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## **Speculative urbanism commentary**

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Invited commentary on “Speculative Urbanism” special issue, edited by Helga Leitner and Eric

Sheppard

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The way we tend to conceive of speculation, not surprisingly, is very much tied to the operations of finance: the futures it anticipates, and the chances taken on those futures for the sake of capital accumulation. When we bring these questions to the urban, our attention often turns first to how finance is mobilized to realize opportunities for accumulation in the real estate sector. Indeed, it seems that everywhere we look today, we find extended circuits of financial processes, instruments, and intermediaries pulsating through urban space as they seek out, act upon, and invent possible (ostensibly better) futures. Yet as this collection of papers demonstrates, all focused primarily either on Jakarta, Indonesia, or Bengaluru, India, reducing speculative urbanism to the nexus of finance and real estate would be a limited and limiting move.

This is a conjuncture in which everyone is speculating, from local land aggregators to kampung residents to state-owned enterprises to ride-hail drivers. Such varied attempts to reconfigure urban futures sometimes align with the efforts of financial markets to extract value from the not-yet-world-class postcolonial city, but they also enact what Aimee Bahng (2018: 8) describes as “speculation from below...releasing speculation from capitalism’s instrumentalization of futurity”. Thus, while finance and real estate are indeed central to the work in this special issue, the articles collectively demonstrate that capitalocentric accounts of speculative urbanism are incomplete. In this brief commentary, I focus on how the work in this special issue 1) provides new vocabularies for speculative urbanism in addition to the domain of finance; 2) engages the temporalities of speculative urbanism, and; 3) offers methodological provocations for critical urban research.

### **Vocabularies**

Speculation is commonly associated with high risk/high reward forms of financial investment, focused on asset price fluctuations. While its risky nature makes the outcome of speculation uncertain, in the contemporary era of financial capitalism this uncertainty has become profoundly socially and politically generative, raising speculation to a wider cultural imperative and orientation (Bear, 2020; Komporozos-Athanasiou, 2022). In short, financialization cultivates a “speculative imagination”, or a “capacity to imagine under conditions of incalculable uncertainty; to bring forth new collective images of the future, which helps economies, societies, and polities navigate the present’s volatile conditions” (Komporozos-Athanasiou, 2022: ix). The papers in this special issue document the constructive work of the speculative imagination in postcolonial cities, giving us new conceptual vocabularies to work with.

In directing our attention to Jakarta's water crisis, Emma Colven (this issue) adds to the conceptual vocabulary of speculative urbanism through exploring environmental speculation by the state and developers. Colven traces how urban land transformations fueled by financial speculation shape flood risk and water insecurity on mainland Jakarta. The resulting water crisis cultivates visions of future environmental disaster that serve as a horizon of possibility for offshore land reclamation and coastal adaptation projects "oriented toward survival, as well as profit" (28). Here, narrative productions of a future in which Jakarta is sinking and land-scarce are mobilized to materialize investment in offshore development projects, hedging against threats to mainland development posed by the water crisis it created.

Focusing on transformations of peri-urban space by large-scale development, Helga Leitner, Samuel Nowak, and Eric Sheppard (this issue) document everyday speculation by residents seeking to secure their economic and social futures amidst radical uncertainty. The threat (or inevitability) of displacement associated with rapidly encroaching real estate and infrastructure projects cultivates rentier sensibilities that guide financial speculation (albeit with unequal conditions of possibility) on rent gaps opened by changing land use. But as kampung residents relocate they also undertake socio-cultural speculation, seeking to reproduce culturally specific practices of mutual aid and maintaining connection to rural land. The speculative imagination of urban residents is multidimensional in that they seek material benefits from capitalist land transformations without abandoning socialities that anchor them to the land.

Turning to Samuel Nowak's (this issue) work on Jakarta's platform economy, we see how the network effects central to the expansion and value of venture capital-funded digital platforms also operate as a site of networked speculation from below. Nowak's paper centers ride-hail drivers as a speculative community (Komporozos-Athanasiou, 2022), leveraging digital networks created by platforms to autoconstruct mutual aid networks rooted in space and affinities. He documents how the speculative imagination operates to make the future actionable and livable in a present characterized by the cloudy legal status of motorbike taxis, the physical risks drivers face in their work, and the black-boxed nature of the platforms governing their livelihoods (Komporozos-Athanasiou, 2022, Nowak, 2021).

Collectively, this triad of work suggests socio-ecological and socio-technical relations as a vital site for the urban majority's speculative imaginations (see also Bina et al., 2020). If environmental

speculation provides a vocabulary for the socio-ecological contours of a speculative urbanism oriented toward crisis and capital accumulation, everyday speculation and networked speculation speak to how “the global financial undercommons have refused to relinquish the terrain of imagined futures” (Bahng, 2018: 8).

### **Temporalities**

Reckoning with the speculative also compels us to consider temporalities anew, to recognize the power relations that mark temporality, and to question accounts of speculative finance as forward-facing and fast-moving (Adkins, 2017; Bahng, 2018; Sharma, 2014). Promises of “the city-to-come” generated by institutions of the state and capital often “reproduce the linear progressive temporalities of development and modernity” in which non-Western economies are compelled to ‘catch up’ (Kemmer and Simone, 2021: 574)

Whereas speculative development projects tend to emphasize futurity as a superior eventuality (Shin et al., 2020), historical accounts can unsettle this narrative of progress. For example, Dimitar Angelov (this issue) takes up Jakarta’s historical speculative state spaces in rail development, bringing together the conjunctural moment of the 1997 Asian Financial Crisis with what he calls “the post-colonial *longue durée* of economic nationalization of industry via State-Owned Enterprises” (17). His account of the Greater Jakarta Light Rail Project (LRT Jabodebek) attends to how Washington Consensus-era capital liberalization cultivated a speculative bubble of failed privately-financed infrastructure projects in the 1990s and early 2000s, precipitating “the (re)assertion of national bureaucratic and executive power” (39) over infrastructure projects pursuing catch-up growth. Here, narrating the past offers crucial insights into the non-linear qualities of contemporary speculative urbanism.

Likewise, Carol Upadhy and Deeksha Rao (2022) foreground the messiness of layered histories that inhere in land in their article on in-situ slum redevelopment in Bengaluru. Attending to the rapid, “seemingly overnight” disappearance of a slum in a formerly industrial area turned “real estate ‘hot spot’” (2), the authors examine the processes of land transfer underlying this dramatic redevelopment. Upadhy and Rao’s genealogy of a rural labor colony turned urban slum sheds light on how tenurial rights accorded slum residents claims to place that turned out to be quite durable, impeding the property owner’s ability to redevelop the land for many years while enabling residents to stay in place once the owner finally was able to redevelop. Property

regimes are in the making in a postcolonial city like Bengaluru. By implication, contemporary land markets are complicated by histories of planning and governance that produce forms of possession distinct from, but intersecting with, ownership in the liberal sense.

Emma Colven (this issue) further engages temporality, analyzing how the conflicting rhythms of finance and environmental change iteratively reproduce speculative urbanism in Jakarta. As the environmental consequences of rapid, large-scale development undermine the long-term viability of the urban real estate market, they induce a new round of speculative development (e.g., demand for new land) through the building of a new capital city in Kalimantan. Here, the misaligned temporalities of rapid financial speculation *contra* environmental risks unfolding over longer timescales threaten the city's future *and* drive further development.

Vinay Gidwani and Carol Upadhyia (this issue) also highlight temporalities through attending to how the relationship between present land and future real estate involves multiscale time horizons of land assembly as actors at different scales project the future state of land as real estate. They expend physical, social, and imaginative labor to realize this future, advancing land's transformation from the farmer's factor of production to the middleman's commodity to the land aggregator's financial asset. Here speculative time operates as the painstaking link work undertaken in the transformation of land revises both its temporal horizons and the expectations of different actors in relation to these horizons.

### **Methodologies**

Finally, this collection of papers offers a generative set of methodological provocations for studying speculative urbanism, ranging from its financial elements to the imaginaries that include but also exceed the financial.

In mobilizing what he terms "the optics of finance" as Michael Goldman (this issue) cuts through dominant framings of urban financialization that reduce a globally interconnected and "complex map of liquid capital" into a flat hierarchy of "Northern winners and Southern losers" (2). Such analyses, in which Northern capital "subordinates and peripheralizes southern economies and populations, remaking cities in its own image", adhere to linear trajectories of developmentalism in which the South lags and can only be understood as subservient to the North. As a result, they

fail to account for the dynamism and mobility of global finance (which does not originate only in the north), and how elites and the urban majority in postcolonial settings interact with “speculative volatility” (Goldman, this issue, 2) and the resulting politics of futurity. Goldman attunes us to how global finance “sees the playing field as relational” (11) rather than as a fixed and predetermined landscape defined by the North-South divide. For urban researchers, this reality of global finance issues an imperative to follow finance’s deployment of liquidity, movement, and arbitrage, and to “be willing to depart from the fixed entity of the city and sector as our unit of analysis” (16).

While Goldman’s analytic approach attends closely to the financial, his conceptualization of finance is not reductively economic. Rather, Goldman aptly recognizes finance as the capacious “cultural, social, spatial, and affective phenomenon” it is (16). Here, the imaginative is of particular importance. For example, Vinay Gidwani and Carol Upadhyia (this issue) emphasize how the material aggregation of farmland for urban real estate development projects requires discursive work. Land intermediaries must variously anticipate the spatial contours of urban growth to identify likely plots for acquisition, broker acquisitions by tailoring narratives to “the specific life circumstances and speculative aspirations of potential land sellers” (19), and raise capital for development through portrayals of extraordinary returns. Meanwhile, as discussed earlier, Emma Colven (this issue) examines the work narratives of future environmental disaster—a sinking city—perform in motivating new rounds of speculative development. Whether underpinned by “dystopian renderings of urban futures” (Colven, this issue:12) or by anticipation of the possibilities opened by transforming land into real estate, cultivating imagination is central to the labor of speculative urbanism (Bear, 2020).

Lastly, the articles in this issue insist upon an account of speculative urbanism that is not dominated by the stereotypical actors of global finance, nor by the spectacular *per se*. While developers, brokers, and investors certainly figure in these analyses, we find an attention to the minor players (e.g., the kampung residents foregrounded by Leitner and colleagues) and intermediaries (e.g., the land aggregators studied by Gidwani and Upadhyia), thereby offering a fuller account of the actors involved in speculation. Similarly, in focusing on a single small parcel of land, Carol Upadhyia and Deeksha Rao (2022) uncover “the less visible, quotidian and conflicted processes, through which the ‘worlding’ of the city is unfolding” (12). What the authors describe as a “micro-

study” (12) affords deep insights into the contestations and power relations underlying the construction of property regimes necessary for speculative development.

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Deeply rooted in the specificities of Jakarta and Bengaluru and their structures of social difference, postcolonial state forms and aspirations, and the forms of capital circulating in and through these cities, this collection of articles provide a deeply observed empirical account of speculative urbanism in contemporary global South cities. In closing, however, I want to underline the wider contributions of this collection, and the avenues of analysis it opens for critical urban scholars attending to how finance capital seeks to instrumentalize urban futures. First, the work offers new concepts for theorizing speculation, opening the way toward analyses that encompass the relationships between finance and the socio-ecological, the socio-technical, and the everyday. The value of these novel vocabularies of speculation lies in how they attend to the operations of finance in cities without occluding wagers made on the future by those (human and non-human) living with the uncertainty these operations produce (Kompouros-Athanasiou, 2022). Second, the research gathered in this theme issue pushes us to look more closely at the temporalities of speculation as they are made material in the urban environment, resonating with recent efforts to critically engage speculative time and the politics of temporality (Adkins, 2018, Sharma, 2014). This collection thinks with iterative temporalities, layered timescales, the postcolonial *longue durée*, and multiscalar time horizons in ways that question accounts of speculation narrowly concerned with the future. Third, this research issues a methodological imperative to complicate our approaches to speculative urbanism through conceiving of global finance as relational and requiring imaginative and discursive (in addition to material) work, including by the urban majority beyond investors and developers.

Michael Goldman (2021), interrogating the “intertwined, inter-scalar, and conjunctural processes working across cities of Europe, the USA, and Asia” (3) after the last global financial crisis, observes that 2008 did not undo the system of finance-led urban real estate speculation; it created a new one. As accelerating inflation, stock market volatility, and geopolitical uncertainty generate “tectonic shifts” in the global economy more than two years into the COVID-9 pandemic, possibilities of market dislocations loom again, with the investor class anticipating 2008-scale



opportunities (Lee, 2022). These times demand the attention this special issue brings to speculation as a crucial thematic of contemporary global urban inquiry and theory.

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