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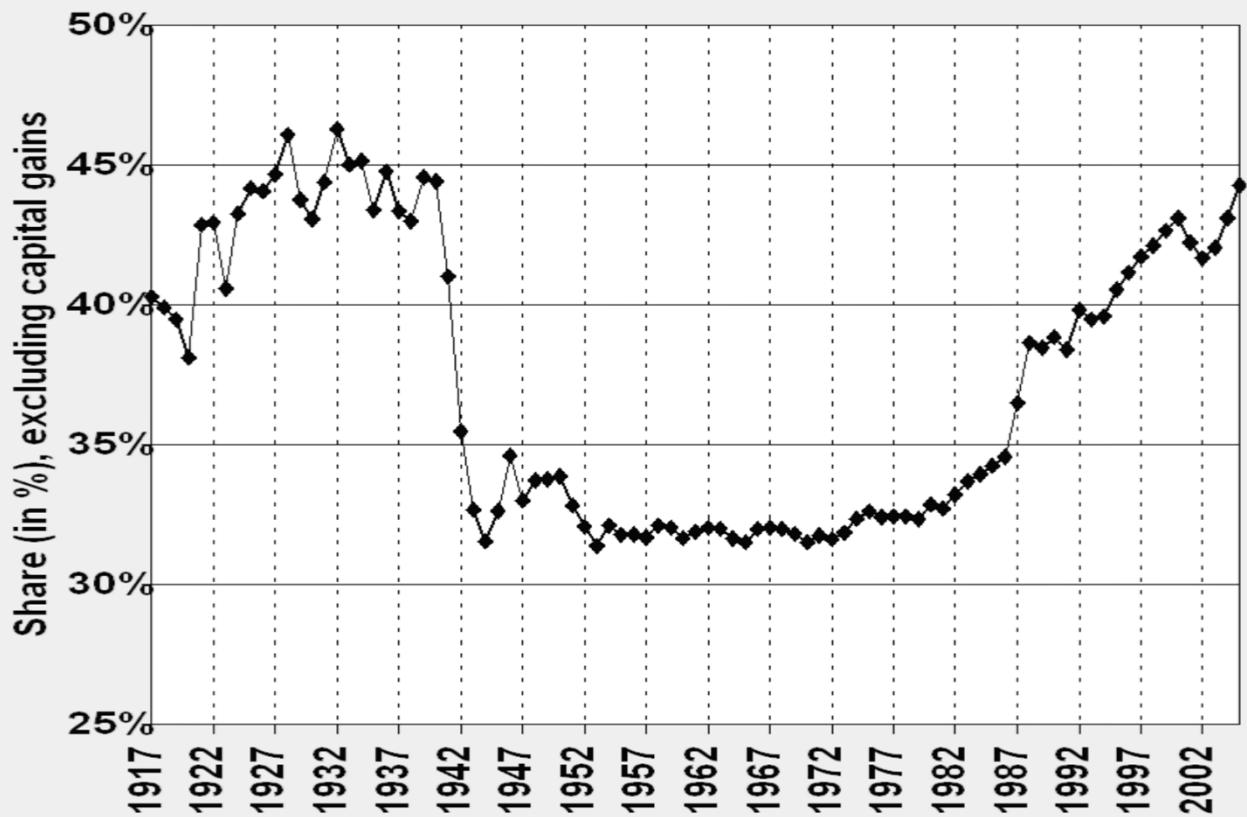
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Global Health Conference, Montreal Nov 2011



# BEYOND INEQUALITY: EXPULSIONS.

# Income Share of top 10% earners, USA 1917-2005

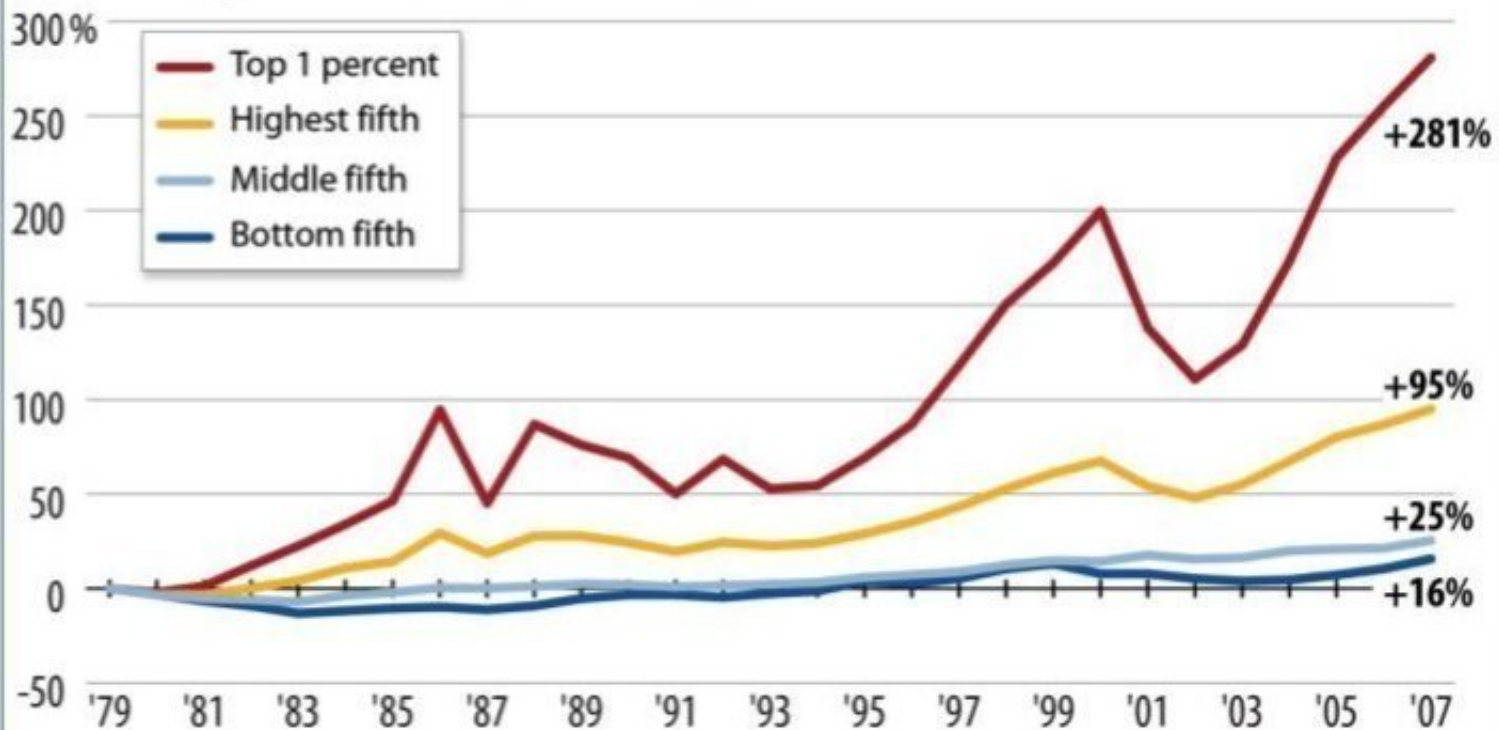


\*Income is defined as market income but excludes capital gains

Source: Mishel, L. 2004. "Unfettered Markets, Income Inequality, and Religious Values." *Viewpoints*. May 19, 2004. Economic Policy Institute. Retrieved July 26, 2008 [ [www.epi.org/content.cfm/webfeatures\\_viewpoints\\_moral\\_markets\\_presentation.](http://www.epi.org/content.cfm/webfeatures_viewpoints_moral_markets_presentation) ]

# % Growth in After-Tax Income, USA 1979-2007

Percent Change in After-Tax Income Since 1979



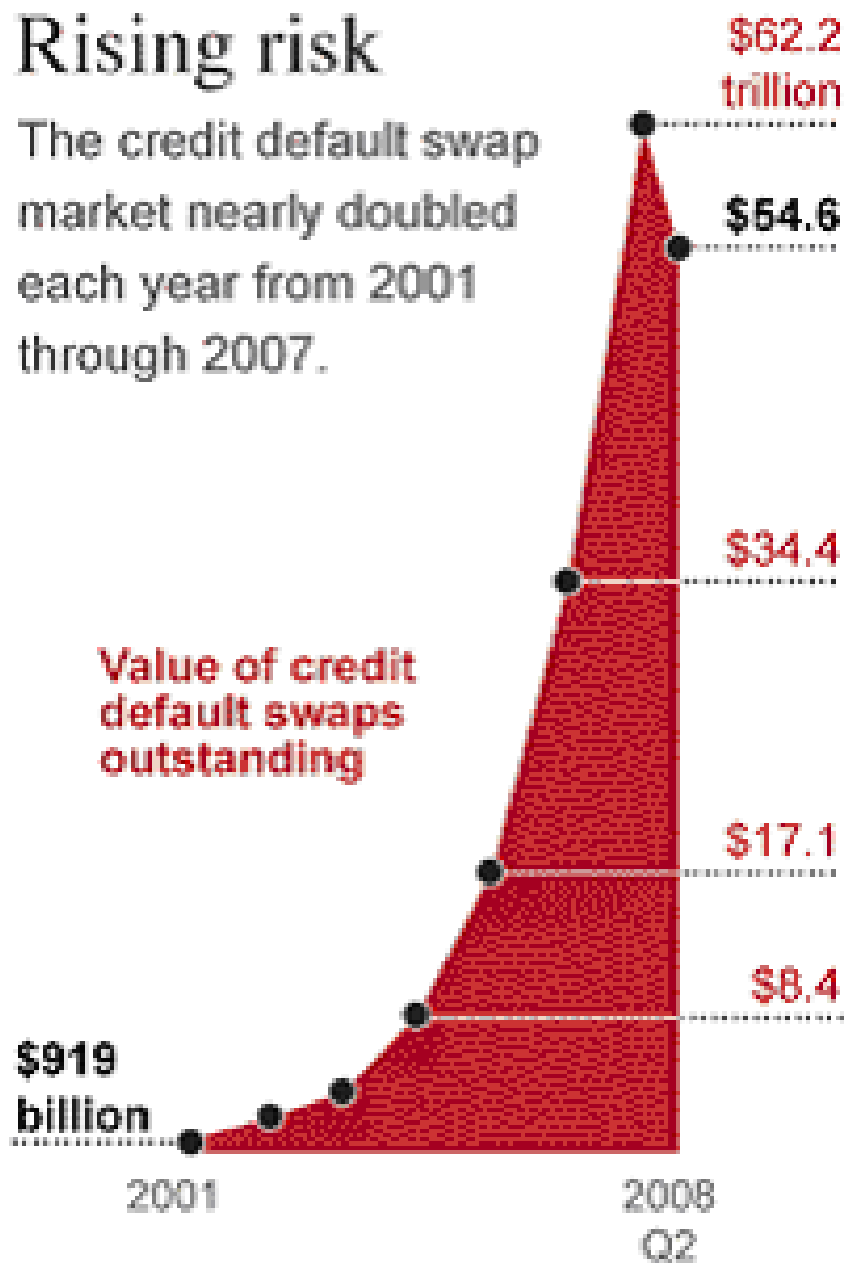
# Who are the top 1% and the rest--2010

- Income: incl wages, gov transfers, capital gains, dividends, other invest. income
- Top 1% of US households had a minimum income of \$516,633
- Bottom 60% earned a max of \$59,154
- bottom 40 %: max of \$33,870
- bottom 20%: max of \$16,961.
- See <http://taxpolicycenter.org/numbers/displayatab.cfm?Docid=3047>

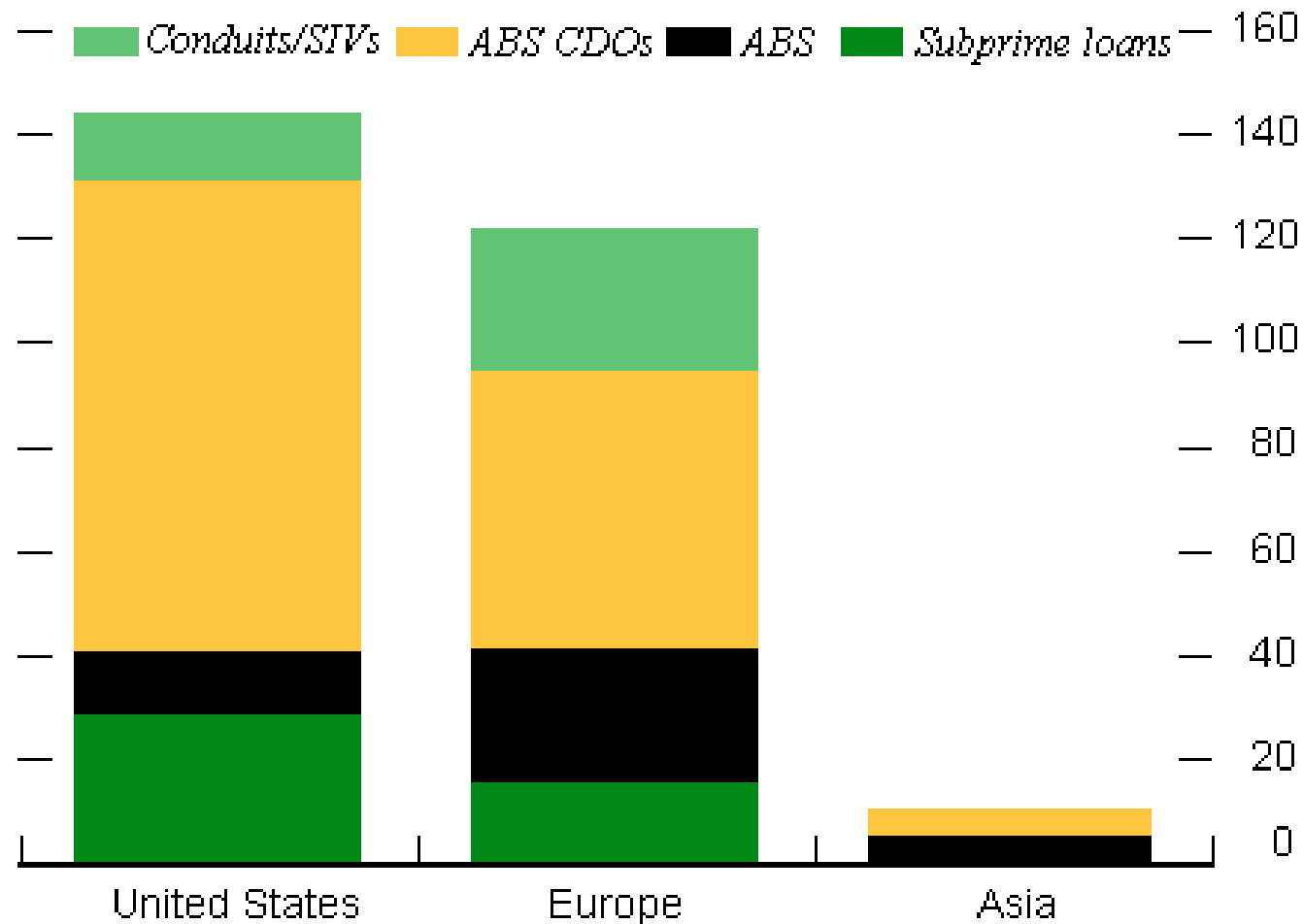


# Rising risk

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



**Figure 1.13. Expected Bank Losses as of March 2008**  
*(In billions of U.S. dollars)*



Sources: Goldman Sachs; UBS; and IMF staff estimates.  
 Note: ABS = asset-backed security; CDO = collateralized debt obligation;  
 SIV = structured investment vehicle.





# When modest neighborhoods become part of global finance

- 1. The key is that the source of profits for financial firms of sub-prime and other mortgages for low- and modest-income households is NOT payment on the mortgage.
- 2. The source of profits is the bundling of a large number of these mortgages to sell them on to investors, including banks and foreign investors. It worked because they were mixed up with high quality debts of all sorts.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>White</b>	4.60%	6.20%	7.20%	11.20%	9.10%
<b>Black</b>	13.40%	20.50%	35.20%	47.10%	40.70%
<b>Hispanic</b>	11.90%	18.10%	27.60%	39.30%	28.60%
<b>Asian</b>	4.20%	6.20%	9.40%	18.30%	13.60%

Source: Furman Center for Real Estate & Urban Policy, 2007

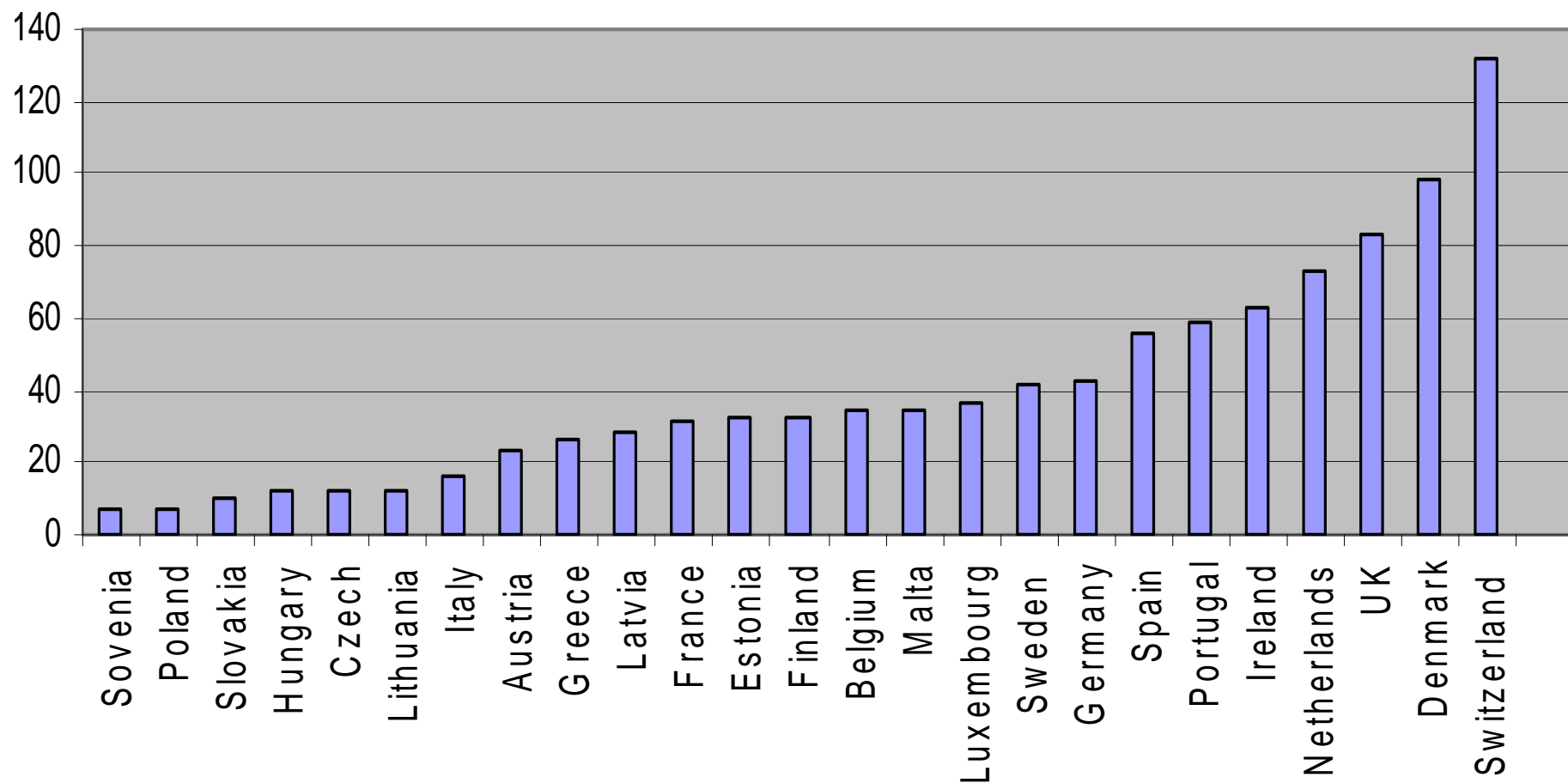
# Expulsions: Foreclosures

- 2006 : 1.2 million foreclosures, up 42% from 2005. This is: One in every 92 U.S. households
- 2007: 2.2 million forecls, up 75% from 06
- 2008: 3.1 million, up 81% from 07
- 2009: 3.9 million (or 1 in 45 US hholds)
- (From 2007 to 2009: 120% increase in forecls)
- 2010: 2.9 mill forecls. (2006-2010: total 14.2 mil)
  
- Source: RealtyTrac 2007, 2008, 2009, 2010; Blomquist 2011

# DEAD CITIES

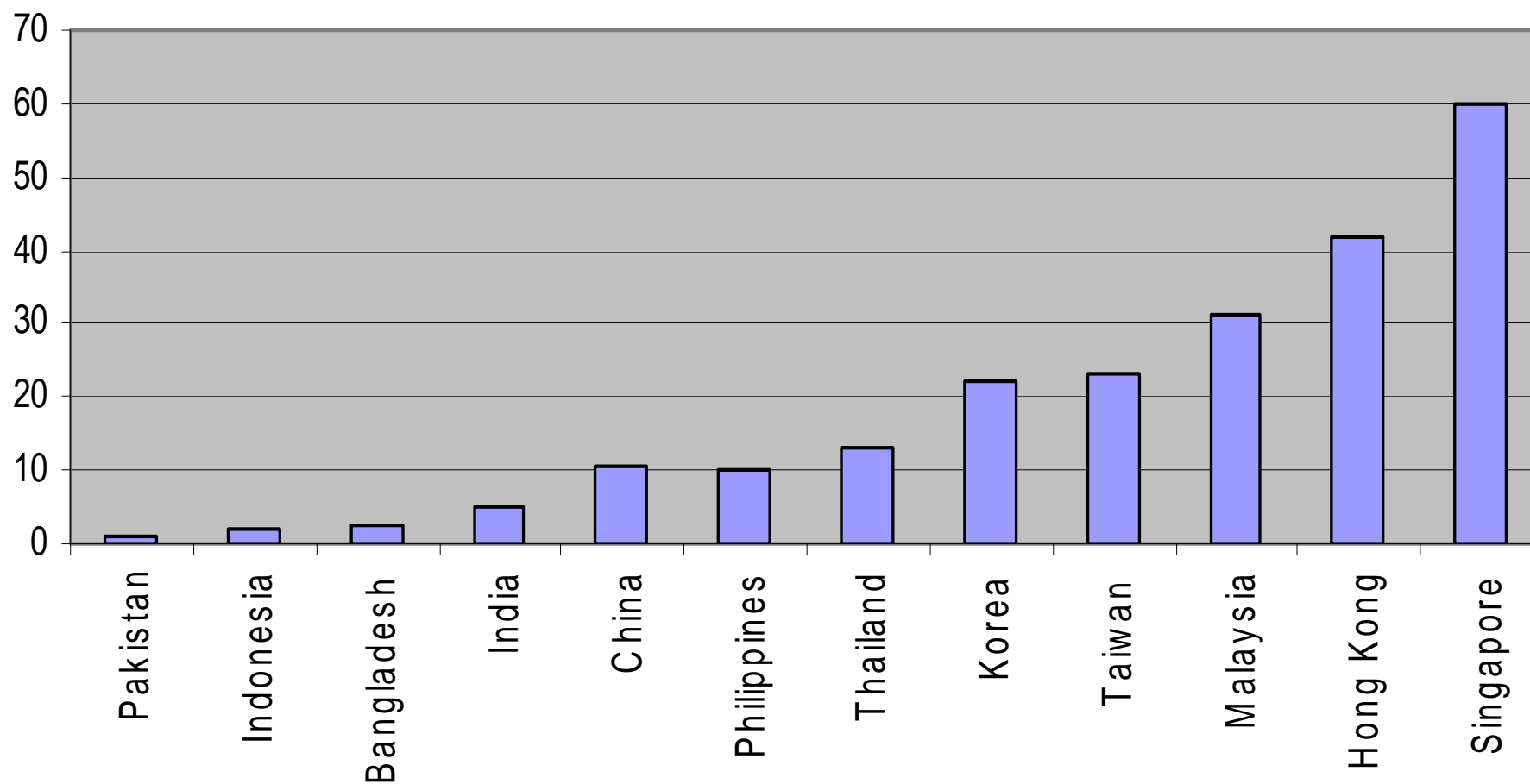


Table 1: Ratio Residential Mortgage Debt to GDP (Select countries/end 2006)



Source: <http://www.germany-re.com/files/00034800/MS%20Housing%20Report%202007.pdf>

Table 2: Ratio Residential Mortgage Debt to GDP: Emerging Asia



Source: Warnock, Veronica Cacdac and Warnock, Francis E., Markets and Housing Finance (February 2008).

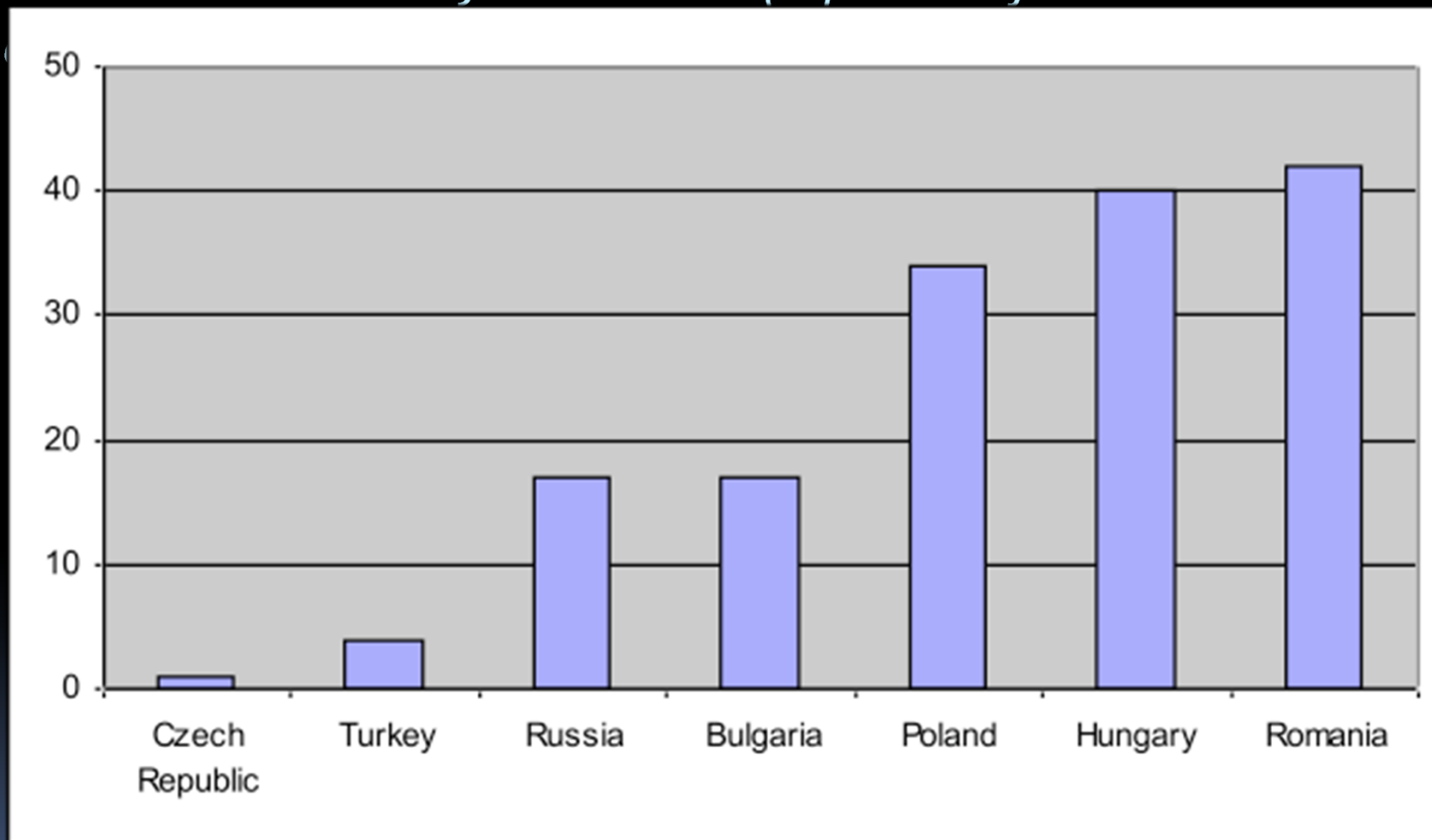
Available at SSRN: <http://ssrn.com/abstract=981641>, retrieved 24 August 2008.

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

	2000	2001	2002	2003	2004	2005
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

Table 11: Share of Foreign-Currency-Denominated Household Credit, End-2005 (In percent of total household



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





# In the shadows of “urbanization”

- In all the talk about the growth of urban populations there is never mention of what processes are feeding this growth.
- One set of processes consists of expulsions – of people from their land due to “landgrabs” or mining.
- Where do they go? To cities, where they will add to the homeless and to the slums.

# One instance

From 2006 to 2010: 70million hectares of land in Afri ,LatAm, Cambodia, Ukraine bought/leased by rich govts, enterprises, fin firms

- The land is now more valued than the people or activities on it
- The active *making* of surplus populations
- Novel assemblage of Territory/Authority/Rights

# Shift from National Territory to Global Commodity/Jurisdiction

- *The Repositioning of Territory in the Global Division of Functions.*
- *Making alternative jurisdictions: going beyond older forms of extraterritoriality.*
- *Making parallel geopolitical circuits.*
- *(See author's book Territory, Authority, Rights: From Medieval to Global Assemblages.)*

