

Land Governance for Equitable and Sustainable Development Conference

Muntgebouw, Utrecht 30 June/ 1st July 2016

A New Urban Agenda in times of financial capitalism

Prepared by Roberto Rocco

Department of Urbanism

Spatial Planning and Strategy at TU Delft





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

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

Ashley VanKoughnett , Photography / Urban & Rural / City Life©2013-2016 ashleeeyyy

The association of the production of urban space and capitalism



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

The association of the production of urban space and capitalism

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

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/>

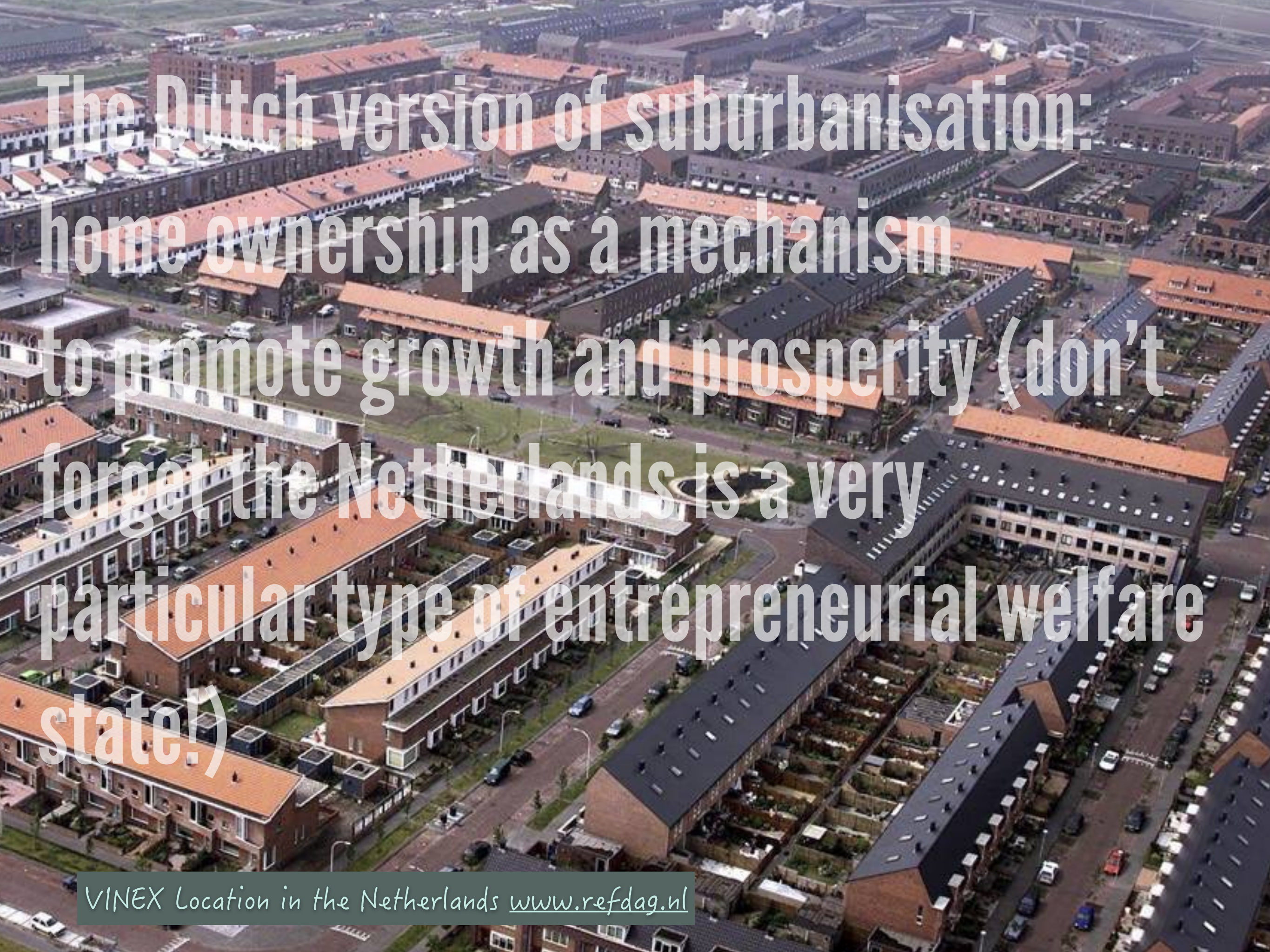
Lefebvre and then Harvey: The Urbanisation of Capital

"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 night view of the Dubai skyline, featuring numerous illuminated skyscrapers and a body of water in the foreground. The Burj Khalifa is visible on the right side of the image.

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, wide-view photograph of the Hong Kong skyline at night. The image captures a dense cluster of skyscrapers and residential buildings, many of which are brightly lit with warm yellow and orange lights. The city is situated on a peninsula, with a large body of water (Victoria Harbour) visible in the background. The water reflects the city lights, and a few boats can be seen on the surface. In the distance, the silhouettes of mountains are visible under a dark, hazy sky. The overall atmosphere is one of a bustling, modern metropolis.

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](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-controls^[12] 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-neve-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

An aerial photograph of a densely packed favela in São Paulo, Brazil. The image shows a vast expanse of multi-story brick buildings, many with balconies and satellite dishes, built closely together on a hillside. The architecture is a mix of red brick and concrete. In the upper center, a church with a tall, light-colored steeple stands out among the residential structures. The overall scene conveys a sense of intense urban density and informal settlement.

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)



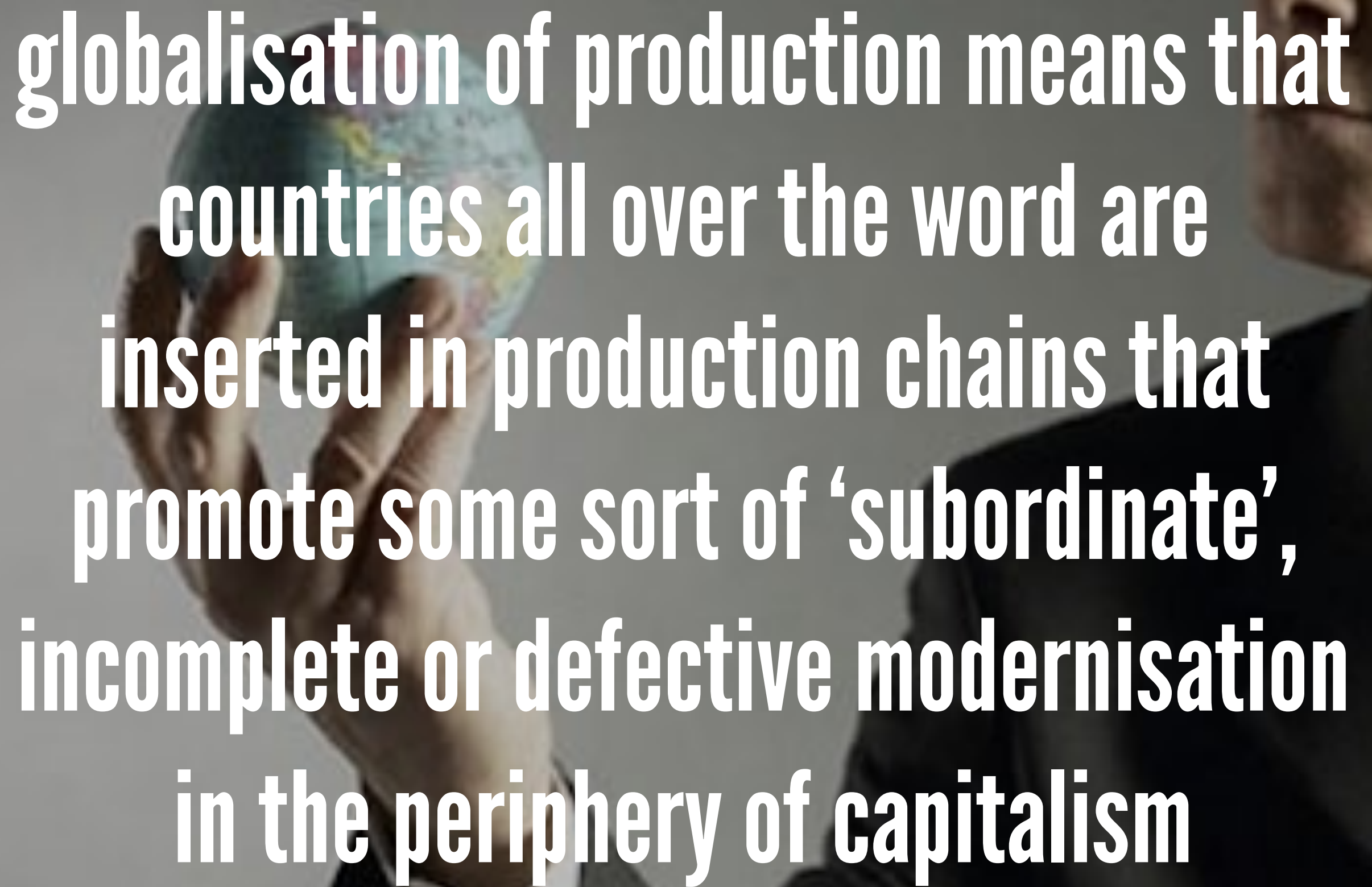
By Jonathan McIntosh - Own work, CC BY 2.0, <https://commons.wikimedia.org/w/index.php?curid=53838>

An aerial photograph showing a vast area of destruction in a slum in Haiti following the 2010 earthquake. The landscape is covered in a dense layer of debris, including twisted metal, broken wood, and rubble from destroyed buildings. Several small, partially standing structures with corrugated metal roofs are visible amidst the wreckage. The overall scene depicts the severe impact of the disaster on the local population.

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>

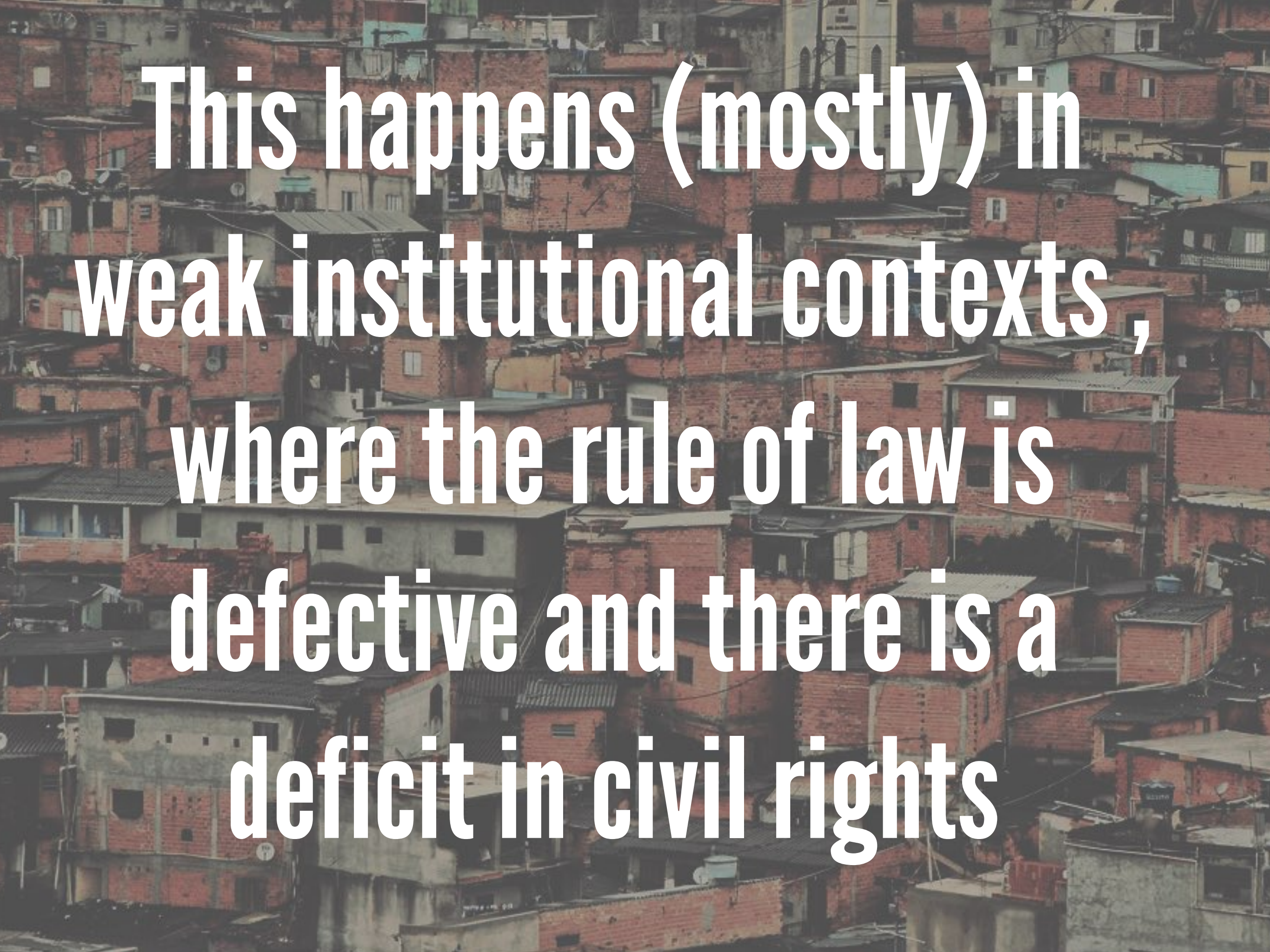
globalisation

A man in a dark suit and white shirt is holding a small globe of the Earth in his right hand. He is looking down at the globe with a thoughtful expression. The background is a plain, light-colored wall.

**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

The background image is a high-angle, wide shot of a sprawling urban slum. The buildings are tightly packed, multi-story structures made of red brick and concrete. Many windows are visible, some with satellite dishes or laundry hanging outside. In the upper center, a church with a tall, light-colored spire rises above the surrounding buildings. The overall scene conveys a sense of extreme density and poverty.

**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

Poor official responses

Photo Paulo Pampolin <http://paulopampolin.com>



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%20Silv%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>

An aerial photograph of a dense urban landscape, likely New York City, showing a vast number of skyscrapers and buildings. A large, semi-transparent yellow triangle is superimposed over the center of the image, pointing upwards. The text 'unsustainable' is at the top, 'environmentally' is in the middle, and 'socially' and 'economically' are at the bottom corners.

unsustainable
environmentally

socially

economically

An aerial, high-angle photograph of a sprawling, dense urban landscape, likely a major metropolitan area. The image shows a vast expanse of skyscrapers, high-rise buildings, and lower-density residential or commercial structures packed closely together. The perspective is from a high altitude, looking down and across the city, with the horizon visible in the distance under a hazy sky. The overall tone is monochromatic, with various shades of gray and black dominating the scene.

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”.

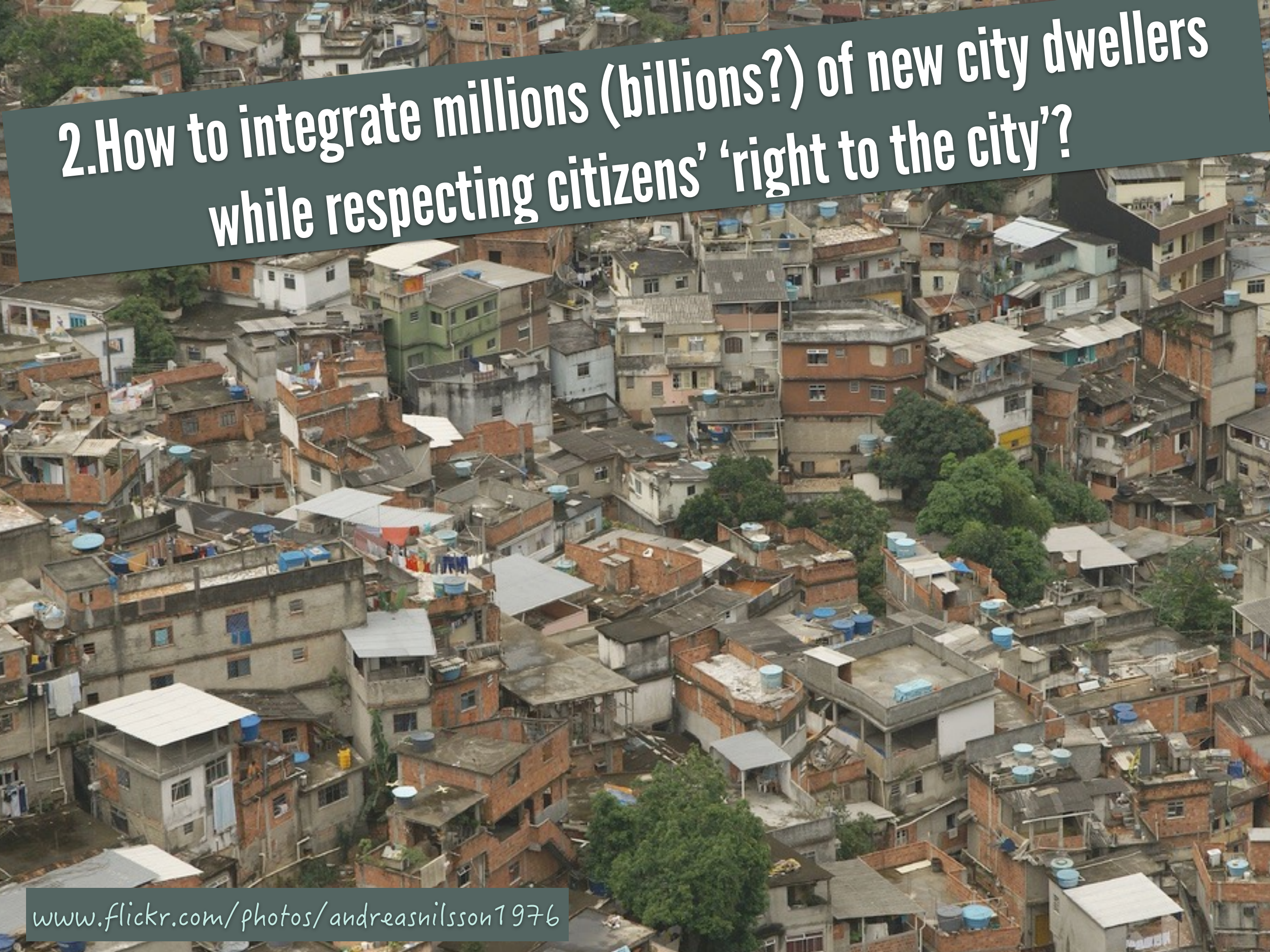
Source: <http://www.un.org/en/development/desa/news/population/world-urbanization-prospects-2014.html>

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?

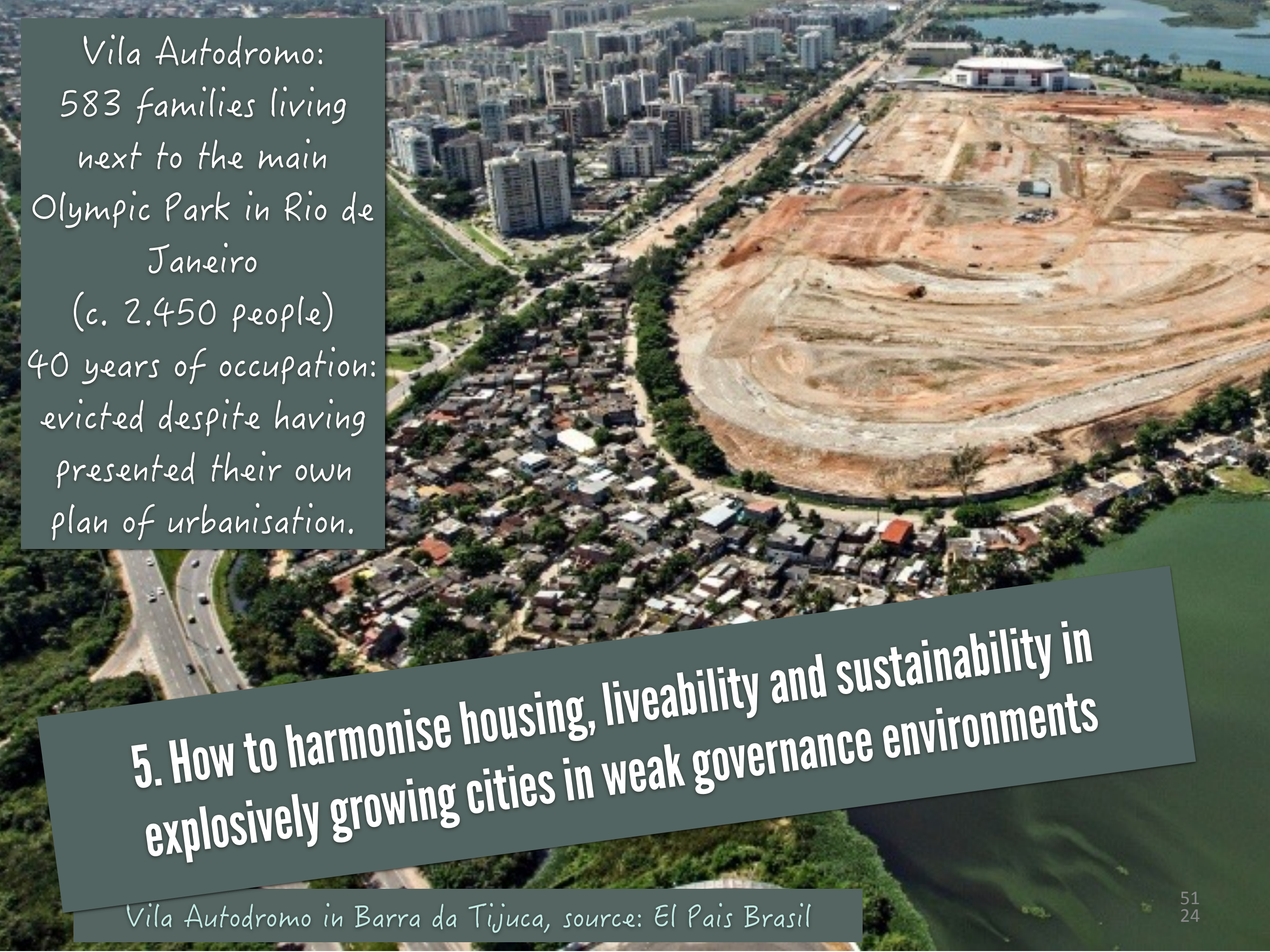
Climate change has a direct impact on the spreading of diseases like Dengue and Zika virus. Informal settlements are areas most affected because of lack of appropriate sanitation.

<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

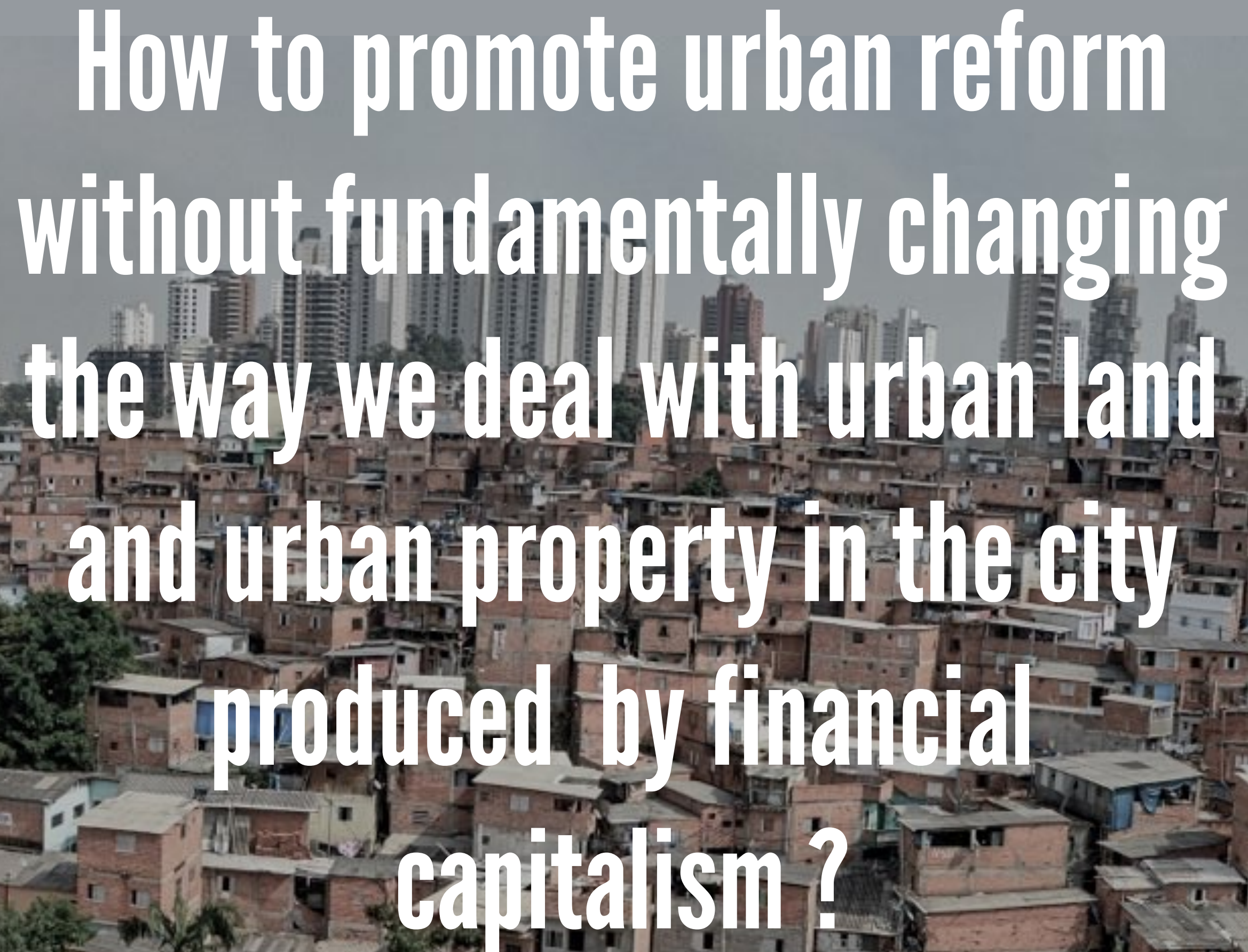


6. How to improve the quality of city management and promote good and fair governance

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?

The background image is an aerial photograph of a city. In the foreground, there is a vast, dense informal settlement (favela) composed of numerous small, closely packed brick buildings. The buildings are mostly multi-story and have a reddish-brown hue. In the background, beyond the informal settlement, there is a skyline of modern, tall skyscrapers and high-rise apartment buildings, indicating a stark contrast between informal and formal urban development.

**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 BALLEGOIJEN, J. V. & ROCCO, R. 2013. The ideologies of informality: Informal urbanization in the architectural and planning discourses. Third World Quarterly, 34, 1794-1810.

References:

- ARENDT, H. 1998. *The human condition*, Chicago, Ill., University of Chicago Press.
- BRAZIL FEDERAL GOVERNMENT 2001. *Estatuto da Cidade: Guia para implementação pelos municípios e cidadãos*. Brasília: Federal Senate/ Ministerio das Cidades/ Instituto Polis/ CEF.
- EDMUNDSON, W., 2004, *An Introduction to Rights*, Cambridge: Cambridge University Press.
- FAINSTEIN, S. S. 2010. *The just city*, Ithaca, Cornell University Press.
- HARVEY, D. 2008. *The Right to the City*. *New Left Review*, Sept/ Oct, 23-40.
- HOLSTON, J. 2009. *Insurgent citizenship : disjunctions of democracy and modernity in Brazil*, Princeton, N.J. ; Woodstock, Princeton University Press.
- MARCUSE, P. & KEMPEN, R. V. 2000. *Conclusion: A Changed Spatial Order*. In: MARCUSE, P. & KEMPEN, R. V. (eds.) *Globalizing Cities: a new spatial order?* Oxford: Blackwell
- MARCUSE, P. 2009. *From critical urban theory to the right to the city*. *City*, 13, 185-197.
- MARCUSE, P. 2009. *Spatial Justice: Derivative but Causal of Social Injustice*. *Espace et justice/Space and Justice [Online]*, 1.
- MARX, B., STOKER, T. & SURI, T. 2013. *The Economics of Slums in the Developing World*. *Journal of Economic Perspectives*, 27, 187-210.
- ROY, A. & ALSAYYAD, N. 2004. *Urban Informality : transnational perspectives from the Middle East, Latin America and South Asia*, New York, Lexington
- UN-HABITAT 2006. *State of the World's Cities 2006/2007*. In: UN-HABITAT (ed.). Nairobi.
- VAN KEMPEN, E. T. 1994. *The Dual City and the Poor: Social Polarization, Social Segregation and Life Chances*. *Urban Studies*, 31, 995-1015.

Thanks for listening

**ANY
QUESTIONS?**

Please, write to Roberto Rocco at
r.c.rocco@tudelft.nl