

Capitalising Antigentrification

Suhail Malik

City planners across the planet have recently adopted gentrification led by creatives as a development strategy for increasing the wealth of cities while also promoting inclusiveness, diversity and social integration, all of which are important to these cities' engagement in global networks, as well as increasing capital with minimum political objection. An all-round win. However, faced with growing socioeconomic inequalities within major cities over the same period—and between global urban hotspots, or what are called 'superstar cities', such as New York, London, Shanghai, Dubai and the rest—even Richard Florida, proselytiser-in-chief for creative gentrification as the path to urban 'renewal', has recanted his earlier prescriptions:¹

our geography is splintering into small areas of affluence and concentrated advantage, and much larger areas of poverty and concentrated disadvantage. It became increasingly clear to me that the same clustering of talent and economic assets generates a lopsided, unequal urbanism in which a relative handful of superstar cities, and a few elite neighborhoods within them, benefit while many other places stagnate or fall behind. Ultimately, the very same force that drives the growth of our cities and economy broadly also generates the divides that separate us and the contradictions that hold us back.²

Gentrification is integral to a process that has led to the social entrenchment of income and wealth concentration, with increased spatial segregation of rich and poor *within* cities, *between* cities, and of cities against their surrounding regions. Along with that increasing disparity of inequality, interactions across different demographic categories are increasingly commercially organised rather than on the basis of social commonality or of equal claims to city use.

Displacement, rent rises, privatisation, corporatisation, and cultural homogenisation by a transnational elite are part of this process, as then is the hegemonic and

capital control by those elites. As Florida highlights, this means a reduction of social mobility and the reinforcement of poverty traps. And, whereas creatives were once the *spontaneous* frontline of gentrification, the artfield is now fully programmed into the conversion mechanisms of urban and capital development. Contrary to the imperatives of an artfield abiding by leftist-critical imperatives, as contemporary art mostly does, art—and contemporary art in particular—has for some time now been an attractor, not a spoiler, for capital and municipal investment formatted by gentrification.

This presents a formidable dilemma for the critically-minded artworker. But help is now at hand to redress it. As noted, gentrification is now recognised as a core problem by urban policy makers, who insist that cities must *protect* spaces and rents for low-income sectors like artworkers (and other creative sector entrepreneurs) in order to maintain urban vitality, and mend cities from the pernicious effects of unhindered gentrification. Yet changing the policy agenda does not challenge the basic premise of a creative-led gentrification. Rather, checking back gentrification is a good result for the creative class, artists included, and may even be the optimal one: creatives can then maintain their role in converting cities to their own ends with the added advantage of subsequent development taking place *around* them.

Questions remain, however: what of those who also have claims—perhaps more trenchant, historically-based claims—to urban sites but who are not creatives? How do the interests and material conditions of this population fare when the combination of creative-led gentrification *and* antigentrification shape policy? These concerns are taken up in the conclusion below, but first require elaboration of: the dynamic logic tying gentrification and antigentrification together; the advantages and quandaries faced by creatives in these restructuring dynamics; and the difficulty that it presents to those on the political left in particular. This elaboration will lead to prescriptions for how the

artfield can contribute to redressing entrenched poverty rather than its own interests. That's important because, as will be seen, the artfield's interests lie more obviously in maintaining the poverty trap.

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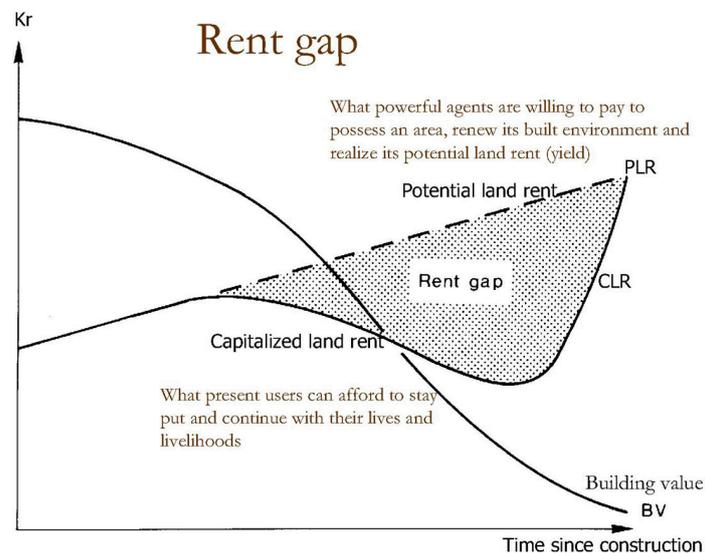
The basic terms for the present discussion are as follows:

—*Gentrification*: Ruth Glass first defines gentrification as a term in 1964: referring to the changing social composition of specific areas in London, Glass describes how

one by one, many of the working class quarters have been invaded by the middle class.... Shabby, modest mews and cottages ... have been taken over ... and have become elegant, expensive residences. [...] Once this process of 'gentrification' starts in a district it goes on rapidly.³

The chief characteristics of gentrification being that 'all or most of the working class occupiers are displaced and the whole social character of the district is changed'. Concomitantly, those displaced are left in a worse situation than they were before, including: travelling further to existing jobs and schools; losing jobs as a result and precarious re-employment; increased susceptibility of meaningful support structures, relatives, community to increased distance or dispersion of lived bonds; and the loss of familiarity by which daily life is routine, familiar and secure.

—*The Rent Gap*: The economic driver for gentrification is theorised in the 1980s by Neil Smith's stylisation of the 'rent gap'.⁴ Smith proposes that as buildings get older and fall into disrepair, the amount of rent that can be extracted from them decreases (Phase A of the indicative diagram below). If, simultaneously, the amount of rent that could be extracted from new land and buildings continues to increase (diagram line B), then the owner of the land/building is making an effective loss compared to the potential income: this is the rent gap (shaded).⁵



If the owners are capitalists, they will increase revenues by one or more of the following (Phase C): renewing the building or use of land, increasing rents, or selling it to another party who can buy the property at a price reduced from its market rates – and renovate it to restart the rentgap cycle (or by selling it on when market rates increase; “flipping” or “land-banking”).

The net effect of closing the rent gap towards the higher market price of potential rent is in any case to evict those who cannot afford the increased rates and attract those who can, making explicit that gentrification is a dynamic social reordering, a wealth-cleansing.

—*Neoliberalism and supergentrification*: Gentrification understood via the rent gap has been theorised in one way or another since the 1920s, if not before. But, as Florida remarks, early twenty-first century gentrification is distinct from its precursors because of three characteristics of class recomposition and ownership structures specific to neoliberalism:

1. the increased concentration of the ownership of capital and wealth by a superminority;
2. the erosion of a middle class attainable by those from historically low-income backgrounds;
3. the extraction of income through various forms of leasing and rent *from* peripheral and poorer actor of any sector *to* the wealthier and therefore increasingly richer core who own key provision and services.

Gentrification as a channel for *neoliberal* accumulation specifically leads to very rapid increases in rent and property prices, quicker turnover of increasingly concentrated ownership, more systemic rent extraction processes, and a correspondingly accelerated social restructuring. It's a gentrification on steroids, sometimes called supergentrification.⁶

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Creatives with relatively low-income, typical of the artfield, have an interest in this nexus of gentrification and supergentrification: gentrification, because that is how this sector takes advantage of the rent gap to inhabit dense urban spaces where art scenes have historically been concentrated in modernity; and supergentrification, because the artfield is now economically structured around the consumption patterns of a neoliberal elite for its financial viability. *Both* of these conditions can serve creatives very well: artworks, designed objects and experiences, ideas and discourses, and general innovation are each and all key elements for the expansion of experience sought in creative-led gentrification, which relies on low-cost spaces in urban centres, consequently upgraded as service sites for elite enrichment.⁷

As is now well established, the continued celebration of what creatives *do*, while removing the material

conditions enabling them to actually do so, leads to a closing of the rent gap and, accordingly, resentment and frustration within the creative sector. It's then consistent for creatives to join struggles against gentrification. But this indexes a third vector of advantage: antigentrification.

Creative-led antigentrification looks to block further development after the early-stage gentrification from which they benefit. And this means that the low-income creative sector in particular presents a twofold problem to others who are also casualties of gentrification.

—First: while alliances with local communities at risk of eviction, homelessness and displacement endorse the common interest in low-price rental and ownership of property, understood then as a public good, that alignment is *not* the optimal condition for the creative sector. It is instead best served in a sweet spot between supergentrification (products, sales), gentrification (urban existence) and antigentrification (property requirements) combined.

—Second: in their solidarity with the historically urban poor at risk of displacement, creatives endorsing antigentrification maintain and perpetuate the rent gap, which is also a proxy measure of relative impoverishment and disinvestment.

To elaborate: identifying *any* kind of development with gentrification, antigentrification of this kind stipulates the continued *disinvestment* in poor parts of the city where a substantial enough rent gap is to be had. In the name of such solidarity, antigentrification in cities that are otherwise increasing their overall capital base and productivity can thereby contribute 'from below' to the economic segregation entrenched by neoliberal gentrification. More alarmingly, given that neoliberal gentrification erodes social mobility and enforces urban segregation and wealth inequalities in cities, antigentrification can lock-in the historically routine poverty trap by which the poor stay in poverty intergenerationally.

In order to serve their own needs of low rents and cheap property, creatives supporting antigentrification may (by accident or not) thereby be maintaining disinvestment, reinforcing the poverty of the poor. The direct benefit of antigentrification to creatives entrenches social hierarchy based on wealth, enforced through urban spatial organisation. This continued indirect exploitation of the poor, and entrenchment of economic-spatial stratification, can be called "right antigentrification". Right antigentrification supports neoliberal gentrification.

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The exacerbation of economic and social segregation in cities presents an insurmountable problem for the political left, for whom societal organisation including cities should by contrast be just by virtue of increasing

economic and political equality, socioculturally expansive, inclusive, in the collective interest, and socially liberal. Economic and experienced poverty are ameliorated by the improvement of services, provision, and infrastructure; from basic requirements of water and energy to affordable transport links to decent housing. The poverty trap is sprung open by investment in infrastructure and people, by transformation of their living conditions and material capacities. For this, a path distinct to the two standard options of gentrification and reactive right antigentrification needs to be set out.

Such a route is not hard to formulate: not all urban economic development is gentrifying, because it need not be led by exogenous interests or financially speculative developers. Indeed, this last term must be retrieved from its now near-exclusive connotations with capital concentration, associations entrenched by neoliberal doctrine. Development is necessary to meet the political imperative of social mobility from poorer to richer section of the population. And it is such development that is thwarted by the reactive formation of right antigentrification.

But a leftist demand for development puts pressure not just on gentrification but on antigentrification too. Though the alleviation of poverty, hardship and also, crucially, increasing access to higher living standards is a common justification for gentrification, the political left must also insist that improvements to income levels, infrastructure and services in poor areas do not force displacements (direct or indirect). Rather, they maintain provision for incoming people in need, as well as defend existing occupants and residents against expropriation.

In the most general terms, what is required is a *pro-development antigentrification* (ProDAG).

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ProDAG capitalises antigentrification: it requires channelling capital to the urban poor, who can be anyone: black or white, the established poor over two generations of deindustrialised surplus populations, or the new poor (such as the economic or political refugee), or the former middle classes. Instead of looking to *only* protect the interests of communities under threat from external price increase and land-grab pressures, ProDAG advances the claims of constituencies liable to be displaced by advocating the development of those areas for those who are there in the first instance. This antipoverty prodevelopment capitalisation is an *active* left antigentrification.

Against the reactive formation of reactive right antigentrification, which looks to maintain the rent gap, a ProDAG approach also looks to close or reduce the rent gap by these modes of intensively directed capitalisation:

1. blocking the possibility of increasing rent, or at least mitigating its rate of increase, meaning rent caps;
2. providing support for rent through state support;⁸
3. reducing the market property rental price by distorting the price system, which is to introduce market controls.

These measures do not alone suffice to meet a ProDAG agenda: the first is an attenuated form of continued disinvestment and is an easy-to-hand but short-term variant of reactive antigentrification. The second proposal consolidates the dynamics of rent increases, securing revenues for owners of property and so further concentrating capital by state-subsidy, while also deferring the standard operations of gentrification. Like state subsidy of housing, rent control can only contribute to ProDAG if it is accompanied by a redistribution of property ownership. That is, ProDAG must set up revised models and practices of financial, monetary and legal mechanisms if it is to countermand the displacement and continued degradation of the urban poor.

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The closing proposal is that a revised artfield can help set this development strategy as a mode of its praxis. The exigency here is that the current material and financial conditions of the supermajority in the artfield—the low income from art and the requirement of space for material practice and exhibition—have to be reset. Actually existing conditions for art have to be grasped and mobilised as a transformative modular element in a chain of interests and valuation that extend well beyond the limited and experientially determined artfield into finance, law and urban strategy. The practicalities of art require it.

This is in fact not much of a stretch: even now, art is cross-sectorial and transdisciplinary. And, significantly, it is part of a Global Urban Value Chain (GUVVC) which can be manipulated. More exactly, because it is art, it *ought to be* manipulated—in ways that may be deemed inaccessible to those debilitated by the capitalisation set up by GUVVCs. That manipulation includes working with legal and financial urban activists who have the technical skills to formulate developmental strategies supporting the interests of the urban poor. And such legal, contractual and municipal work is again anyway within the possibility-space of art as a cross-sectorial, transdemographic and interdisciplinary practice.

It's a propitious time to follow through on this demand, because the neoliberal order of the past forty years is undergoing a global restructuring, affecting capital organisation at every scale and locality. The current political and legitimisation crisis of neoliberalism means that the financially-led accumulation familiar from (super)gentrification is now highly susceptible to delegitimation and revectoring by alternative models,

revenue structures and interests of capitalisation. And just as contemporary art played an effective part in the hegemonisation and domination of neoliberal ordering, so art—which would have to be another art than contemporary art—can and should play its part in its undoing. ProDaG requires that art's manipulation of GUVVCs strategises its own material prerequisites of low-provision workspace, cheap housing and access to transnational mobility as components in the medium-term alleviation of urban poverty. And that art's economy is revectoring away from the increasingly plutocratic power of the urban rich and super-rich. What and who creatives instead appeal to for their own economies then has to shift from the one-sided extractive subservience to a neoliberal elite, requiring in turn a restructuring of art's economy, and the reorganisation of how its hierarchies are established.

- 1 'Superstar cities' is a phrase Florida adopts from Joseph Gyourko, Christopher Mayer & Todd Sinai, 'Superstar Cities', *American Economic Journal: Economic Policy* 5:4, 167–99, November 2013 [<http://www.nber.org/papers/w12355.pdf>].
- 2 Richard Florida, *The New Urban Crisis: How Our Cities Are Increasing Inequality, Deepening Segregation, and Failing the Middle Class and What We Can Do About It* (New York: Basic Books, 2017), xv.
- 3 Ruth Glass, 'Aspects of Change', in Centre for Urban Studies (ed.), *London: Aspects of Change* (London: MacGibbon and Kee, 1964): p.xvii.
- 4 Neil Smith, 'Toward a Theory of Gentrification: A Back to the City Movement by Capital, Not People', *Journal of the American Planning Association* 45, 1979: pp. 538–548. For the economic and explanatory importance of the rent gap to geosocially diverse conditions of gentrification, see Loretta Lees, Hyun Bang Shin and Ernesto López-Morales, *Planetary Gentrification* (Cambridge: Polity, 2016).
- 5 Adapted from Eric Clarke and Anders Lund Hansen, 'Financialization, rescaling rent gaps and land grabbing', May 2012 [<http://backdoorbroadcasting.net/2012/05/eric-clarke-and-anders-lund-hansen-financialization-rescaling-rent-gaps-and-land-grabbing/>]
- 6 Loretta Lees, 'Super-gentrification: The Case of Brooklyn Heights, New York City', *Urban Studies* 40:12, 2003: pp. 2487–2509.
- 7 On financial and experiential enrichment structuring an elite-forging economy (paradigmatic for which is art collecting), see Luc Boltanski and Arnaud Esquerre, 'The Economic Life of Things. Commodities, Collectibles, Assets', in *New Left Review*, 98, March–April 2016, 31–54; and *Enrichissement. Une critique de la marchandise* (Paris: Gallimard, 2017) for the full elaboration of the thesis.
- 8 Summarising several of Richard Florida's correctives to creative-led urban renewal. See *New Urban Crisis*, 10, and Chapter 10.