

Territoriality, Ground Rent and the Circulation of Capital Through the Land

Land is not capital.

In times of financialisation, land
is *treated* like fictitious capital.

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David Harvey (1982):
The Limits to Capital. Oxford.

Geography?

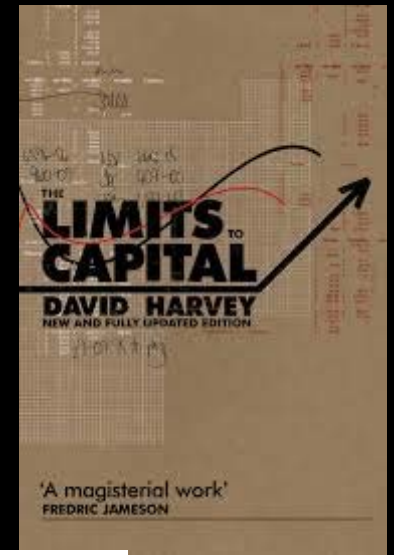
spatial uneven development
organized in spatial forms

1. territory
2. scale
3. place
4. network

} TSPN

result, terrain & means of spatial praxis

“abstractions made real”
(„Realabstraktionen“)



Environment and Planning D: Society and Space 2008, volume 26, pages 389–401

doi:10.1068/d9107

Theorizing sociospatial relations

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Received 7 October 2007; in revised form 24 October 2007



Commodity & money form

“We saw in a former chapter that the exchange of commodities implies contradictory and mutually exclusive conditions. The differentiation of commodities into commodities and money does not sweep away these inconsistencies, but **develops a *modus vivendi*, a form in which they can exist side by side. This is generally the way in which real contradictions are reconciled.**”

Karl Marx (1867/1996): *Capital*, vol. 1. Vol. 35 of *Karl Marx and Frederick Engels: Collected Works* (trans. Samuel Moore and Edward Aveling). New York: 113.

Social forms

“legal form”

Evgeny Pashukanis (1924/1980): *The General Theory of Law and Marxism*. In: P. Beirne & R. Sharlet (eds.): *Selected Writings on Marxism and Law*. London & New York: 32-131.

“political form”

Joachim Hirsch (2005): *Materialistische Staatstheorie*. Hamburg.

“nation-form”

Etienne Balibar (1990): *Die Nation-Form: Geschichte und Ideologie*. In: Etienne Balibar & Immanuel Wallerstein: *Rasse – Klasse – Nation*. Hamburg & Berlin: 107- 130.

“Social forms are the fundamental structuring principles, the materialized social relations, that guide human agency in a way that is not immediately transparent and that **make social contradictions processable.**”

Objective forms of thought (*objektive Gedankenformen*)

categories of bourgeois economics: “They are forms of thought expressing with social validity the conditions and relations of a definite, historically determined mode of production, viz., the production of commodities.”

Karl Marx (1996): *Capital*, vol. 1. In *Karl Marx, Frederick Engels: Collected Works*, vol. 35 translated by Samuel Moore and Edward Aveling. New York: International Publishers: 87.

German original, categories = “objective forms of thought” („objektive Gedankenformen“), emphasizing that they are not merely wrong, but reflect the social relations from which they originate

Karl Marx (1971): *Das Kapital. Band 1*. In: *Marx-Engels-Werke* 23. Berlin: Dietz: 90.

Abstraction made real

(*Realabstraktion*)

“*cognitive abstraction*”

Jürgen Ritsert (1998): Realabstraktion. In: Christoph Görg & Roland Roth (Hg.): *Kein Staat zu machen*. Münster: 324-348: 336; trans. B.B.

“made real (consciously or unconsciously) by the actors themselves in the process of their real acts of exchange” ibid: 335 ; trans. B.B.

“there is in society itself such an abstraction”

Theodor W. Adorno (1968/1993): *Einleitung in die Soziologie*. Frankfurt/M. : 58; trans. B.B.

Abstract space

= made real through buying and selling of plots of land

- money form (Harvey)
- commodity form (Lefebvre)

= enables the making real of social relations:

“Social relations, which are concrete abstractions, gain real existence only in and through space.

Their medium is spatial.”

Henri Lefebvre (1974) *La production de l'espace*. Paris: 465; trans. B.B.

= precondition for territory

Sources of revenue

Profits or interests from capital, rents from land and wages from labor: “the **complete mystification** [...], the conversion of social relations into things [...]. It is an enchanted, perverted, topsy-turvy world, in which Monsieur le Capital and **Madame la Terre** do their ghost-walking as social characters and at the same time directly as **mere things**.”

Karl Marx (1894). *Capital*, vol. 3. In *Karl Marx, Frederick Engels: Collected Works*, vol. 37 translated by Ernest Untermann. New York: International Publishers: 817.

Sources of revenue

“When trade in land is reduced to a special branch of the circulation of interest-bearing capital, then [...] landownership has achieved its true capitalistic form.”

David Harvey (1982): *The Limits to Capital*. Oxford: 347.

necessitates (in the Global North) delimiting of plots of land in the form of ...

space as plot of land = fetishized as source of revenue (like capital or credit)

Territory

“territoriality”: “the attempt by an individual or group (x) to influence, affect, or control objects, people, and relationships (y) by delimiting and asserting control over a geographic area. This area is the territory.”

Robert D. Sack (1983): Human Territoriality: A Theory. *AAAG* 73: 55-74: 56.

usually: nation-state & national sovereignty

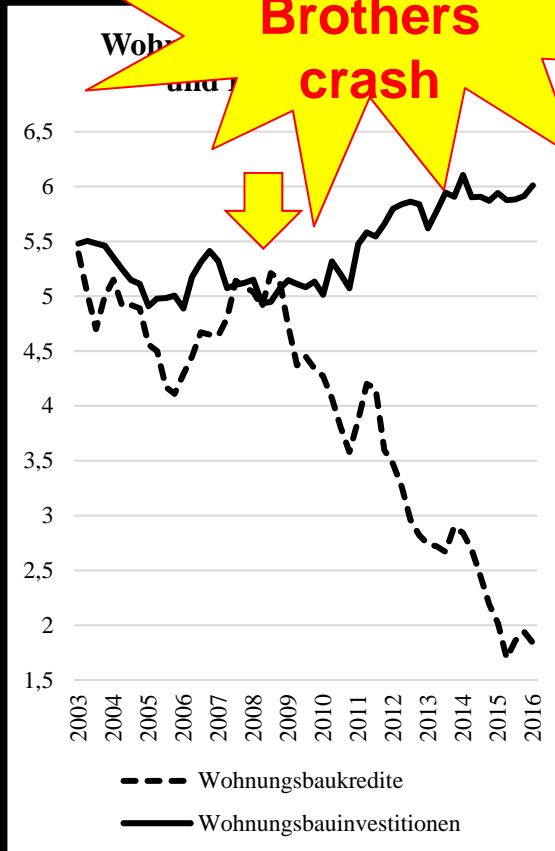
Sack: “from the room to the nation-state” ibid

also (and fundamentally): plots of land

“lends itself to a dialog with **the concrete**”

Housing boom in Germany

Lehman
Brothers
crash



investment in housing construction in % of GDP

effective annual mortgage rates for private households (5-10 years)

Bernd Belina (2017): Wohnungsbauboom und globale Kapitalverhältnisse. *Z. Zeitschrift marxistische Erneuerung* 28(1): accepted.

Housing boom in Germany

Lehman Brothers crash



Süddeutsche Zeitung

MÜNCHNER NEUESTE NACHRICHTEN AUS POLITIK, KULTUR, WIRTSCHAFT UND SPORT

SÜDDEUTSCHE.DE

1MG

MÜNCHEN, SAMSTAG/SONNTAG, 8./9. JUNI 2013

69. JAHRGANG / 23. WOCHEN / NR. 130 / 2,50

Wird Wohnen bald unbezahlbar?

Die Mieten steigen und steigen, in Metropolen und Universitätsstädten wächst der Unmut unter den Bürgern. Pünktlich zum Wahlkampf versprechen die Parteien, den Wucher mit dem Wohnraum zu stoppen. Was taugen die Rezepte?

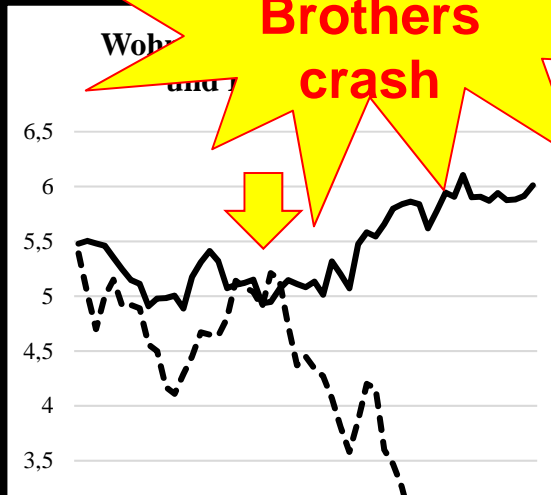
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“Is housing becoming unaffordable? House rents are rising ...”

Bernd Belina (2017): Wohnungsbauboom und globale Kapitalverhältnisse. *Z. Zeitschrift marxistische Erneuerung* 28(1): accepted.

Housing boom in Germany

Lehman
Brothers
crash



industry blames:

“steep increase in land prices”

Gerd W. Seidemann & Reinhart Bürger (2016): Mit den Kränen dreht sich die Preisspirale. *Der Tagesspiegel*, 9 July: 2.

but: new (mostly: luxury) housing increases ground rent & land prices and: speculative “land banking”

Alexander Jung (2016): Die neue Wohnungsnot. *Der Spiegel* 15:10-18: S.17.

= nature of “Madame la Terre [...] as mere thing” in “its true capitalistic form”: social character of land fetishized and turned into an asset

Karl Marx (1894). *Capital*, vol. 3. In *Karl Marx, Frederick Engels: Collected Works*, vol. 37 translated by Ernest Untermann. New York: International Publishers: 817.

David Harvey (1982): *The Limits to Capital*. Oxford: 347.

Land under financialized capitalism

ground rent extracted from **plots of land (= territories)**
in global **networks** of (financial) capital circulation
creating and destroying **places**
on various **scales**

“perpetual struggle in which capital builds a physical landscape appropriate to its own conditions at a particular moment in time, only to have to destroy it [...] at a subsequent point in time.”

David Harvey: The urban process under capitalism, in “International Journal of Urban and Regional Research” 1/1978, S. 101-131: 124.

“bring rent back into the analysis”

Callum Ward & Manuel B. Aalbers (2016): ‘The shitty rent business’: What’s the point of land rent theory?
Urban Studies 53(9): 1760–1783: 1780.