

WIZINSKY.

REBEL CITIES

From the Right to the City
to the Urban Revolution

David Harvey



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For Delfina
and all other graduating students everywhere

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PREFACE

Henri Lefebvre's Vision

Sometime in the mid 1970s in Paris I came across a poster put out by the Ecologistes, a radical neighborhood action movement dedicated to creating a more ecologically sensitive mode of city living, depicting an alternative vision for the city. It was a wonderful ludic portrait of old Paris reanimated by a neighborhood life, with flowers on balconies, squares full of people and children, small stores and workshops open to the world, cafés galore, fountains flowing, people relishing the river bank, community gardens here and there (maybe I have invented that in my memory), evident time to enjoy conversations or smoke a pipe (a habit not at that time demonized, as I found to my cost when I went to an Ecologiste neighborhood meeting in a densely smoke-filled room). I loved that poster, but over the years it became so tattered and torn that I had, to my great regret, to throw it out. I wish I had it back! Somebody should reprint it.

The contrast with the new Paris that was emerging and threatening to engulf the old was dramatic. The tall building “giants” around the Place d’Italie were threatening to invade the old city and clasp the hand of that awful Tour Montparnasse. The proposed expressway down the Left Bank, the soulless high-rise public housing (HLMs) out in the 13th arrondissement and in the suburbs, the monopolized commodification on the streets, the plain disintegration of what had once been a vibrant neighborhood life built around artisanal labor in small workshops in the

Marais, the crumbling buildings of Belleville, the fantastic architecture of the Place des Vosges falling into the streets. I found another cartoon (by Batellier). It showed a combine harvester crushing and gobbling up all the old neighborhoods of Paris, leaving high-rise HLMs all in a neat row in its wake. I used it as key illustration in *The Condition of Postmodernity*.

Paris from the early 1960s on was plainly in the midst of an existential crisis. The old could not last, but the new seemed just too awful, soulless and empty to contemplate. Jean-Luc Godard's 1967 film, *Deux ou trois choses que je sais d'elle*, captures the sensibility of the moment beautifully. It depicts married mothers engaging in a daily routine of prostitution, as much out of boredom as of financial need, against the background of an invasion of American corporate capital into Paris, the war in Vietnam (once a very French affair but by then taken over by the Americans), a construction boom of highways and high-rises, and the arrival of a mindless consumerism in the streets and stores of the city. However, Godard's philosophical take—a kind of quizzical, wistful, Wittgensteinian precursor to postmodernism, in which nothing at the center of either the self or society could possibly hold—was not for me.

It was also in this very same year, 1967, that Henri Lefebvre wrote his seminal essay on *The Right to the City*. That right, he asserted, was both a cry and a demand. The cry was a response to the existential pain of a withering crisis of everyday life in the city. The demand was really a command to look that crisis clearly in the eye and to create an alternative urban life that is less alienated, more meaningful and playful but, as always with Lefebvre, conflictual and dialectical, open to becoming, to encounters (both fearful and pleasurable), and to the perpetual pursuit of unknowable novelty.¹

We academics are quite expert at reconstructing the genealogy of ideas. So we can take Lefebvre's writings of this period and excavate a bit of Heidegger here, Nietzsche there, Fourier somewhere else, tacit critiques of Althusser and Foucault, and, of course, the inevitable framing given by Marx. The fact that this essay was written for the centennial celebrations of the publication of Volume 1 of *Capital* bears mentioning because it has some political significance, as we shall see. But what we academics so often forget is the role played by the sensibility that arises out of the streets around us, the inevitable feelings of loss provoked by

the demolitions, what happens when whole quarters (like Les Halles) get re-engineered or *grands ensembles* erupt seemingly out of nowhere, coupled with the exhilaration or annoyance of street demonstrations about this or that, the hopes that lurk as immigrant groups bring life back into a neighborhood (those great Vietnamese restaurants in the 13th arrondissement in the midst of the HLMs), or the despair that flows from the glum desperation of marginalization, police repressions and idle youth lost in the sheer boredom of increasing unemployment and neglect in the soulless suburbs that eventually become sites of roiling unrest.

Lefebvre was, I am sure, deeply sensitive to all of that—and not merely because of his evident earlier fascination with the Situationists and their theoretical attachments to the idea of a psychogeography of the city, the experience of the urban *dérive* through Paris, and exposure to the spectacle. Just walking out of the door of his apartment in the Rue Rambuteau was surely enough to set all his senses tingling. For this reason I think it highly significant that *The Right to the City* was written before *The Irruption* (as Lefebvre later called it) of May 1968. His essay depicts a situation in which such an irruption was not only possible but almost inevitable (and Lefebvre played his own small part at Nanterre in making it so). Yet the urban roots of that '68 movement remain a much neglected theme in subsequent accounts of that event. I suspect that the urban social movements then existing—the Ecologistes for example—melded into that revolt and helped shape its political and cultural demands in intricate if subterranean ways. And I also suspect, though I have no proof at all, that the cultural transformations in urban life that subsequently occurred, as naked capital masked itself in commodity fetishism, niche marketing, and urban cultural consumerism, played a far from innocent role in the post-'68 pacification (for instance, the newspaper *Libération*, which was founded by Jean-Paul Sartre and others, gradually shifted from the mid '70s to become culturally radical and individualistic but politically lukewarm, if not antagonistic to serious left and collectivist politics).

I make these points because if, as has happened over the last decade, the idea of the right to the city has undergone a certain revival, then it is not to the intellectual legacy of Lefebvre that we must turn for an explanation (important though that legacy may be). What has been happening

in the streets, among the urban social movements, is far more important. And as a great dialectician and immanent critic of urban daily life, surely Lefebvre would agree. The fact, for example, that the strange collision between neoliberalization and democratization in Brazil in the 1990s produced clauses in the Brazilian Constitution of 2001 that guarantee the right to the city has to be attributed to the power and significance of urban social movements, particularly around housing, in promoting democratization. The fact that this constitutional moment helped consolidate and promote an active sense of “insurgent citizenship” (as James Holston calls it) has nothing to do with Lefebvre’s legacy, but everything to do with ongoing struggles over who gets to shape the qualities of daily urban life.² And the fact that something like “participatory budgeting,” in which ordinary city residents directly take part in allocating portions of municipal budgets through a democratic decision-making process, has been so inspirational has everything to do with many people seeking some kind of response to a brutally neoliberalizing international capitalism that has been intensifying its assault on the qualities of daily life since the early 1990s. No surprise either that this model developed in Porto Alegre, Brazil—the central place for the World Social Forum.

When all manner of social movements came together at the US Social Forum in Atlanta in June 2007, to take another example, and decided to form a national Right to the City Alliance (with active chapters in cities such as New York and Los Angeles), in part inspired by what the urban social movements in Brazil had accomplished, they did so without for the most part knowing Lefebvre’s name. They had individually concluded after years of struggling on their own particular issues (homelessness, gentrification and displacement, criminalization of the poor and the different, and so on) that the struggle over the city as a whole framed their own particular struggles. Together they thought they might more readily make a difference. And if various movements of an analogous kind can be found elsewhere, it is not simply out of some fealty to Lefebvre’s ideas but precisely because Lefebvre’s ideas, like theirs, have primarily arisen out of the streets and neighborhoods of ailing cities. Thus in a recent compilation, right to the city movements (though of diverse orientation) are reported as active in dozens of cities around the world.³

◀ So let us agree: the idea of the right to the city does not arise primarily out of various intellectual fascinations and fads (though there are plenty of those around, as we know). It primarily rises up from the streets, out from the neighborhoods, as a cry for help and sustenance by oppressed peoples in desperate times. How, then, do academics and intellectuals (both organic and traditional, as Gramsci would put it) respond to that cry and that demand? It is here that a study of how Lefebvre responded is helpful—not because his responses provide blueprints (our situation is very different from that of the 1960s, and the streets of Mumbai, Los Angeles, São Paulo and Johannesburg are very different from those of Paris), but because his dialectical method of immanent critical inquiry can provide an inspirational model for how we might respond to that cry and demand.

Lefebvre understood very well, particularly after his study of *The Paris Commune*, published in 1965 (a work inspired to some degree by the Situationists’ theses on the topic), that revolutionary movements frequently if not always assume an urban dimension. This immediately put him at odds with the Communist Party, which held that the factory-based proletariat was the vanguard force for revolutionary change. In commemorating the centennial of the publication of Marx’s *Capital* with a tract on *The Right to the City*, Lefebvre was certainly intending a provocation to conventional Marxist thinking, which had never accorded the urban much significance in revolutionary strategy, even though it mythologized the Paris Commune as a central event in its history.

In invoking the “working class” as the agent of revolutionary change throughout his text, Lefebvre was tacitly suggesting that the revolutionary working class was constituted out of urban rather than exclusively factory workers. This, he later observed, is a very different kind of class formation—fragmented and divided, multiple in its aims and needs, more often itinerant, disorganized and fluid rather than solidly implanted. This is a thesis with which I have always been in accord (even before I read Lefebvre), and subsequent work in urban sociology (most notably by one of Lefebvre’s erstwhile but errant students, Manuel Castells) amplified that idea. But it is still the case that much of the traditional left has had trouble grappling with the revolutionary potential of urban social movements. They are often dismissed as simply reformist attempts to deal with

specific (rather than systemic) issues, and therefore as neither revolutionary nor authentically class movements.

There is, therefore, a certain continuity between Lefebvre's situational polemic and the work of those of us who now seek to address the right to the city from a revolutionary as opposed to reformist perspective. If anything, the logic behind Lefebvre's position has intensified in our own times. In much of the advanced capitalist world the factories have either disappeared or been so diminished as to decimate the classical industrial working class. The important and ever-expanding labor of making and sustaining urban life is increasingly done by insecure, often part-time and disorganized low-paid labor. The so-called "precariat" has displaced the traditional "proletariat." If there is to be any revolutionary movement in our times, at least in our part of the world (as opposed to industrializing China), the problematic and disorganized "precariat" must be reckoned with. How such disparate groups may become self-organized into a revolutionary force is the big political problem. And part of the task is to understand the origins and nature of their cries and demands.

I am not sure how Lefebvre would have responded to the Ecologistes' poster vision. Like me, he would probably have smiled at its ludic vision, but his theses on the city, from *The Right to the City* to his book on *La Révolution Urbaine* (1970), suggest that he would have been critical of its nostalgia for an urbanism that had never been. For it was Lefebvre's central conclusion that the city we had once known and imagined was fast disappearing and that it could not be reconstituted. I would agree with this, but assert it even more emphatically, because Lefebvre takes very little care to depict the dismal conditions of life for the masses in some of his favored cities of the past (those of the Italian Renaissance in Tuscany). Nor does he dwell on the fact that in 1945 most Parisians lived without indoor plumbing in execrable housing conditions (where they froze in winter and baked in summer) in crumbling neighborhoods, and that something had to be, and—at least during the 1960s—was being done to remedy that. The problem was that it was bureaucratically organized and implemented by a French dirigiste state without a whiff of democratic input or an ounce of playful imagination, and that it merely etched relations of class privilege and domination into the very physical landscape of the city.

(Lefebvre also saw that the relation between the urban and the rural—or as the British like to call it, between the country and the city—was being radically transformed, that the traditional peasantry was disappearing and that the rural was being urbanized, albeit in a way that offered a new consumerist approach to the relation to nature (from weekends and leisure in the countryside to leafy, sprawling suburbs) and a capitalist, productivist approach to the supply of agricultural commodities to urban markets, as opposed to self-sustaining peasant agriculture.) Furthermore, he presciently saw that this process was "going global," and that under such conditions the question of the right to the city (construed as a distinctive thing or definable object) had to give way to some vaguer question of the right to urban life, which later morphed in his thinking into the more general question of the right to *The Production of Space* (1974).

(The fading of the urban-rural divide has proceeded at a differential pace throughout the world, but there is no question that it has taken the direction that Lefebvre predicted.) The recent pell-mell urbanization of China is a case in point, with the percentage of the population residing in rural areas decreasing from 74 percent in 1990 to about 50 percent in 2010, and the population of Chongqing increasing by 30 million over the past half-century. (Though there are plenty of residual spaces in the global economy where the process is far from complete, the mass of humanity is thus increasingly being absorbed within the ferments and cross-currents of urbanized life.)

This poses a problem: to claim the right to the city is, in effect, to claim a right to something that no longer exists (if it ever truly did). (Furthermore, the right to the city is an empty signifier. Everything depends on who gets to fill it with meaning.) The financiers and developers can claim it, and have every right to do so. But then so can the homeless and the *sans-papiers*. We inevitably have to confront the question of whose rights are being identified, while recognizing, as Marx puts it in *Capital*, that "between equal rights force decides." The definition of the right is itself an object of struggle, and that struggle has to proceed concomitantly with the struggle to materialize it.

The traditional city has been killed by rampant capitalist development, a victim of the never-ending need to dispose of overaccumulating

capital driving towards endless and sprawling urban growth no matter what the social, environmental, or political consequences. Our political task, Lefebvre suggests, is to imagine and reconstitute a totally different kind of city out of the disgusting mess of a globalizing, urbanizing capital run amok. But that cannot occur without the creation of a vigorous anti-capitalist movement that focuses on the transformation of daily urban life as its goal.

As Lefebvre knew full well from the history of the Paris Commune, socialism, communism, or for that matter anarchism in one city is an impossible proposition. It is simply too easy for the forces of bourgeois reaction to surround the city, cut its supply lines and starve it out, if not invade it and slaughter all who resist (as happened in Paris in 1871). But that does not mean we have to turn our backs upon the urban as an incubator of revolutionary ideas, ideals, and movements. Only when politics focuses on the production and reproduction of urban life as the central labor process out of which revolutionary impulses arise will it be possible to mobilize anti-capitalist struggles capable of radically transforming daily life. Only when it is understood that those who build and sustain urban life have a primary claim to that which they have produced, and that one of their claims is to the unalienated right to make a city more after their own heart's desire, will we arrive at a politics of the urban that will make sense. "The city may be dead," Lefebvre seems to say, but "long live the city!"

So is pursuit of the right to the city the pursuit of a chimera? In purely physical terms this is certainly so. But political struggles are animated by visions as much as by practicalities. Member groups within the Right to the City Alliance consist of low-income tenants in communities of color fighting for the kind of development that meets their desires and needs; homeless people organizing for their right to housing and basic services; and LGBTQ youth of color working for their right to safe public spaces. In the collective political platform they designed for New York, the coalition sought a clearer and broader definition of that public that not only can truly access so-called public space, but can also be empowered to create new common spaces for socialization and political action. The term "city" has an iconic and symbolic history that is deeply embedded in the pursuit of political meanings. The city of God, the city on a hill,

the relationship between city and citizenship—the city as an object of utopian desire, as a distinctive place of belonging within a perpetually shifting spatio-temporal order—all give it a political meaning that mobilizes a crucial political imaginary. But Lefebvre's point, and here he is certainly in league with if not indebted to the Situationists, is that there are already multiple practices within the urban that themselves are full to overflowing with alternative possibilities.

Lefebvre's concept of heterotopia (radically different from that of Foucault) delineates liminal social spaces of possibility where "something different" is not only possible, but foundational for the defining of revolutionary trajectories. This "something different" does not necessarily arise out of a conscious plan, but more simply out of what people do, feel, sense, and come to articulate as they seek meaning in their daily lives. Such practices create heterotopic spaces all over the place. We do not have to wait upon the grand revolution to constitute such spaces. Lefebvre's theory of a revolutionary movement is the other way round: the spontaneous coming together in a moment of "irruption," when disparate heterotopic groups suddenly see, if only for a fleeting moment, the possibilities of collective action to create something radically different.

That coming together is symbolized by Lefebvre in the quest for centrality. The traditional centrality of the city has been destroyed. But there is an impulse towards and longing for its restoration which arises again and again to produce far-reaching political effects, as we have recently seen in the central squares of Cairo, Madrid, Athens, Barcelona, and even Madison, Wisconsin and now Zuccotti Park in New York City. How else and where else can we come together to articulate our collective cries and demands?

It is at this point, however, that the urban revolutionary romanticism that so many now attribute to and love about Lefebvre crashes against the rock of his understanding of capitalist realities and capital's power. Any spontaneous alternative visionary moment is fleeting; if it is not seized at the flood, it will surely pass (as Lefebvre witnessed firsthand in the streets of Paris in '68). The same is true of the heterotopic spaces of difference that provide the seed-bed for revolutionary movement. In *The Urban Revolution* he kept the idea of heterotopia (urban practices) in tension with (rather than as an alternative to) isotopy (the

accomplished and rationalized spatial order of capitalism and the state), as well as with utopia as expressive desire. "The isotopy-heterotopy difference," he argued, "can only be understood dynamically ... Anomic groups construct heterotopic spaces, which are eventually reclaimed by the dominant praxis."

Lefebvre was far too well aware of the strength and power of the dominant practices not to recognize that the ultimate task is to eradicate those practices through a much broader revolutionary movement. The whole capitalist system of perpetual accumulation, along with its associated structures of exploitative class and state power, has to be overthrown and replaced. Claiming the right to the city is a way-station on the road to that goal. It can never be an end in itself, even if it increasingly looks to be one of the most propitious paths to take.

Section I: The Right to the City

CHAPTER ONE

The Right to the City

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 challenge hegemonic liberal and neoliberal market logics, or 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 workers, women, gays, and minorities come to the fore (a legacy of the long-standing labor movement and, for example, the 1960s Civil Rights movement in the United States, which was collective and had a global resonance). Such struggles for collective rights have, on occasion, yielded important results.

Here I want to explore another kind of collective right—that to the city in the context of a revival of interest in Henri Lefebvre's ideas on the topic, and the emergence of all sorts of social movements around the world that are now demanding such a right. How, then, can this right be defined?

The city, 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." 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 life we desire, what aesthetic values we hold. The right to the city is, therefore, far more than a right of individual or group access to the resources that the city embodies. It is a right to change and reinvent the city more after our hearts' desire. It is, moreover, a collective rather than an individual right, since reinventing 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. How best then to exercise that right?

Since, as Park avers, we have hitherto lacked any clear sense of the nature of our task, it is useful first to reflect on how we have been made and remade 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, that we have been remade several times over without knowing why or how. Has this dramatic urbanization 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 Friedrich Engels and Georg 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, as well as excitements, in the midst of even more rapid urban transformations. Yet we somehow seem to lack the stomach for systematic critique. The maelstrom of change overwhelms us even as obvious questions loom. 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 what even the United Nations depicts as 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 remade, and to do so in a fundamental and radical way. From their very inception, cities have arisen through the geographical and social concentration of a surplus product. Urbanization has always been, therefore, a class phenomenon of some sort, since surpluses have been extracted from somewhere and from somebody, while control over the use of the surplus typically lies in the hands of a few (such as a religious oligarchy, or a warrior poet with imperial ambitions). This general situation persists under capitalism, of course, but in this case there is a rather different dynamic at work. Capitalism rests, as Marx tells us, upon the perpetual search for surplus value (profit). But to produce surplus value capitalists have to produce a surplus product. This means that capitalism is perpetually producing the surplus product that urbanization requires. The reverse relation also holds. Capitalism needs urbanization to absorb the surplus products it perpetually produces. In this way an inner connection emerges between the development of capitalism and urbanization. Hardly surprisingly, therefore, the logistical curves of growth of capitalist output over time are broadly paralleled by the logistical curves of urbanization of the world's population.

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 (as profit). The next day they have to decide what to do with the surplus 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. For a capitalist to remain a capitalist, some surplus must be reinvested to make even more surplus. Successful capitalists usually make more than enough both to reinvest in expansion and satisfy their lust for pleasure. But the result of perpetual reinvestment is the expansion of surplus production. Even more important, it entails expansion at a compound rate—hence all the logistical growth curves (money, capital, output, and population) that attach to the history of capital accumulation.

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 obstacles 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—such as that set in motion by Thatcher and Reagan in the 1980s—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 be found. This puts increasing pressure on the natural environment to yield up the necessary raw materials and absorb the inevitable wastes. 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, and reduce the turnover time of capital and the friction of distance. This extends the geographical range over which the capitalist is free to search for expanded labor supplies, raw materials, and so on. If there is not enough purchasing power in an existing market, then new markets must be found by expanding foreign trade, promoting new products and lifestyles, creating new credit instruments and debt-financed state 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 reinvested, 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 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 argue here that it plays a particularly active role (along with other phenomena 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 Europe-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 capitalist greed and inequality. The republican bourgeoisie violently repressed the revolutionaries but failed to resolve the crisis. The result was the ascent to power of Louis 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 absorption 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 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 reshaping 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, and redesigned whole neighborhoods (such as Les Halles) rather than just bits and pieces of the urban fabric. He changed the city wholesale

rather than piecemeal) To do this, he needed new financial institutions and debt instruments constructed on Saint-Simonian lines (the *Crédit Mobilier* and *Immobilière*). What he did in effect was to help resolve the capital surplus disposal problem by setting up a Keynesian 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 consumerism (which offended traditionalists and excluded workers alike). But then, in 1868, the overextended and increasingly speculative financial system and credit structures on which this was based crashed. Haussmann was forced from power. In desperation, Napoleon III went to war against Bismarck's Germany, and lost. 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 control (led by the Proudhonists). In 1872, in the midst of intense recriminations over who was at fault for the loss of the Commune, there occurred the radical political break between the Marxists and the anarchists that, to this day, still unfortunately divides so much of the left opposition to capitalism.⁵

Fast-forward now to the United States in 1942. 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 (and

was doing so very efficiently), and the United States was in alliance with the communist Soviet Union in the war against fascism. Strong social movements with socialist inclinations had emerged in response to the depression of the 1930s, and sympathizers were integrated into the war effort. We all know the subsequent history of the politics of McCarthyism and the Cold War (abundant signs of which were there in 1942). As under Louis Bonaparte, a hefty dose of political repression was evidently called for by the ruling classes of the time to reassert their power. 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 had done that was so compelling and attempted an analysis of his mistakes. 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 defined a way to absorb the surplus product and thereby resolve the capital surplus absorption problem) 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 United States 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 in Second Empire Paris, it entailed a radical transformation in lifestyles and produced a whole new way of life in which new products—from suburban tract 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) Suburbanization (alongside militarization) thus played a critical role in helping to absorb the surplus in the post-war years. But it did so at the cost of hollowing out the central cities and leaving them bereft of a sustainable economic basis, thus producing the so-called "urban crisis" of the 1960s, defined by revolts of impacted minorities (chiefly

African-American) in the inner cities, who were denied access to the new prosperity.

Not only were the central cities in revolt. Traditionalists increasingly rallied around Jane Jacobs and sought to counter the brutal modernism of Moses's large-scale projects with a different kind of urban aesthetic that focused on local neighborhood development, and on the historical preservation, and ultimately gentrification, of older areas. But by then 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. As had happened to Haussmann, a crisis began to unfold such that Moses fell from grace, and his solutions came to be seen as inappropriate and unacceptable towards the end of the 1960s. And if the Haussmannization 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 United States, as discontented white middle-class students went into a phase of revolt, seeking alliances with other marginalized groups and rallying against US imperialism to create a movement to build another kind of world, including a different kind of urban experience (though, again, anarchistic and libertarian currents were pitted against demands for hierarchical and centralized alternatives).⁷

Along with the '68 revolt came a financial crisis. It was partly global (with the collapse of the Bretton Woods agreements), but it also originated within the credit institutions that had powered the property boom in 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 had arrived, and the question then was how to rescue capitalism from its own contradictions. In this, if history was to be any guide, the urban process was bound to play a significant role. As William Tabb showed, the working through of the New York fiscal crisis of 1975, orchestrated by an uneasy alliance between state powers and financial institutions, pioneered a neoliberal answer to this question: the class power of capital was to be protected at the expense of working-class

standards of living, while the market was deregulated to do its work. But the question then was how to revive the capacity to absorb the surpluses that capitalism must produce if it was to survive.⁸

Fast-forward once again to our current conjuncture. International capitalism was on a roller-coaster of regional crises and crashes (East and Southeast Asia in 1997–98, Russia in 1998, Argentina in 2001, and so on) until it experienced a global crash in 2008. What has been the role of urbanization in this history? In the United States it was accepted wisdom until 2008 that the housing market was an important stabilizer of the economy, particularly after the high-tech crash of the late 1990s. The property market absorbed a great deal of the surplus capital directly through new construction (of 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 internal US market for consumer goods and services. The global market was stabilized partly through US urban expansion and speculation in property markets, as the US ran huge trade deficits with the rest of the world, borrowing around \$2 billion a day to fuel its insatiable consumerism and the debt-financed wars in Afghanistan and Iraq during the first decade of the twenty-first century.

But the urban process underwent another transformation of scale. In short, it went global. So we cannot focus merely on the US. Property market booms in Britain, Ireland, and Spain, as well as in many other countries, helped power the capitalist dynamic in ways that broadly paralleled that in the US. The urbanization of China over the last twenty years, as we shall see in Chapter 2, has been of a radically different character, with a heavy focus on building infrastructures. Its pace picked up enormously after a brief recession in 1997 or so. More than a hundred cities have passed the 1 million population mark in the last twenty years, and small villages, like Shenzhen, have become huge metropolises of 6 to 10 million people. Industrialization was at first concentrated in the special economic zones, but then rapidly diffused outwards to any municipality willing to absorb the surplus capital from abroad and plough back the earnings into rapid expansion. Vast infrastructural projects, such as dams and highways—again, all debt-financed—are transforming the landscape.⁹ Equally vast shopping malls, science parks, airports, container

ports, pleasure palaces of all kinds, and all manner of newly minted cultural institutions, along with gated communities and golf courses, dot the Chinese landscape in the midst of overcrowded urban dormitories for the massive labor reserves being mobilized from the impoverished rural regions that supply the migrant labor. As we shall see, the consequences of this urbanization process for the global economy and for the absorption of surplus capital have been huge.

But China is only one 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 projects from Dubai to São Paulo and from Madrid and Mumbai to Hong Kong and London. The Chinese central bank, for example, has been active in the secondary mortgage market in the US, while Goldman Sachs has been involved in the surging property markets in Mumbai and Hong Kong capital has invested in Baltimore. (Almost every city in the world has witnessed a building boom for the rich—often of a distressingly similar character—in the midst of a flood of impoverished migrants converging on cities as a rural peasantry is dispossessed through the industrialization and commercialization of agriculture.)

These building booms have been evident in Mexico City, Santiago in Chile, in Mumbai, Johannesburg, Seoul, Taipei, Moscow, and all over Europe (Spain's 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 were in motion in 2007 under the billionaire Bloomberg's administration than ever before). Astonishing, spectacular, and in some respects criminally absurd urbanization projects have emerged in the Middle East in places like Dubai and Abu Dhabi as a way of mopping up the capital surpluses arising from oil wealth in the most conspicuous, socially unjust and environmentally wasteful ways possible (such as an indoor ski slope in a hot desert environment). We are here looking at yet another transformation in scale of the urban process—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.

But this 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 facilitate a secondary mortgage market and 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 also, by virtue of its coordinations, it 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 Pèreire Brothers in 1867–68 and to the fiscal profligacy of New York City in the early 1970s was then repeated in the sub-prime mortgage and housing asset-value crisis of 2008. The crisis was concentrated in the first instance in and around US cities (though similar signs could be seen in Britain), with particularly serious implications for low-income African-Americans and single head-of-household women in the inner cities. It also affected those who, unable to afford the skyrocketing housing prices in the urban centers, particularly in the US southwest, moved to the semi-periphery of metropolitan areas to take up speculatively built tract housing at initially easy credit rates, but who then faced escalating commuting costs with rising oil prices and soaring mortgage payments as market-interest rates kicked in. This crisis, with vicious local impacts on urban life and infrastructures (whole neighborhoods in cities like Cleveland, Baltimore, and Detroit have been devastated by the foreclosure wave), threatened the whole architecture of the global financial system, and triggered 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, which is almost certain to generate strong inflationary threats, as happened in the late 1970s, sometime in the future).

But the situation is far more complicated now and it is an open question whether a serious crash in the United States can be compensated for elsewhere (for example, by China). Uneven geographical development

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may once again rescue the system from a totalizing global crash, as it did in the 1990s, though it is the United States that is this time at the center of the problem. But the financial system is also much more tightly coupled temporally than it ever was before.¹⁰ Computer-driven split-second trading, once it does go off-track, always threatens to create some great divergence in the market (it has produced incredible volatility in stock markets) that will produce a massive crisis requiring a total rethink of how finance capital and money markets work, including in relation to urbanization.

As in all the preceding phases, this most recent radical expansion of the urban process has brought with it incredible transformations in lifestyles. 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, as well as perpetual resort to the economy of the spectacle, have become major aspects of urban political economy, even in India and China. 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 and can protect yourself from the privatization of wealth redistribution through burgeoning criminal activity and predatory fraudulent practices (which have everywhere escalated). 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 slyly notes, "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 can become the template for human personality socialization.) The impact is increasing individualistic isolation, anxiety, and neurosis in the midst of one of the greatest social achievements (at least judging by its enormous scale and all-embracing character) ever constructed in human history for the realization of our hearts' desire.

But the fissures within the system are also all too evident. We

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 on what kinds of consumerism we have access to. In the past decades, the neoliberal turn has restored class power to rich elites.¹¹ In a single year several hedge fund managers in New York raked in \$3 billion in personal remuneration, and Wall Street bonuses have soared for individuals over the last few years from around \$5 million towards the \$50 million mark for top players (putting real estate prices in Manhattan out of sight). Fourteen billionaires have emerged in Mexico since the neoliberal turn in the late 1980s, and Mexico now boasts the richest man on earth, Carlos Slim, at the same time as the incomes of the poor in that country have either stagnated or diminished. As of the end of 2009 (after the worst of the crash was over), there were 115 billionaires in China, 101 in Russia, 55 in India, 52 in Germany, 32 in Britain, and 30 in Brazil, in addition to the 413 in the United States.¹² (The results of this increasing polarization in the distribution of wealth and power 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. The neoliberal protection of private property rights and their values becomes a hegemonic form of politics, even for the lower middle class.) 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.¹³

Under these conditions, ideals of urban identity, citizenship, and belonging, of a coherent urban politics, already threatened by the spreading malaise of the individualistic neoliberal ethic, become much harder to maintain. 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, at least on the surface, increasingly implausible. Yet there are in fact all manner of urban social movements in evidence seeking to overcome the isolations and to reshape the city in a different social image from that given by the powers of developers backed by finance, corporate capital, and an increasingly entrepreneurially minded local state apparatus. Even relatively conservative urban administrations are seeking ways to use their powers to experiment with new ways of both producing the urban and of democratizing governance. Is there an urban alternative and, if so, from where might it come?

Surplus absorption through urban transformation has, however, 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 impoverished quarters, using powers of expropriation for supposedly public benefit, and did so in the name of civic improvement, environmental restoration, and urban renovation. He deliberately engineered the removal of much of the working class and other unruly elements, along with insalubrious industries, from Paris's city center, where they constituted a threat to public order, public health and, of course, 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 "Haussmann" [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.¹⁴

Actually it took more than a hundred years to complete the bourgeois conquest 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, which eventually coalesced around the rhetoric of Jane Jacobs, at the unimaginable destruction not only of valued urban fabric but also of whole communities of residents and their long-established networks of social integration.¹⁵ But in the New York and Parisian case, once the brutal power of state expropriations had been successfully resisted and contained by the agitations of '68, 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 workers' 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 buildings are erected.¹⁶

It is depressing to think that all of this was written in 1872, for Engels's description applies directly to contemporary urban processes in much of Asia (Delhi, Seoul, Mumbai) as well as to the contemporary gentrification of, say, Harlem and Brooklyn in New York. A process of displacement and dispossession, in short, also lies at the core of the urban process under capitalism. This is the mirror image of capital absorption through urban redevelopment. Consider the case of Mumbai, where there are 6 million people considered officially as slum-dwellers settled on land for the most part without legal title (the places where 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. Do the people forced out 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 rewrite this constitutional requirement. Since the 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.¹⁷ Similar examples of dispossession (though less brutal and more legalistic) can be found in the

US, 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 US 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 by the 1990s had become high-value land. Most of those hillsides are now covered with high-rise 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. Lacking private property rights, they can be simply removed from the land by the state by fiat, offered a minor cash payment to help them on their way (before the land is turned over to developers at a high rate of profit). In some instances people move willingly, but widespread resistance is 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). In China, rural communes on urban fringes went from the backbreaking and impoverishing labor of growing cabbages to the leisurely status of urban rentiers (or at least their commune party leaders did) growing condominiums, as it were, overnight. 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 now occupied by favelas will be covered by high-rise condominiums with fabulous views over Rio's bay, while the erstwhile favela-dwellers will have been filtered off to live in some remote periphery.¹⁸ 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 from having access to housing anywhere near the urban center. (The affordable housing problem, like the poverty and accessibility problem, has indeed been moved around.)

These examples warn us of the existence of a whole battery of seemingly "progressive" solutions that not only move the problem around but actually strengthen while simultaneously lengthening the golden chain that imprisons vulnerable and marginalized populations within orbits of capital circulation and accumulation. Hernando de Soto argues influentially that it is the lack of clear property rights that holds the poor down in misery in so much of the global south (ignoring the fact that poverty is abundantly in evidence in societies where clear property rights are readily established). To be sure, there will be instances where the granting of such rights in Rio's favelas or in Lima's slums liberates individual energies and entrepreneurial endeavors leading to personal advancement. But the concomitant effect is often to destroy collective and non-profit-maximizing modes of social solidarity and mutual support while any aggregate effect will almost certainly be nullified in the absence of secure and adequately remunerative employment. In Cairo, Elyachar, for example, notes how these seemingly progressive policies create a "market of dispossession" that in effect seeks to suck value out of a moral

economy based on mutual respect and reciprocity, to the advantage of capitalist institutions.¹⁹

Much the same commentary applies to the micro-credit and micro-finance solutions to global poverty now touted so persuasively among the Washington financial institutions. Micro-credit in its social incarnation (as originally envisaged by the Nobel Peace Prize winner, Yunus) has indeed opened up new possibilities and had a significant impact on gender relations, with positive consequences for women in countries such as India and Bangladesh. But it does so by imposing systems of collective responsibility for debt repayments that can imprison rather than liberate. In the world of micro-finance as articulated by the Washington institutions (as opposed to the social and more philanthropic orientation of micro-credit proposed by Yunus), the effect is to generate high-yielding sources of income (with interest rates of at least 18 percent, and often far higher) for global financial institutions, in the midst of an emergent marketing structure that permits multinational corporations access to the massive aggregate market constituted by the 2 billion people living on less than \$2 a day. This huge "market at the bottom of the pyramid," as it is called in business circles, is to be penetrated on behalf of big business by constructing elaborate networks of salespeople (chiefly women) linked through a marketing chain from multinational warehouse to street vendors.²⁰ The salespeople form a collective of social relations, all responsible for each other, set up for guaranteeing repayment of the debt plus interest that allows them to buy the commodities that they subsequently market piecemeal. As with granting private property rights, almost certainly some people (and in this case mostly women) may even go on to become relatively well-off, while notorious problems of difficulty of access of the poor to consumer products at reasonable prices will be attenuated. But this is no solution to the urban-impacted poverty problem. Most participants in the micro-finance system will be reduced to the status of debt peonage, locked into a badly remunerated bridge position between the multinational corporations and the impoverished populations of the urban slums, with the advantage always going to the multinational corporation. This is the kind of structure that will block the exploration of more productive alternatives. It certainly does not proffer any right to the city.

Urbanization, we may conclude, has played a crucial role in the absorption of capital surpluses and has done so at ever-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. Periodically this ends in revolt, as in Paris in 1871, when the dispossessed rose up seeking to reclaim the city they had lost. The urban social movements of 1968, from Paris and Bangkok to Mexico City and Chicago, 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 if a broader crisis ensues, then the question arises: Where is our '68 or, even more dramatically, our version of the Commune?

By analogy with transformations in the fiscal system, the political answer is bound to be much more complex in our times precisely because the urban process is now global in scope and wracked with all manner of fissures, insecurities, and uneven geographical development. But cracks in the system are, as Leonard Cohen once sang, "what lets the light in." 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 US the political signs suggest that most of the population is saying "enough is enough" with respect to 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. It is unlikely, therefore, that a single spark will, as the Weather Underground once dreamed, spark a prairie fire. It will take something far more systematic than that. But if the various oppositional movements did somehow come together—coalesce, for example, around the slogan of the right to the city—then what should they demand?

The answer to the last question is simple enough: 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 did 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 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 both reformed and brought back under popular 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 reshaping the city 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. (His developmental slogan, ironically, has been "Building Like Moses with Jane Jacobs in Mind."²¹) 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 who 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, as has the attempted land-grab in Dharavi). The actually existing 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 a position to shape the city more and more after their own particular needs and hearts' desire.

But let us look at this situation more structurally. 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 during the previous year. In 2007, a disastrous year for financial markets by any measure (though by no means as bad as the year that followed), the bonuses added up to \$33.2 billion, only 2 percent less than the year before (not a bad rate of remuneration for messing up the world's financial system). 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 the Federal Reserve dramatically lowered interest rates as the year progressed every time the Wall Street markets threatened to fall precipitously. Meanwhile, some 2 or perhaps 3 million people—mainly a mix of single-woman-headed households, 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 United States were boarded up and vandalized, wrecked by the predatory lending practices of the financial institutions. This population received no bonuses. Indeed, since foreclosure means forgiveness of debt, and that is regarded as income, many of those foreclosed on face a hefty income tax bill for money they never had in their possession. This awful asymmetry poses the following question: Why did the Federal Reserve and the US Treasury not extend medium-term liquidity help to the households threatened with foreclosure until mortgage restructuring at reasonable rates 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. Furthermore, the global financial system would not have teetered on the brink of total insolvency, as happened a year later. To be sure, this would have extended the mission of the Federal Reserve beyond its normal remit, and gone

against the neoliberal ideological rule that, in the event of a conflict between the well-being of financial institutions and that of the people, then the people should be left to one side. It would also have gone against capitalist class preferences with respect to income distribution and neoliberal notions of personal responsibility. But just look at the price that was paid for observing such rules and the senseless creative destruction that resulted from it. Surely something can and should be done to reverse these political choices?

But we have yet to see a coherent oppositional movement to all of this in the twenty-first century. There is, of course, a multitude of diverse urban struggles and urban social movements (in the broadest sense of that term, including movements in the rural hinterlands) already in existence. Urban innovations with respect to environmental sustainability, cultural incorporation of immigrants, and urban design of public housing spaces are observable around the world in abundance. But 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). One step, though by no means final, towards unification of these struggles is to focus sharply on those moments of creative destruction where the economy of wealth-accumulation piggy-backs violently on the economy of dispossession, and there proclaim on behalf of the dispossessed their right to the city—their right to change the world, to change life, and to reinvent the city more after their hearts' desire. That collective right, as both a working slogan and a political ideal, brings us back to the age-old question of who it is that commands the inner connection between urbanization and surplus production and use. Perhaps, after all, Lefebvre was right, more than forty years ago, to insist that the revolution in our times has to be urban—or nothing.