

Understanding the Political and Economic Context of Urban Development

During the late sixties, economists, sociologists, urban planners, and other students of urban phenomena increasingly investigated alternative theoretical perspectives from which these phenomena could be examined. This activity was motivated partly by events such as the urban rebellions that signaled that all was not well in the cities of the United States, and partly by dissatisfaction with traditional or "orthodox" approaches to urban phenomena. The dissatisfaction with traditional views stemmed from disagreement with the assumptions on which traditional approaches were based and from the inability to adequately explain the urban situation of the sixties.

Many of the investigations that emerged during this period were based on Marxist analysis. Two topics receiving particular attention were the political economy of urban development and the theory of the state. The state as used here refers to the political organization constituting the basis of civil government and social life.

This paper brings together the literature on the political economy of urban development and the theory of the state that emerged during and after the late sixties. This is done in an effort to determine what these theories can contribute to our understanding of the general context within which planning takes place. Putting both the analysis of urban development and the analysis of the state in the context of the larger political and economic structure of society can provide important insights into urban life by allowing various dimensions and interrelations to be examined.

The discussion in this paper is motivated by the belief that planners, whether employed by the state or by community organizations, who wish to further economic and social justice need to develop a sound awareness of the context in which planning takes place. This involves understanding the ways in which planning fits

THE LITERATURE POINTS OUT CONTRADICTIONS AND LIMITS THAT ARE INHERENT IN URBAN DEVELOPMENT IN CAPITALIST SOCIETIES

within the larger structure of the state apparatus, as well as the role and functions of the state within the larger socio-economic framework. Adopting this broader perspective can enable planners to be more effective by providing them with a better understanding of the forces

at work in the environment in which their skills are applied.

The following two sections review the literature on urban political economy and the state, respectively. These reviews are not intended to be exhaustive; instead, they are intended to present some of the major topics and issues addressed in the literature. The final section attempts to draw the two bodies of literature together and suggests ways in which they can be useful to practicing planners.

Political Economy of Urban Development

The literature on the political economy of urban development examines two major themes. The first involves the relationship of urban development to the production of goods and services and the relations between workers and owners of capital in capitalist societies.

The second theme involves the process through which the built environment is shaped to meet the requirements of capitalist production and social relations. Although these themes tend to be separated in the literature, when combined they point to important factors that should be considered in attempting to understand urban growth.

The work of Lojkine (1976), Dear and Scott (1981), and Scott (1979) addresses these points. According to Lojkine, the reproduction of advanced capitalist societies requires collective means of consumption and the spatial concentration of the means of production and reproduction.

Collective means of consumption refers to the "totality of material supports of the activities devoted to the reproduction, i.e. maintenance and regeneration, of social labor power," and includes medical, sports, educational, cultural, and public transport facilities. The spatial concentration of the means of production is brought about by the need for cooperation, both within production units and between production units within the larger system of production. Thus, spatial concentration and urban development are closely related to the dynamics of production in capitalist societies.

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Dear and Scott hold that "the economic imperatives of commodity production and exchange," i.e. profit maximization, give rise to cities. Producers initially cluster near raw materials or at transport nodes in order to minimize costs. The concentration of producers is matched by the concentration of workers in residential districts, and this market attracts producers of consumer goods and services.

This growth dynamic, which continues until diminishing returns set in, has two major consequences. First, a hierarchy of centers of different functions and sizes emerges. Second, within each city a spatial system composed of interdependent areas emerges. The system includes: production space, where production and expansion of capital occurs; reproduction space, where labor is regenerated; and circulation space, which ties production and reproduction spaces together.

These spaces combine to form "an intricate land-use pattern expressing the main character of capitalist society." Elsewhere Scott states that it is these land-contingent interrelations, along with the intervention of the urban planning system, that form what he terms "the urban land nexus," which is the "finally unifying idea of the city."

The second approach taken in examining the relationship between urban development and production addresses the influence of urban development on the built environment. According to Harvey (1981), "the urban process implies the creation of a physical infrastructure for production, circulation, exchange, and consump-

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tion." Advanced forms of capitalist production involve the separation of places of work and places of residence, increasing division of labor between production units, and overall economies of scale obtained through the concentration of activities in urban centers.

Harvey's analysis includes an examination of the ways in which capital flows into the construction of the built environment. Individual capitalists tend to under-invest in the built environment, or the "secondary circuit," relative to both their individual needs and the collective needs of capital. At the same time, they tend to over-invest in the production process, or the "primary circuit."

Investment in the built environment tends to be accomplished by switching capital from the primary circuit to the secondary circuit. This switching is usually done by financial and state institutions with the power to create "fictional capital," i.e. credit. Thus, "the flow of in-



vestment into the built environment depends upon the surpluses of capital and labor and upon mechanisms for pooling the former and putting it to use."

The literature on urban political economy also points out contradictions and limits that are inherent in urban development in capitalist societies. An orderly process of urban development in capitalist societies is limited by the need to finance infrastructure and other collectively used elements of the built environment. Many of these elements are highly capital intensive, highly indivisible, or are not viewed as being profitable within the decision-making calculus of individual producers (i.e. roads, sewers, etc.). But the urban development process is very dependent on these elements for its continued functioning. In many cases, the state intervenes and provides these services.

Harvey points out that this investment is undertaken to create an environment that is efficient and rational in terms of the requirements of capitalist production at a particular point in time. But the drive for increased capital accumulation can cause investment that was once supportive of accumulation to become a barrier to further accumulation, as changes in technology place new demands on the built environment. The immobile nature of public infrastructure means that modifications tend to involve long time periods or devaluation.

The limits inherent in urban development in capitalist societies create a need for collective intervention to allow overall production, and thus the development process continues. Lojkin and Scott offer perspectives on ways in which the state intervenes in the urban development process.

The State

In recent years the form and functions of the capitalist state have been addressed by a number of theorists. These theorists use the capitalist social and economic structure as a point of departure in analyzing the state. They have tended to focus on only certain aspects of the state, and few have attempted to develop an actual theory of the state.

One of the major issues that is addressed in this literature involves the control of the state. Two major approaches have been put forward. The instrumentalist approach suggests that the state is the instrument of the ruling class, or capital. Capital, because of its eco-

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omic power, is able to manipulate the state in order to promote its class interests. The structuralist approach contends that the structure of capitalist societies determines the form and functions of the state. The result is that state activity tends to favor capital rather than labor. This result occurs without capital having to manipulate the state directly.

Several weaknesses in these approaches have been pointed out (Gold et al., 1975; Esping-Andersen et al., 1976). By concentrating on the control of the state by capital and on the links between capital and the state, the instrumentalist approach tends to neglect the structural limits within which control must be exercised.

Esping-Anderson et al (1976) reject the view that the state functions exclusively as the

instrument of capital. Resistance from the working class prevents the state from serving only this purpose. To the extent that the state can be made to serve the interests of capital, intervention will be restricted to activities that are consistent with capitalist social relations. But the working class is seldom totally neutralized, so the form and functions of the state influence political class struggle by shaping the issues around which struggle takes place.

Friedland et al. (1978) provide an examination of the manner in which the internal structure of the local state acts to ease the contradictions between the state functions of supporting economic growth and promoting political integration. The mediation of these contradictions depends on the degree of decentralization or centralization of government functions among different levels, and the degree of segregation of economic and political functions within urban governments.

Decentralized state structures in areas such as financing, policy making, and implementation tend to make local governments vulnerable to demands of local capitalists for subsidies and resistant to popular demands for expanded services.

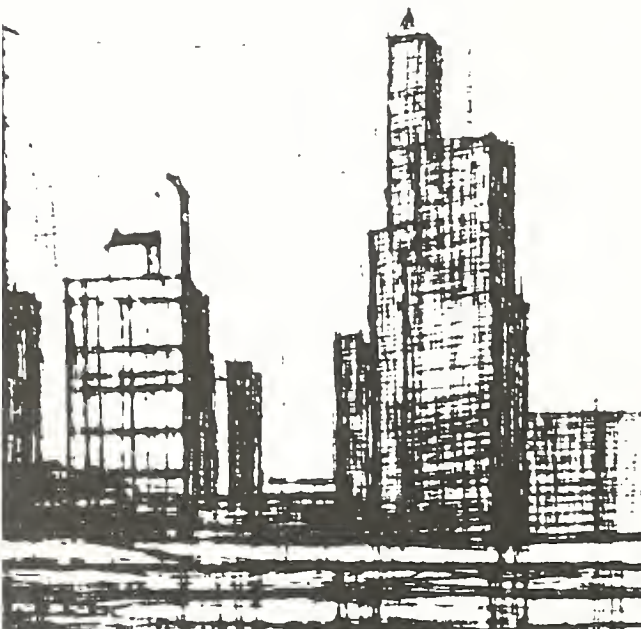
Centralized state structures allow governments to be less constrained by the requirements of capital accumulation because decisions directly related to accumulation are made at higher levels of government. Political integration must be obtained in ways that are not disruptive of the accumulation process. This is usually done by attempting to segregate functions addressing economic growth from those addressing political integration and participation.

The agencies addressing political integration functions tend to have limited power and are highly politicized, while the agencies ad-

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dress economic growth are often kept out of the political arena. Separations like this are illustrative of the ways in which the structure of local government acts to mediate the relations between classes and converts class antagonism into conflicting demands placed on the state.

Scott places his analysis of the state within his discussion of the urban land nexus. He states: "Urban planning constitutes a decision-making calculus that seeks to mitigate the deleterious social effects and failures contingent upon the behavioral peculiarities of firms and households in urban space, and to steer urban society forward into collectively rational choices consistent with capitalist social and property relations."



Urban planning constitutes an effort to provide order to the otherwise anarchic process of urban land use determination. Interventions such as urban renewal and zoning can be interpreted in these terms. But state intervention and urban planning are constrained in their scope of operation because they cannot alter the underlying social relations within capitalist societies. This limitation causes them to become "an integral element of the urban problem at large."

Urban Political Economy and the State

The neo-Marxist literature examines urban development by placing it within the broader context of capitalist production. The way in which production is organized leads to specific economic and social relations that influence the shape of the built environment and the pace of urban development.

The organization of production also generates conflicting and contradictory requirements for different uses and users of land. Some theorists, such as Lojkin, view urban development as the shaping of the space in which capitalist production takes place. Others, such as Scott, view urban development as more than just the spatial dimension of production and describe it as a dynamic process, resulting from spatial interrelations among the users of urban land. State intervention is required to create and maintain conditions that are supportive of profitable capital accumulation.

Although the literature discussed above is useful in terms of providing a general framework for analyzing urban development and state activity, it does not develop this framework to the extent required for an understanding of urban development and state intervention on the local level. Lojkin and Scott come closest to developing this kind of framework, but even their work is limited in this respect. Important areas that need to be addressed include the ways in which different classes influence urban development, distinctions between different levels of state activity, and a more specific discussion of urban planning as a form of state intervention.

Despite these weaknesses, however, the views presented in the literature can be useful to practicing planners. Probably the most important contribution of this literature is the insight that it provides into the forces underlying state intervention in urban development. Many planners would probably agree that planning takes place in a highly politicized environment, but few have more than an elementary understanding of that environment.

Many are familiar with the most powerful organizations and individuals in their locales, but they often do not understand the economic interests that give rise to the political positions adopted by these organizations and individuals. By realizing the general needs of owners of capital, workers, and the state, planners can be in a better position to anticipate and respond to particular development trends and conflicts in their locales.

This literature is sometimes criticized for not providing more specific guidance for planning practice. While this criticism is warranted to a certain extent, it does not constitute sufficient grounds for the total rejection of this literature by planners. Adopting a broader perspective can potentially improve the effectiveness of planners by enabling them to prepare plans that correspond more closely to the economic and social circumstances of the areas for which their plans are intended. The literature reviewed here provides a point of departure for the development of this type of perspective.

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