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GLOBALIZATION AND ITS DISCONTENTS

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SERVICE EMPLOYMENT REGIMES AND THE NEW INEQUALITY[1]

Beyond the multiple causes that produce inequality and poverty through lack of employment, I argue that major changes in the organization of economic activity over the last fifteen years have also emerged as a source of general economic insecurity and, particularly, of new forms of employment-centered poverty.

This is a broad subject; here I will confine myself to three processes: (1) the growing inequality in the profit-making capacities of different economic sectors and in the earnings capacities of different types of workers; (2) the polarization tendencies embedded in the organization of service industries and the casualization of the employment relation; and (3) the production of urban marginality, particularly as a result of new structural processes of economic growth rather than those producing marginality through abandonment. These three dynamics are not necessarily mutually exclusive. I will examine how they operate in major cities. One of the working hypothesis in this chapter is that in global cities the impacts of economic globalization operate in part through these three dynamics. Such an analysis thus becomes a heuristic for capturing the ways in which economic globalization may or may not contribute to urban poverty in such cities.

Cities, particularly cities that are leading business centers, are a nexus where many of the new organizational tendencies come together. Many service activities have been decentralized through the new information technologies, and many other services dependent on vicinity to buyers follow distribution patterns of populations, firms, and governments. But cities are key sites for the production of the most advanced services and predominantly export-oriented services, and for service firms that operate in dense networks of firms. Cities are also key sites for the various labor markets these service firms need. They are the sites where the polarization tendencies embedded in the organization of service industries come to the fore and have distinctive impacts on urban economic and social configurations; these outcomes are sharpened in very large cities by the disproportionate concentrations of low-wage service jobs catering to commuters, tourists, as well as a mass of low-income residents. Many of these tendencies assume concrete forms in the urban landscape.

The first section focuses particularly on the major systemic tendencies in the organization of the economy and how they materialize in cities. The second section focuses on polarization tendencies in the service sector. And the third section briefly examines some of the impacts of these trends on urban space.

Throughout much of this chapter the empirical focus is on the United States. To a considerable extent these trends toward greater inequality and insecurity are most advanced in the United States because the government has never been as concerned with regulating economic and social conditions as is typical in Western European countries. An important research question is how far the European countries will go toward deregulation of the economy and thereby stimulate some of these new trends.

INEQUALITY IN PROFIT-MAKING AND EARNINGS CAPACITIES

Inequality in the profit-making capacities of different sectors of the economy and in the earnings capacities of different types of workers is a basic feature of advanced economies. However, the orders of magnitude evident today distinguish current developments from those of the post-war decades. The extent of inequality and the systems in which it is embedded and through which these outcomes are produced are engendering massive distortions in the operations of various markets, from investment to housing and labor.

From the perspective of employment regimes, we need to understand what are the major processes lying behind the possibility for the increased inequality in profit making and earnings capacities. In the case of major cities they are: 1) the ascendance and transformation of finance, particularly through securitization, globalization, and the development of new telecommunications and computer networks technologies; and 2) the growing service intensity in the organization of the economy generally which has vastly raised the demand for services by firms and households. Insofar as there is a strong tendency toward polarization in the technical levels and prices of services as well as in the wages and salaries of workers in the service sector, the growth in the demand for services contributes to polarization and, via cumulative causation, to reproduce these inequalities. (For a fuller development of this argument, see Sassen 1994a, chap. 4.) Here I will particularly focus on these two major systemic tendencies in the economy and on how they materialize in cities.

The superprofit-making capacity of many of the leading service industries is embedded in a complex combination of new trends: technologies that make possible the hypermobility of capital at a global scale; market deregulation which maximizes the implementation of that hypermobility; financial inventions such as securization which liquify hitherto unliquid or relatively unliquid capital and allow it to circulate faster and hence make additional profits; the growing demand for services in all industries along with the increasing complexity and specialization of many of these inputs have contributed to their valorization and often overvalorization.

The ascendance of finance and specialized services, particularly concentrated in large cities, creates a critical mass of firms with extremely high profit-making capabilities. These firms contribute to bid up the prices of commercial space, industrial services and other business needs, and thereby make survival for firms with moderate profit-making capabilities increasingly precarious. Among the latter, informalization of all or some of a firm's operations can emerge as one of the more extreme responses, further contributing to polarization in the urban economy. More generally, we see a segmentation between high-profit-making firms and relatively modest-profit-making firms.

The growth in the demand for service inputs, and especially bought service inputs, in all industries is, in my reading, perhaps the most fundamental condition making for change in advanced economies (see Sassen 1994: chap. 4). It has had pronounced impacts on the earnings distribution, on industrial organization and on the patterns along which economic growth has spatialized. It has contributed to a massive growth in the demand for services by firms in all industries, from mining and manufacturing to finance and consumer services, and by households, both rich and poor.

The growing importance of services in economic organization can be seen in various types of data. All advanced economies have shown the most pronounced job growth in the so-called producer services (Castells and Aoyoma 1994; Sassen 1994a, Table 4.1). In the United States, the sectors with the largest share of new growth from 1973 to 1987 were finance, insurance, and real estate, which accounted for over eleven percent of all new jobs; in the 1980s these sectors accounted for twelve percent and business services for almost fourteen percent of new jobs (though they are only two percent of total jobs). At the other end of the spectrum, eating and drinking places, and retail each accounted for over ten percent of new jobs in the 1990s.[2] Another measure can be found in the value of bought service inputs in all industries. For this purpose I analyzed the national accounts data over different periods beginning with 1960 for several industries in manufacturing and services. The results showed clearly that this value increased markedly over time (see Sassen and Orloff, forthcoming; and see note 6 in chap. 8 here.)

There are broader and more generalized tendencies toward a deeply embedded dualization in economic organization that are particularly evident in global cities. These general trends have to do with the enormous differentiation within each of the traditional categories, particularly manufacturing and services, depending on the intensity of the use of computers, information, and control technologies in industry organization, and on whether an industry produces important inputs for other industries. Appelbaum and Albin (1990) have, in as far as this is possible given current data limitations, reclassified industries in terms of this variable across all major sectors of the economy.[3] Within the service sector, one grouping of industries can be characterized as "knowledge and information intensive" and another subsector as labor intensive, and typically as having low productivity (Appelbaum and Albin 1990). The same can be found for manufacturing and other major sectors. Overall the employment, occupational, educational, and earnings characteristics in each subsector tend to vary significantly. I return to a discussion of Appelbaum and Albin's findings – the sole study of its kind – in the next section.

Both the growing service intensity in the organization of the economy and the increased use of advanced technologies across all major sectors in the economy have a significant impact on the urban economy. Both entail a growing weight of specialized services in the economy. Insofar as cities are preferred locations for the production of specialized services, cities reemerge as significant production sites in advanced economies. This is a role they had lost to some extent when large-scale standardized mass manufacturing was dominant and necessarily left cities because of space requirements.

We see in cities the formation of a new urban economic core of financial and service activities that comes to replace the older typically more manufacturing-oriented core of services and production activities. In the case of cities that are major international business centers, the scale, power, and profit levels of this new core suggest that we are seeing the formation of a new urban economy. Even though these cities have long been centers for business and banking, since the early 1980s there have been dramatic changes in the structure of the business and financial sectors, as well as sharp increases in the overall magnitude of these sectors and their weight in the urban economy. This has had significant economic and social effects on cities in the United States in the 1980s, a development also evident as of the mid-1980s in major European cities (see, for example, Kunzmann and Wegener 1991; Frost and Spence 1993; *Le Debat* 1994; Sassen 1994a, chapters 2, 3 and 5).[4]

This growth in services for firms is evident in cities at different levels of national urban systems. Some of these cities serve regional or subnational markets; others serve national markets and/or global markets. The specific difference that globalization makes in the context of the growing service intensity in the organization of the economy is to raise the scale and the complexity of transactions. This feeds the growth of top-level multinational headquarter functions and the growth of advanced corporate services. But even though globalization raises the scale and complexity of these operations, they are also evident at smaller geographic scales and lower orders of complexity, as in the case with firms that operate regionally. Thus while regionally oriented firms need not negotiate the complexities of international borders and the regulations of different countries, they are still faced with a regionally dispersed network of operations that requires centralized control and servicing, and with a growing need to buy insurance, legal, accounting, advertising and other such services. In this context, globalization becomes a question of larger scale and added complexity: firms that operate across borders have more complicated servicing needs.

The ascendance of this specialized services-led economy, particularly the new finance and services complex, engenders what may be regarded as a new economic regime because although this sector may account for only a fraction of the economy of a city, it imposes itself on that large economy. One of these pressures is toward polarization, as in the case with the possibility for superprofits in finance which in turn contributes to devalorize manufacturing insofar as the latter cannot generate the superprofits typical in much financial activity.

One of the key outcomes of this transformation has been the significant growth of a high-income population particularly concentrated in cities and intimately linked to the ascendance of expertise and specialization in the organization of the economy. This ascendance of expertise in economic organization in turn has contributed to the valorization of specialized services and professional workers. And it has contributed to mark many of the "other" types of economic activities and workers as unnecessary or irrelevant to an advanced economy. As I have sought to show at length elsewhere, many of the "other" jobs are in fact an integral part of internationalized economic sectors, but not represented as such. This creates a vast number of both low-income households and households earning very high incomes. The next two sections examine these issues in greater detail.

POLARIZATION TRENDS IN SERVICE EMPLOYMENT

The growth of services in terms of both jobs and firm inputs needs to be unbundled in order to capture the impact on questions of inequality and new forms of employment-centered poverty. Key issues are the types of jobs being created and the systemic tendencies organizing the service sector which are setting the terms of employment for today and tomorrow. Jobs and organization are, clearly, overlapping and mutually shaping factors. However, they do not overlap completely: the labor markets associated with a given set of technologies can, in principle, vary considerably and contain distinct mobility paths for workers. Nonetheless, today, sector organization, types of jobs, and labor-market organization, are all strengthening the tendencies toward polarization.

Dualization in the Organization of Service Industries

Among the major systemic tendencies in the organization of the service sector contributing to polarization is the disproportionate grouping of service industries at either end of the technology spectrum. In the United States, service industries that can be described as information and knowledge intensive have generated a significant share of all new jobs created over the last fifteen years and have absorbed a disproportionate share of college graduates. Most of the other jobs created in the service sector fall at the other extreme. Appelbaum and Albin (1990) find that the first subsector generated over nine million jobs from 1973 to 1987, while the second subsector added 11.2 million jobs. Each of these subsectors accounts for a considerable share of U.S. jobs, with the first accounting for almost thirty percent of all U.S. jobs, and the second subsector for thirty-nine percent.[5]

These conditions of sharp growth at either end of the technology spectrum are continuing into the 1990s. Based on the data for 1992, the U.S. Bureau of Labor Statistics (BLS) projects a massive growth of low-wage service jobs, including service jobs catering to firms. Three service industries alone will account for about half of total U.S. employment growth between 1992 and 2005: retail trade, health services, and business services. Using the most detailed occupational classification (223 categories), the largest increases in terms of numbers of jobs are, in descending order: retail sales workers, registered nurses, cashiers, truck drivers, waiters and waitresses, nursing aides, janitors, food preparation workers, and systems analysts.[6] Most of these jobs do not require a high school education and they are mostly not very highly paid. Nor does the BLS expect an increase in the median weekly wage of workers.

At the other extreme are jobs requiring a college degree. Their share was twenty-three percent in 1992 and is projected to rise only by one percent to twenty-four percent by 2005. Appelbaum and Albin (1990) found that the knowledge- and information-intensive service subsector absorbed more than 5.7 million college-educated workers from 1973 to 1987. By 1987, over forty percent of workers with a college degree were employed in the service industries, compared to seventeen percent in the other service subsector. Indeed in the latter, sixty percent of workers have never attended college. Further, twenty percent of workers with post-college education were in information- and knowledge-intensive service industries, compared to six percent in the other service subsector.

Parallel segmentation is evident in terms of occupation. Managerial, executive, and administrative occupations account for seventeen percent of all jobs in information- and knowledge-intensive service industries, which is double the percentage for other services. On the other hand, the latter subsector had, at 9.4 percent, three times the share of supervisors as were found in the former. Information-, clerical-, and computer-related-equipment operators were also most present in information- and knowledge-intensive services, 8.5 per cent compared to 4.7 percent in other services. Service and sales occupations are forty percent in other services, but only sixteen percent in information- and knowledge-intensive services. If we add up professionals, executives and kindred occupations, we can see that they account for thirty-four percent of workers in this subsector, compared to 14.6 percent in other services.

The two broad occupational categories projected by the BLS to increase are professional specialty occupations and service occupations. The BLS data and projections show that the incomes in these two occupations in 1992 were on opposite ends of the earnings spectrum; earnings for service workers were about forty percent below the average for all occupational groups in 1992. In combination with growth trends in industries and occupations, this points to a maintenance and even increase in inequality in earnings, since most new jobs will be in low-paying service jobs and some of the professional specialty jobs may raise their levels of specialization and pay.

Appelbaum and Albin (1990) found that the differences they identified within the service sector are also evident in earnings. About thirty-seven percent (or 5.3 million jobs) of total new job growth in the United States from 1979 to 1987 was in a group of service industries within the labor-intensive subsector where the median earnings of full-time year-round workers in 1986 was $15,500. This is $7,000 less than the median of $22,555 of all full-time workers in this subsector (and almost $9,000 less than the median in durable goods manufacturing). Thus, most new jobs in the labor-intensive subsector were in industries paying median wages and salaries under $15,500. Further, these jobs were thirty-seven percent of new job growth in the 1980s, which is an increase over the twenty-nine percent share they had in the 1970s, signaling deterioration in the earnings of a growing share of workers in services. In contrast, public-sector low-wage jobs, which are better paid and have more fringe benefits, saw a fall in their share of all new jobs, accounting for twenty-six percent of jobs created in the 1970s and twenty-two percent in the 1980s (or 3.2 million new jobs). The lowest paid hourly workers are part-time workers in the labor-intensive service industries, followed by full-time hourly workers in knowledge- and information-intensive service industries.[7] At the other end, the highest paid full-time hourly workers are in knowledge- and information-intensive manufacturing, followed by all other manufacturing.

A crucial and familiar form of segmentation is by sex. Seven out of every ten new jobs from 1973 to 1987 have been filled by women. Over eighty percent of women hold jobs in service industries compared with about fifty-five percent of men. The gendering of the employment transformation can be captured in the fact that women have more jobs in knowledge- and information-intensive industries than men: about thirty-four percent of jobs held by women are in these industries compared with about twenty-five percent of jobs held by men. Differences by sex are also evident in terms of education. Thus, thirty-eight percent of women workers and forty-eight percent of men in information- and knowledge-intensive services have a college degree, compared with respectively fifteen percent and twenty percent in other services. Median earnings of women are higher in knowledge- and information-intensive services and manufacturing than in all other sectors, but they are always lower than the median for men in each sector.

The Casualization of the Employment Relation

In principle, the trends described earlier toward polarization in the job characteristics of the service sector could have left labor-market organization unaffected. But they have not. We see a tendency toward a greater casualization of the employment relation. This is to say, it is not just a matter of an expansion of what are typically considered casual or unsheltered jobs, but a more fundamental transformation, one which also includes a growing array of high-paying professional jobs.

Two tendencies stand out. One is the weakening role of the firm in structuring the employment relation. More is left to the market. A second tendency in this restructuring of the labor market is what could be described as the shift of labor-market functions to the household or community (see Sassen 1995). Let me elaborate on each of these briefly.

Among the empirical referents for the weakening role of the firm in structuring the employment relation is the declining weight of internal labor markets. It corresponds to both the shrinking weight of vertically integrated firms and the restructuring of labor demand in many firms toward bipolarity – a demand for highly specialized and educated workers alongside a demand for basically unskilled workers whether for clerical, service, industrial service, or production jobs.

The shrinking demand for intermediate levels of skill and training has in turn reduced the need and advantages for firms of having internal labor markets with long promotion lines that function as training-on-the-job mechanisms. It has also reduced the need for firms to have full-time, year-round workers. And it has contributed to the rapid rise of employment agencies as intermediaries in the labor market; such agencies take over the demand and supply of a growing range of skills and occupations under highly flexible conditions. We can see here a coincidence – and the possibility of systemic linkages – between a devaluing of a growing range of jobs and a feminization of employment.

These tendencies appear to be particularly evident in labor-intensive service industries, where the levels of skill required are often lower than in manufacturing. The higher growth of service as compared to manufacturing jobs thus carries additional consequences for the casualization of the employment relation.

Perhaps one of the most familiar and dramatic trends is the growth in part-time jobs. Over sixty percent of all part-time workers in the U.S. labor force are in labor-intensive services, which is also the sector that is expected to add the largest share of new jobs over the next decade.[8] Service workers are twice as likely to be in part-time jobs as average workers; involuntary part-time employment has grown significantly over the past decade (Carre 1992).

The terms of employment have been changing rapidly over the last fifteen years for a growing share of workers. In my reading, the overall tendency is toward a casualization of the employment relation that incorporates not only the types of jobs traditionally marked as "casual" jobs, but also jobs at a high professional level which in many regards are not casual. It might be useful to differentiate a casualized employment relation from casual jobs in that the latter connotes such added dimensions as the powerlessness of the workers, a condition which might not hold for some of the highly specialized professional part-time or temporary workers. This is a subject that requires more research. (see Sassen 1994a, chap. 6).

The second tendency in the restructuring of labor markets I want to point out is the shift of labor-market functions to the household or community. This is perhaps most evident in the case of immigrant communities. But it is also present in types of labor markets that are not necessarily embedded in communities or households. It also represents a feminization of the costs of some aspects of labor-market operation.

There is a large body of evidence showing that once one or a few immigrant workers are hired in a given workplace, they will tend to bring in other members from their communities as job openings arise (Portes 1995; Mahler 1996). There is also evidence showing great willingness on the part of immigrant workers to help those they bring in with some training on the job, teaching the language, and just generally socializing them into the job and workplace. This amounts to a displacement of traditional labor-market functions such as recruitment, screening, and training from the labor market and the firm to the community or household. The labor market can then be reconceived as an activity space that contains a space dependency between employers and the community/household.[9]

Elsewhere (1995) I have examined how this space dependency between employers and low-wage workers contributes to the formation of distinctive localized labor markets and the extent to which the networks thus constituted also have the effect of restricting job opportunities for these workers. The formation of such localized labor markets and the enclosure of workers in these networks becomes particularly significant with the breakdown of internal labor markets in firms and trend toward bipolarity in skill requirements generally in service industries. The overall effect is to reduce further the chances for upward mobility. While in the case of immigrant workers this general dynamic is particularly clear and transparent, it actually affects a growing share of all low-wage workers.

In this restructuring of the labor market lie conditions for the growth of employment-centered insecurity and poverty and for urban marginality. The casualization of the employment relation weakens and even eliminates the claims by workers on the firms that employ them and hence can be seen as a weakening of the position of labor in the economy and, at the limit, its institutional marginalization. Second, the displacement of labor-market functions to the community or household raises the costs of participating in the labor force for workers, even if these costs are often not monetized.[10] These are all subjects that require new research given the transitions that we are living through.

CONCLUSION

Developments in cities cannot be understood in isolation from fundamental changes in the larger organization of advanced economies. One way of conceiving of these transformations is as systemic transitions between different modes of social and economic organization. Thus we are seeing a transition from the relative obsoleteness of urban economies during the dominance of Fordism, to the revalorization of strategic components of urban space because of the increased service intensity in the organization of the economy.

The new urban economy not only strengthens existing inequalities but sets in motion a whole series of new dynamics of inequality. The new growth sectors–specialized services and finance–contain capabilities for profit making vastly superior to those of more traditional economic sectors. Many of the latter are essential to the operation of the urban economy and the daily needs of residents, but their profitable survival is threatened in a situation where finance and specialized services can earn superprofits.

We see sharp increases in socioeconomic and spatial inequalities within major cities. This can be interpreted as merely a quantitative increase in the degree of inequality. But it can also be interpreted as social and economic restructuring and the emergence of new social forms and class alignments in large cities of highly developed countries: the growth of an informal economy; high-income commercial and residential gentrification; and the sharp rise of homelessness.

The observed changes in the occupational and earnings distribution are outcomes not only of industrial shifts but also of changes in the organization of firms and of labor markets. There has been a strengthening of differences within major sectors, notably within services. One set of service industries tends toward growing capital–labor ratios, growing productivity, intensive use of the most advanced technologies; the other, toward continued labor intensity and low wages. Median earnings and median educational levels are also increasingly diverging for each of these subsectors. These characteristics in each group of industries contribute to a type of cumulative causation within each group. The first group of industries experiences pressures toward even higher capital-labor ratios and productivity levels given high wages, while in the second group of industries, low wages are a deterrent toward greater use of capital-intensive technologies, and low productivity leads to even more demand for very low-wage workers. These conditions in turn reproduce the difference in profit-making capacities embedded in each of these subsectors.

When we speak of polarization in the use of land, in the organization of labor markets, in the housing market and in the consumption structure, we do not necessarily mean that the middle class is disappearing. We are rather referring to a dynamic whereby growth contributes to inequality rather than expansion of the middle class, as was the case in the two decades after World War II in the United States and in many of the developed economies. Where the middle class represents a significant share of the population it is an important channel through which income and lifestyle coalesce into a dominant social form. In many of today's leading urban economies we see a segmenting of the middle class that has a sharper upward and downward slant than had been the case in other periods. The conditions that contributed to middle class expansion and politico-economic power–the centrality of mass production and mass consumption in economic growth and profit realization–have been displaced by new sources of growth. This is not simply a quantitative transformation; we see here the elements for a new economic regime.

NOTES

1 A version of this chapter first appeared in *Urban Poverty and the Underclass*, ed. Enzo Mingione (London: Blackwell, 1996).

2 By 1987, business services provided 5.2 million jobs, or five percent of total jobs, and had become a larger employer than construction and almost as large as transport and public utilities, and wholesale trade. Almost half of the new jobs in business services came from personnel supply services, and computer and data processing (see Bednarzik 1990).

3 Appelbaum and Albin have proposed a taxonomy of firms and industries into broad sectors on the basis of "information and knowledge intensity" – "a multidimensional property of firms and industries, reflecting the nature of the output produced, the extent of computer rationalization of the production process, and the organizational adaptation to information and computation technologies" (1990, 32).

4 Manufacturing remains a crucial sector in all these economies, even when it may have ceased to be a dominant sector in major cities. Some have argued that the producer services sector could not exist without manufacturing (Cohen and Zysman 1987; Markusen and Gwiasda 1994). There is no consensus around this issue (see, for example, Noyelle and Dutka 1988; Drennan 1992). Drennan (1992) argues that a strong finance and producer service sector is possible in a city like New York notwithstanding decline in its industrial base and that these sectors are so strongly integrated into the world markets that articulation with the larger region becomes secondary. In a variant on both positions, I have long argued that manufacturing indeed feeds the growth of the producer services sector, but that it does so whether located in the area in question, somewhere else in the country, or overseas. Even though manufacturing – and mining and agriculture, for that matter – feeds growth in the demand for producer services, their actual location is of secondary importance in the case of global-level service firms. Second, the territorial dispersal of plants, especially if international, actually raises the demand for producer services insofar as it raises the complexity of management and financing for multisite firms. The growth of producer services firms headquartered in New York or London or Paris can be fed by manufacturing located anywhere in the world as long as it is part of a multinational corporate network. Third, a good part of the producer services sector is fed by financial and business transactions that either have nothing to do with manufacturing, as is the case in many of the global financial markets, or for which manufacturing is incidental, as in much merger and acquisition activity, which is centered on buying and selling firms rather than the buying of manufacturing firms as such.

5 Information- and knowledge-intensive manufacturing in the United States accounts for only 3.2 percent of U.S. employment; the rest of manufacturing, for about twenty-seven percent. Note that women are far less represented in the "rest of manufacturing" subsector than in the former; this is partly due to the feminization of the electronics assembly line.

6 Retail trade is expected to add the largest number of jobs, 4.5 million. Nearly half of these jobs will be for food service workers (cashiers and salespersons in eating and drinking places: these are not well-paid jobs, nor do they demand high levels of education). Next comes health services with an added 4.2 million jobs; within these the fastest-growing type of job is home care service, again mostly a low-paying job. Next are business services, with 3.1 million new jobs, which includes both low-wage and high-wage industries. One of the growth industries in business services is personnel supply services, such as temporary employment agencies; another growth sector is transportation, particularly trucking and warehousing.

7 Average hourly wages have been stagnant in the United States since 1973, notwithstanding a rapid increase in the salaries of new professionals. And as has been documented in the 1990 census, income inequality increased over the previous twenty years.

8 Almost thirty percent of all jobs in labor-intensive services are part time, compared to seventeen percent in information- and knowledge-intensive services. Part-time jobs are highly concentrated: restaurants and hotels, retail, and education account for forty-five percent of all part-time jobs, but only twenty-five percent of all jobs in the economy. Nearly half of all work-

ers in retail are part time, compared with ten percent in administrative, managerial and supervisory occupations.

9 This space dependency is centered on the relation between workplace and household, and between workplace and community. The exchange dynamic – a component of all markets – is therewith displaced from the center of labor-market operation where it is situated in the neoclassical model (see Sassen 1995). When it comes to international labor migration, this reconceptualization views the act of migrating as a move from one particular local labor market (in the country of origin) to another particular local labor market (in the country of destination). This specific job search pattern has the effect of altering the geographic dimension often implied by job search models, especially among low-wage workers who have been found to have little geographic mobility. However, notwithstanding this wide-ranging area within which many immigrants search for jobs, they are actually largely moving within a very confined institutional setting, that is, a *local* labor market, even when they travel long distances and improvise informal transportation systems. This is another way of conceptualizing the role of networks. These networks of immigrants have spatial patterns, but they are not characterized by geographic proximity. Further, while they may cover immense distances they do not necessarily offer great opportunities for mobility nor place immigrants in particularly competitive positions vis-à-vis natives in terms of upward job mobility. This effect is strenghtened by the polarization tendencies evident in the distribution of jobs in services – rather than, for instance, long upward mobility chains that connect low-level jobs to high-level jobs.

10 There is an interesting parallel here with one of the components of the service economy, that is, the shift of tasks traditionally performed by the firm onto the household: for example, furniture and even appliances sold unassembled to be put together by the buyer (Gershuny and Miles 1983).