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The Right to Create and Live Cities: beyond Neoliberal Public Policies

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In Italy the public housing policies are increasingly aiming to market rules with an unfair exchange between public and private. The undertaken way is to answer only to the extreme poverty and leave all the others to different form of public-private partnerships in which the public support is strictly related to the income and wealth of each subject: no more of what get him or her out of relative poverty. A good quality supply of social housing when is accessible to everybody could reduce land rent and housing prices, while the subsidy to pay the enormous market rent have the distort effect to allow prices that otherwise would not have a demand. I will discuss the danger of these tendencies in public housing policies, arguing that we need to change paradigm and many insurgent practices suggest us the way. The alternative relate to who could access to social housing, the participation by inhabitant in designing and planning residential, public and private spaces, the housing typologies chosen and the mix of private, collective and public spaces, without forgetting the main point: the fight against the unfair urbanization processes guided by real estate market and financial institutions.

Widening inequalities

Inequalities are growing: statistical data by Banca d'Italia (Bank of Italy) show that in Italy wealth is in the hand of few: 2.380 families (10% of the total) own 44,5% of the total wealth, that is of 3.686 billion of Euro on the total of 8.284 billion. It is 1.547.750 Euro for each richer family. The 50% of the Italian families, the poorest, own the 9,8% of the total wealth: they are 11.908 families with an average of 68.172 Euro each. But as if the wealth of the richest was untouchable, the main political and cultural discussion is not about redistribution between rich and poor, but about a horizontal redistribution between disadvantages (Revelli, 2010).). The social spatial distribution and the income-wealth distribution play a circular role, incrementing each other. Inequality and spatial segregation are a very linked processes. A key point is to understand where does these inequalities come from and the role played by the production of built environment.

As Harvey stated «urbanization has been a key means for the absorption of capital and labour surpluses throughout capitalism's history» (Harvey, 2012, p.12). As a matter of fact, the geography of the accumulation of capital is in perpetual transformation, mainly under the speculative demands of further accumulation, included the speculation over the real estate values, and only as a secondary, incidental matter, in relation with the need of people. And moreover:

«land is not a commodity in the ordinary sense. It is a fictitious form of capital that derives from expectations of future rents. Maximising its yield has driven low – or even moderate – income households out of Manhattan and central London over the last few years, with catastrophic effects on class disparities and the well-being of underprivileged populations» (Harvey, 2012, p.12).

The power of land property owners and resources owners have been underestimated, so as it have been underestimated the values and the land revenues of land and resources in relation with the circulation and the accumulation of capital as a whole. This sector represent nowadays until 40% of the economic activities in many advanced capitalistic cities (Harvey, 2010, p.186). This sector play an active role because it is exactly through the creation of new geographies that the land owners (in alliance with building company, and the financiers) can promote their class position, in the mean time offering key solution to the problem of the absorption of the surplus capital (Harvey, 2010, p.186).

Lorenzo Bellicini (2010) from CRESME denounces that in Italy there is a profitability of the real estate development of 320%. The building costs vary in different urban areas between 700 Euro / m² and 1.000 Euro /m²; urbanization burden vary between 200 for art cities and 110-120 Euro / m² for all the others; the values of building areas vary between 400 Euro / m² and 1.200 Euro /m²; but there is an extremely high diversities of the market prices that vary between 2.600 Euro /m² and 6.000 Euro /m². The analysis of the production factors and the selling prices, to which have been added the financial burden and the commercialization and management costs,

«show deeply differentiated situations: the profitability of the real estate developments could vary between 30% to 320%. A surprising surplus that should have two return: the quality of the building product and of the new settlement, and a quota of value to be assigned to who do not make it. We can say, without being afraid to be denied, that only precious little of this huge surplus have gone back to the cities» (Bellicini, 2010).

The urbanization process widen inequalities, and the public policies leave all the surplus to the real estate enterprises. Moreover the housing question have a big role in the production of land revenues: the permanence of an absolute need, such as the housing need, make the real estate owners able to take from everyone all what can give nothing less: a kind of odious blackmail. And the land market and the real estate market work better, in the point of view of supply, when there is scarcity, that is to say , when a large majority of demand is without an answer. The market have two main failure: it answers only to whom can pay, and it is more keen to produce money, for example through artificial shortage, or good timing in buying and selling, than to produce good housing.



Putting everybody in their place

Deport the poor to where they belong...

Many public policies and the real estate market treat the inhabitants as lepers: exclusion and expulsion to the suburbs through rising prices, or through rules and regulations that decide who should have the right to stay where, producing spatial segregation, boundary, separations. Or they treat them as plague victims, namely using more sophisticated system of control, with many differentiations and segmentations in answering housing demands (Foucault, 1976). But there is also a third system, in which the metaphor is the smallpox (Foucault, 1977-1978): in this case the demand is studied and analysed in statistical term to decide which percentage of each sector of demand will get an answer; this mean to decide if it is more expensive, in social and political term, to answer to the demand or to leave people to themselves, with danger of anger and rioting.

There is a lot of ideology in talking on housing issue: for example in august 2012 have been released a study by the think tank Policy Exchange in UK with the title: Ending Expensive Social tenancies. Fairness, higher growth and more home: the report is saying that social housing in expensive places should be sold to fund house building in areas that are cheaper. Alex Morton (2012), the report's author, said

«Expensive social housing is costly, unpopular and unfair. That is why almost everybody reject it. Social housing tenants deserve a roof over their heads – but not one better than most people can afford, particularly as expensive social housing means less social housing and so longer waiting lists for most people in need... The truth is, I don't believe anybody has a right to live in the most expensive part of town. People do have a right to get housed, but just not to be housed in the most expensive areas»(Sparrow, 2012).

Of course many criticised this view describing it as sanctioned gerrymandering. The world envisioned in these choices is a kind of spatial apartheid system based on class, associated with other intertwined differences: gender, culture, ethnic group.

The housing public policies in Italy after second world war have mainly promoted the home ownership and during the '90ies we had a cut in public intervention and a greater opening to the market rule, with the introduction of instrument to support income. In Italy nowadays only 4,5% of housing is public housing, while 71,4% are the home privately owned. The spread diffusion of home ownership have many negative effects: constrain to territorial mobility, high costs for families forced to entry private property, very high market rent, danger of eviction and growing poverty risk. The first cause of the housing problem is the excessive price burden of houses. But where does the high price come from?

The inconsistencies of ideological research

The IRPET (2011), the Research Institute by Tuscany Region, believe the housing public policies are connoted by very low resources devoted and low coordination about the criteria to select the users. Its analysis about Tuscany, raise an alarm for the number of evicted families and for adults that stay in the parents home. And sustain that nowadays the housing problem depend on the excessive costs and by the fact that in the public housing inhabits families that «are not poor or that exceed excessively the relative poverty threshold» (IRPET, 2011). On the other hand the contribution to pay the rent is very low and do not allow to reach the relative poverty threshold. For IRPET(2011) the problems in public housing are caused by: the criteria for the selection of the beneficiaries that is based on the conventional income (in Tuscany the maximum income is 15.320 Euro, calculate as 60% of income for pensioners and employees) instead of on ISEE; low turnover of beneficiary; excessively low rent. The solution for them is increase of rent in public housing and distribution of higher revenue to favour the recipient of the contribution to pay the rent in private market. On one side the IRPET proposal try to get rid of who is not poor enough, on the other want to raise the rent. Social housing is seen as a temporary solution that have to be left as soon as possible: as if the housing question was a matter of you not being able to relate to the market, while is a matter of speculation and dispossession. The real problem is to segment the demands, presuming needs and answering in

a “biased” way, assigning to everybody his/her own place. It is crucial who define the categories of people: hetero-definition / self-definition. This two are one the opposite of the other: the first is the producer of racism, prejudice, hierarchy, the other of self-determination, freedom, liberties and at the end, open possibilities and creativeness. Too often the recipients risk to be treated as a social cases: the use of the term “weak subjects” is ideological and mystifying.

To challenge the housing problem we need to understand where does the excessive housing cost come from: first of all from the huge financial investment in housing construction. We have been through three decades in which the share of national income we have secured as wages and salaries has fallen while the share going to profits and rent has risen. This has been a shared experience of most ‘advanced’ countries. In a:

«context of restricted supply, land and property speculation has attracted massive flows of funds over the recent decades, especially since 2000, as the world’s investors searched desperately for safe and profitable places to put their mounting flows of profit. The main effect of these floods of money has not been to increase the stock of housing or other elements of the built environment: it has been to drive prices up. It was, until the crash of 2007, a self-fulfilling kind of speculation: each successive round of asset value growth validated the earlier round of investment so that it came to seem natural and even benign» (Planners Network UK, 2012).

But then the crisis hit.

Housing policies

The housing policy are trying new model of intervention sometimes hijacking old claims and demands created by urban movement. The demand for houses as a social services was by the 70ies movement: but a universal right for everybody have been twisted in a way that becoming as a social service means that houses can be built on the ground that was reserved for social services. While these spaces for services are compulsory in Italy since 1968, often they were not actually built. So the house as social service turn out to be a trick to use the areas reserved for social services (standard areas), for housing that are almost always a PPP with mixed uses and a considerable quota of profit functions. Some other “innovative” proposals are that in the PPP the local authority contribute with the land for free, that is the most profitable part of the development. Some other talk about a PPP to «fairly built advantages for the community and for the economic and entrepreneurial world», but the speculative expectation make the equity and fair particularly problematic.

The public housing policy in the Tuscany region do not challenge the use of less valuable land and areas for social housing. It also presume a link between housing problem and social disadvantaged or vulnerable groups, risking to treat as a social cases people that are on the contrary simply (and dramatically) without an income, without property and / or a job fairly or decently paid. It choose to promote forms of public-private partnerships to widen and diversify the supply of housing designed for rent at the regional and local scale, but to do so negotiate unfair exchange and very often allow disposal of common goods free of charge. These projects, highly publicly subsidized, are designed for who is too poor to access market and too rich to access public housing: the rent will be a little lower than market one, but the tenant income have to be certified around 30.000 Euro to make sure that he will pay the rent (Maggio, 2006).

The Region is keen to set criteria to access and stay in public housing estate in relation, on one side, to the qualitative and quantitative characters of the different segment of supply of public housing and to its location, and on the other in reason of the condition of the family and its economic and housing conditions, ruling in this way also the forfeiture. Actually it is a triumphal entry of the reason of the real estate market in the public housing and it mean to extort as much as possible from the tenant and to bound every quality to a price. Tuscany region choose a typical right wing housing policy: to leave in the public housing with social rent only who have an income lower than 15.320 Euro a year and so only to cases of extreme poverty. These policies are not the only way to go: actually to solve the housing question we need to reverse radically the urbanization processes.



Opening opportunities

Social accessibility

First of all it is necessary to widen the group of who, if will, could access public housing as a housing solution outside the market rules. Not only the poor, otherwise while we create ghettos we do not moderate the market prices. Widen the accessibility means to change the rule to access public housing, raising the maximum level of income allowed, and to admit singles, old people, couple unmarried and without children and all kind of collective living.

Beyond the state rule and sclerotic ideologies

A pivotal and heavy shortcoming of the state as suppliers of housing is its presumption of the needs of users, very often full of ideological superimposition. It is important to develop new and up to date residential spaces and housing model, and the better way is to allow people to create new way of inhabiting able to answer to their actual need and desire. The social relations that have to inhabit the houses are more varied of what is presumed by housing typologies. The main reasons why the houses are not made for them, are two-fold. One reason is that the real estate market is quite conservative and want to be sure to sell its products, and so offers what is traditional and expectable. On the other hand the Italian state with its public housing is politically and culturally obsolete and outmoded, and still presume a nuclear family with traditional division of gender role, that probably never exist as such. Singles and groups are considered and accepted in public housing only if are marginal groups. But in so doing both the market and the state obstruct the way to free choice and cultural and social developments.

Break the rule and open up possibilities: beyond the capitalistic market

We need to open up new possibilities, giving chance to collective creativity to built up its own spaces and places. There are two main means or tools we could use: properties rights rules and urban planning. There are some interesting example of way to get rid of speculation like the Limited Equity Cooperatives in US and Community Land Trust in Germany (Horlitz, 2012). These solutions look for alternative ownership model. Social housing probably should be built by new common self-managed non profit people's organisations, able to produce common goods.

Urban planning should challenge the real estate market. To set free the urbanization from the logic of land revenue and real estate profit, we need to stop to feed the monster that is fed by giving him what he ask: for example the prime location for its profit buildings, tearing down existing buildings and neighbourhood (the rent gap described by Neil Smith). At the same time, through urban planning, while we stop feeding the monster, we have to start to increase all kind of answering to social needs: accessible housing, self-managed cultural and social spaces and services: the city in common, to built together and that already strive to exist, but is obliterated and obstructed by the logic of land revenue and real estate profit.

Urban planning can fight the high prices of the real estate and the land rent, by promoting:

- functions with social uses: use value and not exchange value, social rationality instead of market rationality;
- spread urban and territorial quality in social, environmental, infrastructure terms;
- collective property and public property to be used for social aims;

We need also a law to control rent together with a new law on land ownership.

Our task as planners is a bit larger than solving a single problem, have to do with our contribution to re-create the social and environmental relations that have been broken:

«The question of what kind of city we want cannot be divorced from that of what kind of social ties, relationship to nature, lifestyles, technologies and aesthetic values we desire. The right to the city is far more than the individual liberty to access urban resources: it is a right to change ourselves by changing the city. It is, moreover, a common rather than an individual right since this transformation inevitably depends upon

the exercise of a collective power to reshape the processes of urbanization. The freedom to make and re-make our cities and ourselves is, I want to argue, one of the most precious yet most neglected of our human rights»(Harvey, 2008).

We can solve the housing question only if we change paradigm, and step by step create new possibilities.

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