

TWO CRITICAL ISSUES FOR CITIES

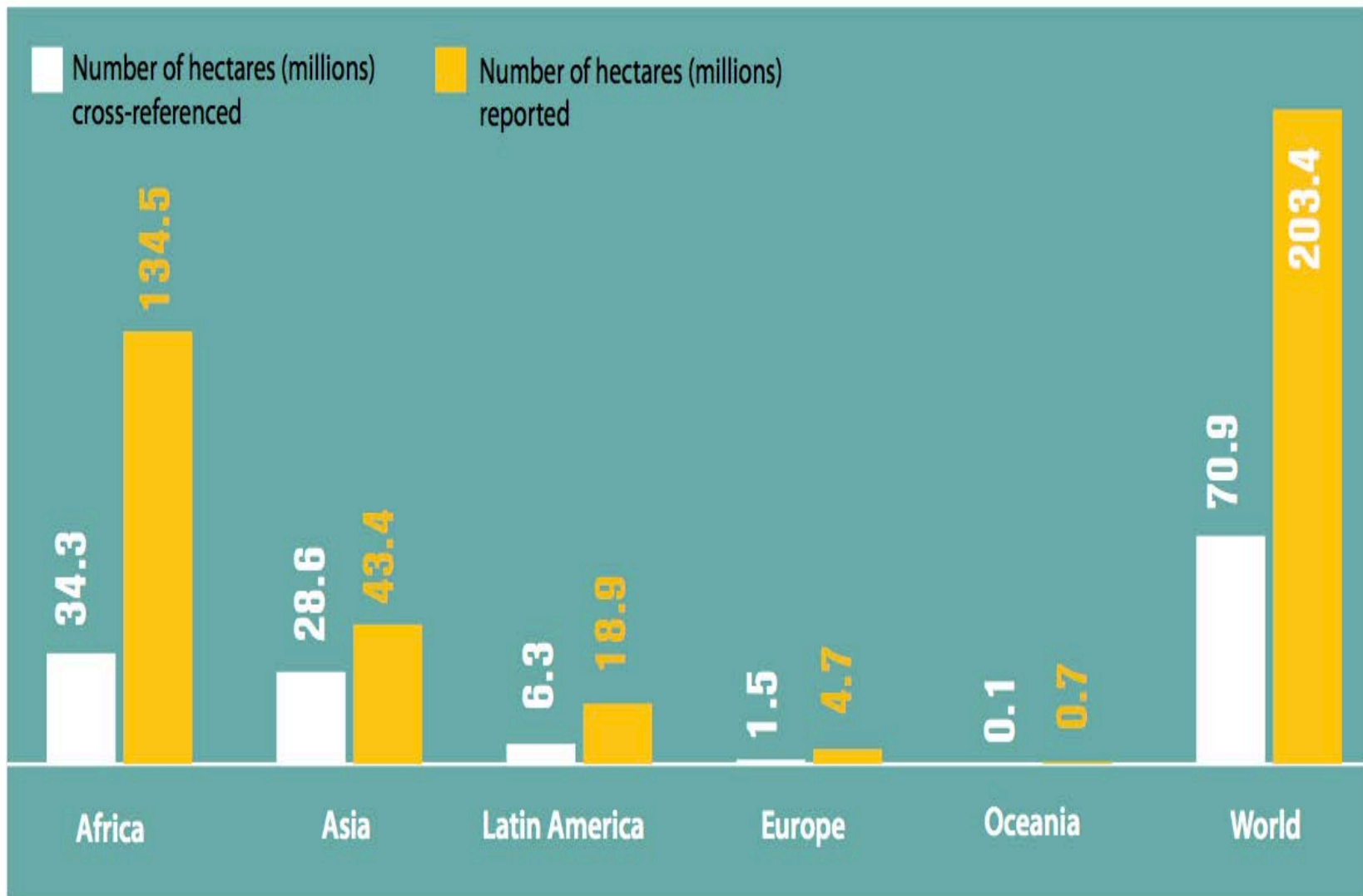
- 1) Urban and Rural Land Grabs
- 2) “cityness” is not simply density

Saskia Sassen, Columbia University

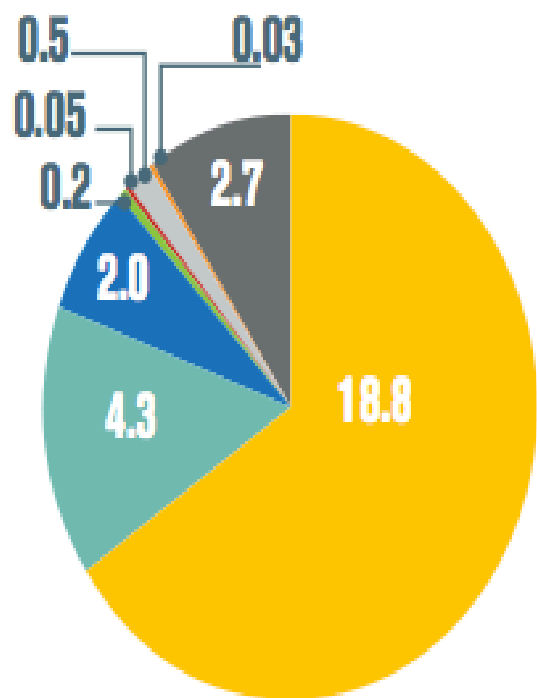
Data/sources in author's new book
Expulsions (Harvard University Press)

One instance of what we measure as development but is actually a massive expulsion

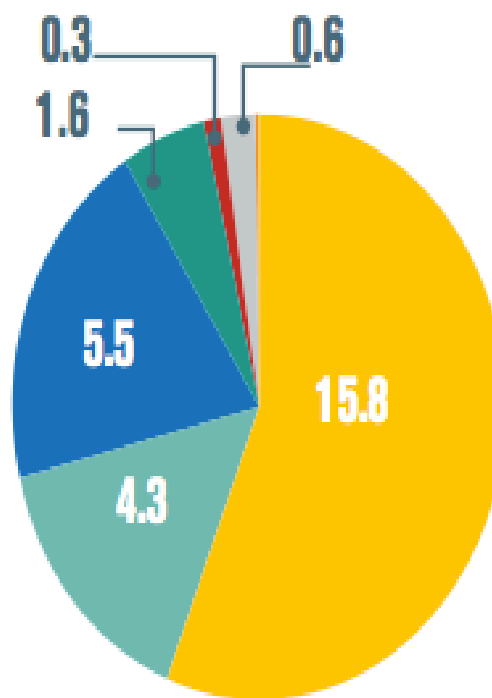
- From 2006 to 2010: 220 million hectares of land in Afri, LatAm, Cambodia, Ukraine etc bought/leased by rich governments, firms, financial firms
- The land is now more valued than the people or activities on it
- The active making of surplus populations
- Novel assemblage of Territory/Authority/Rights



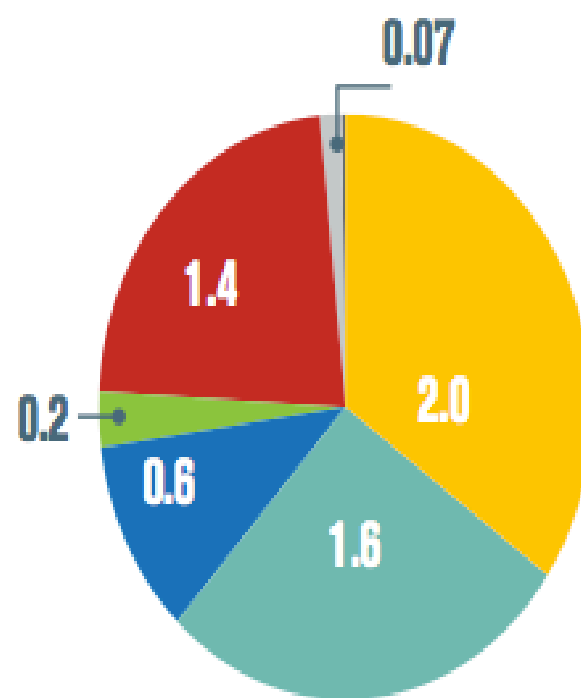
Number of hectares (millions) cross-referenced



AFRICA



ASIA



LATIN AMERICA

Nature of investment

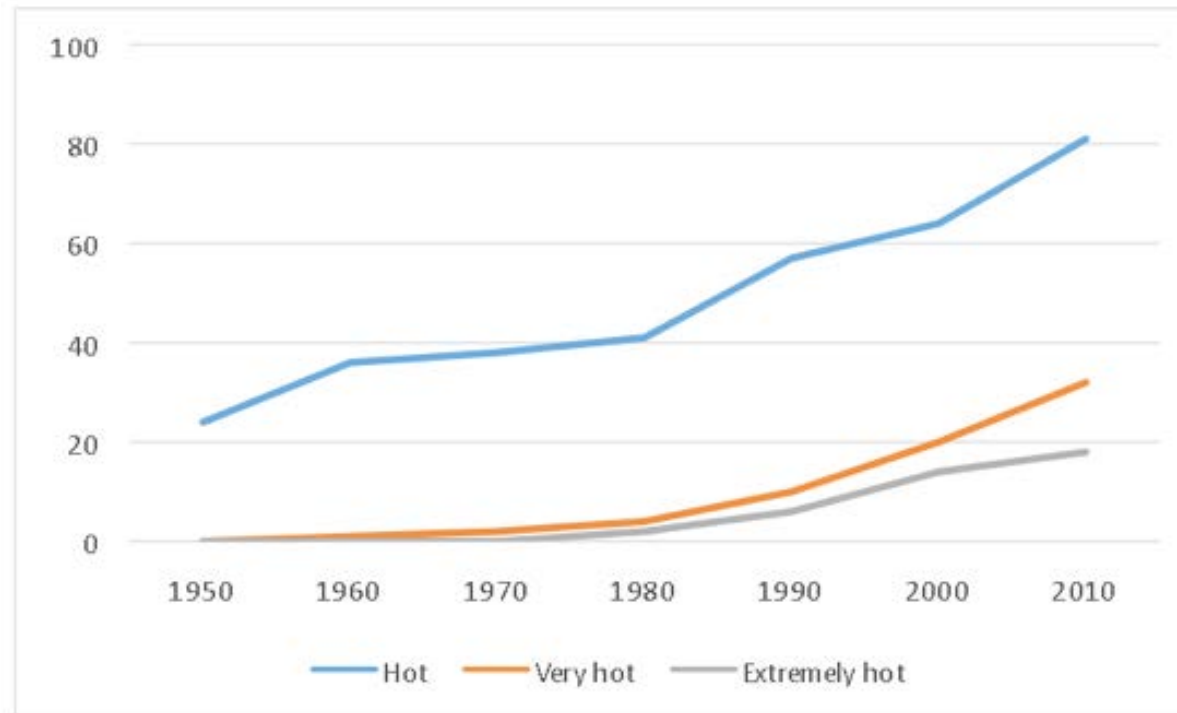
- Biofuels
- Food crops
- Forestry
- Industry
- Livestock
- Mineral extraction, including petroleum
- Non-food agricultural commodities
- Other
- Tourism

WHAT HAPPENS WHEN A
COMPLEX DISTRIBUTED RURAL
ECONOMY IS REPLACED BY VAST
PLANTATIONS:

- a) farmers are expelled and only place left to go to is often a city
- b) no crop rotation: land will die soon and lead to further land grabs

ALSO MORE LAND GRABBING
BECAUSE MUCH LAND IS GETTING
HOTTER –it is dying

Northern hemisphere: Land Area with Hot, Very Hot, and Extremely Hot Temperatures, 1960-2010



Source: World Bank (2013) *The Heat Turn Down: Why a 4C Warmer World Must Be Avoided*. Figure 18: Northern Hemisphere land area covered by hot ($>0.43\sigma$), very hot ($>2\sigma$) and extremely hot ($>3\sigma$) summer temperatures, accessed on June 26th 2013.

Exhibit 5.8. Water Already Limiting Agricultural Productivity, 2009



Source: Gonzalez-Valero, Juan. *Climate, Land Degradation, Agriculture and Food Security: Means to Adopt*. Report. September 2009. Accessed July 30, 2012.

http://www.wmo.int/wcc3/sessionsdb/documents/WS10_Gonzalez.pdf

LATEST DEVELOPMENT: ACCELERATED URBAN LAND GRABS

Data set covers:

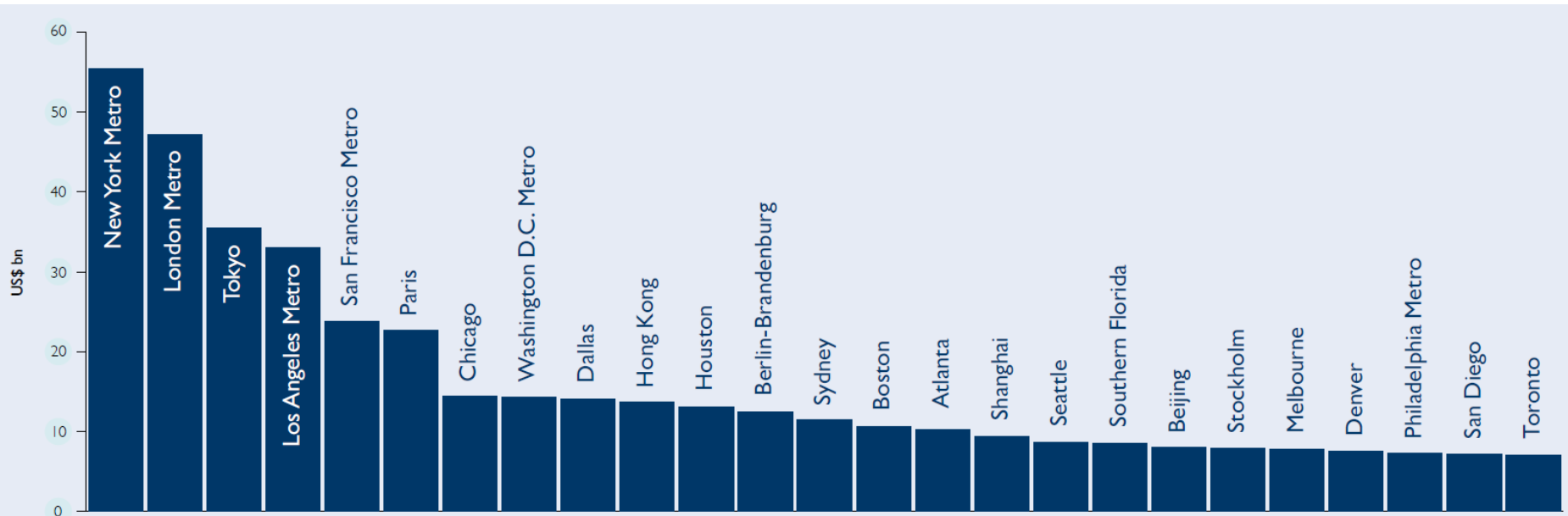
top 100 major cities for corporate
buying of urban “land”

- Only includes investments above
US 5 million

TOTAL(NATIONAL AND FOREIGN) INVESTMENT VOLUMES (EXCEPT DEV. SITES, Q3 2013 – Q2 2014)

METRO	VOLUMES (US\$)	GROWTH*
1 New York Metro, United States	55,438,566,041	10.9%
2 London Metro, United Kingdom	47,253,731,038	40.5%
3 Tokyo, Japan	35,466,760,763	30.4%
4 Los Angeles Metro, United States	33,058,667,672	6.9%
5 San Francisco Metro, United States	23,788,360,196	7.8%
6 Paris, France	22,668,417,844	37.2%
7 Chicago, United States	14,379,076,128	31.9%
8 Washington D.C. Metro, United States	14,353,183,299	-29.0%
9 Dallas, United States	14,076,849,569	32.5%
10 Hong Kong, China	13,725,693,505	-28.9%

TOP 25 CITIES FOR TOTAL PROPERTY INVESTMENT (EXCEPT DEV. SITES, Q3 2013 – Q2 2014)



TOTAL FOREIGN INVESTMENT VOLUMES (Q3 2013 – Q2 2014)

METRO	VOLUMES (US\$)	GROWTH*
1 London Metro, United Kingdom	29,370,466,865	37.67%
2 New York Metro, United States	11,364,607,926	68.53%
3 Paris, France	11,057,422,477	47.75%
4 Shanghai, China	10,039,035,493	150.25%
5 Sydney, Australia	6,660,953,814	75.81%
6 Los Angeles Metro, United States	5,994,728,581	65.09%
7 Shenzhen, China	4,968,623,569	426.35%
8 Tokyo, Japan	4,632,840,984	66.19%
9 Amsterdam/Randstad, Holland	3,991,616,088	248.30%
10 Melbourne, Australia	3,603,892,879	80.01%

A parallel making...
14 million evicted from their home
in the USA 2005-2014
Millions evicted due to
gentrification in most major cities
in the world

When modest neighborhoods become part of global finance

- The making of instruments that enable the use of modest elements/assets to build a powerful financial instrument useful to top level investors: sub-prime mortgage for low- and modest-income households.
- The key is that the source of profits for investors is NOT payment on the mortgage. All that is needed is a signed contract.
- The source of profits is the bundling of a large number of these mortgages with high-value debt to sell them on to investors, including banks and foreign investors. It worked because they were mixed up with high quality debts of all sorts.

Expulsions: New foreclosures *per year*(2006-14)

- 2006 : 1.2 million foreclosures, up 42% from 2005. This is: One in every 92 U.S. households
- 2007: 2.2 million foreclosures, up 75% from 06
- 2008: 3.1 million, up 81% from 07
- 2009: 3.9 million (or 1 in 45 US hholds)
- (From 2007 to 2009: 120% increase in forecls)
- 2010: 2.9 mill forecls. (2006-2010: over 13 mil)

- Source: Data from the Fed Reserve, organized by RealtyTrac 2007, 2008, 2009, 2010.



- **2011:** 2,698,967 (3.4 percent decrease from 2010)
- **2012:** 2,304,941 (3 percent decrease from 2011)
- **2013:** foreclosures filed on 1,361,795 properties
- **First half of 2014:** foreclosure filed on 613,874 properties

Source: RealtyTrac



U.S. Properties with Foreclosure Filings

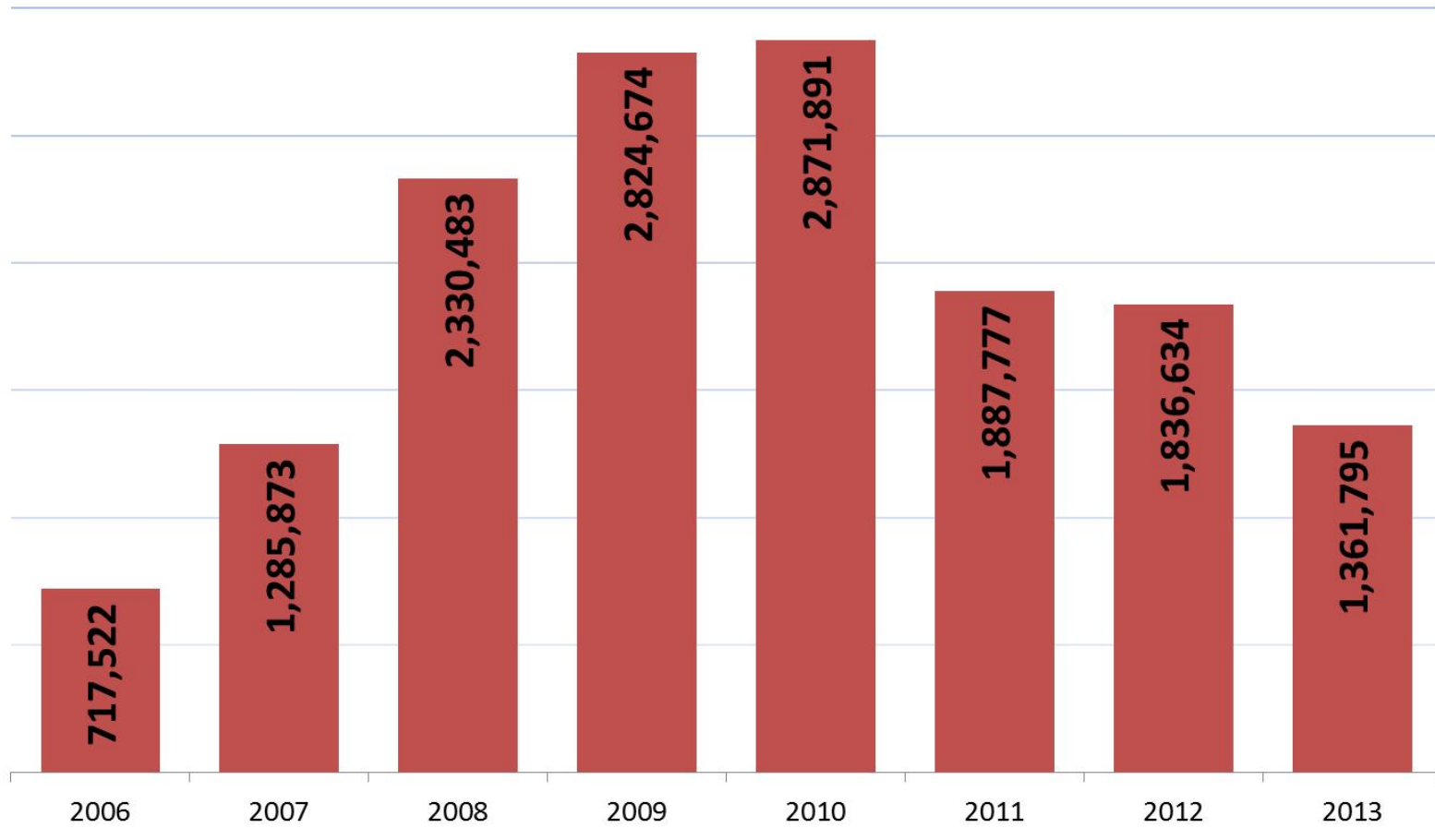


Fig 2. European Countries with Either Highest or Lowest Number of Foreclosures, 2007–2009

	Number of foreclosures		
	2007	2008	2009
Highest foreclosures:			
Hungary	225,663	245,597	71,683
Germany	91,788	88,379	86,617
Spain	25,943	58,686	93,319
United Kingdom	27,869	46,984	54,014
Lowest foreclosures:			
Bulgaria	449	886	1,570
Finland	506	825	1,036
Denmark	1,015	1,942	2,860
Netherlands	1,811	1,961	2,256

Source: White, A. (2013) "Foreclosure Crisis in Europe vs US", Credit

**THE OUTCOME:
EMPTY URBAN LAND**

the city: where those without
power get to make a history, a
culture, an economy...