

CITIES, HEALTH AND WELL-BEING

NOVEMBER 2011

Saskia Sassen

Robert S. Lynd Professor of Sociology; Co-Chair, Committee on
Global Thought, Columbia University, New York

Beyond Inequality: Emerging Logics of Expulsion



All rights are reserved by the presenter

www.urban-age.net

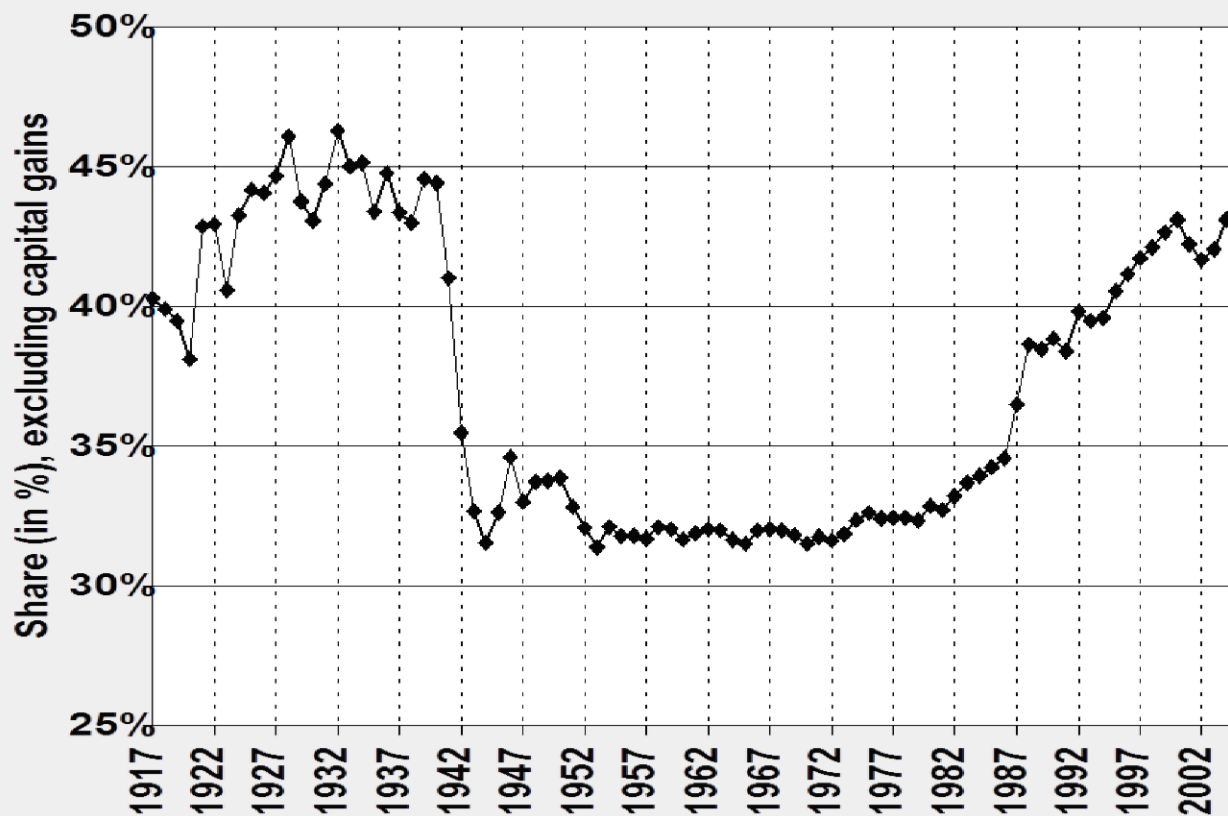


Saskia Sassen
Columbia University
New York



BEYOND INEQUALITY: EXPULSIONS.

Income Share of top 10% earners, USA 1917-2005



*Income is defined as market income but excludes capital gains

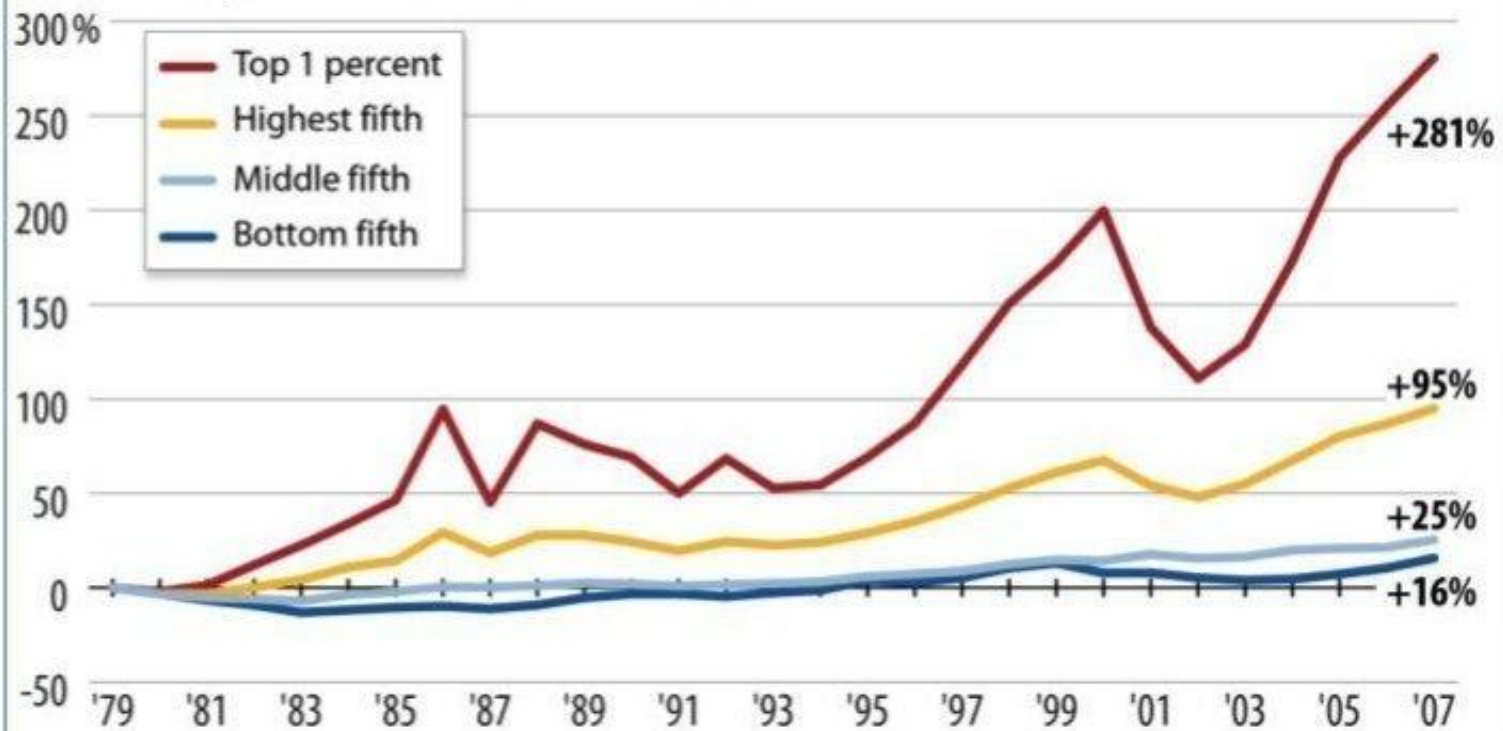
Source: Mishel, L. 2004. "Unfettered Markets, Income Inequality, and Religious Values." *Viewpoints*. May 19, 2004.

Economic Policy Institute. Retrieved July 26, 2008 [

www.epi.org/content.cfm/webfeatures_viewpoints_moral_markets_presentation.]

% Growth in After-Tax Income, USA 1979-2007

Percent Change in After-Tax Income Since 1979



Rising risk

The credit default swap market nearly doubled each year from 2001 through 2007.

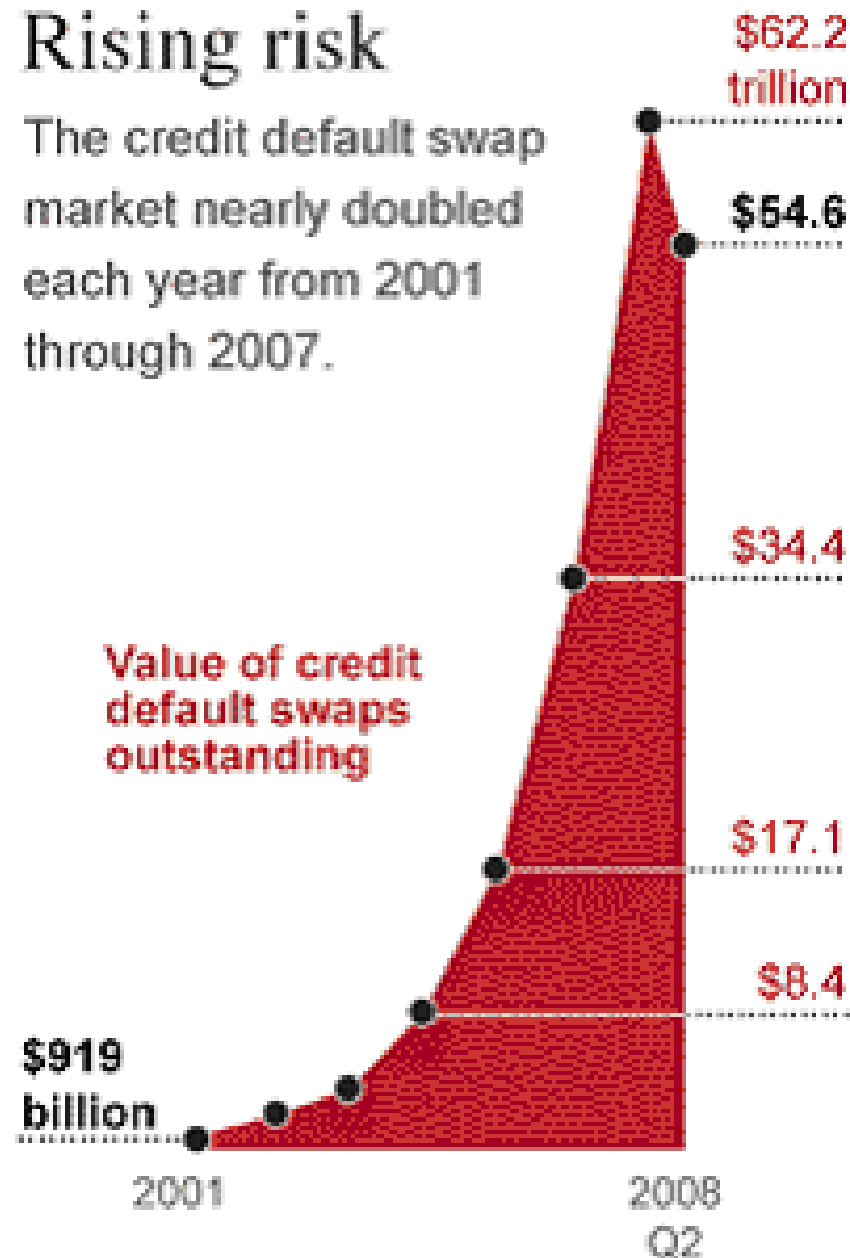
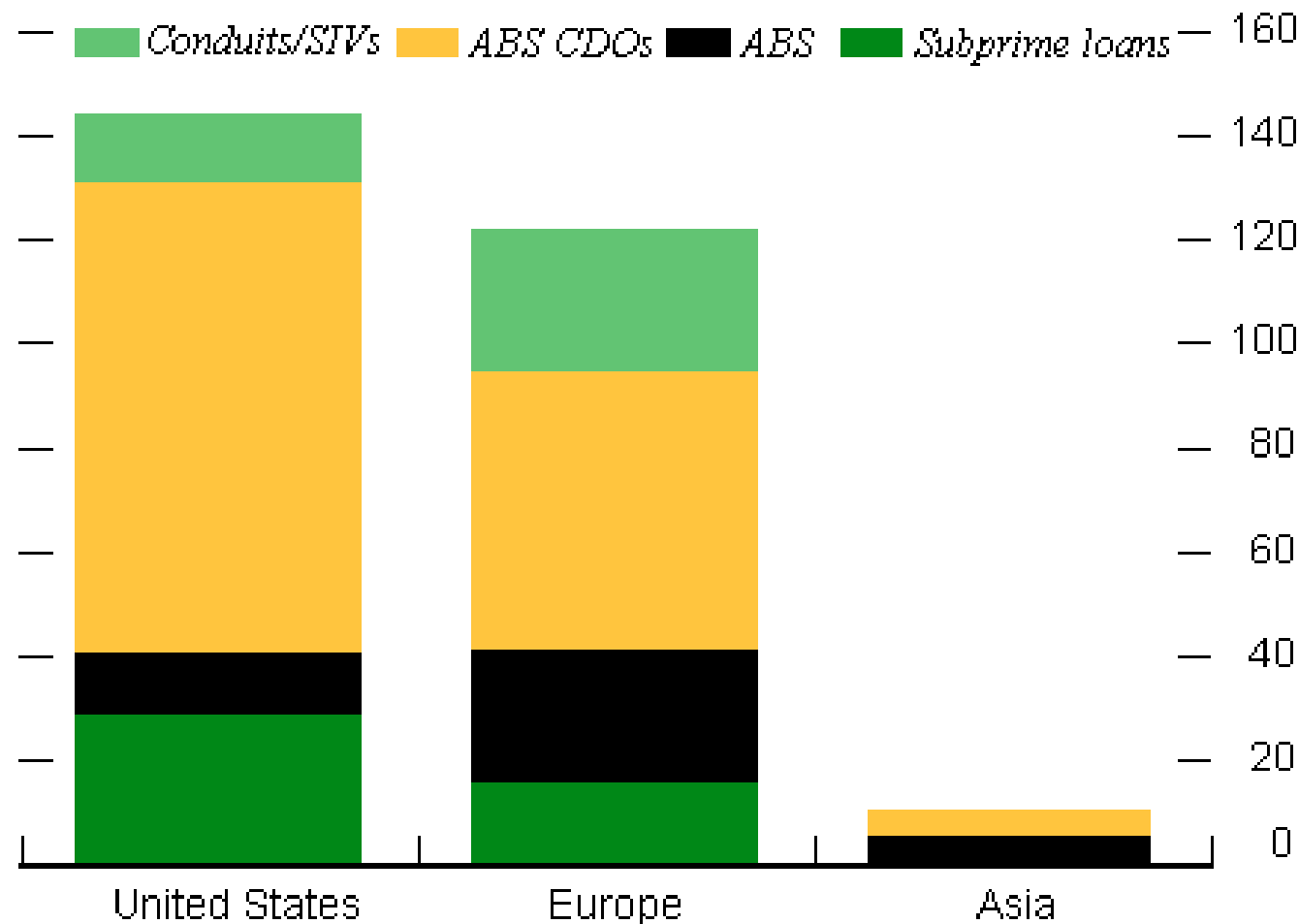


Figure 1.13. Expected Bank Losses as of March 2008

(In billions of U.S. dollars)



Sources: Goldman Sachs; UBS; and IMF staff estimates.

Note: ABS = asset-backed security; CDO = collateralized debt obligation; SIV = structured investment vehicle.

When modest neighborhoods become part of global finance

- 1. The key is that the source of profits for financial firms of sub-prime and other mortgages for low- and modest-income households is NOT payment on the mortgage.
- 2. The source of profits is the bundling of a large number of these mortgages 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: Foreclosures

- 2006 : 1.2 million foreclosures, up 42% from 2005. This is: One in every 92 U.S. households
- 2007: 2.2 million forecls, 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: total 14.2 mil)
- Source: RealtyTrac 2007, 2008, 2009, 2010; Blomquist 2011

DEAD CITIES



Table 1: Ratio Residential Mortgage Debt to GDP (Select countries/end 2006)

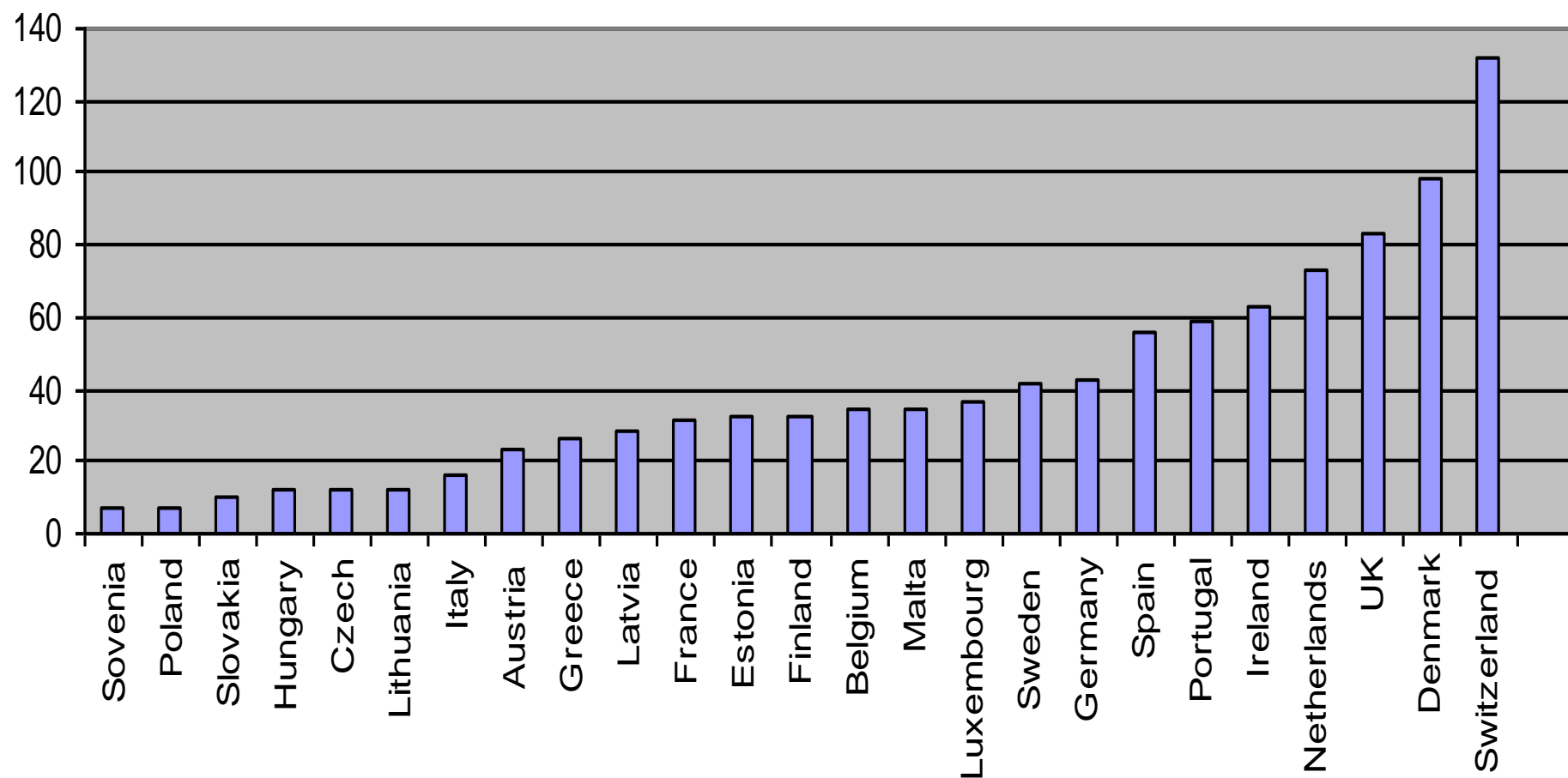
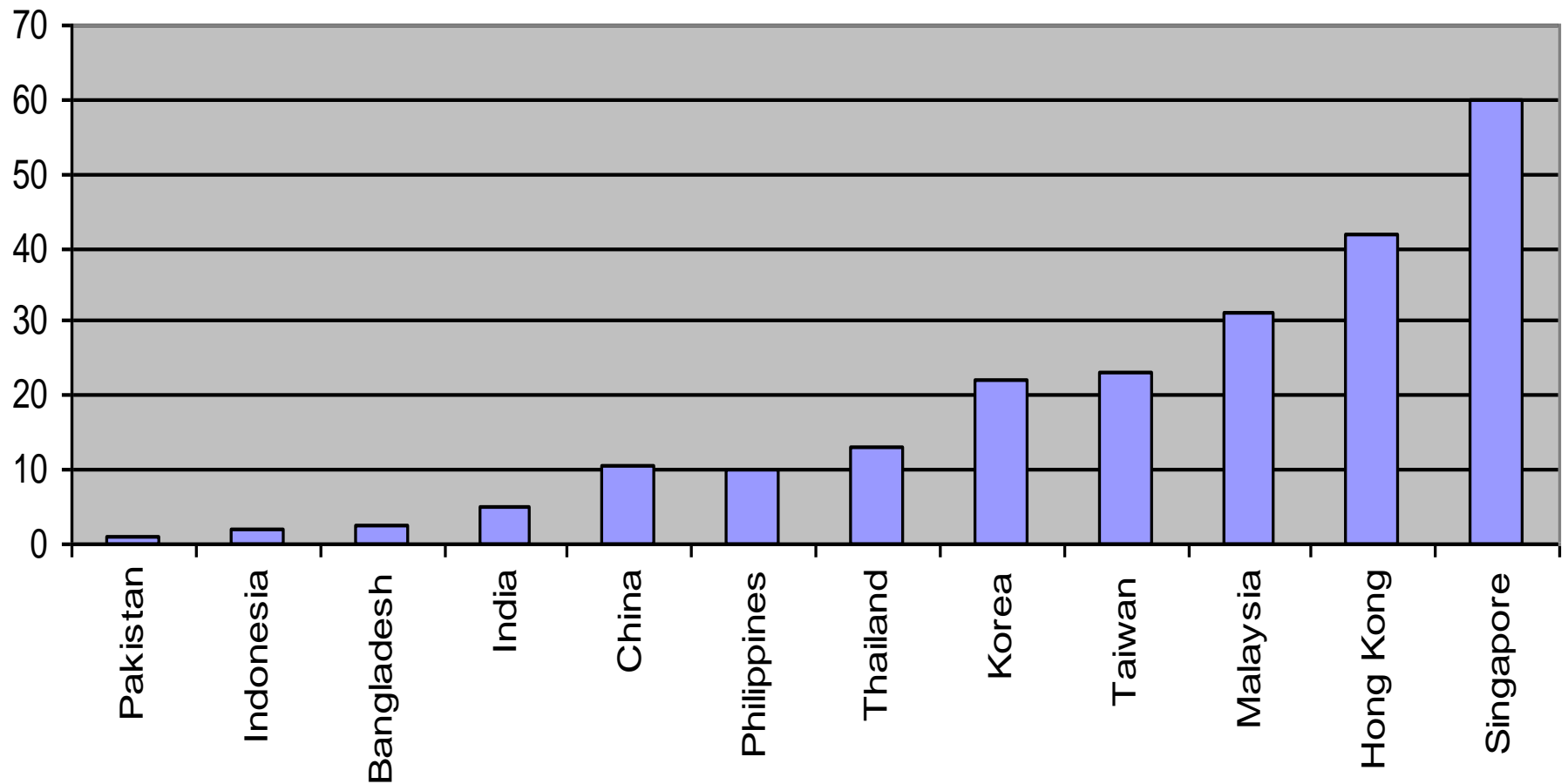


Table 2: Ratio Residential Mortgage Debt to GDP: Emerging Asia



Source: Warnock, Veronica Cacdac and Warnock, Francis E., Markets and Housing Finance (February 2008).

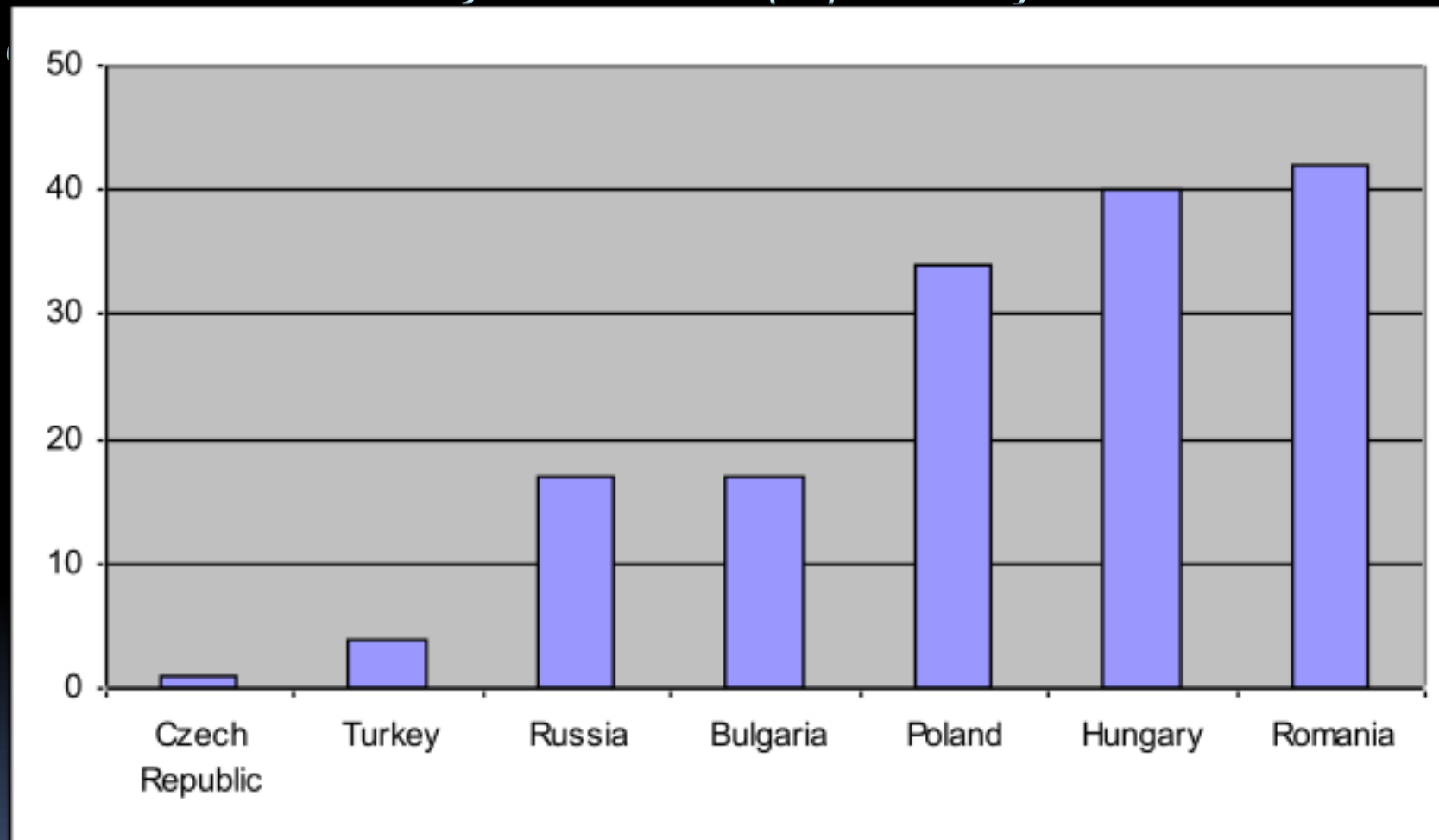
Available at SSRN: <http://ssrn.com/abstract=981641>, retrieved 24 August 2008.

Table 8: Ratio of Household Credit to Personal Disposable Income (2000-05)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|------------------|-------|-------|-------|-------|-------|-------|
| Emerging Markets | | | | | | |
| Czech Republic | 8.5 | 10.1 | 12.9 | 16.4 | 21.3 | 27.1 |
| Hungary | 11.2 | 14.4 | 20.9 | 29.5 | 33.9 | 39.3 |
| Poland | 10.1 | 10.3 | 10.9 | 12.6 | 14.5 | 18.2 |
| India | 4.7 | 5.4 | 6.4 | 7.4 | 9.7 | ... |
| Korea | 33.0 | 43.9 | 57.3 | 62.6 | 64.5 | 68.9 |
| Philippines | 1.7 | 4.6 | 5.5 | 5.5 | 5.6 | ... |
| Taiwan | 75.1 | 72.7 | 76.0 | 83.0 | 95.5 | ... |
| Thailand | 26.0 | 25.6 | 28.6 | 34.3 | 36.4 | ... |
| Mature Markets | | | | | | |
| Australia | 83.3 | 86.7 | 95.6 | 109.0 | 119.0 | 124.5 |
| France | 57.8 | 57.5 | 58.2 | 59.8 | 64.2 | 69.2 |
| Germany | 70.4 | 70.1 | 69.1 | 70.3 | 70.5 | 70.0 |
| Italy | 25.0 | 25.8 | 27.0 | 28.7 | 31.8 | 34.8 |
| Japan | 73.6 | 75.7 | 77.6 | 77.3 | 77.9 | 77.8 |
| Spain | 65.2 | 70.4 | 76.9 | 86.4 | 98.8 | 112.7 |
| United States | 104.0 | 105.1 | 110.8 | 118.2 | 126.0 | 132.7 |

Source: IMF Staff estimates based on data from country authorities, CEIC, OECD, and Bloomberg


Table 11: Share of Foreign-Currency-Denominated Household Credit, End-2005 (*In percent of total household*



Source: IMF 2006. "Global Financial Stability Report: Market Developments and Issues." *IMF: World Economic and Financial Surveys*. September, 2006. Retrieved August 26, 2008.
[<http://www.imf.org/external/pubs/ft/GFSR/2006/02/pdf/chap2.pdf>] p. 54




In the shadows of “urbanization”


- In all the talk about the growth of urban populations there is never mention of what processes are feeding this growth.
 - One set of processes consists of expulsions – of people from their land due to “landgrabs” or mining.
 - Where do they go? To cities, where they will add to the homeless and to the slums.
- 



One instance

From 2006 to 2010: 70million hectares of land in
Afri ,LatAm, Cambodia, Ukraine
bought/leased by rich govts, enterprises, fin
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
- 



Shift from National Territory to Global Commodity/Jurisdiction

- *The Repositioning of Territory in the Global Division of Functions.*
 - *Making alternative jurisdictions: going beyond older forms of extraterritoriality.*
 - *Making parallel geopolitical circuits.*
- 