



# Governing cities by numbers. From social statistics to financialization

Fabrice Bardet, Lucia Zanin Shimbo, Cibeles Saliba Rizek

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# **Governing cities by numbers**

## **From social statistics to financialization**

**F. Bardet, UdL-ENTPE, France**

**L. Shimbo, USP-IAU, Brazil**

**Cibele Rizek, USP-IAU, Brazil**

### **OBJECTIVES**

#### **General**

The first goal of the course is to help students to better apprehend the process of financialization of economy, especially, at the urban level, through a sociological approach.

The understanding of the financialization process is provided by the use of a socio-historical grid of analysis that associate modes of governance to specific tools of quantification. It is thus possible to distinguish the type of governance that prevailed during the Providence State period based on social statistics and the one that characterize the neoliberal era, in which financial evaluations are dominating quantification policies.

#### **Specifics**

The seminar offers an historical perspective of quantification policies in modern societies and gives the opportunity to distinguish different sorts of quantifications that are currently mixed: statistics, accounting, and financial evaluation.

The seminar also provides a specific focus on the way these types of quantifications have been produced in and for urban development.

Finally, the seminar displays a large set of lightings on the process of financialization of urban policies, especially in the housing sector. Several focuses are made on financial (asset managers) and nonfinancial (developers) private actors and on local public agencies.

### **JUSTIFICATION / SCIENTIFIC BACKGROUND**

In a time where societies and governmental institutions are supposed to be invaded by “numbers” (Rey, 2016 ; Supiot, 2015), we may wonder if numbers are not confiscating the Democracy. In this perspective, it is important to better distinguish different types of numbers, some of them are crucial for modern democracies (i.e. the number of unemployed), and to discuss a basic sociological framework in order to study quantifications not such as a tool of a policy, but rather as the object of a determined public (even if unseen) policy: a quantification policy. Therefore, a

quantification policy analysis is suggested and defended in the introductory session. Who quantifies and what? How? And with what kind of effects? These are the simple questions that will be addressed to share a common perspective to analyze “figures that govern (us)”.

A historical framework will be developed in order to be able to distinguish several types of quantification policies that have very distinct aims and effects: statistical measures, accounting, financial evaluations, rankings or management indicators. The “Probabilistic Revolution”, a master piece of history of science with large implications for societies’ governance, will be studied and considered in a critical and contemporary analytical perspective. The financialization of economies will be presented in a sociological perspective.

At the urban level, the specific flow of capital that occurred in the 1980 will be presented as well as its numerous consequences. The role of international investors and their allies, the assets managers, will be considered in the promotion of new circuits of capital flows in the urban production. Besides the circulation of capitals, the seminar will also discuss, the financial evaluation processes. In a broader sense, it will thus provide an occasion to feed the controversy concerning whether the driving force of the financialization is the new circulation of capitals or the one of evaluation procedures.

## **PROGRAM**

### **Introduction**

#### **Session 1: 04/09**

**14h00-14h30:** presentation of the joint-dynamic of research and the idea of the course

**14h30-15h30:** presentation of the contemporary period, characterized by the financialization of economies and neoliberal politics, taking into account a sociological grid that considers “numbers and narratives” in urban policies and in real estate actors.

**15h30-16h30:** presentation of the Analytical scheme: quantifications and societies. Presentation of the sociology of quantification perspective and the historical grid for thinking together forms of government, economic and social theories and tools of quantification.

**16h30-17h30:** Presentation of the program and organization of the seminar

#### **References:**

- (Desrosières, 1990, 2003)
- (Bardet, 2014)

## **Part 1. Quantifications and Societies**

### **Session 2: 05/09**

#### **14h00-16h00: Making democracy a statistical society**

Look back on the genesis of statistics and demography as tools of modern government in Europe (XVIII-XIX).

##### **Required readings:**

- (Lazarsfeld, 1961), p. 279-294

#### **16h00-18h00: Sociology and the probabilistic turn in governing practices**

At the heart of the genesis of sociology was the junction made by Belgium astronomer A. Quetelet whose stroke of genius was to match similar shapes of two distributions: the one of measurement errors in astronomy and the one sizes of conscripts, to build a new entity: the average man. This was a major step in what historians call *The Probabilistic Revolution*.

After Quetelet's publication in 1835, the probabilistic turn in governing practices was possible. It took decades to build the Providential State that relies on this scientific revolution.

##### **Required readings**

- (Desrosières, 2002) – text in French

##### **To go further:**

- (Lazarsfeld, 1961), p. 294-311
- (Zelizer, 1983)

### **Session 3: 14/09**

#### **14h00-16h00: Accounting: the other way to quantify the world**

Accounting has come to occupy an ever more significant position in the functioning of modern industrial societies. Within the organization, be it in the private or the public sector, accounting developments now are seen as being increasingly associated not only with the management of financial resources. At a broader social level, accounting has become influential in a multitude of institutional areas. Focus on the development of accounting during XXth century.

##### **Required readings**

- (Burchell et al., 1980)
- (Johnson, 1983)

##### **To go further:**

- (Johnson et Kaplan, 1987)
- (Chandler, 1977)

### **16h00-18h00: Financialized evaluation**

Financial evaluation has become a standard for all economic but also political or social activities. In the core of that field is the concept of “present value” that allow to quantify the value of investments through the calculation of expected future cash-flows. The success of this form of valuation is remarkable in the accounting field where “fair value” model have replaced the old and respected “historical cost” model.

#### **Required readings**

- (Miller, 1991)
- (Chiapello, 2015)

#### **To go further:**

- (Brealey, Myers et Allen, 2007), chapter 1
- (Orléan, 2014)
- (Power, 1993)

## **Part 2. Financialization of cities**

### **Session 4: 21/09 (or 28/09)**

#### **14h00-16h00: Neoliberalism and cities**

The influence of neoliberal theories on cities and the role of cities in the development of neoliberal policies have become major issues in urban studies: an historical perspective and contemporary debates.

#### **Required readings**

- (Harvey, 1989)
- (Peck, Nick Theodore et Brenner, 2009)
- (Le Galès, 2016)

**16h00-18h00: Public and private actors in the recent urban production: the North-American model.**

- (Weber, 2015), Introduction
- (Kantor, 2007)

### **Session 5: 28/09**

#### **14h00-16h00: Circuits of capital and the role of financial actors**

News actors and new mechanisms in the making of the city.

## **Required readings**

- (Halbert, L., Attuyer, K., 2016)
- (Guironnet, A., Attuyer, K., & Halbert, L., 2016)

## **16h00-18h00: Financialization, real estate development and financial valuation**

Conclusion of the course:

- (Bardet, Shimbo, Coulondre, 2017) and (Aalbers, 2016)

## **SESSIONS ORGANIZATION**

After the introductory session, all sessions will be divided into two parts: the first one dedicated to a quick introduction and debate on the previous session (20-30'); the second part will be dedicated to students presentations on required readings (20-25' by student) followed by a collective discussion (15').

## **COURSE VALIDATION**

Students' evaluation will be based on two separated items: (i) the text presentation and the preparation work that would be transferred to the teachers (80%); (ii) the attendance and the participation in debates in the sessions (20%).

Student evaluation is based on the oral performance and the production of a memo.

The oral presentation can last 20 to 25 minutes. Use of Powerpoint or equivalent softwares is recommended.

The memo is based on the oral presentation. Other elements (gathered before the presentation or discussed during the session) can be added to the memo. The memo must remain a synthetic document (2-4 pages). It must be sent to the instructor before the next session of the seminar.

All students are expected to read the required literature of each seminar in advance and be ready to engage in a critical discussion with each other and with the instructor.

For each session, a student will present one of the texts listed in the syllabus. The presentation must content the key elements of the text and also introduce the discussion that all students are expected to contribute to.

The presentation must be divided into four parts:

1. Presentation of the author and status of the text (article, chapter, etc.) and the context of its production (journal, book, newspaper...),
2. Formulation of the "main idea" of the text, in one or two sentences, and explanation of it,

3. Presentation of the different stages of the demonstration provided by the author in his text,
4. A personal and critical point of view on the text, including elements related to the form of the text and to the argument of the author.

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