

SOUTH AFRICA – BRAZIL COLLOQUIUM

CONTRIBUTION TO A CRITICAL THEORY OF URBAN ISSUE IN THE PERIPHERY OF CAPITALISM

Professor Erminia MARICATO, Ph.D.

07/2007

In the following lines I aim at arguing in favor of the importance of building a critical theory on the capitalist urbanization process in peripheral countries. In doing so, we are faced with two main challenges, which are: (a) identifying the specific features of peripheral capitalism or, more specifically, semi-peripheral capitalism, in the case of Brazil and South Africa; and (b) identifying the specific features of the production of the built environment, more specifically, the urban built environment, under these conditions.

The first challenge intellectuals and researchers face in peripheral countries is the asymmetry in producing and disseminating knowledge. And this is also true in regard to critical knowledge. We can easily find among us, for instance, unrestrained attempts to apply Henri Lefèbvre's analysis, which are based on the European reality, to peripheral countries. Authors with milder critical spirits, such as Castells, Sassen, and Borja, have attained absolute hegemony in the academia. Therefore, our own reality is abstracted and its specific features are ignored due to a set of dynamics marked by cultural subordination.

Roberto Schwarz highlights the disconnection between the production of ideas and the dominant culture in Brazil in regard to the productive base. The author specifically points out the liberal ideologies that followed the material production sustained by slave labor: "Misplaced Ideas" was the title he gave to his most well known essay. Schwarz states:

"We have observed that at each new generation the intellectual life of Brazil seems to start from scratch. The appetite of the recent production in more advanced countries, in many cases, is the reverse side of the lack of interest in the work of the previous generation, resulting in a consequent lack of continuity in reflective thinking. (...) One needs not be a follower of tradition or of an impossible intellectual autarchy to be able to recognize the inconvenience in this practice, which lacks not only conviction in theories, rapidly replaced by others, but also conviction concerning more distant implications, the relationship with the joint social movement, and, finally, the relevance of the work and the issues that have been studied" (Schwarz, 2005, p.111).

In the periphery, despite the hegemony of capital-based relationships (which are never absolute, not even in advanced countries), there are important differences such as those we find in the occupation of the land and in the production of the urban space. Pursuing and understanding these differences without ignoring that the capitalist world forms a contradictory organic unity is the main goal of this paper. Therefore, we hope to provide subsidies to better inform teaching, researching, professional practices and *stricto sensu* political actions.

SPECIFICITIES OF PERIPHERAL CAPITALISM

The starting point of this analysis can be the international critical production, whose importance and contribution are unquestionable. Among major exponents we can mention David Harvey and Henry Lefèbvre, who offer inspiring explanations for any scholar that does not escape conflict. The internationalization of capitalist relationships on territories, with its human and natural resources, is ever increasing. This is so even concerning regions typically excluded from mainstream exchange system (in which do not prevail monetary exchanges), but which are, nevertheless, included in the general economic and social dynamics. We recognize the existence of a totality, or globality, which seeks to control and use resources according to a certain order, which, in turn, can also be seen as a disorder depending on the point of view. The critical theory originated from the territorial and urban reality of the hegemonic nucleus must, therefore, take into account specificities, whether in regard to aspects which give unity to the countries forming the so-called “periphery” or “semi-periphery” of capitalism, or in regard to the sphere of regionalities or nationalities which feature aspects that promote their unity (colonial roots, natural resources, etc.)¹. The focus, above all, is in recognizing this asymmetry that leads us to qualify the differences between societies and the forces which guide the production of space in “semi-peripheral” countries².

The reflection on the international division of labor leading to imperialism (basically the exchange of manufactured goods for raw materials) is at the root of the formation of our societies – as capitalist societies – and this reflection should adopt, as a starting point, Marx’s studies on primitive accumulation furthered by several other authors such as Rosa Luxemburg, Trotsky, and Arendt. They wrote on the need of capitalism having to seek something “outside itself” so as to attain stability (Luxemburg *apud* Harvey, 2003, 118) or to “*face and control over-accumulation pressures*” (Harvey , 2003, 119). Tensions and conflicts achieve a certain balance until the next crisis. And the crisis occurs in the form of creative and destructive movements until the next arrangement and accommodation promoted by the appropriation of technological innovations and class struggles. The position occupied by countries, groups of countries, regions and cities is defined by this commotion. And there are differences, in each historical moment and in each place.

The urbanization process in “semi-peripheral” countries was strengthened by the context of “industrialization and low wages”, a period which certain authors call *national*

¹ Studying the “*position of slave society in general and of each one in particular in the history of the formation of a global market and of an integrated international capitalist society*”, Genovese emphasizes both the general aspects related to the birth of capitalism and the particularities of each case highlighting the racial issue (Genovese, 1979).

² Arrighi, deepening Wallerstein’s ‘semi-periphery’ concept, attempts to make more precise the situation of certain countries that, in the global division of labor, “*are stranded in an intermediary space and have to run as fast as they can to stay where they are*”. Some countries have been in this position in the last 50 to 100 years (Wallerstein, 1979 and 1984; Arrighi, 1998, p. 191). These issues were raised at the RWG – Research Working Group on Semi-peripheral States at the Fernand Braudel Center. Calling attention to the fact that inequality is intrinsic to the capitalist system, Arrighi aims at demonstrating that it is possible to classify countries as organic countries belonging to the organic nucleus, semi-peripheral countries, and peripheral countries, by using economic and social metrics.

We can also find other labels in main stream literature, such as *low and middle income countries; less developed regions, and least developed countries; emergent and poor countries*.

developmentalism, marked by the substitution of imports between 1940-1970. The combination of cheap labor and dependence on foreign countries was one of the pillars of agriculture – one of the factors responsible for this cheapness – and of the urbanization process. In the towns, labor was forced to appeal to illegal or informal practices which would also contribute to its cheap prices: *selfconstruction* (self-made housing), illegal developments or pure and simple unlawful occupation of land where social equipment and urban infrastructure are inexistent. Transportation is precarious, thus making the population walk very long distances: the “exile of the periphery”, in other words, the lack of mobility, which is an essential indicator of the quality of life.³ In the cities in peripheral capitalist countries, education, health systems, social security, and adequate housing only exist for a handful of people.

The productive restructuring of capitalism, which began in 1973, had fierce impacts to the imperialist relationship. Harvey develops the concept of “accumulation by dispossession”, through which he intends to complement and fill the gaps in primitive accumulation theory, which is now concerned with the predatory control exercised by financial capital and the American hegemony. Primitive accumulation started using processes such as the mercantilization and privatization of land, violently expelling rural workers from the fields, slave trade, looting assets, national debt, agribusiness, among others. “Accumulation by dispossession”, according to Harvey, maintains many of these forms, perhaps in an even more radical fashion, but it also brings out other forms, such as the privatization wave (which is even applied to the supply of water in poor countries), biopiracy and looting genetic resources, filing for transgenic patents, etc. The traditional division of labor is breached. Whole industries abandon the central countries and move to the periphery, which, therefore, becomes an exporter of durable goods, including airplanes in the case of Brazil. Harvey points out, specially, the predatory and fraudulent style of financial capital, which takes control of the set of new dynamics. And on this feature he reminds us that: “*Fraudulent stock pricing, fraudulent self-enriching schemes, progressive deterioration of assets by inflation, depletion of assets by mergers and acquisitions and high service-of-debt rates reduce entire populations, even in advanced capitalist countries, to prisoners of debt (...)*” (Harvey, 2003, p.121).

The urbanization process continues. But in addition to low wages, which impact considerably the production and maintenance of cities, there is also the impact of unemployment. The sharp fall of employment rates results from the decrease in economic growth and is aggravated by the lack of public investments and social policies resulting from fiscal measures. In 2006, two out of every three Brazilian workers were unemployed or underemployed according to IBGE. Depending on the criteria adopted, we can say that 27% of the economically active population in Brazil is unemployed or underemployed. And this represents a tremendous impact on cities. Idleness and unemployment, more specifically in the male population, combined with the lack of mobility in peripheral neighborhoods and *favelas* are the potential causes of skyrocketing urban violence in Brazil as of the 1980s.

³ Milton Santos coined the phrase ‘exile at the periphery’ in his study on the permanence of the population – the young male population in particular – in peripheral neighborhoods in São Paulo. This population lacked city mobility alternatives. ANTP (National Association for Public Transportation) ‘origin-destination’ findings have been showing that transportation has progressively deteriorated as of the 1980s in Brazilian metropolis.

Violence was not a central issue in the life of Brazilian cities until the late 1970s, but it became a major issue when the rate of homicides started impacting on the life expectancy of Brazilian males in the 1990s, pursuant to IBGE data.

The impact of these changes in cities around the non-developed world – and which were facing a rapid urbanization process – was described by Mike Davis (2006) in a table expressing a true tragedy. But this is not merely because of the mass urbanization of poverty. Before vital needs are ensured, such as access to drinking water or to public transportation, state-of-the-art molecular and digital revolution goods are becoming increasingly more accessible to lower income populations. This is what we see in the Brazilian *favelas*, in which we can find these very goods (Oliveira, 2003, p. 144) playing the role of social narcotics.

Many of the problems we have raised are also present in urban peripheries in central countries. The difference, however, is not only in the rate, but also in the standard. We should ask ourselves: what is the possibility of carrying out urban planning in the periphery? Or even: how can the law be enforced with equality? What are the possibilities of ensuring civil, economic and social rights in the conditions provided by the globalized world?

This is not intended to be a pessimistic approach. We understand there is room for action, even concerning professional life. As researchers, however, we need to carry out an in-depth and renovating approach.

SPECIFICITIES IN URBAN SPACE PRODUCTION IN PERIPHERAL CAPITALISM

After having received much attention in the 1970s, the production of urban space or of the built environment lost its former prestige. Among the authors approaching the topic in this period are Alain Lipietz, Michael Ball, Christian Topalov, Jean Lojkine, and Marino Follin, who very much influenced Brazilian literature at the time. The Bartlett International Summer School is also worth mentioning. This School brought together a group of world researchers around the conviction that the key to understanding the built environment was in the sphere of production, or more specifically, in the process of work. This production was recorded in the BISS proceedings. Two authors that have to be pointed out followed, individually, this same Marxist view in Brazil, during the 70's: Sergio Ferro and Nilton Vargas.

The years that followed witnessed a decrease in the field of research and scholarly production on the topics of cities and housing, which were dominated by consumption approaches – forms of occupying the space, housing deficit, needs, poverty and population dynamics – and, specially, approaches concerning the role of the State: planning, public policies, laws and regulations, and conflicts.

One must acknowledge that said studies contributed to the understanding of the precarious situation of housing and the misapplication of public policies, which are incapable of fulfilling the needs of the lower strata of the population. However, these studies did not contribute to a broader understanding of city production, of the insertion of this production in the macroeconomy, nor to the understanding of the interests of the agents involved.⁴

⁴*"The structure to ensure housing describes a historical process aimed at providing and reproducing the physical asset 'house', focusing on the essential social agents in this process and the relationships between*

Harvey reminds us that capital is responsible for determining an appropriate physical setting for production and consumption. However, this setting does not exist free from tensions or contradictions. The reading is neither deterministic, nor economicist. An important position is held by class struggles (Harvey, 1982). The author highlights the opposing factors between those who aim at, initially, quality and low price housing (value of use), and those who aim indiscriminate profits. Besides this basic contradiction, which seems but a mere reflex of the contradiction between capital and labor, other conflicts may appear between classes or segments of classes in the fight for profit, interest rates and revenue. For instance, capital in general against real estate capital, construction capital against real estate financing capital, promoters against land owners. Even in the working class there is considerable conflict, for example, between homeowners and non-homeowners. The revenue resulting from real estate ownership is an important factor determining a more conservative behavior. No one wishes a *favela* in the vicinity of their homes, even if they live in very modest dwellings: The market price plunges, whether informal or formal. Prejudice is an important factor in price formation and real estate valuation.

Capitalists from different origins and segments – entrepreneurs in infrastructure and urban services, real estate capitalists (builders, promoters, banks, building machinery and equipment manufacturers), and land owners, and workers (in housing, mainly) – are all in a cauldron forming a mixture of interests which is likely to the occurrence of disharmony. Knowing the real estate market and the structure of housing provision is of utmost importance.⁵

In this scenario, two topics deserve special attention: urban land and the State.

Apparently, urban land occupies an important place in the history of production of the built environment in peripheral societies. In the same fashion, slave ownership ensured control over production and the appropriation of labor in the past, land ownership, plays a similar role in capitalism. In Brazil, a long transition period marked this passage: from slave ownership to the ownership of land, ensuring control over production. Attempts to end slavery and to privatize land commenced with the 1824 Constitution, but only in 1888 Brazilian slaves were officially considered free. However, there is only a week between the laws defining private land ownership (land previously belonged to the Crown) and the end of slave trafficking in 1850.

The central position held by land ownership or by land rent in peripheral countries gave rise to a highly speculative and exclusive housing market which, in Brazil, does not even meet the needs of medium-income segments of society (under 10 minimum wages)⁶. We are, thus, faced with a housing sector marked by “luxury craftsmanship”. The prestige given to holding assets contrasts with the total lack of prestige of labor: the root causes are very deep.

The State is omnipresent (and this presence is obvious even in the lack of social policies). The State is at the core of all conflicts, and researchers and scholars, judging by the number of studies dedicated to the topic, confirm this. The State invests in housing, infrastructure and urban services and in city maintenance. It also defines and enforces urban

them.” (BALL, 1986, p. 158). Michael Ball criticized scholarly production on housing in this work.

⁵ Including land in classifying capital is debatable, but does not affect the ideas herein.

⁶ In Brazil, a new housing policy launched in the end of 2004 and reinforced by the PAC (Growth Acceleration Program) launched by the Federal Government in 2007 aims at changing this situation by means of increasing the amount of federal resources available and market regulation.

laws, it designs and implements urban planning, regulates wages and the market. It also prevents land and buildings squatter and defines macroeconomic policies, among other things.

However, very few studies approach the relationship among the State and the above-mentioned interests as well as the networks these relationships form. Likewise, the State cannot be considered an uncontradictory whole. There is still a lot to explore concerning the internal disputes taking place: defining public budgets, the role of bureaucracy, defining and localizing investments, government procurement> The researches practices should clarify how these decisions are made .

REFERENCES

ARRIGHI, G. **A ilusão do desenvolvimento**. Petrópolis: Vozes, 1997 (From the original *Workers of the world at century's end*).

ARANTES, P. **Extinção**. São Paulo: Boitempo. 2007.

ARANTES, O. e outros. **A cidade do pensamento único**. Petrópolis: Vozes, 2000;

BALL, M. **Housing analysis: time for a theoretical refocus**. In: Housing studies. Londres, vol. 1, n. 3, 1986.

DAVIS, M. **Planeta Favela**. Boitempo Editorial. 2006. (From the original *Planet of slums*)

GENOVESE, Eugene D. **O mundo dos senhores de escravos**. Rio de Janeiro: Paz e Terra, 1979 (Do original *The world the slaveholders made*).

HARVEY, D. **O trabalho, o capital e o conflito de classes entorno do ambiente construído nas sociedades capitalistas avançadas**. Revista Espaço e Debates no. 06, São Paulo, Cortez, jun./set. 1982.

HARRISON, P.;HUCHZERMEYER, M.;MZWANELE, M. **Confronting fragmentation: housing and urban development in a democratising society**. Cape town: University of Cape Town Press, 2003.

LEFÈBVRE, H. **Le droit à la ville**. Paris: Anthropos, 1968

MARICATO, E. **Brasil, cidades: alternativas para a crise urbana**. Petrópolis: Vozes, 2001

OLIVEIRA, F. de . **Crítica à razão dualista. O ornitorrinco**. São Paulo: Boitempo, 2003.

VARGAS, N. **Racionalidade e não racionalização: o caso da construção habitacional**. In: FLEURY, A.C.C. e VARGAS, N. Organização do trabalho. São Paulo: Atlas, 1983;

_____. **Construção habitacional : um “artesanato de luxo”**. In Revista Brasileira de Tecnologia, vol. 12, n. 1, jan/mar.1981.

SCHWARZ, Roberto. **Cultura e política**. São Paulo: Editora Paz e Terra 2005.In: *Ao Vencedor as Batatas*