The Paths and Ways of Gentrification in Latin America

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Human beings materialize their social relations on the spaces they construct. In this way, spaces constitute externalizations of those relations and speak to structure, agency, fatality, luck, representation, and so forth. Operating under historical heritages and structural constraints, they configure spatialities on the basis of options such as as classes, ethnicities, and genders. Thus, spaces may speak languages of exchange or use value, of need, choice or obligation. With this in mind, this paper conducts a preliminary survey of the production of space in the central area of development of Medellin, Colombia. For this, we selected three examples, the first a former manufacturing area, the second a section of downtown proper, and the third a squatter settlement on its edge. All of them represent planned interventions on the central axis of development of the city. Building on elements of recent legislation that dictate the new paths of urban redevelopment, the paper focuses on three forms of restructuring that shed light on the discussion of gentrification. Whereas the first two cases are discussed rather briefly, the third is examined in more detail. Here, we contrast dynamics of occupation with public intervention in an effort to establish identify underlying dialectics of land rent, invasion-displacement, and class. Operating under logics of need, residents either got displaced by the forces involved, or entered the fray using the opportunity to build some patrimony. This case is particularly important as a site of convergence of the various historical processes that characterize the recent history of urban Latin America. Ultimately, the paper links the discussion to the struggle for urban centrality and rent. Having started as a search for traces and forms of gentrification in the

city, our research found that the struggle for rent underlying gentrification is not limited to the now classical processes identified in the North but assumes its own versions and trajectories. Overall, the paper argues that urban restructuring, as institutionalized in the development plan of the city, seeks to accelerate the shift to a service economy that it privileges, while deepening polarization and class separation.

Theoretical context

In his visionary work, *The Production of Space*, Henri Lefebvre addressed the dominant role of financial capital that, acting in combination with the industry of space under the new regime of accumulation, is transforming the city into a major accumulation machine itself. Most authors of restructuring have identified major transformations in the urban landscape pointing to the critical role of cities in the new order. Building on Neil Smith's (1996 and 2003) works, we posit that the production of urban space is a major protagonist in this process. Within it, industries and classes compete for the rent involved. Gentrification has been presented as one of the major driving forces and expressions of central city restructuring. The construction and rehabilitation boom appropriating and restructuring Fordist space have transformed former industrial cities of the Midwest and Northeast. Not only is the process of gentrification transforming the urban geography of class and ethnicity but it is also affecting low-income areas of reserve especially in the form of higher housing costs.

Our research in the USA and now in Latin America suggests that restructuring is so deeply embedded in each society and city that it takes place in different ways and assumes different forms everywhere. We may know only the tip of the iceberg. The story and

context in which each city operates differ between the North and the South and within each of them. So far, the major trends and generalities identified in the North have guided the search for similar manifestations in the South. But case studies in the North and inroads into cities of the Third World increasingly reveal new aspects of restructuring and gentrification suggesting that the latter is as much the result of regime shift as of local forces and differential dynamics of development –and resistance.

Gentrification in fact may have been studied too much from within and may require more comparative analyses. Meanwhile, research on the geographies of income has revealed the extreme poverty concentrations of ghettos. Both studies have been conducted separately. We may need to study them dialectically or perhaps as two sides of the same coin. Putting the two together, we posit dialectics between factors such as gentrification of the city and suburbanization of poverty and between gentrification and ghettoization as well as the emergence of other formations of transition or third spaces between them (e.g., new residential formations, changes on and challenges to the stable ethnic, working class neighborhood of yesterday, and so forth).

As much as gentrification and ghettoization have lead separate paths in studies of urban neighborhoods in the North today, they are likely produced by the same forces. They may represent the extremes of valorization and devalorization intimately connected under capitalism. The situation is not as clear in the South. The literature has been generous in studies of extreme poverty in squatter and other settlements of the poor. It has not studied as much the residential patterns and practices of middle and upper classes –although repeatedly stating the huge gap between them. Urban restructuring has not been examined in the South as in the North. The study of gentrification is still esoteric in Latin America. It

may be that gentrification is not as clear or has not followed the paths of the North. A visual exploration of urban change in Latin America brings out mixed impressions. Although imitating formations of the North such as gated communities and exclusive cultural capital concentrations or even bohemias, the dominant trend here may be towards sprawl and new construction in "safe" areas (e.g., traditionally middle and upper income areas or new ones in exceptional landscapes) leaving potential sites of gentrification for later while intensifying processes of investment-disinvestment throughout and redefining centralities progressively or producing other transformations yet to be documented. Our research in the City of Medellin and our observations of other cities in the region follows suit suggesting that restructuring has vastly redefined or reinforced spaces of class at the same time that it intensified processes of rent production and extraction penetrating neighborhoods of reproduction of the poor with dynamics of value extraction that advance relationships of predation over those of collaboration and solidarity.

This, however, does not imply necessarily that the city is becoming fragmented or broken into pieces bearing little or no relationship to each other. Class separation has been a feature of capitalist cities throughout the world. But all urban processes and residential formations are tied to each other in many ways –from labor market relationships of servitude and value extraction to those of shared environments of pollution and consumption. But it is fragmented in terms of its often more polarized geographies or its intense commodification of daily life/social reproduction making survival of the poor far more challenging and predatory (Harvey 1996). Different from the city of work of Fordism or quasi-Fordism, we are witnessing today the city of rent and cultural capital (Bourdieu

1984). This paper constitutes an effort to contribute to this story, starting with historical and legislative frameworks to then expose some of the dynamics and products of this process.

Historical Context

Medellin was the forerunner of manufacturing in Colombia driving the national processes of capital accumulation and proletarization. Along the way, it generated a culture of entrepreneurialism granting citizenship and legitimacy according to economic success and introducing a world of formalization that tried to imitate the developed cities of the North. Operating in a context of dependent development, however, it could not develop a self-sustaining and virtuous process of growth providing enough formal jobs to accommodate an ever-accelerating rate of rural-to-urban immigration. As a result, along with this process emerged a growing and ever more saturated informal economy that came to employ a majority of the working population by the 1980s. This overflow coincided with the generalized crisis of Fordism in the 1970s and the ensuing chronic depression of Latin American economies. As in the rest of the world, manufacturing took second place to financial capital, reorganizing around agro industrial and maquila production within a highly tributary economy that transfers much of its accumulated value to the core (e.g., via foreign debt, multinational corporation takeover of the most productive sectors of the economy, capital repatriation, and purchase of high-value added products and services from the North).

Strictly planned initially around the Spanish tradition of grid towns organized around a plaza and a hierarchy of elites at the core and servants on the periphery, towns exploded in the after war both as a result of industrialization and mass rural-to-urban

peasant displacement. Cities tried to put some order through enactment of Master Plans that barely guided development of transportation and other infrastructures but that were overwhelmed quickly by a mix of weak economies, massive squatting, self-housing and state permissiveness or inability to regulate. Between half and two-thirds of the settlement process in Medellin in the last half of the 20th century consisted of irregular or illegal development. Cities were then left to their fate while government focused on national development plans seeking to accelerate migration and promoting development of the housing industry. In this way, overall economic and specific city physical planning got disconnected from each other. Urban development was the spontaneous result of the political economy or of punctual interventions by the lot, by the project, by this or that public entity or private concern or reactions to major events such as catastrophes and organized crime.

In the 1980s and especially since the 1990s the Colombian government engaged in a deep process of structural adjustment and free trade based on privatization, deregulation and debt financing measures demanded by the international community through institutions such as WB, IMF and WTO. The major components for cities have been competitiveness, law and order, development of comprehensive land use plans and the actions emerging from such interventions. This work is carried out through public-private partnerships in which local administrations play a facilitating and social control role and the private sector builds and takes the profit for the most part. Of particular importance here is National Law 388 of 1997 enabling, mandating and providing the instruments that make urban development possible while making it close to mandatory. Although developed by progressive forces in the country, Law 388 has been amply interpreted and erratically

appropriated producing an array of actions ranging from production of social interest housing through opportunity plans for emerging entrepreneurs to corporate monopolies –all tied to the particular priorities of national and local regimes.

Legislative Context

Colombia approved urban reform legislation first in 1989 (Law 9 of 1989) and 1991 (Law 3 of 1991). Changes reflecting deep transformations of the country and its people (including a new Constitution enacted in 1991; major on sustainability and natural resources and advances in the process of decentralization through the 1980s; creation in 1995 of Concejos Regionales de Planeación Económica y Social (Regional Councils for Economic and Social Planning) for each of the five regions in which the country was divided and of the Ministry of the Environment and the National environmental System) led to the enactment of Law 388 of 1997 adjusting or changing earlier 1989 and 1991 legislations and completing urban and regional planning directives. Inspired by three principles from new Constitution (namely (1) the social and ecological function of private property, (2) prevalence of general over individual interests, and (3) equitable distribution of costs and benefits of development), this law mandated that all municipalities developed plans of territorial ordering (POTs) defined as

> the set of objectives, directives, policies, strategies, targets, programs, interventions and norms adopted to orient and administer the physical development of the territory and land use (Chapter III, article 9) through (1) territorial strategies of use, occupation and management of land around economic, social, urbanistic, and environmental; (2) development of instruments and procedures for execution of integral urban interventions and articulation of sectorial interventions affecting the municipal structure; and (3) identification of programs and projects to carry out these purposes (Chapter II, article 6).

These plans establish urban interventions by public entities while encouraging private sector and community initiatives of their own.

Inscribed in logics of urban competitiveness and a flexible regime of accumulation, POTs attempt to bring municipalities up to date while providing the instruments for public and private intervention. They are part of ongoing efforts to direct or facilitate the production and reorganization of space around priorities determined by each municipality (and administration) and the new demands of globalization. They seek to create a balance between private sector interests and citizen demands on government –at the same time that they pass on planning initiatives that were the exclusive priority of government to the private sector and to civic society. At the same time, they empower municipalities to determine the specifics of the plan (the devil is in the details). In this way, in the last instance, they become the realm of local regimes –exactly the spaces most influenced by local interests but also the levels at which citizen movements and participation can be most effective within the proper circumstances. In short, they constitute opportunities to shape cities according to democratically established collective visions.

Law 388 seeks a regional approach to planning and decision making. It asks for coordination and consistency of POTs with national and state plans and priorities and instructs local administrations to use holistic approaches such that each intervention is related to the entire city.

A major component of POTs was the Partial Plan (Planes Parciales) defined as

> … those instruments through which the dispositions of POTs are developed and complemented for specific areas of the urban territory and for areas of urban expansion, plus those that should be developed though units of urban intervention, macro projects or other special urban operations according to authorizations generated by the general urban norms, within the terms of this law. Partial plans will

> include at least these aspects: (1) definition and characteristics of the intervention or the minimal unit of urban intervention included in the plan partial or local; (2) precise definition of objectives and urban directives… in aspects such as use of built real estate, widening or improvement of public spaces, quality of the entourage, alternatives of expansion… (3) specific urban norms for the corresponding unit of intervention… (4) design and characteristics of public space and roads… (5) all others necessary to implement the planning of specific zones… (6) adoption of instruments of land use management, capture of plus value, distribution of costs and benefits, process of negotiation, financial evaluation of urban works and their implementation plan along with financial plans," (Chapter 3, article 19).

Besides general rules/policies and citywide plans, POTs determine priority subareas of the city for special treatment or Partial Plan. This is an explicit effort to overcome prior practices by the lot in which cities become casual aggregates of individual actions preoccupied only with maximizing the use of a site while ignoring its impact on surrounding areas and the city as a whole. The law calls on property and land owners to get together and formulate these plans while requiring that they pay for externalities and the infrastructures required or called forth by POTs. No development can take place in areas designated for Partial Plans until the plan is formulated and duly approved. Ultimately, the law seeks to discourage land speculation (land is often more expensive than the real estate built on it), reduce the burden of private development on the public sector (especially the ability of real estate developers to pass on externalities and costs of infrastructures associated with their projects to the public) and stir up the development process.

A cursory analysis suggests that Law 388 of 1997 has tremendous potential. Acting within an approach of governance, it seeks planning approaches in which civil society, the private sector and government share responsibility as much as benefit. It calls for concerted action, citizen commitment, private sector responsibility, sustainability, and public accountability. Ultimately, it seeks livable, fair and healthy cities. But laws are

instruments and their direction and impact depends on the forces ultimately appropriating them. Legislation is recent and implementation is just underway. Our preliminary analysis identified possible loopholes that are formulated at the end. Our analysis of three representative cases from the strategic corridor of development for Medellin exposes some of the underlying agendas and possibilities. Most importantly, it shows how this city appropriated this legislation and the rent processes it unleashed.

Brief Analysis of Two Cases of Private Urban Renewal

The system of partial plans established in the POT for the City of Medellin shows the development priorities of local forces and its main beneficiaries. POTs, again, determine how the city is to proceed and identify areas for priority intervention (partial plans) of one kind or the other. A major goal of the plan was the redevelopment of the city around the river traversing the valley from south to north. This is not new as previous manufacturing development also followed this pattern. But, whereas development in that era was the spontaneous result of convenience and practicality,[1] the new plan adopts this priority intentionally while emphasizing heavy investments of cultural capital that add to the value and attractiveness of high-end service development along this core. Targeting financial and other headquarters, so-called "clean" development, parks, cultural and educational centers, office parks and related, the plan is a major materialization and symbol of the competitiveness sought. The POT has assigned the Medellin River strip the role of corridor of metropolitan and regional services. The choice is highly symbolic of regime change as it seeks to replace strategically located manufacturing sites of the past with the temples of today´s economy. This is certainly a form of intended gentrification that assures

occupation of the city's main centralities by capital intensive, high end uses. Prior to the plan, development of the service economy had been moving from the downtown area to the southeastern side of the river, traditionally housing the city's elites in farm-like states. Along with this, manufacturing had restructured around plant mergers and break ups, maquila-like reorganization of textile and other traditionally strong industries, relocation into free trade and peripheral areas with lesser regulations and cheaper workforces than the city, and other forms already identified by the literature (e.g., Betancur et al. 2004)

The Southern Edge of the Metropolitan Service Corridor: Argos and Simesa

The partial plans of Argos and Simesa are great expressions of this shift as they assure replacement of two major manufacturing plants, Argos Cements and Simesa (founded in 1936) respectively –the former by the headquarters of a major financial consortium and the latter by Ciudad del Agua, a high-end mixed use development of luxury housing, large retail and cultural institutions. Part of Grupo Empresarial Antioqueño, a holding company including this financial consortium together with other large firms in Medellin, Argos consolidated operations in more secondary locations in the metropolitan area, ceding its space for Bancolombia and Compañía Suramericana de Seguros, among the largest companies in the country in banking and insurance respectively. Not only are these two areas located in the middle of the valley and on the southern edge of the Metropolitan service corridor, but they are also on the wealthier southeast side of the river. The intent of transforming this traditional manufacturing into a high service area is clearly stated in the plans. Traditionally hosting a concentration of manufacturing, the Simesa site is still home to three large plants, Carton de Colombia, Erecos and Holasa and to 200 smaller warehousing and manufacturing concerns. Although godfathering prior uses, the plan

expects their progressive relocation. Pressure from new service uses and working class neighborhoods to the East of Simesa caused the plan to include areas of transition between uses. The plan called also for extreme efforts on the part of manufacturing uses to reduce pollution. The message that they have to move at some point is loud and clear. The overall expectation and push of the POT for Medellin is that all manufacturing, warehousing, metal and wood shops and all other production and repair businesses concentrated in these areas leave. But everybody recognizes that this may not happen at the speed the plan wished.

The Argos Plan is 95% completed and the Simesa Plan 65%. Much of the public support infrastructure is in place and many of the proposed parks and cultural centers are underway. These plans in turn have spilled over or are forming a continuum with other developments on the same part of the valley. But the manufacturing city cannot be replaced by the service city overnight in an underdeveloped economy with the limitations of Medellin and in an area as large and traditionally consolidated as the one occupying the central corridor. A major area combining small shops with informal economies and low-end entertainment activities, it provides employment for a large proportion of the city's lower income populations and is a provider of services and products for the local and regional economies. Transforming an economy in which over half of the population depends on informal (mostly self-) employment in the low-end service sector may not be feasible as the plan purports or expects. Unless the city managed to capture a far larger market of high services and retail or the country's and city's economy could increase middle and upper classes significantly generating a much larger demand for such services, the ability of the local economy to replace existing economic activity and uses with the ones proposed is limited.

As written, the transformation sought by the plan may be rather unrealistic. Its intent, as manifested in these two leading plans on the southern part of the axis, is one of specialization around high end services, corporate headquarters, housing and retail to replace a traditional area of large and small manufacturing uses. Although consistent with development of adjacent El Poblado to the south, in many ways, its development competes with a well established and highly successful corridor housing the leading service sectors of the economy. As the high level of replacement of high by lower end uses in the traditional downtown area suggests, development elsewhere in the valley is largely a function of disinvestment elsewhere. Truly, the city is banking on other efforts to become a Latin American powerhouse in the hospital (cosmetic, heart and other advanced, high end services), fashion (combining design with production, expositions and textiles), cultural tourism and education industries. Although somewhat positioned in these fronts, the city has a long way to go and its competitive advantage is far from established. Meanwhile, in case of long-term success, how realistic is it to assume that all of this will be in place within the purported period of the plans (12 years)?

The Central Section of the Metropolitan Service Corridor: Guayaquil

In the mid-section of the corridor is downtown Medellin, also located on the eastern side of the river. As part of the transformation of the city, the most dynamic high-end service industries have been relocating since the mid-1980s to the area of residence of the city's high income, El Poblado, along the route leading from downtown Medellin to the traditional plaza of this elite area. Along with this relocation, middle and upper class residential development has exploded in this area forming a jungle of apartment buildings, major retail malls and other high end retail and service development. Building on prior

efforts of the City to revitalize downtown, the POT for Medellin included a plan for redevelopment of its southern edge, Guayaquil, the traditional site of the Republican era's downtown including the old railroad station, the major plaza of citizen congregation for political events, the various inter-municipal transportation terminals, and the city's traditional marketplace and retail. This area had decayed over the years becoming a concentration of low-income retail and informal operations; along with this, it attracted bars, prostitution, pornography and drug industries and activities. Consolidation of public offices in an impressive new administrative complex on its southern edge called La Alpujarra (started in 1974) had started the process but private sector-led renovation had not ensued. In an effort to spur its development and to bring together the public and private sectors and the citizenry behind the process, the POT targeted Guayaquil for renovation.

The plan's aim is to transform it into a combination of public squares (parks), convention centers, boulevards, public buildings, offices and retail trade. Using its own terms, the plan seeks to create a competitive, amiable, sustainable, inclusive, equitable, participatory, clean, and safe environment that facilitates public encounter and citizen commitment and enhances public culture. It targets luxury and other formal retail; cultural, public administration, security, health, education and public assistance institutions; community organizations; office space; financial institutions; recreation and sports; and hotels and lodging. At the end, it expects to triple the constructed area and increase jobs by 1000% and sales by 60-80%.

Although still in the process of change (only % has been completed), it has already brought back Carabobo Street to its old role as the main north-south downtown thoroughfare turning it into a pedestrian corridor of formal retail combined with a few and

highly regulated informal business stands, with rehabilitated historical buildings and store fronts, new street furniture and improved signage. Work has included renovations of the Public Square into a major public park (Parque de las Luces), historical rehabilitation of the rail station terminal and construction of a theme library sponsored by the utility company of the city, an interactive museum, an exposition center, an international convention center with its own Plaza Mayor and completion of the Alpujarra complex.

The plan contemplates demolition of existing structures and construction of mixed use, taller buildings. It includes a network of car and pedestrian streets along with enhancement of the major thoroughfares bordering the area. Although the most dynamic current element is a form of retail known as El Hueco that operates as a spontaneous "free trade" zone for retail, the plan ignored it while emphasizing the need for improved retail. Starting as a concentration of small businesses housed in buildings that operate as vertical malls or bazaars selling smuggled merchandise for the most part, it is a mix of businesses ranging from money laundering operations and smuggled merchandise to outlets for maquila-type production shops. This and most of the retail in the area consists of small retailers targeting dealer hunters and lower-income populations. The plan has unleashed much speculation as some take a wait and see attitude holding on to their sometimes less profitable businesses and others sit on properties that they expect will produce high rents. Most businesses have been in the area for an average of 21 years. Meanwhile, as research for the plan established, businesses and uses closely intertwined networking formal and informal, legal and illegal operations in ways that maximize results and constitute a unique fabric possibly impossible to replicate in a planned fashion.

The case of the former Plaza de Mercado illustrates the possible contradictions the purported shift entails. The municipality relocated businesses in the plaza into smaller, strategically located Mercados throughout the city expecting higher sales for each of the participating, largely informal businesses. Yet, separated from their old niche and fabric, and removed from their central location, businesses did not perform as expected causing many to return to the old site. The damage had been already done, however, and the site never returned to what it was, eventually burning and emptying out.

Much work remains as side streets are still home to a dense network of formal and informal low-income retail, bars and prostitution and as many of their old structures remain in place. One of its most ambitious projects includes organization of its huge informal sector into cooperatives and establishment of a Mercado Popular to house them under one roof while progressively turning them into established formal businesses.

The plan tried to accommodate everybody and help them move on. Unfortunately, assumptions and expectations may be unrealistic or ultimately serve the purpose of justifying the transition into a new era imposing a different reality and leaving far too many behind. Certainly, vice and prostitution may be displaced along with bars and cheap hotels, informality, low-income retail and the associated undesirable economic activities and presences. Given the close intertwining and networks among uses, however, this would be a major blow as it would break such a closely-knit network depriving many lower-income people of their jobs and of a conveniently located site for satisfaction of many of their retail needs. Operating under institutional and unrealistically formal rationalities, the plan developers indicate that they will be able to help the majority improve on site. The reality of these formations, however, shows that they correspond to other logics that do not fit in

the new formalized and highly regulated environments the plan intends to build. At the end of the day, if successful, this process would transform the area into a more informalized area of exchange value relations for other customers while housing a different type of business and use. Ultimately, as was the case of urban renewal in the USA, these interventions, if successful, amount to state-led or state-supported gentrification. Although gentrification here does not refer to the classical residential only form of gentrification, they constitute a change of economic formations privileging high-end services, office and retail development in one case and middle of the road retail and service development combined with office, institutional and public development on the other.

The Northern Edge of the Corridor: Moravia

On the northernmost edge of the central corridor, the city has already developed a system of cultural institutions, parks and museums that complement the two largest public universities in the city along with major health institutions and the old Botanic Garden now turned into a major tourist attraction. Adjacent to this, at the edge, though, sits a squatter settlement that constitutes one of the major challenges to the corridor. The dynamics of transformation of this settlement represent perhaps one of the most dramatic and illustrative dynamics of restructuring underlying the entire process. We discuss them next.

The Case of Moravia

Two kilometers separate Moravia from the central point of downtown. This former swamp at the bottom of the major concentration of squatter settlements of the city borders the Medellin River and is part of the central axis of development of the city. Peasants displaced from the countryside started squatting on its highest and driest points to the east

in the 1960s. Since the municipality did not apply existing legislation (law 57 of 1905 and Decree 992 of 1930) to expel them, like many other displaces and refugees from the countryside, occupants relied on each other turning appropriation into a collective act and "breaking with the juridical link established by state law to regulate individual property." (Rincon 2009: 228) In 1977, the city acquired the land ignoring the fact that 80 families effectively resided there and had acquired a right of continued possession contemplated by the law on land settlement. Following the guidelines of the *Plan Director* approved in 1959, the city reserved the land for development of a park next to already existing Parque Norte. This development had to wait, though, as the city rented the land for the following five years to a public utility to be used as a waste dump. Along the way, the local administration ordered squatters to vacate the land they had squatted. The lease was later extended and Moravia operated as a dumping site until 1983.

As a result of this use, Moravia became a major magnet for people who lived off garbage recycling, many of whom decided to settle there. The site filled rather quickly and residents organized around the collective act of squatting that put them in direct contradiction with the city intent on removing them. Meanwhile, one end of the site slowly became a mountain of garbage and the other one of construction materials, both surrounded by squatters while many of them actually settled on the waste. Given the extreme sanitary and slide risks involved, in 1983, the City suspended dumping and declared Moravia a problem of public order. In 1984, it created a committee to rehabilitate the site. The administration wanted to clear the site for construction and expansion of roads, for development of a regional highway along the river edge and to bridge the city's northern bus terminal with the road system connecting the city with the eastern region of the state.

The committee nagged in negotiations with residents who insisted on their right to stay. After much conflict, the administration agreed to issue individual land titles once residents accumulated enough hours of work in general improvements in the vicinity.[2] This agreement was not honored; in 1987, the city withdraw support for the agreement, and reinstated its demands on residents to move out, denying them assistance. Meanwhile, closure of the site left many residents "unemployed" increasing the daily hardships of survival.[3]

The struggle was aggravated by safety problems. Although second generation youth gangs plagued the neighborhood almost from the beginning with petty thievery, rapes and other predatory activities, growth of the drug trade[4] and development of groups of self-defense[5] turned it into a battleground. In the 1980s and 1990s, organized groups of armed bands of *sicarios* (paid assassins working for drug barons) subjected Moravia to a quasi-military rule that included control of public spaces, imposition of "vacunas" (periodic payments imposed on households and local businesses in exchange for "protection") and selective execution or displacement of residents whose property they confiscated. Tired of their abuses and arbitrariness, area leaders invited militias to address the problem. Militias then replaced them around 1990 imposing their own rule and ideologies.[6] As militias negotiated their disarmament with the state at the end of 1993, they became part of the community participating in negotiations with authorities on its behalf.

Meanwhile, in 1998, as part of a citywide initiative of squatter improvement and legalization, the local administration, though its representative agencies, initiated studies of the neighborhood engaging in negotiations with community representatives. The following administration (2001-2004), however, removed funding for Moravia denying help to the

neighborhood for the first five years of the millennium and threatening residents once more with eviction. Between July 2003 and October 2004, various city units, a citywide NGO, a local university, organizations of residents and various consultants engaged in the development of a plan parcial for the area that concluded with enactment of Plan de Mejoramiento Integral (Plan for Integral Improvement) in 2004. The plan was included in the new administration´s plan for the city, Medellin, Compromiso de Ciudadanía (Medellin, Citizen Commitment), and adopted by Agreement 03 of June 8, 2004.

The plan agreed to "build on what was already built," to structure the area from the public to the private, to integrate habitat, territory and society, to treat first and redevelop at a later stage, and to work gradually and equitably in the distribution of benefits and costs. The plan rested on three normative principles: legalization of land (moving from tenure rights to private property), formalization of the informal, and incorporation of the area to the central axis of development (privileging citywide over local interests). It included relocation of families occupying areas of great risk,[7] especially in the two garbage hills, improvements in the entire street system, construction of a regional road on its western edge, along the river, channeling of various springs crossing the neighborhood, development of various small plazas or open spaces, and to develop or improve critical community institutions. Finally, titles would be issued to families occupying the settlement at the time of the census provided that they occupied only a plot of a given size that was neither used as a business nor divided into various units.[8]

Underlying this process and agreement was the entry of paramilitary forces that imposed their rule on the neighborhood at the turn of the century. Although on paper they agreed to demobilize and disarm, in fact, they continue exercising control of the settlement

in the form of bands that impose their will on residents, control economic activities, claim public spaces and use their control for money laundering, drug distribution and personal power. Although violence does not seem as rampant or open as before, residents live terrorized or intimidated by these bands and do not dare to challenge them.

Through this time, the area and its economy suffered major transformations. At the point of initial occupation in the 1960s, Moravia was a swampy, flat area traversed by various water springs that demanded major improvements for urbanization. Mass immigration was getting under way and manufacturing was the leading economic sector. With the regime transformation of the 1970s and 1980s and the peaking of rural-to-urban migration, informal squatting and employment combined into the major dominant forces of growth in the city. With dumping, Moravia became a source of both employment and squatting for indigent immigrants. As garbage recycling ended, residents turned to informal self-employment in the downtown area. Already part of their recycling activities, residences increased their combined role as units of production, storage, retail or else. Households started adding spaces to accommodate further activities. Residences themselves became a critical part of this economy of need and transiency. Many households sold and moved within or outside the neighborhood; they divided their homes and sold portions of them or expanded into interstitial spaces between or below houses increasing the density of the settlement by the day. Many of them built second and third floors. As demand for accommodation increased with new immigrants,[9] they expanded the use of their dwellings to include small businesses or rental units. Speculation has become a major mechanism for many residents and outsiders. The former use their dwellings as a basis to accumulate patrimony (by building and selling units on top, renting rooms, storing goods, or opening a

business on the site). The process accelerated at the turn of the century generating dangerous levels of density in that part of the city. Technical documents of the plan point to the asphyxiation of public spaces as well as of former spaces between buildings (DAP 2004). Turnover and economic activity boomed especially in the first decade of 2000s when uncertainty and expectations brought about by planned interventions and the growing interest the city placed on this location. In 2003, 72% of all housing units included some economic activity (DAP, 2004: 54). Public space became a source of self-employment.[10] The borders of the neighborhood especially to the west have become major areas of retail and manufacturing shops. Such processes have produced a highly saturated neighborhood in which living and working are hardly differentiated and properties circulate almost as much as goods.

In short, a few factors have combined to turn Moravia into a major centrality on its way to yet higher levels of economic activity: (1) although in many ways a liability, the form of land tenure has allowed for fast and easy transactions, on the spot, by cash, everything can be transacted, and uses and abuses of all sorts take place daily;[11] (2) location at the edge of the main centrality and development corridor of the city, at the bottom of a huge area of squatter settlement has been turning Moravia into a major retail destination for residents of that area; (3) business activities are overflowing residential activities progressively moving from a predominately residential to a retail use; (4) the potential rent of the area is well above its current quasi-rent: on its own way, centrality has allowed for extremely dense uses suggesting the type of rent that it could generate with legalization and formalization; although still low-income, the types of activities mounted on it foresee a bitter process of legalization and appropriation.[12] One last and major aspect is the claim of

the municipality to the area as collective patrimony. Although present from the beginning, this has become a far more pressing priority over time. It in fact, may speak to the future trajectory of the area: from a dumping site to a barrio, and next from a barrio to part of the city's centrality.

This brief story exposes bitter struggles of all sorts coming together around control of a place with great centrality and potential, unrealized land rent. They speak to the struggle for rent and centrality permeating different social and economic sectors and logics. The city realizes the urgency of and actively seeks legalization and incorporation of Moravia into the central axis of development. At the same time, resistance has made the transition uniquely complex and conflictive. Residents have acquired rights that neither the municipality nor society can deny. They have also turned location into opportunity and gain, no matter how meager –certainly not at the rate other classes and interests can and want. Multiple forces have added to the complexity with their armed interventions –from struggles for rent through government interventions to impose its norms to the projects of various insurgencies.[13] Moravia, a manifestation and symbol of the unique history of settlement of Latin American cities, emerges as a scenario of dispute of a regime of accumulation that intensifies the struggle for rent by turning the city from a workplace into the utmost commodity and a critical accumulation machine today.

Concluding Analysis

Each mode and regime of accumulation produces its own space reflecting its ways and at the same time providing the conditions for that mode or regime to operate (Lefebvre 1987). Like urban renewal (1949-mid 1970s) in the USA, in Colombia, urban reform law 388 of

1997 provided mechanisms that facitate and actually institutionalize the transition from the spatialities proper of the manufacturing city (even if dependent and structurally incipient) to the spaces neoliberal globalization sought. Such public interventions have proved critical because spatial formations inherited from the past not only interfere often with new logics and demands but also are difficult to change.[14] They provide mechanisms to remove or reshape spaces according to new logics and priorities. Still, as gentrification has proved repeatedly, such shifts often produce location and rent redistributions that obviously attract significant opposition from earlier formations and residents.

Restructuring in urban Latin America has not been any exception. Meanwhile, context varies between economic geographies as the cases introduced here testify. The sharper the differences between countries and cities, the most likely these processes assume other paths and temporalities –obviously within the overall dynamics of modes and regimes of production. Our attempt to identify the specifics of restructuring in a city in Latin America but, most particularly, of gentrification, has produced some surprises while pointing to the root nature of restructuring. Tracing shifts to the rent gap Smith identified (1996), this research has suggested the need to study territorial transformations through the process of rent production, reproduction and capture. Analysis gained also from the work of Lefebvre who posited the centrality of space and rent and the associated (and spatialized) struggle for rent in cities today. Identifying the industry of space as the new industry of capitalism and pointing to the critical role space plays in the process of accumulation, he directed attention to the study of the city as production of space (and rent). Following these dialectics the cases examined here confirmed such premises while suggesting the specifics of the process in a Latin American manufacturing city.

In the cases of Argos and Simesa, the law facilitated the transition from manufacturing to high services –the new driving forces of accumulation. This process materialized the underlying shift from Fordist[15] to flexible accumulation. Along the way, the industrial sectors that could generate and extract the most rent occupied centralities that best corresponded to them. In the case of Simesa, temporary accommodation of prior uses within an agreed to process of progressive replacement deflected tensions coming from residents and businesses threatened by the shift.

In Guayaquil, centralities of yesterday had declined when leading firms and industries chose to relocate to higher class spaces and start afresh in new geographies of their own. Although avoiding the complexities and conflicts of shifts of uses on place, they left behind centralities with great potential rents. They in fact generated new centralities while intensifying the spatial division of the city by industry. The plan of Guayaquil, meanwhile, attempted to make this shift in place running into major challenges. Resistances in this case did not come as much from organized counter-forces as from the same uses and dynamics that had followed decline. They in fact suggest that non-traditional forces can profit greatly from downtown centrality in their own ways. They in fact gave a new lease on life to spaces traditional downtown businesses had neglected. Meanwhile, the dense compact that formed there testified to the great challenges of building an entire economy anew but, most importantly, the huge displacement and social dislocation this entails. Institutional, cultural, and public spaces led the way displacing part of that economy to already saturated contiguous areas. Waves of pushes and re-accommodations ensued showing the shortcomings of spatial fixes especially when the economy lacks the ability to offer meaningful alternatives to displacees. Although the plan

managed to produce a "demonstration" along Carabobo, the likelihood of spreading to the rest of the area is an open question. [16]It certainly will have major negative social and economic impacts should it manage to disperse the dense fabric concentrated there.

But the most atypical and perhaps richest case is the northern edge of the central corridor of development. Squatter occupation of Moravia had introduced a unique complexity in which issues of poverty, informality, and inability to impose formal and private property market rules led to new (state-produced) hazards while opening the doors for armed conflicts and resistance. In spite of this, informal forces have managed to transform the area into a frantic formation combining legal, illegal and informal activities, a residential-business hybrid, and a long-term process that is creating the conditions for eventual gentrification and capture of unrealized rent. We dare to posit that market forces have managed to swim these muddy waters by taking advantage of a disorderly and unregulated ("free") market that has managed to produce and capture incipient quasi-rents but has been moving steadily towards eventual formalization and full rent capture—although not through the expected path.

Overall, these processes illustrate the commodification and intensification involved in the production of city under the new regime of accumulation in a context of under development. As in the economies of the North, rent production and capture emerged as the leading restructuring forces progressively shaping Latin American cities into major money making machines. This shift has generated huge increases in land price and rampant speculation throughout. It has, in fact, unleashed wave after wave of densification and commodification even in low income and squatter settlements. Interestingly, as suggested earlier, the path of residential gentrification in Latin America has not been the recapture of

former middle, upper or even working class neighborhoods of yesterday as in the North. The first restructuring wave in fact took the dominant form of new construction and suburbanization especially in former rural areas of residence of upper classes and in other peripheral areas of exclusivity. Intentional efforts to advance gentrification by recapture of centralities, discussed here, came only recently and have assumed the forms indicated.

Law 388 of 1997 incited the latter process. Although dressed in languages of fairness, sustainability and social responsibility, the real test of the law is in the eating. Ultimately local regimes and the forces controlling plan development and implementation give this or that content to such languages. As much as plans included ONGs acting in representation of vulnerable groups, they privileged uses that guaranteed far higher rents than those in place. By definition, they embraced high service and retail over currently dominant uses. In fact, they introduced logics and contexts that exclude the latter in the long run. What seems most troubling is the seeming impossibility of re-developing such a large stretch for higher uses and retail in a city in which informal activities employ over 50 percent of the local workforce. Most people we spoke to, including the main architect of the law, agreed that investors would put their money where they obtained the largest returns; they recognized the critical importance of the added profits coming from urban land rents explaining that they would stay away if they could not realize the expected returns of urbanization. Maldonado Copello et. al (2006: 14) argued that, against the new legislation, city administrations—rather than property owners/developers—continued paying for infrastructures and "public" spaces while enacting generous construction norms and land use policies. Similarly, Guinguer Pineda (2005) suggests that once partial plans are completed and the units of intervention determined, only the most profitable will be

developed as the rest sits idle (taking us back to a new version of the old practice of development by the lot –the unit in this case). A case in point has to do with social interest housing requirements. Unless the local Partial Plan specifies the exact type of housing to go on a site, developers will go for the highest priced brackets. Moreover, as much as Law 388 encourages mixed income developments, analysts agreed that this did not work: "The administration proposed the development of housing projects that included social strata 2 and 4; I do not see the feasibility of that: no investor will be interested in such schemes because he will have a hard time selling them. The cheaper apartments will mess up the more expensive ones. Investors participate in projects of social interest housing only for people of strata 3 & 4." (Community representative quoted in Guinguer Pineda 2005: 27). Or, "It´s a matter of demand and supply." (Real estate developer also quoted in Guinguer Pineda 2005: 27). Lastly, as one of the developers of the law (Humberto Molina, quoted in Guinguer Pineda 2005: 77) recognized, "the state has to assume the social costs because nobody can ask the private sector to do it."

Public discussions of fairness put it in these ways: is it fair for property owners to pay for public spaces and infrastructures that will benefit interests far beyond the area and property? Is it fair to finance infrastructures and spaces out of taxes everybody pays when the main benefits (and valorization) accrue mainly to a few owners? As formulated, the law claims that the valorization resulting from improvements is produced by society at large and thus should return to the public. At the same time, however, there is a lot of room to maneuver. Ultimately, within a system of private property and profits owners can find many loopholes and buy their ways around.

As much as the law attempts to discourage urban land speculation (land is often more expensive than the real estate built on it), reduce the burden of development on the public sector (especially the ability of real estate developers to pass on externalities and costs of infrastructures associated with development to the public) and stir up the development process, the private sector cannot be obligated to invest in these plans. In a city like Medellin, Partial Plans, in fact, compete against each other for a limited high-end market. In this way, local administrations bend over and backward to make them happen. Per se, the law cannot make things happen. Movers and shakers can.

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[1] Medellin is located in a north-south valley with a major stretch of flat land in the middle and a narrowing on both ends. Major manufacturing located along the river basin both because of the convenience of dumping liquid waste on the river but also because major routes in an out of the city followed the course of the river.

[2] The city agreed to let stay those that had been counted in a 1983 census so long as they did not own any other property and accumulated a fixed amount of "bonuses" by working on designated projects. A formula was established for this with land between 0 and 50 meters requiring 68 days of work, between 50 and 60, 2.7 additional days per additional square meter, between 60 and 72, 95 days plus 2.66 days per additional square

meter and between 72 and 80, 127 days plus 2.75 days per additional square meter (Administrative Agreement of May 12, 1985 regulating Decree 463 of July 2, 1985). Residents responded enthusiastically. An estimate indicates that up to 105 people participated on Saturdays and Sundays for an total of 105 minimum wages and 105 bonuses (Departamento Administrativo de Planeacion, 2004: 83). Besides work on infrastructure, bonuses were issued for skill training courses and timely payment of utilities.

[3] Many residents made a living either recycling waste collected initially on the site and then in the downtown area. Many others engaged in informal activities also downtown or near the area. Centrality was critical for them as they could access their work sites by foot and could easily and conveniently drag or carry their tools or materials back and forth between home and place of work or collection without any transportation costs. Their homes in fact were used for storage or as a basis for self-employment.

[4] The huge profitability of drug trading gave place to the establishment of drug organizations such as the Medellin cartel that organized a complex network of distribution, control of export routes, and territorial disputes providing many people with hefty incomes and extravagant lifestyles that were the envy of many youth.

[5] Suffering tremendously from a plague of thieves, rapes and many other infringements on the peace and safety of low-income areas and ignored by public authorities, many neighborhoods organized armed groups of self-defense or called on third parties to do it. Urban cells of guerrilla groups formed at the time "militias" that played this role in some neighborhoods. Bands and paramilitaries also played this role and the struggle for "defense" (ultimately control) of these territories unleashed a citywide war among them. The absence of opportunities and jobs, attracted many youth to these activities as well turning the city and especially low-income neighborhoods into war zones that produced thousands of homicides thereafter.

[6] They became the local authority for any and all purposes threatening, expelling or executing trouble makers, establishing curfews, ruling on household or neighbor disputes and even dictating dress rules on youth.

[7] Nearly 1800 dwellings or 30% of the total were slated for relocation.

[8] Some of the infrastructural work has been completed or is underway. Relocation from areas of risk is halfway through. Most of the other work is in the planning stage or is on a standstill due to conflicts related to factors explained here.

[9] The area has the area become a "port of entry" for many poor immigrants (often peasants) to the city. The dynamics of tenure have turned land and real estate into a unique market: not only are prices comparatively low but transactions may include an entire dwelling or part of it, people sell even the right to place an informal business on the sidewalk; transactions do not require much formality and they are usually made on cash. Refugees from the countryside often have some savings that they invest in such transactions. Finally, location cannot be better: the northern bus terminal of the city is located across the river; as most immigrants arrive there, Moravia becomes a place to walk to. Residents can walk downtown. And the area constituters a centrality for the huge area of squatter settlements surrounding it and extending west to the edge of the city.

[10] Businesses displayed goods on the sidewalk, bars and cafeterias put tables on sidewalks, wood shops assembled and painted furniture in open spaces, mechanics fixed cars outside, informal businesses either stationary or ambulant occupied streets, corners and open spaces, and Plazas became bus terminals, and so forth.

[11] We learned for instance, that after relocation of squatters from areas of danger, speculators sold the site to new immigrants from the countryside; that armed bands often "rented" or "sold" public spaces to informal businesses or charged for "protection" of existing businesses; that speculators bought and resold properties with significant gains as they subdivided them or simply charged ever higher prices; that some households were forced out of the neighborhood and their dwellings and possessions appropriated and sold to others; and so forth.

[12] Legalization of land tenure has become an even more urgent priority to facilitate the capture of this rent; whereas the current status benefits a type of economy profiting from it, it is still a deterrent to larger investments that have the potential to transform the area into a middle class development of residential mid-rises or else.

[13] We learned that money laundering, paramilitary and drug trade forces have managed to root activities such as bakery chains, casinos, discos and bars; they have tapped into residents to staff citywide activities of security and other formal businesses they own; at the same time, they have used this territory as a basis for their legal and illegal activities. Similarly, we learned that some real estate actors have been making inroads into this the market readying themselves for acquisitions and developments as legalization of property advances. A quotation from the technical documents of the partial plan reflects this: "The main conflict… is the violation of basic rights, especially the right to life and free expression, as a result of armed actors that create an environment of intimidation, prevent free expression, interfere with the right of association and mobilization" (DAP 2004: 76).

[14] Once constituted, spatially-inscribed social relations stand on the way of the new forces threatening them. The experience of Medellin actually shows that resistance does not necessarily need to assume an organized form. The density and rhythm of formations like Simesa, Guayaquil and certainly Moravia may put far more resistance than fully organized movements. They constitute closely-knit formations that are hard to break even through sanctioned plans agreed to among property owners. As the self-selective move of cutting-edge service operations to undeveloped lands on the wealthy side of town shows suggests, developing new centralities may be more expeditious than going against the stream of fully established areas. Decline per se does not do it either so long as other profitable and survival activities have combined carving out their own market niches. Unlike in other cities of the world, in Medellin areas of decline did not empty out; rather, they transitioned to other classes and markets that offered tremendous resistance to displacement.

[15] We are fully aware of the inappropriateness of this term for the case of Latin America. We use it to refer to shifts readers are most familiarized with rather than to take a position on the extent to which Latin America's economy fits such characterizations.

[16] Guayaquil sits in the middle of a large, consolidated area of so-called "popular" retail, repair, wood, recycling, maquila, and many other small shops that combine with low-income hotels, prostitution, drugs, homelessness, and warehousing, combining formal, informal and illegal businesses and activities. If successful, it would constitute somewhat of an island in the midst of such complex area. A plan crafted for a next door community was hailed by the public and private sectors and welcomed by area's ONGs but none of the work contemplated in the plan has taken place.