economy are but two of the distinct features of today's large cities in the U.S. and in other highly developed countries. There are two other categories that are central to any such account: they are race and gender. Their presence and their representations suffuse all else. Their complexity deserves full treatment, which I have attempted elsewhere (SASSEN 1994).

Here I will argue that not only the corporate complex but also the informal economy and, more generally, certain "working class" uses of space are also forms through which the broader economic dynamic typical of advanced economies is materialized in urban space. One can ask what is the place in an advanced urban economy of firms and sectors which appear to be backward or lack the advanced technologies and human capital base of the leading industries? Are they superfluous? And what about the types of workers employed by such firms? It might be that many of the highly differentiated components of the economy —whether firms, sectors, or workers— are articulated under forms of extreme segmentation in the social, economic, racial and organizational traits of each component. This raises yet another question. To what extent is this segmentation produced or strengthened by the existence of ethnic/racial segmentation in combination with racism and discrimination? Ethnic/racial segmentation not only produces economic outcomes that devalue some firms and workers and over-value others, but also produces a narrative about the nature of our large cities which marginalizes the economics and the culture of non-dominant sectors.

I propose to examine the interconnections between that which is represented as advanced and neutral and that which is represented as backward and particularistic. The next section of the paper briefly examines the urban economy of large cities to introduce some key trends and critical questions and discusses the internationalization of the leading corporate services complex and its rise to a dominant position in the urban economy. The focus is particularly on New York City but there are references to other major cities.

Recovering place and production in the global economy

Major changes in the technical and spatial organization of the economy at the local, national, and global levels have fed the demand for the kinds of services and centralized control operations likely to be concentrated in major cities. Here the constructs "world city" (FRIEDMANN and WOLFF, 1982; HALL, 1984), or "global cities" (KING 1990), or "global city function" (SASSEN 1993) are useful. The need for nodal points to coordinate global economic activities contributes to the emergence of world cities. To this coordinating role I add that of sites for the production of a large array of inputs and "organizational commodities" necessary for global control and coordination (SASSEN-KOOB 1984; SASSEN 1993).

These inputs need to be produced. We can think of the producer services sector as a sort of new basic industry and of cities like New York, Los Angeles, or London as preferred sites of production for this industry. A concern with production also makes it possible to shift the focus away from the large multinational corporations which dominate the global economic stage and onto the vast array of small firms involved in the production of such services. Furthermore, it leads to an investigation of the organization of this industry: its patterns of subcontracting, suppliers, networks, input and output markets, and other key components. That is to say, while large multinationals are the key economic actors in today's national and world economy, there are many economic activities necessary for the type of economic system such corporations engender, but that take place outside those corporations. I thus want to look at cities as sites for the location of this new basic industry, and not only as sites for the location of corporate headquarters.

A question that emerges out of this concerns the consequences of such a new economic core in major cities for the organization of other economic sectors. Specifically, does the existence of a dynamic growth sector feed the expansion of what appear to be declining or backward economic sectors, such as the downgraded manufacturing sector and the informal economy? What are the linkages? To what extent do the most sophisticated white-collar industries that characterize the new economic core need access to a broad range of industrial services located in easy access, notably in Manhattan, though some of these services sometimes lack the bidding power to locate within easy access and hence operate informally?

More generally, any city demands goods at least some of which benefit from being produced in a city location. Further changes in the economic base of cities have resulted in a growing demand for goods that can be produced by small firms that prefer a city location because of access to suppliers and customers. But the general understanding about manufacturing, and one that is expressed in much policy, is that large scales and standardization are the only viable form of organizing production, and that, hence, city locations are unfeasible. Forms of manufacturing production that do not respond to these criteria will tend to be seen as backward or marginal, conjuring up the image of the garment sweatshop. Allocating space to manufacturing activities in large cities is, consequently, viewed as inefficient. Yet the most dynamic sectors of the city's economy require access to local-based manufacturers for certain kinds of customized products for both firms and households.

A related question is the effect of the reorganization of income-earning activities on consumption patterns and life-style questions. There is considerable evidence that a growing share of high-income jobs are going to city residents, more so in New York than in other major cities. This new middle class has produced not only a physical upgrading of expanded portions of major cities, but also a reorganization of the consumption structure. The high income of the new workers is not sufficient to explain the transformation. Less tangible factors are considerable. An examination of this transformation reveals a dynamic whereby an economic potential—the consumption capacity represented by high disposable income—is realized through the emergence of a new vision of the good life.

The immigrants, in turn, have produced a low-cost equivalent of gentrification. Areas of the city once filled with shut-up storefronts and abandoned buildings are now thriving commercial and residential neighbourhoods. The growing size and complexity of immigrant communities have generated a demand and supply for a wide range of goods, services, and workers. The separateness of the immigrant community becomes a vehicle to maximize the potential it contains. Small investments become neighbourhood upgrading because of the residential concentration of immigrants. This upgrading does not fit the conventional notions of upgrading, notions rooted in the middle-class experience. Its shape, colors, and sounds are novel. They, like the cosmopolitan work culture of the new professionals, are yet another form of the internationalization of global cities.

Not unrelated to these questions is the growing incorporation of women both at the high and at the low end of the occupational structure. A larger share of the new job growth in the region from 1985 to 1995 will be accounted for by women. Women are 50% of all city residents employed in the business and professional services. One question concerns the extent to which the new gentry is female. A large presence of women in the new middle-class gentrification may well lead to a renewed urbanization of families, especially female-headed or two-career families. This would engender an expanded demand for various family-type services. If we add to this the strong family base in immigrant communities, we might posit a recovery of urban space for family life that is female-led in gentrified and poverty areas and immigrant-led in some other areas of the city. Though somewhat speculative, this notion of a new, female, and immigrant-led urbanization of families is intriguing.

Finally, a question bringing these different strands together is that of the effect of economic restructuring (in its many guises) on the organization of the capital-labor relation. This type of question requires theorizing alongside empirical research. It organizes much of the presentation

in the next sections. Informalization and downgrading are, in the last analysis, modes of reorganizing the relationship between capital and labor. And the changes in the sphere of social reproduction described above also have contributed to such a reorganization insofar as consumption and life-style have contributed to a proliferation of small firms. These contain a distinct form of organizing work, quite different from the large-scale, standardized firm where unionization and adherence to various regulations are more typical.

One fundamental form of the interaction of space, production, and social reproduction is that the economic base in a city requires a supply of both high-income and low-wage workers. Insofar as it is necessary for a city to contain housing appropriate to both types of workers, conflicts may emerge over the access to city land for housing and to all other components of the sphere of social reproduction —shops, schools, services. At the same time that the economy needs these two types of workers, the bidding power of the high-income worker is so much higher that it can displace spatially the low-income workers. Yet if the trip to work for these low-income workers becomes unacceptably long or costly to them, the economy of the city would suffer, notably those highly dynamic sectors that generate the greatest value and a critical mass of high-income jobs.

The socio-economic transformation of the resident population has its own “autonomous” effect on space in the city. One effect of expanding high- and low-income populations is the proliferation of small firms; and two very different types of small firms, some catering to the upscale market, others to the low-scale market, and including not only services and retail, but also certain types of manufacturing. Indeed, the existence of high- and low-income residential populations may have the effect of promoting certain forms of manufacturing activity in the city, because, each of these populations in its own way contributes to a growth in the demand of goods produced at small scales and locally. On the upscale end, these products and services are adequately or conveniently described as customized; on the low scale, as extremely cheap. The proliferation of small firms tells us that a city location is feasible and that neighborhood-level firms become more typical at the same time that global market firms dominate the city's economy.

An intermediate variable that is quite significant in facilitating the proliferation of small firms is the existence of immigrant communities because these tend to have the requisite structures to implement such production. These structures include labor supply networks that are both flexible, reliable, and cheap; a supply of skills and entrepreneurial experience —many immigrants having been craft workers in their home countries; and mutual help arrangements essential for securing the necessary capital. Spatially, these immigrant communities emerge as key locations for a range of firms that are actually producing for the mainstream market, for select boutiques, for larger firms, and for individual clients.

The overall sense, particularly accentuated in Manhattan, is that residential space has increasingly been occupied by a growing urban gentry and the infrastructure of shops it requires; by a growing number of immigrant communities containing various sub-economies; and by a growing mass of poor, displaced people who occupy devastated areas of the city, some of which eventually become incorporated into the expanding gentrification process, or, alternatively, the expanding immigrant communities. Commercial space is increasingly occupied by the corporate complex and its auxiliary services, by the informal economy and by the downgraded manufacturing sector.

1. Production Sites and Marketplaces for Global Capital.

Centralized control and management over a geographically dispersed array of plants, offices, and service outlets does not come about inevitably as part of a “world system”. It requires the development of a vast range of highly specialized services and of top-level management and control functions. These constitute the components for “global control capability” (SASSEN 1988). Such advances in electronics and telecommunication have transformed geographically distant cities into centers for global communication and long-distance management.

Going beyond the domain of the existing literature on cities, I posit that global cities are a specific type of production site and I examine their central command functions as a production process. They are sites for a) the production of specialized services needed by complex organizations, including prominently top level management, control and servicing operations necessary for running a spatially dispersed network of factories, offices and service outlets under conditions of continued economic concentration; and b) the production of financial innovations and the making of markets, both central to the internationalization and expansion of the financial industry.¹

By focusing on the production of global control capability, I am seeking to displace the focus of attention from the familiar issue of the power of large corporations over governments and economies; or the issue of supracorporate concentration of power through interlocking directorates or organizations such as the IMF. I want to focus on an aspect that has received less attention, what could be referred to as 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. My focus is on production: the production of those inputs that constitute the capability for global control and the infrastructure of jobs involved in this production. This allows me to focus on cities and on the urban social order associated with these activities.

There is a wide array of economic activities, many outside the corporation, which contribute to produce and reproduce corporate power, activities mostly concentrated in major cities. In the case of finance, a focus on the large transnational banks would leave out precisely the most dynamic institutional sector of the industry, one where key new components have been invented and put into circulation. Finally, an exclusive focus on corporations and banks leaves out a number of issues concerning the social, economic and spatial impact of these activities on the cities that contain them.

A focus on the spatial and organizational forms assumed by economic globalization today and the actual work of running transnational economic operations (SASSEN 1993) has the effect of recovering the centrality of place and work in processes of economic globalization. A concern with place and work opens up the inquiry to components of the urban economy we do not associate with globalization but which may indeed be an integral part of the global city function, such as the informal economy and certain working-class uses, the subject of the next two sections.

The informal economy

The possibility of an informal economy in highly developed countries is not foreseen in the main theories on economic development generally and post-industrial society in particular. Such a possibility is, then, highly controversial and demands not only empirical documentation of its existence but also a theoretically specified plausibility. The concept informal economy describes a process of income-generating activity characterized by the lack of regulation in a context where similar activities are regulated. Regulation here refers to the institutionalized intervention of the state in the process of income generating activity. Thus while particular instances of informal work in highly developed countries may resemble those of an earlier period, they are actually a new development in the organization of work given decades of institutionalized regulation that had led to a pronounced reduction, and at times virtual elimination, of unregulated income-generating activity. Because the particular characteristics of informal work are derived from the fact of a context where such work is regulated, the informal economy can only be understood in its relation to the formal economy. But the theories that dominate explanation of advanced economies, whether neo-classical or marxist, posit that as development proceeds, informal income-generating processes and relations of production will disappear. These theories posit the gradual incorporation of all aspects of work into formalized market relations.

There is a considerable amount of literature on what is referred to usually as the "informal sector" but it is focused on Third World countries and has, wittingly or not, assumed that as a social type such sectors are not to be expected in advanced economies. And the literature on industrialization has assumed that as development progresses, so will the standardization of production and generalization of the "formal" organization of work.

The question then is how does this process fit in an advanced economy such as that of New York City. Is it a marginal sphere that provides cheap labor to marginal firms or are there components of the informal economy that are articulated with the major growth sectors? Since much of the expansion of the informal economy in U.S. cities has been located in immigrant communities, it has led to an explanation of its expansion as being due to the large influx of Third World immigrants and their propensities to replicate survival strategies typical of their home countries—in brief, that it is supply-induced. Related to this view is the notion that backward sectors of the economy are kept backward or even alive, because of the availability of a large supply of cheap immigrant workers. Both of these views posit or imply that if there is an informal economy in advanced industrialized countries, the sources are to be found in Third World immigration and in the backward sectors of the economy—a Third World import or a remnant from an earlier phase of industrialization.

Rather than assume that Third World immigration is causing informalization, what we need is a critical examination of the role it might or might not play in this process. Immigrants, in so far as they tend to form communities, may be in a favorable position to seize the opportunities represented by informalization. But the opportunities are not necessarily created by immigrants. They may well be a structured outcome of current trends in the advanced industrialized economies. Similarly, what are perceived as backward sectors of the economy may or may not be remnants from an earlier phase of industrialization; they may well represent a downgrading of work involving growing sectors of the economy.

The evidence points to several distinctions in the process of informalization in New York City. A first set of distinctions concerns the origin of the demand for informally produced or distributed goods and services. We can identify informal activities that result from the demand for goods and services in the larger economy, either from final consumers or firms. Most of the informal work in the garment, furniture, construction, packaging and electronics industries is of this type. And we can identify informal activities that result from demand internal to the communities where such activities are performed. Immigrant communities are a leading example, and probably account for much of this second type of demand.

Second, an examination of the conditions that may be contributing directly to the demand for informal production and distribution indicates several sources. a) One of these is competitive pressures in certain industries, notably apparel, to reduce labor costs given massive competition from low-wage Third World countries. Informal work in this instance represents an acute example of exploitation. The fashion industry needs to have producers in close vicinity for many of its items; given high land prices, informal production operations are one answer for the fashion industry in New York, London, Paris, and even Tokyo (see SASSEN 1993: Chapter 9). b) Another source is a rapid increase in the volume of renovations, alterations, and small-scale new construction associated with the transformation of many areas of the city from low-income, often dilapidated neighborhoods into higher income commercial and residential areas. What in many other cities in the U.S. would have involved a massive program of new construction was mostly a process of rehabilitation of old structures in the case of New York City. The volume of work, its small scale, its labor intensity and high skill content, and the short-term nature of each project all are conducive to a heavy incidence of informal work. c) A third source is inadequate provision of services and goods by the formal sector. This inadequacy may consist of excessively high prices, inaccessible or difficult to reach locations of formal providers, or actual lack of provision. It would seem that this inadequacy of formal provision involves mostly low-income individuals or areas. Examples are gypsy cabs serving areas not served by regular cabs, informal neighborhood child-care centers, low-cost furniture

manufacturing shops, informal auto-repair, and a whole range of other activities providing personal services and goods. d) The existence of a cluster of informal shops can eventually generate agglomeration economies that induce additional entrepreneurs to move in. This is illustrated by the emergence of auto-repair "districts", vendors' "districts", or clusters of both regulated and informal shops in areas not zoned for manufacturing but that are one of the few viable locations for such activity given the increased demand for space by high bidders. e) The existence of a rather diverse set of informal firms using a variety of labor supplies may lower entry costs for entrepreneurs and hence function as a factor inducing the further expansion of the informal economy; this can be thought of as a type of supply side factor: it signals to employers the existence of an informal "hiring hall".

Third, we can distinguish different types of firms in the informal economy in terms of the locational constraints to which firms are subject. i) For some firms, it is access to cheap labor which determines location because it allows these firms to compete with Third World factories or to compete in markets with rapid production turnover times. ii) In contrast, many of the shops engaged in customized production or operating on subcontracts, evince a whole host of locational dependencies on New York City. These firms are bound to the city (or to any large city they might be located in undergoing the kinds of socio-economic transformations we identified for New York City) due to some or all of the following reasons: a) demand is local and involves typically specific clients or customers; b) vicinity to design and specialized services; c) brief turnover time between completion of design and production; d) demand is predicated on the existence of a highly dynamic overall economic situation that generates a critical volume of demand and spending capability on the part of buyers; e) the existence of immigrant communities which have some of the traits associated with enclave economies and hence contain very specific types of markets. In other words, these are firms whose market is right there in New York City. Leaving the city for a lower cost location is not quite an option. In this case informalization functions as a mode of incorporation into an economic system with great inequality in the bidding power of firms for land and a sharp increase in the demand for space by high bidding firms, both factors having contributed to reduce sharply the supply of low-cost space.

Fourth, we can distinguish differences in the types of jobs we found in the informal economy. Many of the jobs are unskilled, with no training opportunities, involving repetitive tasks. Another type of job demands high skills or acquisition of a skill. The growth of informalization in the construction and furniture industries can be seen as having brought about a re-skilling of the labor force. Some jobs pay extremely low-wages, others pay average wages and still others were found to pay above average wages. But typically there seems to be a saving involved for the employers or contractors compared with what would have to be paid in the formal market.

Fifth, we can identify different types of locations in the spatial organization of the informal economy. Immigrant communities are a key location for informal activities meeting both internal and external demand for goods and services. Gentrifying areas are a second important location; these areas contain a large array of informal activities in renovation, alteration, small-scale new construction, woodwork and installations. A third location can be characterized as informal manufacturing and industrial service areas serving a city-wide market.

It would seem, then, that important sources for the informalization of various activities are to be found in characteristics of the larger city's economy. Among these are the demand for products and services that lend themselves to small scales of production, or are associated with rapid transformations brought about by commercial and residential gentrification, or are not satisfactorily provided by the formal sector. This would suggest that a good share of the informal economy is not the result of immigrant survival strategies, but rather an outcome of structural patterns or transformations in the larger economy of a city such as New York. Workers and firms respond to the opportunities contained in these patterns and transformations. However, in order to respond, workers and firms need to be positioned in distinct ways. Immigrant communities represent what could be described as a "favored" structural location to seize the opportunities for entrepreneurship as well as the more and less

desirable jobs being generated by informalization.

Working class uses of space

Major economic forces in today's large cities push towards the decimating of low-cost and generally working-class uses of space, be they individual buildings, commercial districts, or manufacturing operations. These are often forced to become informal. And urban governments tend to see only the advantages of high-profit, high-cost uses of space. The rationale is typically put in terms of taxes that can be collected on such uses, though this can be shown to be a short-term view that disregards the longer term costs associated with the impoverishment that this form of development brings about. The visually dominant categories reinforce these two sets of forces: mainstream society (both its constituents and its representatives such as politicians) tend to see new buildings, modern constructions, the glitter of high-profit/high-cost uses of space (be they homes or commerce) as the desirable visual forms, as representing progress and an advanced economy; working-class uses of space and the associated built forms are seen as backward and not economically very viable.

The case of 14th Street in New York City is interesting on all these aspects. It is the last major working class commercial center in Manhattan and functions as a very lively public space. There are working-class jobs and shops, and middle-class homes and offices. Visually much of it looks fairly run down, except for the newly gentrified buildings and new construction. Very importantly, it is a space where what is usually referred to as "working class" makes itself evident in its full complexity: people of generally or working-class conditions, who think of themselves in terms of very diverse categories —classes, races, genders, and the multiplicity of forms contained in each of these.

We (SASSEN and SATLER, forthcoming) had several questions: Are the working class uses on the street economically viable in a city like New York? Do the physical characteristics of buildings allow for the upscale office uses that are being proposed by city government and the real-estate industry? Is there a connection between these working class uses of the street and that which we think of as the leading economic sectors: finance and specialized services.

For the past 100 years, 14th Street has been the working class retail center of Manhattan with Union Square, once the entertainment and political nexus of working-class life in the city, at its center (see SENNETT 1992 for a description of this street and its meaning in the city's history). It has two major subway hubs, connecting most subway lines in the city. This explains partly why working class people today, from all over the city, still buy electronics, clothes, fabrics, and inexpensive furniture on 14th Street, and come on weekends to spend time with friends and strangers in the lively discount commercial district, full of street vendors, all adding up to the atmosphere of an open-air bazaar. But the process of gentrification affecting the rest of the city also came to 14th Street, given its convenient location, close to the downtown and midtown corporate office districts. We now see: a new, upper-middle class housing project; renovated warehouse buildings for a new publishers center; areas of the wholesale meat trade now being converted into high-income residential or office lofts; assemblage of lots by large real estate firms.

The most common view, one held by both government officials and the real estate industry, is that the working class uses of the street —the meat market, the discount shopping center between 7th Avenue and the Square, the commercial area on the far East side— are obsolete, economically finished in post-industrial Manhattan. In this view, the preferred economic and social uses are corporate or professional offices and middle-class housing. The economic, social and visual homogenization that such a replacement of working class uses would bring about is seen as highly desirable.

In our study we investigated whether this imagery of obsolescence and decay of the working class uses on the street could possibly represent one type of visual signification, one conditioned by common images of what is prosperity and what is urbanistically attractive. Could there be another reading about the a) economic viability of current working class uses, the b)

physical viability of proposed office uses, and the c) socio-political viability of a space of diversity, one of mixed economic and social class uses with the attendant visual mix.

This raises several broad questions. Most generally, can 14th Street, and streets like it, remain a space in which the working class can participate; and what new forms of space can promote a diversity of class use? What is the productive outcome, if any, of social diversity? Does the creation of a common territory have larger implication for the political discourse between classes of unequal power? And it raises more specific questions. Can the current diversity and mix of activities in terms of socio-economic and ethnic characteristics continue or will gentrification take over and homogenize this space? Is the discount shopping area viable and is it enough to anchor a public space for the working class? What other activities on the street could serve as such an anchor? Does the diversity of building types on the street contain specific possibilities or constraints on modes of occupation and types of street activity? To what extent is social diversity reflected in building type? To what extent does building type set limits to mode of occupation and range of use?

The overall result of our inquiry points to a possibility different reading of the working-class uses on 14th Street: the prevalent imagery of decay and desolateness is inadequate. These are the main findings: First, the building type on much of 14th Street is such that it limits upscale uses and is in fact well-suited for uses that would further anchor the working class on this street: warehousing and small specialized manufacturing —which is beginning to grow again in New York City. Indeed, several factories have recently moved in. Even if it once again becomes profitable to renovate buildings for office space, there are very few buildings left in this area that are feasible for upscaling. There is a distinct difference in building style and type between the corner buildings which have been converted to office space and the mid-block structures which remain underutilized. Some are too small or have upper floors accessible only through the retail space on the ground floor, and others are simply too deteriorated. Further, rebuilding is not an option because most of the buildings here are built to more than two-thirds of allowed bulk. Lastly, 14th Street itself deters prospective office tenants. As long as it retains its reputation as a working-class-shopping district, other areas in the city will be able to outbid its mid-block spaces for office tenants. These spaces could, however, be profitably filled with small, specialized manufacturers. In fact, these blocks already house several such tenants, for example dental equipment manufacturers, as well as numerous makers of fine jewelry.

Most importantly, encouraging this use for presently underutilized space would help to anchor the working class more firmly on the street, and resist the city's policy of moving manufacturers out of Manhattan and to promote the conversion of space to higher use of offices.

Secondly, the discount shopping center is highly profitable, draws from a broad area of the city, and is generally far stronger than its appearances suggest. The discount store type is intriguing not only for its incredible success as a vehicle for commerce but also for its position in the urban framework of 14th Street (see GABER 1993 for a detailed account). Discount stores break down the boundary between private and public space for marketing purposes, store managers put tables piled with goods on the sidewalk and arrange with vendors to sell goods in front of their stores. They bring the sidewalk into the building by using their vestibules as selling space or indenting the whole facade of their store to create a kind of super vestibule for open-air sales. These physical arrangements create a complexity and depth in the street wall that makes 14th Street a highly charged and effective urban space.

In contrast, the formal "public" uses on the street, such as the armory, the Salvation Army building and even Union Square Park give little to the street urbanistically. They meet the street in a way that reflects a perception of the street's users as clients or intruders. New construction on the street has tended to take the same defensive approach constraining the lively interactive techniques of some store managers. Discount stores provide a model of the way buildings could be designed to reinforce 14th Street's role as a street of markets for people throughout the metropolitan area with moderate and lower incomes. Third, the new middle income residential

towers built on Union Square and the more upscale commercial activity they promote can be thought of as contributing to the diversity of the area, rather than to its inevitable gentrification. Today 14th Street is a highly mixed area. It is zoned for manufacturing, commercial and residential uses. It has low-income tenants, middle-class housing, high-rise luxury apartments and privately owned renovated brownstones. The high rise buildings on the square and on the corners of avenues contain a range of uses from publishers and professional services to manufacturing and there is far more demand for space than is available. The discount-shopping district generates over \$200 million in annual sales with 70% of its shoppers coming from outside the area. The street vendors are an integral part of this shopping district, often working in collaboration with the shops; the overall effect is that of a bazaar. The wholesale meat market is the largest in the city and services almost all of the hotels and restaurants. In brief, these working-class uses are in stronger economic shape than is usually thought.

Since there is much underutilized space in what is one of the prime business areas of the city there would seem to be a vast potential for new, expanding uses, notably offices and professional studios. But we found the characteristics of the buildings in the key locations for working-class uses on the street are such that they contain constraints to upscale uses.

Politically it is of central importance to be able to document the economic viability of the working-class uses of 14th Street and the desirability of social and income diversity. Gentrification and offices are *not* the only viable and desirable options for these types of districts. Working-class uses of the street, from shops, to warehousing, meat packing, and manufacturing, are viable whether in New York City, London, Frankfurt, or any of today's major cities.

Conclusion

It is essential for us to uncover the interconnections between urban forms that present themselves as unconnected in order to begin to understand what our large cities are about today and in the near future, in order to see what constitutes their complexity—in brief to produce a new narrative, to re-build the city. This will matter for a growing number of large cities in other highly developed countries as well: Frankfurt and Berlin in Germany, Paris and Marseille in France, Vienna in Austria, Tokyo and Osaka in Japan. In all these cities we see the emergence of the dualities in economic power and cultural representation so sharply evident in Los Angeles and New York. It matters also because the distorted representation we have today of the advanced urban economy does not help political efforts to make these cities more manageable, more livable, less hopeless. A large city is a space of difference, in Sennett's words (1992). The inscription of difference into the urban landscape and into urban space is no easy matter; it cannot simply be an enactment of different cultures, the merchandising of subcultures, a simplistic democratic conception of one vote/one space carried onto the group level. It needs to be rooted in the constitution itself of urban space. That is why, I argue, uncovering, making visible the crucial place or role of economic sectors, firms and workers that may appear as marginal and "imported", as backward and not belonging, is one step in the direction of such a rebuilding.

There is a multiplicity of economies involved in constituting the so-called global information economy. Yet it is the corporate economy and the new transnational corporate culture which are largely seen as the sites for the representation of economic globalization. In this paper I have sought to expand the terrain for this representation by focusing on cities. It is interesting to note how the dominant economic narrative argues that place no longer matters, that firms can move anywhere now thanks to telematics, that the dominant industries are information-based and hence not place-bound. This line of argument devalorizes cities at a time when they are a strategic terrain for the new cultural politics. (And it makes it possible for the corporate economy to extract major concessions from city governments under the notion that firms can simply leave—which is not quite the case for a whole complex of firms.)

In seeking to show that a) cities are strategic to economic globalization because they are

command points, global marketplaces and production sites for the information economy, and that b) many of the devalued sectors of the urban economy actually fulfill crucial functions for the center, I try to recover the importance of cities precisely in a globalized economic system and of those devalued sectors which rest largely on the labor of women, immigrants, and, in the case of large U.S. cities, African-Americans and Latinos. It is all the intermediary sectors of the economy (such as routine office work, headquarters that are not geared to the world markets; the variety of services demanded by the largely suburbanized middle class) and of the urban population (i.e., the middle class) that can and have left cities in the case of the United States. The two sectors that have remained, the center and the "other", find in the city the strategic terrain for their operations.

Secondly I have sought to argue that globalization needs to be thought of as a series of processes that are constituted by people as much as capital; for instance, it seems crucial to recognize that what we continue to think of as immigration is today an instance of globalization. There are consequences to this way of representing immigration.

These joint presences have made cities a contested terrain. We see at work here a dynamic of valorization which has sharply increased the distance between the devalorized and the valorized, indeed overvalorized, sectors of the economy. Economic globalization has been a key factor feeding the overvalorization of the corporate center, and in this regard it contributes to the production and reproduction of inequality and potential conflict.

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Notes

1. This focus illuminates the positions of different types of cities in the current organization of the world economy. A limited number of major cities are the sites of production for specialized services and financial products sold on national and global markets. And a large number of other major cities have lost their role as leading export centers for manufacturing, precisely due to the decentralization of production.

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