10. Models of growth and stagnation
The future is urban. More specifically, the future of the Capitalist World-Economy will be firmly situated in the expansive terrain of the global urban. Even now, it can be said that we live in an era where cities and urban spaces have become the most vital and important components of the global economy. According to a 2008 UN-HABITAT report, fully half of the human beings on the planet live and work in and around a city or urban area. Growth in the global urban has been consistent over the past 30–40 years and widespread, with growth in urban populations occurring in developed and to a greater extent, developing regions of the world-system. Growth in world cities (or globally significant urban centers predominantly located in the developed nations of world [Friedmann and Wolff 1982]) has mirrored the expansion and intensification of the Capitalist World Economy since the end of World War II. As a consequence of this growth, a fundamental tension has developed between the city as economically essential space (particularly in the case of world cities, which are planned and built to be spaces of commerce and consumption), and the city as lived-environment where people can work and make lives for themselves within viable communities. As those cities around the world that make up the global urban have become increasingly important to the stable functioning and operation of the Capitalist World-Economy and the broader Inter-State System, they are becoming necessary spaces of economic survival for poorer populations around the world. Traditional rural economic structures (typically centered on agriculture) have all but collapsed, leaving the cities (particularly those located in the global south) as one of the few economic havens for those seeking to earn a reasonable livelihood. As a consequence of these ongoing population shifts, urban centers all over the world are experiencing extreme forms of spatial inequality that impact the lived-environment of poorer urban residents as an increasing number of these people find themselves relegated to favelas, slums, and shantytowns.

According the UN-HABITAT 2003 working paper on the Slums of the World, a slum can be defined as: “a wide range of low-income settlements and/or poor human living conditions and note that these inadequate housing conditions exemplify the variety of manifestations of poverty …” Slums can include deteriorated housing settlements that were at one time “desirable,” as well as improvised informal or squatter settlements that in many instances lack legal recognition.
by city and state officials. Slums, favelas, and shantytowns go by different names, and have different topographies (depending on location), but share several crucial features: (1) these are spaces that are typically underserved (economically and politically) by the local administrations, (2) these spaces tend to be plagued by violence and crime, and are vulnerable to all manner of environmental or ecological hazards, (3) they are almost always inhabited by the working poor and working classes of the city, (4) they represent on the community level, the reality of unequal core-periphery social, economic, and political relations. Due to the rapid expansion of cities in the developing world, slum areas there are particularly vulnerable to various health crises as municipal governments may not have built out vital infrastructure and services to incorporate newly established informal settlements on the urban periphery. In cities where they are present, slums, favelas, and shantytowns clearly occupy the political, economic, social, and spatial periphery. An understanding of the formation and structure of these spaces may also shed important analytical light on the future of the global urban and the Modern World-System in general.

The global urban and the modern world-system

Over the last 30 years, a compelling case has been made for the historical and contemporary significance of the global urban to the Modern World-System. Much of the analysis of global urban has been concerned with the prominent role cities have played in the Capitalist World-Economy in the years since World War II. Cities (especially world cities) have served to articulate regional, national, and international economies (Sassen 2001; Taylor 2002), and during the global economic transition (sometimes referred to as a “crisis” [Lash and Urry 1994]) that has led to a reorganization of the management structures of the world-economy, cities have become vitally important to the maintenance and growth of the global economy. Before this transition in global capitalism, nation-states played the most important role in the organization and management of global capitalism. This is not to say that nation-states no longer play an important role in global economic processes, but the place national governments have occupied in the mediation of transnational economic processes has definitely declined in significance relative to the era of state manage capitalism (also known as Fordism, or Keynesism ca. 1932–72 [Harvey 2009]).

A major component of the reorganization of global capitalism, processes of production in the wider Capitalist World-Economy have transcended traditional notions of space and territoriality or have become “hyper-spatialized” (Jameson 1991), and are no longer centralized within any one particular zone, region, or nation-state. Capitalist production processes have become globalized and disintegrated, and as a consequence, urban spaces such as world cities have become key nodal points for the command and control of global capitalism (Friedmann and Wolff 1982). The world of late modern capitalism is one where capital and capitalists float above it all (particularly the boundaries of nation-states), and when capital and the global elite that manage it return to earth, they typically return to a world city. The increasing significance of the global urban has led to interesting forms of spatial inequality including the re-articulation of world-systemic core-periphery relations between and within those cities that comprise the global urban.

Since John Friedmann and Goetz Wolff (1982) first proposed the rigorous study of the world city phenomenon, there has been the development of two different approaches to addressing the question of how world cities are incorporated into the capitalist world-economy: the world city system as hierarchy, and the world city system as network. John Friedmann is closely associated with the hierarchical model while Peter Taylor stands as an advocate of the network approach. Both models use many of the assumptions of world-system theory (which include features such as
a capitalist world-economy, a global division of labor, core-periphery relationships in an inter-state system) as a basis for their understanding of world city development and functioning.

Both models view the acquisition and maintenance of command and control functions associated with the everyday maintenance of the capitalist world-economy as a key determiner of world city-ness, but the hierarchical model states that world cities tended to be incorporated into the capitalist world-economy in a way that mirrors the incorporation of the nation-states that contain them. This means that the higher order world cities tend to be located in those nation-states that make up the core of the capitalist world-economy. This is the basis of the hierarchy as world cities like New York, London, and Tokyo form the top tier of the world city system because it is from these cities that the most advanced command and control functions (those associated with the greatest returns in profit, like advanced services, biotechnology, or high finance) tend to be located (Friedmann and Wolff 1982, 1995). Cities lower down the hierarchy have fewer of these command and control functions. Though there are many large urban centers in the peripheral nation-states, there are very few world cities among them. Cities like Sao Paolo in Brazil, Mumbai in India, and Johannesburg in South Africa are examples of world cities in the periphery.

The network model tends to focus less on the concentration of all important command and control functions in the richer core states and more on the actual functions required by global capital. World cities are argued to produce and reproduce important functions of (economic, political, social, and cultural) globalization (Taylor 2005). All world cities in a networked world city system function as productive nodes in the larger capitalist world-economy as such, some nodal points have a greater concentration of (for example) high technology firms while others are more important to the system for heavy manufacturing. In a networked world city system, the extent of a city’s integration into the capitalist world-economy is determined by functions allocated to a city by market forces (Taylor 2002). Inequality and difference between various world cities is a function of the profitably of the sectors associated with the various cities in the system.

Another important feature of world cities (or almost any major metropolis around the globe) is its social, political, and (what is more important) economic gravity. Cities have always had the tendency to draw in resources and people from outlying areas. This gravity becomes a major factor in the persistence and growth of slums, favelas, and shantytowns as the steady decline in rural economies and the threat of systemic redundancy pushes individuals and communities from the countryside and toward the city. Many of those living in Rio de Janeiro’s 600 favelas have been internal migrants subject to the push-pull forces affecting the north and northwest portion of the state of Brazil over the past 50 years (Neuwirth 2006). We can almost think of emigration (particularly in the global south and developing regions of the world) as an implicitly urban phenomenon; as the poor move from rural to urban, they almost invariably finds themselves living in a slums, favelas, or shantytowns.

The embedded periphery of the global urban

The situation for slums, favelas, and shantytowns in the developing world will be particularly harsh as most of the growth of cities will happen in the poorer parts of the global economy. Though much of the discussion of future changes in the structure of the Capitalist World-Economy tends to focus on realignments that could take place in the core of the Modern World-System (perhaps leading to the hegemonic dominance of the nation of China [Gunder Frank 1998]), the reality may be that it is in the periphery of the World-System, which is increasingly subject to redundancies of space and people, that these changes could be most devastating. On the level of
the global urban and within the space of individual cities, the core-periphery relationship and its various consequences are readily identifiable. Though urban studies has adopted the phrasing “core” and “periphery” to delineate zones within a city (read: urban core as the city center, urban periphery as the suburban areas), the core-periphery relationship is traditionally associated with World-System Analysis (Wallerstein 1974; Hopkins and Wallerstein 1982), and it describes not only the central systemic division between the developed and developing nations of the world, but also references the idea that developed core spaces and developing peripheral spaces are implicitly and inexorably bound to one another within the globe spanning totality that is the Capitalist World-Economy. The core-periphery relationship is at essence an economic relationship (indicated by the realities of economic dependency, and unequal-exchange), but it is also a political and social relationship, structured by historical concentrations of power and influence in core areas of the global system. The core-periphery concept is scalable, and can be used to not only describe relations of inequality between nations in an Inter-State System, or between cities in a World City system, but also as a means of describing an ongoing reality of spatial inequality within cities. As the favela Rocinha can be viewed as the periphery to Central Rio de Janeiro, or as the Kibera slum is the periphery to Central Nairobi, or as Dharavi slum is the periphery to Central Mumbai, the city will become the new frontier for spatial inequality and the articulation of the core-periphery relationship.

The utility of the core-periphery concept for analyzing the problem of spatial inequality within the cities that comprise the global urban (in both developed and developing regions) rests on the most basic and persistent of social realities that can exist between the affluence one may encounter in a thriving urban center, and the abject poverty typically associated with the far-flung slum areas of a city, and this is the reality of separation. I am of course referring to the social, economic, and political distance or separation between the urban core and the urban periphery that prescribes the spatial relationship between the city center and the slum. As the twenty-first century progresses, we will see the expansion and intensification of the seemingly contrary processes of urban development and urban peripheralization in major cities throughout the world. To understand the nature of contemporary forms of urban peripheralization in the face of expanding urban development, I have come to see the idea of “embedded-ness” as a useful way of describing the significant place slums, favelas, and shanties occupy in the growing cities of the developing world. I have deployed the idea of embedded periphery to describe two very important features of the expanding global urban which are: (1) the spatial embedding of a growing urban underclass in internally peripheralized slums, favelas, and shantytowns; (2) the embodied periphery which refers to the processes and potential consequences for individuals and communities when being located within peripheralized spaces (like slums, favelas, or shantytowns) is perceived (by those in the urban core) as an ascribed component of their identity (as with usage of the expression “Favelado” to disparagingly describe those who live in the favelas of Brazil’s major cities).

Recent studies (such as Davis 2007) discuss the consequences of an expanding global economy for many of the large cities of the developing world in the twenty-first century. Global economic processes that were once located only in the core spaces of the world-economy are today becoming increasingly associated with cities of the developing world. Add to this the UN-HABITAT (2003) wherein it was estimated that nearly one billion people live in slums or favelas around the world. In addition, as the portion of the world’s population living in urban areas is estimated to increase from just over three billion (est. 2008) to five billion by 2030, with 85 percent of this population living in the cities of the developing world, there is the likelihood that this growth will led to the deepening of the social, economic, political, and spatial inequality already persistent in many of these developing areas (Harvey 2009).
"Favelização" and the future of the world-system

The space of the slum, favela, or shantytown has long been thought as an outsider space, a space of lawlessness, a space of the undesirable poor. These are spaces that not only point to large-scale systemic problems (like economic redundancy or over-population), but slums, favelas, and shantytowns also shed light on the way state and local authorities create and exacerbate the conditions of separation that impact the lives of those who inhabit the embedded periphery. Urban scholars like Anthony D. King (1980) used the concept of the built-environment to refer to the influence political, social, and cultural forces in the city can have over every aspect of planning related to the urban landscape. The city, from the location of parks and to schools, to the width of its avenues and boulevards, to the availability of public restrooms, can be seen as the continually unfolding creation of ongoing political, social, and cultural discussions and debates about the space of the city. In this same way, we can think of the embedded periphery (in the form of the slum, favela, and shantytown) as a type of built-environment that reflects the social and political responses of influential stakeholders (that can include politicians and city administrators, security officials, and a corporate/business elite) to the large-scale structural shifts in economic processes. The slum can also represent a kind of built-environment that has been structured with long-standing prejudices and historical inequities.

A fairly prominent illustration of this idea of the slum as a built-environment can be seen in the city of Rio de Janeiro, Brazil, which has long struggled with its own local version of the core-periphery relationship as it tries to manage life in and around its estimated 600 favelas. As a means of combating what some call the “favelização” (Editorial, Jornal do Brasil, 2009) or the favelization of the city, there are plans in the works to construct walls around some of the city’s larger favelas (such as Rocinha) as a means of halting the growth of these improvised housing settlements. Among the various forms of social/spatial control developed to combat favelization in Rio De Janeiro are the paramilitary pacification programs, and the euphemistically named “eco-barrier,” which is intended to protect the natural beauty of rolling green hills that surround the city from the unauthorized development of ever-growing favelas. An ancillary effect of the barrier or wall is to isolate and conceal the manifest signs of economic inequality that are associated with Rio’s growing, yet long embedded favela communities.

The idea of “favelização” is an interesting one, because it not only refers to the large-scale world-systemic processes that help to create and exacerbate the situation of slums, favelas, and shantytowns, but it can also be used to describe the ways in which local responses to the presence of slums, favelas, and shantytowns (and the associated social problems such as crime, blight, and disease) can actually intensify the broader problem of urban inequality and peripheralization.

The responses of local administrators in some cases reflect a privileging of an exclusive, elite vision of the global urban (Davis 2007). Favelização is the persistent spatial manifestation of separation, alienation, and social difference. More specifically, slums, favelas, and shantytowns as urban peripheries are the products of municipal governance and policy creation that favors the positions and presence of the urban elite; they are the product of advocacy and activism that consistently promotes the city as a space intended for those who occupy the privileged urban core. The Black African Townships (also known as “Bantustans”) were developed during the Apartheid era as a type of spatial enforcement of the racist policies of the South African government (Paul Maylam 1990). In 2005, the city of Harare saw the burning and bulldozing of homes and businesses in the Porta Farm area of the city. As part of a program intended to combat crime and blight, government officials forcibly evicted nearly 700,000 residents of the shantytown, who were also believed to be supporters of the political rivals of President Robert Mugabí (Tibaijuka 2005).
In December of 2004, India’s largest city, Mumbai, began a campaign to disrupt favelization there by demolishing portions of India’s largest slum, Dharavi. Mumbai has a metro area population of almost 18 million, and the city itself has a population of over 12 million people and as of 2005, 7.5 million of these people live in the city’s huge slum areas. The typical inhabitant of a Mumbai slum is a worker who has moved to the city from the countryside in search of greater economic opportunity. The slums themselves are not mere squatter communities, as most residents have paid as much as $6000. Part of the reason so many people are forced to live in the slums is due to the relatively extreme cost of housing in Mumbai. Mumbai is a very desirable place to live for many Indians, as the city serves as the financial capital and is also the center of India’s “Bollywood” film industry. The desire behind the removal of the slum involve the ambition of administrators in the city of Mumbai to follow the development model of presumptive rival Shanghai China, which has seen tremendous growth and global integration in the past 20 years. The development of Mumbai is not only viewed as a matter of national pride for India, but is also viably viewed as a national development strategy. Having a “world-class” city in a developing nation like India may be an essential component of national development and integration into the capitalist world-economy. A first-world type city with all of the structural and infrastructural cues of the developed world could spur the economy (national, regional, local) by encouraging diversification of economic processes, thus helping India to move the economy from a developing economy to a developed economy that commands a greater portion of advanced sector processes (such as high finance and banking). In the case of Mumbai, the control of favelização is a development issue, as projecting the image of a prosperous world city (such as those found in the core areas of the World-System), meant the effective erasure of the reality of an embedded periphery that existed in the city center. In the end, controlling favelização meant deepening the peripheralization of the poor and working classes by limiting the access and visual presence of the slum-dwelling population, most of whom contributed greatly to the city’s economic vibrancy (Seabrook 1996).

As our world becomes increasingly urban, favelização, and other localized forms of peripheralization will become everyday realities for many people around the globe. The growth and expansion of slums, favelas, and shantytowns will owe just as much to negligence and indifference on the local level as to large-scale structure shifts on a systemic level. Nonetheless, the consequences of favelização for those who live and work in these spaces will be serious. These urban peripheries will be subject to continued and increasingly harsh forms of control and exclusion. I use the term “de-located” to describe how peripheralized communities (like some slums, favelas, and shantytowns) are effectively written out of the broader narrative of the rest of the city (Lindsey 2009). As cities like Mumbai plan for future growth and development, communities like Dhavari are excluded from any image or narrative of what the city will become through economic development. The successful “writing” out of undesirable subjects and the spaces they inhabit allows for the deployment of novel forms of social control. After peripheralized communities have been excluded discursively, physical control and exclusion becomes a logical next step. De-location serves as the discursive mechanism by which actual social and economic exclusion is made politically reasonable.

Conclusions: External arenas reborn?

Toward the end of his groundbreaking work, Modern World-System, Vol. I, Immanuel Wallerstein, says “… the line between periphery and external arena is fluid, both in the sense that it is hard for an analyst to fix it and in the sense that it shifts easily.” In this particular instance he was referring to the relationship between Europe and Russia in the sixteenth century, but this
comment has some contemporary relevance when applied to urban spaces in the developing world. Extreme manifestations of the slum, or favela can be seen as actual examples of peripheral communities falling out of the organized Modern world-system into a form of contemporary external arena. I use the term “systemic disincorporation” as a way of describing the particular form of spatial inequality associated with the slum areas of major metropolitan cities where the separation and social distance between the urban core and the urban periphery may be so great that the peripheral space may no longer be considered periphery in the conventional sense, and begins to behave more like an unincorporated external area. These new external areas can exist within the core of the world-system, but may be so far removed (socially, politically, and economically) that there may be no viable relationship between the core and the (urban) periphery. In the urban future, favelização might well serve as the one-word description for new levels of social exclusion and deprivation, and for the inability (or unwillingness) of those with power and influence to work to fully integrate into the Capitalist World-Economy all those who may be subject to its systemic forces. Favelização could also serve as a byword for a completely reorganized Capitalist World-Economy, one where the primary organizing social relationship of the system is not that which exists between the core and the periphery, but rather the relationship will be structured by a fundamental tension between the urban, the urban periphery, and the disincorporated multitudes living on the fringes of the world’s cities in slums, favelas, and shantytowns.

References


