Check for updates

Theme issue article

A Economy and Space

EPA: Economy and Space
1–21
© The Author(s) 2021
Article reuse guidelines:
sagepub.com/journals-permissions
DOI: 10.1177/0308518X211016003
journals.sagepub.com/home/epn

Speculative urbanism and the urban-financial conjuncture: Interrogating the afterlives of the financial crisis

Michael Goldman
Department of Sociology, Global Studies, Geography, University of Minnesota-Twin Cities, Minneapolis, USA

Abstract
This article proposes an analytical–methodological approach to understand this historical conjuncture of speculative urbanism in which global finance capital plays an increasingly important role in urban transformation. Whereas the scholarship on urban financialization makes sharp distinctions between what occurs in the global North and the South, portraying the process in the South as one of subordination or peripheralization and in the North as mature and stable (although volatile), this article seeks to demonstrate that the North–South divide is less effective as an explanatory power. Instead, it presents an analytical approach that is attuned to the relentless dynamism and inter-scalar hyper-mobility of finance capital working across the postcolonial map—in other words, a relational–conjunctural approach. The article suggests the method of "following the financial strategy" by analyzing urban forms and projects as processes constituted by the nexus of practices in finance and city planning. It looks closely at finance's use of inter-scalar financial tools (such as arbitrage, interest rate swaps, collateralized debt obligations, and currency hedges) across borders, sectors, infrastructures, and conditions, as mediated by national and international state actors. The value of this analytical–methodological approach will be illustrated through notable financial transactions occurring in and across cities to emphasize their speculative and financial characteristics—specifically highlighting investments traversing cities of Spain, the USA, and India. The focus here is on financial strategies emerging from the detritus of the 2008 global financial crisis and shaped by the expanding discursive-material formation of speculative urbanism.

Keywords
Speculative urbanism, urban financialization, relational–conjunctural analysis, provincializing global urbanism, inter-scalar research methodology

Corresponding author:
Michael Goldman, Department of Sociology, Global Studies, Geography, University of Minnesota-Twin Cities, Minneapolis, MN 55455, USA.
Email: mgoldman@umn.edu

> The market must tell the truth (*dire le vrai*); it must tell the truth in relation to governmental practice. Henceforth, and merely secondarily, it is its role of veridiction that will command, dictate, and prescribe the jurisdictional mechanisms, or absence of such mechanisms, on which [the market] must be articulated. (Michel Foucault, 17 January 1979, Lecture 2. *The Birth of Biopolitics*, translated by Graham Burchell, pp. 31–32.)[1]

Background and premise

This article takes its cues from the rich bounty of new writing on the topic of global urbanism(s), asking how we can *provincialize* global urban theorizing from its origins in Euro-American scholarship, concepts, assumptions, and cases, and to do so without falling prey to replacing one grand (universal) theory with another (Chakrabarty, 2000). Or, to paraphrase Robinson (2016): How can global urban studies be grounded conceptually and methodologically, open to inspiration from any or all cities across the global North–South divide? How can our scholarship transcend developmentalist assumptions of progress and modernity, whereby only an elite set of places are considered to qualify as global, with many cities left off the map or deemed as "ordinary"? Many criticisms exist of dominant urban studies theory: for its use of the Chicago School or LA School as a starting point; for mobilizing prominent "alpha" cities from the global North to explain "the global" with universal explanatory concepts such as industrialization, globalization, and economic agglomeration; and for referring to global South cities as empirical cases to illustrate this Northern theorizing, finding the "rest of the world" as derivative, anomalies, lacking, or "not yet" modern (Ancien, 2011).

Missing from recent scholarship on contemporary global South cities is a serious interrogation of the constitution and functioning of the capitalist marketplace. As the quotation above suggests, neoliberalism's birth was rooted in an epistemology that viewed markets as truth, becoming the authority directing how governments and populations should govern or self-govern accordingly. This article interrogates the workings of markets by questioning how we conjure notions of truth from them, and how markets—some of which rise to premier status (e.g. financial and real estate markets), whereas others are deemed illicit, criminal, and backward (e.g. the bazaar, sidewalk, and pushcart trading)—influence and shape city governments.

Similarly, the nascent literature on the "financialization of the city" tends to portray global Northern capital as a singular entity that *subordinates* and *peripheralizes* southern economies and populations, remaking cities in its own image (Aalbers, 2019, 2020; Becker et al., 2010; Bonizzi et al., 2019; Karwowski and Stockhammer, 2017; Pereira, 2017; Socoloff, 2019). The terrain, I find, is more complex: private equity firms based in Singapore, Shanghai, and Mauritius mobilize capital from all over the world to purchase infrastructural assets in Europe, Asia, and the USA. East and South Asian firms are buying up undervalued firms in the USA and Europe as well as land in East African countries and Brazil. This complex map of liquid capital is much more convoluted than an easy portrayal captures of Northern winners and Southern losers. For finance capital, its qualities of mobility, liquidity, and arbitrage working *across* sites and borders are strategically important; location is relational, and its significance is contingent upon the fluctuating and volatile values of assets, not its national character (Gotham, 2009).

With more than 2 billion people in Asia counting as the new middle class, the subordination perspective also glosses over the aspirational experiences of new and old Southern elites eager to benefit from finance capital for its promised luxuries, as well as those of the urban majority who may have little choice but to game the system, producing their own possibilities amidst this speculative volatility. In the postcolonial context, the challenges of political and social movements are less to identify a singular Northern exploiter than to understand how and why particular forms of capital, in coordination with state institutions, create new urban formations by deepening and escalating social inequalities through structures of power of race, class, gender, and caste.

This article reviews these concerns with an analytical approach that utilizes the mid-range concept of speculative urbanism and draws upon research on the financialization of cities in India, the USA, and Spain—three dissimilar historical dynamics until the 2008 crisis hit. Alongside these differences, we find intertwined, inter-scalar, and conjunctural processes working across cities of Europe, the USA, and Asia. The article deploys the "optics of finance" to better understand how finance and real estate markets, since 2008, make the global urban, and make it increasingly volatile. Although I value starting with the domain of finance, this is not an economistic or one-dimensional methodology; instead, I suggest that interrogating the financial opens up doors of inquiry into the cultural, institutional, social, commoning, and more.

"Critical urban theory," Leitner and Sheppard (2016) argue, "has cut its teeth on seeking to provincialize the knowledge claims legitimizing and normalizing mainstream global urbanism." Borrowing this analytic move from postcolonial studies, *provincializing* mainstream urban theory can overcome the default sensibility of a "place-based logic" to urban studies. Leitner and Sheppard encourage sensitivity to the flows and inter-connectedness in and across spatio-temporal realms, interpreting the urban throughout history as fundamentally relational and inter-scalar—horizontally across cities and the rural and urban, and vertically connecting countries, transnational institutions, and firms—characteristics that can get eclipsed by place-based studies.

In this vein, Robinson and Roy (2016) write that with the "call to attend theoretically to the complex spatialities of urbanization comes the need for extensive methodological innovation." More specifically, Robinson (2016) suggests a revised form of methodological comparativism as a way to contend with and understand "the multiplicity of interconnections which tie together urban outcomes across the globe." These scholars recommend working with a diversity of new theoretical optics and empirical settings derived from "any and every city" to reflect processes working across scales. This perspective can best capture, they argue, the particular dynamics running through the rural and urban, gendered and racialized urban institutions, as well as cross-national asymmetric power relations embedded within structural contexts such as colonialism and extractive capitalism. This postcolonial perspective encourages the topic of the urban to open up with multiple starting points of inquiry—colonial Lagos, Bombay, and Charleston (South Carolina) for instance—to more fully comprehend the co-constitutive nature of urban place-making processes in and across sites.

Along these lines, AbdouMaliq Simone's writings offer us a window into socio-cultural and religious settings of the urban majority, institutions, and practices that are often overlooked or miscast; his focus intentionally highlights subaltern practices within cities such as Pikine and Douala (Simone, 2004) and practices unfolding dynamically across African (Dakar) and Asian cities (Jakarta). These subaltern institutional practices are what make the city livable for the urban majority, often left without formal access to the public goods and services necessary for their survival (Benjamin and Raman, 2011; Simone, 2009). By actively decentering the EuroAmerican experience as the universal in urban theory, these scholars effectively provincialize and overturn hierarchies (Leitner and Sheppard, 2016) to reveal the vitality and diversity of ways of thinking and enacting the urban (Robinson and Roy, 2016).

Deploying this approach with new concepts

I put this approach to work in my research starting with the idea of tracking "the making of a global city" in Bangalore/Bengaluru,[2] India through the practices of its water and sewerage agency, which I thought was a practical and "fluid" place to begin. Everyone needs water and its scarcities and abundances can reveal a lot about how a city works and how the discourse of global city making plays out on the ground in people's lives. At the time (2006–2007), the city agency (Bangalore Water Supply and Sewerage Board) happened to be caught in the crossfire between

demands to privatize the water agency to upgrade its facilities to supply "world-class" 24/7 water *and* the street protests of the urban majority lacking basic access to clean water and fearful of the fees for water distributed by a European corporation. The powerful anti-privatization campaign succeeded in pushing back on World Bank and Asian Development Bank mandates and global water firms' wishes. Although I started in the water agency and its citywide water tanks, pipes, and channels, my field site slid into the murky world of land deals. Whenever talking about water, people of all backgrounds spoke of land grabs and speculation. For example, the so-called water mafia needs access to land to tap water aquifers (Anand, 2017; Ranganathan, 2014). The water engineers described the volatile position they were in, balancing the pressures for loan repayments to the international finance institutions with the need to raise payments locally from sources other than just user fees. One arena for fund raising was the selling of government land. (One summer, I watched a patch of water agency land next to my apartment building become a fancy for-hire wedding facility.)

Once the 2008 financial crisis hit, however, my attention shifted from urban infrastructure's "social life" to the enigmatic world of finance. Clear explanations existed as to why water infrastructure delivered water to elite quarters and not to the rest, but people were much foggier on the role and actions of finance undergirding these infrastructural processes. Although more of the everyday experiences in the city were being mediated by new financial arrangements, they remained a mystery. Although the business media declared excitement with the idea of Wall Street firms arriving to town, when they left a few years later with high rates of return on their investments, journalists and politicians alike explained their departure as a sign of the city's success. Although I had just completed a book on the wily World Bank these new financial dynamics made little sense to me, as did the accompanying forms of speculation that spread across the city.

Senior engineers expressed their concerns with the mountain of accumulated debt from loans piled upon their water agency and its effects on their ability to provide water (Buckley and Hanieh, 2014; Goldman and Narayan, 2019). Young information technology professionals told stories of their parent's anxiety from the pressure to sell their centrally located homes and move to the vertical apartment complexes on the outer ring, distressed by developers' plans to replace single-family homes with high rises as home and land prices skyrocketed, inviting in new investors from around the world. Most city denizens, however, did not have the capital to buy, or the luxury to speculate. Where could street vendors and service providers (e.g. barbers and cobblers) go, as they lost sidewalk space judged too unsanitary and unsafe to be adjacent to newly valorized residential complexes? Small farmers on the city's periphery were being pressured to sell quickly so the land could be aggregated and sold as large parcels to developers. (Caste, class, and gender were key factors determining how much compensation farmers could get for their parcels and where they could expect to move.) A gold rush for farmland in the 1990s put many farmers in the position of having to speculate, a burden for those most likely to lose out and an opportunity for those who could capitalize on the prospect (Balakrishnan, 2019; Cowan, 2018; Gururani, 2019; Upadhya and Rathod, 2021). The city was in turmoil as so much land and homes were being turned over in the hopes of substantial gains for those who could afford to stay.

On the other side of the planet, friends in the USA were buying up prospective homes on speculation, shifting retirement funds over to India, a flow as plentiful as that coming from wealthy Indians investing their savings into the USA, Dubai, and Australian housing markets. Bengaluru in the early 2000s was the envy of the western media, captured in the starry-eyed best seller *The World is Flat*, but to those living in the global city, the air was clogged with uncertainty, speculation, rumors, and hope. Speculation to some is not speculation for others, especially once these rural and urban conditions are overturned and refashioned in the image of a highly stratified and volatile "global city" At that moment in my research, the idea that the city's future was being shaped by this grand shuffling of land and lives sparked the concept of speculative urbanism.

When 2008 hit the global economy collapsed, as did a multitude of banks, small and large businesses, and the solvency of many cities and individuals alike. The tumult of Bengaluru appeared as a microcosm of events occurring elsewhere. In the USA, and across the G7 countries, banks failed and consolidated, starting with the neoliberal shift in the early 1980s and intensifying in the years immediately after the 2008 crisis. Today, the top ten US banks control half of the nation's bank deposits (Parsons and Nguyen, 2017). The year 2008 marked a moment of substantial rupture and change, providing conditions of great uncertainty and mayhem for many but also the possibility of profound market shifts, governmental deregulation, and lucrative speculation and payoff. The conjuncture of the global financial crisis created opportunities for financial institutions that could play one site off another, for investors able to move their liquid capital freely across borders, sectors, and projects, using new and unregulated financial tools. With all levels of government caught off guard by their own fiscal crises, many municipalities were ready to borrow at any price to stave off devastating futures. Here, the concept of the *conjuncture* fits well, especially when linked with notions of *relationality* and the *inter-scalar* to help explain the variegated nature of crisis and its uneven outcomes and spatial configurations of speculation and risk. The concept of conjuncture has traveled far, but most trace it to Antonio Gramsci's notion of political strategizing for the "coming together" of events and processes that conjures a moment of crisis, rupture, and political opportunity, considered within a context of structural permanence and historicity (Gramsci, 1971).[3]

These pressures to speculate have had monumental effects that have been unevenly experienced. The USA was completely rocked by the event: capital was scarce, as were jobs and, for many, homes; seven cities in California (one of the largest economies in the world) declared bankruptcy as did Detroit, while 60 US cities could not pay their bills (Davidson and Ward, 2014; Lapavitsas, 2014). The downward spiral was unmistakable everywhere, yet the "global" crisis looked quite different in India. Northern equity funds were floating new investment vehicles called India Infrastructure Funds I and II to finance urban infrastructure by the billions of dollars. Investment banks claiming scarcity in the USA were flush and ready to invest in India. Back in the USA, urban infrastructure had been decaying for decades; in the midwestern town of Minneapolis, a major bridge collapsed, triggering a national conversation about America's decrepit "Third World" infrastructure. Yet the Bengaluru horizon was filling fast with "world-class" luxury spots designed under such sublime appellations as Bellagio, Park Avenue, and Van Gogh's Garden, financed by foreign retirement and private equity funds. Watching Western economies collapse so suddenly left many in India concerned that this remarkable and unforeseen real estate bubble might not last. Would it leave an invigorated urban economy and landscape, or would it burst just like in the West? How much of the appreciated value would accrue to the investors and how much to the city's inhabitants?

Although different from the USA, Europe too suffered from excessive speculative finance, with Spain as an exemplar. By 2010, financiers who invested in unfinished private toll roads in Spain (linking bankrupt seaside resorts built with British and German pension funds) pulled up stakes and shifted their investment capital to the USA. They did so not to deploy new cement or steel, but to purchase debt at a great discount from the failing infrastructure of US roadways, which promised high future revenues (i.e. buy very low, collect revenues to securitize and add value, sell high) (Lopez and Rodriguez, 2011). Meanwhile, the largest banks in Spain received European Central Bank (ECB) bailout funds, which they took to Latin America to invest in infrastructural debt in Mexico, Chile, and Brazil where states were rushing to build overbudgeted and underfinanced infrastructure for the 2014 World Cup and 2016 Olympics (Amaral, 2010; Buck, 2014; Gruneau and Home, 2016). The world's largest private equity funds "dumping" capital into India's projects were the same ones responsible for inventing the financial tools in the mortgage securities scandal that undercut the US economy and the 2008 crisis. Afterward, they invested in

Spain's depressed housing and toxic bank assets. This zig-zagging of capital across variegated cityscapes and sectors requires an analytic framework to provincialize the methodological *nationalist* approach that declares these as national cultural problems (or self-evident "truths") of Spanish over-exuberance, American working-class over-reach, or Indian corruption.

Thinking relationally, we see how speculative urbanism has unfolded across continents and cities differently—temporally and spatially—and yet with some of the similar global actors, financial tools, deregulatory reforms, discursive flourishes and promises, forms of dispossession, and unprecedented profit rates. Cities experiencing the unexpected and catastrophic were not only linked but were crucial to a new wave of financial strategies practiced by the largest financiers inciting new varieties of speculative place making. Starting in the 1990s, the urban-neoliberal era that was prevalent earlier in the USA and the UK spread rapidly into countries such as India and Indonesia where economic collapse from another conjunctural moment—the 1997 Asian financial crisis—brought with it "fast" and mobile policy reforms, such as the closing of insolvent national banks and the elimination of rules constraining foreign capital investments in land, real estate, banking, and stock markets (Firman, 1999; Peck and Theodore, 2015). These liberalizing policies were designed to open up national markets by guaranteeing conditions of reduced liability and risk, while also enabling finance capital to invest in arenas once only the purview of governments, such as public infrastructure and city services. These state reforms and sectoral shifts, some of which were imposed by the International Monetary Fund (IMF), were supposed to create a more stable economic foundation than the one left by the 1997 crisis. Yet, over time, the investment landscape has become more speculative and volatile. A closer look at one prevailing phenomenon, the financialization of the city, can help tease out the contradictions resulting from these ruptures and shifts as well as frame the research with conceptual and methodological tools that both reflect the goal of provincializing global urbanism and reveal new insights on speculative urbanism.

Deploying the optics of finance to understand the lived experience of speculation

Speculative urbanism describes the logic of building "world-class" urban infrastructure, emerging in the late 20th century, deploying a spectacular imaginary on *what could be* in this new urban form—such as a series of urban islands in the shape of the world map in Dubai, China's promise to build 100 global cities, and India's competitive claim to create 100 smart cities. Not to be outdone, Turkey has planned to make Istanbul into the "capital of the world" with a series of the world's largest infrastructural investments including the world's largest airport, the EuroAsia Tunnel linking both continents, and the Istanbul Canal linking the Mediterranean to the Black Sea. Similar claims and imaginaries have popped up in different national capitals around the world, especially across Asia and the Middle East.

Elsewhere speculative urbanism has been defined in terms of the discursive, infrastructural, governmental, spatial, financial, and the public, including the urban commons; here, I identify four of its most basic characteristics.[4] First, speculative urbanism typically relies upon a *transnational policy network (TPN) of experts and think tanks on global cities/urbanism* that articulates the dreamscape of prosperous global cities supported with high finance. In 2012, the director of UN-Habitat—a global agency founded in the 1970s to advocate for public housing for the poor in towns and cities of the global South—spoke triumphantly at the *Rethinking Cities: Framing the Future* conference in Barcelona. He declared aloud: "We will build more urban infrastructure in the next thirty years than we have throughout human history!" More recently, TPN advocates circulate their "2030 Agenda on Sustainable Development" in the General Assembly of the UN and on many other global platforms, calling for a "billions to trillions" mandate: by chipping in

billions of dollars, southern governments can mobilize trillions in private capital for infrastructure (General Assembly UN, 2015).

This battle cry for global-urban development has taken off in a big way, promoted by global financial firms, consultancy firms, construction and resource supply industries, and urban planning offices. According to one such promoter, McKinsey's Infrastructure Practice and the McKinsey Global Institute, "$57 trillion will need to be spent on building and maintaining infrastructure worldwide between now and 2030…greater than the estimated value of all the world's infrastructure assets today" (Palter and Pohl, 2013).

This spectacular growth of urban infrastructure requires *speculative forms and strategies of finance*, the second characteristic of speculative urbanism. These come from financial firms (state and privately run) that utilize private equity, derivatives, hedges, sovereign wealth funds, and debt financing from what the IMF calls the "shadow banking sector," which comprises approximately half the world's financial transactions and yet remains unregulated, untaxed, and relatively untraceable (Kodres, 2013; Poznar et al., 2010). Expanding their investments in global South infrastructure over the past three decades, finance from these sources has had as its goal to create, corner, and monopolize, but also quickly exit from these new urban infrastructure projects with higher-than-average profits. One of this sector's great accomplishments, since the 2000s, has been to successfully convert fixed physical infrastructure in cities worldwide into a singular *global asset class*, which analysts claim is already an $80 trillion industry (Andonov et al., 2018; Weber et al., 2016). This strategy has opened the door to limitless forms of speculative investment in new value streams, with futures that can be bet upon while allowing for the largest financiers' capital to remain liquid and mobile (Wu et al., 2020).

These new opportunities for finance capital could have only happened with the active *participation of the state*—the third characteristic. In particular, new *inter-state financialization reforms* are enabling these nontraditional financial entities and practices to sprout and thrive in countries that once had banned or heavily regulated them (Brenner, 2004; Epstein, 2005; Pike et al., 2019). Some of the most significant financial-sector reforms have occurred at critical conjunctures (e.g. 1997 Asian financial crisis, 2008 global financial crisis) when states have responded by further liberalizing rather than tightening the rules overseeing finance. Not only do these reforms reflect the "tough-love" conditionalities for IMF and World Bank debt relief and new loan packages, but they also mimic the calls by global urbanists to open up our cities to the creative powers of finance for a 21st century urban transformation (BlackRock, 2015; Deutsche Bank, 2006; Ellis and Roberts, 2016; World Bank, 2006). Alongside these reforms, nation-states and municipalities have liberalized their approach to providing key public goods and services: disinvesting from public land, housing, finance, and infrastructure; shifting the authority over them onto capital markets while playing a much more prominent role as intermediaries and brokers; and inviting international investors to enter local markets and establish financialized urban landscapes.[5] Consequently, it is becoming more difficult to separate the functioning of the state from the workings of finance capital: the state has become a broker and guarantor of public assets and finance capital the new architect and benefactor of public initiatives.

This blurring of supposedly discrete entities of the 21st century state and market is reminiscent of colonial infrastructure projects: in the mid-1800s, a private firm, the East India Company, depended upon British Parliamentary guarantees for British private financiers to finance the Indian nation's railway system, for which dividends would flow back to British investors while the cost of construction and maintenance of such public works would be borne by Indians and the Indian government (Bear, 2020; Birla, 2009, 2015; Thorner, 1950).[6] In the making of the global economy, new truths of nation, market, and infrastructure emerge that can naturalize the intertwined and inter-scalar nature of wealth generation and expropriation.

The fourth characteristic of speculative urbanism is the production of *speculative governmentality*, a mentality of government that, as Bear et al. (2015a) suggest, borrows from the Latin origins of

the term *speculari* or the idea of to watch, spy, observe, and from *specula*, a lookout or watchtower. They interpret these practices as more than the conventional way of understanding *laissez-faire* government (i.e. let markets decide what is best for society) in this neoliberal era, by highlighting the Foucauldian perspective of surveillance, security, and vigilance—social relations and rationalities of government that circulate through society. Speculative governmentality, I argue, reflects the types of conduct and rationalities that emerge from the tensions of risk-taking and future-divining that urban denizens must engage to keep up with spiraling global-city ambitions and rents in the context of dwindling state provisioning of public goods, services, and spaces (Bear et al., 2015a; Birla, 2015; Upadhya, 2020). As the ability of governments to provide services and goods becomes based on rents from external capital flows, when these flows run dry or reverse course, so does access to public services.

Living under increasingly uncertain conditions, many urban denizens must speculate to stay in place, a theme in this Special Issue. As scholars of this rural–urban transformation in India and Indonesia note, many people participate in "chains of rentiership" (Leitner and Sheppard, 2020) whereby large-scale projects trigger both a cascading set of displacements and possible speculative opportunities, with different life chances emerging along the chain (Balakrishnan, 2019; Cowan, 2018; Gururani, 2019; Upadhya and Rathod, 2021). Although ruled by structures of power defined by gender, class, and caste, people can play the speculative game and profit: some farmers can take their compensation money and try their luck in the city while others can expand their village homes into dormitories for transient construction workers. Markets get constituted by their own veridiction, in which government rationalities see such displacements and risk-taking as natural and necessary for the process of producing wealth, citizenship, and governance in cities that are economically and globally competitive (Foucault, 1979).

But in 2019 and 2020, the construction economy in India shrunk by half, only to be exacerbated by the global COVID-19 virus pandemic. The Indian urban periphery has become littered with $63 billion worth of "zombie buildings," with unfinished and empty real estate projects drowning in debt amidst the collapse of this speculative economy (Ghosh and Pandy, 2019). More than 50% of the developers across India (61% in Bengaluru, 77% in Gurgaon/Gurugram) have folded between 2015 and 2019. The industry has shrunk and consolidated in this latest period of volatility, and the largest remaining firms have had to sell off their "distressed assets" of underperforming projects at a deep discount to a handful of global private equity firms to stay afloat (Aundhe, 2019; PropEquity, 2018). As a result, fewer workers came to the city to rent apartments (or beds); thus, fewer renters helped offset the cost burden for this new precarious rentier class of farmers. A chain of speculative rentiership can trigger wealth-generating opportunities but also rein them in, with debt representing possibility for some and crippling burden for others. In other words, speculative urbanism creates the conditions for a variety of new urban subjectivities and rationalities that are embodied and relational, compelling firms and people to speculate to cope with volatility and precarity.

In the next section, I elaborate upon two features of speculative urbanism—the speculative and the financial—to highlight some lessons from studying finance capital and its growing influence on new forms of urbanism unfolding in and across our cities.

The speculative and the financial

The four characteristics of the speculative

The first characteristic within this context is its *intensification, popularization, and normalization* as the conduct of speculative urban life. As scholars Bear et al. (2015a: 389) argue: "One of the key consequences of the democratization of finance, the spread of shareholder capitalism, and the

growth of the 'castle in the air' (as Marx put it) of global financial derivative markets since the 1970s has been *a worldwide intensification and popularization of speculation*". They portray the spread of the culture and anxiety of speculation as not merely an economic endeavor, but one that permeates most aspects of life—an obsession of governments, cultural institutions, and city denizens alike. Cities are practicing what former UN Habitat Director Clos preached: over the last few decades, more urban infrastructure has been promised and financed than ever before—from the $900 billion Chinese Belt and Road Initiative of infrastructure connecting 70 countries to India's proposed 100 Smart Cities and its Golden Quadrilateral infrastructure linking all four corners of the nation, to Singapore's landfill land reclamation projects, Indonesia's Giant Sea Wall, and new capital and satellite cities being built across Asia and Africa. The idea of building world-class urban infrastructure as a speculative endeavor to transform economies and societies has been normalized, intensified, and popularized over the past few decades.

Earlier, speculation was central to the British project of colonial governmentality, specifically within the world of contracts, legal negotiations, policies, and social forms of policing (Birla, 2015), some aspects of which still resonate today. For example, from the mid to late 19th century, the British Parliament hired British contractors and financiers to construct the world's fourth-largest railways in India as an expensive way to ensure a steady flow of cotton into the imperial economy (in anticipation of the US Civil War interrupting cotton supply chains). Parliament persuaded Britain's largest financial firms to take the risk by legislating guaranteed rates of returns and limited liability, shifting the risk and responsibility of the project upon the Indian population who ultimately had to pay the Empire's bills to the lenders (De Cecco, 1973; Goswami, 2003; Jenks, 1927; Naoroji, 1873; Thorner, 1950). It became normal and natural that Empire's wars, as well as its major infrastructural projects, would be financed by private financiers with its conquered subjects to cover the costs. The speculative uncertainties and risks were rarely placed upon the financiers (such as the Rothschilds and Pereire Brothers) as leaders were beholden to them at times of war and debt (De Cecco, 1973; Harvey, 2003).

Similarly, since the neoliberal turn of the 1980s, global private equity firms have earned higher than normal returns from large-scale aspirational projects in part because governments have withdrawn from their role as lenders and grantors and have instead supported the financialization of public works through guarantees and limited liability laws to encourage private firms to invest. In the process, states tend to protect investors from uncertain, unexpected political and economic risks, expunging the risk of speculation and hurling it instead onto the shoulders of others. On face value, the rationale for paying financiers so handsomely is because they take on the high risk of such grand schemes; within the context of deep uncertainty, perhaps investors should be rewarded. But there is a more disconcerting explanation: with their entangled and inter-dependent histories, states typically guarantee finance capital against such risks. In this way, risks of speculation become governmentalized and rationalized: risks get spread across society while rewards are individualized.

The second characteristic of the speculative is a form of *disciplinary governmentality* that divides (legally, culturally, affectively, and spatially) the informal marketplace from the formal, legitimating and protecting the gambling of the stock market while criminalizing the larger world of the street bazaar and the informalized economy of the urban majority (Birla, 2015; Sanyal, 2007). This full range of speculative experiences reflects the way subaltern and elite subjectivities are relationally and unevenly constituted, rooted in liberal expectations of government and population. This characteristic of the speculative reveals the ways high-risk finance benefits elites as its attendant societal risks become normalized; meanwhile, practices of everyday urban transactions and its participants become marginalized. Even those who become excluded from the formal capitalist marketplace may also carry the burden of risk when formal markets and projects fail (Sanyal, 2007).

The third characteristic of the speculative is that the nature and experience of risk are *highly differentiated* and the effects are place-making. As noted above, for some investors, it is a risk-free

calculation, guaranteed by the powers of the state and enacted by various social institutions such as the real estate sector, the stock market, and the police (protecting the values of private property and public space). For the urban majority, however, speculation can be very risky and even expulsive (Sassen, 2014; Rolnik, 2019). Contrary to the liberal notion of speculation as an individual practice, speculation is a society-wide inter-scalar phenomenon, requiring the mobilization of many from different social standings providing their labor for speculation to work. Consider the activities of displaced farmers who become petty landlords on their remaining slice of land, state officials who free up public land for the market, developers who hire local brokers and muscle to aggregate land for big projects financed by others, and customers who buy homes on speculation and not for end-use. For speculation to thrive, all must actively contribute to its conditions of possibility.

Therefore, risk becomes a technology of government with its space- and place-making elements. For example, in the context of finance, industry, and real estate, risk becomes a measurable uncertainty, with actuaries in the case of the insurance industry that measure risk to help mitigate worst outcomes; hedges for finance help offset risks when markets or values fall; trade, banking, and bankruptcy laws mitigate industry effects when markets crash (O'Malley, 2009). Risk management has a rich history in the 19th and 20th centuries when financial transactions on cross-Atlantic trading first appeared, naturally, as too risky—how can we risk investing in the trade of slaves, mountains of sugar, or bales of armaments, knowing the uncertainty of the high seas, mischievous traders from afar, and unsavory machinations of the imperial economy? Risk management became the antidote to the uncertainty of speculation, as established by both governments and industry players (Baucom, 2005). It helped assure the possibility for investors to support new plantations, rail and shipping infrastructure, labor colonies, and expansionary forms of settler colonialism in general. Today, it provides for the rapid expansion of urban real estate into the rural, the forests, and the seas. Even as the process of financialization promotes the widespread prevalence of speculation, illicit and licit, it also enables the production of new financial strategies to mitigate risks and remake social-spatial dynamics.

Risk is differentially experienced not because society is so varied but rather because of the specific logic—and government—of financial tools themselves. Rather than eliminate risk in speculation, they instead offload risks onto the less powerful, and in this way, risk becomes highly racialized, classed, and gendered. In the case of the 2008 financial crisis in the USA, "the term subprime mortgage has become a racial signifier of the national debate on the causes and fixes for capitalism in crisis." Working-class ethnic minorities were both blamed for the cause of the collapse and became the site for discipline to prevent future problems (Chakravartty et al., 2012). Unlike Ulrich Beck's notion of risk society (1992) which explained catastrophic risk (nuclear, climactic, and economic) as affecting all of society, an abundance of scholarship and activism reveals how differentially risk is experienced, especially along intersectional axes of race, class, gender, and caste. The urban financialization literature highlights how this is more than a question of "impact," but instead reflects the inner logic of the financial technologies embedded in forms of racialized financial capitalism (e.g. tax increment financing (TIFs), adjusted-rate mortgages (ARMs), real estate investment trusts (REITs), and mortgage-backed securities (MBS)) with place-disrupting capabilities that spatialize these inequalities to generate wealth (Bear et al., 2015b; Myklebust et al., 2021).

For example, the US housing collapse from the 2008 financial crisis left many in working-class neighborhoods of color foreclosed, evicted, and their housing transformed into financial assets. Private equity firms such as Blackstone purchased nearly 100,000 foreclosed homes on a $10 billion bet, converted them into both rental homes and financial assets (Dezember, 2016). They securitized the future value of rent checks and fees into profitable bonds that trade globally (Fields, 2018; Glantz, 2019). These characteristics of normalization, disciplinarity, and intersectional expropriation direct us to a research agenda that can de-naturalize and ground these speculative and spectacular events into understandable, inter-scalar socio-spatial experiences.

A few characteristics of the financial

Although theories of social inequality and power can be mobilized to explain how speculation is experienced differently, we still need an explanation of how finance power operates and relates to urban speculation. One clue comes from the literature on financialization. Krippner (2012) proposed a definition of financialization with two dimensions: although many scholars point to the four decades of the phenomenal growth of size and power of the sector of finance in the US economy (whose financial sector today comprises 40% of corporate profits, up from 5% in the 1950s), Krippner defines financialization more precisely as, first, the "pattern of accumulation through financial channels rather than through trade or commodity production," and second "significant improvements in profitability" (Christophers, 2018; Krippner, 2012). Illustrating this second point by examining the US banking sector, Christophers finds that the key factor enabling this sector to improve its profitability both before and after the 2008 financial crisis was its ability to develop *monopoly power*.

After rounds of consolidation following a series of crises starting in the late 1970s, financial giants gained tremendous leverage to earn above-average monopoly profits, reinforced after the 2008 crisis when the banking sector in the USA (and elsewhere) consolidated to such a point that it could create capital scarcities as opportunities for profit-making. Krippner's thesis and Christophers' conclusions (not unlike earlier Marxist theories of monopoly capital, such as Sweezy and Baran's) capture the evolving strategies of finance capital and its ability to improve its profitability by eliminating competitors and cornering markets it creates. We see this dynamic manifest in the ways that a handful of financial firms across Asia capture high profits from a fractured landscape of unfinished and bankrupt urban projects.

Thus, we can identify that a primary characteristic of the financial, within the context of 21st century speculative urbanism, is its *monopoly power* (Christophers, 2018; Kaika and Ruggiero, 2013; Ward and Swyngedouw, 2018). The financial sector and its financialization rationale have taken over more of the nonfinancial economy over the past few decades. Firms tend to create and corner markets in distinct and nonoverlapping places from their competitors in ways that share in pieces of the overall pie without undermining profit rates from hyper-competition (Myklebust et al., 2021).

Other characteristics of the financial relate to its ability to negotiate and circulate capital through fixed assets and infrastructure across borders and portfolios. Such power is attained through its ability to mobilize in tandem its *liquidity*, *mobility*, and its *use of arbitrage* or arbitraging to simultaneously play one investment off another (whether it be projects, currencies, interest rates, or ways to coax a better deal from those in greatest need of perceived "scarce" capital). All of these characteristics have at their core the reality that the largest financial actors today are global, based on their ability to successfully hoard capital and corner markets (e.g. forfeited commercial properties, securitized bonds) that they have helped create. They can move in and out of investments largely because the financial tools they invent allow them to remain liquid throughout the investment cycle and thus mobile and limited in liability. They can name their price of entrance and exit. As the previous section suggests, these characteristics lend themselves to a research method that focuses less on a static notion of fixed place or asset than on the relational, inter-scalar dynamics—that is, to observe and understand capital in motion.

Global finance rarely focuses on one place, city, sector, or piece of infrastructure with any permanence or allegiance, but rather sees the playing field as relational, using currencies and interest rates and offshore accounts that can earn them revenues while circulating their capital across places and fluctuating rates of value. They pit one set of state regulations against another to pry open a looser and more accommodating set of bargains and guarantees; the withering away of constraints on the movement and business of finance capital since the 1990s is a perfect example of the flexing

of finance's power. Private equity firms do not adhere to sectoral or national boundaries, rather they thrive from national differences, as long as the regulatory field allows them to move with ease. As one private equity manager explained, "We never invest without an exit strategy" (Tooze, 2019). The private equity firm Blackstone had not been in the business of real estate until 2010, yet today it has become the largest corporate landlord in the world, including the largest in India, investing in office parks, shopping malls, and gated communities that lost their market value in economic bad times (Nandy, 2018). Most of these holdings are in special project vehicles and limited liability corporations offshore in tax havens that allow its investment capital to remain safely unregulated and liquid, facing minimal liability or commitment to stay put. It could effectively manage and move its capital from asset to asset without the onus of fixed-asset ownership or government surveillance or accountability, using small offices in the Virgin Islands, Panama, and Mauritius to benefit from "double tax-free" laws allowing them to trade across national borders without paying taxes in either country (Shaxson, 2012). The worries of the volatilities of fixed assets—will the transit system remain empty during a global pandemic, will the power plant fail in a storm?—are the worries of those who are responsible for its fixity and maintenance, not its finances. Thanks to worldwide de-regulation of finance capital, the industry has profited in recent times—through financial crises, market collapses, and pandemic—by prying apart the (private) risk for finance from the (public) risk of infrastructure.

The overlapping characteristics of finance in this era of speculative urbanism depend upon loose regulations and divine trust that free-wheeling finance capital will stimulate further investment and revenue generation. Two examples demonstrate these features of finance in Stockton, CA, and New York City. Similar to the many US cities that went bankrupt from the 2008 crisis, working-class Stockton, CA, borrowed to rebuild its crumbling city hall and construct a "riverside renaissance" commercial center promised to generate tourist revenue, a seemingly improbable ambition for this city with a reputation for being in the social-spatial backwaters of northern California (Davidson and Ward, 2014). But instead of using traditional municipal bonds or federal or state-backed support to raise the money, the city's financial advisors (and the consolidated market they worked for) offered Stockton a deal based on the gamble that interest rates would soon rise in the early 2000s, an expectation of the interest rate swaps (IRS) of this period. In the real world, especially in the wake of the crisis, the US Federal Reserve kept rates close to zero. Since cities lost the gamble and interest rates did not rise, Stockton and dozens of other cities had to pay back hundreds of millions more than they borrowed on these IRS agreements. In the second example, the NYC Metro Transit authority paid an extra $658 million above what they borrowed under a series of swaps contracts between 2000 and 2011; once political pressure came upon them for signing such a bad deal, they insisted upon terminating the contract. But as every financial deal in this monopolized marketplace has a steep termination fee, NYC Metro Transit was forced to pay an additional $1.3 billion to end the deal. During that time period, it was forced to lay off 2000 employees and raise fares 66% required to follow these dubious rules set by the lenders (Stewart, 2011).

The deal was made in the first place to raise capital to rebuild dangerously decrepit infrastructure at a time when capital was made scarce by the very same firms that sold IRS as cities' sole option on the market. The capital lent to US cities built no infrastructure; instead, it created the largest profit bonanza for the four firms that created and cornered that market of urban lending. On the cusp of the crisis, between 2006 and 2008, US financial firms collected at least $28 billion from cities solely for IRS payments. According to the Office of the Comptroller of the Currency, US financial firms held a phenomenal $183.7 *trillion* in interest rate contracts, much larger than the US gross national product. Four firms controlled 93% of total derivative holdings in 2012 (JP Morgan Chase, Citibank, Bank of America, and Goldman Sachs) and these swaps comprised >80% of the value of all US derivative contracts but were only one part of these firms' global portfolio of circulating capital (DiNapoli, 2012).

From the mosh pit of the US urban financial crisis, we can see the significance of finance's overlapping characteristics: it takes monopoly power to maintain liquidity, mobility, and arbitrage capabilities; monopolized markets leave cities few choices but to subscribe to the financial tools available however usurious and feeble the promises are to build the golden goose infrastructure. These profits circulate through global financial markets and feed speculative projects elsewhere. It is noteworthy that at the same time US cities were being cajoled into this financial hustle, cities around the world (North and South) were experiencing similar—and interconnected—speculative bubbles and financial collapses.

It is a small (financialized) world after all

This process of urban financialization occurs globally and unevenly. Let us look at one country, Spain, to see how the world of finance works, relationally and inter-scalarly, in and out of countries and sectors, creating and utilizing crises to make new urban markets and landscapes that they can corner (García, 2010). Even though Spain's economy, like much of Europe, grew by leaps and bounds up before the conjunctural moment of the 2008 global financial crisis, Spain's largest banks earned their highest profits *after* the crisis, suggesting that it created opportunities rather than extinguishing them. But Spanish banks' biggest gains were earned outside Spain, which reminds us we should not assume that "national" banks are nation-bound. Santander, for example, exited with hefty profits from its Brazilian deals at the same time that the other largest bank in Spain, BBVA, earned more than a 40% rate of return from its investments in Mexico, with neither giant "Spanish" bank competing with each other in either market. Coincidence? By 2014, the four largest Spanish banks had absorbed over 60 private Spanish banks and government-owned *cajas* (small banks that originally lent to towns and working-class communities), emerging after the consolidation period with substantial profits in a national economy deadened by austerity and unemployment (Amaral, 2010; Buck, 2014; Chislett, 2014a, 2014b). At the same time, Germany's Deutsche Bank bought up non-preforming assets (NPAs) from BBVA and toxic assets from the newly created government-owned Spanish bank of Sareb, which was founded postcrisis on the bad assets of four major banks. These toxic assets were purchased by Deutsche Bank at a 97% discount (Zuloaga, 2014). As a banker at Credit Suisse noted, the mergers and acquisitions gave the Spanish banking sector an "oligopolistic profile," a description equally appropriate for the profile of postcrisis banking across Western Europe (Buck, 2013).

Here, it is important to highlight how the conjunctural creates the conditions for monopolistic practices and how they together become key features of the finance-dominated accumulation process of speculative urbanism. First, the largest financial firms were original advocates of a new urban landscape of "world-class" infrastructure back in the 1990s, a financialized landscape that promised to generate high revenues not just for the investors but for city and nation alike. (Spain's tourist hospitality industry banked on it, as did the housing and construction sectors, commercialized arts and entertainment, and so on.) Here we can trace how the idea of producing the speculative urban becomes popularized and normalized. Second, the surviving largest banks became the new face of finance and banking in Europe after the crisis and they pressured the state to create new markets of toxic or NPAs to wash off the books the bad loans and show the world the attractiveness of Spanish cities as a place to invest. At the same time, these same banks set the conditions (i.e. 97% discount rates) and purchased these assets as a vehicle to generate profitability unavailable to the smaller actors. Although they received the ECB bailout as Spanish banks to help Spain, these banks were free to invest anywhere they could generate profits for their clients, imagined naively to be the Spanish. Coordinating with the other powerful banks to squelch competition, they were able to create and capture markets by making capital scarce in one place, available only through their own financial channels.

In other words, *the 2008 global financial crisis did not bring down a system; it helped to create one*, with consolidation and monopolization being key features of this speculative urban process. The half-built and unused structures littering cities around the world became attractive to the world's largest investors as a new opportunity, not necessarily to complete the projects scarring the landscape but rather to financialize and assetize them (Ward and Swyngedouw, 2018). All of these practices reflect the speculative-financial characteristics mentioned above: the importance of the conjunctural, the growing monopoly power and use of contract to set the advantageous and differential terms, the use of arbitrage (and liquidity and mobility) across sectors and borders to make money as well as disrupt cities.

All of this activity did not freeze the postcrisis urban economy, rather it helped reshape it. Profligacy for the largest firms translated into austerity for the urban public: after the crisis, the Spanish government, under pressure from the IMF, European Union, and the ECB, worked to "ensure the repayments of debts by socializing the losses of financial institutions" (Coq-Huelva, 2013). Fiscal austerity measures included massive layoffs, pay cuts and labor rights reform, pensions system reform, and deepening of cuts of social expenses, putting cities under extreme stress. By 2013, the budget required €40,000m in social expenditure cuts as interest payments rose to €38,600m (Coq-Huelva, 2013). Even with these drastic public spending cuts, Spain's public debt (much of it owed to private banks) continues to grow.

The considerable precrisis flows of speculative capital into finance and real estate in Spain (and Europe's other PIGS—Portugal, Ireland, Greece) were trumped by the even more substantial postcrisis flow. Foreign investors snapped up what the Spanish had defaulted on at bargain prices. Between 2009 and 2012, foreign direct investment in Spanish finance and insurance increased by 42%, and in real estate rose 66.7%, whereas investment in manufacturing fell 38.5%. In 2014, two US hedge funds alone (managed separately by George Soros and John Paulson) raised $630m in new property investment vehicles (Chislett, 2014a). This type of investment does not stimulate job or wage growth, it only intensifies the speculative requirements of urban living as workers lose access to the jobs and affordable housing they need to survive. Thus, people have to figure out how to assetize what they do have and generate income from their home, car, and bodies. Financialized entrepreneurs of the gig economy march in offering unique opportunities to the underemployed/underpaid/overleveraged to assetize their homes, bedrooms, car space, and free time by turning them into speculative enterprises. But of course, to succeed, they must self-organize, self-insure, self-care, and be responsible and liable for the wear and tear on their cars, rooms, and bodies (Dowsett, 2014). Within this financialized speculative economy, the gig economy can actualize the biopolitical management of urban life under debt (Conroy, 2019). One can see how easily the gig economy can thrive off the vulnerabilities of this speculative urban moment, as Nowak (2021) demonstrates in this Special Issue, and generate forms of disciplinary governmentality.

With finance capital circulating through our cities, receiving bailouts here and triggering new selloffs there, municipal budgets suffer. State strategies shift toward the promotion of ambitious large-scale projects that require the city governments to "free up" precious uncommodified public commons (land/goods/space) and convert them into collateral as a means of enticing developers to build and financiers to bankroll them, reducing investors' risks and liabilities every step of the way. Refuting the persistent rhetoric of free and competitive markets, this could only happen through alliances among state officials, financial actors, and corporations. Ambitious politicians sanction pie-in-the-sky projects and fund them through their relations with financiers to use the public commons for what become monopolized and financialized—tourist attractions, transit systems, and seaside resorts—and cash cows for offshore investors.

Unlike the common narrative of the small home-mortgage holder speculating beyond one's means (i.e. using moral and ethnic blame), the 2008 Spanish crisis reflected a mania that crossed

three domains: public infrastructure, public government/budgeting, and the public/private housing market. Seeing them as intertwined helps to reveal the deep structural foundation of the crisis (rather than the more ephemeral/ideological explanation of bad consumer behavior or the cyclical nature of markets). This approach also helps us see the central role that government, political parties, banks, and corporations played in the crisis. We can also better understand the inter-scalar dimensions, since the story cannot be told without the key roles of German bank capital and Northern European pensioners, US private equity firms, and the Euro-*ization* of Europe's various national currencies—which made the Spanish *peseta* and its land so much cheaper than that denominated in the German *mark* as they all were translated *unevenly* into Euros.

A nation-based approach cannot capture the fact that investor-clients come from all over the world—capital streaming from China into Seattle, capital from Saudi Arabia into London, capital from India into South Africa, Singapore's sovereign wealth fund into India, with most of these deals using capital channeled from limited liability companies sitting in tax havens of Mauritius, Cayman Islands, and Singapore (Shaxson, 2012). The discourse of the *national* gets mobilized for various reasons, but it cannot explain urban financialization in this conjuncture.

A final thought on the many lives of speculation. Leading up to the financial crisis, Spanish cities and their speculative bubble economies were animated by a division of labor among Central Americans, West Africans, Chinese, and South Asians who rented, purchased homes, ran small vegetable stands, informal street businesses, beauty salons, and served as domestic workers (Gonick, 2021; Moreno, 2014; Palomera, 2014). One of the reasons home prices appreciated by 30% each year for the three years prior to the 2008 crisis in Spain, Ireland, Portugal, and Greece is because the state and banks offered cheap loans, whereas wild real estate and construction markets encouraged new immigrants with little collateral to become home and business owners, if fleetingly, until the bubble economy crashed down hard. The speculative labor that contributed to this frenzy came not just from "locals" but also fueled by resources and workers from afar, as immigrants and their kinship networks from abroad shifted their savings into the Spanish market.

The work of speculation can be seen as transnational and relational, inter-scalar and in movement, partially shaped by the conjunctural event of economic collapse elsewhere (e.g. Ecuador, Honduras, and Peru) combined with state subsidies encouraging the cheap availability of capital that is allowed to flee, which produces, if you will, the next generation of trans-migratory speculators. Yet, beyond falling deeply into debt and being complacent, in Madrid at least, Central American immigrants fought back. As Gonick (2021) portrays in her new book, Dispossession and Dissent, a cohort of Ecuadoreans who were shoved out of their homes and corner-market investments in Madrid banded together to help propel Madrid's anti-eviction campaign into a successful political movement. It is thus important to highlight the point that the dangers of speculative urbanism also have their unintended contestable, emancipatory, and aspirational dimensions.

In sum, studying in situ the workings of finance capital reveals some of its key characteristics. What may appear as durable, such as infrastructure projects, capital holdings, financial instruments, and borders might better be understood as *processes* that "actively construct space and time," as Henri Lefebvre once argued (Hart, 2018; Harvey, 1996, 2003; Lefebvre, 1991). Similar to the conceptualization of the global urban presented above, financialization is not a singular process or event but an ongoing set of speculative, adaptive, and malleable power relations among actors, working toward speculative gains in and across rapidly globalizing cities they help to configure.

Conclusion: Speculative urbanism and the worlds beyond finance

Thinking back to the period before the crisis, in Bengaluru, I remember seeing graffiti on the streets decrying the power of the land and water "mafias," a discourse reflecting the raw collective angst as they experienced the tumult of speculative city life. Housing and rents had become too expensive

for the urban majority, land prices were crazy—around the new airport, prices went up 990% within a decade (Goldman, 2020; O'Neill, 2019). Pressures to sell and move came in many forms. Politicians and developers promised endless pipe dreams of a Formula One raceway to draw in big spenders from abroad, Japanese monorail to fly over congested streets, and self-managed private townships with living quarters more luxurious than one could find in Singapore or Dubai. Although none of these promises materialized, these speculative dreams nonetheless transformed city life by "rendering urban space an object of investment," even if never realized as imagined (Nowak, this issue). This discursive-material formation encourages cities to build "world-class" infrastructure using financial tools that extract much more than they offer. In what we call speculative urbanism, this phenomenon is not unique to Bengaluru; in fact, its manifestation in India is related to co-constitutive processes occurring across cities, firms, and states, globally.

This article suggests using the optics of finance to better understand how financial firms can profit healthily from such ventures as failed urban infrastructure (Christophers, 2015). By looking at the strategies of finance within this context of speculative urbanism, we find that what appears as scarce or financially imprudent at one moment, in one sector, in one country, can be feasible and logical elsewhere or at another moment. From finance's perspective, what happens in Bengaluru is linked to events in Jakarta, and *vice versa*, especially when the same global firms have branches in and circulate capital through investments in many places at once (Goldman et al., 2017). As the largest private equity firms captured markets of "depressed" assets of unsold housing and unfilled office space in India, they were already leveraging these and similar assets as collateral for investments elsewhere, easily flowing across the North–South divide.

Privileging the optics of finance places our inquiry within a spatio-historical and conjunctural analysis that can reveal both the concrete and abstract inter-connections and how they shape broader processes of variegated speculative urbanisms here and there (Hart, 2018). By following financial movements, investments took me on a journey of mobility and liquidity across urban infrastructure—toll roads, stadia, upscale housing complexes, commercial centers—in Spain, the USA, India, Brazil, Indonesia, and China, concretized by contractual agreements and ever-accommodating forms of governmental participation. By using the optics of finance to understand the strategy of investors, rather than base one's starting point on the speculative narrative of the urban infrastructural project—will it provide for all?—one can get a better grip on the art of these deals and learn how they can transform urban space into a liquid asset that travels.

Although this article suggests an analytical framework that starts with the financial, the intention is not to be economistic or capital-centric (Bear et al., 2015a, 2015b). Finance's rise to power in the late 20th century has been a cultural, social, spatial, and affective phenomenon that requires multiple strategies to interrogate, with many sites of possible entry and structures of power—geographic and conceptual. As noted above, I stumbled into the Alice-in-Wonderland world of finance after being caught in a maze of failed infrastructure that echoed with the social anxieties of displaced populations. Although it was happening in places I had been living—India, the USA, and Spain—it was unfolding at a different pace and form. And yet there were eerily similar patterns that were impossible to ignore. Future research that has a much better handle on the financial—including research presented by colleagues in this Special Issue—will undoubtedly accentuate much more clearly the domains of the human, nonhuman, and technological that are unfortunately missing here.

In sum, one can see how the city is not place-bound, and that studying the global South city invokes the need for a method for understanding the co-constitutive nature of capital, the state, and the urban. If the main actors themselves insist that "private equity is all about getting out," then perhaps it behooves us to take this admission seriously and be willing to depart from the fixed entity of the city and sector as our unit of analysis, as finance so readily does (Jones Lang LaSalle, 2011). If we are banking on the

dreams of new urban projects to solve our trenchant social problems, we need to seriously interpret what "getting out" means, for whom, and to what differential effects.

At the same time, we as academics should appreciate the importance of "getting out" of the ivory tower to follow the protean strategies of finance capital as well as everyday speculators wherever they make take us, to better understand the many dimensions of the urban condition under speculative urbanism. This multi-layered phenomenon produces a common sense that runs the risk of becoming fundamental, as Foucault has stated: "*that the market must be that which reveals something like a truth*." Our task remains to excavate the workings behind this truth-making and truth-telling to develop strategies to radically rethink its authority and power.

Declaration of conflicting interests

The author declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: This work was supported by the Geographical Sciences, National Science Foundation (grant number BCS-1636437).

Notes

1. "The importance of economic theory—I mean the theory constructed in the discourse of the économistes and formed in their brains—the importance of the theory of the price–value relationship is due precisely to the fact that it enables economic theory to pick out something that will become fundamental: *that the market must be that which reveals something like a truth*. This does not mean that prices are, in the strict sense, true, and that there are true prices and false prices. But what is discovered at this moment, at once in governmental practice and in reflection on this governmental practice, is that inasmuch as prices are determined in accordance with the natural mechanisms of the market they constitute a standard of truth which enables us to discern which governmental practices are correct and which are erroneous." Foucault (1979: 31–32).
2. Once called Bangalore, its official name changed to Bengaluru in 2014.
3. Leitner and Sheppard (2020), Peck (2017), and Sheppard et al. (2015) build upon the concept by thinking through both the spatial and the relational—described as the spatio-temporal—dimensions to the conjunctural.
4. Scholars have refined the concept of speculative urbanism to explain rapid shifts in financialized urban processes globally (Goldman, 2011; Goldman and Narayan, 2021; Sood, 2018), in China (Li et al., 2014; Shin, 2019), Cambodia (Nam, 2017), South Korea (Shin and Kim, 2016), across Southeast Asia (Leitner and Sheppard, 2018; Zhang, 2017), and in the USA (Knuth, 2014). More generally, this role of global finance in city-making has spawned a fruitful body of scholarship on the "financialization of the city" (Aalbers, 2017, 2019, 2020; Weber, 2015).
5. For example, as Anguelov (2021, this issue) demonstrates, China and Japan have become major investors in a series of large-scale infrastructural projects in and around Jakarta, Indonesia that have enabled their firms to be on the ground constructing public infrastructure (e.g. for water, transport, and housing) as their financiers collect financial rents with each intervention and at every juncture.
6. Moreover, British debts owed in France and the USA were paid off by fees and taxes extracted from the British colony of India (De Cecco, 1973).

References

Aalbers M (2017) The variegated financialization of housing. *International Journal of Urban and Regional Research* 41(4): 542–554.

Aalbers M (2019) Financial geographies of real estate and the city. *FinGeo Working Papers #21*, KU Leuven, January.
Aalbers M (2020) Financial geography III: The financialisation of the city. *Progress in Human Geography* 44(3): 595–607.
Amaral R (2010) The road to Latin America. *Professional Pensions*, September.
Anand N (2017) *Hydraulic City: Water and Infrastructures of Citizenship in Mumbai*. Durham, NC: Duke University Press.
Ancien D (2011) Global city theory and the new urban politics twenty years on: The case for a geohistorical materialist approach to the (new) urban politics of global cities. *Urban Studies* 48(12): 2473–2493.
Andonov A, Kraussel R, Rauh J, et al. (2018) The subsidy to infrastructure as an asset class. *NBER Working Paper #25045*.
Anguelov D (2021) *Financializing Urban Infrastructure?: The Urban Growth Machine and Speculative State-Spaces – A Southern Perspective*. UCLA Geography department.
Aundhe S (2019) Financialisation of real estate in Bengaluru. NSF 'Speculative Urbanism' Project, NIAS, Bengaluru.
Balakrishnan S (2019) *Shareholder Cities: Land Transformations Along Urban Corridors in India*. Philadelphia: University of Pennsylvania Press.
Baucom I (2005) *Specters of the Atlantic: Finance Capital, Slavery, and the Philosophy of History*. Durham, NC: Duke University Press.
Bear L (2020) Speculation: A political economy of technologies of imagination. *Economy and Society* 49(1): 1–15.
Bear L, Birla R and Puri SS (2015a) Speculation: Futures and capitalism in India. *Comparative Studies of South Asia, Africa and the Middle East* 35(3): 387–391.
Bear L, Ho K, Tsing A, et al. (2015b) *Gens: A Feminist Manifesto for the Study of Capitalism*. Society for Cultural Anthropology. Available at: https://culanth.org/fieldsights/gens-a-feminist-manifesto-for-the-study-of-capitalism
Becker J, Jäger J, Leubolt B, et al. (2010) Peripheral financialization and vulnerability to crisis: A regulationist perspective. *Competition and Change* 14(3–4): 225–247.
Benjamin S and Raman B (2011) Illegal claims, legal titles, and the worlding of Bangalore. *Revue Tiers Monde* 206: 37–54.
Birla R (2015) Speculation, illicit and complicit: Law, uncertainty and governmentality. *Comparative Studies of South Asia, Africa and the Middle East* 35(3): 392–407.
Birla R (2009) *Stages of Capital: Law, Culture and Market Governance in Late Colonial India*. Durham, NC Duke University Press.
BlackRock (2015) Infrastructure rising: An asset class takes shape. New York City.
Bonizzi B, Kaltenbrunner A and Powell J (2019) Subordinate financialization in emerging capitalist economies. Greenwich Papers in Political Economy 23044. University of Greenwich, p.16.
Brenner N (2004) *New State Spaces: Urban Governance and the Rescaling of Statehood*. Oxford: Oxford University Press.
Buck T (2013) Optimism on Spanish banks grows as oligopoly looms. *Financial Times*, December.
Buck T (2014) Spain's banks reap billions from sovereign bond holdings. *Financial Times*, 29 January.
Buckley M and Hanieh A (2014) Diversification by urbanization: Tracing the property-finance nexus in Dubai and the Gulf. *International Journal of Urban and Regional Research* 38(1): 155–175.
Chakrabarty D (2000) *Provincializing Europe*. New Jersey: Princeton University Press.
Chakravartty P and Ferreira da Silva D. (2012) Accumulation, dispossession and debt: The racial logic of capitalism – an introduction. *American Quarterly* 64(3): 361–385.
Chislett W (2014a) Spain: Foreign direct investment on the rise. *Elcano Royal Institute*, 25 March.
Chislett W (2014b) Spain Leads the world market for infrastructure development. *Elcano Royal Institute*, 11 April.
Christophers B (2015) Limits to financialization. *Dialogues in Human Geography* 5(3): 183–200.
Christophers B (2018) Financialisation as monopoly profit: The rise of US banking. *Antipode* 50(4): 864–890.
Conroy W (2019) The biopolitical commons: A revised theory of urban land in the age of biopolitical production. *Planning Theory* 18(4): 470–491.

Coq-Huelva D (2013) Urbanisation and financialisation in the context of a rescaling state: The case of Spain. *Antipode* 45(5): 1213–1231.
Cowan T (2018) The urban village, agrarian transformation, and rentier capitalism in Gurgaon, India. *Antipode* 50(5): 1244–1266.
Davidson M and Ward K (2014) 'Picking up the pieces': Austerity urbanism, California and fiscal crisis. *Cambridge Journal of Regions, Economy and Society*, 7(1): 81–97.
De Cecco M (1973) *Money and Empire: The International Gold Standard, 1890–1914*. London: Blackwell Publishers.
Deutsche Bank (2006). 450 Billion reasons to invest in Indian infrastructure. Frankfurt.
Dezember R (2016) Wall street as landlord: Blackstone going public with a $10 billion bet on foreclosed homes. *Wall Street Journal*, 6 December.
DiNapoli T (2012) State of New York comprehensive annual financial report for fiscal year March 31. New York State Comptroller.
Dowsett S (2014) Special report: Why Madrid's poor fear Goldman Sachs and blackstone. *Reuters*, October 24.
Ellis P and Roberts M (2016) *Leveraging Urbanization in India: Managing Spatial Transformation for Prosperity and Livability*. Washington, DC: World Bank.
Epstein G (2005) *Financialization and the World Economy*. Northampton, MA: Edward Elgar Publishing.
Fields D (2018) Constructing a new asset class: Property-led financial accumulation after the crisis. *Economic Geography* 94(2): 118–140.
Firman T (1999) From 'global city' to 'city of crisis': Jakarta metropolitan region under economic turmoil. *Habitat International* 23(4): 447–466.
Foucault M (1979) *The Birth of Biopolitics*, 17 January 1979, Lecture 2, translated by Graham Burchell. New York: St. Martin's Press.
García M (2010) The breakdown of the Spanish urban growth model: Social and territorial effects of the global crisis. *International Journal of Urban and Regional Research* 34(4): 967–980.
General Assembly UN (2015) Transforming our world: The 2030 agenda for sustainable development, 25 September.
Ghosh S and Pandy D (2019) $63 billion of zombie buildings sound warning for Indian banks. *The Economic Times*, 4 October.
Glantz A (2019) *Homewreckers*. New York: Harpercollins.
Goldman M (2011) Speculative urbanism and the making of the next world city. *International Journal of Urban and Regional Research* 35(3): 555–581.
Goldman M (2020) Dispossession by financialization: The end(s) of rurality in the making of an urban land market. *Journal of Peasant Studies* 47: 6.
Goldman M, Gidwani V and Upadhya C (2017) Problem statement, Special Issue on urban transformation in Bangalore in seminar (June) number 694. Available at: https://www.india-seminar.com/2017/694/694_the_problem.htm (accessed 22 October 2020).
Goldman M and Narayan D (2019) Water crisis through the analytic of urban transformation: An analysis of Bangalore's hydrosocial regimes. *Water International* 44(2): 95–114.
Goldman M and Narayan D (2021) Through the optics of finance: Speculative urbanism and the transformation of markets. *International Journal of Urban and Regional Research,* 45(2): 209–231.
Gonick S (2021) *Dispossession and Dissent: Immigrants and the Struggle for Housing in Madrid*. Palo Alto: Stanford University Press.
Goswami M (2003) *Producing India*. Durham, NC: Duke University Press.
Gotham KF (2009) Creating liquidity out of spatial fixity: The secondary circuit of capital and the subprime mortgage crisis. *International Journal of Urban and Regional Research* 33(2): 355–371.
Gramsci A (1971) *Selections From the Prison Notebooks*. New York: International Publishers.
Gruneau R and Home J (eds) (2016) *Mega-Events and Globalization: Capital and Spectacle in a Changing World Order*. New York: Routledge.
Gururani S (2019) Cities in a world of villages: Agrarian urbanism and the making of India's urban frontiers. *Urban Geography* 41(7): 971–989.
Hart G (2018) Relational comparison revisited: Marxist postcolonial geographies in practice. *Progress in Human Geography* 42(3): 371–394.

Harvey D (1996) *Justice, Nature and the Geography of Difference*. Cambridge, MA: Blackwell.
Harvey D (2003) *Paris: Capital of Modernity*. Cambridge, MA: Basil Blackwell.
Jenks L (1927) *The Migration of British Capital to 1875*. New York: Knopf Publishers.
Jones Lang LaSalle (2011) Reaping the Returns: Decoding Private Equity Exits in India.
Kaika M and Ruggiero L (2013) Land financialization as a 'lived' process: The transformation of Milan's Bicocca by Pirelli. *European Urban and Regional Studies* 23(1): 3–22.
Karwowski E and Stockhammer E (2017). Financialisation in emerging economies: A systematic overview and comparison with Anglo-Saxon economies. *Economic and Political Studies* 5(1): 60–86.
Knuth S (2014) *Seeing green: Speculative urbanism and the green economy*. PhD Dissertation, UC Berkeley Geography.
Kodres L (2013) What is shadow banking? *Finance and Development* 50(2): 42–43.
Krippner G (2012) *Capitalizing on Crisis: The Political Origins of the Rise of Finance*. Cambridge, MA: Harvard University Press.
Lapavitsas C (2014) *Profiting Without Producing: How Finance Exploits Us All*. London: Verso Books.
Lefebvre H ([1974] 1991) *The Production of Space*. Malden, MA: Blackwell.
Leitner H and Sheppard E (2016) Provincializing critical urban theory: Extending the ecosystem of possibilities. *International Journal of Urban and Regional Research* 46(1): 228–235.
Leitner H and Sheppard E (2018) From Kampungs to Condos? Contested accumulations through displacement in Jakarta. *Environment and Planning A* 50: 437–456.
Leitner H. and Sheppard E (2020) Towards an epistemology for conjunctural inter-urban comparison. *Cambridge Journal of Regions, Economy and Society* 13(3): 491–508. Available at: https://doi.org/10.1093/cjres/rsaa025
Li Z, Li X and Wang L (2014) Speculative urbanism and the making of university towns in China: A case of Guangzhou University town. *Habitat International* 44: 422–431.
Lopez I and Rodriguez E (2011) The Spanish model. *New Left Review* 69: 5–28.
Moreno L (2014) The urban process under financialised capitalism. *City: Analysis of Urban Trends, Culture, Theory, Policy, Action* 18(3): 244–268.
Myklebust S, et al. (2021) Cashing in on our homes: Billionaire landlords profit as millions face eviction. Washington, D.C.: Bargaining for the Common Good/Institute for Policy Studies,
Nam S (2017) Urban speculation, economic openness, and market experiments in Phnom Penh. *Positions: Asia Critique* 25(4): 645–667.
Nandy M (2018) The rise and rise of Blackstone in India. *The Mint*, 26 March.
Naoroji D (1873) *Poverty and Un-British Rule in India*. London: Swan Sonnenchein.
Nowak S (2021) The social lives of network effects: Platform urbanism, speculation, and collective risk management amongst gig workers in Greater Jakarta, Indonesia. *Working Paper*, UCLA Geography.
O'Malley P (2009) Governmentality and risk. University of Sydney Law School, Legal Studies Research Paper 9/98.
O'Neill P (2019) The financialisation of urban infrastructure: A framework of analysis. *Urban Studies* 56(7): 1304–1325.
Palomera J (2014) How did finance capital infiltrate the world of the urban poor? Homeownership and social fragmentation in a Spanish neighborhood. *International Journal of Urban and Regional Research* 38(1): 218–235.
Palter R and Pohl H (2013) *Money Isn't Everything (but we Need $57 Trillion for Infrastructure).* New York: McKinsey Global Institute.
Parsons R and Nguyen J (2017) Bank consolidation before and after the 2008 crisis. *Applied Economics Letter* 24(2): 98–101.
Peck J (2017) Transatlantic city, part 1: Conjunctural urbanism. *Urban Studies* 54(1): 4–30.
Peck J and Theodore N (2015) *Fast Policy: Experimental Statecraft at the Thresholds of Neoliberalism*. Minneapolis: University of Minnesota Press.
Pereira A (2017) Financialization of housing in Brazil: New frontiers. *International Journal of Urban and Regional Research* 41(4): 604–622.
Pike A, O'Brien P, Stricklan, et al. (2019) *Financializing City Statecraft and Infrastructure*. Northampton, MA: Elgar.

Poznar Z, Adrian T, Ashcraf A, et al. (2010) *Shadow Banking*. New York: New York Federal Reserve Bank.
PropEquity (2018) Real estate update. Mumbai.
Ranganathan M (2014) 'Mafias' in the waterscape: Urban informality and everyday public authority in Bangalore. *Water Alternatives* 7(1): 89–105.
Robinson J (2016) Comparative urbanism: New geographies and cultures of theorizing the urban. *International Journal of Urban and Regional Research* 46(1): 187–199.
Robinson J and Roy A (2016) Debate on global urbanisms and the nature of urban theory. *International Journal of Urban and Regional Research* 46(1): 181–186.
Rolnik R (2019) *Urban Warfare: Housing Under the Empire of Finance*. London: Verso Press.
Sanyal K (2007) *Rethinking Capitalist Development: Development: Primitive Accumulation, Governmentality and Post-Colonial Capitalism*. Calcutta: Routledge.
Sassen S (2014) *Expulsions: Brutality and Complexity in the Global Economy*. Cambridge, MA: Harvard University Press.
Shaxson N (2012) *Treasure Islands*. New York: Vintage Books.
Sheppard E, Gidwani V, Goldman M, et al. (2015) Introduction: Urban revolutions in the age of global urbanism. *Urban Studies* 52(11): 1947–1961.
Shin HB (2019) Asian urbanism. In: Orum A (ed.) *The Wiley-Blackwell Encyclopedia of Urban and Regional Studies*. Hoboken, NJ: Wiley-Blackwell, 19–24.
Shin HB and Kim SH (2016) The developmental state, speculative urbanisation, and the politics of displacement in gentrifying Seoul. *Urban Studies* 53: 3–16.
Simone A (2004) *For the City Yet to Come: Urban Life in Four African Cities*. Durham, NC, London: Duke University Press.
Simone A (2009) *City Life From Jakarta to Dakar: Movements at the Crossroads*. New York, London: Routledge.
Socoloff I (2019) Subordinate financialization and housing finance: The case of indexed mortgage loans' coalition in Argentina. *Housing Policy Debate* 30(4): 585–605.
Sood A (2018) Speculative urbanism. In: Orum A (ed.) *Wiley Blackwell Encyclopedia of Urban and Regional Studies*. London: Blackwell.
Stewart M (2011) Money for nothing: How interest rate swaps have become golden handcuffs for New Yorkers. United New York with the Center for Working Families and the Strong Economy for All Coalition.
Thorner D (1950) *Investment in Empire*. Philadelphia, PA: University of Pennsylvania Press.
Tooze A (2019) *Crashed: How a Decade of Financial Crises Changed the World*. New York: Penguin Books.
Upadhya C (2020) Assembling Amaravati: Speculative accumulation in a new Indian city. *Economy and Society* 49(1): 141–169.
Upadhya C and Rathod S (2021) Caste at the city's edge: Land struggles in peri-urban Bengaluru. *Working paper*, NIAS-Bengaluru.
Ward C and Swyngedouw E (2018) Neoliberalisation from the ground up: Insurgent capital, regional struggle, and the assetisation of land. *Antipode* 50: 4.
Weber R (2015) *From Boom to Bubble: How Finance Built the New Chicago*. Chicago: University of Chicago Press.
Weber B, Staub-Bisang M and Wilhelm Alfen H (2016) *Infrastructure as an Asset Class*. Hoboken, NJ: John Wiley and Sons.
World Bank (2006) *India: Financing Infrastructure*. Washington, D.C.
Wu F, Chen J, Pan F, et al. (2020) Assetization: The Chinese path to housing financialization. *Annals of the American Association of Geographers* 110(5): 1483–1499.
Zhang J (2017) Introduction: Integrated mega-casinos and speculative urbanism in southeast Asia. *Pacific Affairs* 90(4): 651–674.
Zuloaga J (2014) Deutsche bank purchases Europe's largest NPL portfolio from BBVA. *Aura Real Estate News*, November 24.