

Land Governance for Equitable and Sustainable Development Conference

Muntgebouw, Utrecht 30 June/ 1st July 2016

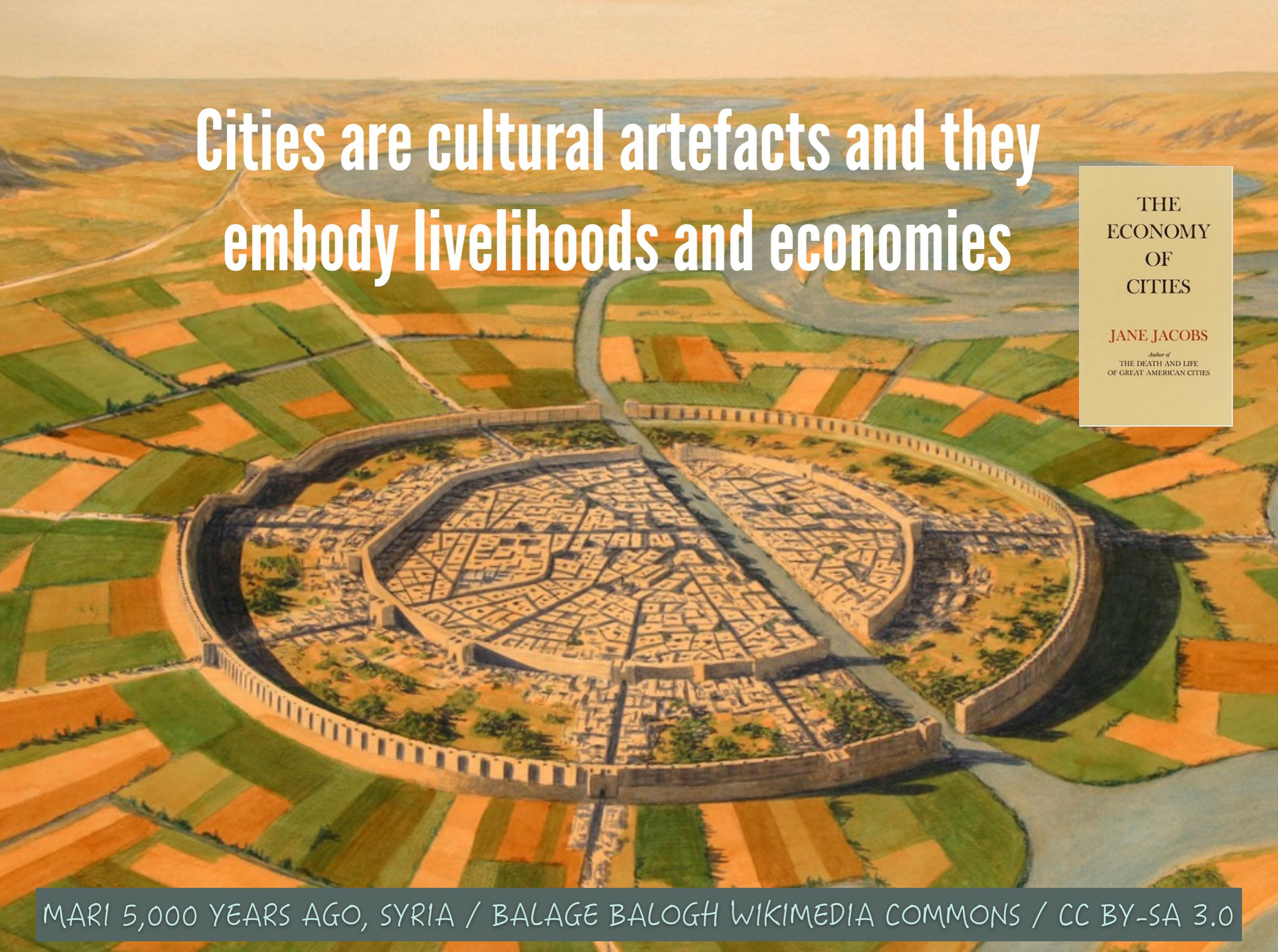
A New Urban Agenda in times of financial capitalism

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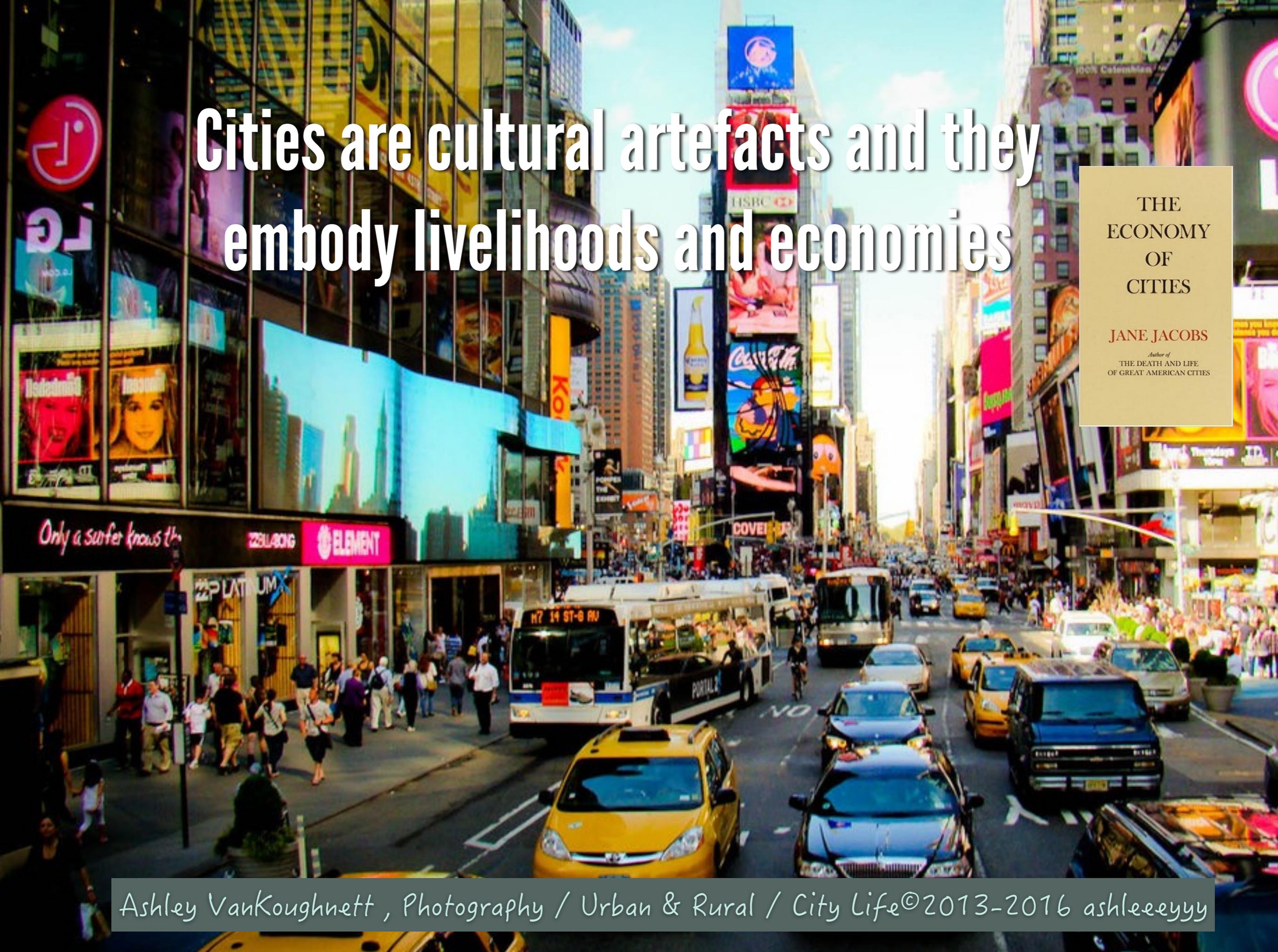
Cities are cultural artefacts and they
embody livelihoods and economies

THE
ECONOMY
OF
CITIES

JANE JACOBS

Author of
THE DEATH AND LIFE
OF GREAT AMERICAN CITIES

MARI 5,000 YEARS AGO, SYRIA / BALAGE BALOGH WIKIMEDIA COMMONS / CC BY-SA 3.0



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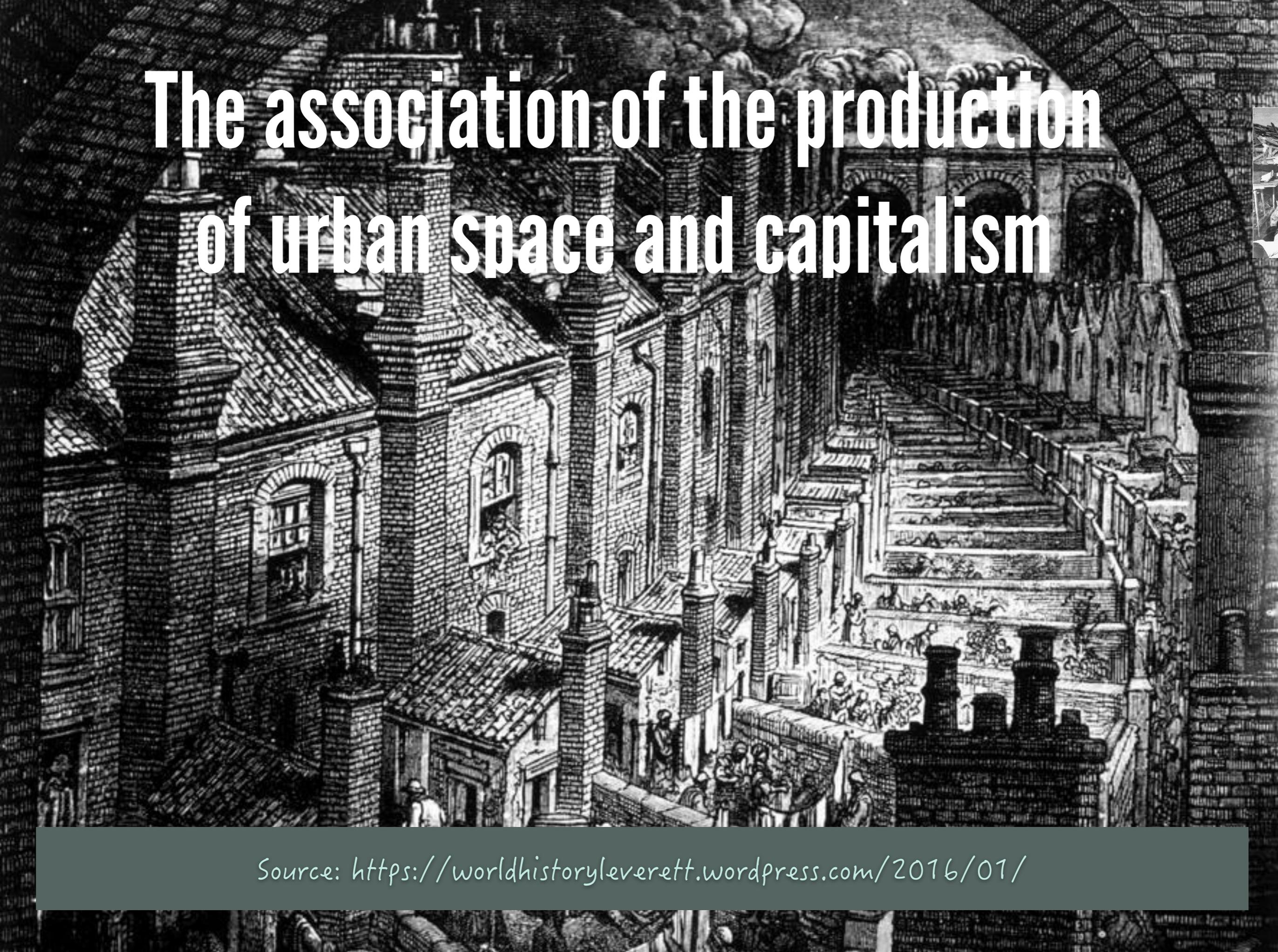
The association of the production of urban space and capitalism



Source: <https://worldhistoryleverett.wordpress.com/2016/01/>

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The association of the production of urban space and capitalism



<https://www.emaze.com/@AOTWWLFQ/Henry-Ford>

The association of the production of urban space and capitalism



<http://www.ultraswank.net/kitsch/american-dream-1940s-1950s/>

Lefebvre and then Harvey: The Urbanisation of Capital

"Capital 'switches' from production into production of the urban built environment as a means to absorb surplus capital"

*The Enigma of Capital: And the Crises of Capitalism by David Harvey
Profile, 296 pp.*

Las Vegas





The Dutch version of suburbanisation:
home ownership as a mechanism
to promote growth and prosperity (don't
forget the Netherlands is a very
particular type of entrepreneurial welfare
state!)

VINEX Location in the Netherlands www.refdag.nl



VINEX: the updated suburban dream (compact, connected to public transportation)

Dubai

An aerial photograph of Dubai, United Arab Emirates, at dusk. The city is illuminated with warm lights, and the sky is a mix of orange, yellow, and blue. The Burj Khalifa, the world's tallest building, is the most prominent feature on the right side of the image. The city is built on a peninsula, with a large body of water in the foreground and a highway bridge crossing it. The overall scene is a vibrant and modern urban landscape.

**But there are more spectacular
embodiments of the
financialisation of urban space**

<https://www.thebusinessyear.com/uae-dubai-2015/the-choice-is-yours/review>

Hong Kong

A high-angle, panoramic view of Hong Kong at night. The city is densely packed with skyscrapers and residential buildings, many of which are illuminated with warm yellow and white lights. The Victoria Harbour is visible in the middle ground, reflecting the city lights. In the background, the dark silhouettes of mountains are visible against a twilight sky. The word "Hong Kong" is overlaid in large, white, semi-transparent letters across the top of the image.

By Southern Kowloon and Victoria, Hong Kong, 2014Estial - Own work, CC BY-SA 4.0, <https://commons.wikimedia.org/w/index.php?curid=39300828>

Pudong



By Mstyslav Chernov - Self-photographed, <http://mstyslav-chernov.com/>, CC BY-SA 3.0, <https://commons.wikimedia.org/w/index.php?curid=27730214>

Sao Paulo: global city in the semi-periphery of capitalism



Houses and offices need to be furnished



<http://blair-theothersister.blogspot.nl/2010/06/ikea-crazy.html>



Infrastructure needs to be built to connect suburbs and new corporate centralities

Traffic Jam in China



and cars need to be bought

but there are limits to real
estate speculation

<http://www.chinawhisper.com/10-china-cities-with-the-worst-traffic-jams/>

Thai 1997 Crisis: 'Monuments to Speculators'

1. "The result was an immense property glut. They couldn't rent out enough of their new office and condo space. Further, prices plummeted due to oversupply, so they couldn't get nearly as much money on what they did rent out. When the bank loans became due, they couldn't pay. When big shot A couldn't pay contractors B, C and D, then contractors B, C and D couldn't pay suppliers E, F, G, H, I and J, who in turn couldn't pay... and on down the economy, there were countless businesses that had a cash flow crisis".

Source: <http://www.thailandguru.com/1997-asian-financial-crisis.html>

Spanish 2008 Real Estate Bubble: 'The Cities That Never Were'

1. House ownership in Spain is above 80%. The desire to own one's own home was encouraged by governments in the 1960s and '70s, and has thus become part of the Spanish psyche. In addition, tax regulation encourages ownership: 15% of mortgage payments are deductible from personal income taxes. Further, the oldest apartments are controlled by non-inflation-adjusted rent-controls¹⁰ and eviction is slow, thereby discouraging renting. Banks offered 40-year and, more recently, 50-year mortgages.

Conditions outside of Madrid. (Jennifer E. Cooper). <http://archpaper.com/2013/02/the-city-that-never-the-spanish-housing-bubble/>

United States Subprime Mortgage Crisis

'House of Cards'

1. triggered by a large decline in home prices after the collapse of a *housing bubble*, leading to mortgage delinquencies and foreclosures and the devaluation of housing-related securities.

Declines in residential investment preceded the recession and were followed by reductions in household spending and then business investment. Spending reductions were more significant in areas with a combination of high household debt and larger housing price declines.^[2]

FORECLOSURE

Conditions outside of Madrid. (Jennifer E. Cooper). <http://archpaper.com/2013/02/the-city-that-never-the-spanish-housing-bubble/>

The Big Short

*Financialisation of
the production of
Urban Space for
beginners.*



Chinese Ghost Cities

the next chapter

Kangbashi New Area in Inner Mongolia, the Meixi Lake area near Changsha, and Tianjin's Yujiapu Financial District, all labelled as ghost cities. What he found are real estate developments simply waiting for people to arrive. The cities are deliberately built to the point of near completion before inhabitants move in, he says Source: <https://www.newscientist.com/article/2066897-how-technology-reveals-the-ghost-cities-in-china-and-the-west/>

Chinese Ghost Cities



http://content.time.com/time/photogallery/0,29307,1975397_2094515,00.html

Meanwhile



Favela Paraisopolis, Sao Paulo, Brazil

**Brazil:
100 million new urban dwellers in the
post-war alone!**

Photo Roberto Rocco

Favela da Rocinha, Rio de Janeiro, Brazil

Complementarity of formal and informal
INSIDE THE SAME LOGIC OF PRODUCTION OF
URBAN SPACE:
RIGHTS DEFICIT

By Alicia Nijdam - Flickr: Rocinha Favela, CC BY 2.0, <https://commons.wikimedia.org/w/>

Torre David, Caracas , Venezuela

Photographer J Combari: Source: www.aucoeurdelimmo.com. If you know the original source, let me know.

Petare Slum, Caracas Venezuela



By The Photographer - Own work, CCO, <https://commons.wikimedia.org/w/index.php?curid=30442496>

Slum in Jakarta, Indonesia (c. 2000)



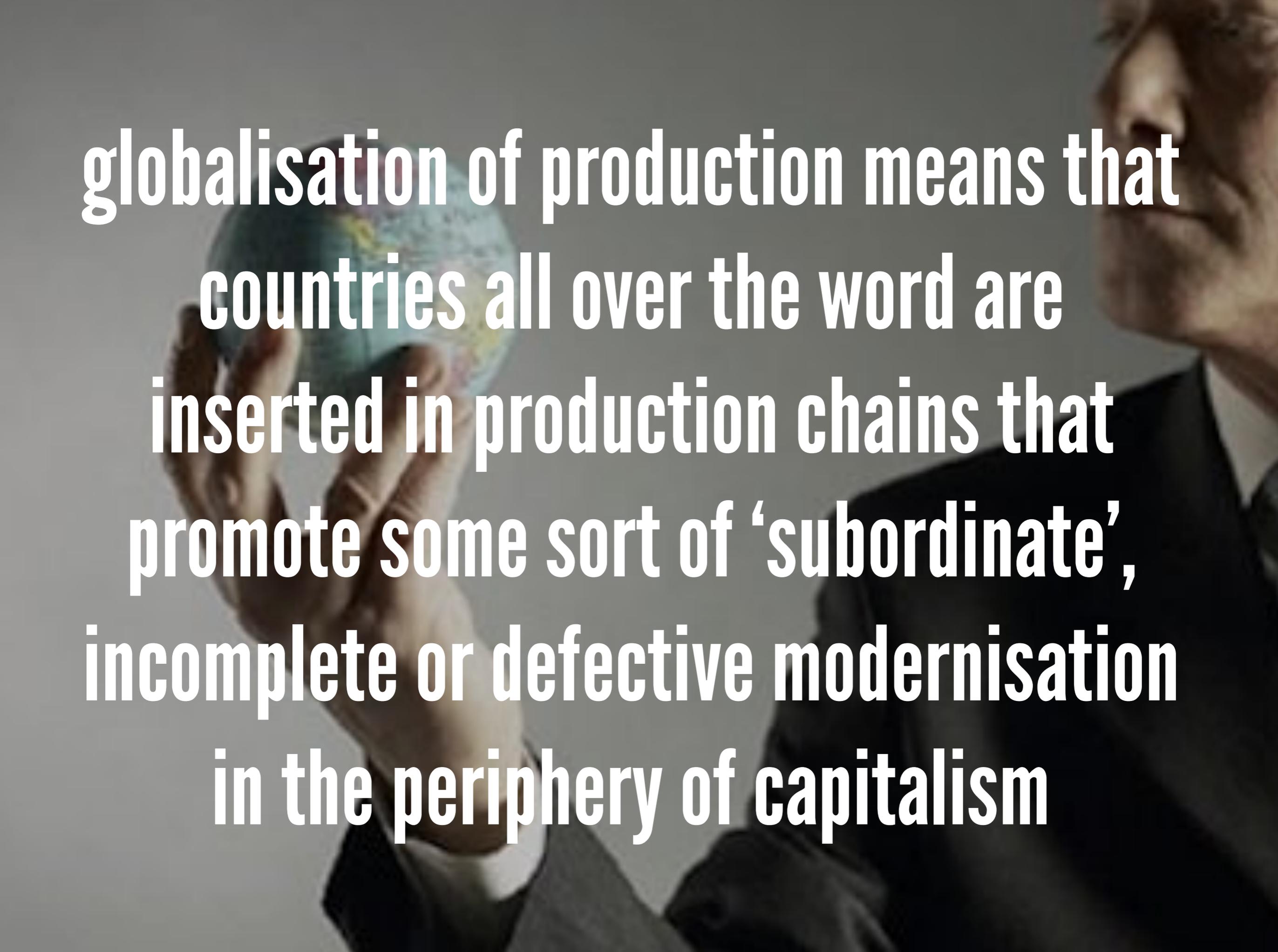
By Jonathan McIntosh - Own work, CC BY 2.0, <https://commons.wikimedia.org/w/index.php?curid=53838>

An aerial photograph capturing the aftermath of the 2010 earthquake in Haiti. The image shows a dense, sprawling slum where the majority of buildings have been reduced to rubble. The ground is covered in a chaotic sea of debris, including twisted metal, broken wood, and scattered household items. Some structures remain standing but are severely damaged, with roofs partially collapsed and walls crumbling. The colors of the buildings are muted, mostly in shades of brown, grey, and blue, reflecting the destruction. The overall scene conveys a sense of devastation and the scale of the disaster.

Slum in Haiti after 2010 earthquake

By UN Photo/Logan Abassi United Nations Development Programme - originally posted to Flickr as Haiti Earthquake, CC BY 2.0, <https://commons.wikimedia.org/w/index.php?curid=8985699>

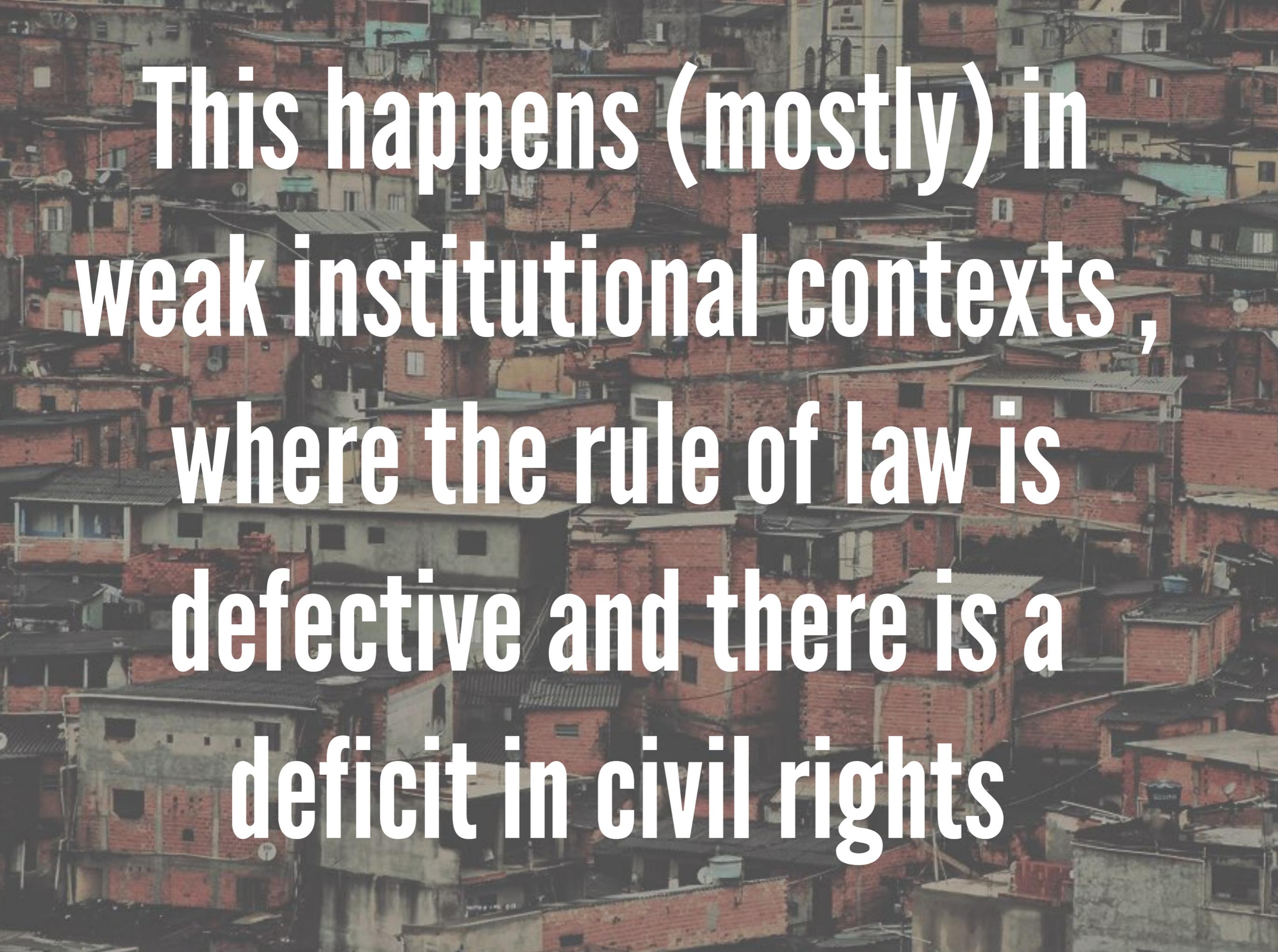
globalisation

A man in a dark suit and white shirt is shown from the chest up, holding a small globe of the Earth in his hands. He is looking towards the right side of the frame. The background is a plain, light grey color. The text is overlaid on the image in a large, white, bold, sans-serif font.

**globalisation of production means that
countries all over the world are
inserted in production chains that
promote some sort of 'subordinate',
incomplete or defective modernisation
in the periphery of capitalism**



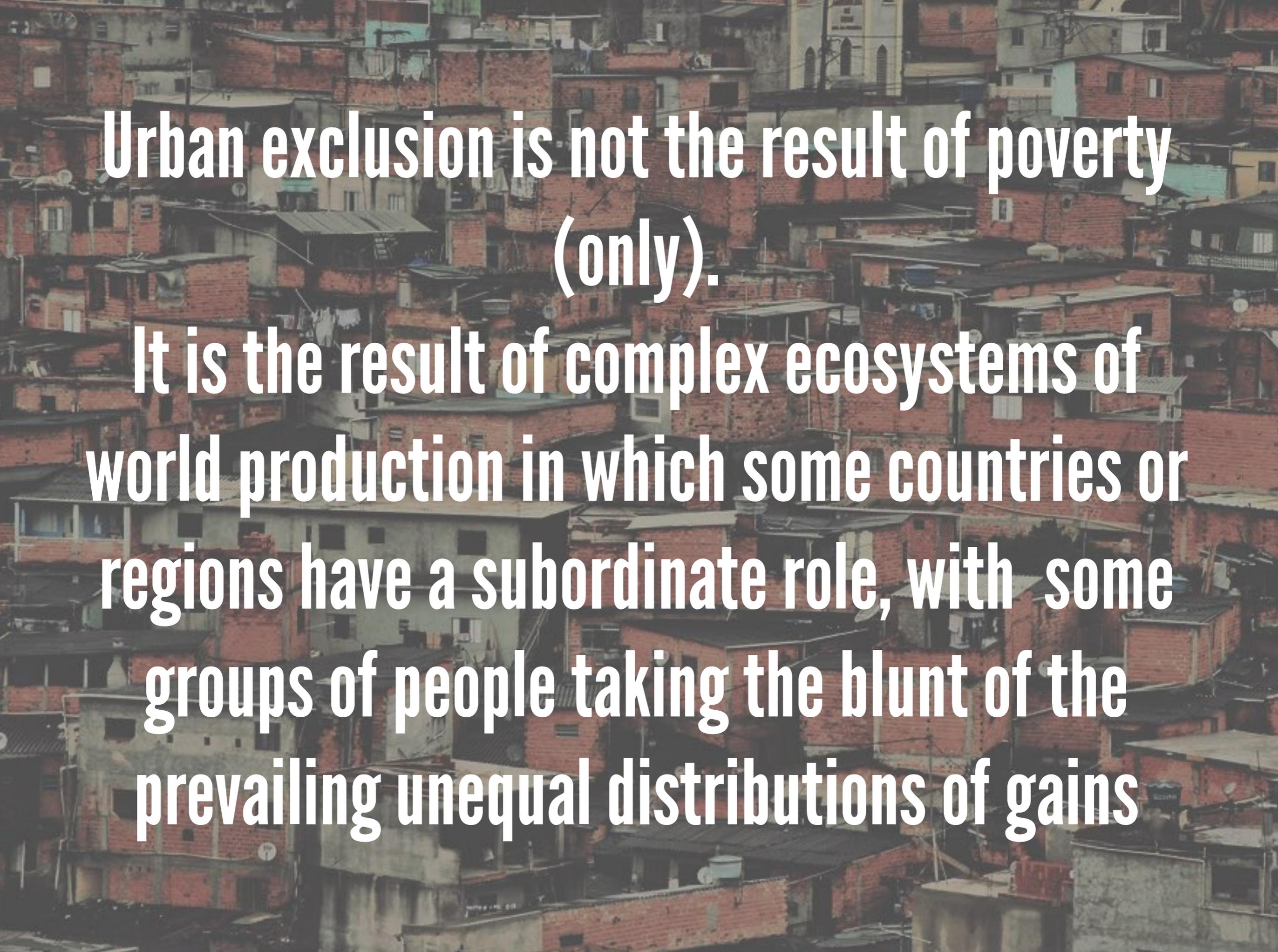
**Subordinate
modernisation has
triggered unchecked
rural to urban migration**



**This happens (mostly) in
weak institutional contexts,
where the rule of law is
defective and there is a
deficit in civil rights**



Exclusive urbanisation



**Urban exclusion is not the result of poverty
(only).**

**It is the result of complex ecosystems of
world production in which some countries or
regions have a subordinate role, with some
groups of people taking the blunt of the
prevailing unequal distributions of gains**



Sao Paulo



Photo Paulo Pamplin <http://paulopamplin.com>

Poor official responses



Poor official responses

‘Minha casa minha vida’
federal programme

[*http://www.cartacapital.com.br/revista/880/e-preciso-combater-modelo-unico-de-politica-habitacional\(Ciete Silvério/AZing\)*](http://www.cartacapital.com.br/revista/880/e-preciso-combater-modelo-unico-de-politica-habitacional(Ciete_Silv%C3%A9rio/AZing))

MEXICO

Poor official responses



<http://photography.nationalgeographic.com/photography/photo-of->

Mumbai

Poor official responses



Photo by Rohan Varma

Sao Paulo

Poor official responses



<http://www1.folha.uol.com.br/mercado/2015/11/1702130-com-menos-audidores-tcu-pede-menos-paralisacoes-de-obras.shtml>

unsustainable

environmentally



socially

economically

Sustainable urbanisation is key to successful development

(...) “ If well managed, cities offer important opportunities for economic development and for expanding access to basic services, including health care and education, for large numbers of people. Providing public transportation, as well as housing, electricity, water and sanitation for a densely settled urban population is typically cheaper and less environmentally damaging than providing a similar level of services to a dispersed rural population”.

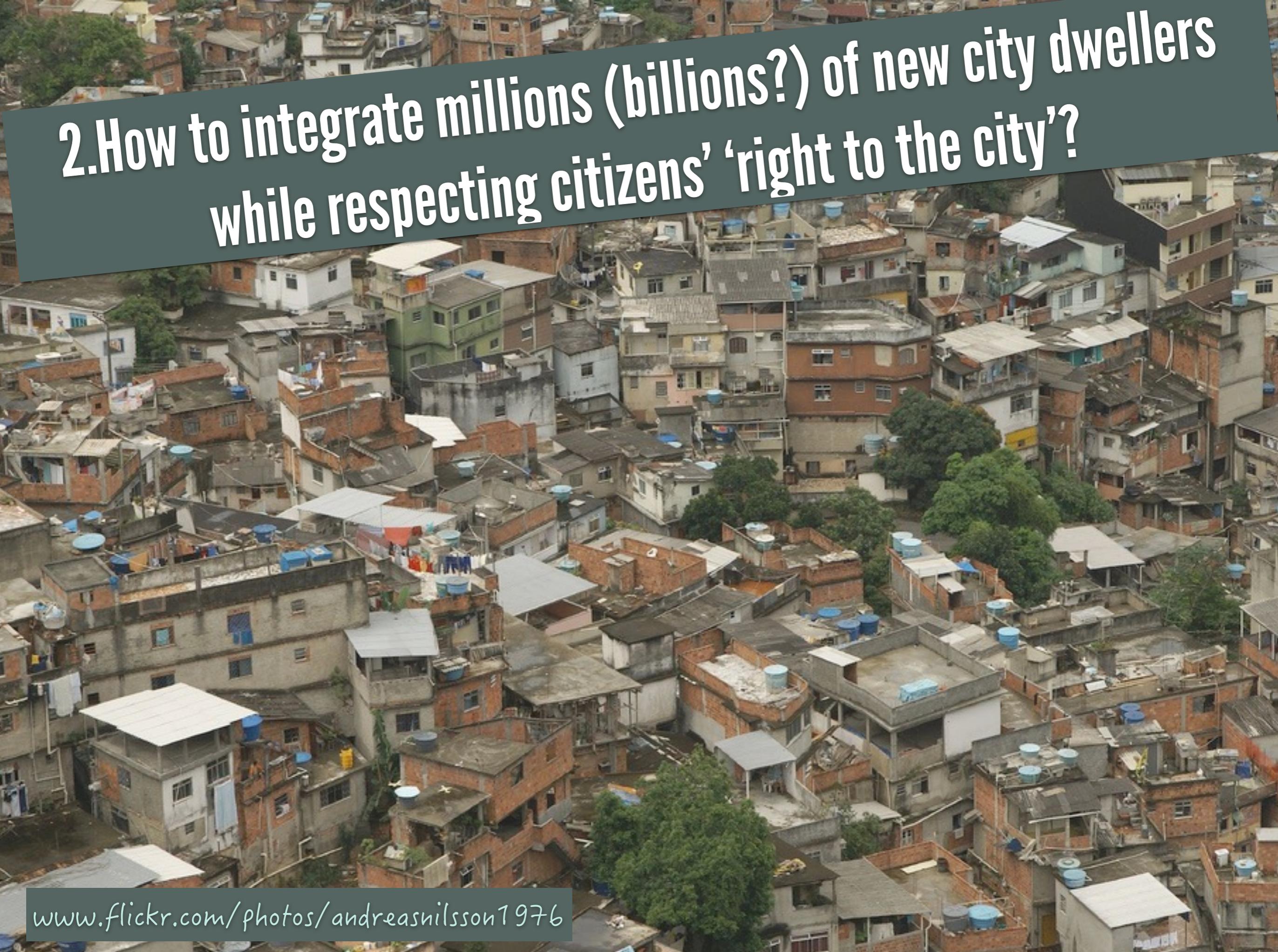
Source: <http://www.un.org/en/development/desa/news/population/world-urbanization-prospects-2014.html>

Planning Urgencies in Latin American Cities

1. How to bridge the social=spatial divide that characterises the capitalist city?



Favela da Rocinha, by Alicia Nijdam - Flickr: Rocinha Favela, CC BY 2.0, <https://commons.wikimedia.org/w/index.php?curid=20284059>



2. How to integrate millions (billions?) of new city dwellers while respecting citizens' 'right to the city'?

3. How to harmonise urgent environmental issues (climate change) with social needs?

Climate change has a direct impact on the spreading of diseases like Dengue and Zika virus. Informal settlements are areas most affected because of lack of appropriate sanitation.

<http://www.flickr.com/photos/exfordy/>



4. How to preserve the social function of property in face of
savage unregulated real estate market?

<https://alk3r.wordpress.com/2016/02/29/the-urban-villages-of-china/>

Vila Autodromo:
583 families living
next to the main
Olympic Park in Rio de
Janeiro
(c. 2.450 people)
40 years of occupation:
evicted despite having
presented their own
plan of urbanisation.



**5. How to harmonise housing, liveability and sustainability in
explosively growing cities in weak governance environments**

Vila Autodromo in Barra da Tijuca, source: El Pais Brasil

Community leaders of Vila Autodromo in Roo de Janeiro collect the Deutsche Bank Urban Age Award. Despite their efforts most families were 'convinced' to leave the area following different strategies from developers, including buying them out, intimidation, intimidation by bulldozing, etc

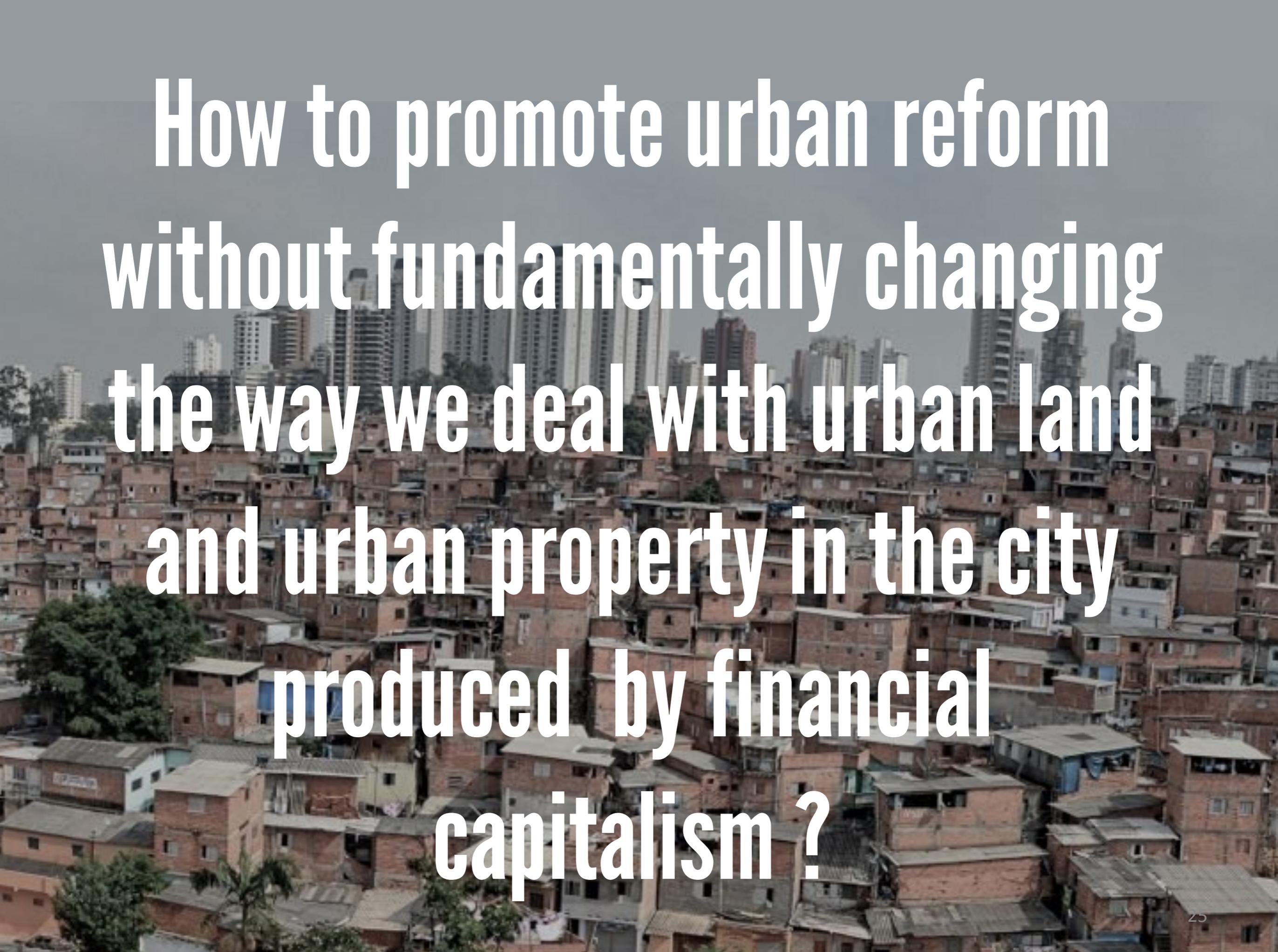


6. How to improve the quality of city management and promote good and fair governance

https://www.alfred-herrhausen-gesellschaft.de/en/urban-age/urban-age-award-2014.htm#tab_2013-br-rio-de-janeiro

7. How to promote fair access, use, regulation, and taxation of urban land

Urban Reform?

An aerial photograph of a city, showing a dense urban landscape. In the foreground and middle ground, there is a large, sprawling favela with numerous small, multi-story brick buildings packed closely together. In the background, several tall, modern high-rise apartment buildings stand against a clear sky. The overall scene illustrates the contrast between formal urban development and informal housing.

**How to promote urban reform
without fundamentally changing
the way we deal with urban land
and urban property in the city
produced by financial
capitalism ?**

I want to finish this presentation with the image of Marcia, an empowered black woman from the periphery of Sao Paulo, where she works as a manager of one of the city's 50 CEUs (Centres for Unified Education), one of the many spatial interventions in which the city of Sao Paulo tries to promote inclusive urbanisation

Marcia: manager at CEU Cabucu, Sao Paulo

This presentation is largely based on BALLEGOUJEN, J. V. & ROCCO, R. 2013. The ideologies of informality: Informal urbanization in the architectural and planning discourses. Third World Quarterly, 34, 1794-1810.

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Thanks for listening

**ANY
QUESTIONS?**

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