Prospectus Notes

Osman Keshawarz

Contents

August 17, 2018

What can Marxian Economics contribute to an analysis of urban inequality?

Why do we care about cities? The urban scale is the physical locus of the process of capitalist production; it is at the scale of the urban that capital is transformed from non-physical value into physical plants, equipment, buildings, and so on. It is the site of work, sleep, consumption, production, and re-production of the working class. It is the site of the crystallization of the abstract laws of capital accumulation, class struggle, and social formation into the particular historical form one sees before them. The precondition of the development of industrial capitalism was the existence of an urban form that allowed for the detailed division of labor within the production process, and so I argue that an analysis of the capitalist process, including all of the social tensions it generates, cannot be separated from the analysis of the urban (spatial) process.

In fact, I would conjecture that the tendency of capitalism towards "the annihilation of space by time" (Grundrisse 10) forms a fundamental physical contradiction within capitalist production.

Here are some of my priors:

1. Urbanization is the trend in both developing and developed economies (see: Lewis Model)

2. Capitalist urbanization develops as a spatial process that organizes production and consumption along spatial lines (Harvey, Smith, Hackworth)

3. The spatial organization of production is structured through the mechanism of the equalization of the rate of profit across sectors (Smith, Basu, possibly Shaikh?) over long cycles of the life of fixed capital.

4. Due to the dynamic nature of capitalist development, this results in the uneven development of urban space (Hackworth, Smith). The process of uneven development is a complex interaction between financial capital, (fixed) productive capital, real estate *qua* rent-generating asset, and real-estate *qua* consumption good.

5. This uneven development results in heightening inequality along spatial and racial lines in both labor/consumption (income) and production/wealth markets (ex: dual labor markets, credit constraints, etc.). This uneven development is managed by a battery of institutions (esp. financial market institutions) that represent the application of power at multiple scales (for example: the transition from federal-led urban development during the New Deal to bond-financed local development during the neoliberal era represents the retreat of state power in the face of global financial institutions (Swyngedouw, Hackworth))

6. Spatial inequality is transmitted intergenerationally, resulting in a secular widening of wealth inequality (and possibly income inequality) over time (Chetty, Hackworth, Smith, et. al).

Some questions (In no order of importance)

1. Why do cities look the way they do? They exhibit high degrees of segregation by race and by income, particularly in the formerly-heavy-industrial centers of the Northeast and the Midwest.

2. What role did technological change play in the spatial (non-) integration of cities? For example–

   a. Power-biased technical change leading to the destruction of labor-organizations (ex: longshoremen) and the de-localization of labor
   b. Transportation networks reducing the necessity of local supplies of labor
   c. The digital economy

3. How do changes in the financial system affect the spatial organization of cities? This question has some very broad interpretations. For example: Differential access to credit markets (Bowles), differential investment in real estate capital (i.e. redlining), the propagation of financial crises into investments in fixed productive capital (Kalecki, Dymski, Boddy & Crotty).

4. How do micro-level institutions affect macro-level capitalist processes? e.g., linkages between local zoning laws and labor/income/wealth outcomes, policing, government institutions, etc. etc.