

CITY AND CLASS IN LATIN AMERICA:  
Report on the Second Seminar of the  
Working Group on Latin American Urbanization

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From 1978 to 1980 the Joint Committee on Latin American Studies of the American Council of Learned Societies and the Social Science Research Council (SSRC), using funds granted to the committee by the Tinker Foundation, sponsored a Working Group on Latin American Urbanization and Urban Research. During that period the group held two three-day seminars, the first in London in February 1978, and the second in Carmel, California, 31 March–2 April 1980. Both meetings, as well as the interim activities of the group, were planned and coordinated by Jorge Hardoy (Centro de Estudios Urbanos y Regionales, Buenos Aires) and Alejandro Portes (The Johns Hopkins University), in conjunction with SSRC staff. The intention was to unite established scholars from a variety of countries in a context that would encourage collaborative research projects, sharing both substantive focus and conceptual perspectives. The original group included Henry Coing, Wayne Cornelius, Jorge Hardoy, Larissa Lomnitz, Alejandro Portes, Bryan Roberts, Paul Singer, John Walton, and Oscar Yujnovsky.

The group achieved a notable success in approximating much of the original agenda. However, the papers presented and discussed during the Carmel seminar represented a diversity of conceptual frameworks and empirical foci unintended by the original initiative. Nevertheless, the two seminars established new networks of collaboration among scholars working on similar topics in a number of countries. The working group members universally indicated their commitment to maintaining and expanding the group with new members and seeking alternative sources of support. They also expressed their recognition to SSRC for its original and continuing support.

In my role as “rapporteur” for the seminar, I will offer a brief description of the papers presented during the three days at Carmel. Although the formal title of the group designates it as having a focus on urbanization per se, it will become obvious that the process of pursuing individual research projects has led each participant to broader considerations. On reflection, the world system and the character of the state

and its urban policies provided unifying themes for most of the discussions.

Bryan Roberts presented two separate, but closely related, papers: "State and Region in Latin America" and "The Urbanization of a Provincial Economy." The first paper is devoted to conceptual clarification, beginning with the concept of "region," then focusing on the peripheral state, and finally addressing the problem of the relationship of state and region in Latin America's historical development. In essence, Roberts' definition of region concerns the existence of an articulated or "compatible" structure of institutional practices that maintain the hegemony of a locally dominant class. Because of its focus on institutional linkages, the region concept thus becomes relatively independent of simple specifications of geography, economic transactions, and administrative (political) boundaries.

Roberts addresses uneven development not simply as a phenomenon derived from the broad structural tendencies of capital accumulation at the level of the nation state or the world system, but in terms of the unique institutional arrangements that developed in nineteenth- and early twentieth-century Latin America between regionally hegemonic classes and the mass of the population: "Dominant classes developed forms of political control appropriate to their economic interests, so that one region takes on a peculiar political cast when compared to another." Regional hegemony, objectified in unique sets of compatible institutions, was itself embedded in a process of national and international capital accumulation. As the growth of industrial production and trade concentrated power in the national centers, the capacity of regionally dominant classes to reproduce intranational divisions weakened. They gave way to forces that dictated the increasing homogenization and centralization of institutions of class domination.

Roberts defines the state as a structure of relations of power and authority that is part of the fabric of society, not independent of it. The state is simultaneously viewed as a set of bureaucratic/administrative organizations. These two aspects are interdependent, but analytically distinct, since each sphere of state relations may develop with some independence from the other. The nineteenth-century Latin American state took a very different form from that of Europe. Capitalist expansion was built upon the contradictory reproduction of noncapitalist relations of production, which enhanced the need for the state to develop a coercive capacity rather than a simply administrative function. The different modes of incorporation of specific nations in the international division of labor produced varying structural limitations in the process of state formation.

Roberts concludes by addressing the relationship of state and

region: "Basically, the answer must lie in exploring the apparent contradiction between the region as a principle of horizontal linkages and the state as a centralizing force in which vertical linkages predominate." In the advanced capitalist nations, state intervention is assumed to fulfill an accumulation function by homogenizing social relations, eliminating market imperfections, and increasing consumption. However, in Latin America, the international economy polarizes production into two spheres: low-skilled agricultural/industrial production and capital-intensive high-skilled production. The state embodies this contradiction. Thus the accumulation (and repression) functions of the state expand and its legitimation functions, expressed in welfare, agrarian reform, etc., are reduced.

Roberts' second paper is an empirical study of the Jalisco region of Mexico that attempts to document the development of this region in the nineteenth century, analyzing its class structure and uniquely compatible institutions. Roberts traces the history of the region, examining its breakdown and the emergence of a new regional system. A major component of the analysis is the study of Guadalajara's role in the regional political economy and its structural transformation as the centralizing national and international economy undermined old class relations. Roberts emphasizes the dialectic relationships between class struggles and state interventions at both regional and national levels. Increasing concentration and centralization of production is linked to increasing political centralization. Thus, the structure of capitalist accumulation in Mexico and its transformation from the nineteenth to the twentieth century continue to express a pattern of uneven development. In the nineteenth century, this pattern reflected regionally autonomous class relationships; in the twentieth, it expresses the internationalization of capitalism and the position of Mexico and the region of Jalisco in that process.

Roberts noted that his emphasis in the paper was not to disprove the validity of a national or world perspective, but to show the utility of regional analysis for examining the contradictions emerging at these other levels, especially in the state. Thus, it is essential to understand that between regions based on different forms of production, the framework for class struggle is different, the outcomes different. The relationship of the state to class struggle is mediated by these factors.

The goal of John Walton's paper, "National Revolutions: Patterns of Underdevelopment and Rebellion in the Contemporary Global System," is to develop an "ideal type" of revolutions, differentiating classical from national. Revolution is seen as an "event" and the definition of revolutionary events should be located in their causes and processes; if these are equal, then the question of success isn't the issue. Walton links the study of underdevelopment to the study of revolution and

notes that theories of underdevelopment have seldom allowed for or tried to explain revolutionary events. He attempts to take a limited set of assumptions about class alliances and class struggle and demonstrate their utility in explaining revolutionary events in three countries: Colombia, the Philippines, and Kenya. His three cases make possible the use of a comparative methodology.

His assumptions are, first, that national revolutions are inter-societal phenomena shaped in critical ways by the global economy, and notes that each of the countries studied was, in effect, an economic colony. Foreign presence, foreign capital investment, is a sufficient condition for the rise of protest movements, although not necessarily revolutions. Second, national revolutions are intrasocietal phenomena linking social groups across space; they are not exclusively urban or rural. Third, they are caused and shaped by the interplay of state and society in predictable, yet diverse, ways. An essential element here is the declining real income of the population and political reversals of a "modernizing elite." Thus the position of a nation in the world economy is important, but the proximate causes of revolution are found in the context of domestic class alliances and realignments. That is, during a period of economic decline for the mass of the population, linked to broad-scale reorganization of the country, the modernizing elite attempts to reaffirm its control through wholesale repression. This strategy frequently backfires, leading to a popular revolutionary response.

Walton's concern is not with success or failure, but with the preconditions and process of the revolutionary event. The contradictions of dependent capitalism confront the state with a "crisis of modernization." The revolution itself is less a spontaneous creation of popular forces than a reaction to the preemptive strike by the state to consolidate its plans for capitalist development.

Paul Singer's paper, "Movimentos Sociais em São Paulo: Traços Comuns e Perspectivas," analyzes six poor peoples' movements in the largest Brazilian city. It is a conjunctural analysis of popular struggles, not along strictly economic lines, but based on important ideological/political dimensions such as race, sex, political party, religion, neighborhood, etc. The paper details the structural conditions that determine the capacities of popular struggles to be expressed through various movements that are not directly class conscious, and analyzes the organizational capacities of these movements, particularly the relationship between mass and leadership and how this changes during the course of the struggle.

Singer related the rise of these various urban social movements to the contradictions of the Brazilian model of economic development. These contradictions affect directly the wage-earning population, constraining its chances to fulfill consumption expectations. This crisis of

reproduction has an impact on all of the institutions of the working class (unions, neighborhoods, religion, family, ethnic organizations, political parties), and becomes expressed in organized struggles that emerge in each of these areas. These fragmented struggles may bring into confrontation different segments of the working class. However, Singer asserts that the growth of these movements can also translate into consciousness of the central contradiction between their needs and the possibilities of the existing economic "model" to meet them.

Singer notes that these types of movements emerge frequently, but that they typically are co-opted quite easily, because of the internal relationship between the leadership and the base. The aim of these movements is to achieve limited transformation of benefit to particular constituencies. Structural factors linked to the economic model generally prevent this from happening. Furthermore, the pattern of relationships within the movement reproduces the division of labor in Brazilian society: the base doesn't participate. The problem of stable political representation means that, if the movement achieves some success, its leaders become embedded in the existing institutional structures. At this point, they are effectively prevented from struggling to solve the contradictions that led to the creation of the movement.

Larissa Lomnitz's paper, "Horizontal and Vertical Relations and the Social Structure of Urban Mexico," presents an analysis of exchange relations within the four major institutionalized authority structures of urban Mexico: the state (public), the bourgeoisie and management (private), organized workers (labor), and the mass of workers in the informal economy. The basic model used to analyze these macro-structural relations is drawn from micro-level patron-client exchange studies. Thus, macro-structure is an aggregation of patterned pyramidal relationships at the interpersonal level wherein resources are traded, reciprocal responsibilities created and sustained, and a whole cultural milieu produced. In each of the three formal sectors, the resources distributed are different: power, capital, and loyalty, respectively.

In the Lomnitz model, the public and private spheres form two overlapping triangles. They thus form a subsidiary triangle between them that is designated as labor. The common base for all three of these establishes the dividing line with the informal economy, which is able to relate to all three spheres directly, although the formal sectors have the advantage in most transactions. Within this structure of exchange relations, individuals engage in the horizontal and vertical transfer of resources. All individuals in the formal sectors are embedded in institutions that have an authority structure. Some individuals form nodal points for exchanges: as brokers, they engage in patron-client relations with other members. While the question of exchanges, transfers of resources for loyalty, etc. is continuously negotiated, the fundamental

principle of preserving the authority structure—whatever the outcome of the negotiation—remains unchallenged.

Lomnitz's analysis examines these relations within each of the three major authority spheres. She discusses the social relations of preservation of this structure, that is, processes of recruitment, socialization, and the symbiosis of the three dominant authority structures. She notes that the entire structure rests on the transfer of resources in transactions with the informal economy. Her documentation of patron-client relations (vertical) and friendship/kinship reciprocity networks (horizontal) does not replace a class analysis, but rather captures ". . . the overlapping social categories handled by each individual."

Lomnitz indicated that the main purpose of the paper was to provide a portrait of the conduct of everyday relationships between members of different social classes. Horizontal and vertical exchange relationships are indeed the processes through which Mexican society attains stability and bothersome protest groups are neutralized. The informal sector might be defined as that segment of the working class unintegrated in the structure of patronage and privileged access to economic and political resources. Its exchanges with the three formal "pyramids" consistently sustain the latter.

Oscar Yujnovsky's paper, "Estructura social y políticas de vivienda en Argentina (1973–1980)," is both an empirical study of housing policy and an analysis of the contemporary forms adopted by the state in Latin America. It is divided into two periods, 1973–76 and 1976–80, and focuses on the problem of housing and housing policy to investigate the role of the state in reproducing the basis for capitalist production in the city. Housing provides a fine point of departure since it is both a source of profit itself and a site for the reproduction of labor. Moreover, housing addresses a wide array of ideological and political meanings linking state legitimacy to working-class and bourgeois culture. The paper maps the various interests represented in different sectors of the construction industry and presents a description of their specific organizational capacities, alliances, political activities, and the articulation of these with state structure and policy.

In the first period, 1973–76, state housing policy corresponded to the interests of the sectors that participated in the populist alliance sustaining the government. State intervention in housing promoted local expansion of the internal market and employment. This policy was linked to the overall Peronist aim of equalizing somewhat the income distribution structure. The general context of the Peronist period was marked, however, by enormous fragmentation of interests within the different social classes. Political expressions of this fragmentation often took the form of violence. The coup, when it came, was an effort by one sector of capital—namely, that most closely allied with international

interests—to act in the face of what was perceived as a threat to the continuation of class society.

From 1976 onward, a new plan of accumulation was being implemented, one that corresponded much more directly to the interests of the internationalized segment of the bourgeoisie. Under this plan, middle- and working-class groups consistently lost purchasing power. With the emergence of the bureaucratic-authoritarian state, the economy of Argentina began to be restructured in terms of the strengthening of those sectors producing for the international market. With domestic labor no longer a primary market for Argentine industrial production, the logic for reducing labor costs was established. The government began to reduce subsidies to the housing market, hurting almost all of the capital interests in this sector. It also initiated a policy of direct intervention to wipe out squatter settlements in areas where land was valuable. Thus, the coup in 1976 led to enactment of an economic model that is reshaping urban space in accordance with an increasingly internationalized economy. Squatters have been displaced to the outskirts of the city.

In "The Informal Sector and the Capital Accumulation Process in Latin America," Alejandro Portes explores the social relations of reproduction of labor in the urban economies of Latin America through a critique of current theories, particularly those stressing hyper-urbanization, preservation of the rural subsistence sector, and reserve-army concepts to explain the stability of low industrial wages. Portes argues that the informal sector is generally regarded as either marginal, interstitial, or vestigial, and therefore doomed to extinction in the process of economic development. In this paper, an alternative position is defended, namely that the informal sector is vital, that it is systematically linked to the rest of the economy, and that, if anything, it is growing.

Drawing on the work of de Janvry and Garramon, Portes employs the concepts of social and sectoral disarticulation to identify extra-market means of reproduction that allow wages for labor within the peripheral economy to be maintained at far lower levels than in the core. For Portes, the crucial characteristics of the informal sector are employment of unpaid family labor; and, when paid labor is employed, it is generally at wages below the official minimum, with no social security protection. While these characteristics allow survival of enterprises in the informal sector, he notes that this maximizes surplus extraction by reducing labor reproduction costs for firms in the formal sector.

Using data from recent studies in Latin American cities, Portes documents this theoretical argument by examining the articulation of informal and formal economies. He divides this analysis according to three major "in-come" producing strategies of urban working class households outside the formal economy: subsistence and networking activities, petty commodity production and trade, and informal land

occupation. Portes then documents the structure of production and circulation activities characterizing the informal economy and details the technical division of activities in various industries (garment, construction, machine tool). Lower productivity in the informal sector is more than compensated for by the low returns to labor. Linkage to the formal sector is not limited to the reduced costs of goods and services produced by the informal sector; it is primarily derived from the free access to an elastic labor supply. Informal producers are not independent, but rather represent an extension of wage labor.

Portes concludes by presenting a model of the class structure of Latin American urban areas. The first three classes, comprising the formal sector, are distinguished as domestic and foreign capital and the managerial workers; professionals and technicians in public and private sectors; and clerical and manual workers in private and public sectors. The informal sector is comprised of casual wage labor, disguised wage labor, and self-employment in petty production and trade. Portes discusses briefly the relations of these class positions and the implications of these relations for class struggle.

He argues that the informal economy is not to be viewed as the exclusive basis of world accumulation, but rather that it is an important structural feature for understanding the dynamics of peripheral economies. Formally similar arrangements, such as the putting out system, existed under early industrialism, and even in the contemporary core countries. Still, the unique characteristics of the informal sector in Latin America are, first, its size, which approximates half of the urban labor force in some countries and, second, the fact that it is not apparently reduced by the advances of large-scale capitalism. The available evidence indicates, if anything, the opposite.

In "La distribución espacial de los prestamos para los asentamientos humanos en América Latina: las actividades de las agencias multilaterales," Jorge Hardoy and Silvia Blitzer look at the spatial distribution of multilateral agencies' activities in Latin America, particularly with regard to their role in "human settlements"; also with regard to the Habitat Center, advising the U.N., they review intergovernmental policies regarding human settlements.

The authors note three main actors in the issue of human settlements policy: governments, the United Nations, and multi- and bilateral agencies. They review the relationship of policies generated at this international level to policies within particular nations, concluding that weaker governments are more strongly influenced by these international agencies. Strong governments tend to employ this source of investment funds for initiating experimental programs that might meet resistance within normal channels of policy implementation.

They distinguish three types of lending: that with a direct impact



on human settlements, infrastructure loans, and indirect impact on human settlements. Reviewing past policies, they determine that some 65 percent of loans have fallen into the third category. Hardoy and Blitzer note that the institutional apparatus linked to the distribution of these monies is growing at a rate much more rapid than the programs themselves. Furthermore, they emphasize the central role of the World Bank in setting standards for the other organizations. They note that a small sample of countries exercise control of the World Bank; these are, not surprisingly, the advanced capitalist nations, plus Brazil and Argentina.

The analysis then turns to political and technical problems linked to site-and-services programs and discusses these programs aimed at the "poorest of the poor." Institutionally, one of the aims of these programs is to demonstrate that they are effectively reaching a significant population for the money spent and also having a significant impact on improving their lives. However, it is difficult to establish simple standards to estimate the population affected by a particular program; in assessing the beneficiaries, very liberal standards are generally employed to inflate the final figure.

Despite their different conceptual frameworks and varied empirical foci, the papers presented at the Carmel seminar share a concern with the relationship of three elements: the state, class struggle, and the process of capital accumulation at local, national, and international levels. Reflecting on the group's identification with the topic of "urbanization," one is struck by the distance between these studies and many of the traditional concerns of the urbanization literature. The question is not whether the city is an independent or dependent variable, a "way of life," or the product of ecological and economic forces. Rather, an implicit consensus seems to have emerged that the social/spatial unit of the city is no longer an object; it is a level of analysis for the study of society, and, for these researchers, the study of class struggle. Individually, and as a collective body of work, these papers direct their attention to the process of organization, disorganization, and reorganization of classes. While much of the work may be considered exploratory and occasionally polemical, it is well-grounded in empirical research. We may distinguish two tendencies in these papers, one leading to increasing specificity and localization of analysis, the other to generality and extrurban focus.

The first concerns the structure of social relations *within* classes. Here each author details institutionalized activities, focusing upon political, ideological, and economic dimensions that define the process of class organization. Defined within the context of peripheral urbanization, these intraclass relations may be seen as reproducing or perpetuating a structure of domination. Thus, the work of Lomnitz on authority

relations, Singer on social movements, Portes on the informal sector, Roberts on region, and Yujnovsky on housing explores the immediate organizational capacities of classes under the conditions of contemporary Latin American urbanization.

The second concerns the structure of social relations *between* classes. Here the focus on economic development draws the studies to consider national and international levels since local relationships are increasingly determined there. Thus, the work of Hardoy on international agencies' programs, Yujnovsky on structural transformation of the Argentine economy, Portes on disarticulated accumulation, Walton on revolution, and Roberts on Jalisco clarifies the general tendencies of economic development as they redefine historically specific urban relationships. In essence, structural tendencies of development alter the urban terrain of class struggle, affecting the resources, capacities, interests, and alliances of classes. No simplistic model of struggle is imposed in these studies; rather, the complex interaction of political, ideological, and economic spheres is addressed directly.

These consensual themes provided the basis for a marked continuity in seminar discussions of each paper. Roberts' paper on regional analysis led the group to consider various conceptual and methodological problems embodied in his definition of region and state as ideal types. It was suggested that certain functionalist assumptions could be discerned in the model presented and that the utility of analyzing class relations from this perspective was best realized when it was employed to demonstrate how, at the regional level, they expressed historically developing contradictions that mediated forms of class struggle in the state and at national and international levels. Discussion of Roberts' second paper attempted to pursue just this goal by considering how changes in the structure of class relations in Jalisco and Guadalajara demonstrated the increasing centralization of social control linked to the rise of monopoly capitalism in Latin America.

Regarding Walton's paper on revolutions, the seminar suggested a need for more consistent conceptual definition in order to allow a clarification of the state's role in mediating the organizational capacities of classes and the processes of class alliance and struggle. There was considerable debate over the methodological focus on revolutions as "events" and the definition of national revolutions as one expression of class struggle.

Singer's paper on social movements generated a debate over the organizational structure of social movements and the general tendencies of these grass-roots organizations within a corporatist social environment. Participants discussed how reformist movements translate an immediate issue into a more general understanding of class relations, but also how they are constrained by processes of co-optation, by problems

in alliance building, and by tendencies to incorporate authoritarian organizational structures. This led to a consideration of state structure and policy and its relationship to popular movements.

Group discussion of the Lomnitz paper focused on the relationship of the corporatist exchange structures and commodified, i.e., market, relations. Participants explored a comparison of modes of labor market segmentation in Latin American societies and advanced capitalist nations, extending this line of reasoning beyond the sphere of production relations to consideration of the general context of reproduction of a labor force, especially that segment of the working class unintegrated in the structure of patronage and privileged access to economic and political resources, i.e., the informal sector.

The discussion of Yujnovsky's paper was directed at elaborating and clarifying concepts and relationships discussed in the paper. First, the seminar sought to clarify the effects of specific state policies such as rent control and eradication on particular groups, i.e., fractions of capital and labor. Second, they explored the issue of squatter settlements and their relationship to different types of bureaucratic-authoritarian states in Latin America. The eradication/relocation policies of Argentina were compared with conditions in Mexico. In each case members of the group addressed state housing policy as a manifestation of class structure and struggles within the unique historical conditions of each nation.

Portes' paper produced a debate over whether the informal economy concept described a unique constellation of social relations found only in the periphery. Some participants argued that informal sector social relations are not qualitatively different from those in the core and that sectoral and social disarticulation may also characterize advanced capitalist industrial societies. This was countered by the argument that the informal sector embraces both a relatively large and growing proportion of the population in the periphery, unlike the core. The utility of the concept was seen to rest in its capacity to clarify various processes by which labor costs are reduced and elasticity of labor supply increased. Thus the emphasis must be in identifying the nature of class struggles that have increased the cost of labor in core countries. In addition, the discussion turned to the topic of the state and its role in sustaining the types of social relations identified by the informal economy concept.

The Hardoy and Blitzer paper generated a discussion analyzing the rationale underlying different types of site-and-service programs, particularly the priorities of loan repayment and measurability of impact. The group then considered the theoretical meaning of these programs as they create the conditions supporting expansion of the informal sector and stabilization of the urban labor force. The various types of loans were determined to exacerbate dependency on external agencies

because they do not help develop means of repayment since they focus on consumption structures, not new production. Overall, the panel agreed that there is a need for more information on the programs of private banks and international agencies, partly due to the fact that their own reports tend to present data that is insufficiently detailed to support critical analysis.

Throughout the papers one can observe a concern with understanding the capitalist state; through the lens of Latin American urbanization, many identify a strong association of peripheral capitalism with nondemocratic forms of the state. On the whole, this relationship has been linked to the fragile balance of class forces in nations where the structure of capitalist development is dominated by its orientation to the international economy. The organization of production to this end depends upon a continuation of political and ideological domination.

The state has a central role in establishing the conditions for expansion of capitalist development. Its institutional structure and modes of intervention themselves become transformed as economic crises threaten the always conditional relationship between classes. While these crises may find their origin at the international level, they have repercussions at the level of the nation state, the region, and the city. Thus the state is seen as simultaneously a structure of authority relations for the reproduction of class domination *and* an arena for class struggle. In the periphery, these two aspects of the state contradict a democratic form, since production for the international economy is predicated upon a tendency to reduce urban and rural wages to a minimum and maximize the elasticity of labor supply.

The work of the SSRC Working Group on Latin American Urbanization encourages us to reassess the adequacy of prior theoretical approaches to the study of urban phenomena in Latin America and other peripheral regions. While the theories and substantive topics are heterogeneous, they are unified by an interest in examining various forms of class struggle, not in the pure and abstract realm of theory, but in terms of complex economic and ideological relations that differentiate each nation and each urban location.

The problems with which these studies struggle are central to a variety of perspectives. Each paper explores the utility of received theory in the light of concrete relationships. In short, the overall contribution of these recent studies suggests that the analysis of urbanization is not a project irrelevant to more general economic and political theory. Urban studies cannot be allocated safely to an isolated subdiscipline within the major division of the social sciences. The reorganization of urban social relations, of the spatial structure of the city in Latin America, is particularly central to the process of dependent development and the perpetuation of interclass relationships of control and exploitation.