

Selling city futures:the financialization of urban redevelopment policy

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Weber, Rachel. " Selling Futures: The Financialization of Urban Redevelopment Policy." *Economic Geography* 86 (3) 251- 274. Clark I.

Introduction Weber commences the article by discussing principles of contemporary capitalism and defining the very important term financialization. Weber thinks that financial markets have played a big role in the local governments but it is not given great importance or attention by a lot of scholars. She introduces her assumptions about financial integration and pays attention to the three important aspects of urban governance. The author focuses in local governance in the United States examining the major city of Chicago. She further introduced Chicago's powerful redevelopment incentive, the Tax Increment Financing or TIF. This leads to the discussion of the author's concern about the role of local government in shaping and being shaped in the financial markets. Using Chicago's TIF representing the financialized urban policy, the author discusses further the risks in adopting this tool.

II. Argument According to the author, scholars had ignored the role of local government in the financial market. Weber believes that local governments can actively contribute to the construction of financial markets. But unlike other authors, she argues that political power plays a very important role to legitimize the moves that the local state makes in attracting financial capital and manufacturing investment instruments. She also argues that the local state's ability to control development is valuable and important stating that the more local control the cities have, the easier these cities can access the global capital. The author argues that although there are cities that are not financially productive, the global financial market has a significant control in pushing the local state in providing public

goods in the state. III. Structure In discussing the arguments, the author begins by providing a brief overview of the financialization literature such as discussing the importance and the role of the local government. After which, Weber discusses Tax Increment Financing joining the interests of both the global financial markets and local policy. She explains and enumerates the possible risks that cities will face if they adopt such tool such as completion risk, valuation risk, and taxation risk. The author also presents a comparison of standard and poor distribution of public TIF in the United States for years 1996 and 2006. The author focuses on how Chicago used the TIF. She explains how the Tax Increment Financing was used by the city of Chicago in turning political control into financial strength. She identifies the sequencing and segmenting of the TIF backed notes during the development boom by providing the figures such as the flow of funds using the TIF notes. She discusses further the different strategies and results. IV. Literature The author relied mainly in academic and scholarly journals to discuss her agreements and arguments regarding the topic. There were also internet references for reports and news. She referred mainly to literatures about financialization, Tax Increment Financing, urban development and other economics subjects. The author comprehensively evaluated the works of scholars Leyshon and Thrift in which she mainly used as reference and formulated her arguments. V. Methodology In writing the article, the author starts with defining financialization by looking into literatures that provides overview of the topic focusing on local government. She then further discusses the use and importance of TIF by looking into the global market as well as the local policy. She conducts her research on Chicago as her focus.

She looks into political control and its importance and effects in financial markets and economy by reading and examining previous and recent literatures. Her analysis in the article results from her careful and comprehensive reading of the contractual agreements about Chicago's allocation of TIF. The author conducts interviews with Andrew Greenlee, Jeremy Thompson, and Joanne Miller and uses the data to develop new and at the same time connect this data to existing academic proposals about the local politics and its role in finance. She also provides comparisons of the TIF in year 1996 and 2006. VI. Conclusion The author concludes that the local government played a significant role in the financial markets. Local government helps construct conditions in channelling capital to local state's asset. Although there are unsuccessful cities and municipalities, there are those who were able to help improve their financial markets. The article also supports that the capitalist state plays an essential role in temporarily resolving crises by assisting capital in devising new ways to improve their assets. The author suggests that there is a significant connection between financialization in local scale and political authority. Weber also states that further study and research is needed to conclude that local state's political power can be said to control development process and protect their embedded assets since she only conducted study in one case. VII.

Bibliography In conducting this research, the author referenced 72 different sources. Most of the sources were from academic books and articles. Of the seventy two sources, twenty seven are academic books, twenty five articles, reviews and reports, nine academic journals and eleven from online sources.

The author came up with conclusion of this research through her in-depth readings of these sources.