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The cities and urban processes under the logic of neoliberalism

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In Latin America, the Social Sciences have increasingly approached the study of urban transformation under the Neoliberalism; some approaches analyzed the effects that it brings to the marginal populations. Specifically, in the anthropological literature, there have been many questions that have guided the study of the impact of the Neoliberal model in both urban transformation and the living conditions of its inhabitants.

In Latin America, the cities have differently experienced the impact of the neoliberal model. The decade of the nineties has marked the peak of this great transformation. The restructuring of the State and free market not only led to huge cuts in social expenditures and freedom to private initiative, but also gave rise to situations of increased vulnerability, poverty, unemployment and social exclusion.

The reforms introduced by neoliberal policies and economic changes have had an important influence not only in the social structure but also in the physical structure of the cities introducing significant changes in the socio-spatial dynamics of the cities. Unlike other studies, my idea is that neoliberalism did not create a disinvestment in cities, but create an important investment and "selective intervention" in central areas of cities.

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One of the great changes relates to economic and social policies outlined by the Neoliberal Model that has had a direct impact on the increase of unemployment, underemployment, lack of services, the accentuation of socio-spatial segregation, social dualization, etc. During the nineties, the socio-economic model led to structural instabilities. As Coraggio states, (1994) within the international context, the globalization process demands Latin America to open its internal market to global competition and decentralize the National State reducing its functions as social regulator. This policy broke the structures of social integration and development without substitute for other equivalent. That model has reaffirmed the centrality of the global market as a mechanism for economic regulation.

In this sense, the “cuts and adjustments” (and consequent reform package) made in the social budget would bring significant decreases in the quality of life of low income urban groups and also increased the levels of difficulty to access to basic goods and services such as work, housing, education, health, etc.

In recent decades, the effect of the economic crisis and structural adjustment has strongly impacted in urban areas rather than rural areas. In many countries, the prolonged crisis that the rural and agrarian sectors have experienced gave rise to the intensification of important migratory processes that took place especially in small cities and regional centers.

To summarize, it can be affirmed that the agrarian crisis has triggered an urbanization process regardless of the growth of urban labor market, thus giving rise to large areas of slum settlements and the oversupply of workers that have not been able to be inserted in the urban employment structure. This phenomenon emphasizes that the highest levels of poverty are concentrated in the urban context of the cities.

The big and medium cities have had the highest demographic growth, and the downtown areas have been excessively revalued. In most cities, the places with more

services (those near the center) are not only the most densely populated but also the most coveted and expensive. The poor settlements are located in those less valued and required spaces. However, they are compulsively displaced from those places enhanced by the urban growth. As a consequence of this process, it notably emerges the distinction between a compact urban area and a scattered area. The city disperses.

The compact zone has the most density of housing covered by services where the land is very expensive and it is inhabited by average or high income sectors. It is socially integrated; it generates spaces for socialization and creates a territory near the services, propitious for the meeting of activities. Furthermore, it allows the development of the life in community.

The scattered zone refers to the outskirts that appear as a continuous ring of people in precarious settlements disputing the occupation of the land with other social sectors. A place where there is displacement, segregation and differentiation of some social sectors from other sectors. The expansion of the city is fragmented and disseminated and this process generates new diffuse and inefficient city separating functionally its uses and segregating the population in the territory based on its purchasing power.

From another perspective, this process of socio spatial duality has been raised from the notions of legal city and illegal city (Satterthwaite and Hardoy 1989). That polarized distinction is reproduced by the State from the official definitions, polices and programs of urban intervention.

Perhaps the process of peripheralization is the main feature of the actual urbanization in Latin American cities. The reconfiguration of the cities has been based on urban and territorial planning programs. In many cases, the displacement and relocation are action plans. The compulsive relocation always falls negatively on the poorest sectors of the population: they tend to be concentrated in disadvantaged areas

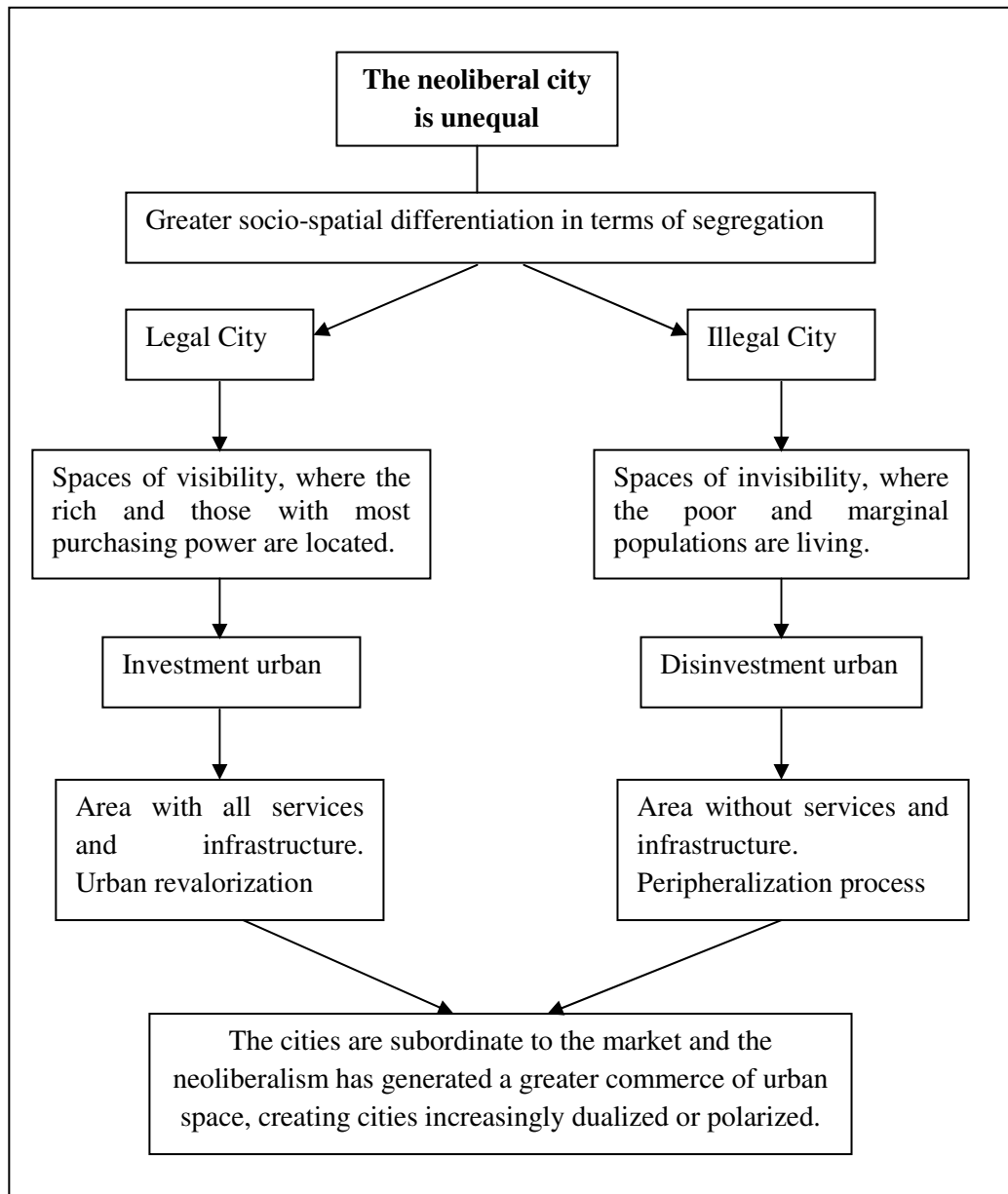
(remote and isolated places), in new districts established on the outskirts of the city, located in the periphery, thus creating new problems for the subsistence of the affected populations.

The current urban planning is overtaken by spontaneous or uncoordinated processes that determine the growth and fragmented development of the cities. As a physical-environmental fact and as political-distributive facts, the externalities and conflicts that they respectively gave place, threatens the sustainability, efficiency and the social equity of the urban development (Sabatini 1998: 31)

In this sense, the same elaboration of the concept of urban spoliation coincides and relates to the concept of peripheralization because both of them try to capture the logic of processes of the increasing segregation of the poor towards peripheral urban areas. So, in the process of spoliation, the periphery appears to be the residual place for the reproduction of the popular sectors.

Preponderantly, these sectors are in the framework of illegal city, unable to access both to the land market and the housing depending on their situation of social and economic exclusion. As part of those processes, the cities are more fragmented and segmented, the poor neighborhoods are neither socially nor territorially integrated to the urban structure of the city, thus the different areas of the cities increasingly begin to objectify territorial segregation as a product of social inequalities.

A World Bank report states: “An essential feature of urban poverty in Latin America is that cities tend to be highly segregated. Such segregation takes different forms, ranging from pockets of poor neighborhoods in parts of the inner city to sprawling urban slums covering large areas of the periphery”... “Most of the processes that led to segregation between rich and poor in Latin America took place over the course of many decades and were linked to the development of motorized transport and suburbanization”. (World Bank: 2005: 36, 37).



From a general framework of interpretation, the process of relocation of poor people towards the outlying areas has implicated other situation: the loss of urban space right. According to Ozlak (1991: 24) the right to urban space leads to various externalities closely associated to the location of housing and economic infrastructure such as education, recreation, work possibilities, health attention, transportation or public services.

I think one of these changes is related to the opening of spaces of visibility around the construction of distinctive and iconic buildings in the cities presented as symbols of progress and development; On the other hand, there has surged new spaces of invisibility, where the poor and marginal populations are located.

Recently, research carried out on the urban anthropology field, has contributed to a greater understanding about the urban reconfiguration in Latin America. Recent studies argue that the new spatial organization of cities in one unfavorable socio economic situation for the urban poor consolidates precarious places as habitats, like the villas in Argentina, the favelas in Brazil, the *barriadas* in Mexico, and *tugurios* in other countries, etc. These slums are considered to be illegal by the government of many countries of the region¹.

This process is generally accompanied by forced a displacement that tends to concentrate the poor population in new neighbourhoods, located in the periphery of the city, bringing new problems and challenges for the affected populations.

In addition to this, I would also like to raise three basic ideas:

- Firstly, the neoliberalism has widened the distance between the rich and the poor, leading to a greater social differentiation.

¹ On the other hand, there are particular situations: in the slums living is very dense, with several families often living in the same house.

- Secondly, this social differentiation derives in a spatial or territorial differentiation. In other words, it derives in an increasingly divided city.
- Thirdly, this system has its foundations in unprecedented urban planning programs, urban renewal, relocation and expulsion of the poor from revalued areas

In the context of this process, the cities have been scenarios of changes to a more dualized social structure, showing the relationships between the social and spatial aspects. The patterns of urban space are reconfigured in terms of socio-spatial differentiation and segregation, situation that extended to a residential distinction between different social sectors. In many cases, the State has supported the logic of the real State market, together with the implementation of programs, zoning, urban renewal or relocation. This process has selectively embellished parts of the cities and directly generated greater commerce of urban space.

In this new phase, the attempt to construct a new urban order implies that the law of urban planning protects in an anarchic way the private and speculative interest of the high class with respect to build housing and other construction in central areas. In many cases, while the poor and their houses do not escape the relocation and demolition, the rich remain immovable in their living spaces.

In several ethnographic studies there is an emphasis on analysis the process of segregation and peripheralization generated by the zoning programs and relocations of many neighbourhoods located central areas of the cities. The peripheral location of large apartment complexes to rehouse the displace population has not only increased the process of urban segregation, but it has generated profound changes in lifestyle. The lack of employment, isolation, poverty, and lack of services and infrastructure are problems that emerge in these new places to live, as a manifestation of deprivation of urban space. Context in which they arise also various government programs for rehabilitation.

In this context, the social sectors with more purchasing capability have been benefited from revalued urban areas both because of market action and also because of large infrastructure building projects. Meanwhile, the poorest social sectors are directly or indirectly displaced from those places which the urban growth revalues, and therefore, they have been forced to live in areas of lower market value, where there are services and infrastructure decadence.

The urban revalorization in the flexible capitalism shows that the cities themselves become opportunities of investment, so that urban processes are fully incorporated to the rules of capitalist accumulation. The spatial form is constantly remodeled, with the implementation of investment projects in urban damaged spaces, (old and abandoned industrial areas, port or railways that are reconverted) to generate a new real estate (Harvey, 1995).

In the Capitalist system, the urban space is a commodity that can be bought and sold on the market. As Topalov said, (1979: 20) “the logic of the capitalist urbanization process brings together a “multitude of private ownership of space”. This process has increased under the Neoliberal model and selective intervention of the State.

In many countries of Latin America, the sectors excluded of the market get the worst urban locations and live in poverty and precarious habitats. So, under the logic of neoliberalism the production process of the city is subject to the market, therefore, the purchasing differential power is the variable that determines the differential access to urban spaces.

The cities are increasingly polarized



Other question related to the segregation is the unemployment. Many people poor affected by job losses in the context of recession crisis, during the final decade 1990 moved from the center, where accessibility to jobs and opportunities was good, toward the isolated, periphery, in the margins of cities. Anyway this situation has derived in new pattern of polarization across different residential areas of the cities. In several cities, such as San Paulo, Buenos Aires, or Mexico City, the people with more purchasing power, (the rich) are living in gated communities creating new strategy of “proximity and high walls” (Caldeira 1996).

Within this framework the disinvestment of the State produces urban blight especially among those sectors that are not important for private capital and that is generally inhabited by the poor. Thus, the differential occupation of the urban space is part of a process that expresses distinction between the social sectors.

In this direction, the new urbanization patterns aim effectively to a city increasingly dualized or polarized creating a city for the rich and no-city for the poor. Consequently, the new socio-spatial configuration of the city provides the geographic concentration of poverty and the accumulation of different types of marginality in “territories of relegation” and this begins to provide space for the survival of “the excluded” (Wacquant, 2001).

Nowadays, in Latin American cities the manifestations of socio-spatial segregation are evident from a number of situations.

- The opening of urban spaces of high economic and social value inhabited exclusively by the upper class (the urban center and wealthy neighborhoods)
- The growing distinction between areas equipped with infrastructure and urban services and areas where infrastructure and services are deficient.
- Areas integrated to the city and areas that are not completely integrated to the city. Consequently, the rich live in the best areas and the poor sector is excluded from the opportunities of the urban space.
- The construction of large social housing complexes located in the periphery to shelter the poor or displaced population.

- The dependence of the poor on urban transport, the costs in time and money to move from one part to another of the city.

In general terms, this process can be conceptualized through the notion of urban segregation as the tendency of space organization in areas where there is a strong internal social homogeneity and a social disparity between them, understanding this disparity not only in terms of difference but also of hierarchy (Castells; 1999: 203). This segregation is also conceived as a forced and involuntary process that takes place in a particular place and it also generates exclusion and discrimination of its inhabitants. (Marcuse: 2004)².

This form of segregation is the result of the contradictions of the Capitalist system, and the Neoliberalism has generated a particular stamp that marks a trend towards a more differentiated production process in the city between the urban centre and urban suburbs.

² In Rio de Janeiro 85 percent of slum residents sampled perceived discrimination against people living in *favelas* (Perlman 2003).

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