Beyond "yet-another case" of financialization of urban production: Financial infrastructures, comparative urbanism, and rent-based accumulation

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Abstract:

This paper contributes to the debate on the financialization of the built environment, starting with reflections on the now well-honed Marxist framework which offers a general theory on the convergence between financial capital and landed property, two forms of "fictitious capital" that are constitutive of the real estate / finance nexus (Harvey 1985; Aalbers 2012). The paper suggests that the functionalist perspective inherent in this Marxist account, as well as the difficulties to operationalize it in fieldwork, may be overcome by developing an institutionalist perspective to explore financial infrastructures, i.e., the large-scale sociotechnical systems that circulate financial capital across space and give a specific texture to the money-form before it is transformed, here, into land/property capital. Such financial infrastructures are made of formal and informal rules and are devised, operated, and maintained through the mundane practices and cognitive categories deployed by the individuals and organizations that take part in them. They are always historically and geographically situated and thus fit well with the call for analyses seeking "particularizing theories" (Corpataux & Crevoisier, 2007), i.e., interpretations that do not look for a universal theory or general laws, but for realist and relativist explanations integrating a possibly wide-range of factors.

This analytical perspective on financial infrastructures opens a path for the academic community to engage in the now pressing task that consists in exploring land and property rent-based financialization processes in a global comparative urbanism perspective. It will benefit from the rich scholarship of the last fifteen years which offers both panoramic views that scan the forms and degrees of financialization within and between countries (Schwartz and Seabrooke 2008; Fernandez and Aalbers 2016), and from the grounded empirical material provided by an ever-growing collection of case studies analysing processes of financialization of urban development in different national and city-regional settings. By mobilizing works developed

by the research team, Latts, over the last ten years in different contexts (France, India, Mexico, Brazil, and Italy), as well as by a conversation with investigations in countries as varied as Chile, China, the US, Switzerland, or the UK, it becomes possible to follow the capital flows that are circulated through financial infrastructures by transcalar yet territorialized networks (Halbert and Rouanet 2014) and thus to put into comparison the different "particularizing theories" offered by these in-depth and empirically grounded works.

Far from any millenarian thinking, this will enable us to highlight how the current stage of capitalist accumulation through rent-based financialization is punctuated by three mutually reinforcing processes. The first one consists in a series of often decades-long political-economic transformations emerging into an unstable and potentially contested process of congruence. If many policies alter financial and land/property markets separately (facilitating respectively the expansion of financial markets and the treatment of land as a financial asset), they may combine and reinforce each other at times, either in an unplanned manner or as part of a more explicit policy project, and this all the more so where the multi-level state has converted itself to taking a financialized investor's viewpoint, as well as drawing on their instruments and categories. Secondly, the forms taken by rent-based financialization, and their spatial, social, and political outcomes, are gradually framed by financialized conventions that are rooted in economic theory but also enacted within financial infrastructures thanks to historically and geographically situated professional practices, specific calculative devices, and associated cognitive environments. Thirdly, the paper will discuss how the texture of capital provided by financial infrastructures creates a window of opportunity and constraint for the individuals and organizations active in land and property markets. Although the latter may attempt to shape the financial infrastructures that provide capital to them, this time and place-bound window drives a series of sociotechnical mediations which unfold in more or less stable accumulation and regulation regimes associated with the pooling and channeling of financial capital into the (re)production of the built environment.