

Título do capítulo

CHAPTER 16
BRICS-CITIES AND THE ISSUE OF SOCIAL MOBILITY:
ATTRACTION OF CAPITAL AND THE RIGHT TO THE CITY

Autores(as)

Sérgio Veloso

DOI

Título do livro

VI BRICS ACADEMIC FORUM

Editores

Renato Coelho Baumann das Neves
Tamara Gregol de Farias

Volume

Série

Cidade

Brasília, DF

Editora

Ipea

Ano

2014

Edição

ISBN

978-85-7811-242-4

DOI

© Instituto de Pesquisa Econômica Aplicada – **ipea** 2014

As publicações do Ipea estão disponíveis para *download* gratuito nos formatos PDF (todas) e EPUB (livros e periódicos). Acesse: <http://www.ipea.gov.br/portal/publicacoes>

As opiniões emitidas nesta publicação são de exclusiva e inteira responsabilidade dos autores, não exprimindo, necessariamente, o ponto de vista do Instituto de Pesquisa Econômica Aplicada ou do Ministério do Planejamento, Desenvolvimento e Gestão.

É permitida a reprodução deste texto e dos dados nele contidos, desde que citada a fonte. Reproduções para fins comerciais são proibidas.

BRICS-CITIES AND THE ISSUE OF SOCIAL MOBILITY: ATTRACTION OF CAPITAL AND THE RIGHT TO THE CITY

Sérgio Veloso¹

1 INTRODUCTION

Born as a compass for new global investments, BRICS (Brazil, Russia, India, China and South Africa) entail a metaphor of mobility that nourishes and strengthens throughout the globe, in the hopes of reducing poverty and social inequality, as well as constructing a new world order marked by new centers and protagonists. The consolidation of a group of countries, like the BRICS nations, as strong global players demonstrates to the whole world that mobility is a real possibility in the international arena. What the BRICS grouping does not make clear, however, is whether this mobility will result in profound systemic changes towards a more equal and democratic world.

Mobility denotes motion, flow, movement and revolution. In the Oxford dictionary, it is defined as “the ability to move or be moved freely and easily”. One moves from one place to another, from one condition to another, and from one state to another. Mobility is an inherent condition of life on Earth. As inhabitants of a planet orbiting continuously around a sun, we move constantly, or, in other words, are in constant movement. Mobility, however, does not denote any inherently positive meaning. It simply denotes motion.

When applied to the challenges and obstacles of social life, the term “mobility” comes accompanied by the adjective “social”. As the most general definition of mobility, social mobility also denotes motion. However, often this motion is marked by a positive connotation. Social mobility is often synonymous with or refers to the reduction of social inequality and poverty. In this case, mobility no longer simply means motion; it acquires a positive connotation. This paper would like to argue, however, that this is not always the case: social mobility does not always entail a reduction of social inequality and poverty.

This short paper discusses, through the concept of *BRICS-Cities*, two different agendas of urban development. Each of these agendas leads to distinct

1. Researcher at the BRICS Policy Center. E-mail: <sergio@bricspolicycenter.org>.

notions of social mobility, which, in turn, leads to different conditions of urban life. This paper is organized as follows: The first section briefly analyzes the relation between the urban as a socially constructed process and social mobility. The second section introduces the concept of *BRICS-Cities*. This concept seeks to express a process of mobility in which *megacities* assume certain attributes of *global-cities*, performing more important roles in the global economy. The third section analyzes two agendas of urban development in BRICS-Cities – attraction of capital and the right to the city – and the different connotations of social mobility arising from each of these agendas. In conclusion, this paper will argue in favor of the complementarity of both agendas in order for the BRICS to become a vector for the consolidation of an inclusive and democratic order through the development of their cities.

2 URBAN PROCESS AND SOCIAL MOBILITY

In his studies, Henri Lefebvre (1991; 2003) highlights the procedural nature of urban spaces. Cities are more than their streets, buildings, resources and wealth; they are socially-produced spaces. By noting this procedural nature, Lefebvre (1991; 2003) stresses the importance of diverse relationships and articulations in the daily urban life. The social production of space, system of values, interests and discourses that give shape and organize the everyday of urban life, is the result of relationships and disputes between various actors inhabiting the city.

This perception is important because it demonstrates that cities are open and unpredictable spaces. The materiality of cities, as well as their systems of values, interests and discourses, is the result of social interaction. Urban life can, thus, take many forms. The point is that none of these forms are given; they are continually produced and reproduced through daily life (Lefebvre, 1991; 2003). Due to this reason, and also to their material capabilities and structures, cities are strategic sites for concentration of productive forces as well as for the accumulation, management, and distribution of resources (Lefebvre, 1996; Harvey, 2008; Brenner *et al.*, 2012).

In all its procedural, social, and material complexity, cities are thus suitable spaces for different types of mobility, including, of course, social mobility. They can provide mobility towards the democratization of capabilities, giving to a greater number of their dwellers real chances to take part in the enjoyment and management of their resources. However, a city can also do the opposite, restricting to a smaller number of its dwellers a chance to take part in the enjoyment and management of its resources. These two scenarios shed light, therefore, to the ambivalent aspects of social mobility in the urban space. While, in the first scenario, there is an inclusive and universal social mobility, in the second, there is an exclusive and particularist social mobility.

3 BRICS-CITIES: MEGACITIES WITH ATTRIBUTES OF GLOBAL-CITIES

The idea of BRICS-cities refers to this procedural nature of the urban space, and the possible outcomes of social mobility inherent to it, as well as to the metaphor of international mobility entailed by the BRICS. The term “city” in BRICS-cities stands for the process of the social construction of urban space and the possible outcomes of social mobility inherent to it. The term “BRICS”, in turn, stands for the metaphor of international mobility in which the BRICS increasingly gain more value in the global economic and political arena. The concept of BRICS-cities, therefore, tries to shed light to the fact that the BRICS guarantees global mobility through the development of its cities, through which its megacities acquire particular attributes of global-cities.

According to the definition of the United Nations (UN-Habitat, 2008), a megacity is determined in terms of people, referring to urban centers with a population over 10 million. In turn, authors like Bugliarello (1999) and Van der Ploeg and Polhekke (2008) consider it to be more appropriate to define megacities according to their general features. According to this authors, the concept of megacity applies to cities in developing countries marked by high rates of poverty, precariousness in infrastructure, and the high concentration of people in areas of spontaneous and unplanned development (Bugliarello, 1999; Van der Ploeg and Poelhekke, 2008). Due to these characteristics, megacities are urban agglomerations eager for investments to provide improvement in the conditions of urban infrastructure and create jobs to assimilate its population in order to reduce the level of poverty and social inequality.

Global-cities, in turn, are presented as urban spaces highly specialized and attractive to qualified professionals with high incomes and, therefore, high powers of consumption. In addition to that, global-cities are also presented as having well structured infrastructures and urban services, enabling high connectivity and mobility, both physical and virtual (Hurriot and Lepage, 2006). For these reasons, global-cities are characterizes as occupying a key position in the global economy, performing functions of control and management of its dynamics and acting as hubs for global trade (Sassen, 2001; 2010).

In contrast with the manageability, centrality, and leadership of global-cities, megacities are presented as occupying a subordinate position, characterized as urban areas just suited to the requirements and demands of global production and consumption. Moreover, because they are characterized as precarious urban agglomerations with hoards of people eager for work and better living conditions, megacities are commonly presented as sites of great market potential, both for consumption and production, as well as for business opportunities and investments. As gigantic potential markets, megacities are, along with global-cities, key to the

global economy. Both concepts situate cities in the process of globalization, in which cities and cities networks are repositioned as key players for the functionality of the global economy (Sassen, 2001; 2010). However, they refer to antagonistically different types of cities, occupying equally antagonistic positions in globalization.

In 2001, when O'Neill (2001) coined the acronym BRIC, yet without South Africa, the center of his argument was that these countries would increasingly become, through the first decades of the 21st century, driving forces for the global economy. The force of the metaphor of mobility evoked by the BRICS is derived from this process, by which these countries ascended as key players in the global economy. This process of ascension is directly related to urban socio-spatial transformations. It is through processes or urban socio-spatial transformations that their most important cities and cities network become attractive, qualified, and competitive, thus becoming major destinations for global capital flow and more important players in the global economy. By taking on attributes of global-cities – for example, greater specialization of professional activities and urban infrastructure capable of connecting them globally – the major BRICS-cities consolidated themselves as catapults to global projection of their countries. The next section analyses the issue of social mobility in relation to the logic of the agenda of attraction of capital, key to the process of ascension of the BRICS in the global context, and in relation to the agenda of the right to the city.

4 ATTRACTION OF CAPITAL, RIGHT TO THE CITY AND DIFFERENT TYPES OF SOCIAL MOBILITY

The core of this argument is that the BRICS-cities are megacities with attributes of global-cities and, because of this combination, are located as crucial sites for the mobility of the BRICS in the global arena. Such mobility nourishes and strengthens hopes for a real and profound transformation toward reducing poverty and social inequality and building a more inclusive and democratic world order. In a globalized world in which national states have their relevance reduced and cities begin to play a more central role in the dynamics of the global economy (Sassen, 2001; 2010), States' interests and aspirations for a greater role on the global stage must necessarily go through an urban development process.

So, to examine if this scenario of mobility entailed by the BRICS, in fact, points toward a more inclusive and democratic world, it is necessary to question whether the BRICS are developing and transforming their cities into spaces of inclusion and democracy. That is, it is necessary to question the quality of social mobility produced in BRICS-cities. In this section, two distinct agendas of development and transformation of urban space are analyzed. Each of them produces equally different versions of social mobility, they are: the agenda of attraction of capital and that of the right to the city. While the agenda of attraction of capital

seeks to promote social mobility through the logic of consumption, the agenda of the right to the city offers us a notion of social mobility embedded in the logic of citizenship. In the following section, as a conclusion, it will be argued that a complementarity of both agendas is necessary in order for the BRICS to become vectors for the building of a more inclusive and democratic world.

The agenda of the attraction of capital is related to the new international division of labor and its flexible accumulation in order to sustain processes of social mobility through policies that seek to make the city attractive and competitive for domestic and foreign investments. The consolidation of this agenda requires a gigantic spatial restructuring that aims at adapting the urban space to the logic of consumption and competitiveness through the inclusion of private administrative rationality in the exercise of state power (Harvey, 2005; Hackworth, 2007).

As Wall (2009) and Rondinelli *et al.* (1998) have argued, the level of competitiveness of the city is directly linked to locational factors such as the presence of educated and skilled work force and a population with high power of consumption, as well as connectivity infrastructure, public and private flexible and accountable institutions and organizations. For a city to become more competitive and attractive to new investments, it is necessary, therefore, to have interconnected and integrated processes of social-spatial transformation. On the one hand, there is a need to transform the space for the installation of infrastructure to connect the city to the global space. On the other, there is also a need for social transformation, whose aim is to increase the level of skills and professional expertise, as well as the power of consumption, available in the territory.

According to Figueiredo and Wall (2013), the BRICS have been successful in their question to make their cities more attractive to investments. In 2012, of the ten cities that attracted foreign direct investments (FDI), six were in the BRICS. In addition to highlighting that these cities are consolidated as attractive investment destinations, this data also indicates the importance that these cities have in the economic growth and development of their countries. For example, of 782 FDIs attracted by China in 2012, 39% are concentrated in Shanghai, 30% in Hong Kong, and 18% in Beijing. In Brazil, the city of São Paulo alone, accounted for 61% of all FDI entering the country.

In the agenda of attraction of capital, the urban space is conceived as a platform for productivity and investment. All its features and capabilities should be stabilized to provide a favorable environment to optimal and constant productivity and investments. In other words, the space must give the investor actual conditions of profit. In this context, the people who inhabit these spaces are conceived simultaneously and uniquely as workers and consumers (Brenner *et al.*, 2012).

The idea of social mobility that emerges from this agenda is analogous to the concept of gentrification, which is defined as enclaves of wealth and development in areas marked by poverty and precariousness (Gregory *et al.*, 2009). The concept of gentrification refers to the rise and consolidation of the middle class, a phenomenon widely recognized as characterizing the BRICS. The notion of a middle class, in turn, is usually defined in terms of consumption (Dobbs *et al.*, 2012; Gregory *et al.*, 2009; Hackworth, 2007). That is, the idea of social mobility that emerges from this specific agenda relates strictly to the power consumption of the population. By consuming more, it is believed, the population rises socially.

The progressive increase in the consumption power of the poorest makes them ascend to middle-class status, the process in which a growing portion of the population's access to a variety of consumer goods is expanded. It is believed, then, that social mobility through consumption is a key to reducing social inequality. However, this paper would like to emphasize that the link between the increase in consumption and the reduction of social inequality is a fallacy. Reducing social inequality implies creating a framework within which all are equal. In other words, it involves the construction of universal social equality.

In a market environment, universal social equality is an ontological impossibility, for what defines and sustains the market is exactly inequality. Access to market is not a given nor is it a right. Even if, for reasons of optimization of conditions of profit, there are policies for ensuring access to market to a greater number of people, this access will always be governed by the purchasing power, or to put it simply, by the amount of money one has in one's pocket. The market is, by definition, a place of stratification, segmentation, segregation and, therefore, of inequality and exception. Social inequality is an inherent and necessary condition of the market. In an unequal society, the possibilities for profit are higher because the market can find ways to fragment into different niches, with different potentials for profit, thus increasing its profitability. So, companies can more optimally decide in which of these niches to act, being able to organize their business plan and mode of production accordingly to the specific demands of the selected niche.

Policies and strategies of urban development guided by the logic of competitiveness and consumption alone produce mobility without reducing social inequality. There is, therefore, nothing new on that front. If based uniquely on the agenda of attraction of capital, the BRICS amount as relevant actors in the global economy without bringing any novelty. No real transformation toward a more inclusive and less unequal world derives from options and policies that are guided solely and exclusively by the logic of competitiveness and consumption. A policy agenda that seeks to reduce social inequalities by consolidating a scenario of universal social equality is necessary. An agenda guided by the universal logic of rights is necessary. The agenda of the right to the city seems to offer such possibility.

The term “right to the city” was coined by Henri Lefebvre (1996) during his studies on urban transformation in France in the 1960s to express a period of profound urban crisis. Marked by functionalist urban planning, the most important French cities experienced at that time the restructuring of their inner areas and the displacement of much of their population to suburbs, where single-family housing units proliferated extensively (Schmid, 2012). For Lefebvre (1996), this was a crisis due to a homogenizing tendency of everyday life inherent to this process of dislocation of the population to suburbs.

As a counterpoint to this moment of urban crisis, the notion of the right to the city stands not only as a concept to express a period of crisis, but also as an agenda for the transformation of urban space. The central purpose of this agenda is the creation of an urban space in which all citizens are guaranteed the right to participate actively in the decision-making processes, as well as have universal access to city resources and structures (Lefebvre, 1996; Harvey, 2008). The right to the city is, by its conceptual and programmatic definition, a radical defense of democracy as a form of political organization of the urban space. No group, system of value or interest must cancel the other. The city is a primary right for all.

In contrast to the exclusionary and unequal logic of the agenda of attraction of capital, the logic of the right to the city is guided by the universality of rights and citizenship (Gilbert and Dikeç, 2008; Harvey, 2008; Schmid, 2012). Urban dwellers are conceived not merely as consumers, but as citizens. By definition, regardless of their social class or their power of consumption, all citizens are equal. Thus, urban development processes guided by the agenda of the right to the city, can be vehicles for social mobility that are able to reduce social inequality and produce social inclusion (Brown and Kristiansen, 2009). For this, it is necessary to have public policies that ensure:

- 1) Universal and effective participation in decision-making processes of urban life.
- 2) Freedom and unrestricted access of all citizens to the resources of the city.
- 3) Recognition of diversity and difference as essential and constitutive elements of urban life.
- 4) Reduction of poverty and social inequality not only via increased power consumption, but also via social and environmental justice.
- 5) Transparency, efficiency, accountability in urban administration.
- 6) Complete and unrestricted respect of human and civil rights.
- 7) Creation and expansion of public spaces.
- 8) Empowerment of local associations and initiatives.

It is necessary to highlight that both agendas coexist in BRICS-cities. However, the agenda of attraction of capital, for its obvious power to increase urban competitiveness and make the BRICS relevant actors in the global arena, dominates the policies and strategies for urban development. On trying to strengthen their cities as attractive and competitive sites, BRICS governments often enter into strong conflicts with parts of their population that demand for their rights to be respected. Thus the coexistence of both agendas, attraction of capital and rights to the city, is conflicting.

5 CONCLUSION

With the purpose of moving forward in the economical and political scenario of globalization and to assure some protagonism in a context marked by the partial reduction of the state's relevance, the BRICS are promoting a comprehensive process of development and transformation of their cities. Through this process, their cities became more productive and competitive spaces, attracting more and more different types of investments and establishing themselves as key players in the functioning of globalization. In doing so, the BRICS evoke a metaphor of mobility able to nourish, across the globe, hopes for a more inclusive and democratic world order.

As this short paper tried to argue, the social mobility produced by the BRICS through the agenda of the attraction of capital is not able to tackle the issues of social inequality or produce a more inclusive urban fabric. As a counterpoint to this insufficiency, the agenda for urban development guided by the universality or the right to the city can be a vehicle for tackling the issue of social inequality and for the production of a urban space by its citizens, thus reflecting the wills and diversity of its citizens.

In conclusion, it is important to emphasize that this paper seeks not to defend the adoption of a particular agenda to the detriment of the other. It does not seek to argue in favor of an agenda of rights over an agenda of consumption. Ensuring and expanding access to consumption is vital to building a world based on the universality of rights, since consumption is important in providing access to the material goods necessary for the maintenance of the most basic necessities of life. What is necessary, however, and this is the most important point this paper wants to raise, is that it is necessary to explode with the supremacy of the logic of consumption in the production of policies aimed at producing social mobility and reducing social inequality. Policies based on this logic are simply not capable of reducing social inequality. Integration between the two agendas is necessary for the increase of the power of consumption of urban dwellers and the productivity of urban space while empowering citizens as the real protagonists and decision makers of the urban process. Only through the integration of these two agendas will the

BRICS be able to transform the metaphor of mobility into a real and concrete movement towards a more inclusive and democratic world order.

REFERENCES

BRENNER, N.; AL., E. Cities for people, not for profit. *In*: BRENNER, N.; MARCUSE, P.; MAYER, M. **Cities for people, not for profit**: critical urban theory and the right to the city. London: Routledge, 2012.

BROWN, A.; KRISTIANSEN, A. **Urban policies and the right to the city**: Rights, responsibilities and citizenship. Most-2 Policy Papers Series, Mar. 2009.

BUGLIARELLO, G. Megacities and the developing world. **The bridge**, Washington, v. 29, n. 4, p. 19-27, 1999.

DOBBS, R.; AL., E. **Urban world**: cities and the rise of the consuming class. Paris: McKinsey Global Institute, June 2012.

FIGUEIREDO, C.; ROBERT, W. Cidades-BRICS Competitivas: uma leitura da competitividade das principais Cidades-BRICS através da rede urbana de investimentos estrangeiros diretos. *In*: VELOSO, S.; ABDENUR, A. E.; ESTEVES, P. **As cidades e os BRICS**: análises comparadas e estudos de caso sobre desenvolvimento urbano nos BRICS. Rio de Janeiro: Editora PUC-Rio, 2013. p. 63-88.

GILBERT, L.; DIKEÇ, M. Right to the city: politics of citizenships. *In*: GOONEWARDENA, K. *et al.* **Space, difference, everyday life**: reading henri lefebvre. New York: Routledge, 2008. p. 250-63.

GREGORY, D.; AL, E. **The dictionary of human geography**. Oxford: Wiley-Blackwell, 2009.

HACKWORTH, J. **The neoliberal city**: governance, ideology and development in american urbanism. New York: Cornell University Press, 2007.

HARVEY, D. Do Administrativismo ao Empreendedorismo: a transformação da governança urbana no capitalismo tardio. *In*: HARVEY, D. **A produção capitalista do espaço**. São Paulo: Annablume, 2005.

_____. The right to the city. **New left review**, London, n. 53, p. 23-40, Sept./ Oct. 2008.

HURIOT, J.-M.; LEPAGE, L. **Megacities vs global cities**: development and Institutions. ERSA Conference Papers, 2006.

LEFEBVRE, H. **The production of space**. Oxford: Blackwell Publishers, 1991.

_____. The Right to the City. *In*: LEFEBVRE, H. **Writings on cities**. Cambridge: Blackwell, 1996. p. 63-184.

_____. **The Urban Revolution**. Minneapolis: University of Minnesota Press, 2003.

O'NEILL, J. Building better global economic BRICs. **Global economics papers**, n. 66, 2001.

RONDINELLI, D. A.; JOHSON, J. H.; KASARDA, J. D. **The changing forces of urban development**: globalization and city competitiveness in the 21st century, v. 3, n. 3, p. 71-105, 1998.

SASSEN, S. **The global city**: New York, London, Tokyo. Princeton: Princeton University Press, 2001.

_____. **Sociologia da globalização**. Porto Alegre: Artmed, 2010.

SCHMID, C. Henri Lefebvre, the Right to the city and the new metropolitan mainstream. *In*: BRENNER, N.; MARCUSE, P.; MAYER, M. **Cities for people, not for profit**: critical urban theory and the right to the city. London: Routledge, 2012.

UN-HABITAT. **State of world's cities 2008|2009**. [s.l.], [s.n.], 2008.

VAN DER PLOEG, F.; POELHEKKE, S. Globalization and the rise of megacities in developing world. **Cambridge journal of regions, economy and society**, 2008.

WALL, R. **Netscape**: cities and global corporate networks. Rotterdam: Haveka Publishers, 2009.