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Predatory formations

Migrations, wars, economy crashes, ecological crises and other phenomena of massive scale have become usual in recent years. And while they concern us because of their extensiveness and recurrence, we tend to understand them as isolated effects. However, in her last book *Expulsions*, Saskia Sassen argues that these are only different aspects of the same problem: the ‘predatory formations’ of contemporary capitalism that generate unprecedented levels of inequality. A context where many people end up being expelled from the economy.

**Francisco Díaz:** What do you mean by ‘expulsions’? What fields are you attempting to open when coining this concept?

**Saskia Sassen:** The language of more inequality, more poverty, more imprisonment, more environmental destruction, and so on, is insufficient to mark the proliferation of extreme versions of these well-known conditions. In *Expulsions: Brutality and Complexity in the Global Economy* I examine a broad range of familiar processes which at some point become so extreme that the language of ‘more’ of it all ceases to explain.¹

Key elements shaping the expulsions that concern me are the “systemic edge” – an edge that exists inside a system – and spaces of conceptual invisibility. Such systemic edges are proliferating across diverse domains. Further,
I conceive of these systemic edges as the point in sometimes long trajectories when condition ‘x’ becomes invisible, no matter how material it might be, we cannot ‘see it’ conceptually speaking.

Let me illustrate briefly with a familiar case: at some point the long-term unemployed fall off the standard categories for measuring unemployment; that is, they become statistically invisible. Another example is our standard measure for economic growth, GDP per capita: increasingly the space it measures leaves out significant numbers of people, places, and activities. Thus, it measures a shrunken economic space, and in so doing can come up with some positive growth numbers, even as significant numbers of people, small businesses, and places have been expelled from ‘the’ economy. I think of this as a kind of economic ‘cleansing.’

The specific, tightest meaning I develop in the book is that we entered a new phase of advanced capitalism in the 1980s, one with reinvented mechanisms for primitive accumulation. In contrast to earlier modes of primitive accumulation, today’s is a form of primitive accumulation executed through complex operations and much specialized innovation – ranging from the logistics of outsourcing to the algorithms of finance.

FD: In the book you indicate that the sum of local events signals widespread trends, no matter the political environment at the local scale. Are we facing a change at a massive scale without realizing it?

ss: What is usually referred to as ‘economic development’ has long depended on extracting goods from one part of the world and shipping them to another. Over the past few decades this geography of extraction has expanded rapidly, in good part through complex new technologies, and is now marked by even sharper imbalances in its relation to, and use of, natural resources. The mix of innovations that expands our capacities for extraction now threatens core components of the biosphere, leaving us also with expanded stretches of dead land and dead water.

Some of this is old history. Economic growth has never been benign. But the escalations of the past three decades mark a new epoch in that they threaten a growing number of people and places throughout the world.

My thesis is that we are seeing the making not so much of predatory elites but of ‘predatory formations,’ a mix of elites and systemic capacities with finance a key enabler, that push toward acute concentration. Concentration at the top is nothing new. What concerns me is the extreme forms it takes today in more and more domains across a good part of the world.

I see this capacity for generating extreme concentration as keeping on growing since the 1980s and 1990s. The 2008 crisis slowed down
“(...) we entered a new phase of advanced capitalism in the 1980s, one with reinvented mechanisms for primitive accumulation. In contrast to earlier modes of primitive accumulation, today’s is a form of primitive accumulation executed through complex operations and much specialized innovation – ranging from the logistics of outsourcing to the algorithms of finance.”

this process of concentration but by 2012 it was growing again, with a 60 percent increase in the wealth of the top 1 percent globally compared with the late 1980s. At the top of that 1 percent, the richest “100 billionaires had added $2.40 trillion to their wealth by 2012 – enough to end world poverty four times over,” (Oxfam, 2012:1-2; Atkinson et al., 2011) – and this was at a time when we were still in crisis. Bank assets grew by 160 percent between 2002, well before the full crisis, and 2011, when financial recovery had just started: from $40 trillion to $105 trillion, which is over one and a half times the value of global GDP. In 2010, still a period of crisis, the profits of the 5.8 million corporations in the United States rose 53 percent over 2009, but despite skyrocketing profits, their United States corporate income tax bills actually shrank by $1.9 billion, or 2.6 percent.

And today, January of 2018, the newly issued Oxfam report finds an even sharper growth at the top than in that preceding period: 2017 saw “the biggest increase in the number of billionaires in history, one more every two days” (Oxfam, 2018:10; Alvaredo et al., 2018), with 82 percent of all created wealth going to the top 1 percent. Now, such an increase could have ended world poverty seven times. All of this and more is a profound capture of whatever the goodies a system puts in the hands of the already rich... And it comes with a price: governments get poorer and the middle and working classes get poorer. Between 2006 and 2015, ordinary workers saw their incomes rise by only 2 percent a year, while billionaire wealth rose almost six times faster (017, 2016; Oxfam, 2018). They are being literally expelled from the futures they had planned on.

FD: You point to a moment in history when most – or even all – the achievements of the welfare state have been systematically erased by neoliberalism. This also implies a conceptual shift: the concern with massive welfare has been replaced by the concern with economic growth and individual freedom. What have we lost once the mass is left out of the picture?
SS: Perhaps it is not as you so gently put it “the concern with economic growth” but the concern with grabbing that economic growth. Not all, but much of that welfare state has been either destroyed – especially in the US but also in countries as diverse as Brazil (and now Argentina) and Russia. Or it has been reduced, as is the case in many European countries where you see an erosion of the welfare state developing in bits and pieces. Nothing as dramatic as the US, but still, going in that direction.

Growth still takes on distinctive formats and contents in the mix of diversely developed countries we refer to as the Global North versus the mix of less or differently developed countries we refer to as the Global South. For instance, predatory elites have long been associated with poor countries that have rich natural resources, not with developed countries. Yet increasingly we see some of this capture at the top also in the latter, albeit typically in far more intermediated forms.

After thirty years of these types of development, we face shrinking economies in much of the world, escalating destructions of the biosphere all over the globe, and the reemergence of extreme forms of poverty and brutalization where we thought they had been eliminated or were on their way out.

Important in my analysis is that by themselves, neither the rich nor global firms could have produced such extreme outcomes. They need what we might think of as ‘systemic help’: a complex interaction of these actors with systems that have been re-engineered toward enabling extreme concentration. Such systemic capacities are a variable mix of technical, market, and financial innovations plus government enablement. They constitute a partly global condition, though one that often functions through the specifics of countries, their political economies, their laws, and their governments.

FD: In one of the key moments of the book, you mention that expulsions are “a kind of economic version of ethnic cleansing” (Sassen, 2014:36). As we know, ethnic cleansing implies physical violence over bodies and hence a coactive apparatus; so, is there an apparatus enforcing the – somehow invisible – violence of expulsions?

SS: Yes, there is; but there is also an invisibilizing of those who suffer the loses or are expelled from jobs and homes and recognition as members of a community. The “systemic edge”, which is a key concept for me in my work on Expulsions, is that moment in a process where it’s so extreme that it becomes invisible to our established
categories of analysis. Let us recall that we humans cannot see or take note of everything that is actually present to us. What we see is partly shaped by the social conditions and narratives within which we function – the simple example is that of the eskimos who see all the diverse patterns of snowflakes, where we see only snow.

There is much we do not see. I think we humans are basically theoretical beings, or we would go crazy if we saw everything.

FD: I recently heard a financial engineer who had lost her job and, instead of considering herself as unemployed she said she was going through a process of 'job transition'. Reading your book, I was wondering what happens if those who have been expelled don’t consider themselves as such. How can we conceptualize a problem – the first step to solve it – if it is not acknowledged as such?

SS: Indeed, this is happening, but mostly among highly educated people who are also in jobs that by their nature can be short term given the ongoing vortex of innovations. They meet a lot of others who are also in highly mobile, shifting jobs. This does not hold for lower income workers, where if you lose your job you risk hunger, being unable to pay your rent, etc. We have an emergent highly educated class of workers who have the luxury to be experimental, adventurous... but most workers do not fit that category. They often have to support whole families where they are the only ones working.
We should not romanticize that highly-educated group and its options. Elaborating, the earlier Keynesian system was far from perfect: there was inequality, concentration of wealth, poverty, racism, and more. But it was a system with a capacity to generate a growing middle sector that kept expanding for several generations, with children mostly doing better than their parents. Also, these distributive outcomes were not simply a function of the people involved. It took specific systemic capacities. By the 1980s, these earlier capacities had weakened, and we saw the emergence of capacities that push toward concentration at the top rather than toward the development of a broad middle. Assuming the world trend to be represented by the combined experiences of China, Europe and the US, the wealth share of the world’s top 1 percent increased from 28 to 33 percent, while the share of the bottom 75 percent oscillated around 10 percent between 1980 and 2016 (Alvaredo et al., 2018:17). Only in the United States, the fact that the top 10 percent of the income ladder got 90 percent of the income growth of the decade beginning in 2000 signals more than individual capacity – it was enabled by that complex mix I conceive of as a predatory formation.

In relation to land expulsions, there’s a paradox: the more land-value increases, the less people are expelled and therefore, the less people benefit. Although this observation seems closely related to the logics of the market – the price is contingent to the demand – we empirically know that land-value never decreases. How can we explain this?

**FIG 4**

Top 10% income shares across the world, 1980-2016: Rising inequality almost everywhere, but at different speeds. Source: Alvaredo et al., 2018.
this? Who, in the end, will pay for something nobody can afford?

SS: This could indeed be one modality. But the rapidly growing pattern is simpler: growing concentration of the gains in fewer and fewer people or communities. Land grabs to grow mass crops, to extract water as per the Coca-Colas and Nestlé water bottlers, to build a luxury suburb, to do mining, and so on, are all interventions that a) are profitable for those involved, and b) easily override the rights of long-term occupants of those lands who often lack formal papers to demonstrate their rights, and keep losing land to big corporate land grabbers.

How can economic growth get constituted in diverse ways with diverse distributive effects? I find that in our global modernity, we are seeing a surge of what are often referred to as primitive forms of accumulation, usually associated with earlier economies. Today, enormous technical and legal complexities are needed to execute what are ultimately elementary extractions. Key elements are what I like to think of as the ‘enclosure’ by financial firms of a country’s resources and it citizens’ taxes. Or the repositioning of expanding stretches of land across the world as sites for resource extraction – from gold to water! Or the re-gearing of government budgets in liberal democracies away from social and workers’ needs and towards supporting luxury buildings... And so much more!

FD: The connection you made between a material, localized asset – a house – and the global market is very compelling. For us, as architects, it implies a strong questioning to the attention we give to place and the lack of awareness we have regarding global economies. What role do you see that we – the architects – play in this regard?

SS: Most architects are engaged in specific tasks or projects that are mostly needed by at least some people or institutions. Luckily, they are not engaged in the exceptional interventions we see happening around the financializing of buildings. This is not the place to give all the details, but there is an article I wrote in 2015 on the subject, in which I pointed out the fact that certain types of buildings are largely becoming financial assets – a phenomenon that is not part of the post-2008 economic recovery but rather something completely different. Since I wrote that piece, this financializing of high-end buildings has escalated further and we see a whole new mode of financializing buildings, so that more money can be made by keeping those buildings empty, so the building can function as a material asset – something important and in high demand for the making of asset-backed securities, and these
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securities can be bought and sold rapidly. At some point this can deliver more profits than selling those buildings or renting them out. This is pretty extreme.

FD: You point out that “the greater our capacity to produce wealth has become over the last twenty years [...], the more radical the condition of poverty has become” (Sassen, 2014:147). The available data finds that there are 2 billion people living in extreme poverty, which is, almost, a quarter of the entire population of the planet. Yet, it seems that in the long term there are several global indicators – published by institutions like Our World In Data – which show that the world is getting better at a global scale – for instance, in terms of life expectancy, eradication of diseases, food available per person, or a decrease in undernourishment, just to name a few. Capitalism’s advocates usually use this long-term argument to indicate that the overall conditions have improved, but your book contradicts this optimism. So, in the end, are we better or worse?

SS: Both of these are happening. However, the big losers in the current world are those who thought they would be doing better than their modest middle-class parents. So perhaps we are in a turning moment.

For instance, inequality, if it keeps growing, can at some point be more accurately described as a type of expulsion. For those at the bottom or in the poor middle, this means expulsion from a life space they had expected or had hoped to achieve. Among those at the top, this appears to have meant exiting from the responsibilities of membership in society via self-removal and a shift towards extreme concentration of the wealth available in a society, and no inclination to redistribute that wealth. Building on the discussion of extreme inequality, the book focuses on familiar situations that become extreme, and unfamiliar – the extreme other side of the curve. To render visible today’s accelerated systemic capacity to make the familiar extreme, in the book I focus on the developed world.
Greece and Spain particularly have entered a phase of active shrinkage of their economies to a point we would not have thought possible in the developed world only a few years ago.

FD: Your book is full of data and figures – trillions, billions and so on – up to the point that one loses sensibility for the scale we are talking about. It’s similar to what happens with nanotechnology: we know it’s small, but we can’t tell how small it is. How can we face the challenge that too large or too small figures impose on us? Is it an already lost battle?

SS: That’s a good point. It is tough I guess, even if you are immersed in the data the way I am. But it is not confusing – these are specific vectors, each marked by specific combinations... It is somewhat similar to my prior answer: yes and no – yes it affects certain sectors negatively, but no, it does not affect everybody negatively.

More specifically, the ways in which economic growth takes place, matter. A given growth rate can describe a variety of economies, from one with little inequality and a thriving middle class to one with extreme inequality and concentration of most of the growth in a small upper tier. These differences exist across and within countries. Germany and Angola had the same rate of GDP growth in 2000 but clearly had very different economies and saw very different distributive effects. Although Germany is reducing the level, it still puts a good share of government resources into countrywide infrastructure and offers a wide array of services to its people, from health care to trains and buses. Angola has concentrated its...
wealth in what is now a very rich elite. Basically, we will never have perfect economies in terms of the social and the environmental question, but some are a bit more reasonable than others – sad to admit, but true.

Think of what was one of the best periods of our Western-style economies: the decades after World War II. Growth was widely distributed and generated a strong middle class, while the decade opening in 2000 saw the beginnings of an impoverished middle class, with 80 percent of the growth in income going to the top 1 percent of earners. Those earlier forms of economic growth contributed to the vast expansion of a middle class. They did not eliminate inequality, discrimination, or racism. But they reduced systemic tendencies toward extreme inequality by constituting an economic regime centered on mass production and mass consumption, with strong labor unions at least in some sectors, and diverse government supports. Further deterrents to inequality were the cultural forms accompanying these processes, particularly through their shaping of the structures of everyday life. For instance, the culture of the large suburban middle class evident in the United States and Japan contributed to mass consumption and thus to standardization in production, which in turn facilitated unionization in manufacturing and distribution. But they also generated economies that are very destructive of the environment.

FD: One of the main concerns of your book is the scale of the transformation we are currently in is so big that it seems impossible to address. You also note that not only economy is globalized: environmental damage as well. What we do in our backyard affects others, no matter we intend it or not. Yet, at the same time, we have cases like the current US government leaving the Paris Agreement and concerning only on what they have in front of their nose. In other words, as you accurately say, world leaders “appear to find it impossible to address the fact of planetary

Notas / Notes

1 See also Sassen, 2017:6–20.
destruction and prefer to scale down their efforts to the lowest common denominator” (Sassen, 2014:209). Is there something to be done in this regard?

S: It is a battle, and we are losing it. We cannot be romantic about it. Many little items are coming together that might have a bigger effect on changing our ways than the big conferences and treaties that are signed. For instance, the recent announcement that China will no longer be taking in all the garbage of the rich countries – most people did not even know that China was doing this. So, this is a crisis for most of the rich western countries: it forces us to notice, and act upon this fact. ARQ

Bibliograﬁa / Bibliography


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