

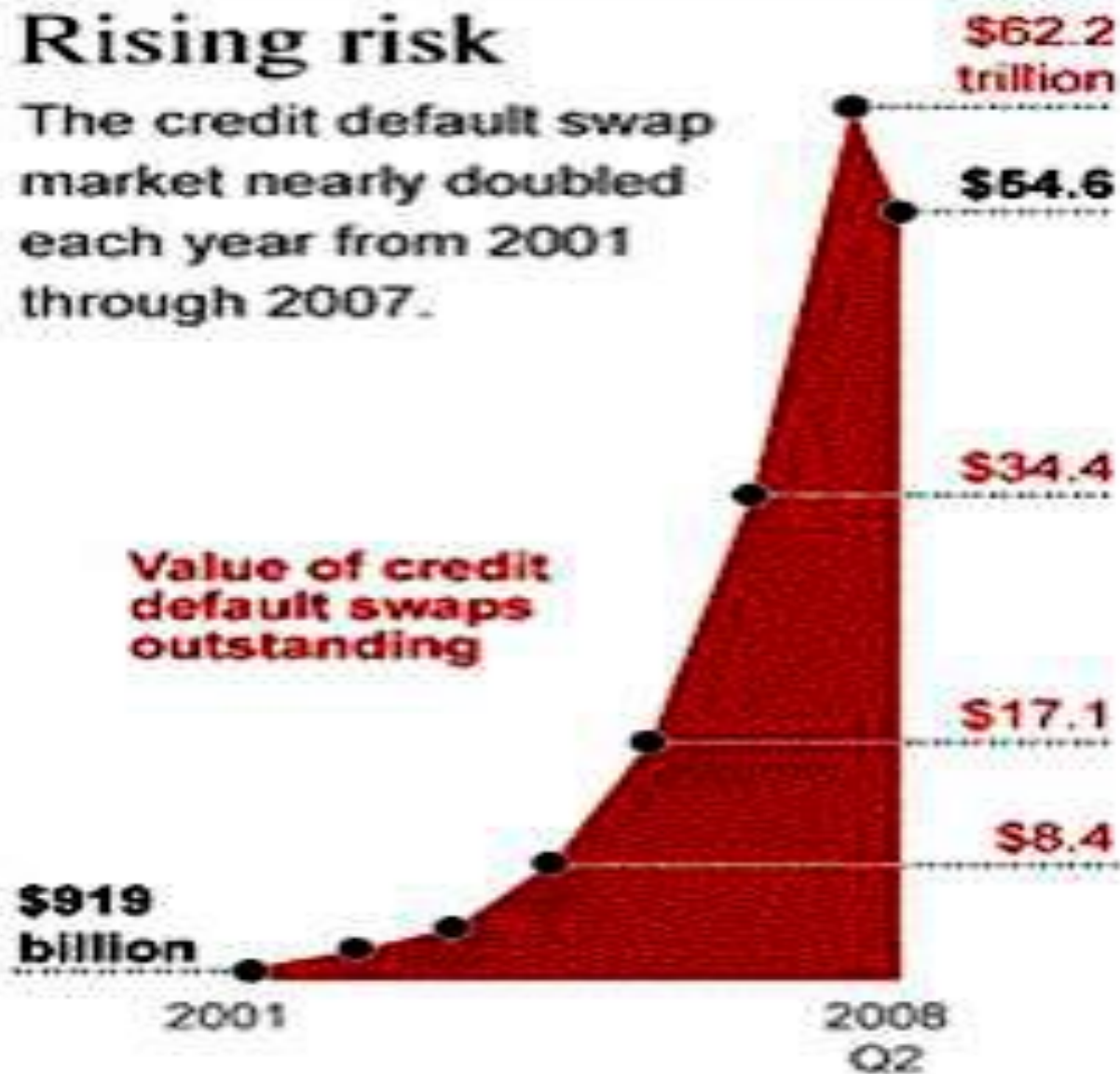
Saskia Sassen

# DOS ASPECTOS CLAVES EN LAS ECONOMIAS DE OCCIDENTE

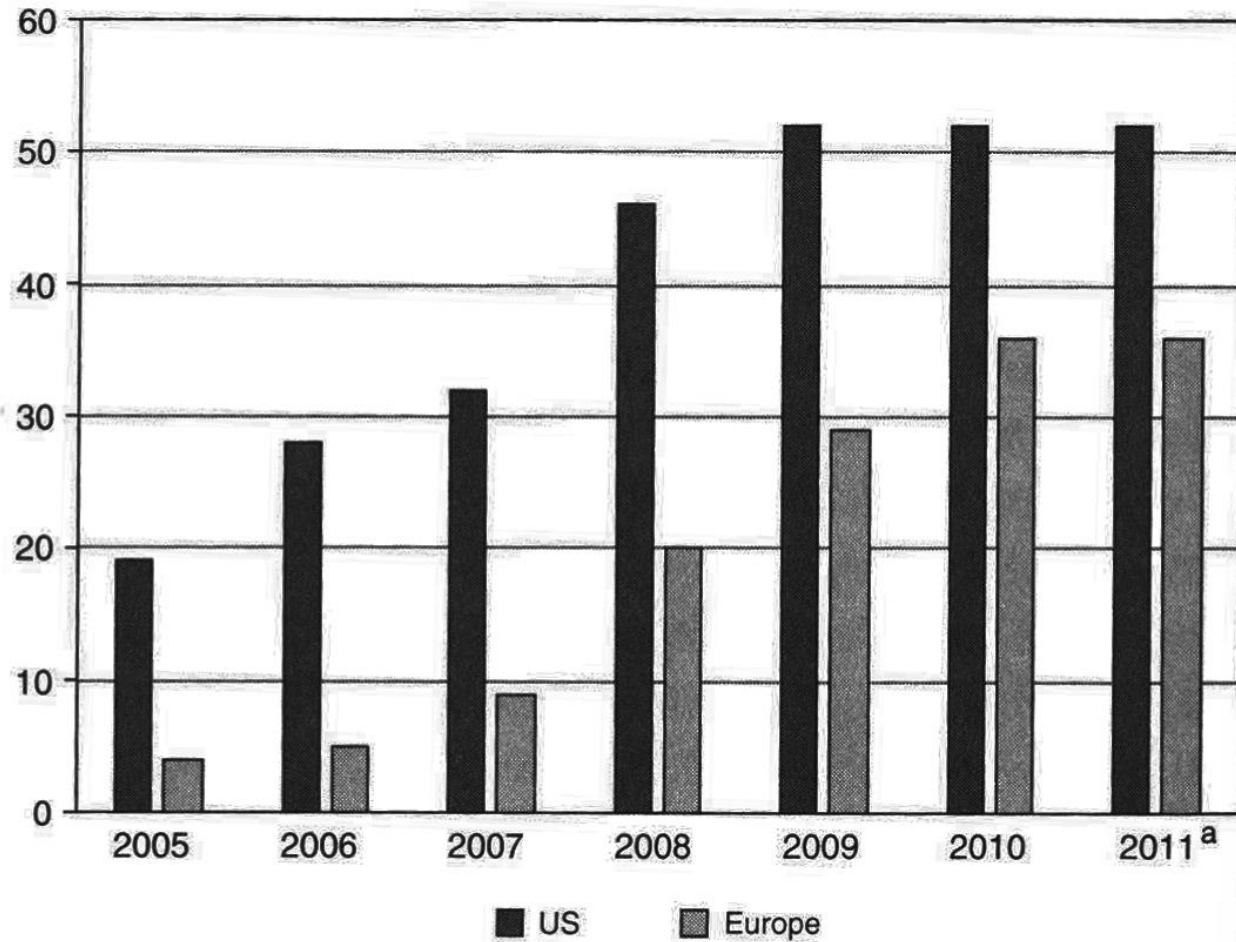
- . INTERMEDIACION (INTERMEDIATION]
- LA FINANCIALIZACION DE MAS Y MAS COSAS—DEUDAS, EDIFICIOS,...
- Y ESO REQUIERE MUCHA INOVACION

# Rising risk

The credit default swap market nearly doubled each year from 2001 through 2007.



SOURCE: ISDA



**FIGURE 3.5** Number of Dark Pools in the United States and Europe, 2005–2011

Source: Economist 2011b, referencing data from TABB Group.

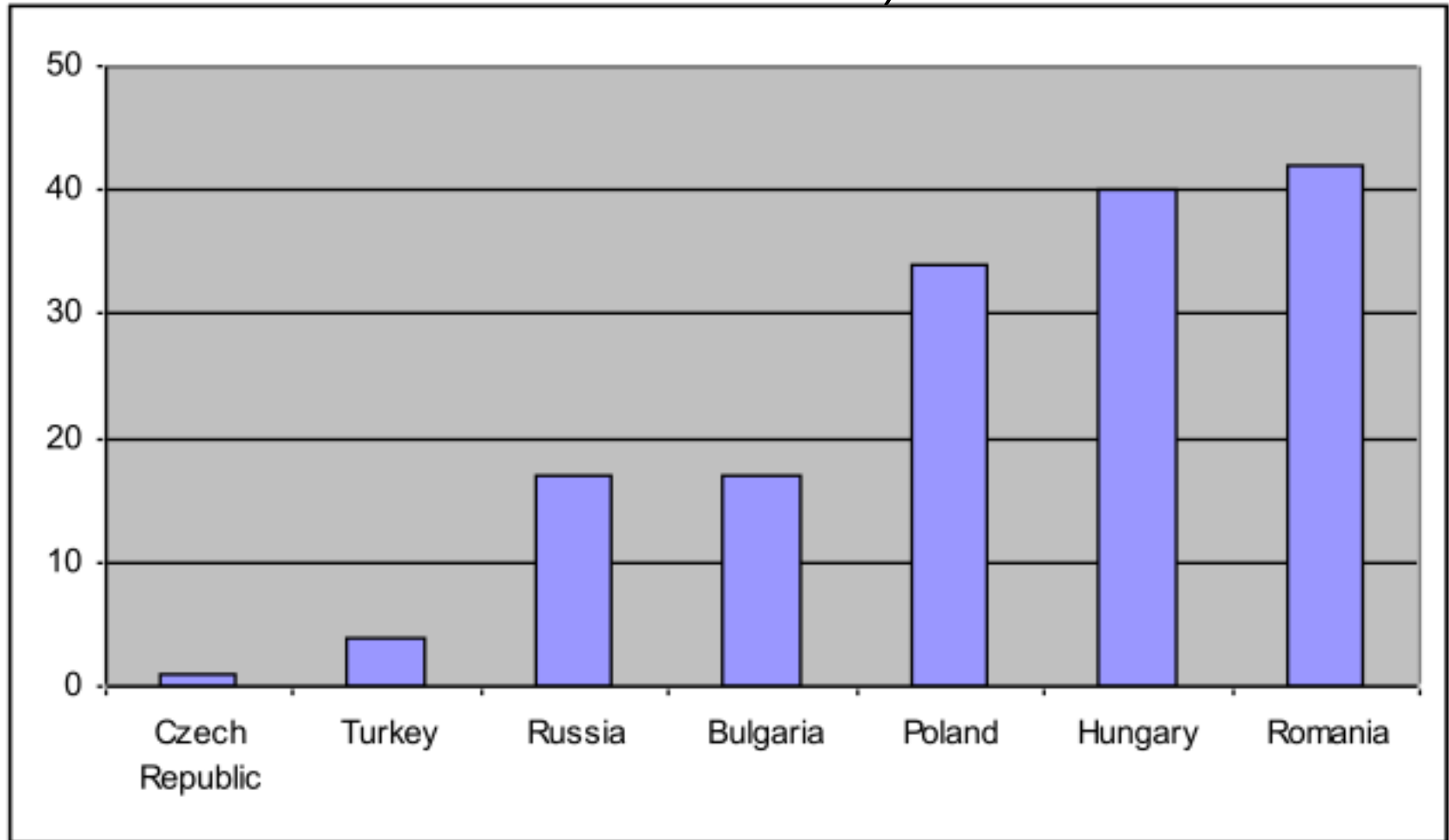
Note: a. Through August

**Table 8: Ratio of Household Credit to Personal Disposable Income (2000-05)**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Emerging Markets						
Czech Republic	8.5	10.1	12.9	16.4	21.3	27.1
Hungary	11.2	14.4	20.9	29.5	33.9	39.3
Poland	10.1	10.3	10.9	12.6	14.5	18.2
India	4.7	5.4	6.4	7.4	9.7	...
Korea	33.0	43.9	57.3	62.6	64.5	68.9
Philippines	1.7	4.6	5.5	5.5	5.6	...
Taiwan	75.1	72.7	76.0	83.0	95.5	...
Thailand	26.0	25.6	28.6	34.3	36.4	...
Mature Markets						
Australia	83.3	86.7	95.6	109.0	119.0	124.5
France	57.8	57.5	58.2	59.8	64.2	69.2
Germany	70.4	70.1	69.1	70.3	70.5	70.0
Italy	25.0	25.8	27.0	28.7	31.8	34.8
Japan	73.6	75.7	77.6	77.3	77.9	77.8
Spain	65.2	70.4	76.9	86.4	98.8	112.7
United States	104.0	105.1	110.8	118.2	126.0	132.7

Source: IMF Staff estimates based on data from country authorities, CEIC, OECD, and Bloomberg

PORCION DE DEUDA DE HOGARES EN MONEDA EXTRANJERA-  
Currency-Denominated Household Credit, End-2005 ( *percent of total household credit* )



Source: IMF 2006. "Global Financial Stability Report: Market Developments and Issues." *IMF: World Economic and Financial Surveys*. September, 2006. Retrieved August 26, 2008.  
[<http://www.imf.org/external/pubs/ft/GFSR/2006/02/pdf/chap2.pdf>] p. 54

ES DECIR  
QUE LOS SECTORES EXTRACTIVOS  
PUEDEN EXTRAER GANANCIA  
MISMO DE HOGARES  
MODESTOS

# EJEMPLOS DE MODALIDADES EXTRACTIVAS



# CUANDO EL SISTEMA FINANCIERO LOGRA EXTRAER GANANCIAS DE HOGARES MODESTOS

- The making of instruments that enable the use of modest elements/assets to build a powerful financial instrument useful to top level investors: sub-prime mortgage for low- and modest-income households.
- LA CLAVE ES QUE LA FUENTE DE GANANCIA PARA LOS INVERSORES NO ES SIMPLEMENTE EL PAGO DE LA HIPOTECA. TODO LO QUE NECESITAN ES LA FIRMA DE UN CONTRATO.
- ES EL BUNDLING DE UN GRAN NUMERO DE ESTAS HIPOTECAS (MILLONES EN ESTE CASO) CON INSTRUMENTOS FINANCIEROS DE ALTO VALOR . Y ESO SE VENDE A LOS GRANDES INVESTORS –INCLUSO BANCOS.

# New foreclosures *per year*(2006-14)

- 2006 : 1.2 million foreclosures.

(One for every 92 households)

- 2007: 2.2 million foreclosures.

- 2008: 3.1 million

- 2009: 3.9 million

(1 in 45 US households)

- 2010: 2.9 mill foreclosures

- **2011:** 2,698,967

- **2012:** 2,304,941

- **2013:** foreclosures filed on 1,361,795 properties

- **2014:** foreclosure filed on 1,117,426 properties

Source: RealtyTrac based on Federal Reserve Bank data

# EUROPEAN COUNTRIES WITH EITHER HIGHEST OR LOWEST NUMBER OF FORECLOSURES, 2007-2009

	Annual Number of Foreclosures (2007-9)			
		2007	2008	2009
Highest Foreclosures	Hungary	225,663	245,597	71,683
	Germany	91,788	88,379	86,617
	Spain	25,943	58,686	93,319
	United Kingdom	27,869	46,984	54,014
Lowest Foreclosures	Bulgaria	499	866	1,570
	Finland	506	825	1,036
	Denmark	1,015	1,942	2,860
	Netherlands	1,811	1,961	2,256

**OTRA MODALIDAD**

## TOTAL(NATIONAL AND FOREIGN) BUYING OF PROPERTIES (EXCLUDES DEV. SITES) Q3 2013 – Q2 2014)

METRO	VOLUMES (US\$)	GROWTH*
1 New York Metro, United States	55,438,566,041	10.9%
2 London Metro, United Kingdom	47,253,731,038	40.5%
3 Tokyo, Japan	35,466,760,763	30.4%
4 Los Angeles Metro, United States	33,058,667,672	6.9%
5 San Francisco Metro, United States	23,788,360,196	7.8%
6 Paris, France	22,668,417,844	37.2%
7 Chicago, United States	14,379,076,128	31.9%
8 Washington D.C. Metro, United States	14,353,183,299	-29.0%
9 Dallas, United States	14,076,849,569	32.5%
10 Hong Kong, China	13,725,693,505	-28.9%

# TOTAL FOREIGN INVESTMENT IN PROPERTY (Q3 2013 – Q2 2014)

METRO	VOLUMES (US\$)	GROWTH*
1 London Metro, United Kingdom	29,370,466,865	37.67%
2 New York Metro, United States	11,364,607,926	68.53%
3 Paris, France	11,057,422,477	47.75%
4 Shanghai, China	10,039,035,493	150.25%
5 Sydney, Australia	6,660,953,814	75.81%
6 Los Angeles Metro, United States	5,994,728,581	65.09%
7 Shenzhen, China	4,968,623,569	426.35%
8 Tokyo, Japan	4,632,840,984	66.19%
9 Amsterdam/Randstad, Holland	3,991,616,088	248.30%
10 Melbourne, Australia	3,603,892,879	80.01%

What shows as a loss is a decline in investment compared with prior year. But can still be a massive investment

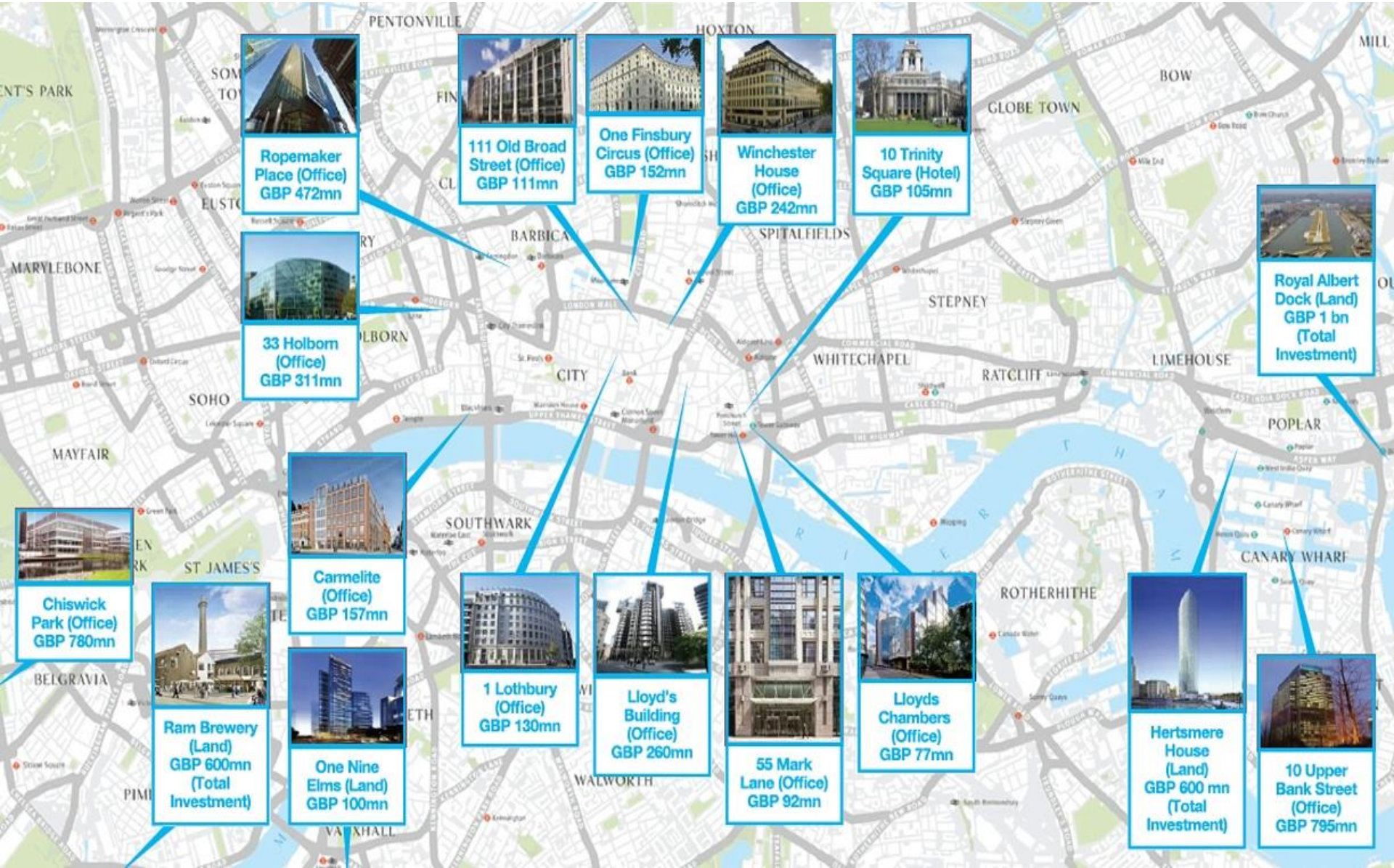
- 16. Berlin 11,814,090,834 -6.2%
- 19. Frankfurt 9,845,334,528 14.4%
- 25. Munich 7,271,540,067 9.9%
- 32. Hamburg 5,794,518,685 23.7%

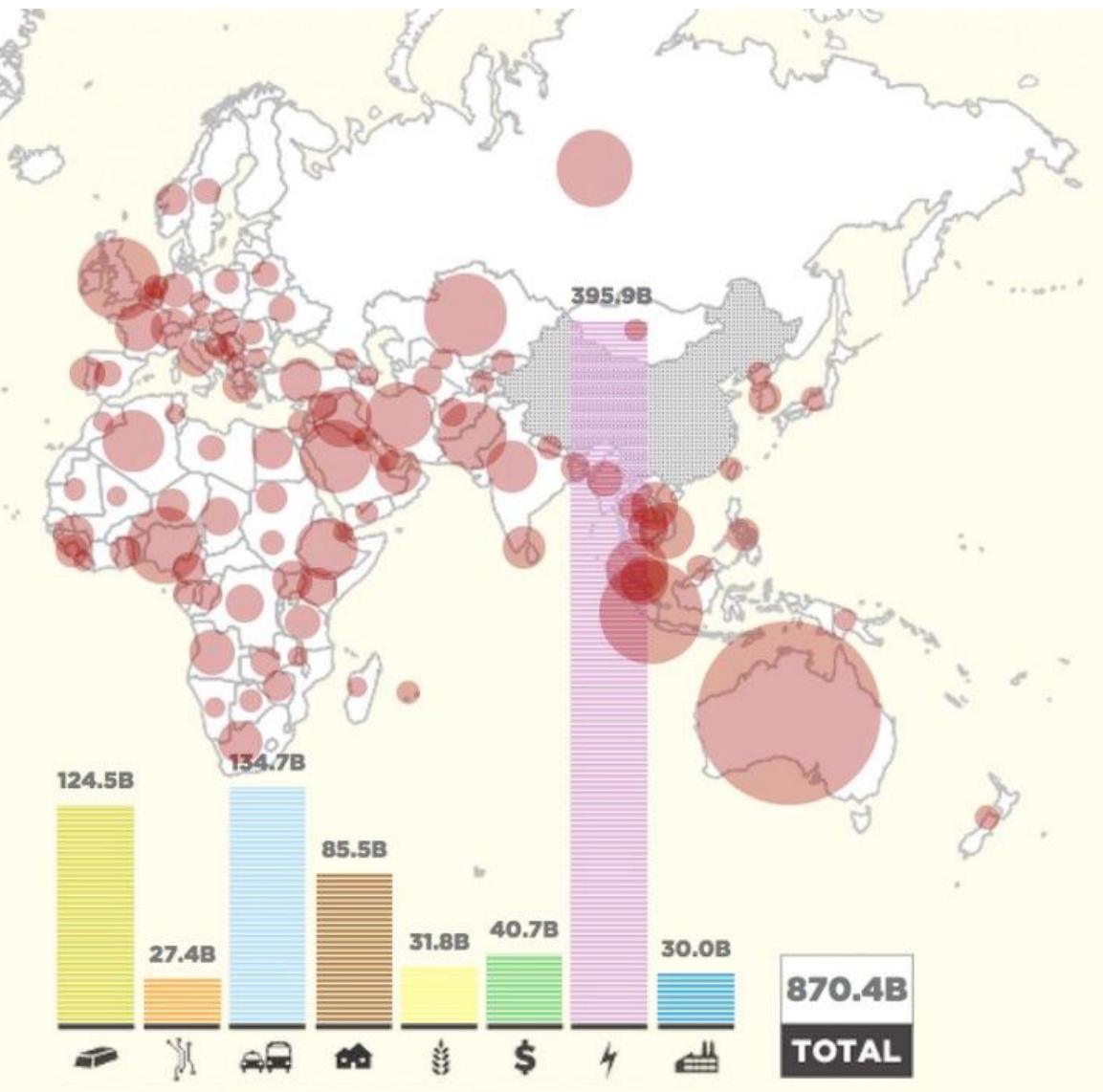
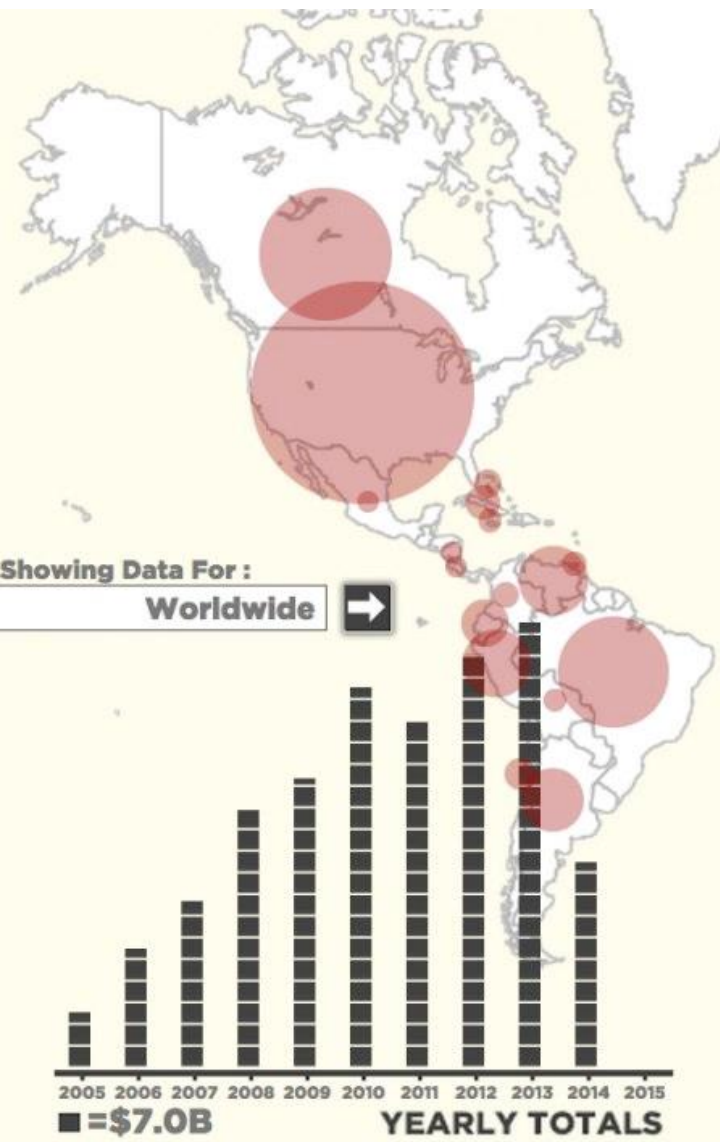
CUANDO LA MATERIALIDAD  
NO LOGRA CONTARNOS LO  
QUE ESTA EN JUEGO



# CHINESE PROPERTY INVESTMENTS IN LONDON

IMAGE: KNIGHT FRANK





CHINA'S WORLDWIDE INVESTMENTS AND CONTRACTS  
 • CLICK ON A SECTOR •

CIRCLE SIZE REPRESENTS  
 TOTAL BUSINESS

# TOP 100 CITIES (BY PROPERTY *INVESTMENT*) ACCOUNT FOR:

- 10% OF THE WORLD'S POPULATION
- 30% OF THE WORLD'S GDP
- 76% OF PROPERTY *INVESTMENT*

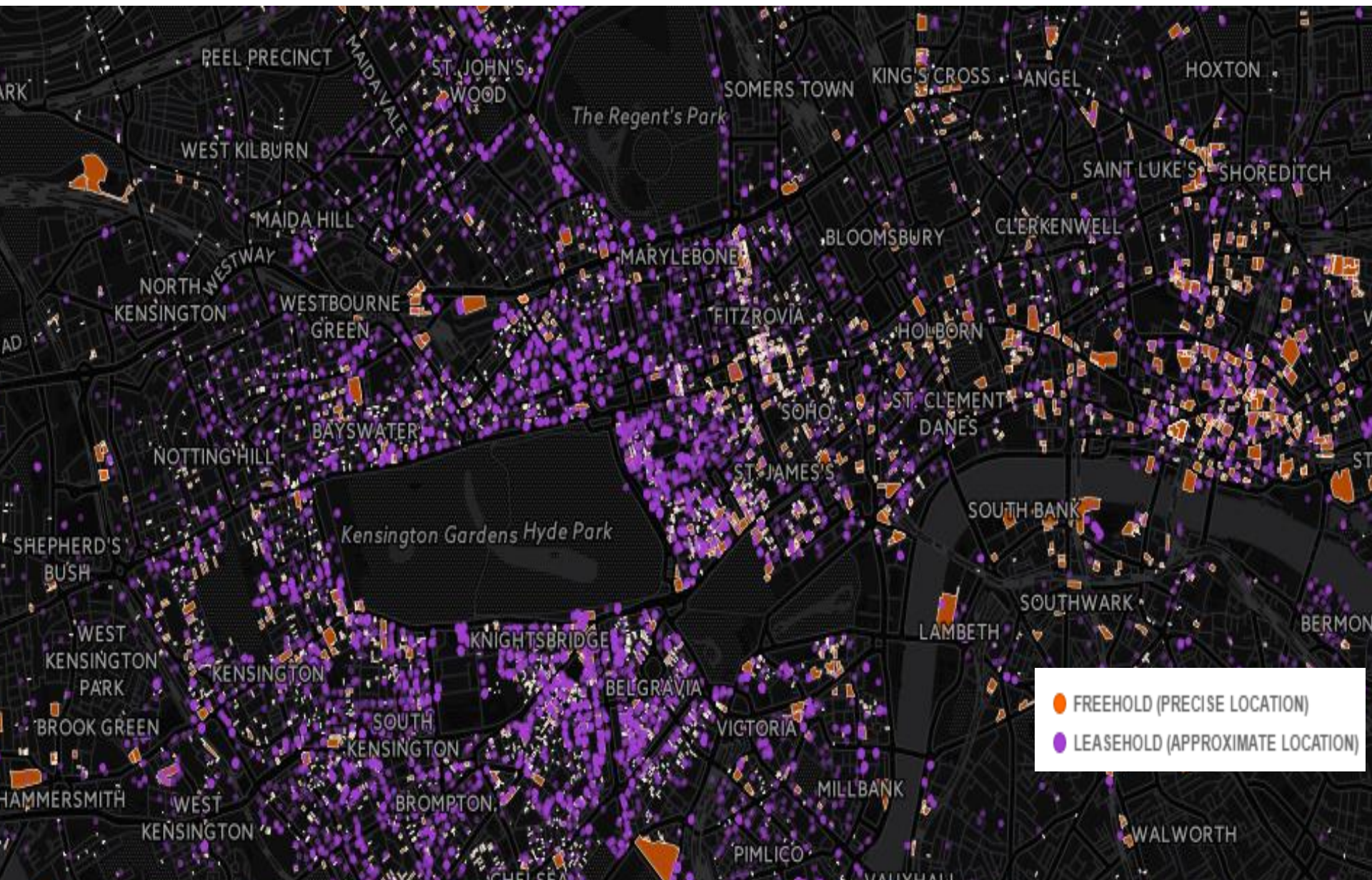
WORLDWIDE REAL ESTATE ASSETS ARE  
NEARLY 60% OF THE VALUE OF ALL GLOBAL ASSETS,  
INCLUDING EQUITIES, BONDS AND GOLD

US\$217,000,000,000,000


SOURCE: SAVILLS WORLD RESEARCH,  
2016

# LONDON PROPERTY PURCHASED BY OVERSEAS COMPANIES: 2005-2014

IMAGE: PRIVATE EYE



# TIME WARNER CENTER, NEW YORK CITY



122 of the 192 condos  
are owned by people who  
used shell companies that  
hid their identities.

BLOOMBERG TOWER

57% of condos are  
owned by shell companies



**NEW SYSTEMICS?**

**A LOGIC OF EXTRACTION EVEN  
WHERE YOU DO NOT EXPECT IT**



IN MAJOR CITIES...  
EXPULSIONS DRESSED IN THE  
CLOTHING OF UPGRADING AND  
MODERNIZATION

A MASSIVE LOSS OF HABITAT for  
MODEST HOUSEHOLDS IN THE GLOBAL  
NORTH.

IN RURAL AREAS: DESTRUCTIONS OF  
HABITAT

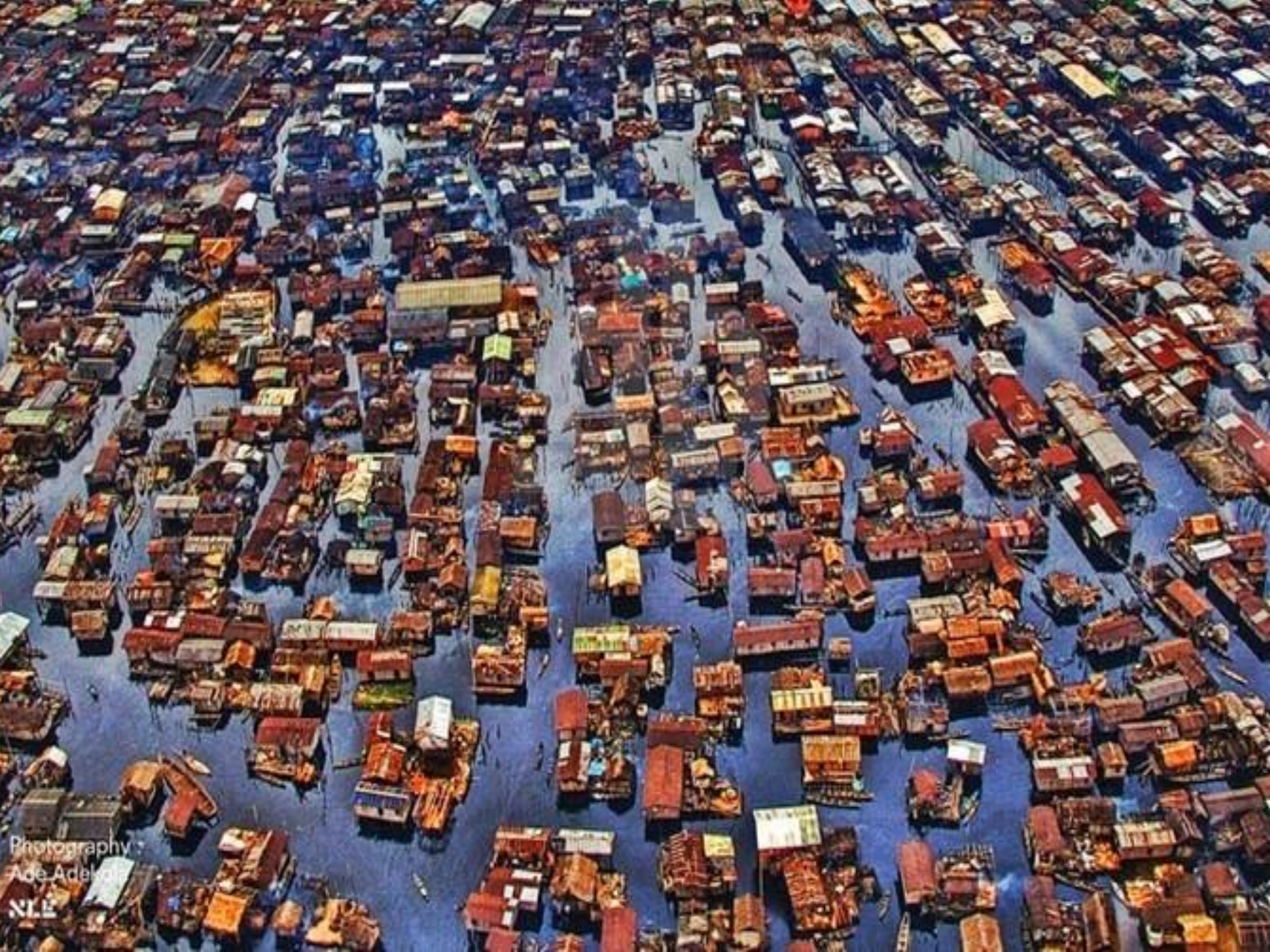
DRESSED IN THE CLOTHING OF  
DEVELOPMENT:

Mining, Plantation agriculture, Building  
new cities and Gated communities,  
etc. All translate as “growth in GDP per  
capita,” further making invisible the  
extractive aspect

AT ITS MOST EXTREME WE SEE  
TWO RISING URBAN FORMATS

(YET ANOTHER INDICATOR OF  
GROWING INEQUALITY)







This bi-modal urban development  
increases the distance between  
poor and rich

- THE CITY AS CONTAINING “THE FRONTIER”

THE CITY AS A SPACE WHERE THOSE WITHOUT  
POWER GET TO MAKE A HISTORY.

CURRENT CONDITIONS ARE A THREAT TO THIS  
ENABLEMENT OF THE POORER  
CLASSES



The CAPACITY OF THE CITY TO  
MAKE US INTO URBAN SUBJECTS....  
EVEN IF ONLY FOR A MOMENT

THERE ARE MOMENTS IN THE DAILY ROUTINES OF A  
CITY WHEN WE ARE ALL URBAN SUBJECTS

....WHEN THE CITY CAN HACK ALL THE OTHER, MORE  
SPECIFIC SUBJECTS WE ALSO ARE.

