

**The Real Estate Crisis,
Private Property,
and the Prospects of Planning**

**Ten Days for Oppositional Architecture:
Towards Post-Capitalist Spaces**

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Capitalism

- 1) private ownership of the means of production
- 2) private ownership of the final products
- 3) a market economy in which privately owned commodities can be bought and sold
- 4) a large class of people who own no productive property and hence must work as wage laborers for those who do own them

Capitalism

The drive to continually expand profit leads to

- 1) continual expansion of the boundaries of capitalist private property
- 2) continual spread of commodification, as market principles intrude into more and more realms of social life

Capitalism

A key contradiction of capitalism:

The profit drive directs capitalism toward the production of private goods, but not toward the production of public goods or the creation of jobs that allow creative expression.

Neoliberal Capitalism

The trilogy of neoliberal capitalism:

Privatization

Liberalization

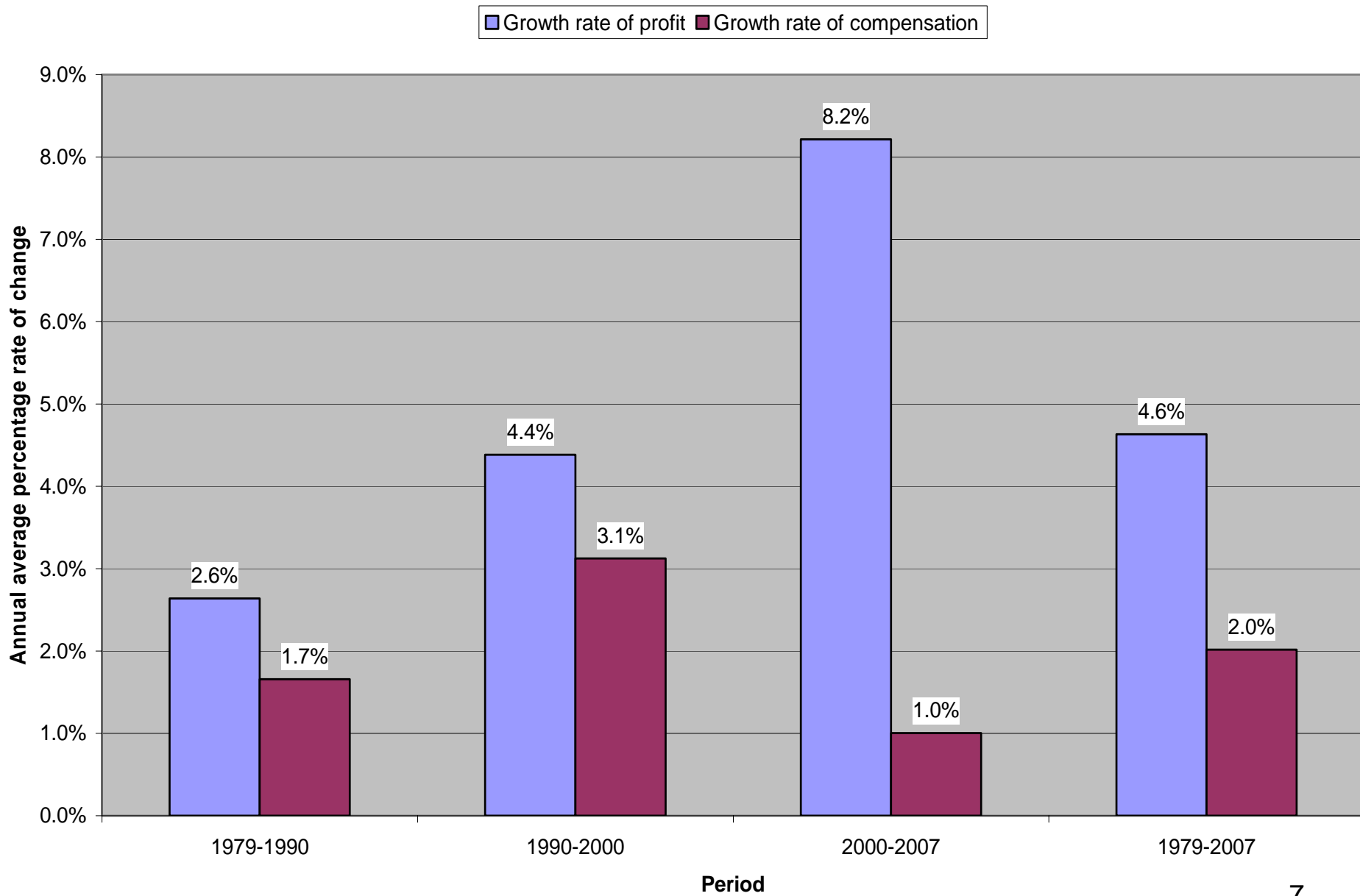
Stabilization

Three Developments

Neoliberal capitalism gave rise to 3 developments:

- 1) Growing inequality
- 2) Financial sector increasingly devoted to speculative, high-risk activities
- 3) Series of large asset bubbles

Figure 3. Growth Rates of Profit and Compensation



Three Developments

These 3 developments had the following effects:

- 1) Rapidly rising profits encouraged economic expansion -- but stagnating wages created a problem of who would buy the rising output.
- 2) Big asset bubbles, especially the housing bubble, enabled some group to spend more than its income, solving the demand problem.
- 3) The risk-seeking, speculative financial sector provided the means for millions of people to borrow against their rising home value.

Figure 5. Gross Equity Extracted as a Percentage of Disposable Personal Income

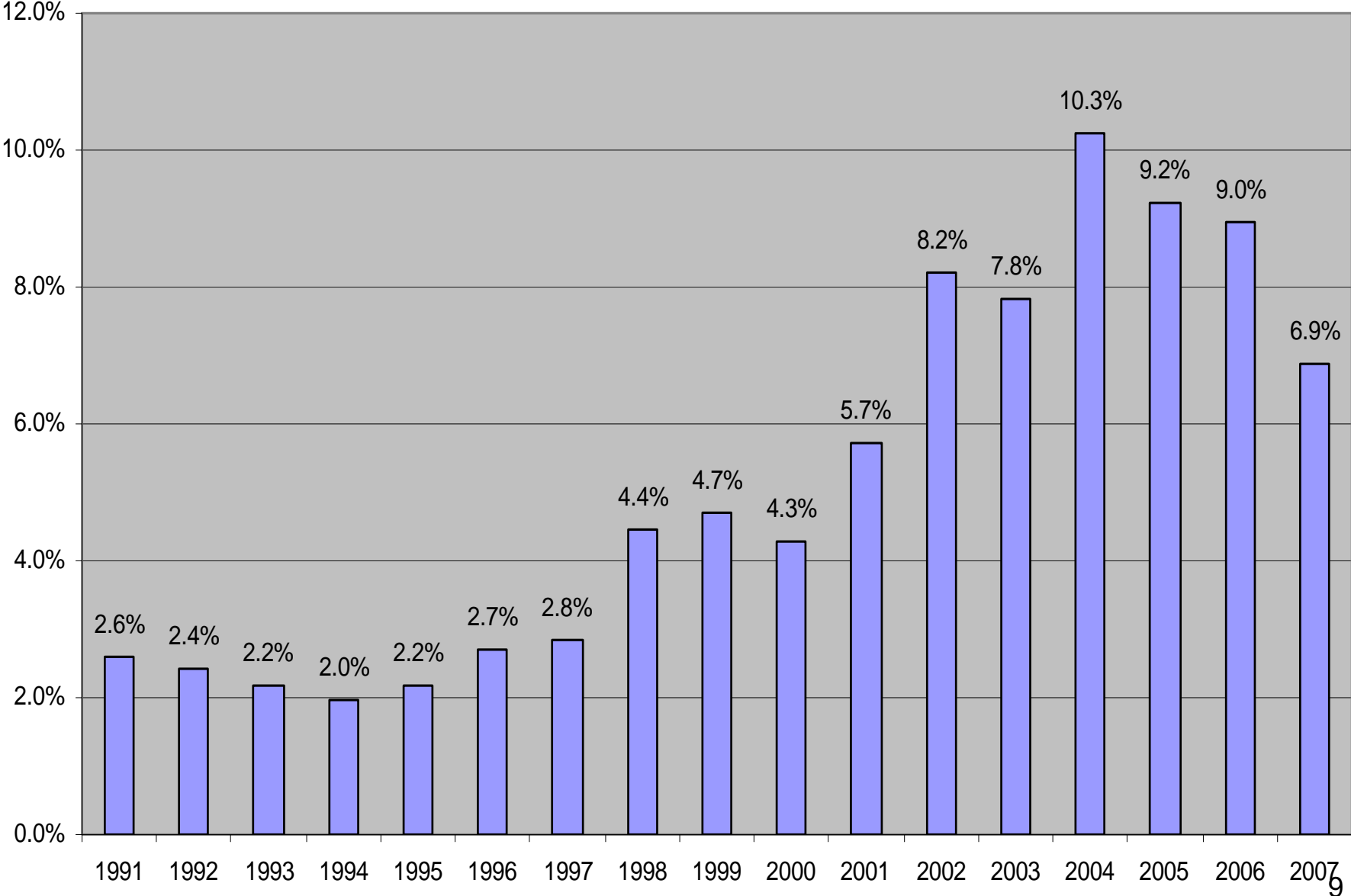
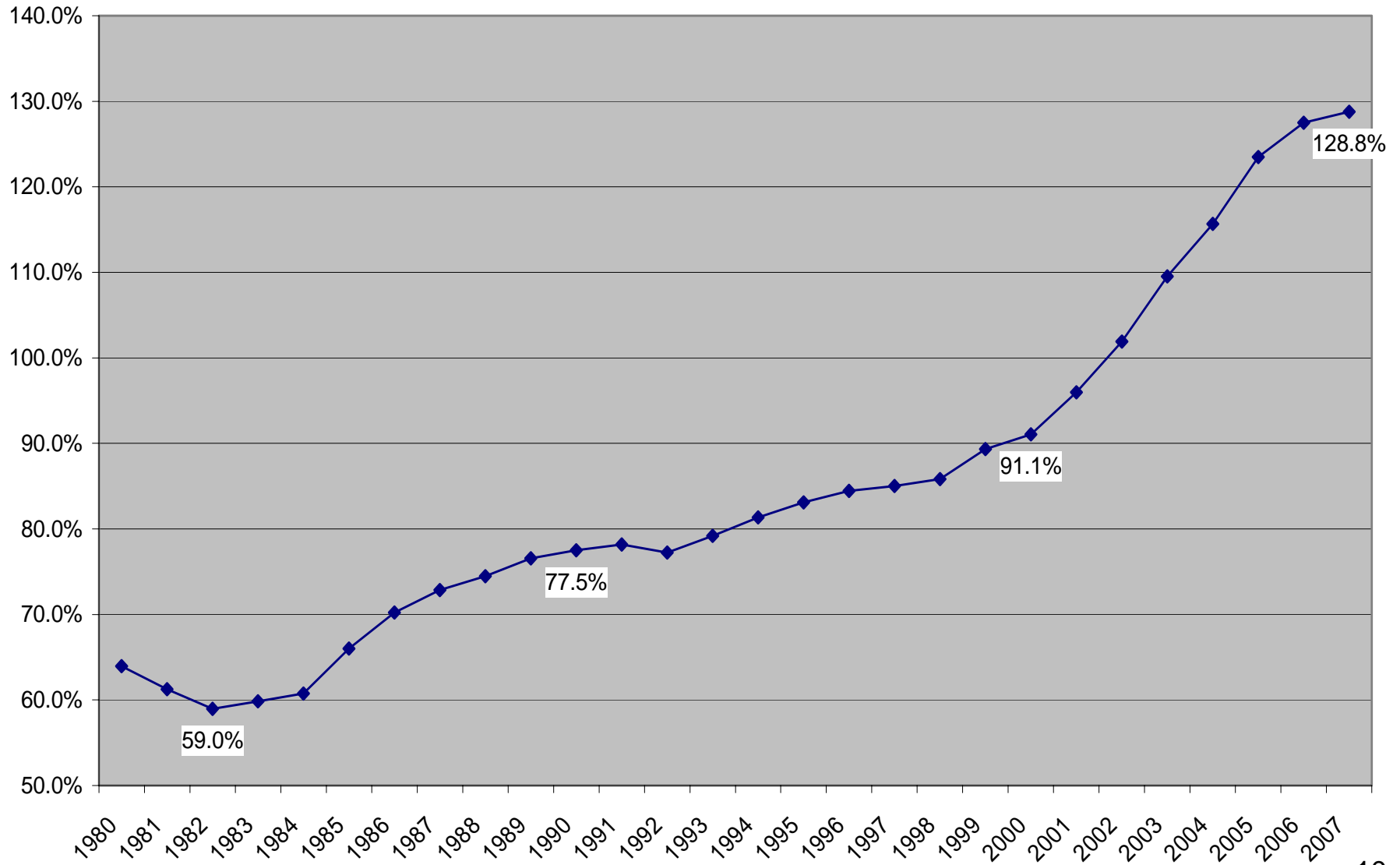
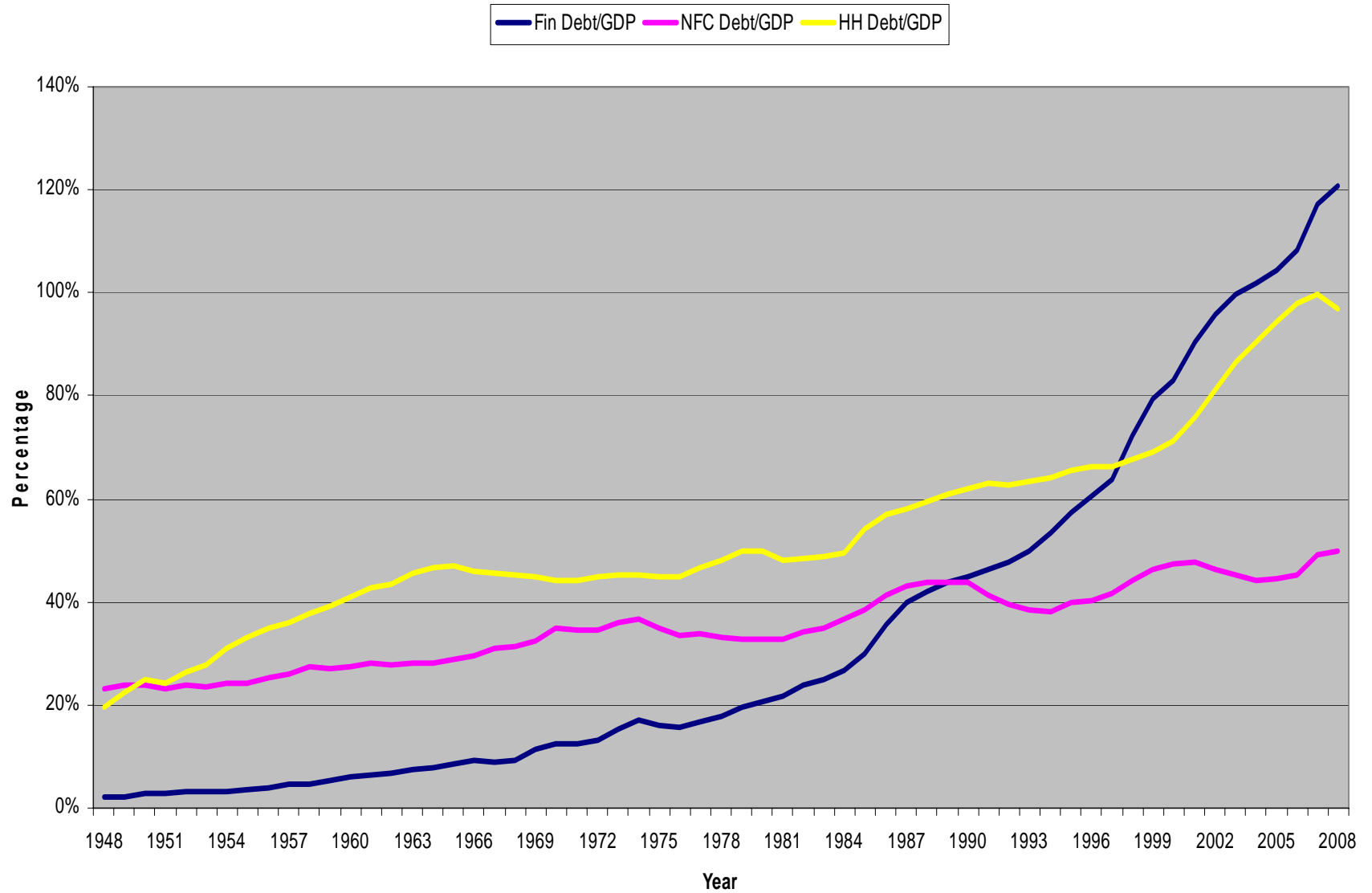


Figure 6. Household debt as a Percentage of Disposable Personal Income



Debt as Percentage of GDP



Survey about Capitalism and Socialism

Rasmussen Poll, April 9, 2009

Question: Do you prefer capitalism or socialism?

Responses from those under age 30:

Capitalism: 37%

Socialism: 33%

Undecided: 30%

Possible Directions of Restructuring

1. Restore neoliberal capitalism
2. Build a new regulated capitalism
3. Transition to a new socialism

A New Socialism

- 1) Production based on common property
- 2) Participatory economic planning
- 3) Democratic state with full freedom of expression and political organization.
- 4) Production aimed at meeting human needs -- for individual goods, public goods, and creative expression in labor -- in an environmentally sustainable way.

Immediate Demands

- 1) Local community right to decide the allocation of resources in the community, for creating public spaces, schools, and job creation.

This is an embryonic form of participatory planning at the local level.

- 2) The right to a home, not as individual property but as a use-right.

- 3) Turn private property into public property to use for public ends.

This includes the media, which should be operated as a public service to provide a wide variety of viewpoints.

Immediate Demands (cont.)

- 4) Struggle to decommodify key sectors, such as education and health care.
- 5) The right to a meaningful job for all at a living wage.

Participatory Planning

We must develop a vision of a large-scale system of participatory economic planning.

There are 3 possible means for coordinating an economy:

- 1) Market relations
- 2) Traditional top-down central planning
- 3) Participatory planning -- in which the whole population, partly directly and partly through systems of representation, make the planning decisions to coordinate economic activity