

THE RIGHT TO THE CITY

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“CHANGE THE WORLD” SAID MARX; “CHANGE LIFE” SAID RIMBAUD; FOR US, THESE TWO TASKS ARE IDENTICAL (André Bretton) - (A banner in the Plaza de las Tres Culturas in the City of Mexico, site of the student massacre in 1968, January, 2008)

We live in an era when ideals of human rights have moved center stage both politically and ethically. A lot of political energy is put into promoting, protecting and articulating their significance in the construction of a better world. For the most part the concepts circulating are individualistic and property-based and, as such, do nothing to fundamentally challenge hegemonic liberal and neoliberal market logics and neoliberal modes of legality and state action. We live in a world, after all, where the rights of private property and the profit rate trump all other notions of rights one can think of. But there are occasions when the ideal of human rights takes a collective turn, as when the rights of labor, women, gays and minorities come to the fore (a legacy of the long-standing labor movement and the 1960s Civil Rights movement in the United States that was collective and had a global resonance). These struggles for collective rights have, on occasion, yielded some results (such that a woman and a black become real contestants for the US Presidency). I here want to explore another kind of collective right, that of the right to the city. This is important because there is a revival of interest in Henri Lefebvre's ideas on the topic as these were articulated in relation to the movement of '68 in France, at the same time as there are various social movements around the world that are now demanding the right to the city as their goal. So what might the right to the city mean?

The city, as the noted urban sociologist Robert Park once wrote, is:

"man's most consistent and on the whole, his most successful attempt to remake the world he lives in more after his heart's desire. But, if the city is the world which man created, it is the world in which he is henceforth condemned to live. Thus, indirectly, and without any clear sense of the nature of his task, in making the city man has remade himself."¹

If Park is correct, then the question of what kind of city we want cannot be divorced from the question of what kind of people we want to be, what kinds of social relations we seek, what relations to nature we cherish, what style of daily life we desire, what kinds of technologies we deem appropriate, what aesthetic values we hold. The right to the city is, therefore, far more than a right of individual access to the resources that the city embodies: it is a right to change ourselves by changing the city more after our heart's desire. It is, moreover, a collective rather than an individual right since changing the city inevitably depends upon the exercise of a collective power over the processes of urbanization. The freedom to make and remake

ourselves and our cities is, I want to argue, one of the most precious yet most neglected of our human rights.

But since, as Park avers, we have hitherto lacked any clear sense of the nature of our task, we must first reflect on how we have been made and re-made throughout history by an urban process impelled onwards by powerful social forces. The astonishing pace and scale of urbanization over the last hundred years means, for example, we have been re-made several times over without knowing why, how or wherefore. Has this contributed to human well-being? Has it made us into better people or left us dangling in a world of anomie and alienation, anger and frustration? Have we become mere monads tossed around in an urban sea? These were the sorts of questions that preoccupied all manner of nineteenth century commentators, such as Engels and Simmel, who offered perceptive critiques of the urban personas then emerging in response to rapid urbanization.² These days it is not hard to enumerate all manner of urban discontents and anxieties in the midst of even more rapid urban transformations. Yet we seem to lack the stomach for systematic critique. What, for example, are we to make of the immense concentrations of wealth, privilege and consumerism in almost all the cities of the world in the midst of an exploding “planet of slums”?³

To claim the right to the city in the sense I mean it here is to claim some kind of shaping power over the processes of urbanization, over the ways in which our cities are made and re-made and to do so in a fundamental and radical way. From their very inception, cities have arisen through the geographical and social concentrations of a surplus product. Urbanization has always been, therefore, a class phenomena of some sort, since surpluses have been extracted from somewhere and from somebody (usually an oppressed peasantry) while the control over the disbursement of the surplus typically lies in a few hands. This general situation persists under capitalism, of course, but in this case there is an intimate connection with the perpetual search for surplus value (profit) that drives the capitalist dynamic. To produce surplus value, capitalists have to produce a surplus product. Since urbanization depends on the mobilization of a surplus product an inner connection emerges between the development of capitalism and urbanization.

Let us look more closely at what capitalists do. They begin the day with a certain amount of money and end the day with more of it. The next day they wake up and have to decide what to do with the extra money they gained the day before. They face a Faustian dilemma: reinvest to get even more money or consume their surplus away in pleasures. The coercive laws of competition force them to reinvest because if one does not reinvest then another surely will. To remain a capitalist, some surplus must be reinvested to make even more surplus. Successful capitalists usually make more than enough surplus to reinvest in expansion and satisfy their lust for pleasure too. But the result of perpetual reinvestment is the expansion of surplus production at a compound rate - hence all the logistical growth curves (money, capital, output and population) that attach to the history of capital accumulation. This is paralleled by the logistical growth path of urbanization under capitalism.

The politics of capitalism are affected by the perpetual need to find profitable terrains for capital surplus production and absorption. In this the capitalist faces a number of barriers to continuous and

trouble-free expansion. If there is a scarcity of labor and wages are too high then either existing labor has to be disciplined (technologically induced unemployment or an assault on organized working class power are two prime methods) or fresh labor forces must be found (by immigration, export of capital or proletarianization of hitherto independent elements in the population). New means of production in general and new natural resources in particular must also be found. This puts increasing pressure on the natural environment to yield up the necessary raw materials and absorb the inevitable wastes. Terrains for raw material extraction have to be opened up (imperialist and neo-colonial endeavors often have this as their objective). The coercive laws of competition also force new technologies and organizational forms to come on line all the time, since capitalists with higher productivity can out-compete those using inferior methods. Innovations define new wants and needs, reduce the turnover time of capital through speed up and reduce the friction of distance that limits the geographical range within which the capitalist is free to search for expanded labor supplies, raw materials, etc. If there is not enough purchasing power in the market then new markets must be found by expanding foreign trade, promoting new products and lifestyles, creating new credit instruments and debt-financed state and private expenditures. If, finally, the profit rate is too low, then state regulation of “ruinous competition,” monopolization (mergers and acquisitions) and capital exports to fresh pastures provide ways out.

If any one of the above barriers to continuous capital circulation and expansion becomes impossible to circumvent, then capital accumulation is blocked and capitalists face a crisis. Capital cannot be profitably re-invested. Capital accumulation stagnates or ceases and capital is devalued (lost) and in some instances even physically destroyed. Devaluation can take a number of forms. Surplus commodities can be devalued or destroyed, productive capacity and the assets can be written down in value and left unemployed, or money itself can be devalued through inflation. And in a crisis, of course, labor stands to be devalued through massive unemployment. In what ways, then, has capitalist urbanization been driven by the need to circumvent these barriers and to expand the terrain of profitable capitalist activity? I here argue that it plays a particularly active role (along with other phenomenon such as military expenditures) in absorbing the surplus product that capitalists are perpetually producing in their search for surplus value.⁴

Consider, first, the case of Second Empire Paris. **The crisis of 1848** was one of the first clear crises of unemployed surplus capital and surplus labor side-by-side and it was European-wide. **It struck particularly hard in Paris and the result was an abortive revolution on the part of unemployed workers and those bourgeois utopians who saw a social republic as the antidote to the capitalist greed and inequality that had characterized the July Monarchy.** The republican bourgeoisie violently repressed the revolutionaries but failed to resolve the crisis. The result was the ascent to power of Napoleon Bonaparte, who engineered a coup in 1851 and proclaimed himself Emperor in 1852. To survive politically, the authoritarian Emperor resorted to widespread political repression of alternative political movements but he also knew that he had to deal with the capital surplus problem and this he did by announcing a vast program of infrastructural investment both at home and abroad. Abroad this meant the construction of railroads throughout Europe and down into the Orient as well as support for grand works such as the Suez Canal. At home it meant

consolidating the railway network, building ports and harbors, draining marshes, and the like. But above all it entailed the reconfiguration of the urban infrastructure of Paris. Bonaparte brought Haussmann to Paris to take charge of the public works in 1853.

Haussmann clearly understood that his mission was to help solve the surplus capital and unemployment problem by way of urbanization. The rebuilding of Paris absorbed huge quantities of labor and of capital by the standards of the time and, coupled with authoritarian suppression of the aspirations of the Parisian labor force, was a primary vehicle of social stabilization. Haussmann drew upon the utopian plans (by Fourierists and Saint-Simonians) for re-shaping Paris that had been debated in the 1840s, but with one big difference. He transformed the scale at which the urban process was imagined. When the architect Hittorf, showed Haussmann his plans for a new boulevard, Haussmann threw them back at him saying “not wide enough...you have it 40 meters wide and I want it 120.” Haussmann thought of the city on a grander scale, annexed the suburbs, redesigned whole neighborhoods (such as Les Halles) rather than just bits and pieces of the urban fabric. He changed the city wholesale rather than retail. To do this he needed new financial institutions and debt instruments which were constructed on Saint-Simonian lines (the Credit Mobilier and Credit Immobilier). What he did in effect was to help resolve the capital surplus disposal problem by setting up a Keynesian-like system of debt-financed infrastructural urban improvements.

The system worked very well for some fifteen years and it entailed not only a transformation of urban infrastructures but the construction of a whole new urban way of life and the construction of a new kind of urban persona. Paris became “the city of light” the great center of consumption, tourism and pleasure - the cafés, the department stores, the fashion industry, the grand expositions all changed the urban way of life in ways that could absorb vast surpluses through crass and frivolous consumerism (that offended traditionalists and excluded workers alike). But then the overextended and increasingly speculative financial system and credit structures on which this was based crashed in 1868. Haussmann was forced from power, Napoleon III in desperation went to war against Bismarck’s Germany and lost, and in the vacuum that followed arose the Paris Commune, one of the greatest revolutionary episodes in capitalist urban history. The Commune was wrought in part out of a nostalgia for the urban world that Haussmann had destroyed (shades of the 1848 revolution) and the desire to take back their city on the part of those dispossessed by Haussmann’s works. But the Commune also articulated conflictual forward looking visions of alternative socialist (as opposed to monopoly capitalist) modernities that pitted ideals of centralized hierarchical control (the Jacobin current) against decentralized anarchist visions of popular organization (led by the Proudhonists), that led in 1872, in the midst of intense recriminations over who was at fault for the debacle of the Commune, to the radical and unfortunate break between the Marxists and the Anarchists that to this day still plague all forms of left opposition to capitalism.⁵

Fast forward now to 1942 in the United States. The capital surplus disposal problem that had seemed so intractable in the 1930s (and the unemployment that went with it) was temporarily resolved by the huge mobilization for the war effort. But everyone was fearful as to what would happen after the war. Politically the situation was dangerous. The Federal Government was in effect running a nationalized

economy, was in alliance with the communist Soviet Union and strong social movements with socialist inclinations had emerged in the 1930s. We all know the subsequent history of the politics of McCarthyism and the Cold War (abundant signs of which were already there in 1942). Like Louis Bonaparte, a hefty dose of political repression was evidently called for by the ruling classes of the time. But what of the capital surplus disposal problem?

In 1942 there appeared a lengthy evaluation of Haussmann's efforts in an architectural journal. It documented in detail what he has done, attempted an analysis of his mistakes but sought to recuperate Haussmann's reputation as one of the greatest urbanists of all time. The article was by none other than Robert Moses who after World War II did to the whole New York metropolitan region what Haussmann had done to Paris.⁶ That is, Moses changed the scale of thinking about the urban process and through the system of (debt-financed) highways and infrastructural transformations, through suburbanization and through the total re-engineering, not just of the city but of the whole metropolitan region, he absorbed the surplus product and thereby helped resolve the capital surplus absorption problem. For this to happen, he needed to tap into new financial institutions and tax arrangements (subsidies to homeownership) that liberated the credit to debt-finance the urban expansion. This process, when taken nation-wide, as it was in all the major metropolitan centers of the United States (yet another transformation of scale), played a crucial role in the stabilization of global capitalism after World War II (this was a period when the US could afford to power the whole global non-communist economy through running trade deficits). The suburbanization of the United States was not merely a matter of new infrastructures. As happened in Second Empire Paris, it entailed a radical transformation in lifestyles and produced a whole new way of life in which new products from housing to refrigerators and air conditioners as well as two cars in the driveway and an enormous increase in the consumption of oil, all played their part in the absorption of the surplus. It also altered the political landscape as subsidized homeownership for the middle classes changed the focus of community action towards the defense of property values and individualized identities (turning the suburban vote towards conservative republicanism). In any case, it was argued, debt-encumbered homeowners are less likely to go on strike. This project succeeded in absorbing the surplus and assuring social stability, albeit at the cost of hollowing out the central cities and generating a so-called urban crisis of revolts in many US central cities of impacted minorities (chiefly African-American) who were denied access to the new prosperity.

This lasted until the end of the 1960s when, as happened to Haussmann, a different kind of crisis began to unfold such that Moses fell from grace and his solutions came to be seen as inappropriate and unacceptable. To begin with the central cities were in revolt. Traditionalists rallied around Jane Jacobs and sought to counter the brutal modernism of Moses' projects with a localized neighborhood aesthetic. But the suburbs had been built and the radical transformation in lifestyle that this betokened had all manner of social consequences, leading feminists, for example, to proclaim the suburb and its lifestyle as the locus of all their primary discontents. And if the Haussmanization of Paris had a role in explaining the dynamics of the Paris Commune so the soulless qualities of suburban living played a critical role in the dramatic

movements of 1968 in the USA, as discontented white middle class students went into a phase of revolt, seeking alliances with marginalized groups claiming civil rights in the central cities and rallying against US imperialism to create a movement to build another kind of world including a different kind of urban experience. In Paris the movement to stop the left bank expressway and the invasion of central Paris and the destruction of traditional neighborhoods by the invading “high rise giants” of which the Place d’Italie and the Tour Montparnasse were exemplary, played an important role in animating the grander processes of the ’68 revolt. And it was in this context that Lefebvre wrote his prescient text in which he predicted, among other things, not only that the urban process was crucial to the survival of capitalism and therefore bound to become a crucial focus of political and class struggle, but that this process was step by step obliterating the distinctions between town and country through the production of integrated spaces across the national space if not beyond.⁷ The right to the city had to mean the right to command the whole urban process that was increasingly dominating the countryside (everything from agribusiness to second homes and rural tourism).

But along with the ‘68 revolt, part nostalgia for what had been lost and part forward looking asking for the construction of a different kind of urban experience, went a financial crisis in the credit institutions that had powered the property boom through debt-financing throughout the preceding decades. This crisis gathered momentum at the end of the 1960s until the whole capitalist system crashed into a major global crisis, led by the bursting of the global property market bubble in 1973, followed by the fiscal bankruptcy of New York City in 1975. The dark days of the 1970s were upon us and, as had happened many times before, the question now was how to rescue capitalism from its own contradictions and in this, if history was to be any guide, the urban process was bound to play a significant role. In this case, as Bill Tabb long ago argued, the working through of the New York fiscal crisis of 1975 pioneered the way towards the construction of a neoliberal answer to the problems of perpetuation of class power and revival of a capacity to absorb the surpluses that capitalism must produce if it is to survive.⁸

Fast forward once again to our current conjuncture. International capitalism has been on a roller-coaster of regional crises and crashes (East and SouthEast Asia in 1997-8; Russia in 1998; Argentina in 2001, etc.) but has so far avoided a global crash even in the face of a chronic capital surplus disposal problem. What has been the role of urbanization in the stabilization of this situation? In the United States it is accepted wisdom that the housing market has been an important stabilizer of the economy, particularly since 2000 or so (after the high-tech crash of the late 1990s) although it was an active component of expansion during the 1990s. The property market has absorbed a great deal of the surplus capital directly through new construction (both inner city and suburban housing and new office spaces) while the rapid inflation of housing asset prices backed by a profligate wave of mortgage refinancing at historically low rates of interest boosted the U.S. internal market for consumer goods and services. The global market has in part been stabilized through US urban expansion as the U.S. runs huge trade deficits with the rest of the world, borrowing around \$2 billion a day to fuel its insatiable consumerism and the debt financed war in Afghanistan and Iraq.

But the urban process has undergone another transformation of scale. It has, in short, gone global. So we cannot focus merely on the United States. Similar property market booms in Britain and Spain, as well as in many other countries, have helped power the capitalist dynamic in ways that have broadly paralleled what has happened in the United States. The urbanization of China over the last twenty years has been of a different character (with its heavy focus on building infrastructures), but even more important than that of the USA. Its pace picked up enormously after a brief recession in 1997 or so, such that China has absorbed nearly half of the world's cement supplies since 2000. More than a hundred cities have passed the one million population mark in the last twenty years and small villages, like Shenzhen, have become huge metropolises with 6 to 10 million people. Vast infrastructural projects, such as dams and highways – again, all debt financed – are transforming the landscape.⁹ The consequences for the global economy and the absorption of surplus capital have been significant: Chile booms because of the demand for copper, Australia thrives and even Brazil and Argentina recover in part because of the strength of demand from China for raw materials. Is the urbanization of China the primary stabilizer of global capitalism? The answer has to be a partial yes. But China is only the epicenter for an urbanization process that has now become genuinely global in part through the astonishing global integration of financial markets that use their flexibility to debt-finance urban mega-projects from Dubai to Sao Paulo and from Mumbai to Hong Kong and London. The Chinese central bank, for example, has been active in the secondary mortgage market in the USA while Goldman Sachs has been heavily involved in the surging property market in Mumbai and Hong Kong capital has invested in Baltimore. Every urban area in the world has its building boom in full swing in the midst of a flood of impoverished migrants that is simultaneously creating a planet of slums. The building booms are evident in Mexico City, Santiago in Chile, in Mumbai, Johannesburg, Seoul, Taipei, Moscow, and all over Europe (Spain being most dramatic) as well as in the cities of the core capitalist countries such as London, Los Angeles, San Diego and New York (where more large-scale urban projects are in motion than ever before and where, just to set the tenor of the times, a recent exhibition sought to rehabilitate Moses as the author of the rise of New York City rather than the agent of its fall, as Robert Caro had depicted it back in 1974¹⁰). Astonishing and in some respects criminally absurd mega-urbanization projects have emerged in the Middle East in places like Dubai and Abu Dhabi as a way of mopping up the surpluses arising from oil wealth in the most conspicuous, socially unjust and environmentally wasteful ways possible (like an indoor ski slope). We are here looking at yet another transformation in scale, one that makes it hard to grasp that what may be going on globally is in principle similar to the processes that Haussmann managed so expertly for a while in Second Empire Paris.

This global urbanization boom has depended, as did all the others before it, on the construction of new financial institutions and arrangements to organize the credit required to sustain it. Financial innovations set in train in the 1980s, particularly the securitization and packaging of local mortgages for sale to investors world-wide, and the setting up of new financial institutions to hold collateralized debt obligations, has played a crucial role. The benefits of this were legion: it spread risk and permitted surplus

savings pools easier access to surplus housing demand and it also, by virtue of its coordinations, brought aggregate interest rates down (while generating immense fortunes for the financial intermediaries who worked these wonders). But spreading risk does not eliminate risk. Furthermore, the fact that risk can be spread so widely encourages even riskier local behaviors because the risk can be transferred elsewhere. Without adequate risk assessment controls, the mortgage market got out of hand and what happened to the Pereire Brothers in 1867-8 and to the fiscal profligacy of New York City in the early 1970s, has now turned into a so-called sub-prime mortgage and housing asset-value crisis. The crisis is concentrated in the first instance in and around US cities with particularly serious implications for low-income African Americans and single head-of-household women in the inner cities. It also affects those who, unable to afford the skyrocketing housing prices in the urban centers, particularly in the US Southwest, were forced to the semi-periphery of metropolitan areas to take up speculatively built tract housing at initially easy rates but who now face escalating commuting costs with rising oil prices and soaring mortgage payments as the market-rates click in. This crisis, with vicious local impacts on urban life and infrastructures, also threatens the whole architecture of the global financial system and may trigger a major recession to boot. The parallels with the 1970s are, to put it mildly, uncanny (including the immediate easy-money response of the US Federal Reserve in 2007-8, which is almost certain to generate strong currents of uncontrollable inflation if not stagflation, as happened in the 1970s through similar moves, in the not too distant future).

But the situation is far more complex now and it is an open question as to whether a serious crash in the United States can be compensated for elsewhere (e.g. by China, although even here the pace of urbanization seems to be slowing down). But the financial system is also much more tightly coupled than it ever was before.¹¹ Computer-driven split-second trading, once it does go off track, always threatens to create some great divergence in the market (it is already producing incredible volatility in stock markets) that will produce a massive crisis requiring a total re-think of how finance capital and money markets work, including in relation to urbanization processes.

As in all the preceding phases, this most recent radical expansion of the urban process has brought with it incredible transformations of lifestyle. Quality of urban life has become a commodity for those with money, as has the city itself in a world where consumerism, tourism, cultural and knowledge-based industries have become major aspects of urban political economy. The postmodernist penchant for encouraging the formation of market niches, both in urban lifestyle choices and in consumer habits, and cultural forms, surrounds the contemporary urban experience with an aura of freedom of choice in the market, provided you have the money. Shopping malls, multiplexes and box stores proliferate (the production of each has become big business) as do fast food and artisanal market places, boutique cultures and, as Sharon Zukin cutely puts it, “pacification by cappuccino.” Even the incoherent, bland and monotonous suburban tract development that continues to dominate in many areas, now gets its antidote in a “new urbanism” movement that touts the sale of community and a boutique lifestyle as a developer product to fulfill urban dreams. This is a world in which the neoliberal ethic of intense possessive individualism and its cognate of political withdrawal of support for collective forms of action can become

the template for human personality socialization.¹² The defense of property values becomes of paramount political interest such that, as Mike Davis points out, the homeowner associations in the state of California become bastions of political reaction if not of fragmented neighborhood fascisms.¹³

But we also increasingly live in divided, fragmented and conflict-prone cities. How we view the world and define possibilities depends on which side of the tracks we are on and to what kinds of consumerism we have access to. In the past decades, the neoliberal turn has restored class power to rich elites.¹⁴ Fourteen billionaires have emerged in Mexico since the neoliberal turn and Mexico now boasts the richest man on earth, Carlos Slim, at the same time as the incomes of the poor have either stagnated or diminished. The results are indelibly etched into the spatial forms of our cities, which increasingly become cities of fortified fragments, of gated communities and privatized public spaces kept under constant surveillance. In the developing world in particular, the city:

“is splitting into different separated parts, with the apparent formation of many “microstates.” Wealthy neighborhoods provided with all kinds of services, such as exclusive schools, golf courses, tennis courts and private police patrolling the area around the clock intertwine with illegal settlements where water is available only at public fountains, no sanitation system exists, electricity is pirated by a privileged few, the roads become mud streams whenever it rains, and where house-sharing is the norm. Each fragment appears to live and function autonomously, sticking firmly to what it has been able to grab in the daily fight for survival.”¹⁵

Under these conditions, ideals of urban identity, citizenship and belonging, already threatened by the spreading malaise of the neoliberal ethic, become much harder to sustain. The privatization of redistribution through criminal activity threatens individual security at every turn prompting popular demands for police suppressions. Even the idea that the city might function as a collective body politic, a site within and from which progressive social movements might emanate, appears increasingly implausible. Yet there are in fact all manner of urban social movements in evidence seeking to overcome the isolations and to re-shape the city in a different social image to that given by the powers of developers backed by finance, corporate capital, and an increasingly entrepreneurially minded local state apparatus.

But surplus absorption through urban transformation has an even darker aspect. It has entailed repeated bouts of urban restructuring through “creative destruction.” This nearly always has a class dimension since it is usually the poor, the underprivileged and those marginalized from political power that suffer first and foremost from this process. Violence is required to achieve the new urban world on the wreckage of the old. Haussmann tore through the old Parisian slums, using powers of expropriation for supposedly public benefit and did so in the name of civic improvement and renovation. He deliberately engineered the removal of much of the working class and other unruly elements from Paris’s city center where they constituted a threat to public order and political power. He created an urban form where it was believed (incorrectly as it turned out in 1871) sufficient levels of surveillance and military control were possible so as to ensure that revolutionary movements could easily be controlled by military power. But, as Engels pointed out in 1872:

“In reality, the bourgeoisie has only one method of solving the housing question after its fashion – that is to say, of solving it in such a way that the solution perpetually renews the question anew. This method is called ‘Hausmann’ (by which) I mean the practice that has now become general of making breaches in the working class quarters of our big towns, and particularly in areas which are centrally situated, quite apart from whether this is done from considerations of public health or for beautifying the town, or owing to the demand for big centrally situated business premises, or, owing to traffic requirements, such as the laying down of railways, streets (which sometimes seem to have the aim of making barricade fighting more difficult)...No matter how different the reasons may be, the result is always the same; the scandalous alleys disappear to the accompaniment of lavish self-praise by the bourgeoisie on account of this tremendous success, but they appear again immediately somewhere else....The breeding places of disease, the infamous holes and cellars in which the capitalist mode of production confines our workers night after night, are not abolished; they are merely *shifted elsewhere!* The same economic necessity that produced them in the first place, produces them in the next place.”¹⁶

Actually it took more than a hundred years to complete the embourgeoisment of central Paris with the consequences that we have seen in recent years of uprisings and mayhem in those isolated suburbs within which the marginalized immigrants and the unemployed workers and youth are increasingly trapped. The sad point here, of course, is that the processes Engels described recur again and again in capitalist urban history. Robert Moses “took a meat axe to the Bronx” (in his infamous words) and long and loud were the lamentations of neighborhood groups and movements, that eventually coalesced around the rhetoric of Jane Jacobs, at both the unimaginable destruction of valued urban fabric but also of whole communities of residents and their long-established networks of social integration.¹⁷ But in the New York and Parisian case, once the brutal power of state expropriations had been successfully resisted and contained, a far more insidious and cancerous process of transformation occurred through fiscal disciplining of democratic urban governments, land markets, property speculation and the sorting of land to those uses that generated the highest possible financial rate of return under the land’s “highest and best use.” Engels understood all too well what this process was about too:

“The growth of the big modern cities gives the land in certain areas, particularly in those areas which are centrally situated, an artificially and colossally increasing value; the buildings erected on these areas depress this value instead of increasing it, because they no longer belong to the changed circumstances. They are pulled down and replaced by others. This takes place above all with worker’s houses which are situated centrally and whose rents, even with the greatest overcrowding, can never, or only very slowly, increase above a certain maximum. They are pulled down and in their stead shops, warehouses and public building are erected.”¹⁸

It is depressing to think that all of this was written in 1872, for Engels’ description applies directly to contemporary urban processes in much of Asia (Delhi, Seoul, Mumbai) as well as to the contemporary gentrification of Harlem in New York. A process of displacement and what I call “accumulation by dispossession” also lies at the core of the urban process under capitalism.¹⁹ It is the mirror image of capital

absorption through urban redevelopment and is giving rise to all manner of conflicts over the capture of high value land from low income populations that may have lived there for many years. Consider the case of Mumbai where there are 6 million people considered officially as slum dwellers settled on the land without legal title (the places they live are left blank on all maps of the city). With the attempt to turn Mumbai into a global financial center to rival Shanghai, the property development boom gathers pace and the land the slum dwellers occupy appears increasingly valuable. The value of the land in Dharavi, one of the most prominent slums in Mumbai, is put at \$2 billion and the pressure to clear the slum (for environmental and social reasons that mask the land grab) is mounting daily. Financial powers backed by the state push for forcible slum clearance, in some cases violently taking possession of a terrain occupied for a whole generation by the slum dwellers. Capital accumulation on the land through real estate activity booms as land is acquired at almost no cost. Will the people displaced get compensation? The lucky ones get a bit. But while the Indian constitution specifies that the state has the obligation to protect the lives and well-being of the whole population irrespective of caste and class, and to guarantee rights to livelihood housing and shelter, the Indian Supreme Court has issued both non-judgments and judgments that re-write this constitutional requirement. Since slum dwellers are illegal occupants and many cannot definitively prove their long-term residence on the land, they have no right to compensation. To concede that right, says the Supreme Court, would be tantamount to rewarding pickpockets for their actions. So the slum-dwellers either resist and fight or move with their few belongings to camp out on the highway margins or wherever they can find a tiny space.²⁰ Similar examples of dispossession (though less brutal and more legalistic) can be found in the United States through the abuse of rights of eminent domain to displace long-term residents in reasonable housing in favor of higher order land uses (such as condominiums and box stores). Challenged in the U.S. Supreme Court, the liberal justices carried the day against the conservatives in saying it was perfectly constitutional for local jurisdictions to behave in this way in order to increase their property tax base.

In Seoul in the 1990s, the construction companies and developers hired goon squads of sumo wrestler types to invade whole neighborhoods and smash down with sledgehammers not only the housing but also all the possessions of those who had built their own housing on the hillsides of the city in the 1950s on what had become by the 1990s high value land. Most of those hillsides are now covered with highrise towers that show no trace of the brutal processes of land clearance that permitted their construction. In China millions are being dispossessed of the spaces they have long occupied (three million in Beijing alone). Lacking private property rights, the state can simply remove them from the land by fiat offering a minor cash payment to help them on their way (before turning the land over to developers at a high rate of profit). In some instances people move willingly but widespread resistances are also reported, the usual response to which is brutal repression by the Communist party. In the Chinese case it is often populations on the rural margins who are displaced illustrating the significance of Lefebvre's argument, presciently laid out in the 1960s, that the clear distinction that once existed between the urban and the rural was gradually fading into a set of porous spaces of uneven geographical development under the hegemonic command of

capital and the state. This is the case also in India, where the special economic development zones policy now favored by central and state governments is leading to violence against agricultural producers, the grossest of which was the massacre at Nandigram in West Bengal, orchestrated by the ruling Marxist political party, to make way for large scale Indonesian capital that is as much interested in urban property development as it is in industrial development. Private property rights in this case provided no protection. And so it is with the seemingly progressive proposal of awarding private property rights to squatter populations in order to offer them the assets that will permit them to emerge out of poverty. This is the sort of proposal now mooted for Rio's favelas, but the problem is that the poor, beset with insecurity of income and frequent financial difficulties, can easily be persuaded to trade in that asset for a cash payment at a relatively low price (the rich typically refuse to give up their valued assets at any price which is why Moses could take a meat axe to the low-income Bronx but not to affluent Park Avenue). My bet is that, if present trends continue, within fifteen years all those hillsides in Rio now occupied by favelas will be covered by high-rise condominiums with fabulous views over the fabled bay while the erstwhile favela dwellers will have filtered off to live in some remote periphery.²¹ The long-term effect of Margaret Thatcher's privatization of social housing in central London has been to create a rent and housing price structure throughout the metropolitan area that precludes lower income and now even middle class people having access to housing anywhere near the urban center.

Urbanization we may conclude has played a crucial role in the absorption of capital surpluses and has done so at every increasing geographical scales but at the price of burgeoning processes of creative destruction that entail the dispossession of the urban masses of any right to the city whatsoever. The planet of slums collides with the planet as a vast building site. Periodically this ends in revolt, as the dispossessed in Paris rose up in 1871, seeking to reclaim the city they had lost. The urban social movements of the 1960s (in the US after the assassination of Martin Luther King in 1968) likewise sought to define a different way of urban living from that which was being imposed upon them by capitalist developers and the state. If, as seems likely, the fiscal difficulties in the current conjuncture mount and the hitherto successful neoliberal, postmodernist and consumerist phase of capitalist absorption of the surplus through urbanization is at an end and a broader crisis ensues, then the question arises: where is our '68 or, even more dramatically, our version of the Commune?

As with the fiscal system, the answer is bound to be much more complex precisely because the urban process is now global in scope. Signs of revolt are everywhere (the unrest in China and India is chronic, civil wars rage in Africa, Latin America is in ferment, autonomy movements are emerging all over the place, and even in the United States the political signs suggest that most of the population is saying "enough is enough" with respect to the rabid inequalities). Any of these revolts could suddenly become contagious. Unlike the fiscal system, however, the urban and peri-urban social movements of opposition, of which there are many around the world, are not tightly coupled at all. Indeed many have no connection to each other. But if they did somehow come together, then what should they demand?

The answer to the last question is simple enough in principle: greater democratic control over the production and use of the surplus. Since the urban process is a major channel of use, then the right to the city is constituted by establishing democratic control over the deployment of the surpluses through urbanization. To have a surplus product is not a bad thing: indeed, in many situations a surplus is crucial to adequate survival. Throughout capitalist history, some of the surplus value created has been taxed away by the state and in social democratic phases that proportion rose significantly putting much of the surplus under state control. The whole neoliberal project over the last thirty years has been oriented towards privatization of control over the surplus. The data for all OECD countries show, however, that the share of gross output taken by the state has been roughly constant since the 1970s. The main achievement of the neoliberal assault, then, has been to prevent the state share expanding in the way it was in the 1960s. One further response has been to create new systems of governance that integrate state and corporate interests and, through the application of money power, assure that control over the disbursement of the surplus through the state apparatus favors corporate capital (like Halliburton) and the upper classes in the shaping of the urban process. Increasing the share of the surplus under state control will only work if the state itself is brought back under democratic control.

Increasingly, we see the right to the city falling into the hands of private or quasi-private interests. In New York City, for example, we have a billionaire mayor, Michael Bloomberg, who is re-shaping the city after his heart's desire along lines favorable to the developers, to Wall Street and transnational capitalist class elements, while continuing to sell the city as an optimal location for high value businesses and a fantastic destination for tourists, thus turning Manhattan in effect into one vast gated community for the rich. He refuses to subsidize businesses to come to New York City saying that if they are the kind of business that needs a subsidy to be in this high cost but high quality location then we do not want them. He has not said the same of people but this is the principle applied in practice. In Seattle, a billionaire like Paul Allen calls the shots and in Mexico City the wealthiest man in the world, Carlos Slim, has the downtown streets re-cobbled to suit the tourist gaze. And it is not only affluent individuals that exercise direct power. In the town of New Haven, strapped for any resources for urban reinvestment of its own, it is Yale University, one of the wealthiest universities in the world, that is redesigning much of the urban fabric to suit its needs. Johns Hopkins is doing the same for East Baltimore and Columbia University plans to do so for areas of New York (sparking neighborhood resistance movements in both cases). The right to the city, as it is now constituted, is far too narrowly confined, in most cases in the hands of a small political and economic elite who are in the position to shape the city more and more after their own particular heart's desire.

In January every year an estimate is published of the total of Wall Street bonuses earned for all the hard work the financiers engaged in the previous year. In 2007, a disastrous year for financial markets by any measure, the bonuses added up to \$33.2 billion, only 2 per cent less than the year before. In mid-summer of 2007, the Federal Reserve and the European Central Bank pumped billions of short-term credit into the financial system to ensure its stability and thereafter the Federal Reserve dramatically lowered

interest rates or pumped in vast amounts of liquidity every time the Wall Street markets threatened to fall precipitously. Meanwhile, some two million people, mainly women single headed households and African Americans in central cities and marginalized white populations in the urban semi-periphery, have been or are about to be rendered homeless by foreclosures. Many city neighborhoods and even whole peri-urban communities in the US, have been boarded up and vandalized, wrecked by the predatory lending practices of the financial institutions. This population is due no bonuses. Indeed, since foreclosure means forgiveness of debt and that is regarded as income in the United States, many of those foreclosed face a hefty income tax bill for money they never had in their possession.

This awful asymmetry cannot be construed as anything less than a massive form of class confrontation. It then poses the following question: why could not the Federal Reserve extend medium-term liquidity help to the two million threatened households to forestall most of the foreclosures until mortgage restructuring could resolve much of the problem? The ferocity of the credit crisis would have been mitigated and impoverished people and the neighborhoods they inhabited would have been protected. To be sure, this would extend the mission of the Federal Reserve beyond its normal remit and interfere with the neoliberal rules of income distribution and personal responsibility. But it would also have prevented the unfolding of that “financial Katrina,” which conveniently (for the developers) threatens to wipe out low income neighborhoods on potentially high-value land in many inner city areas far more effectively and speedily than could be achieved through eminent domain. The social to say nothing of economic price we are paying for the observing of such rules and the senseless creative destruction they engender is enormous.

We have, however, yet to see a coherent oppositional movement to all of this in the twenty-first century. There are, of course, multitudes of diverse social movements focusing on the urban question already in existence – from India and Brazil to China, Spain, Argentina and the United States - including a nascent right to the city movement. The problem is that they have yet to converge on the singular aim of gaining greater control over the uses of the surplus (let alone over the conditions of its production). At this point in history this has to be a global struggle predominantly with finance capital for that is the scale at which urbanization processes are now working. To be sure, the political task of organizing such a confrontation is difficult if not daunting. But the opportunities are multiple in part because, as this brief history of capitalist urbanization shows, again and again crises erupt either locally (as in land and property markets in Japan in 1989 or as in the Savings and Loan crisis in the United States of 1987-90) or globally (as in 1973 or now) around the urbanization process, and in part because the urban is now the point of massive collision – dare we call it class struggle? - between the accumulation by dispossession being visited upon the slums and the developmental drive that seeks to colonize more and more urban space for the affluent to take their urbane and cosmopolitan pleasures. One step towards unification of these struggles is to focus on the right to the city as both a working slogan and a political ideal, precisely because it focuses on who it is that commands the inner connection that has prevailed from time immemorial between urbanization and surplus production and use. The democratization of the right to the city and the construction of a broad social movement to enforce its will is imperative, if the dispossessed are to take

back control of the city from which they have for so long been excluded and if new modes of controlling capital surpluses as they work through urbanization processes are to be instituted. Lefebvre was right to insist that the revolution has to be urban, in the broadest sense of that term, or nothing at all.

Notes

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2. Engels, F., *The Condition of the Working Class in England in 1844*, Oxford, Blackwell, 1952; Simmel, G. "The Metropolis and Mental Life," in Levine, D. (ed.) *On Individuality and Social Forms*, Chicago, Chicago University Press, 324-39.
3. Davis, M., *Planet of Slums*, London, Verso, 2006.
4. Perceptive critics will doubtless note that each of the barriers to capital accumulation enumerated in this highly simplified account roughly corresponds to a particular theory of crisis: labor constraints lead to profit squeeze theories; natural resource constraints lead to O'Connor's "second contradiction of capitalism;" excessive or imbalanced technological changes generate falling rates of profit (and ruinous competition); lack of markets indicates an under-consumption problem. My own simplified view is that crises can and do take on all of these forms in particular historical and geographical situations and that all of these barriers can sometimes be implicated even as one might stand out as the main problem to be confronted (as, e.g. Reagan and Thatcher evidently thought it fundamental to confront the power of labor in the early 1980s whereas now the problem mainly lies in credit-fuelled consumption that is breaking down and threatening shrinking effective demand).
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- 13 Davis, M. *City of Quartz: Excavating the Future in Los Angeles*, London, Verso, 1990.
- 14 See Harvey, D., *op.cit.* chapter 2.
- 15 Balbo, M. cited in National Research Council, *Cities Transformed: Demographic Change and Its Implications in the Developing World*, Washington, D.C., The National Academies Press, 2003, p.379.
- 16 Engels, F. *The Housing Question*, New York, International Publishers, 1935 edition, 74-7.
- 17 Berman M., *All That Is Solid Melts Into Air*, New York, Simon and Schuster, 1982.
- 18 Engels, F. *op.cit.*(1935), 23.
- 19 Harvey, D., *The New Imperialism*, Oxford, Oxford University Press, 2003, chapter 4.
- 20 Ramanathan, U., "Illegality and the Urban Poor," *Economic and Political Weekly*, 41, no.29, July 22, 2006; Shukla, R., "Rights of the Poor: An Overview of the Supreme Court," *Economic and Political Weekly*, 41, no.35, September 2, 2006.
- 21 A lot of this thinking follows the work of Hernan de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, New York, Basic Books, 2000; see the critical examination by Mitchell, T., "The Work of Economics: How a Discipline Makes its World," *Archives Européennes de Sociologie*, 46, 2005, 297-320.