

# **GEOGRAPHY N20**

**WEEK 4 – 7/29/15**

*Summer Sessions 2015  
UC Berkeley Dept. of Geography  
Lecturer: Meleiza Figueroa*

**MEGACITIES, URBAN POVERTY,  
& INFORMAL/ILLICIT ECONOMIES**

# VIDEO:

## “City of Men” (*Cidade dos Homens*)

*Globo TV Brasil/Sundance Channel (2002) | dir. Paulo Lins & Katia Lund*

Season 1, Episode 3: “*Correio*” (“The Mail”) – 30 min.  
Mapping the favela in Rio de Janeiro



# CITY OF MEN: FEATURES OF FAVELA LANDSCAPES IN BRAZIL (AND ELSEWHERE)

## ✧ Informal settlement

- Unmapped; not geographically *legible* (lack of official designations)
  - Generally formed through illegal settlement (*land invasion*)
- Unplanned; makeshift or *autoconstructed* housing
  - “Autoconstruction” as a type of ‘urban planning’ – reflects needs, often inventive
  - Appears chaotic; functional ‘hidden geography’ (informal social agreements)
- Community/Resident Associations (*Associação* in Brazil)

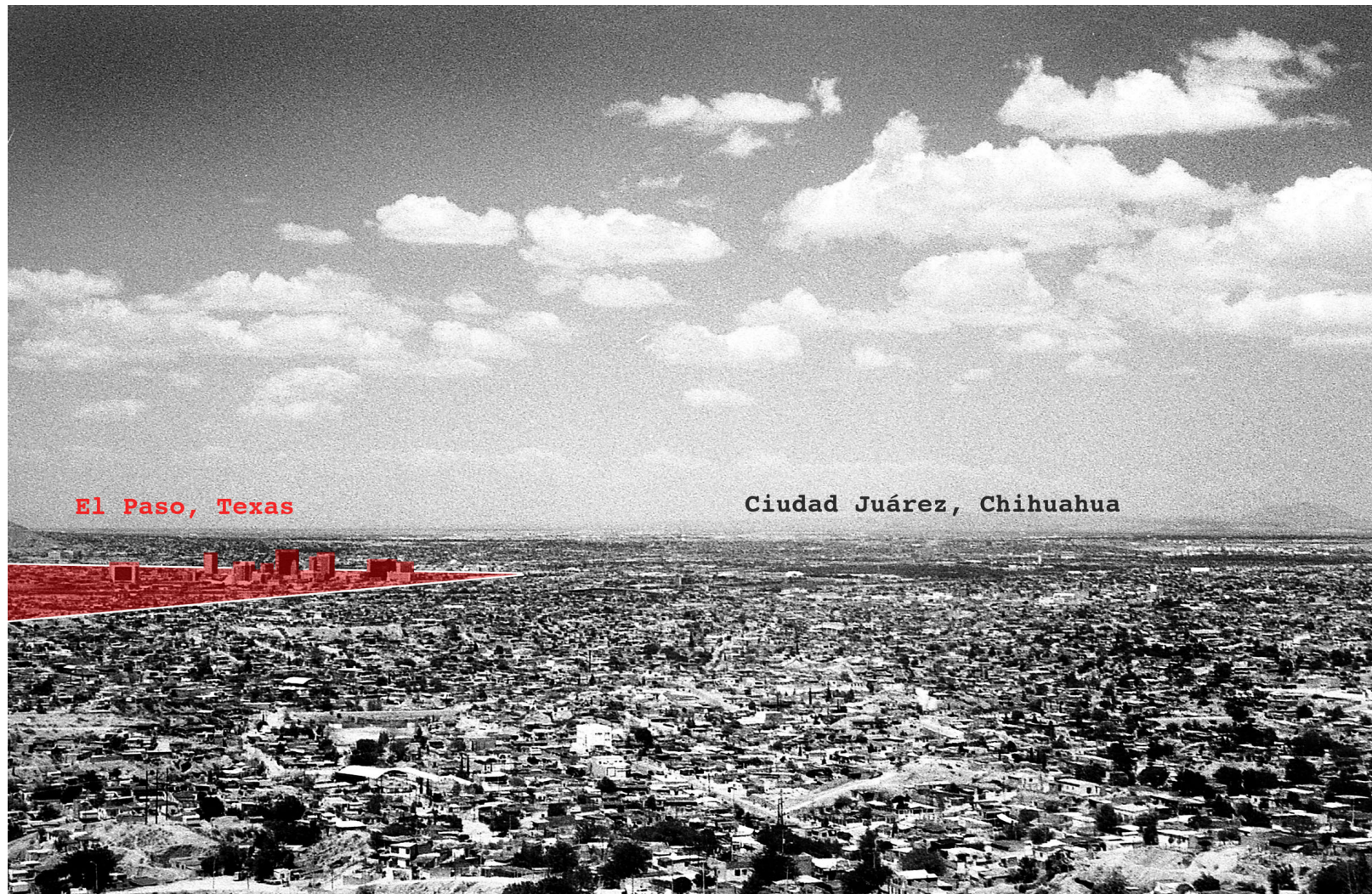
## ✧ Informal economy

- Home- or community-based goods & services (food, construction, etc.)
  - Usually need-based (when it need arises in a community); also: the ‘hustle’
- Also houses workers in the formal economy
  - Often the working-class districts of the city
  - Against stereotype that they are a ‘surplus’ or ‘disposable’ population
- Drug Trade (*Comandos*)
  - Neighborhood gangs/bosses as leaders/influential community members
  - Violence (between gangs/members as well as with police)

## ✧ Parallel social organization to ‘formal’ city

- Sense of community, pride; Particular way of life
- Favela residents (*favelados* / *moradores*) often discriminated in ‘formal’ city
  - Intense security in ‘formal’ districts: gated communities, walls, cameras, etc.





# **LANDLESS LABOR, URBAN CAPITAL: GLOBAL CITIES & THE MIGRANT UNDERCLASS**



# GLOBAL CITIES:

## URBAN SPACE & CAPITAL IN A 'NETWORK SOCIETY'

✧ **Neoliberal 'flexible accumulation regime' = Networked world**  
(\*In reader: Sassen – week 3)

- **Geographic dispersal of economic activity**

- 'Global supply chain'

- **Globally mobile capital needs land bases**

- *Concentration* of financial infrastructure/services
- Specialized service firms
  - Accounting, legal, IT, telecom, creative, etc.
- HQ locations for TNCs, banks, institutions



- **Cities as *agglomeration economies***

- Combined & specialized services to handle complexity, speed of capital flows
- Stock exchanges / land base for transnational FDI
- Shift in role of municipal government: create attractive environment for investment

- **Urban inequality: result of concentrated, hi-level economic functions**

- Hi-income specialists, professional firms – focus of capital-intensive urban development (ex.: gentrification and the 'creative city')
- Demand for labor to 'service' professional services: food, cleaning, construction, etc.
  - Low-profit, 'unskilled' service sector not prioritized by municipal govts, urban planners
- Spatial / socio-economic *segregation* of these sectors: Core + Periphery

# **FLEXIBLE MARKETS, PRECARIOUS WORK**

## **LABOR MOBILITY & DISPOSSESSION AS THE 'NEW NORMAL'**

### ✧ **Increased Migration under neoliberalism**

- International migration: 12 Million undocumented workers in US
  - Rate of illegal migration tripled after NAFTA was implemented
- Internal migration: Rural → Urban

### ✧ **'Push' factors: Loss of land for rural peasants/farmworkers**

- Food producers under pressure, competition on a global market
  - (*\*In reader: Moseley, Carney et al.*) Falling returns → debt → loss of land as an asset
  - Shift to *diversified livelihood strategies* (including seeking urban/crossborder employment)
- Change in property laws = elimination of communal lands (ex. *ejidos* in Mexico)
- Displacement from war, internal conflicts in countryside

### ✧ **Inability of urban labor markets to absorb demand for work**

- Masses of unemployed/underemployed ('*superfluous*' labor – Davis reading)
  - Mixture of formal, informal, temporary/seasonal jobs; precarity as a standard

### ✧ **'Pull' factors: jobs/services/schools, opportunities**

- *Urban bias* in state planning, social programs

### ✧ **In Global South: *circular* migration**

- Temporary/seasonal work; remittances from urban & First World wages



# INTERNATIONAL MIGRATION: UNDOCUMENTED LABOR IN THE UNITED STATES



Recommended films: *Sin Nombre* (2009), *A Day Without a Mexican* (2004), *Fast Food Nation* (2006)

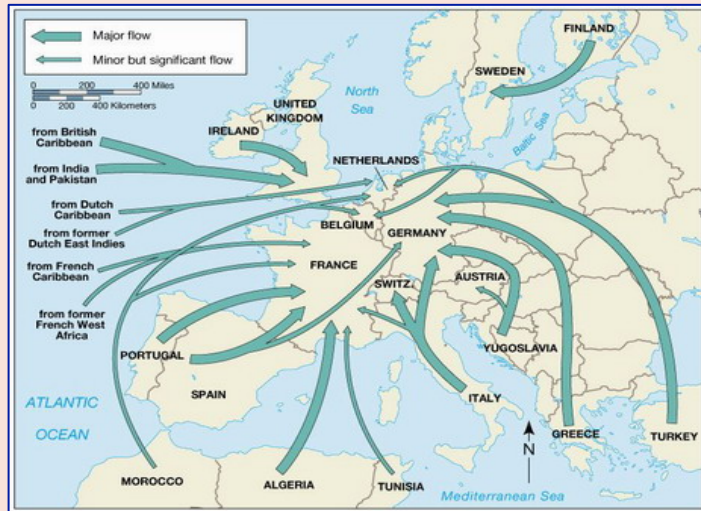
# SEBASTIÃO SALGADO: *MIGRATIONS*



*Brazil, Bolivia, Tanzania, China, Central Europe, India*

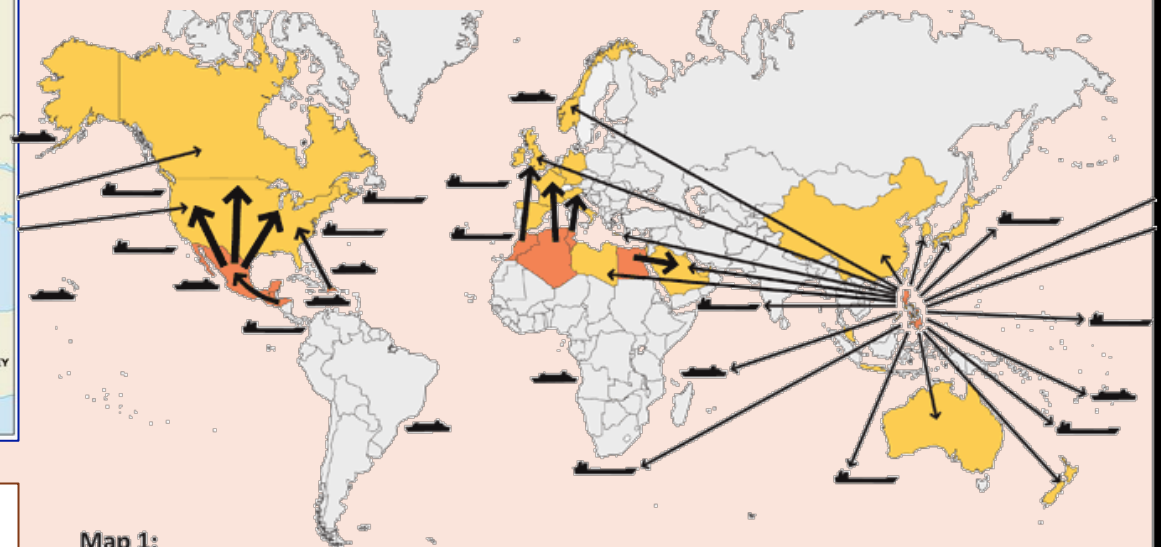
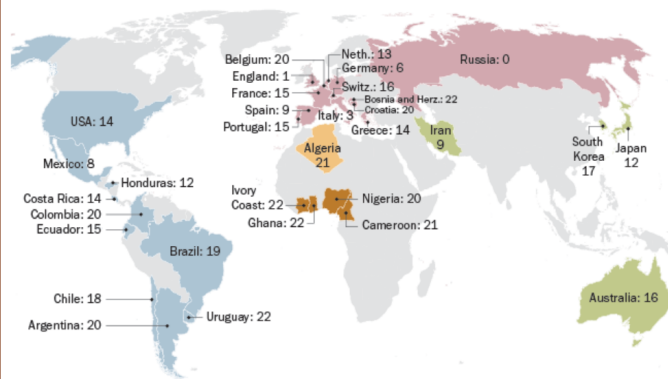


# GLOBAL MIGRATION PATTERNS



## Majority of World Cup Footballers Play Outside Home Country During Regular Season

Of each World Cup team's 23 players, a look at how many play abroad



Map 1:

## Major labor migration streams at the beginning of the 21st century

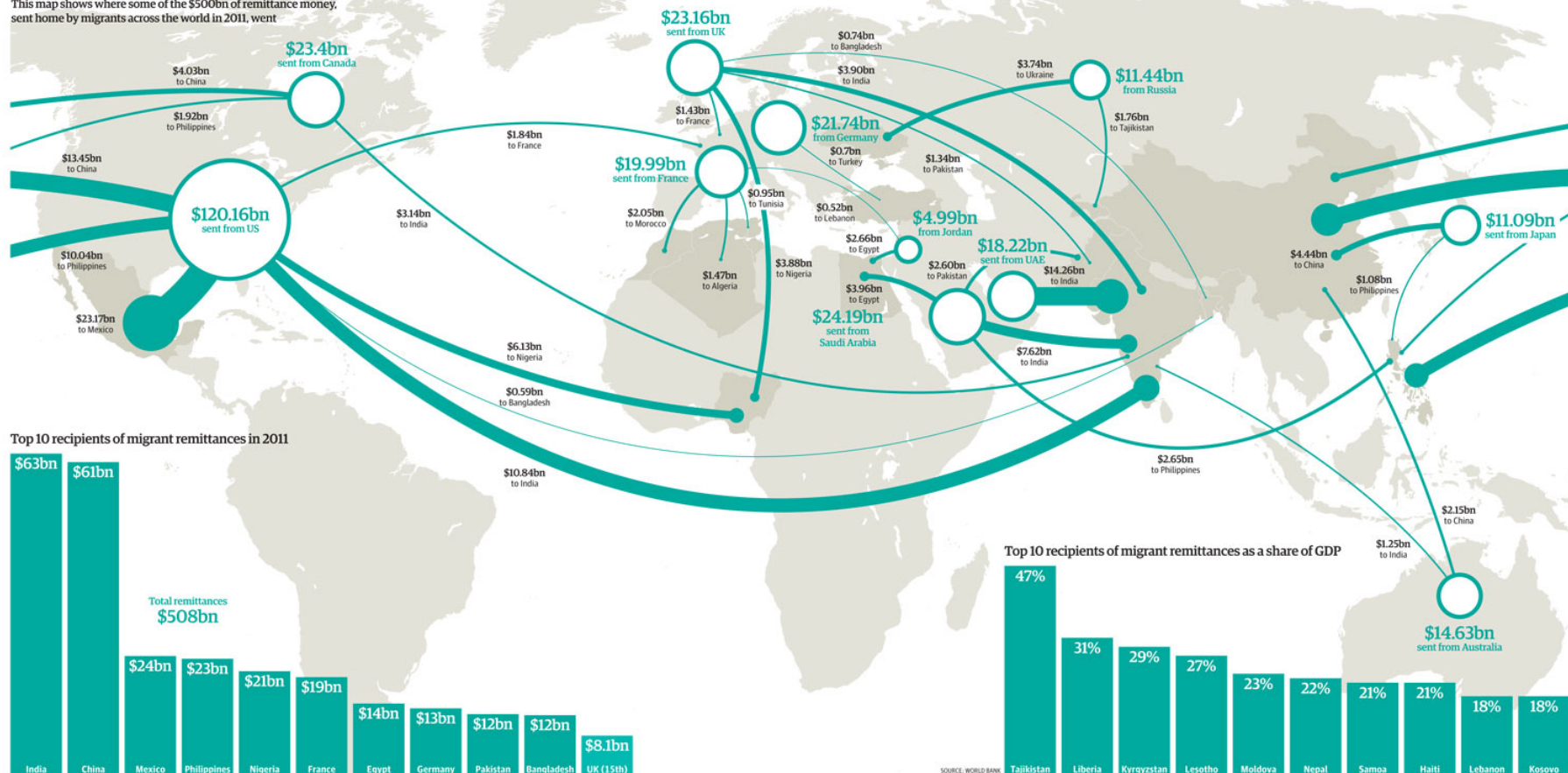
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# MIGRANT REMITTANCES: CAPITAL FLOWS 'FROM BELOW'

## Where the money goes

This map shows where some of the \$500bn of remittance money, sent home by migrants across the world in 2011, went

theguardian



**Remittances' role in world economy = \$483 bn (2011); 192 mil. migrant workers (3% world pop)**  
Can be up to 1/5-1/2 of total GDP in some countries (!)

'Towards a Migration Development Bank' (Huffington Post): <http://huff.to/1DOyLKp>



# WALLS & BORDERS – FREE-TRADE PARADOX: SAFE PASSAGE FOR CAPITAL, NOT FOR LABOR



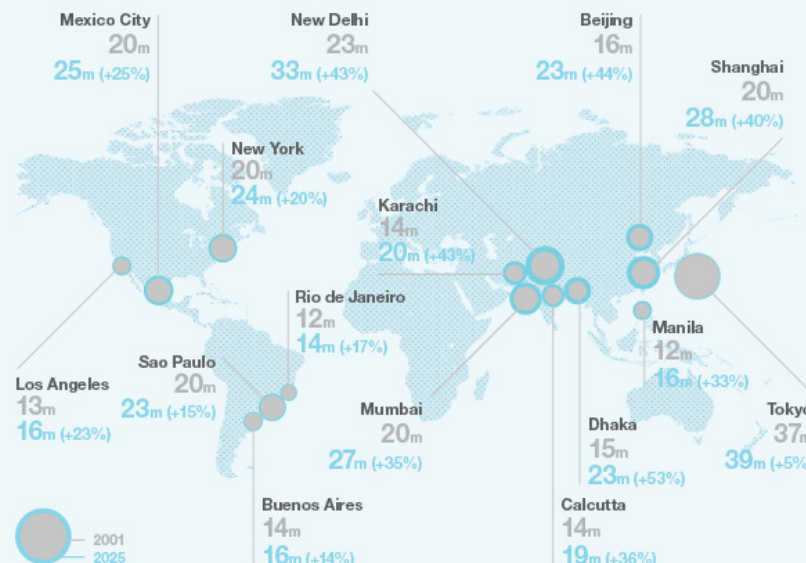


# MEGACITIES: PLANET OF SLUMS

How is the population of the world's top 15 **megacities** expected to grow from 2001-2025?



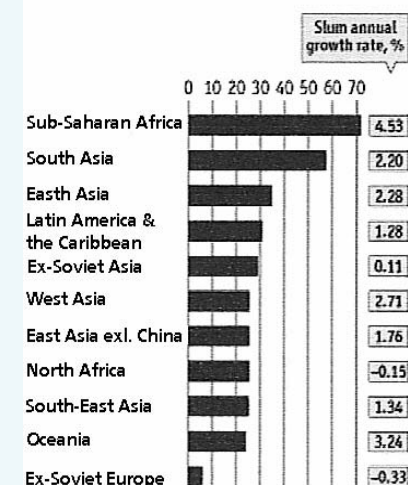
Source: UN Population Division, World Urbanisation Prospects 2011 Revisions; figures for 2025 are projections



(\*In reader: Davis)

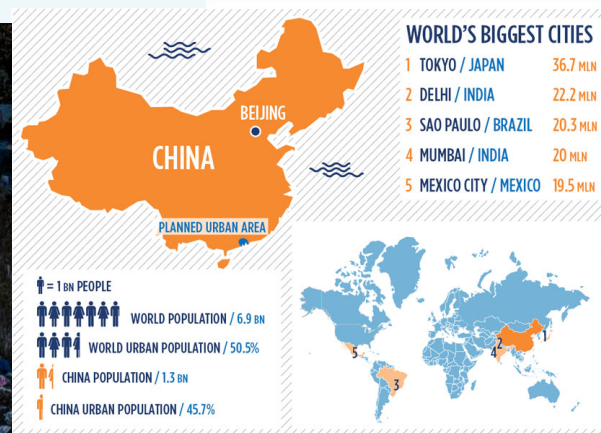
Figures 6

Urban population living in slums % of total, 2005



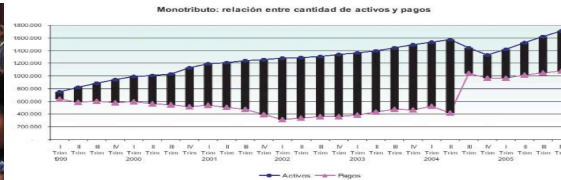
Source: UN-Habitat

| City          | Population (million) | City           | Population (million) |
|---------------|----------------------|----------------|----------------------|
| Tokyo         | 37.2                 | Los Angeles    | 13.4                 |
| Delhi         | 22.7                 | Rio de Janeiro | 12                   |
| Mexico City   | 20.4                 | Manila         | 11.9                 |
| New York City | 20.4                 | Moscow         | 11.6                 |
| Shanghai      | 20.2                 | Osaka          | 11.5                 |
| São Paulo     | 19.9                 | Istanbul       | 11.3                 |
| Mumbai        | 19.7                 | Lagos          | 11.2                 |
| Beijing       | 15.6                 | Cairo          | 11.2                 |
| Dhaka         | 15.4                 | Guangzhou      | 10.8                 |
| Calcutta      | 14.4                 | Shenzhen       | 10.6                 |
| Karachi       | 13.9                 | Paris          | 10.6                 |
| Buenos Aires  | 13.5                 |                |                      |

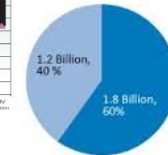




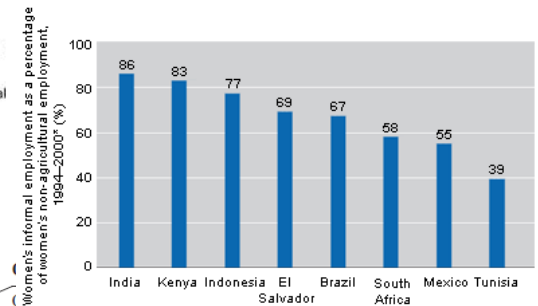
# PEOPLE AS INFRASTRUCTURE: INFORMAL ECONOMIES IN THE URBAN PERIPHERY



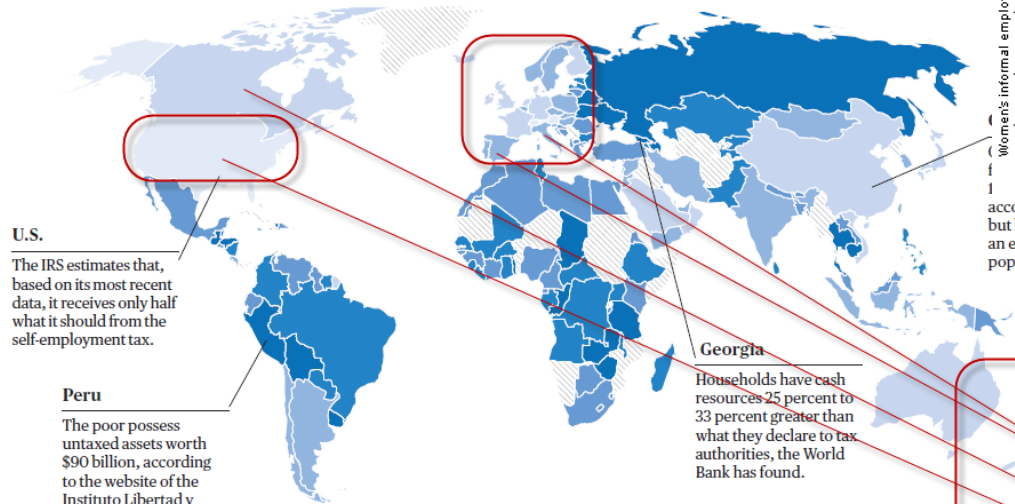
Worldwide Informal Employment



Many women across the developing world work in the informal sector



Worldwide Informal Economies



## U.S.

The IRS estimates that, based on its most recent data, it receives only half what it should from the self-employment tax.

## Peru

The poor possess untaxed assets worth \$90 billion, according to the website of the Instituto Libertad y Democracia, a think tank in Lima.

## Georgia

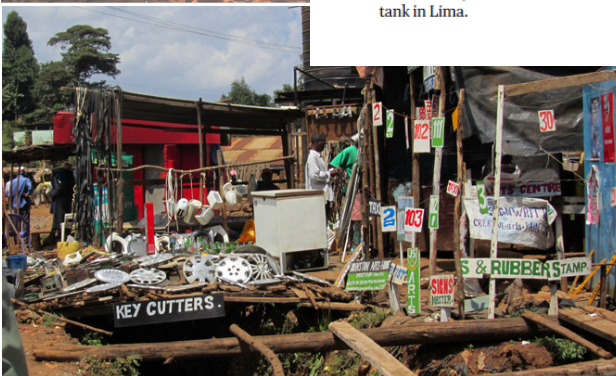
Households have cash resources 25 percent to 33 percent greater than what they declare to tax authorities, the World Bank has found.



according to Schneider, but his study excludes an enormous rural population.



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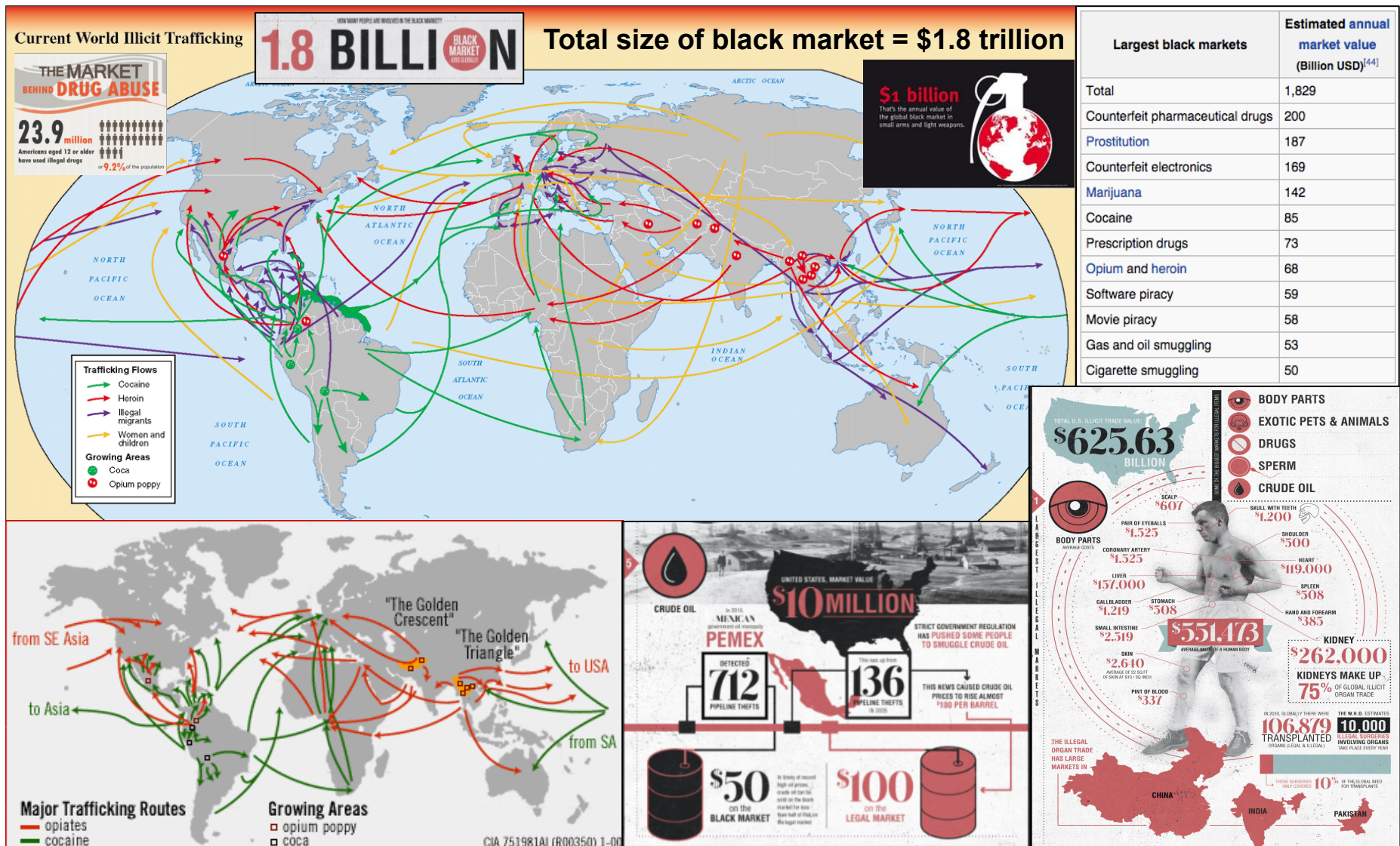


# EU SOU FAVELA: INFORMAL COMMUNITIES IN BRAZIL





# ILLICIT ECONOMIES: THE SHADOW SIDE OF THE GLOBAL ECONOMY



# BLURRED LINES / (IL)LEGAL FLOWS: THE GLOBALIZATION OF NARCO-CAPITALISM

## ✧ Relationship between 'licit' & 'illicit' economy has always existed

- Age of Exploration – Pirates & 'Privateers' (*Villains of All Nations* by Marcus Rediker)

## ✧ Cold War – US Government involvement

- Black market activities financed covert wars
- Iran-Contra Scandal
  - Arms-for-hostages → Iran
  - \$ from weapons sales → Contras in Nicaragua
- Contras & Crack Cocaine
  - CIA aided crack trade in U.S. cities (Los Angeles) to fund Contras
  - Exposed by investigative journalist Gary Webb – '*Dark Alliance*'



## ✧ Neoliberal 'narco-states': Mexico (\*In reader: Thornton)

- NAFTA & neoliberalization of Mexican economy → massive unemployment
- War on Drugs' unintended consequences: Drug production from Colombia → Mexico
  - Disruption of *plaza* system (PRI-facilitated smuggling) & rise of cartels
  - Destabilization → inter-cartel violence (up to 100,000 dead)
    - Ayotzinapa: 43 students murdered – touched off massive anti-violence social movement
- Wachovia/Wells Fargo scandal: bank laundered \$378bn in Mexico drug money
  - UN official: drug money "only liquid investment available to banks on the brink of collapse" during 2008 financial crisis: <http://www.theguardian.com/world/2011/apr/03/us-bank-mexico-drug-gangs>

## ✧ U.S. remains #1 consumer for illegal drugs . . .



# GLOBAL CITIES, MEGACITIES, SLUMS: GROUP REFLECTION QUESTIONS

- ✧ **What is the rural-urban ratio in your country?**
  - What change in that ratio / rate of change since 1970?
  - What changes to agriculture/rural life prompted this shift?
  - Connections to neoliberalization?
  
- ✧ **Are there megacities in your country?**
  - How many, & how big?
  
- ✧ **What are the 'global city' features of the major cities?**
  - What firms/services/etc. serve the globalized economy?
  
- ✧ **Does the city have significant informal settlements?**
  - What are the 'planet of slums' features of these major urban areas?
  
- ✧ **What are commonly identified as urban problems in your country?**