



# Readings in Planning Theory

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# Planning the Capitalist City

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## Capitalism and Urban Planning

David Harvey, a Marxist social geographer, has conceptualized urban conflict as a conflict over the "production, management and use of the urban built environment."<sup>1</sup> Harvey uses the term "built environment" to refer to physical entities such as roads, sewerage networks, parks, railroads, and even private housing – facilities that are collectively owned and consumed or, as in the case of private housing, whose character and location the state somehow regulates. These facilities have become politicized because of conflict arising out of their being collectively owned and controlled, or because of the "externality effects" of private decisions concerning their use. At issue is how these facilities should be produced – whether by the market or by the state, how they should be managed and by whom; and how they should be used – for what purposes and by what groups, races, classes, and neighborhoods. Following Harvey, the development of American urban planning is seen as the result of conflict over the production, management, and use of the urban built environment.

The development of this analysis depends on the recognition that capitalism both engenders and constrains demands for state intervention in the sphere of the built environment. First, let us consider some of the theories about how capitalism engenders demands for state intervention.

### Sources of urban planning

Within the developing Marxist urban literature, there have been a variety of attempts to link urban conflict and demands for state intervention to the reproduction

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processes of capitalist society. Manuel Castells, one of the leading contributors to this literature, emphasizes the connection between state intervention in the urban development process and the reproduction of labor power.<sup>2</sup>

## The Problem of Planning

The market system cannot meet the consumption needs of the working class in a manner capable of maintaining capitalism; this, according to Castells, is the reason for the growth of urban planning and state intervention. To the extent that the state picks up the slack and assumes this responsibility, there occurs a transformation of the process of consumption, from individualized consumption through the market to collective consumption organized through the state. This transformation entails not only an expansion of the role of the state, which is seen in the growth of urban planning, but also a politicization of the process of consumption, which Castells sees as the underlying dynamic of urban political conflict.

By contrast, David Harvey and Edmond Preteceille, writing separately, have related state intervention in the urban development process to the inability of the market system to provide for the maintenance and reproduction of the immobilized fixed capital investments (for example, bridges, streets, sewerage networks) used by capital as means of production.<sup>3</sup> The task of the state is not only to maintain this system of what Preteceille calls "urban use values" but also to provide for the coordination of these use values in space (for example, the coordination of streets and sewer lines), creating what he terms "new, complex use values."<sup>4</sup> François Lamarche, on the other hand, relates the whole question of urban planning and state intervention to the sphere of circulation and the need to produce a "spatial organization which facilitates the circulation of capital, commodities, information, etc."<sup>5</sup> In his view capitalism has spawned a particular fraction of capital, termed "property capital," which is responsible for organizing the system of land use and transportation; and urban planning is a complement and extension of the aims and activities of this group. In addition, and somewhat distinct from these attempts to relate urban planning to the reproduction processes of capitalist society, David Harvey has linked urban planning to the problems arising from the uniqueness of land as a commodity, namely the fact that land is not transportable, which makes it inherently subject to externality effects.<sup>6</sup>

The theories discussed above demonstrate that there are a variety of problems arising from relying upon the market system to guide urban development. At various times, urban planning in the United States has been a response to each of these problems. Yet these problems have different histories. They have not had equal importance throughout the development of planning. Moreover, not one of these problems is sufficient in itself to explain the logic of development of planning.

### Constraints on urban planning

If the problems noted above arise from the workings of the market system, so that capitalism can be said to engender demands for state intervention in response to these problems, the capitalist system also constrains the realization of these

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demands. The operative constraint in this connection is the institution of private property. It is here that we confront what might be termed the central contradiction of capitalist urbanization: the contradiction between the social character of land and its private ownership and control. Government intervention in the ordering of the urban built environment – that is, urban planning – can be seen as a response to the social character of land, to the fact that land is not only a commodity but also a collective good, a social resource as well as a private right. Indeed, as the Marxist urban literature has sought to demonstrate, the treatment of land as a commodity fails to satisfy the social needs of either capital or labor. Capital has an objective interest in socializing the control of land in order to (1) cope with the externality problems that arise from treating land as a commodity; (2) create the housing and other environmental amenities needed for the reproduction of labor power; (3) provide for the building and maintenance of the bridges, harbors, streets, and transit systems used by capital as means of production; and (4) ensure the spatial coordination of these infrastructural facilities for purposes of efficient circulation. Yet the institution of private property stands as an impediment to attempts to socialize the control of land in order to meet these collective needs. Thus, if urban planning is necessary for the reproduction of the capitalist system on the one hand, it threatens and is restrained by the capitalist system on the other; and it is in terms of this Janus-faced reality that the development of urban planning is to be understood. Moreover, this contradiction is intrinsic to capitalist urbanization, for the impulse to socialize the control of urban space is as much a part of capitalism as is the institution of private property. Each serves to limit the extension of the other; thus, they are in “contradiction.”<sup>7</sup> This contradiction, which will be termed the “property contradiction,” is one of two that have structured the development of planning.<sup>8</sup>

*direct effects*

The “property contradiction” To state that capitalist urbanization has an inherent contradiction is *not* to predict the inevitable downfall of capitalism (although it does indicate a weakness in the capitalist structure of society that oppositional forces could conceivably exploit). Rather, it is assumed that capitalism is capable of coping with this contradiction, within limits, but that it is a continuing source of tension and a breeding ground of political conflict. Thus, our analytical interest is in the institutional means that have been devised to keep this contradiction from exploding into a system-threatening crisis. In recognizing this contradiction, we therefore gain a better appreciation of the importance, both politically and theoretically, of the institutional forms that urban planning has adopted over the course of its development, and of how (and how well) those institutional forms have responded to the contradiction between the social character of land and its private ownership and control.

In addition, recognizing this contradiction helps us to understand the patterns of alliance formation around planning issues, as well as the role of planners in mediating between different groups and group interests. For if the effort to socialize the control of urban land is potentially a threat to the whole concept of property rights, it is directly and immediately a threat to only one particular group of capitalists, those whom Lamarche terms “property capital.” Included are persons who, in his words, “plan and equip space” – real estate developers, construction contractors, and directors of mortgage lending institutions.<sup>9</sup> It is this fraction of capital, in particular, that can be expected to oppose efforts to displace or diminish private control of urban development. Other capitalists, in contrast, may seek an expanded

government role in the planning and equipping of space. For example, manufacturing capital may want government to provide worker housing and to coordinate the development of public and private infrastructure (such as utilities and railroads), and commercial capitalists may desire government restrictions on the location of manufacturing establishments. Likewise, nonowner groups have an interest in state intervention that will provide for or regulate the quality of worker housing, build parks, and improve worker transportation, for example. It is possible, therefore, for certain fractions of capital to align with nonowner groups in support of planning interventions that restrict the “rights” of urban landholders. The property contradiction thus manifests itself in the pattern of alliances around planning issues by creating, in intracapitalist class conflict, the possibility of alliances between property-owning and nonproperty-owning groups and allowing planners to function as mediators in organizing these compromises. Inasmuch as the property contradiction is inherent in the capitalist structure of society, existing independent of consciousness and will, recognition of this contradiction enables us to link the politics of planning to the structural ordering of capitalist society.

The “capitalist–democracy contradiction” The other contradiction affecting the development of urban planning is the “capitalist–democracy contradiction.” If the property contradiction is internal to capitalism in that it arises out of the logic of capitalist development, the capitalist–democracy contradiction is an external one, originating between the political and economic structures of a democratic–capitalist society. More specifically, it is a contradiction between the need to socialize the control of urban space to create the conditions for the maintenance of capitalism on the one hand and the danger to capital of truly socializing, that is, democratizing, the control of urban land on the other. For if the market system cannot produce a built environment that is capable of maintaining capitalism, reliance on the institutions of the state, especially a formally democratic state, creates a whole new set of problems, not the least of which is that the more populous body of nonowners will gain too much control over landed property. This latter contradiction is conditioned on the existence of the property contradiction, in that it arises from efforts to use government action to balance or hold in check the property contradiction. Once government intervention is accepted, questions about how to organize that intervention arise: What goals should be pursued? How should they be formulated and by whom? This pattern of the capitalist–democracy contradiction following on the heels of the property contradiction is apparent in the actual history of planning, for while both contradictions have been in evidence throughout the history of planning in America, the property contradiction was a more salient generator of conflict in the earlier, pre-1940 period. The capitalist–democracy contradiction – manifested in the controversy over how to organize the planning process – has been a more potent source of conflict in the history of planning after World War II. It should also be emphasized that the capitalist–democracy contradiction is conditioned on the formally democratic character of the state, out of which the danger of government control of urban development arises. Were it not for the majority-rule criterion and formal equality promised by the state, turning to government to control urban development would not pose such a problem for capital.

Consideration of the capitalist–democracy contradiction leads us back to Offe’s analysis of the internal structure of the state. Following Offe’s analysis, it can be

postulated that capitalism is caught in a search for a decision process, a method of policy making that can produce decisions corresponding with capital's political and economic interests. Politically, this decision process must be capable of insulating state decision making from the claims and considerations of the numerically larger class of noncapitalists, a task made difficult by the formally democratic character of the state. Economically, this decision process must be capable of producing decisions that facilitate the accumulation and circulation of capital (for example, promoting the reproduction of labor power and coordinating the building up of local infrastructure), a function that the market fails to perform and that capitalists do not (necessarily) know how to perform. Both of these problems are captured in the concept of the capitalist–democracy contradiction. The question we are led to ask, then, is, In what ways has the development of urban planning – viewed here as a method of policy formulation – served to suppress or hold in balance the capitalist–democracy contradiction in a manner conducive to the reproduction of capitalism?

### NOTES

- 1 "Labor, Capital, and Class Struggle around the Built Environment in Advanced Capitalist Societies," p. 265.
- 2 *Urban Question*, pp. 460–61. Castells modifies his view in his most recent book, *The City and the Grass Roots*, which appeared after the manuscript of *Planning the Capitalist City* was essentially written. In this new book, Castells seeks to avoid the "excesses of theoretical formalism" that marked some of his earlier work (p. xvii). He also asserts that "although class relationships and class struggle are fundamental in understanding the process of urban conflict, they are by no means the only or even the primary source of urban social change" (p. xviii). My critical evaluation of Castells's earlier work is still valid and useful, however, since it lends emphasis and historical reference to some of Castells's own criticisms. Furthermore, my criticisms apply to a literature and a theoretical orientation that encompasses, as I point out, more than Castells's work.
- 3 Harvey, "The Political Economy of Urbanization in Advanced Capitalist Societies: The Case of the United States," p. 120; Preteceille, "Urban Planning: The Contradictions of Capitalist Urbanization," pp. 69–76. For Harvey, the need for a built environment usable as a collective means of production is only one of the connections between urban planning and capitalist development; he also recognizes the need for facilities for collective consumption to aid in reproducing labor power. See, e.g., his "Labor, Capital, and Class Struggle around the Built Environment."
- 4 Preteceille, "Urban Planning," p. 70.
- 5 "Property Development and the Economic Foundations of the Urban Question," p. 86.
- 6 *Social Justice*, chapter 5.
- 7 For a discussion of this use of *contradiction*, see Godelier, "Structure and Contradiction in Capital," pp. 334–68.
- 8 Cf. Michael Dear and Allen Scott's assertion that the "urban question" (a reference to the work of Castells) is "structured around the particular and indissoluble geographical and land-contingent phenomena that come into existence as capitalist social and property relations are mediated through the dimension of urban space." They also write that planning is "a historically-specific and socially-necessary response to the self-disorganizing tendencies of *privatized* capitalist social and property relations as these appear in urban space" ("Towards a Framework for Analysis," pp. 6, 13). Cf. also, in the same volume,

Shoukry Roweis's statement that "[u]rban planning in capitalism, both in theory and in practice, and whether intentionally or unknowingly, attempts to grapple with a basic question: how can *collective action* (pertinent to decisions concerning the social utilization of urban land) be made possible under capitalism?" ("Urban Planning in Early and Late Capitalist Societies," p. 170). These two theoretical analyses relate urban planning under capitalism to the problem of "collective control" – how to organize socially necessary forms of collective consumption and control in a society based upon private ownership – but they do not take note of the contradiction between capital's need for collective control in its own interest and the limits imposed by the internal structure of the *state*. This is the issue raised by Offe and which I capture in my concept of the "capitalist–democracy contradiction".

- 9 "Property Development," pp. 90–93.

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