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TAKE THE PORTS!

Contesting Power in Global South Export Hubs

By Patrick Bond, Ana Garcia, Mariana Moreira, and Ruixue Bai

Table of Contents

New Alliances in Durban, Rio de Janeiro, and Hong Kong. By the Editors.....1

Take the Ports!

Contesting Power in Global South Export Hubs.....2

Durban's Contested Port-Petrochemical Complex.....7

By Patrick Bond

Neoliberalized Urban Space in Rio's Port Revitalization.....20

By Ana S. Garcia and Mariana C. R. Moreira

Hong Kong's Rising Discontent.....28

By Ruixue Bai

Conclusion: Take the Ports!.....34

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New Alliances in Durban, Rio de Janeiro, and Hong Kong

Neoliberal globalization has had a profound effect on the mega-cities of the global South. In the so-called large emerging economies of the South—in particular the BRICS countries (Brazil, Russia, India, China, South Africa)—globalization’s imperative has been export-led growth, and these countries’ port cities have served as the platforms for this development strategy. In order to meet this imperative, the state, municipalities, and private capital have pursued grand projects to reshape the urban geography—at great public cost and with enormous impacts on local communities. That’s why in each of these projects, there is a democratic deficit: they are being built without the involvement of the communities most affected by their construction.

At the same time, however, the contradictions inherent in these projects plant the seeds for new forms of resistance, not only against local harms but against the global and national structures that demand speculative investment (with private profit and public risk) at the expense of the public good: adequate housing, decent work, and a healthy environment.

Neoliberalism may be global, but cities are local, and the specific manifestations of this logic vary from place to place—as do the particular possibilities of resistance. The authors of this study take a close look at three port cities—Durban, Rio de Janeiro, and Hong Kong—to understand how mega-projects are shaping the urban fabric. These cities have been turned into export hubs, into locations of strategic importance for the “Neoliberalism with Southern Characteristics” which is—according to Vijay Prashad’s RLS–NYC study—typical for the BRICS countries. Cities like Durban, Rio, and Hong Kong are also witnessing an emergence of new class alliances, which in turn create spaces for new political alliances to contest the local powers of the accumulation regime.

These are not simple cases. In each city, the configurations of capital—both local and global—and state power are different and, likewise, the possibilities for counter-power vary widely. In order to provide such granular portraits of contemporary struggles in three cities on three continents for our “Cities Series,” this study’s authors hail from the localities they describe. Patrick Bond directs the Centre for Civil Society at the University of KwaZulu-Natal in Durban. Ana S. Garcia teaches at the Federal Rural University of Rio de Janeiro, and Mariana C.R. Moreira earned her Master’s degree at the Pontifical Catholic University of Rio de Janeiro. Ruixue Bai is an independent researcher based in Hong Kong. Together, they present a mosaic of the shared and distinct forces shaping these global cities.

Capital and the state have fractured communities and deprived residents of their “right to the city,” but they have also inevitably if inadvertently created new possibilities for linkages to form—between working people and the urban poor, between trade unions and environmentalists, between citizens’ organizations and student protestors. Can these diverse groups develop the unity and ideological perspective needed to fight for more humane, more just, and more sustainable cities? The future of our cities, North and South, and indeed of our planet may rely on an affirmative answer to this question.

*Stefanie Ehmsen and Albert Scharenberg
Co-Directors of New York Office, March 2016*

Take the Ports!

Contesting Power in Global South Export Hubs

By Patrick Bond, Ana Garcia, Mariana Moreira, and Ruixue Bai

The cities of Durban, Hong Kong, and Rio de Janeiro are in flux, with long-standing drives to export more from their ports reshaping investment processes and urban politics at a time when global accumulation processes and local struggles hamper new investment. Within the BRICS block—Brazil, Russia, India, China, and South Africa—these cities are among the most vivid cases of contested municipal and national mega-project development planning. Their restructurings in search of export prowess and enhanced urban property speculation are generating battles along at least four axes: state-society, capital-labor, corporate-community, and society-nature. The three cities surveyed in this report may be victims of overhyped prospects in an ultra-competitive but increasingly stagnant world economy, in which massive port expansions are being revealed as white elephant projects. But the very act of pushing tens of billions of dollars' worth of new investment into these spaces puts pressure on the neighboring spaces in which residents suffer and workers toil. In turn, that pressure generates some of the upsurge of urban protest now being experienced in so many cities. By examining aspects of the unrest, these studies can alert us to new potentials for a broader democratic urban politics that, already in several cases, is making demands on municipal and national leadership for a very different economy.

Export and Speculate

Two processes, now underway, are responsible for uprooting existing urban processes in

many of the world's port cities and amplifying the socio-ecological metabolism of capitalism. First, there is the intensified role of the city as an export platform, and second, rising contradictions associated with global overproduction and the subsequent decline in shipping. Although we trace one source of this pressure back three decades to the onset of neoliberal urban management, these processes have become more obvious since 2008, when many port cities appeared extremely over-extended. Trade crashed dramatically during the second half of that year, and commodity prices fell further. In many cities with major ports, there were also social uprisings. While very few of these were centered on the direct issue of export orientation, the indirect causes of socio-political unrest can be traced, to some extent, to the perceived need to make cities more friendly to export-oriented—and increasingly unpatriotic—capital.

Cities have always been the geographical containers in which production and commerce thrived. David Harvey sets the broader context:

A city is an agglomeration of productive forces built by labor employed within a temporal process of circulation of capital. It is nourished out of the metabolism of capitalist production for exchange on the world market and supported out of a highly sophisticated system of production and distribution organized within its confines. It is populated by individuals who reproduce themselves using money incomes earned off the circulation of capital (wages and profits) or its derivative revenues (rents, taxes, interest, merchants' profits, payments for services). The city is ruled by a particular coalition of class forces, segmented into distinctive

*communities of social reproduction, and organized as a discontinuous but spatially contiguous labor market within which daily substitutions of job opportunities against labor power are possible and within which certain distinctive quantities and qualities of labor power may be found.*¹

The recent history of cities becoming more hyperactive export platforms—in contrast to earlier eras when production and consumption had more local backward and forward linkages—is not merely a function of globalization. Public policy was a factor, especially the intellectual project of urban neoliberalism, dating back 30 years. A 1986 “New Urban Management Program” at the World Bank was followed by similar efforts at the UN Development Program and UN Habitat. These market-centric urban policies were soon propelled by increasingly neoliberal funders such as the US Agency for International Development and their British, Canadian, Japanese, and other official donor counterpart agencies. By 1990, the Urban Institute—paid by USAID—recorded a

*change in policy thinking in the developing world closely linked to the acceptance of market-oriented economies: the growing acceptance of rapid urbanization. [...] An emphasis on national economic growth and export-led development will usually mean that new investment resources must be directed to already successful regions and cities. [...] Governments have considerable control over the entire cost structure of urban areas. Public policy should be directed to lowering these costs.*²

Lowering these costs—especially by lowering the social wage and by subsidizing export-oriented infrastructure and services, often with export processing zone techniques—is integral to a more direct insertion of “competitive” cities into the world economy. As United Nations Habitat strategist Shlomo Angel approvingly explained in 1995: “The city is not a commu-

nity, but a conglomerate of firms, institutions, organizations and individuals with contractual agreements among them.” Consequently, urban policy should focus on “creating a level playing field for competition among cities, particularly across national borders; on understanding how cities get ahead in this competition; on global capital transfers, the new economic order and the weakening of the nation-state.”³

The strategy is based on intensifying the *productivity* of urban capital as it flows through urban land markets (enhanced by titles and registration), through housing finance systems (featuring solely private sector delivery and an end to state subsidies), through the much-celebrated (but extremely exploitative) informal economy, and through (often newly-commercialized or privatized) urban services such as transport, sewage, water, electricity, education, and even primary health care (via intensified cost-recovery). South Africa’s *Urban Development Strategy* states this agenda clearly: “Seen through the prism of the global economy, our urban areas are single economic units that either rise, or stagnate and fall together. [...] South Africa’s cities are more than ever strategic sites in a transnationalized production system.”⁴ But to be a “strategic site” in an exceptionally competitive milieu requires the reconfiguration of port cities, according to Kim Moody:

*Port extensions and the huge “back of the port” logistics centers are gobbling up land and communities, often moving further and further inland. This in return requires new transport “corridors.” It isn’t just merchant capital because these relate to manufacturing production supply chains as well and, of course, commodities export. Pollution is massive. It was interesting to see that the apologists for all of this use the same bogus argument: less pollution or CO2 per container or product [because of economies of scale].*⁵

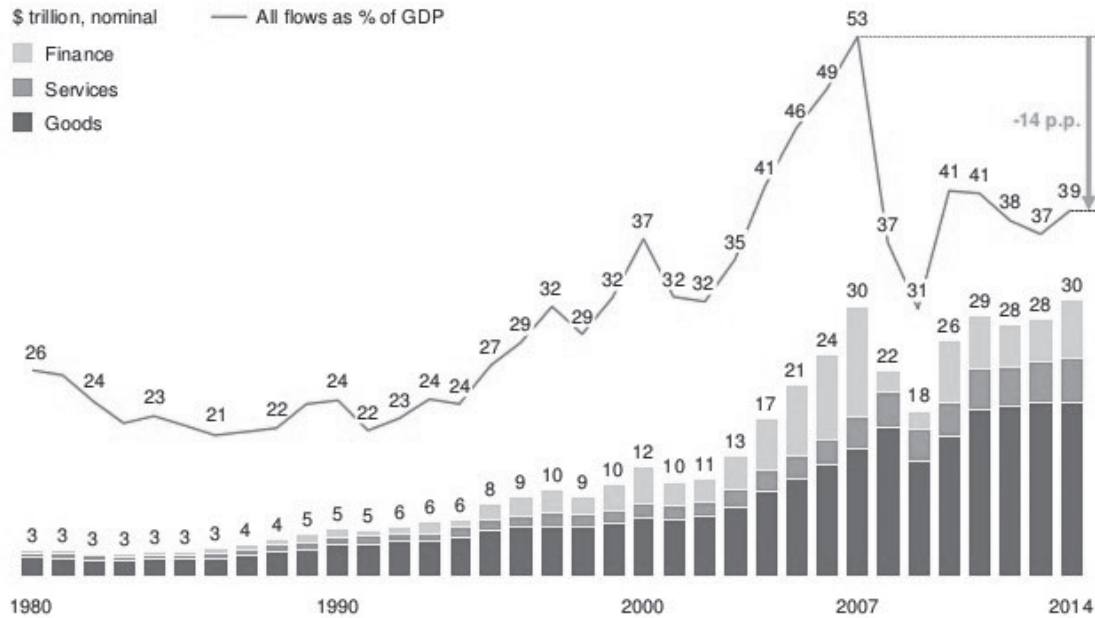
1 David Harvey, *Consciousness and the Urban Experience*, Oxford, Basil Blackwell, 1985, p. 250.

2 Urban Institute, *Urban Economies and National Development*, Report prepared for the US Agency for International Development, Washington, DC, 1991.

3 Shlomo Angel, “The Future Lies in a Global System of Competitive Cities,” *Countdown to Istanbul*, 1995.

4 Ministry of Reconstruction and Development, *Urban Infrastructure Investment Framework*, Pretoria, 1994-95, pp.17, 41.

5 Kim Moody, personal correspondence with Patrick



Graphic 1: Global flows of goods, services and finance, Source: McKinsey (2016, 3)

There is, in the context discussed next, an enormous risk associated with increasing cities’ reliance upon the maritime sector, tourism, and commodity exports as the globalized economy begins what may become known as a 1930s-style “deglobalization” era. As the *Economist* argued in its October 2013 cover story, “The Gated Globe,”

Globalization has clearly paused. A simple measure of trade intensity, world exports as a share of world GDP, rose steadily from 1986 to 2008 but has been flat since. Global capital flows, which in 2007 topped \$11 trillion, amounted to barely a third of that figure last year. Cross-border direct investment is also well down on its 2007 peak [...] hidden protectionism is flourishing, often under the guise of export promotion or industrial policy.⁶

The pause button will no doubt be lifted. Yet in what was otherwise a celebration of global flows, the consulting firm McKinsey Global Institute also acknowledged that a peak had been reached in 2007 with \$29.3 trillion in

flows—52 percent of world GDP—which then sunk in relative terms over the next five years, to just 36 percent: “This reflects the correction from the global credit bubble and deleveraging of the financial system. Financial flows have changed direction, too, with outflows from emerging markets rising from 7 percent of the global total in 1990 to 38 percent in 2012.”⁷ Beginning in May 2013, investors roiled South Africa and four other major emerging markets when the US Federal Reserve’s Quantitative Easing began to be phased out (“tapered”). As a result of slightly higher US interest rates, outflows meant that four of the five BRICS—South Africa, India, Brazil and Russia (which suffered again from financial sanctions imposed after its Crimea invasion)—experienced substantial currency crashes that, in turn, would limit their capacity to import. Even China’s property bubble burst in the 44 largest cities by 19 percent in 2013-14.⁸

Bond, 15 November 2014.
6 “The Gated Globe,” *The Economist*, 10 October 2013.

7 McKinsey Global Institute, *Global flows in a digital age*, New York, 2014.
8 “China’s property bubble has official popped,” *Wall Street Journal*, 5 May 2014.

Because of the economic turmoil affecting the BRICS, Indonesia, Turkey, and similar sites, it is wise to recall the United Nations warning that the world's financial markets aim to shift "high-risk activities from more to less strictly regulated environments," especially sites where massive state-subsidized and guaranteed infrastructure projects are envisaged.⁹ In these sites, both borrower and lender are facing intense levels of desperation to sink excess funds into mega-projects on behalf of multinational capital.

The decline (1900-2002), rise (2002-11), and crash (2011-present) of commodity prices reflects this desperation and in turn helps explain why ports are facing such intense competition with fewer surpluses to draw upon for the sake of financing expansion. From the early 1980s, the third-world debt crisis compelled commodity-producing economies to lower the value of their currencies and increase exports so as to pay off their debt. The commercial banks and Bretton Woods Institutions restructured these economies into neoliberal export platforms. Until 2002 there was a distinct downturn in world commodity prices, but a turning point in 2002 reflected a new critical mass in East Asian (especially Chinese) imports of raw materials. This led to a massive price spike that withstood the 2008-09 crash and ultimately peaked in 2011. Since then the prices of nearly every major mineral and fossil fuel has crashed, often by more than half. With slowing demand from China, the overall result contributed to a decline in world trade, not only dramatically in the 2008-09 Great Recession, but in the period from mid-2011 to the present as global over-production trends resurfaced.

Also since 2012 there has been a major decline in annual foreign direct investment at world scale, with the peak of \$1.56 trillion reached

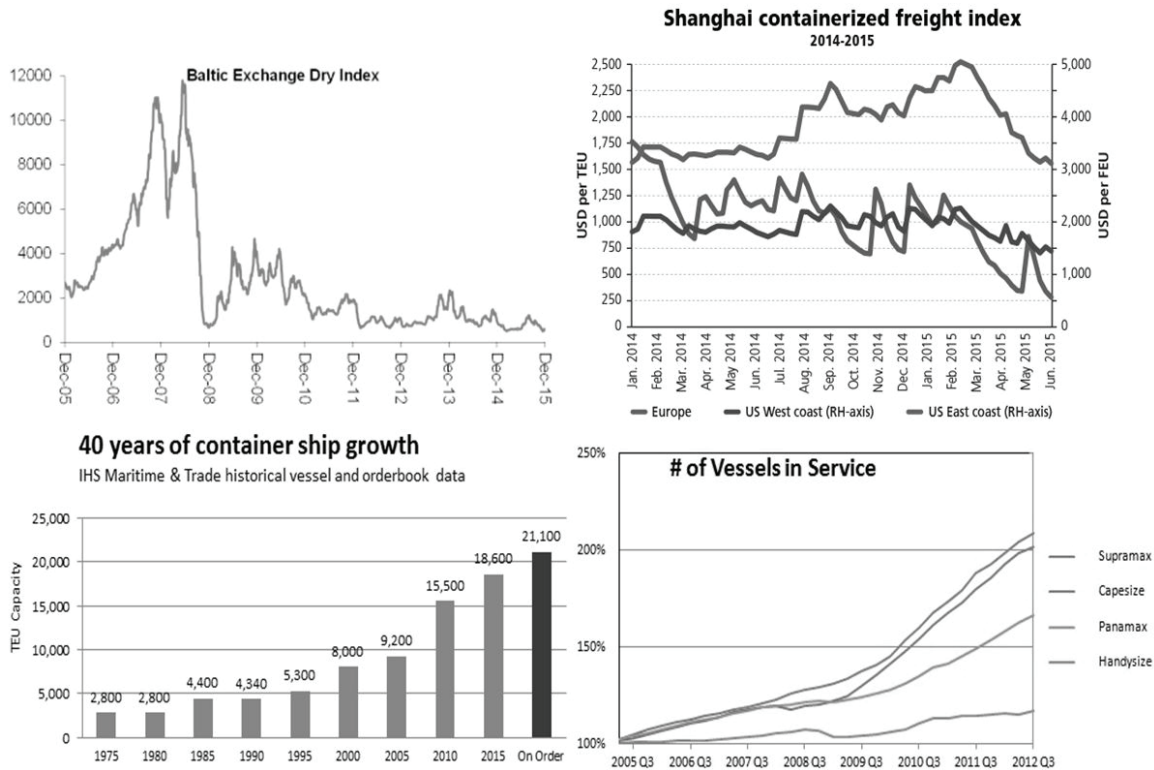
in 2011, followed by a drop to \$1.40 trillion in 2012 and to \$1.23 trillion in 2014.¹⁰ The anticipated increase in US Federal Reserve interest rates in December 2015 is anticipated to slow real-economy activity even further, and one indication of the latter is the glut in corporate savings that follows a steady recent decline in corporate investment that in turn follows the decline in the rate of profit.

One specific victim of this stagnation is shipping. The mid-2008 peak for pricing transport of a typical container reflected the intense metabolism of commodity trading at the time, falling by more than 90 percent within six months. But even though after the 2009 recovery commodity prices resumed their rise, the Baltic Dry Index of shipping prices never rose to even a third of their peak, and by 2016 sunk to a 30-year low. So while the cost to carry a container from Shanghai to the US East Coast in March 2015 was \$2500, that price fell to \$1500 by June and less than \$400 by January 2016. At the same time, there was a dramatic rise in the capacity of "post-Panamax" ships, which can carry more than 5000 containers (so named because of the limits of the size that fit through the Panama Canal before 2016), to the point that ships with more than 15,000 containers were flooding the market. Such ships were so robotized that they had only 13 crew members.

There was unevenness in the shake-out that followed. The massive port construction projects that Chinese state capital had promoted along its Maritime Silk Road began to face the harsh reality of overcapacity. There are fifty major ports with more than a million 20-foot equivalent units (TEUs) of which a large proportion are on the Chinese coast. Like the real estate and stock market bubbles, these ports were due to shake out their vast overcapacity in the years ahead.

⁹ World Economic Situation and Prospects 2013, United Nations Department of Economic and Social Affairs, New York, 2013, p. 32.

¹⁰ World Investment Report 2015, United Nations Conference on Trade and Development, Geneva, 2015.



Graphic 2: Shipping Prices and Overcapacity

The question that many shipping observers in Latin America, Africa, and Asia were forced to ask by 2016 was whether their own capacity expansion had also gone too far. Would crashing commodity prices, rising US interest rates, ongoing European stagnation, worsening financial volatility, and emerging market slumps (especially in the three most vulnerable BRICS: Brazil, Russia, and South Africa) together doom shipping growth and thus the new port developments? And what, then, would that structural combination “from above” imply for urban politics “from below”?

In the pages that follow, we consider three specific cases within the BRICS: the largest port in Africa, Durban, whose \$25 billion port-petrochemical expansion was so controversial that in late 2015 one leading official suggested it be put on indefinite hold; Rio de Janeiro, whose Porto Maravilha renovation of Rio’s waterfront region coincides with a major

urban investment wave, the 2014 World Cup, and the 2016 Olympic Games and all the social conflict thereby generated; and the historic heart of the largest export complex in the world, Hong Kong, within the Pearl River Delta—a port whose July-August 2015 shipping container throughput was 16.5 percent lower than a year earlier.

The rise of social protests in the three cities—e.g., numerous demonstrations in Durban especially aimed at the port and associated infrastructure starting in 2012, socio-economic and political explosions in Rio in mid-2013, and Hong Kong’s democracy movement in late 2014—can be traced to a variety of catalysts, but in each the distribution of the city’s surpluses became a matter of public debate and anger. Turning that anger into coalitions for democratic change is a project that activists have not yet achieved, as we will see. All manner of localistic, undemocratic, and otherwise

distracting features of discontent threaten the broader trajectory of progress. The challenge in each site is identifying a political alliance

that generates cities that serve citizens, not corporations intent solely on exporting and property speculation.

Durban's Contested Port-Petrochemical Complex

By Patrick Bond

South Africa's biggest single location-specific investment project (\$25 billion—the cost estimated prior to what could become a typical 50-300 percent price escalation) is the proposed eight-fold expansion of South Durban's port-petrochemical complex over the next three decades. The doubling of the petroleum pipeline capacity from Durban to Johannesburg alone recently cost \$2.3 billion. The notorious refineries owned by BP, Shell, and the Malaysian firm Engen present major health threats to residential areas. These neighborhoods have been occupied by black South Africans for generations—the “Indian” areas of Merebank and Clairwood and “colored” Wentworth—but have become very slightly desegregated since the end of apartheid, mainly through the influx of low-income African shackdwellers. In South African terminology, the African, Indian, and Colored people have been considered “Black” in relation to the need to fuse their interests against the historic white apartheid project, though after 1994, when democracy was won, the breakdown of the cross-racial alliances has often been a painful feature of life in Durban and elsewhere. The potential to desegregate Durban was great in 1994, given large tracts of land that became redundant by deindustrialization and the need for densification, but by all accounts practically no progress was made.

Jobs for South Durban's vast unemployed labor reserve are desperately needed, and government's (myopic) national planners claim the expansion of world shipping, from Panamax

5000-container ships to super post-Panamax ships more than three times larger, will raise annual container traffic from 2.5 million to 20 million units processed annually in Durban by 2040. However, local residents' organizations—united as the South Durban Community Environmental Alliance (SDCEA)—offer multiple overlapping critiques of this project, including the flawed participatory process, the destruction of small-scale farming and long-standing communities (with tens of thousands of expected displacements, major ecological problems in the estuarine bay, climate-change causes and effects, and irrational economics fueled by overly generous state subsidies but still resulting in an unaffordable harbor.

The framing of the campaign is of great importance not simply because the state and allied businesses falsely promise tens of thousands of “jobs” (in an increasingly capital-intensive sector) but because an alternative vision is being established by SDCEA based on an ecologically-sensitive, labor-intensive economic and social strategy for the South Durban Basin. To achieve victory will require a major shift in the balance of forces, one which campaigners argue can be enhanced by financial sanctions against the project and its parastatal corporate sponsor, Transnet. This is a site-specific project but one with more general lessons for grassroots contestation of industrial mal-development.

Global contradictions are often amplified at lower scales, especially when intensified me-

tabolisms of capitalist commerce and energy threaten widespread displacement, pollution, and community unrest. The “spatial fix” to overaccumulation crisis is witnessed in the ongoing restructuring of world shipping, while externalities such as greenhouse gas emissions represent “accumulation by dispossession,” as capital takes further control of non-capitalist territories, consistent with theories of imperialism and crisis displacement pioneered by Rosa Luxemburg.¹¹

The expansion of the Durban port and petrochemical complex—sometimes termed Africa’s “armpit” (for its noxious smell)—is the main site-specific “Strategic Investment Project” within the national government’s 2012 National Development Plan. South Durban is the second highest-priority mega-project of the Presidential Infrastructure Coordinating Commission (after a coal railroad expansion).¹² Raising the vast funds required will be the most critical challenge, given SDCEA’s willingness to begin a financial sanctions campaign against the project. The first phase of the work, costing approximately \$4 billion, was pre-funded by the government and allied financiers so as to bring more oil from Durban to Johannesburg and shore up the Durban port’s main existing quays. The major contestations ahead are over the much greater needs entailed in a new “Dig Out Port” to be built on the site of the city’s old airport as well as a logistics park and massive roads and rail lines.

Transnet’s Investment Strategy

But funding is already being lined up. In March 2013, during the Durban BRICS summit, a Chinese bank lent \$5 billion to Transnet. This was

mainly for the purpose of extending rail infrastructure further into the northern and eastern coal fields for subsequent coal exports mainly to India and China. But the funds also provided resources for the purchase of locomotives (mainly from Chinese producers, mainly for the Waterberg-Richards Bay coal route) and for Durban’s harbor expansion, since such funding is essentially fungible. In addition to increasing the speed and magnitude of freight to the world’s largest coal export terminal, at Richards Bay, Transnet has also been planning a fully-privatized port management model for the Durban dig-out port.

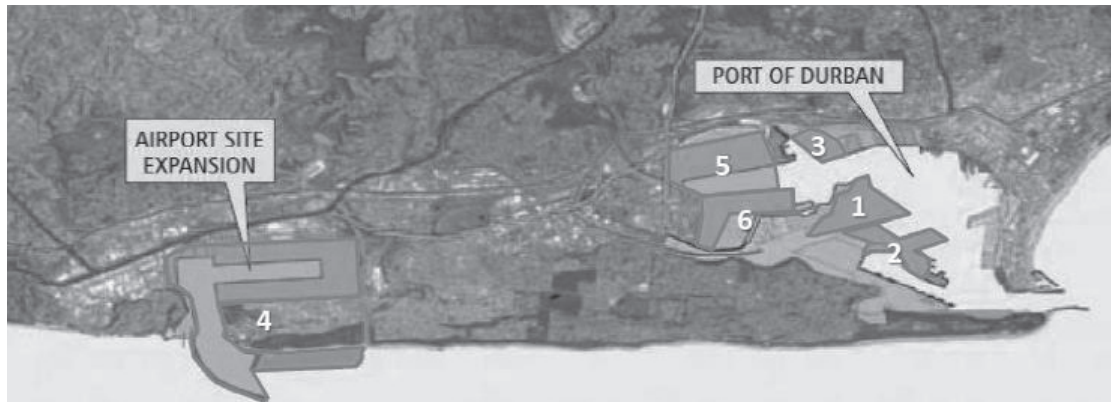
Durban is also now a site of offshore oil prospecting by ExxonMobil, not far from the point where Africa’s largest refinery complex stands in hyper-toxic South Durban. There, near-universal community opposition has emerged against Transnet’s plans, including on grounds of climate damage. Transnet’s environmental impact assessment (EIA) consultants made a contentious statement in 2013—that larger ships in the new port will allegedly result in lower emissions per container carried—because they failed to consider the alternative of not increasing shipping by the extreme eight-fold multiple.

Aside from doubling the width of a petroleum pipeline to Johannesburg, the first set of projects will result in a dramatic increase in existing port capacity, in order that 5000+ container “post-Panamax” ships can be accommodated in the current harbor (stages 1-3). Originally the dig-out port at the old airport site was to be excavated in 2016, with an anticipated first berthing in 2020 (stage 4), but in November 2015 Transnet announced an indefinite postponement due to adequate existing capacity. The final growth of the existing port will include an extensive dig-out of the area currently under Transnet railroad siding property (stages 5-6).

The helter-skelter growth of container traffic prior to 2008 reflected the liberalization of

11 Rosa Luxemburg, *The Accumulation of Capital*, New York, Monthly Review Press, 1968 [1913]; David Harvey, *The New Imperialism*, Oxford, Oxford University Press, 2003; David Harvey, *The Limits to Capital*, London, Verso, 1999.

12 National Development Plan, National Planning Commission, Pretoria, 2012.



Graphic: 2014-2040 components of Durban's port expansion

transport in the early 1990s, and with it the move of freight to road-based trucking. That left large amounts of Transnet rail-related land mostly unused. The latter stages of the project are in close proximity to the predominantly Indian areas of Isipingo and Merebank in the south and Clairwood in the north, as well as the African township of Umlazi and the colored Wentworth area. The Clairwood area is most immediately threatened by stages 1-3 port expansion, as trucking companies invade the residential space to stack containers.

Transnet's most critical challenge will be finding the money for an estimated \$25 billion worth of other mega-projects, especially given the scale of the project and how many aspects are being contested. The Chinese bank loan apparently comes without conditions (and with terms not publicly disclosed), and subsequently there were also several bond offerings of several hundred million dollars, including in the London markets in November 2013, where Transnet paid an enormous 9.5 percent premium on its Rand-denominated bonds. But the longer-term threat to South Durban and other communities is that the BRICS New Development Bank launched in July 2015 will seek projects like this one as exemplars of export-oriented infrastructure.

In July 2013, a high-profile meeting of the Durban Transport Forum heard Transnet's

port expansion director Marc Descoins update his team's planning: "the fatal flaws analysis yielded many risks but no show-stoppers."¹³ Descoins had not at that time factored in resident and labor opposition to the mega-project, its vast environmental implications, or rising disgust about construction-driven white elephants. Tracing several of the problems with the port-petrochem expansion in South Durban sheds light on the interconnections between social and environmental grievances as well as a growing debate about SA's vulnerability to the world economy.

The Doubling of Oil Pipeline Capacity

Transnet's Durban-Johannesburg oil pipeline construction project lasted from 2007-14. The mega-project, known as the "new multi-product pipeline," cost \$2.34 billion, a dramatic cost escalation in part because the pipeline was diverted hundreds of kilometers from the traditional route west along the N3 highway. That route ran through mostly white Durban suburbs (Mariannhill, Hillcrest, Shongweni, and Camperdown), and now the pipeline moves double the pre-existing oil volume through (mostly-black) South Durban, Umbumbulu, and other former KwaZulu bantustan areas.

¹³ "Prefeasibility work starts on Durban Dig Out Port," *Creamer's Engineering News*, 5 July 2013.

According to Durban's leading environmental journalist, Tony Carnie, "The \$600 million petrol, diesel and jet fuel pipeline will replace the existing Durban-to-Johannesburg pipeline which was built in 1965. The existing pipeline is believed to have rust defects and cannot cope with the future demand in fuel growth in Gauteng."¹⁴ By moving the project southwards before turning west, the cost estimate rose by more than 50 percent. But there were many other cost increases, with the total reaching \$2.34 billion by 2013, in part because of apparent construction company collusion on tendering by one of the main pipeline construction companies, Group Five Civil Engineering.¹⁵

In his own 2012 review of the cost overruns, without considering construction company collusion, Public Enterprises Minister Malusi Gigaba uncovered "systemic failings that compromised the intended outcomes," and he admitted that his project managers "lacked sufficient capacity and depth of experience for the client overview of a megaproject of this complexity," especially related to "analysis of risks." Nor were EIAs or water and wetland permits "pursued with sufficient foresight and vigor."¹⁶ Well before this became public knowledge (Group Five only stepped forward to confess its role in industry collusion in 2009), SDCEA offered several critiques of the pipeline, including the racially-biased routing; inadequate public participation; dubious motivations for the pipeline; government's failure to prevent, detect, or manage pipeline leaks; and climate change.¹⁷

14 Tony Carnie, "New route for R6bn fuel pipeline," *The Mercury*, 9 May 2008.

15 Irma Venter, "Construction industry must deal with 'great anger' over collusion, says Upton," *Engineering News*, 12 August 2013.

16 Malusi Gigaba, "Where the Transnet pipeline project went wrong," Statement by Public Enterprises Minister Malusi Gigaba, Pretoria, 2 December 2012.

17 South Durban Community Environmental Alliance, "Comments on the Transnet Multi Product Pipeline Proposal," Durban, 7 July 2008. SDCEA suggested: "Re-furbishing the existing pipeline in an incremental manner (instead of doubling capacity), as maintenance is

According to SDCEA, the race and class bias were crucial reasons to reject Transnet's re-routing strategy because "the pipeline threatens people with potentially severe environmental safety and health problems (well known to refinery victims in South Durban), *in a manner that is discriminatory along class and racial lines.*" The local ecology itself was already saturated with toxins, SDCEA alleged in 2008:

Durban Bay, in which the harbor is situated, is struggling to cope with the pollution loads from harbor and associated activities, contaminated riverine and storm-water inflows. The expansion will require further removal of aspects of the Bay's ecosystem, which will in turn further reduce the assimilative capacity of this threatened and fragile estuary. There have been major incidents affecting the harbor, including the September 2007 fire at Island View Storage. Reducing the amount of hazardous material being stored, handled and transported in the harbor is a crucial first step to reducing the risk to people living, traveling and working in the area. Yet the pipeline proposal will do the opposite. The routing of the pipeline south, directly through low-income black residential areas instead of through areas including farming lands owned by wealthy white South Africans, is suspiciously reminiscent of the environmental racism we in South Durban have become familiar with. [...] The leaks that have occurred in existing petroleum pipelines have been devastating to South Durban, including the 1.3 million liters that spilled from Sapref lines in 2001, that were not detected until residents complained. According to present practices, only a leak of more than 1 percent will be detected. Incidents leading to a loss of product which is not detectable by the system may continue to pollute the soil and groundwater for a long time. During this period, many people, fauna and flora may be affected by the consequences of the pollution and not understand the cause until it is

required, replacing the sections with a larger pipeline, using the existing route and servitudes, and installing additional pump stations, as and when required. Accelerating the upgrade of railways and public transport in Gauteng, so as to get more people and product off the roads to minimize transport-related congestion, fuel burning, emissions and associated health effects, by establishing urban transport networks to enable safe and affordable rail transport, linked to park and ride centers with connections to bus and taxi routes."

*too late. In this case, the costs will not be borne by the polluter, as our legal framework requires*¹⁸

Many of the same complaints arose again four years later in mid-2012 when the next stage of the port-petrochem complex reached fruition: the proposal for a new dig-out port and expansion of the old port. The most heartfelt of the critiques levelled was against displacement because, for many Indian and African residents of South Durban, their earlier neighbors during apartheid were moved to South Durban from Cato Manor, a well-located residential area. Displacement was central to apartheid's racial segregation strategy. Now the same appeared imminent, though this time for class reasons.

Displacement and the Trucking Threat

SDCEA, the Wentworth Development Forum and Merebank Residents Association, and the Clairwood Residents and Ratepayers Association are justifiably convinced that the port-petrochem project will generate not just traffic chaos but residential displacement on a substantial scale. From the north, the old harbor's expansion creep will displace residents by the thousands from the culture-rich, 150-year-old Indian and African community of Clairwood. That area's African shackdwellers and long-time Indian residents are already under threat from reckless trucking companies, who are beneficiaries of the rezoning—or simply failure to enforce existing zoning—that facilitates Back-of-Ports creep.

In the process of liberalized zoning and lack of residential area zoning enforcement by the municipality, ten Clairwood and nearby Bluff suburb residents were killed in the decade

¹⁸ *Ibid.*, On the climate, according to SDCEA, "the rise of CO2 emissions that will be facilitated by the pipeline is immense, and is only referred to in the Draft Scoping Report as a potential legal problem, with no details provided."

2003-13 by truck accidents. Mostly carrying freight, these drivers killed 70 people in the course of 7000 accidents in Durban in 2012 alone. The worst single case occurred in September 2013, when 23 people were killed by a runaway freight truck on a mountain range within Durban city limits, the Field's Hill section of the alternative (non-tolled) highway from Johannesburg.

That tragic accident was revealing, for one of the world's three largest shipping companies, Evergreen, hired a local informal truck company which allegedly instructed its driver to avoid tolls to save \$4. Police cracked down after the accident and found several of the company's trucks operating under unsafe conditions. One that hit two commuter taxis was driven by an unqualified, underpaid immigrant driver. The truck's brakes failed on one of the steepest highways in the country. A few weeks later the government proposed restricting that particular hill to only five ton trucks, banning 16 ton trucks, but the broader problem of rising accidents was not addressed.

Local Ecological Degradation

Opposition from local communities will grow even more intense once the largest part of the port expansion begins. The proposed dig-out port is where the old airport stood, on the southern border of Merebank. To dig a 1.5 kilometer length of soil 20 meters deep is dangerous, given how many toxic chemicals have come to rest there over the decades. Even Descoins conceded, "we have to look at contamination issues. Hydrocarbons have been pumped around this area for decades and we know there have been some leaks." That soil, water, and air pollution will exacerbate the five-year dust cover under which the dig-out port's construction will suffocate Merebank and Wentworth, the mainly Indian and colored communities of South Durban. These neighborhoods

are already coated with regular oil-related sulfur and soot showers from the oil refining complex, as witnessed in their world-leading asthma rates.

In addition to damage to human health, BirdLife SA observed that since Durban has one of just three estuarine bays in SA, its “ecosystem services” value of goods and services is vast, as a heat sink and carbon sink, for biodiversity, as a fish nursery, for waste disposal, and for storm protection. Moreover, the Bonn Convention’s protections for bird migration should make estuaries and wetlands, such as South Durban’s, immune from more cementing. In May 2013, Gigaba dismissed the worries over “frogs and chameleons.”¹⁹ In contrast, the ecological damage implied in this stage of Transnet’s expansion was so extreme that the Department of Environmental Affairs rejected the first version of the EIA in October 2013, which described the impacts of the build-out of Berths 203-205—then able to handle ships of no more than twelve meters depth—so as to accommodate super-post-Panamax ships of 15,000 containers or more.

One of the two reasons was Transnet’s failure to do more than “monitor” the damage caused to the major sandbank in the middle of the estuarine bay, which hosts so many reproductive processes for fish and birdlife.²⁰ As SA’s leading maritime journalist Terry Hutson remarked at the time:

In Durban there is little likelihood of any big growth in volumes in the near future. A few years ago, the port went backwards in the number of containers it handled, dropping something like 200,000 TEU in a year and there has been little growth since

[...] So the questions remain: Does Durban need the deeper berths and aren't the bigger ships premature?²¹

Global Ecological Implications and Local Climate Adaptation

The other reason Transnet suffered an early rejection of its EIA was due to the most important environmental problem of all, climate change. The firm’s consultants simply did not consider the impact of rising sea levels or extreme storms.²² As oceans warm up, cyclones and hurricanes intensify, with resulting sea-level rise. “The volume of Arctic sea ice has been reduced by 75 percent in just 30 years,” reported the world’s most respected climate scientist, James Hansen, in 2012: “There is a danger that the ice sheets will begin to collapse and we could get several meters of rising sea levels in one year.”²³ At that rate, big parts of central Durban would sink, along with other cities where coastal sprawl has left millions in low-lying danger: Mumbai (2.8 million inhabitants exposed as sea waters rise), Shanghai (2.4 million), Miami (2 million), Alexandria (1.3 million), and Tokyo (1.1 million).

Durban has suffered early indications of extreme weather events and associated damage. In March 2007, in one storm exacerbated by unusual tidal activity akin to a tsunami, Durban’s main municipal official reported “wave run-up heights” which “peaked at 10.57 meters above Mean Sea Level.” The bulk of the beach sand was washed away along the coast and nearly a billion dollars’ worth of coastal infrastructure was destroyed. In June 2008, a storm submerged much of the South Durban Basin’s main valley, cutting off the Bluff and

19 Lloyd Gedye, “South Durban’s battle royal,” *City Press*, 28 April 2013.

20 Ishaam Abader, “Rejection of the Final Environmental Impact Assessment Report for the Proposed Deepening, Lengthening and Widening of Berths 203 to 205 at Pier 2, Container Terminal, Port of Durban, KwaZulu-Natal Province,” Department of Environmental Affairs, Pretoria, 2 October 2013.

21 Terry Hutson, “Berth-deepening is in the dock,” *The Mercury*, 22 January 2014.

22 Ibid.

23 Cornell University, “We have a planetary emergency: Hansen, leading NASA climate scientist, urges unions to act,” New York City, 23 October 2012.

Wentworth from the main access highway. In November 2011, the day before the United Nations Framework Convention on Climate Change (COP17) summit began in Durban, a rainstorm wreaked such havoc that a dozen people died when their poorly-constructed publicly-funded houses collapsed. In August 2012, the same Durban port berths (203-205) proposed for expansion were severely damaged during heavy winds which bumped a ship up against cranes, resulting in a two week-long closure, and the Engen oil refinery was largely submerged by flooding.

Just as important, what of the mitigation challenge associated with the port-petrochem complex? According to the Academy of Science of SA's 2011 book, *Durban: Towards a Low Carbon City*, "the transport sector is pivotal to the transition to a low carbon city [...] The top priority was identified as the need to reduce the vehicle kilometers travelled in the road freight sector as this provided the greatest opportunity to simultaneously reduce emissions of GreenHouse Gases and traditional air pollutants."²⁴ The port-petrochem expansion will do the opposite, in part because for decades Transnet sabotaged its own rail freight capacity, allowing road trucking of container traffic to surge from 20 to 80 percent.

Yet in addressing the obviously adverse ecological implications of their project, Transnet hired Nemaï Consulting, an EIA specialist with no apparent climate consciousness. They in turn hired a sub-contractor, an official of the SA Council for Scientific and Industrial Research, whose 2011 report, "Modelling of potential environmental change in the port marine environment," also completely ignored climate change. Follow-up with officials of Nemaï in 2012 generated this reply: "The project will decrease the ship waiting and turnaround times which will have a lower carbon impact." The

consultants did not factor in the dynamic aspects of the shipping system, meaning that if there is an increase in efficiency by reducing the ships' offshore wait, the result is to speed up the system as a whole, thus *increasing* carbon impact.²⁵

The same carefree attitude to climate was evident in the doubling of oil pipeline capacity from Durban to Johannesburg. According to a SDCEA EIA critique that was ignored by officials:

The proposed pipeline will make a vast contribution to the climate crisis, yet the EIA only speaks in two areas, very briefly, of this problem. The Draft Scoping Report notes that the current Durban International Airport site is within the 1:100 year flood plain, and that the Island View site is "potentially affected by sea level rise in the future as a result of climate change." The Scoping Report promises to consider this in the future EIA. In addition, the Draft Scoping Report summary notes in "TABLE 5-1: Summary of legal requirements that apply to the project and the EIA process" that the Kyoto Protocol is relevant, as it "commits a country to quantified emissions limitations and reductions.

In the first instance, SDCEA does not believe the Draft Scoping Report has begun to grapple properly with location of the pipeline along the South Coast. As our appendix of photographs of 2007-08 storm damage shows, even concrete structures came under severe attack from the elements and were found wanting, as a result of locations in low-lying coastal areas, including The Bluff, Wentworth and Merebank, through which the new pipeline will run. Other areas of Amanzimtoti and the South Coast were demolished in June 2008.

The Draft Scoping Report treats these dangers casually, in spite of the record of public infrastructural decay noted above, in which a variety of pipeline maintenance crises have arisen, causing enormous ecological despoilation. Second, the rise of CO2 emissions that will be facilitated by the pipeline is immense, and is only referred to in the Draft Scoping Report as a potential legal problem, with no details provided. Since Minister of Environ-

²⁴ Academy of Science of SA, *Towards a Low Carbon City: Focus on Durban*, Pretoria, 2011.

²⁵ Patrick Bond correspondence with the Nemaï consulting company, May 2012-November 2013.

ment and Tourism Marthinus van Schalkwyk has committed South Africa to substantive emissions cuts which will be formalized at the 2009 Copenhagen Conference of Parties to the Kyoto Protocol, a huge effort by all state agencies, including Transnet, will be required to reduce emissions in all areas. The proposed pipeline does the opposite, just as South Africa enters the 21st century with emissions that are 42 percent of the entire African continent's output, and 20 times higher per unit of per capita GDP than even the USA's emissions.²⁶

Economic Irrationality

Ironically, in spite of all the socio-economic controversies, financing for the port-petrochem project may ultimately be threatened most by the project's inefficiency and lack of economic feasibility. The argument in favor of the port is mainly that jobs will be created and SA will have world-class infrastructure for export-led growth. But rising capital intensity at Transnet along with trade-related deindustrialization may result in fewer manufactured exports as well as net employment loss. This has been the norm since 1994 when democracy also ushered in economic liberalization after SA joined the World Trade Organization. Subsequent port expansion and Transnet restructuring did not create new jobs, but rather destroyed employment.

The project only makes financial sense if South Africa's economic development mentality is locked into national boundaries established in Berlin during the colonial "Scramble for Africa" in 1885, the point at which borders were determined by white men representing imperial interests. As the region's main port-rail link to the largest market, Gauteng—and from there to the rest of the subcontinent—Durban is facing stiff competition from Maputo in Mozambique for shipments to Johannesburg, because it is a more direct, shorter, and much less mountain-

ous journey. In addition, there is general container-handling competition from other ports along the coast attempting to set up regional freight hubs and export processing zones, including a vast state-subsidized complex, Coega, in the Eastern Cape near Port Elizabeth.²⁷

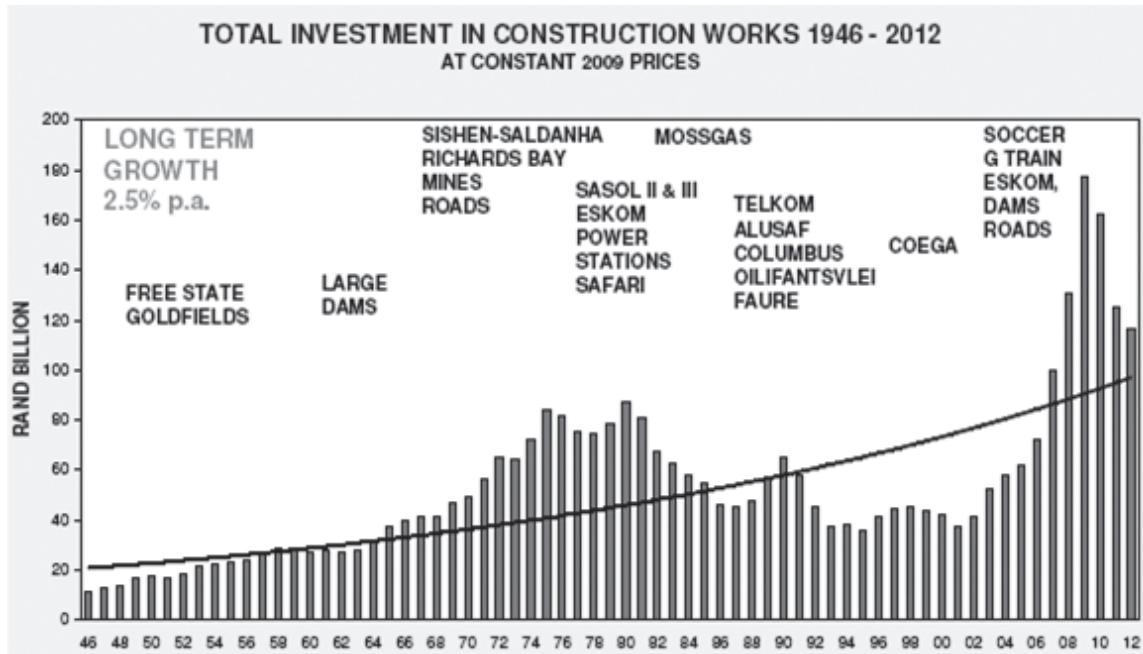
As it stands, Durban's costs of processing freight are the highest in the world, at \$1080 per container, or \$280,000 per typical ship. What port advocates have not been able to do is explain how an additional \$25 billion in investments (no doubt much more what with recent trends tripling original estimates) will cut operating and maintenance costs to competitive levels. Repaying the principle, interest on the capital, and all the additional costs will force much higher container handling charges, leaving the real prospect of another white elephant. In Durban, similar projects that were anticipated to earn profits—such as the airport, convention center, and marine entertainment complex—all have needed multi-million dollar annual taxpayer bailouts.

An Alternative Strategy

Is an alternative to this flawed economic development strategy possible? A very different strategic investment project would recognize the urgent need to detox South Durban and reboot the local economy toward more labor-intensive, low-polluting industry and add much more public transport, renewable energy, organic agriculture not reliant upon pesticides, a "zero-waste" philosophy, and a new ethos of consumption. The South Durban activists and the national Million Climate Jobs campaign want society to adopt this approach, but they remain on a collision course with Transnet, its financiers, the Treasury, the Presidential Infrastructure Coordinating Commission, and the municipality. Unlike the Medupi campaign

²⁶ South Durban Community Environmental Alliance, "Comments on the Transnet Multi Product Pipeline Proposal," Durban, 7 July 2008.

²⁷ Patrick Bond, *Unsustainable South Africa*, London, Merlin Press, 2002.



Graphic 4: Investment in South African mega-projects, 1946-2012, Source: SA Reserve Bank

from February to April 2010, there is far more time for mobilization of advocacy pressure to halt Transnet’s access to external financing, and hence the project itself.

In October 2012, at a Presidential Infrastructure Investment Conference in Johannesburg, Deputy Public Works Minister Jeremy Cronin confessed what was patently obvious in the neo-colonial SA economy: “Too much of our development has been plantation to port, mine to port.” Instead, Cronin argued, South Africa needs “social infrastructure, such as water, hospitals, schools, and housing, in order to prevent the kind of protests witnessed recently in the mining sector.”²⁸ Cronin’s influence notwithstanding, this rhetoric is probably just a case of “talk-left, invest-right” in mega-projects like Medupi and South Durban’s port sprawl, against the interests of people and planet, and instead on behalf of corporate profits. In these respects, there was more continuity than change in the pre-1994 and post-1994 eras. For

many years, such mega-projects have dominated corporate investment, and these have always entailed very generous state-supported subsidies, usually associated with mining (Free State Goldfields); smelters (Alusaf, Columbus); airports and ports (Richards Bay, Saldanha, Coega); mega-dams (Gariep, Lesotho); coal-fired power plants and other energy projects (Moss gas, Sasol oil-from-coal); and special projects (sports stadiums and the Gautrain).

There remains a formidable lobby for fossil-fuel-based infrastructure investment in SA, ranging from mining houses to the construction industry. The elite mandate is to “mine more and faster and ship what we mine cheaper and faster,” as *Business Day* editor Peter Bruce ordained just as Finance Minister Pravin Gordhan was finalizing his \$100 billion infrastructure budget in February 2012.²⁹

Thanks to this philosophy, South African ecological problems have become far worse, ac-

28 “Infrastructure roll out to cost R844 million,” *CityPress*, 19 October 2012.

29 Peter Bruce, “Thick end of the wedge,” *Business Day*, 13 February 2012.

According to the government's 2006 Environmental Outlook research report, which noted "a general decline in the state of the environment." By 2012, SA's "Environmental Performance Index" slipped to fifth worst of 133 countries surveyed by Columbia and Yale University researchers.³⁰ For example, Gauteng, the country's main megalopolis, experienced water scarcity and water table pollution when the first two Lesotho mega-dams were built during the late 1990s with World Bank financing. There were not only destructive environmental consequences downriver, but the extremely costly cross-catchment water transfer to Johannesburg raised water prices, thus deterring consumption by poor people in low-income townships.

Given this level of degradation, it is no surprise that there is such intense labor, social, and environmentalist resistance. The 2012-15 World Economic Forum *Global Competitiveness Reports* placed SA in the world-leading position for adverse employee-employer relations out of the 140 countries surveyed.³¹ And thousands of protests are recorded by police each year. In 2012-13, for example, the minister of police reported on "1882 violent public protests,"³² a number that rose above 2200 in 2014-15.

Attempts to change South Africa's carbon-intensive, export-oriented economic policy have failed, thus far, and one harbinger of the coming conflict was in January 2014 when, in Parliament, SDCEA was prevented from testifying about the port-petrochem complex during hearings on a fast-track Infrastructure Development Bill, which passed a few weeks later and will reduce to a maximum of one year the approval processes for EIAs and other permits.

30 A. Hsu, et al., *2016 Environmental Performance Index*, New Haven, Yale University.

31 World Economic Forum, *Global Competitiveness Report 2012-2013*, Davos, September 2012. Also see same document for 2013-14.

32 SAPA, "Cops handled 12,399 protests," *IOL News*, 19 September 2013.

As a result, if the project does not suffer more delays due to the overarching world capitalist stagnation of shipping, the only obvious pressure point will be for SDCEA to attack Transnet's financing.

What is at stake in South Durban, as in so many other similar sites of micropolitical-ecological struggle, is whether common sense prevails over profits. That calculus has to be swung in the favor of the former by reducing the latter, perhaps through non-violent civil disobedience of the sort pioneered in Durban in 1913 by Mahatma Gandhi; in other words, of the sort international anti-apartheid activists used to assist in ending apartheid. The most powerful weapon was financial sanctions. And whether the World Bank and other international lenders—including China and the coming BRICS New Development Bank—can be compelled to avoid new Transnet financing is a matter of organizing prowess.

Conclusion: The Risks of Activists Connecting the Dots

Aside from the top-down threats of capitalist irrationality, the greatest risk to Durban's proposed port-petrochemical complex expansion is the repertoire of mandatory tools in any activist's toolbox: popular education, democratic decision-making, mass-based organization, linkages of people across interest areas leading to new alliances, unity of purpose, an ability to transcend divisions, powerful analysis, fluidity and pragmatism combined with a profound commitment to eco-social justice principles, and effective strategies and tactics.

There is not sufficient space to do more than reveal some of the discourses being developed in 2011-14 in South Durban by SDCEA activists and their allies. One risk that Transnet and major oil companies—even ExxonMobil—face is that the critical narrative catches on in the

broader society and affects the way we think about infrastructure priorities. The timing is propitious because, for at least two decades, South Africa has witnessed what are probably the most prolific protests in the world dedicated to improved “service delivery”—that is, demonstrations against lack of (or excessively expensive) water and sanitation, electricity, housing, clinics, schools, roads, and the like. These have occurred in South Durban, but as ever the challenge is to link people’s immediate concerns to wider matters; to connect the dots between local and global, and back again, and between economic, social, and ecological matters.

SDCEA’s activists were motivated by a variety of minor victories against polluting industries. In two cases, substantial landfills that were used as toxic dumps by unethical waste companies were shut down. SDCEA leaders of those campaigns, Bobby Peek and Desmond D’Sa, were successful in 1996 (Umlazi) and 2012 (Chatsworth), respectively, and in each case they won the Goldman Environmental Prize for Africa two years later as a result. SDCEA recorded other victories, notably against the Engen and Sapref refineries, which are collectively the largest refinery zone in Africa. Because of SDCEA lobbying, they both installed SO₂ scrubbers so South Durban is not nearly as thick with airborne pollution and the sickly-sweet smells of chemical emissions.

SDCEA’s own strength ebbs and flows, as does any civil society institution fighting injustices where the adverse balance of forces is so glaring. In an earlier stage of opposition to the port-petrochemical expansion, in 2004–05, SDCEA gathered thousands of residents to halt a major link road planned from the city’s main southern freeway to the port. In 2006 SDCEA began campaigning against the doubling of the oil pipeline capacity and its rerouting through South Durban. In 2008 SDCEA used the EIA to challenge the climate implications of a major

project for the first time. But at that stage, neither protests nor allegations (quite valid) of environmental racism nor EIA interventions slowed Transnet. Gigaba openly admitted the roughshod way Transnet treated such contestation, leading to numerous problems in the pipeline’s implementation.

In 2011 Durban City Manager Mike Sutcliffe—perhaps the city’s most controversial leader in history—drew up a secret plan, estimated to cost the equivalent of \$25 billion, for the entire South Durban Basin. The plan reflected many decades of official ambition to re-engineer the basin, in the wake of the 1940s–60s attacks on black residents which turned South Durban communities into racial enclaves. Racial settlement patterns existed nearly entirely unchanged into the second decade of democracy, with the exception of Clairwood’s desegregation by shack settlers as urban blighting began in the 1990s. Sutcliffe’s master plan was only unveiled to the public in mid-2012, at which point a half-dozen community meetings called by the city under the rubric of public participation were taken over by SDCEA activists, led by D’Sa. A nearly unanimous sentiment was expressed in meeting after meeting: close down the event and refuse to have it declared a form of tick-off participation. The main planner, consultant Graham Muller, was repeatedly frustrated.

The narrative in the August 2012 pamphlet, “ACT NOW! EXPANDING PORT, POLLUTION AND FREIGHT THREATEN SOUTH DURBAN” is worthy of brief consideration because, like a poster for a March 2014 SDCEA protest at Durban’s City Hall, it helps reveal activist attempts to link issues and constituencies. The first of eight SDCEA critiques in the pamphlet was that “we need one planning process. The municipality refuses to discuss the port expansion projects, which are spear-headed by Transnet.” The city’s strategy was to join Transnet in fragmenting the long 2014–2040 process

of approval, construction, and operation so that the vast implications for the entire project are not collected in any single moment of opposition. In reply, SDCEA demanded

a single participation process with all spheres of government, developers and communities to chart a sustainable and common way forward. Otherwise we will be arguing one puzzle piece at a time and will never change the overall picture.

The second critique was:

Cost vs. Benefit [...] proponents boast 130,000 permanent jobs will be created—is this accurate? If correct this means a high capital investment of \$190,000/job created. What other ways could this money be invested to create sustainable livelihoods without the terrible social and environmental impacts? Are the full costs—including community destruction, adverse health effects, and our greater contribution to climate change—being considered?

Activists suspected the jobs calculation was far out of touch with reality given, as noted earlier, that even the largest container ships are designed to have crew numbering less than two dozen (13 in the case of Walmart's 15,500-TEU China-California shuttle).

The third critique also questioned the planners' understanding of global shipping demand:

Is the expansion justified? Transnet are arguing expansion based on projections for the growth in container handling. At an 8 percent growth rate their projections show that a capacity of only 12 million containers will be needed by 2040—yet they are building capacity for 20 million. Is this growth rate attainable given competition from other ports, growing resource constraints, carbon taxes on shipping, and global economic collapse?

Activists pointed out that harbor efficiency was appalling and that Durban's notorious status of world's highest-cost port would not be changed by adding \$25 billion in capital costs, given high interest rates affecting repayment of loans plus high operating and maintenance costs.

The fourth critique was that "increased containers mean increased impacts," and that this would translate into

8x the traffic, pollution and noise [...]. There will also be an increase in Port related illegal activity including smuggling, drug trafficking, prostitution and shebeens (informal pubs).

The fifth was of the

wrong fossil fuel development model. Port expansion will serve increased imports of consumer goods [60% of container cargo are imports to Gauteng], expansion of petro-chemical industries and fuel storage and the automotive industry [Toyota]. This does not take into account dwindling resources, especially oil, and the need to stop climate change.

The sixth was the environmental risk:

In addition to increasing climate change, port expansion will increase large water areas within the south Durban flood plain while removing the last natural wetlands. Toxic industry is also expanding in the basin. This increases the potential for flooding and hazardous chemical spills as extreme weather events increase.

Moreover,

the Bay's estuarine ecosystem has been compromised to the point that it has lost resilience [...] The Bay provides a critical breeding ground for reef associated and migratory marine fish. 132 species of birds are found here and 62 species of endangered, migratory birds rest and feed here.

The sandbank's destruction in the first phase would wreck any remaining chance of restoring the harbor's ecological integrity.

The seventh was the resulting

community upheaval [...]. Clairwood is earmarked for rezoning to logistics with some light industry. 6000+ people will be forced to relocate through market pressure, and with no active community present will inevitably result in the degeneration of historic cultural sites in the area. The port expansion requires 878 hectares of land for containers!

The eighth critique was to ask, “Freight—rail or road? The documents make reference to rail and interchange nodes. However the documents refer to “freight routes,” which on some plans are shown as rail but more recently as roads.” Just over a year later, as described above, 24 people were killed by a runaway truck carrying a container belonging to Taiwanese-based shipping behemoth Evergreen. The SDCEA “truck off” protest of 500 residents on the freight area’s main throughway (Solomon Mhlangu Drive) in March 2012 had forewarned of this kind of risk, given that there were 7000 accidents in Durban in 2010 involving trucks, leaving more than 70 fatalities. The Clairwood community leader who opposed trucks the most vigorously, Ahmed Osman, was assassinated in April 2009, shot dead on his front porch in one of many unsolved crimes involving the deaths of Durban activists.

In spite of such dangers (D’Sa himself was a target of a nighttime firebombing in his working-class flat in December 2007), the rhythm of street protest is also revealing. As the municipality and Transnet began public consultations in 2012, SDCEA activists were able to use the mass meetings as rallying points. For example, in September 2012, Clairwood’s established Indian residents most immediately threatened by the existing harbor’s expansion invited Finance Minister Gordhan—who thirty years earlier was a community organizer against apartheid housing in those very streets—to make a presentation defending Transnet and the city. He attempted to do so, using the standard neoliberal narrative of international competition and specifically the threat that Maputo would get ahead in port traffic to Johannesburg (itself a reasonable proposition given that it is a shorter route without the mountainous terrain of Durban-Johannesburg to cross). Tellingly, however, Gordhan also hinted that a divide-and-conquer strategy lay ahead against SDCEA activists, because

Clairwood is also a site of several thousand black African shackdwellers barely surviving in informal settlements, backyard slums, and even large tents. Fires regularly ravage these residents’ shacks, destroying their belongings and often injuring (and even occasionally killing) people, including one night-time blaze that wrecked a double-yard settlement of 500 shacks in mid-2013. The mainly middle-class audience of traditional homeowners of Indian ethnic origin were reminded by Gordhan that the ANC’s ability to mobilize in a relatively desegregated Clairwood could haunt a coming political showdown, in which those with the most to lose were Indians in Clairwood and Merebank, followed by those in the mainly Colored area of Wentworth (which suffers the most pollution) and the traditionally white Bluff area.

Still, three months later, in December 2012, several hundred people heeded SDCEA’s call to block the back port entrance, leaving a three-kilometer long queue of trucks. Protests slowed in 2013 as the port EIA process and other high-profile debates with Transnet and municipal politicians took priority. But by March 2014, when SDCEA held a march to City Hall of 800 residents, new issues and constituencies were added to the coalition, including farmers on the old airport land who are to be displaced as the dug-out Port is built and subsistence fisherfolk whose access to the existing harbor was contested from the time of the 9/11 attacks—thus generating US paranoia over port security—until in 2013 they were permitted back into their traditional fishing area. The challenge for connecting dots and adding issue areas would arise in subsequent years, as the Umlazi Unemployed People’s Movement (UPM) joined the anti-port coalition, as their ambition is to have the old airport land turned into low-income housing and labor-intensive industrial cooperatives. There is also potential for the country’s largest trade union, the National Union of Metalworkers of South

Africa (Numsa), to concretize its ambitions of a United Front linking workers, residents, environmentalists, women, and youth. If Numsa succeeds in taking over the organization and representation of Durban port workers—as they were doing down the coast at the Coega container terminal—and evoking genuine eco-socialist politics, if the UPM leads land invasions at the airport before the 2016 digging is due to begin, and if Clairwood shackdwellers and nearby worker-hostel residents in Umbilo and Jacobs are fully organized, then the threat of racial divisions would fade.

However it must be conceded, finally, that SDCEA remained weak when it came to an alternative approach to the South Durban Basin's development. As SDCEA's 2012 pamphlet reported:

We must urgently invest in a post-fossil fuel development path including renewable technologies and resilience to climate impacts. Are we giving up our land, environment and community to facilitate imports feeding rampant consumerism?

That stark choice lies ahead not only for SDCEA, South Durban residents and the broader city—but for the country and world as a whole. With the capitalist “development model” representing by far the greatest risk to the continuation of a decent life on a climate-constrained planet, and with inequality and political degradation out of control in South Africa and across the globe, the showdown over South Durban's future could, in microcosm, signal whether disparate forces can find unity in opposition and use that unity to plan a future based on less risky ways of arranging the economy, society, and nature.

Neoliberalized Urban Space in Rio's Port Revitalization

By Ana S. Garcia and Mariana C. R. Moreira

In a world conventionally characterized as globalized and borderless, urban centers are considered critical nodes of the new network economy. In particular, the *global city* has emerged as a powerful analytical tool that reassesses and gives legitimacy to this new role of cities as strategic places. At the same time, *strategic planning*³³ was consolidated as the propositional theoretical framework that can offer urban planning a formula to globalize successfully.³⁴

33 Strategic urban planning can be shortly defined as a form of governance that “uses the same management tools that has been used in the private sector” in order to guarantee efficiency and competitiveness in public municipal administration. See P. Lima Junior, *Uma estratégia chamada “planejamento estratégico”: deslocamentos espaciais e atribuições de sentido na teoria do planejamento urbano*, Rio de Janeiro, IPPUR/UFRJ, 2003.

34 João Sette Whitaker Ferreira, *São Paulo, o Mito da Cidade-Global: Ideologia e Mercado na Produção da Cidade*, publicado nos Anais do VIº Seminário Internacional de Desenvolvimento Urbano, Buenos Aires, 3-4 July 2003. Editado

Assuming that this is the neoliberal prescriptive model, institutionalized by the Washington Consensus and translated to the city, we will frame Rio de Janeiro's ongoing port redevelopment project as a synthesis of the processes of commodification. Common to most contemporary urban centers, the historical and geographical context of Rio's pre-Olympic city was marked by inequality and underdevelopment, but recent opportunities for spectacle-based accumulation offer a new, powerful catalyst for remaking the city.

Therefore, from an urban perspective, what David Harvey called the neoliberal turn³⁵ or

pela Prefeitura de Rio Claro, Outubro de 2003. Saskia Sassen and Manuel Castells, key urban thinkers, can be held accountable for launching these two complementary processes.

35 David Harvey, *A Brief History of Neoliberalism*, New York,

counter-revolution of capital³⁶ can be understood in terms of Neil Smith's *revanchist city*.³⁷ This is a concept that suggests that the whole vocabulary of revitalization and rehabilitation hides the true nature of the process: the restoration of upper class power over urban space, a phenomenon also known as gentrification.³⁸ Essentially, the neoliberalization of urban space makes these modernizations of cities appear as efficient, technical (thus depoliticized), and standard responses for the alleged urban decay associated with the discourse of revitalization.³⁹

With this theoretical framework, we offer a critical analysis of the Urban Operation of the Port Area of Rio de Janeiro (OUCPRJ), or "Porto Maravilha" Project, designated to promote the renovation of Rio's waterfront region. The project was established as a new form of urban intervention backed by the largest and most unprecedented public-private partnership (PPP) in the country, which linked the realization, maintenance, and privatization of public services to the same contract.⁴⁰ It's no coincidence that it occurred just after the city was chosen to host the 2016 Olympic Games, given the prominent place assigned for the port area as a celebrated Olympic legacy. Here is the explanation in the host city's candidature file:

The long-planned project to regenerate the historic port area has been accelerated by the bid, providing improved amenities and facilities for cruise

Oxford University Press, 2005.

- 36 Stephen Gill, "The Constitution of Global Capitalism," paper presented to a panel: The Capitalist World, Past and Present at the International Studies Association Annual Convention, Los Angeles, 2000.
- 37 Neil Smith, *The New Urban Frontier: Gentrification and the Revanchist City*, London, Routledge, 2005.
- 38 Otília Arantes, "Uma Estratégia Fatal: A cultura nas novas gestões urbanas," in Otília Arantes, Carlos Vainer, and Ermínia Maricato, *A Cidade do Pensamento Único*, desmanchando Consensos. Petrópolis: Editora Vozes, 2000
- 39 Carlos B. Vainer, "Pátria, Empresa e Mercadoria: Notas Sobre a Estratégia Discursiva do Planejamento Estratégico Urbano," in Arantes, et al., 2000.
- 40 Dossier on Mega-events and Human Rights Violation in Rio de Janeiro 2014. Popular Committee World Coup and Olympics.

*ships and a new focus for tourism. The site, featuring historic buildings and piers, will become a new and vibrant attraction in central Rio. There will be major restoration and significant improvements to housing, transport and public amenity, all of which will activate and reconnect the rejuvenated port to the city center.*⁴¹

That said, we intend to suggest the urgency in deconstructing the official discourse of the local government and the international organizations behind the events, such as the Olympic Committee and FIFA, by exposing some of the contradictions, agents, interests, and struggles behind the consensus that seems to support it. In this sense, the Porto Maravilha project will be presented here as a symbol of the consolidation of the neoliberal urbanization model, in a context where the rehabilitation of decaying port areas via culture and entertainment has become a global trend after "successful" models such as London, Barcelona, and New York. The relevance of mega-events in this process lies in the fact that, under fierce city competition for the best positioning in the circuits of the global economy, it plays a key role in attracting massive investments to implement mega urban projects, while potentiating the exploitation of symbolic capital involved in the production of the sporting spectacle.

A Brief History of the Port Area

The origin of the port area dates back to Rio's founding in 1565, when the bay was occupied and the city was constituted as a port that played an important role in the commerce with the Portuguese metropolis.⁴² In the beginning, this commerce was limited to exporting wood and spices. With the transfer of the capital from Salvador to Rio in 1763, followed by the "Opening of the Ports to Friendly Nations" decree

41 Dossiê de Candidatura, p. 37.

42 Fernando Mello, *A Zona Portuária do Rio de Janeiro: Antecedentes e Perspectivas*, Master's Dissertation. Instituto de Pesquisa e Planejamento Urbano e Regional, Universidade Federal do Rio de Janeiro, 2003.

and the arrival of the royal family in 1808, the city gained political and economic importance. The subsequent intensification of port activities, which by now consisted of the “dirty business” of mining and the slave trade, brought in low-income workers, and the area was quickly surrounded by slums.⁴³ Soon, the hostile and forbidding atmosphere, marked by crime, disease, and abandonment, was perceived as a necessary evil, in the sense that it harbored the activities and the population considered desirable only for capital reproduction.⁴⁴

Throughout the port area’s subsequent history, the most significant urban intervention was also the first major gentrification experience of the city: In the early twentieth century Rio underwent a huge modernization, inspired by boulevardian Paris, intended to revitalize the downtown area as well as the harbor—the young republic’s front door. Once more, the economic expansion that accompanied these changes profoundly affected the area and reinforced its bad reputation. The hillsides were occupied not only by the people involved directly and indirectly in those activities—people of African descent, workers, prostitutes, and immigrants—but they also absorbed the flow of the those displaced from the newly renovated central area.⁴⁵ Still it can be said that this historically stigmatized site was definitely separated from the “civilized” part of the city with the construction of Presidente Vargas Avenue in 1940, which put up a literal barrier to the port area with its four very wide lanes.⁴⁶

The neglect situation worsened when the federal capital moved to Brasilia in 1960, con-

43 Mello, 2003. By then, the port area already sheltered almost half of Rio’s slum population (Dossier 2014).

44 Mello, 2003; Cláudio Carlos, *Um Olhar Crítico à Zona Portuária do Rio de Janeiro*, 2010, portomaravilhahaparaquem.wordpress.com

45 The area, then called “little Africa,” is officially considered to be “the birthplace of the popular culture” in the city, where the samba tradition started, influenced by the African roots brought by the slaves working in the harbor activities.

46 Carlos, 2010.

demning many warehouses and other federal properties in the port area to underutilization. Its significant social and urban impacts eventually turned into popular struggles, culminating in a series of debates organized by the neighborhood association in the 1980s with the purpose of discussing and informing public opinion about the problems of the region and its cultural relevance. Because of the social pressure, a few revitalization plans were formulated over the next decades. However they proved ineffective and occasional, being oriented mostly by speculative investment as a product of alliances between government, capital (especially real estate capital), and others interested in business—like the Rio de Janeiro Trade Association—at the expense of the local community’s pressing demands.⁴⁷

Today the mega-event city and its long abandoned port area, victim of the lack of coordination and political will, is in the international spotlight of modernization and urban renewal. The consensus and ideologies that had to be produced to properly showcase Rio rely on two fundamentally complementary paths: the consolidation of the economism that legitimizes growth at any cost, and the exploration of culture as the new starlet merchandise of capitalism. In short, governments and investors have discovered a new frontier of capital accumulation, institutionalized by the city’s strategic plan and its aggressive marketing policy, and the Porto Maravilha project leans precisely on the cultural revival rhetoric in order to promote a glamorous meeting between culture (urban and sporting spectacle culture) and capital.⁴⁸

Porto Maravilha’s Features and Contradictions

The official project proposal is to provide the revitalization of more than five million square

47 Carlos, 2010.

48 Arantes, 2000.

meters, supposedly improving commerce and tourism through the revitalization of degraded spaces, providing a better quality of life for the population, who would be able to enjoy better public facilities and work, housing, recreational, and cultural opportunities. Among the large-scale urban transformations are the implementation of light rail transit (LRT), the demolition of roads, and the construction of streets, bridges, tunnels, and big architectural projects like Museu do Amanhã and Rio's Art Museum (MAR), for a total of eight billion Reais.⁴⁹

In reality, this is a clear case of commodification and despoliation of urban space. Precariousness of urban life results from the capitalist logic of production of urban space.⁵⁰ According to social movements, the port area's public space is being privately occupied under the guise of socio-economic recovery. This trend has a theoretical foundation, which Harvey calls *urban entrepreneurialism*.⁵¹ The alliance between state and private sector assumes that market interests ought to be well represented in urban management for the sake of cities' competitiveness.⁵²

As a product of this neoliberal urban agenda, the Porto Maravilha project, through an

administrative consortium and a huge public-private partnership (PPP), consolidated the relationship between public authorities, construction companies, and financial capital. The companies who formed this consortium were those who most strongly supported the election of the current mayor, and curiously this consortium became the only qualified bidder in the selection process for the revitalization project.⁵³ In fact, the essence of the bill that established such central features as the design of the Porto Maravilha's PPP and the project's financing structure was almost a direct transcription of a previous document that had been elaborated by these same companies.⁵⁴

Moreover, in this case, the esteemed role of private initiative also has an important ideological and legitimizing function since, in theory, it would allow the project to be entirely supported by private capital. In the words of the mayor, "the revitalization of the port area is an old dream this city had that will now, finally, get off the paper without the use of public money, through this important PPP." The local urban works and services would be fully financed by the funds raised through the commercialization of public properties and real estate titles issued by the city, the so-called Certificates of Additional Construction Potential (CEPACs).

Nevertheless, what we see is the exact opposite: The entire stock of CEPACs (R\$3.5 billion) was bought with public resources by the public bank in charge of managing the operation—Caixa Econômica Federal (CEF)—in order to get it started, but less than eight percent of the acquired titles had been sold by the end of 2013.⁵⁵ Basically the risk lies with the state, since CEF will have to bear the loss if the market does not

49 Demian Castro, *Megaeventos Esportivos e Empreendedorismo Urbano: Os Jogos Olímpicos de 2016 e a Produção do Espaço Urbano do Rio de Janeiro*, Master's Dissertation, Escola Politécnica, Universidade Federal do Rio de Janeiro, 2012.

50 Ivan Silva, "Intervenções Urbanísticas Para a População de Baixa Renda: Ampliação do Direito à Cidade ou Reprodução da Espoliação Urbana?" *Anais do Seminário de História da cidade e do urbanismo*, 11(02), 2010. According to the *Violations Report* from the community forum, for instance, the social gains from the Olympic legacies in the port area, especially regarding housing issues, were always debatable, given that the Olympic accommodations that would be converted into seven thousand units that do not meet social interest standards.

51 David Harvey, "Do Gerenciamento ao Empresariamento Urbano: a transformação da administração urbana no capitalismo tardio," *Espaço e Debates*, n. 39, 1996.

52 Vainer, 2000; Nelma Oliveira, *O Poder dos Jogos e os Jogos de Poder: os interesses em campo na produção de uma cidade para o espetáculo esportivo*, PhD Thesis, Universidade Federal do Rio de Janeiro, 2012.

53 Castro, 2012. It is worth mentioning the words of the former vice president and marketing director of the International Olympic Committee: "sponsorship is not charity. It is a business decision that is expected to generate a return on investment" (Pound, quoted in Oliveira, 2012, p. 82).

54 Oliveira, 2012.

55 Dossier 2014.

absorb the rest of the papers: the old formula of privatizing profits and socializing losses, intensified in the era of neoliberal financialization.⁵⁶

As to the sale of public properties—over 70 percent of the waterfront land—it also points to the dubious involvement of the same public entity (CEF) which is encouraging the occupation of the area by large enterprises to the detriment of hundreds of families who were living in the abandoned buildings. We are witnessing a brutal neglect of the possibility of using space to build social housing and meet the chronic housing shortage in the city, which grew 10.5 percent from 2011 to 2012 due to a 144 percent increase of rental prices. The law that governs the National Social Housing System determines that the government must honor the “social function of urban property to ensure action aimed at curbing property speculation and allow access to urban land and the full development of the social functions of the city and property.”⁵⁷ This is an ingenious way of transferring public assets to private agents. Through the circuit of real estate capital, private agents buy these assets for ridiculous prices then sell them for much more after the revitalization projects cause the appreciation of urban land.⁵⁸

Legal flexibility is another feature of the Porto Maravilha project and the “strategic planning-mega-events complex.” Soon after the selection of Rio as host city, a package of exceptional laws was urgently approved on the grounds of honoring the commitments made in the Candidature File.⁵⁹ Apart from the fact that the very nature of the project was not in observance of the original city master plan, the number of irregularities just keep piling up. For example, the works began without a proper neighborhood impact study as required by law; that is, without technically proving their

viability.⁶⁰ Another significant area of legal flexibility is around the new parameters of land use and occupation, which are bound to result in a profound change in the area’s landscape by encouraging the construction of numerous high-profile skyscrapers—a contradiction in the essence of the project which is meant to preserve the architectural, historical, and cultural patrimonies of the port area.

However, as was expected, the cultural aspect also falls short. The official website of the project refers to the law which determines the application of at least three percent of the CEPAC funds in the enhancement of the cultural heritage and promotion of cultural activity. In this sense, the *historical and archeological circuit celebrating African heritage* was created as a part of the cultural program of Porto Maravilha, in service of the preservation and dissemination of the memory, identity, and cultural manifestations of the site. Paradoxically enough, more than 800 families are threatened by eviction. Among the already evicted ones are traditional *quilombola* movements⁶¹ that used to occupy idle public buildings like Zumbi dos Palmares, and the first samba school in Rio, Vizinha Faladeira, considered of great historical relevance in Porto Maravilha’s presentation.⁶² Besides violating the right to adequate housing, since the evicted are not being given proper alternatives (they are usually relocated to peripheral areas where there is no infrastructure), these eviction processes are being conducted in an authoritarian manner, without dialogue or transparency about the project and its criteria, which only demonstrates how culture has

56 Oliveira, 2012.

57 Dossier 2014.

58 Castro, 2012; Dossier of Mega-events and Human Rights Violations in Rio de Janeiro 2012.

59 Dossier 2014.

60 This irregularity was even pursued in court by the state prosecutor of Rio de Janeiro against the city and the Urban Development Company of the Port Region, over the absence of proper impact study and public participation.

61 *Quilombos* were settlements of run-away slaves that engaged in anti-slavery struggles. Today, they have turned into rich cultural, religious, and political community movements that represent Afro-Brazilian heritage.

62 Dossier 2014.

The City is for Sale

The so-called “four sisters”—Odebrecht, OAS, Camargo Corrêa, and Andrade Gutierrez—are well known in the construction business throughout Brazil. Together, between the 2002 and 2012 elections, these four companies have donated more than US\$479 million to various political parties and candidates in Brazil. In Rio de Janeiro, the mayor’s party, PMDB, is by far the biggest beneficiary, with US\$6.27 million. In addition to the contracts for public works, the federal government also encourages their business through funding: between 2004 and 2013, the National Bank for Economic and Social Development (BNDES) offered them more than US\$1.7 billion in loans.

Among the main campaign donors for the candidacy of mayor Eduardo Paes in the 2008 elections were many real estate companies like Century (R\$350,000), other important donors such as the businessman Eike Batista (R\$500,000), and huge banks like Banco Itaú (R\$300,000).

Regarding construction capital and its power over the city, the Porto Maravilha Operation was divided in two phases. Participating in the Saude-Gamboa Consortium, Phase 1, were: Odebrecht, OAS, and Empresa Industrial Técnica Engenharia; in Porto Novo Consortium, Phase 2: OAS, Carioca Engenharia, and Odebrecht; and in the RioFaz Consortium, as part of the Morar Carioca program, which deals with the reurbanization works in favela Providência as well as the construction of the cable car: Odebrecht, OAS, and Carioca Engenharia.

“Solace” Group—OAS, Odebrecht, Carioca Engenharia, and REX (from Eike Batista’s EBX Group)—signed a contract with the city guaranteeing that Olympic constructions in the port area will be absorbed by real estate projects later on.

The American multimillionaire Donald Trump is building the Trump Towers, five corporate towers in the port area, at an estimated cost of R\$5 billion, while Tishman Speyer, one of the biggest real estate corporations in the world, known for Rockefeller Center in New York, is investing a total of R\$250 million in the construction of several skyscrapers in the port area. One of them is being designed by the well-known British architect Norman Foster, whose work is seen in the Puerto Madero area, in Buenos Aires.

The Porto Cidade Group is planning on investing around R\$3.5 billion in the construction of a mega complex consisting of a mall, corporate towers, hotels, and residential developments. This group is formed by those responsible for most of the London Games projects and very active construction firms in the US.

been commodified rather than preserved.⁶³ There were a total of eight occupations in the harbor area struggling and resisting eviction. For instance, the *Quilombo das Guerreiras* occupation was removed because of Porto Mar-

avilha.⁶⁴ Thus it can be said that the port area is undergoing its second major gentrification experience, led by an organic alliance between the state and speculative capital, exploiting the

⁶³ Dossier 2014, p.36.

⁶⁴ Dossier of Mega-events and human rights violation 2015, *Rio 2016: The Exclusion Games*, Popular Committee of World Cup and Olympics, p. 36.

cultural capital of the area at the expense of those who constitute it in the first place. Residential occupations and communities are being evicted by mega-event construction across the city, including the harbor area.

It is also necessary to draw attention to the indirect expulsion of residents because of the invasion of real estate capital. According to the Housing Union of Rio de Janeiro, before the works at the port area had even started, real estate value in the area had already risen 83 percent, and rising rents were already being felt in favelas such as Conceição and Providência, where prices increased by around 120 percent in two years.⁶⁵ Providência, the oldest hill slum of Rio, is a rather symptomatic example of the processes under discussion. As a part of an extensive program by Rio's municipality (Morar Carioca), which proposes the urbanization of all favelas in five years and is considered one of the city's most important Olympic legacies, a cable car was built and celebrated by the Porto Maravilha project as a solution for mobility and urban integration. Although it has been ready since 2012, and cost nearly half the entire amount stipulated for the whole program, its potential is still underutilized. Its construction suggests a reversal of government priorities to the extent that, apart from having been issued without proper public consultation, the construction of its stations resulted in the loss of important public areas, while basic and pressing needs such as water and sanitation remain unattended. Almost 300 families had to be evicted for the construction of the cable car, and another 380 families were considered to be in the environmental risk area, although the geotechnical report indicated otherwise.⁶⁶ Houses were marked and numbered by the city hall with spray paint to be demolished and removed, with neither authorization nor explanation to residents. The acronym of the Municipal Housing Office (SMH) was written

65 "Primeira favela do Rio, morro da Providência vive valorização imobiliária," R7 Rio De Janeiro, 10 March 2016.

66 Dossier 2014.

on the houses ironically indicating, in the words of the residents, "Saia do Morro Hoje" (Leave the Hill Today).⁶⁷

This leads us to conclude that both direct and indirect expulsions of the poor are closely related to real estate interests in gentrifying these areas into upper-class ones. Official data show that almost 80,000 families have already been removed from their homes since 2009, when the mega events project started to be executed, including 800 in the port area.⁶⁸ The installation of a Pacifying Police Unit, strategically located in the favelas that surround the wealthiest parts of the city and touristic spots such as Maracanã, Sambódromo, the airport, and the port area, is also representative of the type of city under construction, whose single purpose seems to be providing capital access and guarantees.⁶⁹

Finally, among the major contradictions of the project is its democratic deficit. A project that was advertised for socioeconomic gains that would benefit the local population ended up depriving this same population from effectively intervening in the formulation, implementation, and monitoring of the plans, programs, and urban development projects that will deeply and directly affect their lives, as is required by city statute. Besides sporadic hearings and merely informative meetings, popular participation was restricted to an advisory council that over time proved to be of a merely formal and ratifying nature.⁷⁰

Conclusion

We aimed to show here some of the most patent contradictions of the Porto Maravilha proj-

67 Dossier 2015.

68 Dossier 2015.

69 The Pacifying Police Units (UPPs) have been the heart of Rio's public security program since 2008.

70 F. R. Zimmermann, "O Projeto Porto Maravilha e a Operação Urbana Consorciada da Região do Porto do Rio de Janeiro," *Revista Digital de Direito Administrativo*, 1(1), pp. 115-143, 2014.

Spaces of Resistance

From an interview with Felipe Brito, member of the regional coordination of the Homeless Workers' Movement of Rio de Janeiro (MTST)

The MTST is the most important autonomous urban social movement in Brazil that fights for decent housing for workers living under indecent housing conditions. Since the 1990s, it has been struggling against real estate speculation as well as the glaring omission from the state, especially toward the urban peripheries. It does not have direct involvement with the resistance around the Porto Maravilha project, but it confronts the neoliberal urban apparatus that is behind an operation of that sort, and the financialization and commodification processes of urban space that it promotes. By all means, the struggle for decent housing is part of a wider struggle for the right to the city.

Through direct and collective action, its main strategy consists of occupying abandoned property as a way of organizing and mobilizing people to pressure the government to implement low-income housing policies. Given the alarming housing deficit in Rio, unoccupied land represents an insult to the communities that experience the everyday housing drama. They consider this to be the only effective way to conquer housing for those who were absorbed by the precariousness of the relations of production in a flexible mode of accumulation framework. It is also an important locus for political awareness, class consciousness, and social identity formation in an ever more fragmented social fabric.

Programs and public housing policies today do not face the true determinants of socio-spatial segregation and urban spoliation. Instead, they end up reproducing a perverse logic of production of urban space through new processes of suburbanization in marginalized areas that are absorbed by the real estate market. In short, since Brazilian urban policy was decentralized and linked to the municipalities, which have no democratic culture when it comes to the construction of political processes, the cities were left in the hands of businessmen.

Although the urban reform demands have been incorporated by the left, there is still great difficulty turning this into practice. Significant historical factors produce various constraints for action, such as the restricted penetration of the left in slum areas. For now, the end of the capitalist system is not really on the agenda, with all the challenges the left still has to overcome. However, the foundation for a radical transformation of the society will necessarily involve territorial action, and the intensification of territorial struggle. Therefore, militancy and agency are essential for change and can be exercised in territorial struggles through direct collective action.

ect within the framework of neoliberal reshaping of production and management of the city. It is a project that seems to privilege profit over people and therefore constitutes an object of social struggles for public spaces.⁷¹ In fact,

⁷¹ Oliveira, 2012.

the market-oriented nature of Rio's redevelopment urban project—based on the potential of space consumption—is usually manifest in the official documents. The institutional material itself highlights Porto Maravilha's "strategic" location—right next to the city's central business district and less than 10 km away from

the airports and major tourist attractions—as well as the real estate interests behind the interventions.

Furthermore we consider this to be a project that institutionalizes a perverse kind of recycling of urban space, which depends on the systematic violation of the right to the city and the expulsion of the local population that stands in the path of modernization. Thus new forms of accumulation by dispossession, clas-

sically examined by Harvey, are strengthened through mechanisms that typify the *modus operandi* of urbanization by expropriation, considered the new enclosure of “modern” primitive accumulation.⁷² In these circumstances, Rio is bound to see the reproduction of the historical process of socio-spatial segregation of the lower income segments, exposing the more socially and economically vulnerable segments of the working class to the effects of gentrification.

Hong Kong’s Rising Discontent

By Ruixue Bai

Hong Kong has a long standing democracy movement dating back to 1989, if not earlier. Since then, the June 4th massacre is marked every year with a memorial vigil held in Victoria Park. After the handover in 1997, an annual demonstration has been held on July 1st (the establishment date of the Hong Kong Special Administrative Region) where demands for democracy and universal suffrage are raised. The democracy movement raises similar demands at its annual New Year’s Day march.

For a number of years—with some notable exceptions, such as July 2003 when approximately 500,000 people took to the streets to protest against the introduction of security law Article 23, which was eventually withdrawn as a result of the movement against it—these annual marches had largely become almost ritualistic events. However, prior to the outbreak of the Umbrella Movement in 2014, they had nonetheless been growing in number in recent

years, reflecting growing discontent in society, both as a result of increasing political and economic integration with mainland China, and in response to increased social inequality, two issues which are often interrelated due to the allegiances of the capitalist classes.

Hong Kong Capitalism and Mainland Integration

The world’s eighth largest trading economy and one of the world’s busiest ports, Hong Kong is of great strategic importance to both mainland and international capital.⁷³ In 2013, Hong Kong was ranked fourth in the world in terms of Foreign Direct Investment inflows and second in Asia after mainland China. It is also an important location for the regional headquarters or offices of multinational companies, with the majority doing business on the mainland. Since 1997 Hong Kong has become increasingly integrated with the mainland Chinese economy. As mainland China’s most important entrepôt, the mainland now accounts for nearly half of

72 David Harvey, *O Novo Imperialismo*, São Paulo, Edições Loyola, 2004; Pedro Penhavel, *Urbanização por Expropriação: o Caso do Setor Noroeste*, Master’s Dissertation in Sociology, Faculdade de Ciências Sociais, Universidade Federal de Goiás, 2013.

73 “Economic and Trade Information on Hong Kong,” *HKT-DC Research*, 26 February 2016..

Hong Kong's trade volumes. Meanwhile, mainland China is Hong Kong's largest export market, accounting for 54 percent of Hong Kong's total exports in the first nine months of 2014.⁷⁴ It is also the largest source of the mainland's overseas direct investment, meaning that by the end of 2013, 44.3 percent of all overseas projects approved in the Mainland were linked to Hong Kong's interests.⁷⁵

Trade and the regime of free trade has long been a foundation of the Hong Kong economy. The history of Hong Kong as a free port can be divided into three stages. Following the British colonization of Hong Kong in 1842, for its strategic position in the trade between east and west, up until 1949 Hong Kong was mainly an entrepôt for mainland China. Then between 1950 and the late 1980s, Hong Kong was forced to abandon this status after the UN imposed sanctions on China to contain it after the Chinese Communist Party (CCP) took power. In response to this challenge, Hong Kong turned to industrializing itself and eventually became an export manufacturing center, targeting the US and European markets. It was during this period that Hong Kong took off and developed into a rich city, leaving mainland China behind. The third stage came about as a result of the transformation in mainland China when the CCP turned away from Mao's line and began to integrate China into global capitalism. This also led to the beginning of Hong Kong's economic re-integration with mainland China, and as a result Hong Kong regained its former status as an entrepôt of China and has seen its industrial base hollowed out as it shifted to Southern China. This is not entirely a repetition of the past, however, as Hong Kong's success during the second stage also allowed it to become a financial center, although increasingly for mainland Chinese capital.

⁷⁴ The EU and the US are its joint second largest market, each accounting for 9 percent of total exports in the same period. *Ibid.*

⁷⁵ *Ibid.*

The metamorphosis of this free port necessarily brought about a restructuring of the composition of the working class. Although Hong Kong is considered a free trade success story, the fact that working people were made to pay the price for economic restructuring is often neglected. Between 1950 and 1955, trade shrank rapidly, resulting in severe jobs losses. The situation was so bad that thousands of workers had to return to Guangdong to look for jobs. This unemployment was alleviated when Hong Kong began to develop its export-oriented industry. In 1961 manufacturing workers already accounted for 40 percent of the labor force, growing to 47.7 percent in 1971. As Hong Kong's economy took off even further in the 1980s, the ratio of port employment began to decline, although in 1989 it still accounted for 30 percent of the labor force.

Because of the gradual nature of this economic restructuring, the change to the employment structure did not result in downward mobility for the labor force at this stage. In the third period, however, this was not the case, as the change was more exogenous and the pace became too rapid. Between 1985 and 1998, manufacturing employment halved, from 859,600 to 391,900, and manufacturing's share of the labor force declined from 39.6 to 12.3 percent. This created immense downward mobility for those who lost their jobs—they did not have the skills to work in higher paid jobs in the service sector and could only find low-wage work. In the next decade manufacturing employment fell even further, until it only accounted for four percent of the labor force, or merely 105,300 employees in 2012.⁷⁶

The restructuring also had an impact on the labor movement. Although never strong since the 1950s, Hong Kong's once significant manufacturing sector did provide some material base

⁷⁶ Feng Bangyan, *Xianggang Chanye Jiegou Zhuaxing* (Transformation of Hong Kong Industrial Structure), Joint Publishing (HK) Co. Ltd, 2014, pp. 91, 208, 237, 274.

for union organizing and strike action. The hollowing out of the manufacturing sector did not work in favor of the labor movement. In the period between the late 1960s and early 1980s, except during the world recession of 1974-5, annual strikes numbered between 40 and 50. Since then the number of strikes have declined and have rarely exceeded ten per year.⁷⁷ In terms of port jobs, following a strike in 1996 the transformation of the employment model—from one of more secure employment to subcontracting and dispatch labor—has also had a negative impact on labor, with workers' wages being driven down, workloads increased, and bargaining position weakened. The partial victory of the dock workers' strike in 2013 has not changed this.

With China's rise and Hong Kong's even deeper integration, Hong Kong's role as an entrepôt is now also being eroded. Having already lost its status as the world's busiest container port in 2005 when it was overtaken by Singapore, in 2007 it was then overtaken by Shanghai, which has since become the world's busiest container port.⁷⁸ In 2013 Hong Kong was then overtaken by nearby Yantian port in Shenzhen, although the following year it regained its number three position because the Yantian port lost some of its traffic to another nearby port in Nansha.⁷⁹ This decline in status of Hong Kong's port is expected to continue, with shipping volumes having suffered year-on-year decline for sixteen straight months as of October 2015.⁸⁰

Meanwhile a number of measures have been taken by the respective governments to en-

hance economic integration with mainland China, such as the Mainland-Hong Kong Closer Economic Partnership Arrangement (CEPA), which was signed in 2003, providing Hong Kong businesses greater access to China's market and allowing mainland Chinese companies better access to Hong Kong's financial and business services. More recently, the opening of the Hong Kong-Shanghai Stock Connect on 17 November 2014, which through the linking of the two exchanges allows foreign investors outside mainland China access to its stock market for the first time, again further consolidates the important role that Hong Kong plays in China's economic strategy.

Such integration has also been accompanied by a strengthening of the partnership between Hong Kong's capitalist class and the Beijing government. As outlined by Brian Fong, this is a partnership that Beijing has tried to foster since the transition period, when it saw the cooption of local capitalists as necessary both to the future stability of Hong Kong and to China's economic reforms.⁸¹ Since the handover, Hong Kong capitalists have gone on to enjoy a high degree of institutionalized access to the Beijing government through the business sector's representation on the Hong Kong delegation to the National People's Congress (NPC) and the Chinese People's Political Consultative Congress (CPPCC), as well as through relationships to the Liaison Office of the Central People's Government in Hong Kong. According to Fong, between the handover and 2012 the business sector has occupied an average of 43.7 percent of Hong Kong NPC delegate seats and 70.8 percent of CPPCC delegate seats.⁸²

This has had profound political and social consequences. As a result of this partnership, the Hong Kong business sector can direct-

77 For figures between 1960 and 1995, see Sun Yongchuan and Chen Mingzhi, *Jibian zhong de laodong shichang* (Labor Market in Rapid Transformation), Commercial Press, 1997, p.55. For figures since then, see Hong Kong Annual Digest of Statistics.

78 Competitiveness of the port of Hong Kong, Research Brief No.1, November 2013, Legislative Council of Hong Kong.

79 "Port rebounds from cutthroat competition," *China Daily*, 27 June 2014.

80 Ryan Kilpatrick, "Hong Kong's endangered port: Needs space, gets a committee," *Hong Kong Free Press*, 18 November 2015.

81 Brian C.H.Fong, "The Partnership between the Chinese Government and Hong Kong's Capitalist Class: Implications for HKSAR Governance, 1997-2012," *The China Quarterly*, vol. 217, March 2014.

82 Ibid.

ly lobby the mainland to put pressure on the Hong Kong government. Such lobbying has previously been reported to have taken place around plans to build public housing, the West Kowloon Development project, and the extension of a blackout period for listed company directors by the Hong Kong Stock Exchange, after which the original policy initiatives were subsequently modified.⁸³ Given this context, Hong Kong's ever closer relationship and integration with mainland China, both politically and economically, has been of concern to many Hong Kong residents, and some of the most contentious issues leading to social and political protests have been those which relate to closer ties to the mainland or interference by Beijing. It has also created tension between certain sections of the local tycoons and the ruling faction of the central government. This is illustrated by the fact that Henry Tang, a widely acknowledged representative of the local tycoons, was abandoned by the central government in the 2012 election campaign for Chief Executive, and C.Y. Leung, a man who has more ties with the CCP than with local tycoons, was chosen instead. The local tycoons were resentful of this arrangement, as they considered this act a sign that the central government had broken its promise to allow local tycoons to govern Hong Kong.

In recent years the Hong Kong government has invested in numerous huge infrastructure development projects. Amongst such projects are the high speed rail link, which triggered protests in 2010, and the Hong Kong-Zhuhai-Macau Bridge, both of which are officially intended to further integrate links with the mainland and encourage closer economic ties. In November 2014, local newspaper *Ming Pao Daily* reported that overspending on nine of these major infrastructure projects is going to cost each Hong Kong person HK\$22,000.⁸⁴

⁸³ Ibid.

⁸⁴ "Infrastructure overspending to cost each HK person HK\$22,000," *EJInsight*, 25 Nov. 2014.

It is therefore important to consider allocation of government spending and the fact that the Hong Kong government has huge fiscal reserves, which in 2011 amounted to around half a million Hong Kong dollars per capita.⁸⁵ Rather than spending on huge infrastructure projects, which are aimed at benefiting the developers and capitalist classes, such reserves could go a long way toward poverty alleviation in the city. According to the government's own estimates, HK\$14.8 billion would lift 1.02 million people up to its poverty line.⁸⁶ This is something which is beginning to be recognized by some of Hong Kong's citizens, and the number of protests against government policies linked to economic inequality issues have been growing.

A City of Stark Contrasts

Inequality in the city is extremely severe, and the wealth gap only continues to widen. On the one hand there is a very high concentration of extremely wealthy people who reside in the city. According to the recent survey by Wealth X and UBS, 3335 ultra-high net wealth individuals own almost 60 percent of Hong Kong's total wealth, with nine percent of these individuals having made their fortune through the real estate industry and 45 percent having either partially or fully inherited their wealth.⁸⁷ This concentration of ultra-wealthy residents is almost 20 times the global average.⁸⁸ It is also worth noting that in 2014 Hong Kong topped *The Economist's* crony capitalism index, which lists "countries where politically connected businessmen are most likely to prosper."⁸⁹

⁸⁵ N. Balakrishnan, "Hong Kong flush with surplus but government remains unloved," *The National*, 11 March 2011.

⁸⁶ "Poverty line set for HK," *News.gov.hk*, 28 September 2013.

⁸⁷ The report defines an ultra-high net worth individual as someone who has US\$30 million or above in net assets. *World Ultra Wealth Report 2014*, Wealth-X and UBS, 2014.

⁸⁸ *World Ultra Wealth Report 2014*.

⁸⁹ "Planet Plutocrat: The countries where politically connected businessmen are most likely to prosper," *The Economist*, 15 March 2014.

On the other hand, in 2012 there were more than 1.3 million residents living below the official poverty line, and inequality has been rising over recent years.⁹⁰ Soaring property and rental prices have meant that decent homes are out of reach to many people, with some being forced to live in tiny sub-divided flats or even cage homes. Meanwhile consumer prices continued to rise rapidly by 4.2 percent between January and September 2014, after having already risen by 4.3 percent in 2013.⁹¹

The lack of affordable housing has been a frequent theme in protests against the government. According to the Basic Law, all land belongs to the state and the Hong Kong government is entitled to the right to management of the land and all income derived from this. This is very similar to the arrangement in the colonial period. The arrangement provides the government with sufficient constitutional rights to provide decent housing to everyone in the city and explains why the government can provide nearly 50 percent of local residents with affordable public housing. However, from the colonial period up until now, the government has always subjected ordinary citizens' housing needs to the interests of both the developers and the government itself, which relies on income from land for its expenditure (so that less tax can be levied on the business sector).

Therefore large pieces of land are auctioned to big developers and in the end only a handful of developers monopolize the supply of new houses in the private property market. In 1987 nine developers supplied 48 percent of new private housing. In 1995 the Consumer Council released a report revealing that between 1991 and 1994 ten developers supplied 75 percent of new private estates, with one developer alone supplying 26 percent.⁹² The Con-

sumer Council has not done similar research in recent years, but it is a reasonable guess that the highly oligarchic nature of the property market has not improved, because during former Chief Executive Donald Tsang's term (2005-2012) the Home Ownership Plan was withdrawn altogether to make way for private developers, which helps explain soaring property prices for the last ten years. This is also why the demand for affordable housing was a very common theme of many of the posters and banners in the occupation area during the Umbrella Movement. Now the CY Leung government is under great pressure from social movements to significantly increase the supply of public housing.

A New Era of Struggle?

Rising discontent has led to a significant growth in the number of protests in recent years. In 2012 there were 7529 "public order events" in Hong Kong, compared with 6878 in 2011 and 2303 ten years previously in 2002.⁹³ Indeed, the anti-high speed rail movement of 2009 to 2010 has been seen as a turning point by many social activists in terms of representing the beginning of a new era of youth militancy. This movement came about as a result of opposition to the proposed construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), due to the proposed demolition of local village Tsoi Yuen Tsuen in order to make way for the railway, as well as environmental concerns. The Hong Kong section of the high speed railway, with a budget of HK\$67 billion, will be the most expensive railway ever built per kilometer. Many critics argue it is not even necessary given the already existing good transportation links between Hong Kong and Guangdong province.

90 "Poverty line set for HK."

91 "Economic and Trade Information on Hong Kong."

92 Leo F. Goodstadt, *Uneasy Partners: The Conflict between Public Interest and Private Profit in Hong Kong*, Chinese edition, Enrich Publishing, Ltd., 2011, p. 217.

93 These are defined as public meetings of more than 50 persons or processions of more than 30 persons. "No. of Public Order Events," *Social Indicators of Hong Kong*.

The campaign against the railway began as a series of small demonstrations and a signature campaign in the second half of 2009, and grew into a movement involving several thousand camping outside the Legislative Council building in January 2010. The climax came with the “siege of the LegCo,” when on the evening of the decision on the project’s budget, protesters blocked the exits, trapping pro-government legislators inside. Although the movement failed to stop the railway, it was nevertheless of high political cost to the government, and characteristic of the new “post-80s” generation of social concern and activism not dominated by the political parties.

Such activism around political and socio-economic issues has continued, with the post-80s activists also joined by the post-90s generation, who led the movement against national education in 2012 and have been a key part of the Umbrella Movement. During the 2013 dockworkers strike at Hong Kong International Terminals (HIT), which was itself significant—lasting forty days in a city with very low levels of industrial action—students, young people, and activist groups also played an important role in organizing solidarity actions and support for the striking workers. Many were motivated by anger at economic inequality. Li Ka-shing, Hong Kong’s most wealthy man, whose company Hutchinson-Whampoa was the parent company of HIT, was targeted by the strikers and their supporters. Collusion between capital and the government has then once again been a factor leading to the growth of the opposition movement to the Northeast New Territories Development Plan in summer 2014.

That development plan, which will cost US\$15.5 billion and requires the destruction of homes and farmland to make way for the new development, is seen as another example of collusion between government and business. After several weeks of protest, on June 27 the Legislative Council Finance Committee voted in fa-

vor of moving forward with the project despite the plan not having been subject to proper review. Several members of this Finance Committee, including Ng Leung Sing (its chairperson), James Tien, Lau Wong Fat, and Abraham Razack, have ties to the developers who stand to gain from the development project.⁹⁴ Meanwhile four of the large property developers had already bought up at a low price large portions of the land that is due to be developed. Despite the strong opposition, the government still wants to push ahead and seek legislative approval for the development plan.

Other major political conflicts arose over the introduction of Article 23 in 2003 and the campaign against National Education in 2012, both of which were Beijing’s attempts at increased control, and in these cases protest movements were successful at stopping the legislation. Where movements have attempted to directly confront capital and the government together, however, such as in the case of the protests against the high speed rail and the Northeast New Territories Development Plan, they have so far been less directly successful, or the outcomes were more ambiguous.

But the Umbrella Movement, which broke out in September 2014 calling for genuine universal suffrage, was on a scale not seen in Hong Kong’s recent history. Although its more than two month long occupation ended in mid-December 2014 without achieving its aims, the occupation itself involved and politicized large sections of Hong Kong society, in particular young people. This will likely have an impact on future political developments in Hong Kong. Since then Hong Kong’s political landscape has changed. While this has had a positive effect, in that a new layer of progressive political activists is beginning to be consolidated, the post-Umbrella Movement period so far has

⁹⁴ “Fan dongbei lan ren bao zhi yi: yaoqiu zhengfu liji chehui xinjie dongbei fazhan jihua de shi ge liyou,” *Inmedi-ahk*, 11 June 2014.

also witnessed the rise of radical right-wing localism in opposition to further political and economic integration with the mainland. This has increasingly taken on a xenophobic character, in an attempt to construct a Hong Kong identity in opposition to that of China. Slogans such as “Hong Kong people first” or “locals first” are frequently appearing in association with an intended exclusion of people from mainland China, in particular new migrants, who have been targeted by localists and presented as part of the problem rather than as potential allies in the struggle for democracy.

Indeed in 2015, for the first time, the Hong Kong Federation of Students rejected participation in the main June 4th vigil to mark the Tiananmen crackdown as localists within the student movement took issue with the vigil’s calling (as it does every year) for the building of a democratic China. Such developments therefore present a grave challenge that urgently needs to be overcome by an inclusive democratic movement, which aims at confronting the gross inequalities of the capitalist system and working toward creating a democratic and sustainable city for the future.

Conclusion: Take the Ports!

In the three cases discussed—Durban, Rio, and Hong Kong—it is evident that uneven urban development spawned by the rule of capital and the intensification of commodification can be vigorously contested by popular movements. Some movements have, in the process, begun to transcend the traditional dichotomy between an inward-looking territorial identity and the rhetoric of a broader emancipation. Despite their differences, they are examples of global cities of the South that result from uneven capitalist development. They reflect the South’s participation in neoliberal globalization, which is subordinated and contradictory, while essential for global capital’s reproduction.

Some of these experiences correspond to more general conclusions about community contestations of industrial activity as a result of global-local rescaling processes sometimes termed “*glocalization*.” In the face of the widespread yet elusive power of transnational corporations, civil society nonetheless continually pressures companies to reduce environmental and social impacts from their activities,” as Leah Horowitz explains:

Protestors may use direct action, such as violent attacks, or discursive action, including court battles as well as attempts to tarnish the companies’ reputations, which are increasingly important in a globalized world. All these costs contribute to “the internalization of externalities.” Beyond direct costs to corporations, these actions influence the financial sector as investors realize that companies pass financial and reputational risks on to the institutions that support them, and that a company’s management of environmental and social issues may provide an indication of its ability to tackle other management problems. These concerns have prompted investors to screen potential funding recipients, through mechanisms such as the FTSE4Good Index Series, and have inspired powerful funding agencies such as the World Bank to impose directives upon clients.⁹⁵

In this context, the movements have begun to explore a broader set of urban class practices, which in the Latin American case—according to James Petras and Morris Morley, writing in the early 1990s—entail new alliances that traverse the spheres of production and collective con-

⁹⁵ Leah Horowitz, “Power, profit, protest: Grassroots resistance to industry in the global North,” *Capitalism Nature Socialism*, 23(3), 2002.

sumption, under conditions of persistent capitalist crisis:

The power of these new social movements comes from the fact that they draw on the vast heterogeneous labor force that populates the main thoroughfares and the alleyways; the marketplaces and street corners; the interstices of the economy and the nerve centers of production; the exchange and finance centers; the university plazas, railway stations and the wharves—all are brought together in complex localized structures which feed into tumultuous homogenizing national movements.

The main structural factor forging the unity of the urban poor and the formal working class, Petras and Morley continue, is economic crisis itself. “The great flows of capital disintegrate the immobile isolated household units, driving millions into the vortex of production and circulation of commodities; this moment of wrenching dislocation and relocation is silently, individually experienced by the mass of people, who struggle to find their place, disciplined by the struggle for basic needs and by the absolute reign of ascending capital.” Under such conditions, the social base for urban movements is continually recreated at the point that the limits to both commodity production and consumption become evident.

With respect to production, Petras and Morley on the one hand view the rise of militant urban social movements as a consequence of the sudden increase in mass unemployment since the 1980s debt crisis began, which “lifted the control and discipline of capital over labor—making the latter available for, and receptive to, a new kind of discipline: that associated with the structure and action of mass social movements.” On the other hand, a complementary explanation—not grounded in the formal sector labor market (unemployment)—also presents itself. “It comes down to this. Capital transformed an inert mass of atomized producers into a concentrated army; and the market that it created could not sustain it. The impersonal ties—the cash nexus—are the only

link in that anonymous urban labor market. The rupture of that tie sets the stage for the eruption of uprooted people.”

Kim Moody expresses this as follows in the specific context of urban harbor zones:

Port labor can be important to a coalition. Port expansion has often been used to de-unionize a large portion of total labor and weaken the existing unions. Also, new facilities will tend to undercut older, unionized ones so a good union has reason to oppose such expansion and not fall for the usual line about new jobs. This is what happened to the warehouse and trucking workers in the ports of LA and Long Beach—though not the dockers themselves. In the UK, new “state-of-the-art” facilities—London Gateway (which is resisting the union UNITE)—will compete with older facilities in the Thames estuary like Tilbury, where the employers are already demanding that port workers go on zero hours contracts.⁹⁶

However, the weakness of formal labor organizations in these contexts means that the initiative to fight for justice—whether higher wages for workers or defending communities against displacement—has often shifted to community and citizens’ movements. On the one hand, these movements do not typically carry an ideological orientation that allows them to “think big” about their challenges, especially the need to address world overcapacity in shipping, the commercial circuit of capital and speculative real estate. Economic downturns, such as are being experienced in each of the three case-study cities at present, require at least rudimentary critique of trends within world capitalism.

The ultimate test is whether the linkages sketched in the cases above, ranging from citizenries and residents, to labor movements and environmentalists, can generate unity. If in specific cases they do, and these fuse with the broader political-economic processes of over-

⁹⁶ Kim Moody, personal correspondence with Patrick Bond, 15 November 2014.

production, shipping overcapacity, and falling prices, it may be that the danger to the city of a growing mercantile circuit of capital can be avoided. But this short-circuiting of capital, and its replacement by a broad-based right to the city, are political projects that require ideology and analysis just as much as effective strategy and tactics, powerful alliances, and social militancy. The brain and the hands of the oppressed in Durban, Rio, and Hong Kong—and everywhere else—need to operate hand-in-hand in

the future so as to avoid the amputation of city life we have seen in recent years. Given capital's emphasis on accumulation-by-shipping along with property speculation, and given the way overaccumulation crisis is playing out via a more frantic mega-project investment wave, uneven as this appears to be, there is just as great an opportunity in the world's port cities as there is in its financial complexes and industrial production sites for the full range of liberatory politics to flourish in tandem.

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