

No. 23

**URBANIZATION, HOUSING AND THE (WITHDRAWING) STATE:
THE PRODUCTION-REPRODUCTION NEXUS.**

Ronaldo Ramirez

December, 1990

Working Paper No. 23

**URBANIZATION, HOUSING AND THE (WITHDRAWING) STATE:
THE PRODUCTION-REPRODUCTION NEXUS.**

Ronaldo Ramirez

December, 1990

Development Planning Unit
University College London
9 Endsleigh Gardens
London WC1H 0ED
United Kingdom

Tel: + 44 (0) 207 388 7581 Fax: + 44 (0) 207 387 4541

**URBANIZATION, HOUSING AND THE (WITHDRAWING) STATE:
THE PRODUCTION-REPRODUCTION NEXUS.¹**

CONTENTS

	Page
I. Introduction	1
II. Urbanization	2
The Quantification of Urbanization	3
Productivity	5
Modernization	6
III. The Marxist Critique	8
IV. The General Conditions of Social Production	10
V. Housing and the State	12
VI. State and Housing in Venezuela	15
VII. State Withdrawal and General Conditions of Production	17
VIII. References	26

¹ Revised version of a paper presented at the seminar on Third World Urbanization, in Stockholm, June 1989. I am grateful to Jorge Fiori and Michael Safier for their valuable comments on a previous version of the paper, and to Sue Jones for editing it.

I. Introduction

In this paper I will briefly examine the following propositions: that a concept of urbanization - and of the urban - with explanatory capacity to illuminate the understanding of urban and social processes in developing countries has practically disappeared from social sciences; that efforts to replace unsatisfactory concepts with alternative ones, sufficiently comprehensive to provide this understanding have yet to be successful; that in the absence of a concept of the urban, the analyses of particular processes that take place mainly in urban areas, such as the provision of public housing, offer a possible way towards the formulation of such a concept; and finally, that the concepts of general conditions of production and of reproduction of labour power are useful although limited instruments of analysis for these endeavours.

The thesis of the paper questions the extent to which a conception of the urban defined instrumentally upon state intervention in the production of the general conditions of production could be valid and useful. This concern has been raised by the hypothetical withdrawal of the state from low-cost housing provision presently advocated by a number of agencies and specialists. It will be argued that while a total withdrawal of the state from the provision of the general conditions is structurally impossible in modern capitalism, it is however possible for it to withdraw from a number of particular processes within the scope defined by that concept. In these circumstances the general conditions of production and the urban seem to overlap instead of to coincide. The area of coincidence defines the limits of the validity and usefulness of this relationship: within it the concepts of general conditions of production and of reproduction of labour power as part of it, are powerful analytical instruments endowed with explanatory capacity. However, both the general conditions and the urban exceed each other. Outside the area of overlap new explanatory concepts are required.

It is obvious that a thorough examination of all these propositions exceeds the scope of this paper. They constitute the framework of our long-term research work, presently focused on the provision of self-help housing in Venezuela from which I will draw - rather diffusely - in support of my arguments.

A few clarifications are necessary at the outset. Firstly, the urban is treated in the paper as an

integration of social processes, not as space. There is no intention to produce, or to demand from others, an ontological definition of the urban space. Moreover, for the purposes of the paper, the properties frequently assigned to the space either as an explanatory category of society or as a product of it are of no importance. They sometimes appear in the paper, but only to the extent that other analysts have examined them. I do not intend to make an issue of them. The space - in all its manifestations: dimensions, density, location, relationships, etc. - enters into the arguments of the paper only as a component of the material foundations of social processes.

Secondly, there are two initial questions frequently asked by those working on the interface between social sciences and urban technical matters, and those exclusively concerned with sociological analysis, that one should try to answer: is it **necessary** to have a concept of the urban with the properties previously indicated? - and - is it **possible** to have such a concept?

My answers to both are tentative. To the first, I would say that several partial, confusing, contradictory, and in some cases highly damaging, concepts of the urban exist at the level of urban practices. They constitute the dominant ideas at that level. Politicians, urban policy makers, urban planners, community workers, environmentalists and most urban citizens in developing countries hold onto these concepts and act accordingly. Nearly always these ideas, some of which will be briefly examined, show the permanence of propositions already abandoned at the theoretical level. They have become ideologies instead of theories.

It is possible, for example, to find the presence of an anti-urban ideology across the political spectrum, sometimes manifested in the identification of social pathologies apparently induced by urban life, sometimes in the rather arbitrary and technocratic identification of social justice with territorial equilibrium. How could one explain, for example, the decision of the Cuban government under Fidel Castro not to invest in the development and maintenance of La Habana for nearly 25 years? It can only be the consequence of a concept of the role of the city in social change which I cannot see sustained on marxist principles. The most extreme example in our times is of course the Khmer Rouge emptying Phnom Penh in 1975. One would be tempted to dismiss it as an

historical aberration if it were not for the fact that it expressed the same dominant idea, an anti-urban distorted ideology, taken, in this case, to a sickening extreme. It seems then that a concept, as initially requested, might be necessary.

The second question refers to the theoretical possibility of such a concept. The problem is not the possible existence of apparently insurmountable obstacles for the production of a social concept of the urban. It could be argued, in that case, that time and hard work would eventually overcome them. The question refers to the relative autonomy of the urban as a field of social study. This could be clarified by examining three mutually exclusive possible answers: a) the city is a totally autonomous field about which it is possible to formulate an independent explanatory theory; b) the city is a relatively autonomous social field whose nature and roles can only be understood by producing a specialised chapter within a general theory of society; and c) the city, as a social field, is totally indistinguishable from all other general processes taking place in society and can, therefore, be explained in the context of a general theory. In the first two cases a concept of the urban is possible. In the third one it is not. The tentative line adopted in this paper is the second one.

II. Urbanization

In this section I will examine the first two propositions stated at the beginning of the paper. For that purpose I will single out those aspects of the urbanization process of the Third World which have been instrumental in forming present understandings of it. I do not pretend to include all of them. The purpose is to identify those that appear in contemporary debates within the dominant problematic of the urban. By the latter I mean the accepted frame of reference of urban practices, from theory to professional and political actions. More particularly, it is possible to identify this dominant problematic in the way most urban and territorial policies are formulated in developing countries and in the ideas circulated by international agencies dealing with these matters. An accepted frame of reference does not rule out criticisms and contradictions providing that the basic components of the frame remain intact. In this case, basically these have been the theory of modernization and a concept of urbanization associated with development as defined by that theory. On the

other hand, it will also be necessary to identify the central situations and criticisms that led to the collapse of this frame of reference. Because we are dealing mainly with the dominant ideas, I am afraid we will be going, once again, over very well known aspects of urbanization.

1. The Quantification of Urbanization

To start with, it is impossible to ignore the quantitative aspects of the process. This does not mean that one must necessarily share in the meanings attached to those aspects. However the permanence of, and the importance frequently assigned to, the quantitative dimension is such that any concept that ignores it is bound to become irrelevant at the policy level.

Demography and Geography seem to be the two disciplines that have produced the most solid knowledge concerning the quantitative dimensions of Third World urbanization. Their combined contributions could be grouped under five sub-headings: they have provided **definitions**, they have identified the different **origins** of urbanization, they have also identified different patterns in the **occupation of national territories** by the urban populations, they have documented the **size** of urbanization and have provided us with **rates and projections** for future developments.

As far as definitions are concerned, the most important contributions have been the distinctions between urbanization - changing proportions of agglomerated national population - and absolute urban growth, together with their different - albeit sometimes interconnected - dynamics. Similarly, the identification of the different origins of urbanization: rural-urban migration or different natural rates of population growth, constitute majors contributions, particularly for the formulation of national strategies that attempt to influence the urbanization process in Third World countries.

The identification of physical patterns of population distribution has created an area of considerable contention. Work in this field has been concerned not only with the empirical description of those patterns in developing countries but also with evaluating them according to normative principles. There has been a long argument about the extent to which these norms seem to have been formulated after the historical experiences of advanced capitalist countries, particularly in Europe. These have produced, by and large and

precisely as a consequence of their history, regular and balanced patterns. In contrast, most developing countries show patterns which are irregular and highly concentrated. The transformation of these differences into analytical tools for the study and definition of underdevelopment and the formulation of strategies seeking to correct high population concentration in order to induce development and equity - have been some of the most resilient theoretical propositions in the urban field for a long time. Although practically discredited today in academic circles, they remain important in urban professional practices and clearly constitute one of the most explicit manifestations of the modernization theory in the understanding of the urban. In the light of this, it is important to note that most of the strategies formulated within this context have been nearly universally unsuccessful.

The most important body of quantitative knowledge, however, the one that most influentially gravitates on public opinion everywhere, is the quantification of the size of the Third World urbanization. Nigel Harris notes in a recent paper, that in the past 40 years the urban population in developing countries has grown from 300 millions to 1,300 million people, (Harris, 1989, p175). According to UN statistics, about 30% of the population of Africa and Asia lived in urban areas in 1980. By that year 65% of the Latin American population was urban. While in 1960 there were 52 cities of 1 million or more people in developing countries, 9 of them with more than 4 millions, in 1980 there were 119 and 22 respectively, (UN, 1984).

Forecasting the future of this process has nevertheless been open to controversy. On the one hand Harris concludes, on the basis of UN projections, that "in the coming 30 years the major demographic transition from rural to urban will occur. By the year 2020 over half of all Africans will live in cities and towns; just under half of all Asians; and more than 8 out of every 10 Latin Americans. In countries with large populations (...India, Indonesia, etc...) the demographic transition makes for absolute very large urban populations", (Harris, Op.Sit.). On the other hand, Hardoy and Satterthwaite, on the basis of their critical analysis of similar historical statistics, caution us that the Third World "will be less urbanized and far less dominated by very large cities by the year 2000... than is predicted by most of the literature on urban development". (Hardoy and Satterthwaite, 1989, p222).

Whatever the validity of these projections, the figures describe an impressive phenomenon. Yet, what else do they say apart from being quantitatively very impressive? Very little indeed. Out of the considerable amount of literature dealing with the five areas mentioned above, very little can be obtained concerning the nature of the urban, the social actors and the processes taking place in cities, the conflicts and compromises that constitute the life of the city, or about the relationships between these process and social change. These generalizations are, of course, very unfair to the large number of authors working in this area from interdisciplinary and comprehensive perspectives, and to those who one way or another might share the general theoretical approach of this paper. However, I do not think that their efforts have been able to modify considerably the dominant ideas concerning the quantification of urbanization yet. It was said previously in this paper that the quantitative dimension must be introduced into any efficient definition of the urban. The point is that these figures have meaning only in the context of such definitions. One of the merits of the modernization theory was its ability to incorporate this quantitative transformation in the territorial distribution of the population of the Third World into its description of the process of social change. This has not yet been the case with alternative theories.

2. Productivity

Economic analyses of urbanization have widened the insights into the character and nature of the process by linking it to economic development. Examination of those links, as they appear in the second half of the 20th century, has also help to dispel some of the assertions commonly accepted on the 1950's. While the association between economic development, industrialization and urbanization was by and large accepted by urban economists at that time, it was mostly restricted to the historical process of advanced countries. In the underdeveloped ones, on the contrary, an already advanced process of urbanizationⁱⁱ seemed to march independently from industrialization. Hoselitz, after comparing the urban history of Europe and the USA with that of developing countries suggested - allowing for many exceptions - that the "city in the underdeveloped countries is an inhospitable environment for many actual and potential labourers" and that, although their populations had the human ability to use industrial

machinery, the absence of (urban) social institutions constituted a major obstacle for development. (Hoselitz, 1955, p550, p551).

Nigel Harris has put the case neatly from a more contemporary perspective. Contrary to the idea of a Third World parasitic city, he notes, on the basis of World Bank reports, that today "nearly 60% of the gross national products of developing countries is generated in urban areas by one third of the labour force, and 80% of the increase in national output". (Harris, 1990, p10). This seems to establish the superior levels of productivity of urban areas in the developing countries. Harris also notes in the same paper some of the peculiar attributes of the urban that support this productivity. These are mainly scale economies of different types such as: the low cost of communication of innovations between firms, market information, labour market economies in searching for and matching diverse and scarce skills to demand, combinations of skills, no need to hold workers in off-seasons, specializations, economies in the provision of common services such as ports, transport, power, warehouses, financial and technical services, telecommunications, and many others.

In his paper Harris confirms the continuing association between urbanization and economic development and, more importantly, tries to establish the links and interactions between the two processes. These seem to be based upon the labour market and productivity. He summarized his conclusions: "the heart of the process of economic development is the establishment of mechanisms for a continuing rise in the productivity of the factors of production. This involves a radical change in the structure of an economy and the quality and composition of the labour force. The sharp differences in productivity between sectors and subsectors of the national output are key factors in producing or enhancing territorial differentiation and territorial differentiation in turn enhances the growth of productivity." (Ibid, 10). In the same paper he notes "Since different locations are or become the site for different sectors of production, so the labour force is also territorially distributed. The physical concentration of workers appears to be an important initial phase in this process of raising the general level of social productivity; once concentrated, the workers and their families then become an additional element in sustaining growth in demand." (Ibid, 4).

The strength of Harris' argument rests, I think, upon his linking with some detail the process of urbanization to the development of the productive forces of society and to high productivity, an approach that I fully share. There are, however, at least three questions that must be formulated. The first refers to the way in which the development of productive forces -industrialization, productivity - appears as a sort of natural process. Social actors are totally absent. This is probably not the place to initiate an argument about the way different social formations have produced patterns of industrialization and development which are highly varied, resulting precisely from the way social classes and fractions relate to each other in the operation of those productive forces. It seems that understanding the relationship between these variations and the forms of territorial organization is an important part of this approach. The question is how the city enters into the analyses of the variations and vice-versa.

The second question is clearly linked to the previous one: what is the status, and what are the roles of the city in this process of economic development? The city seems sometimes to be a product of the operation of productive forces. At other times it seems to be part of the productive forces themselves. And at others it seems to be part of the relations of production, of the organization of society. The answer could be that in different instances the city is each of those things. Whatever the case, it has to be examined with more rigour and the answers have to be explicit.

Finally, perhaps the most important question is whether productivity of the labour force is the issue around which a concept of the urban can be produced. Are we saying that the city is by definition a superior focus of economic activity, the location where capitalist production can be maximised? Or are we just witnessing a temporary instance in the capitalist development of the Third World? It is possible to foresee situations in which countries, under the pressure of structural adjustment, seeking to maximise agricultural exports, could improve the productivity of the rural labour force above that of urban labour. In these circumstances one would be forced to separate the economic and social dynamics of productivity from any particular location.

3. Modernization

What is conventionally known as traditional urban sociology made perhaps the most

determined attempt to produce a concept of the urban - and of urbanization - that integrated contributions of other disciplines such as demography, economics and history, and at the same time linked it to social change.

Gino Germani, in a paperⁱⁱⁱ published in 1973, provided what is probably the best summary of this proposition. He defined social change as the spread and imposition of secularization on society. Secularization - actions decided by individual choice, specialisation of institutions, institutionalization of change - appears associated to "the two great changes in the history of mankind: the transition from a primitive to a civilized society and the emergence (within civilization) of modernity". (Germani, 1973, p5). These transitions are presented as part of an evolutionary process: with the achievement of civilization, human creativity is enhanced and cultural diversity develops. One particular expression of that creativity evolved in the conditions of the Western social-cultural environment, leading to what Germani - after Lampard - calls Primordial Modernization, i.e.: the emergence of the modern industrial-cultural complex. The subsequent spread of industrialism over the planet - over other cultures, other histories - continues and consolidates the process, imposing Definite Modernization, characterised by a diversity of industrial transitions and development forms. (Ibid).

The relevance of this proposition for this paper is that urbanization is postulated as a necessary condition for this evolution to take place: "it would be unreasonable to deny that those specific changes subsumed under the notion of secularization... and the innovations and trends leading toward the emergence of the modern-industrial complex, could reach their full expression only in the urban setting. It was the peculiar structure of urban society that was capable of inducing such development, even if impulses originated beyond the city walls." (Ibid, 15). Germani does not say that all urban centres give rise to secularization, but that secularization historically took place only in urban structures and that the city has played an essential role in the rise of modernity.

What is that "peculiar structure of urban society" that induces modernization? According to Germani "on the structural-social side we find size, or volume of population, density, heterogeneity, both internal and external, through higher forms of division of labour, of social differentiation, of contacts and/or

communications ... with alien different cultural patterns, values, norms". (Ibid, 17).

Throughout Germani's paper the attributes of the urban defined by Wirth in 1938, namely size, density and heterogeneity of the population, appear as the principal structural independent variables, the necessary conditions to induce the emergence of the culture of urbanism. The dependent variables of this culture: predominance of secondary over primary groups, individualism, segmental roles, propensity for change, abstract thinking, universalism, instrumentality, achievement, etc., are at the same time the characteristics of the modern society. This is, as Castells rightly noted in 1969, a theory of social change.

In the context of a number of developing countries fully engaged in explicit policies of modernization during the 1950's and 1960's, and undergoing at the same time a fast process of urbanization, these propositions of urban sociology found fertile soil. The modernization theory did not remain restricted to academic circles in the developing countries. Equipped with an instrumental concept of change provided by structural-functionalism, it became the rational backbone of most policies of national development formulated in the Third World during the past 50 years. It is possible to see its presence, for example, in the import-substitution industrialization policies put forward by the industrial bourgeoisies in some of the most advanced countries in Latin America. These policies defined a comprehensive model of social development, based upon structural innovations that assumed particular political behaviours of the national social actors: other fractions of the bourgeoisie, the workers, the peasants. They also redefined institutions such as the state and identified social goals to be achieved: the improved quality of life, equity, democracy, etc. Modernization, in the form introduced by Germani, was present in all those redefinitions and appeared explicitly in the political discourse of the time. These propositions remain, in different forms, in the background of practically all the dominant concepts of development available in the Third World.

Traditional urban sociology formulated its concepts of the urban and of social change within a theoretical framework that had become an active component of real social processes in the developing countries. In these circumstances, the management of the urban was another instrument to be used for social

change, development and modernization. (Friedman, 1968). It is not surprising then that the fate of this theory would become dependent on the outcome of those real social processes.

III. The Marxist Critique

The theoretical production of a new generation of marxist social scientists during the late 1960's and 1970's demolished most of the concepts of traditional urban sociology. It is only fair to note that they demolished an already crumbling edifice.

Manuel Castells, in two papers published in 1968 and 1969^{iv} provided the most effective critique. He announced the demise of urban sociology as a consequence of its lacking both a real-object of analysis and a scientific-object of study. He also denounced it as an ideology, of having a non-explicit scientific-object, i.e.: the acculturation of modern society, instead of its declared object: the urban culture. (Castells, 1968, 38).

The first criticism referred to the disappearance of the urban as a specific social entity different from and opposed to, the rural in the advanced industrialized capitalist countries. Not only were the majority of their populations urban but also the attributes of modernity - initially assigned to the city - had become a widespread characteristic of the total population, irrespective of their individual locations.

If urbanization was the structural condition for social change, what happens to social change when the whole population is urbanized? According to Castells: "as the spatial setting of social life become almost entirely urban the subject-matter of urban sociology becomes limitless and urban sociology becomes general sociology". (Ibid, 56).

This problem had already been acknowledged by the sociologists who accepted the frame of reference offered by traditional urban sociology.

Germani noted that "when urbanism has been transformed into the universal life style, it no longer needs an urban location" and that the city is superseded by a sort of "universal urbanization" (Germani, 1973, p30-49). As presented in this form the problem seems to open up new perspectives. However, by the end of the 1960's sociological interest in the theoretical propositions of urban sociology had practically disappeared, particularly in the Anglo-Saxon literature.

The second criticism referred to the central proposition of traditional urban sociology. This was not only concerned with identifying the city as the cradle of modernity but also incorporated, as a valid theory of society, that secularization and modernization defined the evolutionary path of humankind. It also offered a particular concept of social change: that the city played a structurally decisive - some would say determinant - role in inducing the changes along the path of development. Castells criticized this on two counts: that modernization was not more than the cultural dimension of industrial capitalism and that therefore a valid theory of society should be concerned with the latter, and that "the idea that a form of social organization (urbanism) could be produced by ecological changes represent too impoverished a vision of sociological theory to be seriously defended". (Castells, 1969, p68).

I find these criticisms convincing by and large. Yet, Castells left very little common ground for these two competitive concepts of society and history to confront each other on a theoretical level. When that ground was found - concerning the empirical verification of the spread and generalization of urbanization only - Castells' argument became generally acknowledged. But most of the strength of his critique rested on a marxist concept of society for which the propositions of traditional urban sociology made little sense. The absence of any other common ground could have resulted in both theories developing independently, without touching each other and the arguments becoming dogmatic.

That this did not happen was, to a large extent, due to historical circumstances. This marxist critique took place in the context of some important historical developments in the Third World. In Latin America, for example, most of the political programmes based upon the idea of modernization implemented after the 1940's were collapsing during the 1960's. That collapse gave social credibility to the theoretical criticisms of social change and development provided by the modernization theory. It also created a political and intellectual climate receptive to marxist concepts, related to the internal dynamics of the Mode of Production and class struggle. It became immediately evident that traditional urban sociology provided no possible basis to understand these processes.

It is possible to say that the demise - in the

Third World and elsewhere - of the dominant concept of the urban proposed by the modernization theory resulted from a combination of two processes: one theoretical, the other historical. This is not, of course, a historical law. A similar situation confronts marxist theory in 1990 after the events in Eastern Europe. Neither the real nature of those processes is yet known nor can the long term outcome be predicted. A refining and revitalization of marxism is one of the possibilities. On the other hand, the definite demise of the modernization theory has been questioned (Roxborough, 1988). Nevertheless, whatever forms the future development of the Third World might adopt, it is highly unlikely that traditional urban sociology will reappear. What was left of the dominant concept is a number of partially valid propositions, some descriptive concepts and some concepts of very limited coverage, all of which survive obstinately at the level of professional and political urban practices, and which cannot but incompletely cover a phenomenon and a process that is still there, in front of us all.

IV. The General Conditions of Social Production

Marxist theoretical critique has been accompanied from the beginning by attempts to produce a new urban theory. There have indeed been efforts to inaugurate a new problematic, a new comprehensive theoretical frame of reference to explain specific urban processes and to understand the relationships between urbanization and the Mode of Production.

Castells, in 1969, while announcing the end of urban sociology was already proposing a new theoretical field composed by the sociology of space and the sociology of collective consumption. He suggested that these two subjects, the only ones to be rescued from the old problematic, could be approached through the production of social forms (social change), the functioning of the social system or the structure of the semantic field. (Castells, 1969, p75). These subjects have been present in the work of Castells throughout the years but their fates have been different. His studies of the urban space - as in "The Urban Question" - became more and more rigid, overstructured and finally irrelevant. Conversely, his concept of collective consumption has been a powerful and useful instrument of analysis. His

emphasis on defining it by the way the means of collective consumption are produced - directly or indirectly by the state - led him to examine the politicization of collective consumption and of the urban, and to the identification of urban social movements as agents of social change. (Castells, 1973, 1974, 1976 and 1977). His inability to integrate the urban social movements, as a concept, with the marxist theory took him out of marxism in 1983, with the publication of "The City and the Grassroots". (But that is another story).

The same subjects - space, the state, collective consumption - can be found in the work of Jean Lojkine. Examining the dynamics of capitalist development he singled out Marx's concept of "general conditions of production" to refer to the socialization of productive forces, to the reproduction of social capital as a whole. Lojkine enlarged the concept by adding to it two contemporary processes that have become "necessary conditions for the overall reproduction of developed capitalist social formations ... on the one hand ... (the) collective means of consumption ... and on the other hand ... the spatial concentration of the means of production and reproduction of capitalist social formations". (Lojkine, 1972, p120). The capitalist city, therefore, would be characterised by the growing concentration of collective means of consumption and by the particular mode of concentration of the totality of means of production and reproduction of capital and labour. (Ibid).

There is an interesting difference in the way Castells and Lojkine define the means of collective consumption. To the former, they are components of labour power reproduction that become means of collective consumption by the way they are produced, i.e.: by the state intervening in a crisis of reproduction. To the latter, they are objective things that become means of collective consumption by the form they are consumed, i.e.: collectively. These objective things are also components of labour power reproduction. Being unprofitable to private capital, state intervention is required for their provision.

Lojkine's studies of the links between the capitalist state and the urban are perhaps the most important contributions to this field. He analyzed the urban as directly related to the contradictory processes of socialization of productive forces and relations of production. In that process the urban is an expression of the operation of the capitalist state. This is

manifested mainly in the form of urban policies.

State intervention, for Lojkine, "is the most elaborated and advanced form of capitalist response to the need to socialize the productive forces" and urban policies appear as "countertendencies" to ameliorate the regressive effects created by capitalist development. (Lojkine, 1979, p162).^v

The contributions of Castells and Lojkine to our understandings of the urban have been considerable. The very simplified and brief description of some of their ideas of course does no justice to their contributions. However, it is not the purpose of this paper to analyze the evolution of ideas of any particular scholars in depth. The general purpose of the paper is to examine the way in which some marxist concepts, such as production of the general conditions of production, could open a new understanding of urban processes. The purpose of this particular section is to identify the dominant ideas in the marxist urban problematic, to show how they grew simultaneously with the critique of traditional urban sociology and to suggest that a comprehensive concept of the urban has not yet been produced.

A review of the existing literature would convince everybody that the marxist theoretical proposition to define the city is still being elaborated. It is by no means univocal. The few available concepts have sometimes been used with such dogmatic determinism that they have provoked understandable though unjustified resistance. The literature contains serious contradictions and limitations which have been consistently criticised by the same writers involved in its production.^{vi}

Most of the theoretical analyses seem to centre on examining the work of the capitalist state in the production of the general conditions of social production, particularly on the state's participation in the reproduction of labour power.

This process has been well discussed in the literature during the past 20 years. In its most general form, it refers to state assistance to private capital in its search for profit, either by increasing the productivity of labour - for example, by public expenditure on urban infrastructure, or by creating areas for capital investment, such as a partially subsidized housing market - or by lowering the reproduction costs of labour power - by implementing a fully subsidized public low-cost housing programme, or by subsidizing urban transport fares, etc.

This is a rich field of analysis whereby a number of processes that take place in a context that, impressionistically at least, we acknowledge as urban, are examined in terms of their significance for the operation of the capitalist Mode of Production. The dominant themes have been the roles played by those processes in that operation, their effects on, and implications for, both the structure of modern capitalism and the social actors - classes, fractions and any other social groups whose relevance in this context can be justified - and, finally, the consequences of the actions of these actors on the processes themselves and in the evolution of capitalism. The state, by having a protagonistic role in these developments, has been a decisive factor for the identification of the specific processes to consider. This has, at the same time, limited the coverage of this field, and the significance of the concept of general conditions of production to a part only of the urban. In a sense, the statement that the production of the "general conditions", by being a specific function of the state defines an area in which the state seems to coincide with the urban (Folin, 1981, p51) can only be accepted if that coincidence is understood as an overlap. Both the state and the urban seem to contain and at the same time to exceed each other.

There have been several premature generalizations, attempts to move abruptly from the analysis of these processes to a general concept of the urban. Whatever the validity of the analyses, they do not provide sufficient basis for any generalization. Castells' concept of urban social movements is relevant to understand social conflicts in the city, but it is too narrow a base to explain structural changes in society. Initial definitions that reduced the city to a focus of collective consumption have proved extremely formalistic and confusing. It still remains an open question whether the concentration of labour power in cities^{vii} creates specific new needs that might generate specific new forms of reproduction and whether these demand new forms of production and define specific forms of class struggle - or the struggle of whatever relevant social actors the efficiency of theory might identify - inserted within the overall social conflict of capitalism. These questions have already been formulated by several marxist analysts, but most answers are still unsatisfactory. It seems, therefore, that the task of producing an all - embracing concept of the urban as part of a new problematic is still there.

V. Housing and the State

The absence of a general concept is, of course, no hindrance for the study of urbanization. The examination of particular processes using concepts of rather limited coverage can still help to develop an in-depth understanding of the nature of the urban and provide a way towards the production of a general concept. At the same time, examination of particular processes is valid on its own merits. Currently this seems to be an attitude widely shared by urban analysts in many places. A recent book edited by Mario Lungo in Central America illustrates this point quite properly: devoted to the methods and theory of the urban, the book is a collection of very good papers, each one valid in itself, examining particular processes that take place in cities: the informal sector, the building industry, urban land and rent, housing, urban services, etc. (Lungo, 1989). The particular process I am interested in is the provision of low-cost housing.

Within the realm of the urban the production, exchange and consumption of housing - understood as a single integrated process - occupies a place of prominence. This is not only due to the physical gravitation of housing on the fabric of cities or its importance as fixed capital. It is also valid in the field that interests this paper, that is, in urban analysis and theory.

A considerable portion of the analyses that have originated important concepts in the urban field have used housing as their object.

The most remarkable feature of the process of housing production, exchange and consumption during the past 30 or 40 years all around the world, and especially in the developing countries, has been the intervention of the state in the process. The state has intervened either by building or by financing the building of low-cost housing, using policies and programmes of conventional and non-conventional housing provision.^{viii} This does not mean that in the developing countries the state has produced the majority of the existing shelter. That record is still in the hands of the population, citizens that build their houses outside the official framework. Nevertheless the state, because of its dominant position, has played a strategic role in determining the forms of the housing process in most countries of the Third World. Moreover, in a number of cases the quantitative action of the state has also been considerable.

In Venezuela, for instance, with a population in 1980 of about 16 million people - meaning about 3 million households - the state produced some 300,000 conventional housing units from 1970 to 1980, on top of a massive intervention in up-grading squatter areas. (Fiori et al. 1985). In Chile, with a population of about 10 million people in 1970 - about 2 million households - the state produced some 200,000 units and participated in the finance of another 170,000 from 1960 to 1970 on top of considerable action on non-conventional housing. (Minvu, 1972, p22).

This presence of the state is of course the reason why this field has provided such fertile ground for analyses that link the workings of the capitalist state to the urban - physically, socially, politically - through the provision of housing. It has been possible, for example, to identify different ways in which the state has used the housing sector in the production of the general conditions of production: vast programmes of conventional housing, in certain specific countries (Chile and Venezuela among them) designed to create areas of capital expansion that would have been unavailable without state support and finance. Massive non-conventional programmes - such as the upgrading of Caracas' "barrios" - have offered the chance to test the relevance of concepts such as collective consumption. Important social movements, such as the "pobladores" in Chile, have been examined using the concept of urban social movements, etc.

However, the most important issue in this field today - the one with unforeseeable social and political implications - is not the intervention of the state in housing but the widespread attempt throughout the world to withdraw the state from housing provision. The general proposition is to use the state only as a supporting agency for the private sector - formal and informal and also the voluntary one - in its efforts to take over the supply of shelter for the whole population, including the very poor. Movements in a similar direction are taking place in other areas of state action as well.

It is a remarkable demonstration of the integrative power of the world capitalist system today to find that in a relatively short period of time the most different of governments have simultaneously discovered and embraced the same new, and radically different, approach to housing. Privatisation of the public housing stock in places as different as the UK, Hungary and Sri Lanka testify to this. Some Third

World countries appear to have been pushed into these policies under the weight of their external debts and the structural adjustments demanded by international finance agencies, which, in the first instance, means deep cuts in public expenditure. In some, new dominant fractions have adopted privatization as a central component of their political programmes and as a new form of integration into the world economy. Other countries have embraced the change as a matter of doctrine. Yet others as a pragmatic response to existing international finance opportunities. Probably the majority have either changed or are contemplating these changes, on the basis of a combination of these and other causes.

The movement towards withdrawing the state from housing provision has been supported by a strong critical assessment of the past performance of the state in this field. Most of the articulate criticism has been provided by influential international agencies involved in the financing of public housing. The criticisms could be summarised as follows: that the state has not been able to supply low-cost housing at the large scale which is required to respond to the shelter needs of the urban poor; that most of the housing provided has not reached the poor either; that the action of the state has created financial, technical and administrative disincentives for the participation of the private sector, both formal and informal; that these disincentives are basically anomalies in the working of the housing market provoked by state interference by means such as subsidies, rent controls, imposition of differential standards, etc.; and that the operation of a housing market free of state interference would allow the private sector to expand and compete, thereby raising the levels of productivity and efficiency and reducing costs, something that the state is not forced to do given its monopolistic position.

These changes of policy are not automatic, nor autonomous, nor spontaneous. They seem to respond to the need for reorganising productive forces throughout the capitalist world system, seeking to maximise the productive use of the social value available for accumulation. The universal pressure to reduce public expenditure and to increase exports and international commercial exchanges point towards an effort to raise productivity across the international board. A world system fully integrated, with fast communications and agencies able not only to articulate these strategies but also to offer incentives and punishments, could be expected to react in concert. Considerable confusion

has been added to this process by the fact that it has been accompanied by a strong ideological offensive of the so called "new right", with the nearly inevitable result that the arguments have been wrongly polarised into a false dilemma: for or against state intervention in the economy.

It is not my intention to enter into an examination of the full reasons and implications of this strategy of state withdrawal. The subject is under scrutiny in many places today. Moreover, I am far from defending as a matter of principle the past performance of the state. However, if our purpose is to advance in the understanding of urban processes, we need to know whether the critical claims about that past performance of the state as housing provider are valid or not. We also need to examine the implications of these changes for our present conceptualisations of reproduction and of the urban.

VI. State and Housing in Venezuela^{ix}

Nearly all the preliminary findings of our research in Caracas seem to contradict the critical claims concerning state intervention. There is however, room for different interpretations. It could be argued that Venezuela is a special case, given its oil export based economy. It is a fact that during the period covered by our research - the 1960's and 1970's - the state had considerable funds available. This was particularly so in the period immediately after 1973, when the country benefited from the international "oil boom". As a consequence, the national budget increased from 15 billions "Bolívares" in 1973 to 42 billions in 1974. (Aranda, 1984).^x However, as far as housing is concerned, the government of Venezuela did the same as other Latin American governments did or tried to do during the same period, only on a large scale and with more resources. So the Venezuelan case can by no means be considered atypical.

On a purely empirical basis it could be said that the intervention of the Venezuelan state in housing during the 1960's and 1970's was considerable. Its contribution to the increment of the conventional housing stock during the period was some 700,000 units. During the same period the state implemented massive non-conventional housing programmes throughout the country. Our research is in the squatter areas of Caracas, where some 1.5 million people live, that is about 50% of the capital's population. Not only did the state allow the massive occupation of peripheral

urban land during this period, selectively transferring the costs to the landowners most of the time, but it also provided these areas with water, sewerage, roads, steps, public lighting, garbage collection, and social services such as schools, polyclinics, social assistance centres, etc. These, all elements of labour reproduction, have been provided for a long period of time without charging the costs to the squatters, either directly, or through rates or taxes. The only payment the squatters have had to make during several years has been for electricity, which is provided by a private company. By the middle of the 1980's this situation began to change. The state started a drive to regulate land tenure, to transform a "de-facto" occupation into private property. That, one could anticipate, was the beginning of a qualitative change leading to the introduction of full capitalist relationships in the "barrios": private land, commodification of housing, full payment of services, etc. It is also important to note that by this time the squatter areas were well consolidated and internal processes leading in the same direction had already begun.

The situation in both sectors, conventional and non-conventional, has by no means been without conflict. It has been accompanied by ups and downs in state participation, temporary crises followed by expansions, price speculation, bureaucratic abuses and price increases in real estate that have nearly crippled the system in several instances. But state intervention in housing has been, by all accounts, significant. Moreover, one of its two branches, the non-conventional programme, managed to reach the very poor. The fact that this situation changed rather dramatically in the middle of the 1980's does not alter the assessment of the period under study.

As far as the relationship between state action and the private sector is concerned, the Venezuelan case again shows a different picture to the one claimed by critics of state intervention, although in this respect an argument in support of their criticisms can be identified. It could be said that the private building industry and finance capital have used the state for their expansion, transferring to it the task of supporting them and of assuming all the risks. Since the 1960's state policy was to promote the private construction industry. Public works and conventional housing programmes were used for that purpose. This policy, among other things, expressed the relative power of the groups controlling the construction industry within the Venezuelan

bourgeoisie in power. The state was not a direct builder. Over 75% of all public work was contracted out to the private sector during the period covered by our research. An important function of the state was to reduce the risks of the private sector. Housing developers, for example, were provided with developed land and the Venezuelan state assumed the responsibility for the commercialisation of housing - involving high subsidies to the market - so as to ensure continuity and speed in the circulation of private capital.

A good example of this state support is provided by Decree Number 346, dictated by the "Acción Democrática" government of Carlos Andrés Pérez during his first period (1974-1978).

It classified housing into four levels of price and provided different

incentives to promoters, financiers, builders and buyers at each level. For the lower level - supposed to provide low-cost housing at a maximum price of 18,000 dollars - the incentives were: income tax relief, technical assistance, credit for land acquisition up to 80% of its value, credits for construction and land development costs up to 100% as well as acquisition by the state of all the houses not sold after two years, at 95% of their price. For people interested in financing housing production, the Decree offered tax relief on the income generated by financing the whole operation: from land acquisition and development, construction of houses and credits given to buyers. On top of this the state guaranteed the repossession of 85% of the debt for any defaultment over 6 months.

One is led to conclude that during those years the state nursed the private building companies, while at the same time it created the financial mechanisms (savings-and-loans societies and mortgages banks) for the operation of a stable housing market, which has been a condition for the private sector's attempts to take over the supply of housing.

These conventional housing programmes have all the characteristics of the state entering into the production of the general conditions of production, or at least into one of its forms, as I will examine below. However, this process has another possible reading too, closer to the interpretation offered by the critics of state intervention. These critics could conclude, for instance, that the state support to the private building industry, though indispensable at the initial stages, became a constraint to its further development. That it created a protected

sector deprived of the spurs of competition and risk, and therefore lacking in dynamism. A sector that remains at low levels of productivity and inefficiency, which maintains high prices and speculation. These critics could conclude that a policy designed to benefit the private construction industry - which it did - ended up producing a perverse effect: the stagnation of the same industry. In these conditions the removal of state protection seems to be a proper remedy.

Whether these conclusions are valid or not depends of an assessment of the state of the building industry in Venezuela and of the acceptance of a number of assumptions concerning the work of the state and the market.

Neither of these subjects are concerns of this paper, so they will not be discussed. The reason, however, for including them here is to illustrate the fact that of two important conclusions related to the performance of the Venezuelan state in the field of low-cost housing, namely that the scale of its delivery has been significant and that it has supported the creation and development of the building industry - both in direct opposition to the arguments advocating state withdrawal from this field - one at least could be read differently.

The problem with this type of argument is that it assumes a high level of technical rationality from an institution, the state, which is not, as such, a thinker, or from governments which are not neutral. In order to understand why the state intervenes in any field, the form of the intervention and why some forms are replaced, it is indispensable to know which social fractions dominate not only the state but the particular instance of history under consideration. It is also important to identify the models of capital accumulation enforced, the roles of the different actors and institutions that participate in the instance - in our case we need to identify the role of housing - and the structural crisis that the dominant fractions have to face in the political challenges they confront. For all these endeavours - and given that our interest is in housing - the concept of general conditions of production is a useful tool of analysis.

VII. State Withdrawal and General Conditions of Production

More important than discussing the empirical validity of criticisms of the state in this paper is the fact that its assumed withdrawal forces us to examine again the roles and the importance of the processes defined under the concepts of

general conditions of social production and of reproduction of labour power in the definition of the urban.

First, there are some questions that must be formulated: is the withdrawal of the state from areas of public expenditure such as housing, infrastructure, urban services, etc. a realistic scenario in the contemporary conditions of capitalism? Is this just a hypothetical question? Is it a question of withdrawal, or a change in the quantity and forms of state intervention? An empirically based answer to these questions requires evidence which it is still too early in the process to obtain. The few cases I am slightly acquainted with, the Docklands Development in London, the Million Houses Programme in Sri Lanka, the Housing Programmes in Chile after 1973, all formulated under the doctrine of state withdrawal, are no more than changes in the traditional forms of state intervention, namely from main actor to main supporter. Total state withdrawal seems to be, for the time being, a theoretical objective defined in the context of a reformulation of the world capitalist system. Bertrand Renaud, examining housing policies in Chile since 1980 observed that the first World Bank loan in 1984 included a covenant that Chile would eliminate "all subsidies to housing". In his view "this clause is obviously unenforceable since no country has eliminated all subsidies to the housing sector". (Renaud, 1988, p4).

The issue should then be approached theoretically, particularly in terms of its implications for a definition of the urban. Theoretical analysis should lead us to conclude that a total withdrawal of the state from the production of general conditions of production is impossible in modern capitalism. It might only be possible in a situation of total collapse of the capitalist Mode of Production, with the state reverting to its primitive functions as a agency of repression. However, it is perfectly possible and understandable that the capitalist state might withdraw completely from a number of particular processes within the wide scope of actions defined under the concept of general conditions. The implications of this withdrawal for the definition and understanding of the urban, and of particular processes that take place in what we call the city, are important given that, according to the argument I am examining here, extensively treated in the most influential literature, the link between the urban and the general conditions has been precisely allocated to the workings of the state.

Within that body of literature there seems to be a consensus to consider that "the production of the general conditions of social production is a specific and fundamental function of the state", (Folin, 1981, p51). This takes place along two main lines of action: by public expenditure to produce or to buy means of production - to be used to raise the productivity of labour power to be consumed by private capital - and to produce or buy means of consumption - to be used to reduce the costs of reproduction of labour power. Both means will enter the production-reproduction process as use values, not as commodities, to further support the process of capital accumulation. I think that this description, loosely drawn from Folin's paper, is a fair representation of the way in which the concept of general conditions is widely understood.

Although I agree in general terms with this description, a number of comments are necessary as well. The first is just formal: in the manner in which several writers, not only Folin, have treated the general conditions there is the danger of inducing a reading focused exclusively on economic factors. Reading marxist analysts one tends to assume that the universal character of the process of production - social actors, nature, history, culture, etc. - is always present, even though language might have compressed it into economic categories. Yet the assumption has been wrong so many times that it is healthy to note the point. How can we read, for example, the following quotation from a previous paper by Folin: "I entirely agree with Harvey and Lojkin when they assert that it is necessary to regard the city as fixed capital, and thus to bring this complex phenomenon down not only to the reproduction of labour-power, but to the very heart of the process of production and reproduction of surplus-value (and reproduction of social capital). However, this initial definition is not enough by itself ... "(Folin, 1978, p346)? Although I again agree with his words it is only after an effort of imagination that might have taken me to a completely wrong conclusion regarding his intentions.

He laid the ground for a wider interpretation of the general conditions in other parts of the same paper: "... once the city has been defined in terms of 'fixed capital' or 'general conditions', the real problem becomes one of explaining how such general conditions are produced and employed." (Ibid, 345). Answering his own question of what is meant by general conditions, he noted: "Are they the conditions of social

production in general, the very form of social production, or are they also the conditions of the reproduction of capitalist relations of production?" (Ibid, 346).

It is obvious that the definition mentioned before, drawn from Folin's 1981 paper, already contained the elements for a wider, not strictly economic interpretation. Indeed, it describes processes which are motivated by the operation of the economy, but that are themselves totally contrary to the rationale of private capitalist production. They consist of the purposeful production of non profitable goods and services.

It is at this point that the intervention of the state becomes a necessity. No other agency or actor of the capitalist Mode of Production, but the state, can engage itself rationally in the production of non-commodities. Unless, of course, a wider logic appears, such as the logic of the political structure.

It is within that logic that the question formulated by Folin - "how are such general conditions produced and employed?" - can be answered. I understand by general conditions the removal, by the action of the state, of all obstacles to specific forms of capital accumulation, including institutional, ideological, political, cultural, legal and economic ones. Removal also includes the creation of absences, e.g.: the creation of necessary conditions that might not appear otherwise. These are areas in which the general conditions are produced and employed differently. The forms mentioned by Folin are perhaps the most important: the use of social value to socialize the costs of production, making capital accumulation possible. But there are other forms in which the state creates general conditions with no expenditure of social value taking place: by means of changes of legislation, political acts of legitimization, transfer of resources between social fractions by political and legal means, etc.

It is this wider spectrum of possibilities that allows me to justify the validity of part of the fourth proposition with which I started this paper, i.e.: the usefulness of the concepts of reproduction of labour power and of general conditions of social production for the analysis of particular urban processes, such as public housing provision in Venezuela. At the same time the analysis, even if very brief, shows some of the ways in which the general conditions are produced and employed.

Although the physical forms, the material

manifestations of the outputs of the conventional and non-conventional housing policies in Venezuela, and nearly everywhere, are self-evidently different, the same is not the case when the nature and social roles of the policies are examined. Here the differences have to be explained. The application of the concepts mentioned above helps us to separate completely the different nature, dynamics, objectives and results of the two housing policies that the Venezuelan state - under ostensibly different administrations formulating policies that appear to be specific to each government - implemented concurrently during the 1960's and 1970's. Indeed, while there is such continuity among the housing policies of the different administrations as to make them appear variations on a single theme, it is clear, on the other hand, that to talk about housing policies in Venezuela during the period as though they were a single entity is also misleading. There are no important qualitative differences between the housing policies of "Copei" and "Acción Democrática".^{xi} But there are definite differences between the conventional and non-conventional policies that both parties have implemented during that period. It should be clear, after the information already provided, that these policies refer to different processes.

It is a reasonable hypothesis to say that the fraction of the bourgeoisie in power singled out the construction industry, including housing, as the internal dynamic core (the external being oil) of capital expansion in the period 1960-1980. As far as housing was concerned, the state was given the task - not by an abstract bourgeoisie, but by a precise fraction that in Venezuela can be traced to specific groups, (Brito Figueroa, 1984) - of organizing the production, exchange and consumption of the output of this industry and that it did it at the cost of high public expenditure. A model of capital accumulation based upon import-substitution industrialization required of a relatively simple industry to act as consumer of other industrial outputs. For this purpose it was necessary for the Venezuelan state to create this area of activity, to build houses that consumed industrially produced building materials and technology, that could be "transformed" into commodities with the help of subsidies. This determined conventional housing policies and a particular quality of output. The housing units were produced for a middle and high income market. The absence of that market forced the state to act in order to create one, hence all the financial facilities offered to the private sector, the direct subsidies,

the preferential loans, etc. To try to assess the success of these policies in terms of their ability to reach the "urban poor" is absurd. They were never formulated with that purpose, whatever the rhetoric of their presentations. All the secondary information of our research confirms that these policies played their roles quite successfully. They constitute a form of general conditions of social production, a particular form, in a particular country and time, of socialization of the costs of production.

At the same time the government of Venezuela was involved in the socialization of the cost of labour reproduction. One of the important components of the structure of social domination in Venezuela during those years was the political participation of the workers in it. Political participation, however, needs a material basis on which to be sustained. In an ideal situation, the housing consumption of the workers could enter into the expansion of capital. In most developing countries this is still not the case, hence the large squatter areas. If salaries cannot be increased without compromising the rate of profit of a still weak private capital, and if the problem gets out of control given the incapacity of industries and services to absorb the total labour power available in cities, then the state is called upon to participate in the social, collective, reproduction of labour power.

The logic of the response is different to that mentioned before. Facing a problem of maximum social coverage at minimum cost, the answer in Venezuela was a very specific kind of non-conventional housing policy: the provision of physical and social infrastructure to the squatter areas; public expenditure without any attempt at cost-recovery. This is another form of production of the general conditions of production. The output is the means of collective consumption. In addition, the policy included a number of other forms of reproduction that required no expenditure of the social value accumulated by the state. The two most important of these were the organization of the squatters to build their own houses and the use of an informal-official system of regulation to deal with land occupation, (Perez Perdomo, 1982), which in fact has allowed the squatters to stay indefinitely on the land they invaded. By implicitly allowing the low-income groups to invade private land, without protecting it, and in real terms without compensating the landowners, except on a selective and political basis, the fraction of the Venezuelan

bourgeoisie in power managed to transfer part of the costs of labour reproduction - not only of labour power in use but also of all available labour power - to the landowner class.

The previous text refers to situations in which the state is a central protagonist. What happens then when the state withdraws from the scene, and how does this affect the concept of the urban? I will use this last section to justify the qualification directed to the concepts of general conditions and labour power reproduction at the beginning of this paper, i.e.: that they are useful though limited instruments for the analysis of the urban.

I said before that while total withdrawal of the state from the production of the general conditions is unthinkable, its total withdrawal from particular processes is both possible and understandable. The explanation of the first part of this statement rests upon accepting that the normal working of capitalist relations of production means the direct confrontation of capital and labour as an economic relationship, fully defined and completed in the market place.

In these circumstances any intervention by the state is not self-evident and must be explained.

The fact that the ideal relationship does not happen in the daily workings of the system has been explained many times in the marxist literature. It is mainly due to the contradictory development of capitalism, which creates structural obstacles - centralization, concentration, and others - for that economic relationship to satisfy fully the demands of that same development. Hence the necessary and permanent intervention by the state to remove these obstacles. This is what the production of the general conditions of social production means at this general level and this is the reason why the state has a permanent structural role to play in the development of capitalism.

Any specific explanation of the second part of the statement requires a reduction of the level of abstraction. The general tendencies of capitalism development are abstract concepts referring to processes that we only know in their manifestations. These are multiple, specific and highly varied individual processes. To understand them it is necessary to describe them consistently within their general nature and specific character. They can only be identified by the analysis of particular structures of domination in individual social formations. The role assigned to the building industry and to low-cost housing in some Latin American

countries during the 1950-1970 period is a specific characteristic of the structures of social domination in those places at that time. There is nothing deterministic in the evolution of capitalism in the developing world that would lead some countries into import-substitution industrialization and to privilege the building industry within it. That happened in some places because of the historical conditions in which this process took place: the form of disintegration of previous structures for example, the composition of the dominant class and its fractions and groups, the natural resources, the models of capital accumulation, the political alliances, the possible forms of insertion into the world economy, etc.

The use of the state for the production of the general conditions at this level is varied, refined and might require considerable political imagination. Although the general principles are the same - removal of obstacles for accumulation, socialization of costs of development - the particular definitions cannot be reduced to a few predetermined forms. Moreover, the intervention of the state at this level cannot be understood as an homogenous blanket permanently covering all the different economic processes and other aspects of the relations of production. That would produce an extremely rigid system, a total negation, in a structural sense, of what was defined as the normal working of capitalism.

The case seems to be more flexible, both theoretically and empirically: provided that the reasons that motivated the state to intervene in the first place - pertaining either to production or consumption, or to ideology, or to institutional arrangements, or to the legal body - cease to exist, there is no reason for the continuation of the intervention. Provided that the means of production, financed by the state in a particular sector, can be successfully and profitably produced by private capital and can be purchased by private capital too, the state has no motive to intervene in their production and circulation. Provided that the particular means of consumption have entered into the value of total labour power - used and available - and are therefore produced and marketed as commodities at prices affordable by the labourers, then again the state could withdraw from those particular sectors without creating any problems to reproduction. These are, however, only structural conditions. To acquire life they must be interpreted by the social actors active in a social formation and expressed in their social projects. There is no mechanical

rationality in these fields, but struggles, mistakes and new attempts.

How does the present movement to withdraw the state from the provision of low-cost housing in developing countries define its position in the context of the conditions mentioned above? A strong impulse for this movement comes from international agencies financing housing, under the principles of affordability and cost recovery.

To simplify, let us say that the thrust of these principles is based on the assumption that public sector expenditure on housing will not be required because in a totally free market there is going to be the necessary variety of acceptable housing supply to match all levels of demand. At that point, low-income ceases to be the obstacle constraining access to housing. Competition among producers will lead to rising productivity and low prices. The state, in these circumstances could move out of direct involvement in housing provision adopting the role of a supporting agency instead, providing, for example, an operative fund, which by virtue of replenishment after each operation, becomes a rolling fund.

Although very simplified, this statement is totally consistent with the way both the development of capitalism and the role in it of the general conditions have been presented in this paper. The key word of the statement, however, is "acceptable". I have no doubts that, in general terms, the great majority of labourers in the Third World get access to their shelter in conditions similar to those described in the statement, by matching their demands to existing supply. The problem is that the result seems to be socially - and therefore politically - unacceptable. Thus private property is violated, private land is invaded and large squatter settlements appear. When that unacceptability moves from being individual to become collective and massive, as seems to have started happening in the Third World around the late 1940's, a housing shortage becomes a housing problem.

It seems, therefore, that the theoretical answer to the question of state withdrawal from the provision of low-cost housing in developing countries is that, if the indicated conditions are satisfied, withdrawal is not only possible but necessary. However, given the wide range of interpretations that the satisfaction of those (structural) conditions may have, the real answer requires some empirical evidence. In other words: is it possible to obtain from the contemporary historical experience of

developing countries some evidences to substantiate the idea that the state may withdraw from the provision of low-cost housing?

No definite answer is possible at this point in the process. There are some partial and symptomatic indicators only, identifying a political will to impose the total privatization of housing provision in the absence of the structural conditions mentioned before. The indicators also identify minor but significant transformations in housing production, exchange and consumption that might eventually lead to the establishment of those structural conditions.

In Venezuela, for example, we found during the 1980's a situation similar to the one described above. There was a continuous reduction of state involvement in direct and indirect production of conventional housing, accompanied by a continuous increase in the participation of the private sector. Whereas in 1971 61% of the total conventional housing produced in the country accrued to the state, in 1981 the figure was just 38%. The private sector, which had been supported by the state throughout by, among other things, the organization of a financial market, had been able to achieve sufficiently high levels of efficiency to move from providing 39% to 62% of the housing during the same period.

Simultaneously, several developments within the squatter areas showed that similar initiatives were underway. The most important was the beginning of a campaign to regularize land property. The large squatter population living on land illegally appropriated, but enjoying a "de facto", recognized right to the use-value of that land, was asked to purchase it. The initiative started tentatively about 1983 and it must be noted that the reaction of the population in the area covered by our research was, by and large, favourable to it. A more symptomatic event was the programme started in about 1977 by "Fundación de la Vivienda Popular" an NGO closely related to the private building industry in Venezuela. The programme basically consisted of the provision of cheap loans to improve housing conditions in the "barrios". Given that there were no legal properties to mortgage, the programme created new social units, grouping the interested squatters into "sociedades civiles", recognized by the law and able to underwrite the individual loans of its members. (FVP, 1982).

From the perspective of our argument, the importance of this programme rests on the introduction of the discipline of private finance capital into the housing field in the squatter areas. Low-income households were offered access to finance capital - it was no longer just a question of asking the state to solve their problems - but the principles of affordability and cost recovery were implicit in the operation.

The consequences of these processes, in the late 1980's, were far from reproducing the expectations of the advocates of state withdrawal. Alfredo Cilento, examining the situation of the conventional housing sector in 1988, found that the private sector was producing no housing at all directed to the population with an income below 15,000 Bolívares per month, which constituted 94.5% of the urban population in Venezuela. Practically all through the 1980's the conventional housing sector suffered a crisis that affected both the building industry and its financial supporting system. (Cilento, 1989).

In summary, the available information shows that a gradual and slow process of low-cost housing privatization was on course in Venezuela. Housing, even at the lowest levels of income, was becoming a commodity and was increasingly removed from the area of reproduction financed by the state. It also shows that the results of low-cost housing privatization, up to the time of observation, were far from satisfactory.

Any attempt to identify the causes of this process - whether it was the result of a change in the structure of domination, or an expression of the success of previous state interventions in removing structural obstacles for the capitalist development of the housing sector, or a combination of these and other causes - and to assess its results, would require an in-depth analysis that cannot be done here. The bottom line of the argument is that total withdrawal of the state from the provision of housing as part of the reproduction of means of production and labour power is theoretically possible. Historical evidence is still confused but there are some symptoms that show that processes of this kind are currently on course in some developing countries.

Whatever the results of these processes - and it is still too early to judge - they raise an important theoretical problem for a conception of the urban defined instrumentally, if not

essentially, by state intervention in the production of the general conditions of social production. While the concept has provided us with useful instruments to understand the different public housing practices in the Third World, its concentration is at the same time its limitation. The argument cannot be sustained that housing needs to enter into the reproduction of labour power exclusively as part of the general conditions. Total commodification of low-income housing and its entry into reproduction of labour power through individual consumption - through the market - is, theoretically at least, possible. But at that point the concept of reproduction within the general conditions have no use for the conceptualization of the urban. At that point the housing process is taking place beyond the limits of the area of overlapping between the state and the urban. The concepts of general conditions of production and of reproduction of labour power as part of it, have lost their capacity to explain the urban. The participation of housing in the reproduction of labour power even without state intervention will still constitute one of the most important urban processes. The production, exchange and consumption of housing will - under conditions of full privatization - still be one of the important subjects of urban studies. But on those circumstances the concepts that define the general conditions of social production will be of little significance to describe and to understand them.

Note: This paper has now been published in: *Third World Urbanization: Reappraisals and New Perspectives*, Satya Datta (ed), Swedish Council for Research in the Humanities and Social Sciences, Stockholm, 1990.

References

- Aranda, S** 1984, *La Economía Venezolana*, Editorial Pomare Venezuela, Caracas.
- Brito Figueroa, F** 1984, *Historia Economica y Social de Venezuela*, Universidad Central de Venezuela, Caracas.
- Castells, M** 1968, "Is there an Urban Sociology?" in: *Sociologie du Travail*, No.1, Editions du Seuil.
1976, reprinted in: Pickvance, C G (ed): *Urban Sociology. Critical Essays*, Tavistock Publications Ltd, London.
- 1969, "Theory and Ideology in Urban Sociology" in: *Sociologie et Societes*, No.1, Montreal.
1976, reprinted in: Pickvance, C G (ed): *Urban Sociology. Critical Essays*, Tavistock Publications Ltd, London.
- 1973, "Collective Consumption and Urban Contradictions in Advance Capitalism", International Seminar of the Council of European Studies, Monterosso, Italy. 1978, reprinted in: Castells, M: *City, Class and Power*, The MacMillan Press Ltd, London.
- 1974, *La Cuestion Urbana*, Siglo XXI Editores, Espana.
- 1976, *City, Class and Power*, Le Monde Diplomatique, Paris. 1978, reprinted in: Castells, M: *City, Class and Power*, The Macmillan Press Ltd, London.
- 1977, *The Urban Question. A Marxist Approach*, (Afterword) Edward Arnold, London.
- 1983, *The City and the Grassroots. A Cross-Cultural Theory of Urban Social Movements*, Edward Arnold, London.
- Cilento, A** 1989, "30 Años de Financiamiento Habitacional en Venezuela. Cronología y Crítica" in: *Coloquio*, Vol 1, No.1, Universidad Central de Venezuela, Caracas.
- Fiori, J; Harms, H; Hermannsdorfer, I; Korte, A; Mathey, K and Ramirez, R** 1985, *Self-Help Housing in Latin America. The Case of Venezuela*, Joint Research Project, Interim Report, Unpublished.
- Folin, M** 1978, "Public Enterprise, Public Works, Social Fixed Capital. Capitalist Production of the Communal, General Conditions of Social Production" in: *International Journal of Urban and Regional Research*, Vol 3, No.3, London.
- 1981, "The Production of the General Conditions of Social Production and the Role of the State" in: Harloe, M and Lebas, E (eds): *City, Class and Capital*, Edward Arnold, London.
- Friedman, J** 1968 (Nov), "The Strategy of Deliberate Urbanization" in: *AIP Journal*, USA.
- FVP**1982, *Programa para el Mejoramiento de Viviendas en los Asentamientos Urbanos no Regulados*, Fundación de la Vivienda Popular, Comisión de Barrios, Caracas.
- Germani, G** 1973, "Urbanization, Social Change and the Great Transformation" in: Germani, G (ed): *Modernization, Urbanization and the Urban Crisis*, Little, Brown & Co, Boston.
- Hardoy, J E & Satterthwaite, D** 1989, *Squatter Citizen*, Earthscan Publications, London.
- Harris, N** 1989 (Aug), "Aid and Urbanization. An Overview" in: *Cities*.
- 1990, *Urbanization, Economic Development and Policy in Developing Countries*, DPU Working Paper No.19, London.
- Hoselitz, B F** 1955 (May), "The City, the Factory and Economic Growth" in: *American Economic Review*, Vol 45, 1957, reprinted in: Hatt, P K and Reiss, A J (eds): *Cities and Society*, The Free Press, New York.
- Lojkine, J** 1972, "Contribution to a Marxist Theory of Capitalist Urbanization" in: *Cahiers Internationaux de Sociologie*, No.52. 1976, reprinted in: Pickvance, C G (ed): *Urban Sociology. Critical Essays*, Tavistock Publications Ltd, London.
- 1979, *El Marxismo, El Estado y la Cuestión Urbana*, Siglo XXI Editores, Espana.
- Lungo, M** 1989, *Lo Urbano. Teorías y Métodos*, Editorial Universitaria Centroamericana, San Jose, Costa Rica.

Minvu. 1972, *La Política Habitacional del Gobierno Popular. Programa 1972*, Ministerio de la Vivienda y Urbanismo, Santiago, Chile.

Perez Perdomo, R & Nikken, P 1982, "The Law and Home Ownership in the "barrios" of Caracas" in: Gilbert, A; Hardoy, J E and Ramirez, R (eds): *Urbanization in Contemporary Latin America*, John Wiley & Sons, London.

Pradilla, E 1984, *Contribución a la Crítica de la Teoría Urbana. Del "Espacio" a la "Crisis Urbana"*, Universidad Autónoma Metropolitana, Unidad Xochimilco, México.

Renaud, B 1988, *Housing under Economic Structural Adjustment in Chile: an Innovative Approach to Finance and Production. Part I*, The World Bank, Urban Development Division, Policy, Planning and Research Staff, Working Paper, Washington.

Roxborough, I 1988 (Oct), "Modernization Theory Revisited. A Review Article" *Comparative Studies in Society and History*, Vol 30, No.4.

UN. 1966, "World Urbanization Trends, 1920-1960. An Interim Report of Work in Progress", Population Division, Bureau of Social Affairs. 1972, reprinted in: Breese, G (ed): *The City in Newly Developing Countries*, Prentice Hall, London.

1984, *Estimates and Projections of Urban, Rural and City Populations 1950-2025. The 1982 Assessment*, UN, New York.

Wirth, L 1938 (July), "Urbanism as a Way of Life" in: *The American Journal of Sociology*, Vol 44. 1957, reprinted in: Hatt, P. K. & Reiss, A J (eds): *Cities and Society*, The Free Press, New York, 1957.

NOTES

- i. *Self-Help Housing Provision in Latin America. The Cases of Venezuela, Brazil and Chile*. Joint research project: Jorge Fiori, Hans Harms, I Hermannsdorfer, Arnold Korte, Kosta Mathey and Ronaldo Ramirez.
- ii. Between 1920 and 1950 the urban population in Africa moved from 5% to 10%; in East Asia from 7% to 15 %; in South Asia from 26% to 11% and in Latin America from 14% to 25%. (UN, 1966).
- iii. Most of the section on traditional urban sociology is based on Germani's paper.
- iv. The references in this text have been taken from the English translation of Castells' papers in Pickvance, 1976.
- v. For this reference I have used the Spanish translation, published by "Siglo XXI Editores" in 1979 of Lojkine's book *Le Marxisme, L'Etat et la Question Urbaine*, published by Presses Universitaires de France in 1977.
- vi. An important critical review of the present ideas in this field has been provided by Emilio Pradilla in his *Contribución a la Crítica de la Teoría Urbana* published by "Universidad Autónoma Metropolitana, Unidad Xochimilco", México, in 1984.
- vii. Labour power consumed by capital and also available for consumption, as in the case of unemployed, underemployed, informal sector, etc. in developing countries.
- viii. A rough definition of these two forms: conventional housing means the addition to the housing stock of physical structures that satisfy internationally accepted standards. Non-conventional housing means any partial intervention in the process of housing production-exchange-consumption.
- ix. The information on Venezuela, except where otherwise noted, has been taken from the Interim Report of the joint research mentioned at the beginning of this paper. Figures are approximate and are provided only to give the quantitative scale of some processes.
- x. The drastic fall in the price of oil since the late 1970s has been a major cause of the economic crisis in Venezuela during the 1980s.
- xi. These are the two parties that have been replacing one another in office since 1958 in Venezuela.