

# UC Berkeley

## UC Berkeley Previously Published Works

### Title

Raquel Rolnik 2019: Urban Warfare: Housing under the Empire of Finance. London: Verso Books

### Permalink

<https://escholarship.org/uc/item/08f1s5rx>

### Journal

International Journal of Urban and Regional Research, 44(5)

### ISSN

0309-1317

### Author

Fields, Desiree

### Publication Date

2020-09-01

### DOI

10.1111/1468-2427.12956

### Copyright Information

This work is made available under the terms of a Creative Commons Attribution License, available at <https://creativecommons.org/licenses/by/4.0/>

Peer reviewed

*Urban Warfare: Housing Under the Empire of Finance* (book review)

Desiree Fields

Department of Geography

University of California, Berkeley

[desireefields@berkeley.edu](mailto:desireefields@berkeley.edu)

Accepted for publication in *International Journal of Urban and Regional Research* on July 27,  
2020

*Urban Warfare: Housing under the Empire of Finance*

By Raquel Rolnik

London: Verso Books, 2019

In the background of the multi-dimensional housing precarity produced and exacerbated by the COVID-19 pandemic, global real estate investment giants are, once, again [gearing up](#) their strategies for acquiring distressed assets. It is a crucial moment to interrogate the logic of the urban built environment as a global terrain for financial accumulation. In *Urban Warfare*, Raquel Rolnik draws on her scholarship, activism, and policy experience to analyze how finance capital has so thoroughly colonized the domain of housing, and with what consequences. Rolnik's role as the United Nations' Special Rapporteur on the Right to Adequate Housing from 2008 to 2014 provides a rich empirical well for the book. Linking the transformations of state policy that facilitate the financialization of land and housing with the lived experience of and struggles against the resulting housing precarity, Rolnik offers a global perspective, but one situated in knowledges and expertise based in "the world's periphery" (p. 2). This perspective guides the book's development from the capitalist core to its peripheries writ large (Parts 1 and II), and finally to Brazil specifically (part III).

In Part 1, Rolnik details the rise of privately-owned, mortgaged homeownership as the dominant global housing paradigm in a range of geographical contexts over the past four decades. The broad contours of this process in the capitalist core of the United States and Europe will be familiar to many readers. Homeownership took on new social and economic significance as a form of privatized, asset-based welfare as states dismantled public housing (and many other forms of social welfare) and disincentivized renting in the 1980s. Opportunities to invest in the built environment and the liquidity of real estate investment then expanded as states simultaneously promoted homeownership and facilitated financial markets and instruments. Growing household indebtedness and the construction of financial instruments aggregated from these debts heightened the interconnectedness of local housing markets and global financial markets.

Rolnik traces how this well-rehearsed form of housing financialization has been exported from the capitalist core to low and middle-income countries via the World Bank and similar institutions. Away from the heartlands of capitalism, “the empire of finance” has expanded in a variegated way, proceeding through demand-side subsidies (government-subsidized purchase of market-produced units) pioneered in Pinochet’s Chile and taken up across Latin America, Africa, and Asia; and housing microfinance schemes (very small loans for slum-dwellers to upgrade their living conditions) in developing countries and emerging markets. The large-scale geographical narrative in part 1 of *Urban Warfare* thus knits together multiple dimensions of the transformed political economy of housing and how it has heightened finance capital’s control over the built environment, all the way from capitalism’s core to its peripheries.

In part 2 of *Urban Warfare*, Rolnik turns toward the crisis of housing insecurity resulting from finance’s colonization of land and housing beyond the capitalist core, including China, Indonesia, India, Haiti, and more. The “zone of indetermination between legal/illegal, planned/not planned, formal/informal” (p. 131) occupied by so many urban dwellers constructs what Rolnik describes as ‘permanent transience’. In turn the territorial stigma attached to these precarious ‘illegal’ settlements and their residents (whose precarity and illegality is, of course, produced by the state) legitimizes expulsion through ‘regularization’ of property or land concessions to developers when opportunities for rent extraction are ripe. Urban planning and land management policies play a crucial role here: land liberalization typically occludes tenures other than individual private property, putting communities with informal, traditional, or communal claims to land at risk of forced eviction and dispossession.

In privileging individual private property to the exclusion of other forms of tenure, land reform and titling programs remove a fundamental barrier to “the free and safe circulation of land as an asset in the market” (p. 158), enabling processes of urbanization while legitimizing expulsion through state systems of law and urban planning. Those consigned to permanent transience make easy targets for dispossession to make way for contemporary speculative urbanism,

embodied in large infrastructure projects, housing developments, technology parks, new private cities, and similar megaprojects. Land expropriated from informal and irregular settlements is leveraged to finance these urban transformations based on anticipated income flows. As Rolnik shows with examples of urban expansion, post-disaster reconstruction, and international sporting events, the involvement of private developers in realizing such large-scale projects centers the profit imperative over the needs of residents lacking formal claims to territory. According to this logic of urbanization, state power to expel and evict those dwelling in permanent transience is “intrinsic to the ‘capitalisation’ of those territories” (p. 195) and to securing private profit of developers and financial actors.

Akin to how processes of enclosure created a population compelled to sell their labor-power, the dispossession of those without formal property rights begins to compel individuals to meet their housing needs via “circuits of consumption and credit” (p. 197), including mortgaged homeownership. And in Part III of *Urban Warfare*, Rolnik tightens the frame to focus on the paradigm of ownership in relation to processes of dispossession and financialization during a period of contradictory development in Brazil. As the country began to democratize, build a welfare state, expand the right to the city and right to housing, and direct economic growth toward combating poverty, it also contended with ongoing stigmatization of informal settlements and grew increasingly subject to currents of neoliberal governance and the hegemony of global capital. Ultimately these latter forces deeply shaped efforts to improve urban conditions in order to sustain economic growth, especially as the impacts of the 2008 financial crisis rippled toward Brazil.

Initiated in 2009, the *Minha Casa Minha Vida* (My House, My Life, MCMV) program of government-subsidized private construction of housing destined for freehold ownership was initially conceived as a way to protect real estate developers from the effects of the global crisis. Mortgaged homeownership came to dominate national housing policy as MCMV offset the impacts of the 2008 crisis and contributed to economic growth by stimulating construction and job growth. While delivering 1.7 million housing units by 2014 (and financing another two

million), the rising price of urban land meant that to secure profitability, developers built massive housing complexes for low- and middle-income homeowners on an often-bleak urban periphery. MCMV is also another chapter in decades of efforts to regularize informal settlements, and resulting waves of expulsion and conflict: as it moved favela dwellers from settlements in the core to complexes on the outskirts, it rearranged spaces of affluence and abandonment in ways that only further entrenched “the territorial cleavage between rich and poor” (p. 224). In Part III, Rolnik’s in-depth treatment of how Brazil’s institution of mortgaged homeownership has articulated with that of permanent transience underscores the importance of moving analyses of financialization beyond the capitalist core.

One of the great strengths of this geographically sweeping but finely detailed work is an unwavering emphasis on power relations, especially the role of the state in enabling financialization. Rolnik effectively demonstrates how “urban planning and housing policies have been fundamental to the expansion of financialized capitalism” (p. 280). But equally, in attending to uprisings against eviction and dispossession, Rolnik continues a long Brazilian history of engagement in movements for the right to the city. *Urban Warfare* leaves no doubt about the global reach of financial logics into the realm of housing and the imperative of resistance to this process.

Desiree Fields

University of California, Berkeley