



A Path for Connecting Flows of Value and Forms of Urbanization in Post-1989 Balkans

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Abstract

Expanded value polarizations are drivers of urbanization; they can be witnessed through their respective urban forms and the particular positions they assert in the city. They also help us grasp the city in its integrity, enabling the articulation of the rest of urban forms. For this, the value flow is divided in its phases -accumulation, circulation and distribution- in order for its respective urban forms to arise, and then it is recomposed again, now on a higher level of understanding of the city's inner articulation. We propose a methodology in order to spot these flows, then to discern their forms and finally to contemplate on the city as a whole, through the social subjects implicated in expanded capital reproduction. We apply it in cases from the Balkans; the peninsula is a testing ground for scientific approaches and its visible urban polarisations do not leave us indifferent before the social explanation of these phenomena which may refresh urban theory in general.

Keywords

Uneven development; urbanization; rate of profit; centralities; methodology; Balkans

Introduction

In contemporary societies values flow almost everywhere and encircle nearly the totality of social interaction. They may be observed in the form of commodities, services or intermediate goods, building shells, human labour itself and, of course, money; indeed, all of them expect to close their circle of flow successfully, in order to become money at a certain point. What is more, the drivers of the above movements which primarily shape social interaction are those that continuously expand their invested

capital; and since modern urbanization should be primordially identified with the concentration of values, thus expanded values are drivers of urbanization as well.

But the circulation of the latter leads to transfers of value in the forms we have mentioned, not only among individuals and groups of people, but among nations, regions and districts as well; these polarizations make part of a process called *uneven development* (Mandel, 2004, 61) with an urban significance that we will implicate below.

The aim of this paper is to study the phases of expanded value in their intra-metropolitan scale and assign them to expected representative urban forms that may interpret the urbanization process in its unity. Inversely, some of the city's forms may witness expanded value in a certain phase, namely accumulation, circulation, distribution and state hegemony, the social process that serves the well-being of the former.

The contribution of the Balkans in urban theory

We will support empirically the above assumption with examples from the Balkan cities and particularly some of its capitals, Belgrade, Bucharest and Sofia. These case studies shed light on a scientifically less studied geographic area; much more though, they offer re-shaping of theory, through their focus to other environments that make part of the same interconnected whole. Such cases from the periphery, particularly during times of crisis, may question urbanization approaches that are formed solely in a western context (Dingsdale, 1999; Todorova, 1997, 140). The latter often attempt to unilaterally generalize "representative" cases or categorize spatial ensembles under pre-defined morphological, institutional, technical and so on patterns.

Additionally, these cities -that crossed before thirty years a milestone- underline the importance of the social system in urban questions. Nevertheless, "post-socialism" is often studied externally to inner urban relations, thus attributing a passive role to those societies, in terms of what hinders an imagined development (Adrian Smith 1997, 331). On the contrary, in the case studies that we implicate in this paper, the post-1989 period signalled primarily the coming of capitalism, a social system where commodity circulation got generalized regarding the great majority of social exchanges; a social, thereby urban, transformation followed. The importance of the social system in urban questions has been raised by many researchers (Szelenyi 1996, 316; Pickvance, 2008, 188; Andrusz, 2001), though we claim that it is Mandel's *transformation* approach (1984, 33) that can principally study this passage, by respecting both gaps and linearities in the urban environment as well. Here, contemporary commodity circulation contrasts to older real-socialist planning, where intra-urban production was based primarily on accumulation of goods and privileges through bureaucracy coercion rather than capital accumulation.

Uneven development's urban foundations

Uneven development is most useful for the interpretation of urban phenomena; in fact, the urbanization process itself, from its early appearance in history, should be identified with the most general phenomenon that we may find in a city, namely *the concentration* of products of human labor; Sarigianis, (1993, 229) highlights the role of exchange in the passage from the coequal settlement to the hierarchical city. In contemporary societies, where labor has come under the control of capital, this concentration is identified principally as a coming together of *values*. Of course, after this allowance, the notion of urbanization may be refined in more detailed cultural, political, technical and so on derivatives. Hence, the relation of values to the forms they take or abandon, those forms that put them into motion and administer them and all those that get connected to them till their final destination is the heart of urbanization. At the same time, this is a process of polarization.

Uneven development holds certain important scientific dimensions. First, it brings under the same concept multiple polarization phenomena, from a global level to particular case studies, such as the Balkan cities. This is methodologically shown as a subsequent change of scales where values get polarized: internationally, regionally and intra-urban. This division is not a mental abstraction; actually, it is capitalism, not nature, that divides space in scales (Smith, 1984, 229), such as agglomerations, regions, nations, supranational blocks, poles of development, international axis and, generally, all forms of concentration of value. On the other hand, though, in our interconnected world there is but an integral, myriad flow of value accumulation and value drainage that should ultimately get restored, again through the political economy of uneven development. Cargo vessels may transfer containers from Shanghai to Constanța in the Black Sea, people may move out of their villages in Bulgaria and come to its capital, Sofia, to make their living and upper metropolitan districts of Bucharest may prosper against old complexes of the 1970's that are left to decay, but again all these *flows* are interlinked in a single movement, that of commodity circulation. By all means, each scale is important because it provides its own viewpoints regarding this integrated movement.

Second, in the end of the above path, the metropolitan environment appears to metamorphose our theory *from abstract to concrete*. It is here finally that abstract values reside as real and polarized forms, namely concentrations of human labour, regardless if the latter refer to build ensembles or digital bank accounts. The particular becomes here a theoretical expression of the universal, an expression of a general social law (Ilyenkov, 1960, ch.1). Furthermore, it is here that multiple social relations may get articulated, as we try to grasp the totality of social interaction, since uneven development extends in “human development” in general (Novack, 1972). Value polarization drives the urban pattern to contain higher or lower densities of various social forms: wealth, of course, but also amenities, accessibilities, facilities, urban cultures, dynamics of power, phenomena of pathogenesis and so on. It is here, last, that theoretical assumptions may get tested, enriched and completed, through in-situ, practical research; “induced” differences are equally important in our study and they often produce logical oppositions to our general statements (Lefebvre, 1991, 372-373, 382).

Now, uneven development process fully unfolds itself *concretely*, when we study it in connection to the *social subjects* that get involved in it and particularly social classes. Life is fully social inside our cities, which means that it arises independently from a single individual, rather only as a connection of him/her to its social grouping (Ilyenkov, 1983, 190, 192). Differentiations under multiple value forms get culminated and transformed to issues of uneven distribution of conditions of life and hegemony of the dominant layer over others, all along its capabilities of capital production and circulation. Similarly, for geography, to belong to a territory is a social concept that requires belonging to a social unit, as Neil Smith was writing (1984, 78). In our study, we will use a spatial ensemble that may help intra-urban comparative research: this is the district. It should be defined not as a cultural ensemble -even though it is significantly charged throughout urban history as such- rather as place that mainly hosts social groups participating in value flows. Hence, the district is above all a form that productive relations take in a small, intra-urban scale. Of course, upon this material spatiality particular representational patterns emerge, as well as repertoires of everyday life.

Third, the tracer of uneven development streams should be sought in those places where investment offers increased *profitability* (Brenner, 2004, 6; Hudson, 2015); speaking of big capital that drives changes, no incentive is taken, unless there is a prior comparison of profits or revenues in its decisions. Smaller capitals may fill-in the above process -and indeed the way of their articulation should be particularly studied- although the motors of flow, polarization, urbanization or development are elsewhere. Hence, profitability is connected to *expanded* accumulation of capital, value that gives birth to value, either as productivity or as speculation (real-estate, bank interests). Both are compared to the mean profit rate and then follows the selection of the type of investment in place.

Compared to the Balkans real-socialist past, we now speak about an accumulation and labour process and not just about an access to extended consumption of use values, in the form of luxuries or illegal hoarding. Now it is the market which controls if any activity is working above or below the average profitability, so all urban phenomena appear not as an outcome of a certain planning, but as a non-regulated growth (Mandel, 1984, 33, 51; Musil 1980, 153).

Here there is final note to be taken and completes our thinking; on a national level, as multiple capitals get invested in place in order to find those opportunities that shape higher profits, their mutual competition ultimately pushes downwards macroscopically these exceptional profit margins. Additional investments rush to exploit this initial opportunity, if there is no monopoly protection of the sector of course. Now capitals should seek new, virgin fields to plough, if any left. The above is called equalization of the rate of profit to the average mean one (Marx, 1991, 318-319).

However, on an intra-urban level there is *no tendency* of equalization of the mean rate of profit among its districts, quite the opposite; there is a general pressure by the dominant group to shape *unevenly* the city through capital investments and politics, in order to guarantee capital accumulation, domestic safety and accessibility to well-being. Quite evident examples witness this fact: a high-value industrial complex usually gets implanted in underprivileged areas; an expensive bus terminal may need to get installed in a poor district from where commuting to other places is quite necessary. Inversely, a lady may live in the north and gain her income in the south, while she may consume her money in a dinner in the city-centre or as an overseas travel or she may even buy a new estate outside the city. Citywide mobility permits citizens to develop various activities in the same day. If we focus solely on accumulation capabilities hosted in certain districts, we will miss that people who enjoy their profits from such activities probably reside elsewhere.

It is here that we turn again to the notion of *social classes in place*, which is characterized, as we foretold, from the particular position of classes in the accumulation and circulation of values, as well as the enjoyment of social amenities, residence and so on. Citywide mobility permits citizens to develop various activities in the same day that have to be discerned. To see the social classes in the agglomeration's districts and in the city as a whole *at the same time* will help us complete our image, regarding what happens behind all these urban forms.

Last, one can also note places that are being heavily developed, without exerting any direct economic role, as for example places of political power, such as state offices, development agencies, embassies, courts and police stations. The latter facilitate and guarantee the unobstructed flow of values, as the general polarization of needs should get somehow managed. Therefore, uneven development and its respective urban forms should not be examined only according to a quantitative dimension, but a qualitative one, namely profitability in its most wide sense.

So, let's see the above path unfolded in practice and in our case studies, according to value's phases; we start from polarizations in circulation.

Unevenness in forms condensing value in circulation

Capitalism separates production from consumption (Marx, 1993, 300-302); hence, certain places get differentiated according to how they may serve the above ends of social interaction or, equally, according to how they may serve circulation of values.

According to Martens, accessibility is the social good connecting locations to key land uses, depending on a city's transport system and its land distribution, but also the user's income, vehicle property, knowledge of availabilities, physical abilities and place of residence (2017, 48, 64). Likewise, some districts may enjoy facilities, position or investments that enable their users of their space to dispose greater accessibility, such as a ring road by-pass, a metro station, a bridge, a pedestrianization and so on,

including Euclidean proximity by all means. More affluent districts or those hosting more educated inhabitants, not to speak about car possession, will also get ahead in terms of accessibility.

What is interesting in Marten's definition of accessibility is that it arises as an interaction of spatially concentrated attributes, as transport users try to participate in activities of key areas (2017: 84, 132). We can enlarge the above notion, in order to embrace not only users, but all social interaction among expanded value concentrations. Accessibility is viewed here widely, as a *corridor*¹ of variable capacity that links concentrated ends of accumulation or allocated wealth; this may refer to the following type of connections:

a) production of wealth – production of wealth (circulation of intermediate goods, services and commodities),

b) distributed wealth – production or distribution of wealth (circulation of *personnel* to/from residence) and

c) distributed wealth – distribution of wealth (circulation of *consumers* to and from places of commerce, amenities, finance and so on, courier delivery services). This case is closer to Marten's definition.

Of course, in order to respect the epistemological concept, we posited, we are firstly interested in the corridors that lead to land uses of expanded value. Roads are scientifically interesting if they arrive in big firms, not virgin forests; pedestrianizations too, if they bring high-spenders in commercial pockets, not if they pass from the empty backyards of high-rise buildings. Now, let's have some qualitative and quantitative indexes as well to measure the above accessibility. First, as we saw, accessibility is formed by public and private *investments in the transport system*. Metropolitan *yearbooks*, often offer such yearly statistical data based on city sectors to get a clear horizontal comparison. Also, regarding *mass transit networks*, the metro system, indicates existing allocation of public expenditure. Regarding the bus network, we may evaluate stops, fleet or passenger capacity, kilometres of line and traffic congestion. So, the superimposition of the network system on the city's pattern clearly shows preferential intra-urban accessibility.

The above should be completed with a qualitative study regarding which districts benefit from the general planning of the transport system. For example, *development agencies* often project future infrastructures in strategic plans, in order to attract investments (see for example, Beoland, s.d.; City of Belgrade, 2008; Sofia Development Organization, 2013). Their "development axis" include roads and hubs leading to future concentrations of accumulation and distributed wealth. Urban planning, especially *strategic documents*, is of course a safer projection of corridor development and depiction of future reality, in order to proceed to an hierarchy of accessibility (Healey, 2004; Andrews, 2005, 154, Plevris, 2016). Empirical research is absolutely necessary here to fill-in the above image.

What is more, we saw that *the right to accessibility*, should accompany all our quantitative and qualitative indexes and planning observations. Transportation systems are a "powerful source of violence" for the persons excluded (Martens 2017, 125); some need a combination of transports to reach economic activity, others are there in a few minutes with their private car; some must persuade their customers that it is worth visiting them, others need no publicity to be viewed. But even road construction may cause congestion and *disintegration* of the city, therefore it should be critically studied. According to the above methodology, we may now trace upon a city's layer those lines that actually constitute corridors. Figure 2 depicts practically such a path for Sofia municipality if we combine sources coming

¹ For a discussion on the concept of "corridor" in spatial planning, its historical appearance and modern debates see Sap 2002.

from mass-transit allocation, empirical research, analysis of economic activities and urban planning. The analysis of our case study follows at the end of the theoretical part of this paper, before the conclusions.

Unevenness in forms condensing value in accumulation: production and distribution of wealth

From the urbanization side, expanded values appear as a proliferation of certain land uses in places that favour this and through their more dynamic representatives, just as from the side of economy the above takes the form of capital expansion of various entrepreneurs who invest part of their profits in their activity. This results in urban forms that in the documentation may take the names of “clustering”, “urban nodes”, “poles”, the city-centre, “commercial parks”, “techno-zones”, “free trade zones”, “industrial incubators” and so on (for example, Directorate for Economic Planning, 2012; Sofia Municipality, s.d.) We call these activity concentrations *epicentres*, namely “places of focus”; such are *industrial* uses: manufacturing and processing in industrial parks, warehouses in logistics zones; *commerce*: hypermarkets, malls, cash and carry; *construction*: urban restoration projects, new complexes; *entertainment*: multiplex cinemas, music clubs, venues, privatized natural resorts; *finance*: banks, financial and insurance services; *information and telecommunication*: audio-visual services, “research and design”, software development; and *accommodation and restaurants*.

The significance of grouping of similar uses has been demonstrated by various authors. Pain and Hall underline the importance of visual communication and physical contact in the entrepreneurial environment (2006, 104, 111-112). Talking about finance capital, Sassen also observes that in most countries it is centralised in a unique node (2000, 40); she also locates many services necessary for capital management, such as advanced producer services, in specific complexes, as in suburban office parks (2000, 73). Besides, already in 1961, in a much less “globalized” economy, Jacobs was underlining the necessity of locating firms together, against a discourse of generalised mobility, underlining the importance of face-to-face contact and multiplicity of facilities (1992, 146).

In value terms, we may say that spatial concentration brings together multiple factors: it diminishes circulation time for inputs, it facilitates supervision and organization of labour, it facilitates the planning of the labour day, it enables the capacity to find quickly necessary labour when needed, it incites emulation and the possibility to handle multiple tasks simultaneously, it economizes on means of production through their common use (Marx, 1976, 344; Fine and Saad-Filho, 2010, 38, referring to production), it connects consumers with a wider range of commodities, it gives birth to new needs, it offers quickly money -now as a means of circulation and payment- through financial points, such as banks and ATM’s.

By all means, citywide we may get areas that experience a boom or a crisis or sustain an elementary circle of capital reproduction. In some cases, whole investments seem to fail to participate in the general movement of capital, producing urban voids, such as techno-parks, commercial malls or tourist plazas that under-function and plots planned for development that rest fallow. In all cases, what we get, in value terms, is possibilities of profit realization, either in production or consumption ensembles. In our study though, we insist that it is booming epicentres of expanded accumulation that are important in terms of driving motors of urbanization; these can be empirically identified as greenfield expansion or general morphological alternation of a district, namely as an homogenization of land uses, change of building density and modification of building shells (see Rossi, 1982, 65 for the determination of the internal limits of districts). The rest urban forms will be articulated afterwards upon them. Of course, the above nestled allocation makes a whole with the corridors we just examined, alternating accumulation and circulation and closing successfully a circle.

Let’s seek firstly quantitative data that witness their existence. Disproportions in profit realization may be witnessed through GDP comparison on a district level. Metropolitan yearbooks offer such indexes. So does the database of the European Observation Network for Territorial Development and

Cohesion [ESPON], where we can get a sufficient district scale that permits comparison (LAU2 or NUTS5), but mainly for Romanian cities and secondary for Bulgarian ones, In this case, GDP concentration may be read as density of economic activity and thus concentration of epicentres in general. For the time, here it is not necessary to discern GDP in its productive and non-productive branch, as both indicate accumulation, regardless their undoubted further role in value transfers -and even urban crisis-phenomena. Furthermore, GDP levels do not refer to residential incomes, so they do not confound our findings.

What is important though here, is to seek data on a metropolitan and not simply on a city level, which means that we ought to delimit the urban area before anything. Urban areas that are not compact or that do not coincide with their administrative limits experience a lot of commuting; hence it is absolutely needed to find data that cover the latter, which is another expression of expanded accumulation, now in the form of human mobility. This does not need to be extensively sophisticated, but a lower limit should be set that condenses commuting for production and circulation.

If GDP data are missing, another source may come from the databases of commerce, industry and professional chambers, after filtering the results in order to keep limited liability companies only, whose aim is the concentration of capital, thus are more affiliated to expanded value circulation. One should keep in mind that a city may host multiple chambers; hence multiple data requests should be made. Finally, we can group the above filtered addresses, according to general economic activities (for example, according to NACE single-digit categories) and witness where ensembles are formed. Alternatively, we may study the structure of employees working in each sector; this may be offered through yearbooks of various professional associations. However, here we begin to further distance ourselves from values, since productivity among sectors varies; we get mostly quantitative hints.

Qualitative data may be sought in cartography that represents land uses on a city level, such as general plans and strategic documentation that projects their future development. We should also add here those places selected for development through urban agencies. Of course, we run the risk of not seeing the above realized, because of a crisis or bad planning, so we should monitor them empirically. Less reliable, but again a source, are press releases on investments. When we conduct empirical research, it is worth noting that very often epicentres define single-dimensionally the character of whole districts (Figure 1); we have already seen the importance of grouping in accumulation and we will further demonstrate the reason below, based on the rent theory. Therefore, it is easy to spot concentrated uses that should be examined as probable to belong to epicentres.



Figure 1: Examples of epicentres in the Balkan cities, demonstrating the grouping of certain economic activities. Photos from Novi Sad, Constanta, Sofia, Bucharest and Sarajevo. Source: author.

Big construction should also be included in epicentres; it is a pole of value production and realization, even if it is transitory, “vanishing” into other uses. New constructions mostly concern office and commercial space and less residential complexes.² There is another risk here though, depending if these uses will be functioning, or if they will fail to do so and get degraded into non-rented and non-sold empty shells.

Hence, methodologically we may trace upon an urban layer those epicentres that condense expanded value accumulation. Note that it is rational that they are situated near the corridors that we traced before and vice versa. Figure 3 depicts the above in the case of Belgrade and as in the previous paragraph, its analysis follows towards the end of this paper, before the conclusions.

Unevenness in forms condensing value in accumulation: real-estate speculation

Now, apart from production and consumption, there is a last urban income from expanded capital accumulation that we have to include; this is not based on profit, rather on inflationary sources, in our case real-estate capital. Speculative activity is studied here as a particular attribute of money capital that gets disjointed from its productive cradle; it exists only in relation to itself (Marx, 1993, 147). Conditions of global overproduction crisis drive land prices to participate significantly in the concentration of money capital through inflationary processes, also called “bubbles”. This asset-growth offers relief in capital fearing from re-investment in production proper (Mandel, 2004, 490; Harvey, 2006, 295).

Of course, real-estate capital itself is not invested throughout the city uniformly; it forms *centralities* according to where it is expected to be more retributive. So, aside the epicentres and corridors we have studied, districts are also differentiated according to land prices; in order to study this distribution, we need a rent theory (further reading Fine and Saad-Filho, 2010). We are allowed to say in

² In Bulgaria in 2002, 85.9% of the total building construction value was affiliated to non-residential units (UNECE statistics). In Bucharest only 3% of the building permits issued were affiliated to sub-urban residences (Rufat 2004).

draft that what we seek to interpret is why some plots may get a higher price as a commodity and why others a lower one.

Real-estate prices may be sought by asking real-estate agencies to fill-in a cartography that is delimited along the city's districts. Data may refer to renting and/or selling of properties. Often, there do exist also popular websites that host multiple real-estate owners or managers who seek to rent or sell their property; hence, a database may be formed which demonstrates respective average levels per district. A last source on real-estate price variation may come from tax regulation; in official gazettes one can find estimated land zone prices and coefficients for their taxation, which witness the attractiveness of the properties.

Land has a particular attribute that differentiates it from other forms of capital; it is always a monopoly (Fine and Saad-Filho, 2010, 144), namely private property relationships render it an object of income for those who possess it. If in industry it is higher productivity that attributes higher profits for capital, in urban land those profits may be pocketed by the land owner, without any active engagement, simply because of property titles. Actually, the patron of a firm gradually sees those profits gnawed by the landowner, through gradual adjustments of the rent contract (Mandel, 1973, 141). Here takes place a transfer of value from all economic branches towards landed property.

We are less interested in residential properties in the Balkans, because, after deflation, they present less margins for expanded value accumulation. That is why they also represent a lesser part of new constructions. As punctual cases though (gated communities, upper end complexes) they surely present an interest and we will see how we will incorporate them in our research.

So, we must study the different forms that the rent relation takes within the urban environment and its quantitative levels.³ We consider that lower rent levels may be grouped as "*absolute rent*": since centrality refers to limited parts of the urban pattern, there will be inversely a large number of land parcels that will attribute only a certain base rent. These enable the hosting of firms that cannot attribute a profit way above the social mean rate. It is here that some of the industrial epicentres that we have seen before move in; some small firms that start their business cycle, workshops and of course small commerce, restaurants and cafés servicing the local population. A landowner within these centralities may be satisfied with a low rent. Of course any upgrade of the location, through public expenditure and new trends, will elevate the landowner's demands; an industrial district where now clubs get settled in the old "transformed" warehouses, will slowly drive owners of small manufactures outside.

A second rent category, "*differential rent*", emerges either because of the estate's position or because of the accessibility levels and public infrastructure (communication networks, port facilities and so on). An industrial firm (manufacture, logistics, communications and so on) will enjoy a better capital circulation if it is located near a major transport axis or if it is based on an industrial cluster where it can use better infrastructure. Likewise, it will get ahead of the rest in the same branch. We have already shown how transport investments interact with land uses. A non-productive firm, such as a bank, a lawyer office or a consulting agency, will get a higher turnover, if it is positioned in an urban pole or if it is hosted in an office park; this will happen either because it will come into contact with a higher share of the market, or because it will use local communicative infrastructure, or because it will have higher proximity to state institutes and so on. In this case too, it will get ahead the rest in the same branch. We may see that the notion of *centrality* is different in those two cases and is not identified with one particular

³ Costis Hadjimichalis developed the following rent categorizations, derived from Marx's Capital (vol. 3), in a series of seminars of "Critical Geography" at Harokopeion University, Athens, on 22-3-13.

point within the city, but with the proximity to those capital investments or capital flows that the technical division of a firm may benefit from.

A special category of differential rent arises from proximity to unique monuments and scenic views, and is called *monopoly rent*. The proprietors of such plots enjoy “the use of place” in order to extract rent, only because it happens their land to be placed in a particular spot. Riverside areas, parks, plots adjacent to castles and so on, are examples of extraction of a certain monopoly rent; usually accommodation, small commerce and restaurants are nestled here.

Of course, particularly within districts where absolute rent is extracted, there are very big surfaces that *no rent* is drawn; in the Balkans they lie within old residential complexes, contaminated industrial sites and popular commercial markets. These areas are not interesting for capital to get invested, since no profitability is expected, or, worse, the cost of their renovation and operation exceeds their rentability.

We believe that the above categories match with our previous findings regarding epicentres and corridors and close a small circle in the epistemology. The districts that get higher differential rents are those hosting a particular type of epicentres and enjoy accessibility. What is more, as very often estates behave as “sponges for value”, namely grouped land parcels that may finance other activities through speculation, the shaping of the urban image is often quite readable.⁴

Unevenness in forms condensing value in distributed wealth and hegemony

The value circle has not yet closed. Values may get stored as paper money, shares, debt, credit and so on, but they may get also consummated as commodities and enjoyed as private needs. This determines now a *distribution* of the individuals to the products that entrepreneurs brought to the market. But this change of subjects and phases is only methodological, since distribution has already taken place as allocation of production, as well as allocation of the workers among different economic activities (Marx, 1993, 96), as we have already seen in the previous paragraphs, so “distribution of products is evidently only a result of this distribution” (Ibid.).

The allocation of these *needs* includes residence and cultural, health and educational services, something that is most important for urban geography, since it is connected to land uses and lifestyles. The affluence of those amenities is accompanied by social layering, as we told in the introductory part; not everybody enjoys equally the above needs and well-being. Of course values produced in the city’s grounds may take off to get realized in overseas directions, and others may arrive herein.

On the other hand, inversely, the existence of the above polarizations is necessary for capitalist relations to continue to exist: uneven distribution of conditions of life helps the perpetuation of unevenness in accumulation (Engels, 1963: 220,222), since it consolidates spatially, morally and economically that certain groups will have higher needs than others.

This is a culminating point for us, since *social groups* within the city condense the phases of accumulation, circulation and distribution; they also condense political relations that also serve the reproduction of the system in general: mobility, workplace, lifestyles, material needs, well-being, accessibility to power and money, all come finally together here. It is the viewpoint that will combine the urban forms that we discerned in the previous phases.

First, residence is the par excellence urban form of polarization in distribution. The quality of constructions, the capabilities of mobility it enables and living surface are types of this unevenness. Residence results into “confounding”, namely a tendency of people to live aside others of similar class

⁴ Mike Edwards gave a speech on 8-3-2013 at Harokopeion University, Athens on “Rent and Crisis” and used this term to simulate this process.

and ethnic status, something that ultimately is not a matter of “taste”; confounding is more heightened in higher social classes (Leontidou, 1990, 12), indicating the importance of the selection of their siege in the accumulation and general control of values.

Indexes such as new-built units, age of building stock, floor area per capita, occupants per dwelling and density per city district witness differences in residential quality. One can find such data in metropolitan and regional statistical yearbooks. It is indicative to compare these data with their mean rates, for example from UN’s Economic Commission for Europe statistics, as well as with the acceptable European standards; these should be approximately 40 m² per inhabitant and 0,6 to 0,8 persons per room (Aravantinos, 2007, 358); contradictory intra-urban surfaces of well-being will arise.

Second, the access of inhabitants to cultural, educational and health-care amenities accompanies value polarizations in the form of their allocation. Simply enough, it means that a person who belongs to a social group that has asserted a better position in the city through the accumulation process, may have better accessibility to clinics, cinemas, theatres and so on. Inversely, a person who frequents the latter more than another one, may possess acquaintances, life-styles, knowledge, a general health and informational level and so on, that s/he may transform to money capital concentration. Very often, simply the frequency of such amenities witnesses that the subject is relatively freed from the economic and time constraints that accompany its position in the labour process.

Indexes on a district level, such as visits to primary healthcare, places of theatre or cinema and doctors per inhabitant can witness these discrepancies. But most interesting would be here a map showing the allocation of such facilities on a metropolitan level. One can find the respective addresses from the yellow-pages or from urban planning documentation, although we still miss here the size of these services. Health services may be grouped here, such as hospitals, emergency centres and clinics; education as well, such as libraries, universities and colleges. Primary and secondary education should be considered a more self-evident urban right and, maybe, it can be omitted. Culture may get grouped as well: museums, operas, theatres, cinemas and galleries. Subsequently, one may note the formation of axes and surfaces that witness unevenness in the distribution of such human needs. These higher densities are not only located in the centre, but they infiltrate the city, where they expect to get realized, since most of these services are already a commodity as well. Besides, from the entrepreneurs’ side, the offer for consumption of such commodities is, at the same time, the distributed demand of them as amenities from our citizens.

Moving on, the access to another distribution that raises the conditions of social reproduction and contributes in uneven capital accumulation of particular groups is that of accessibility in financial services and administration buildings. Why does the above take place? Because the share of population that is near such facilities may have a quicker circulation of its capital (Komninos 1986:28). It is not by chance that banks open more branches in more affluent districts and people that reside nearby generally enjoy better capabilities for personal consumption; these individuals may find more confidence to be issued a loan, they make more easily transactions and so on. On their own turn, banks in such neighbourhoods find more security, more trustworthy clients and realize a wider money circulation, usually backed up with more valuable assets (deposits, real-estate prices and so on).

Similarly, people who can easily reach or live near administrative buildings, significantly fasten the turnover time needed for their transactions, they achieve a higher mobility, they share the protection of the state, but they also enjoy the symbolical connotations from such a vicinity. Inversely, major state and municipality buildings are far more protected among affluent neighbourhoods, they help their higher personnel to arrive more quickly and get better stimuli from the city’s economic centres. In other words, administrative forms stand as political concentrations and representatives of accumulated values.

The cartographic allocation of both, as above, helps us understand unevenness in distribution. One may group here, in the case of finance, bank sieges and branches, and in the case of administration, local, regional and state offices, embassies, courts and cabinets.

There is a last form that should be studied, because of its normative, correcting and obeying character to the previous we have researched; this is the state. Speaking about the city, this refers to authoritarianism through secured areas, police presence and corridors that facilitate its arrival, evictions in neighbourhoods and closed circuit TV; it also refers to populism and clientélism, which may be witnessed as legalization of buildings without permit, overpass of building regulations, extensive urban expansion, and a tolerance in private incentive, even if it is against collective good; last it refers to urban planning, mainly regarding its integrity and its assistance to override older or competitive urban relations. The state may accelerate or deter the value circle while eclectically supporting certain groups, so its urban forms have to suspect us of the above.

Before closing this paragraph we considered nodal in this study to correlate the position of social classes with the accumulation, circulation and enjoyment of commodities and the hegemonic political relations; then, we must locate these groups of people as well. But no census asks “which is your position in accumulation?”, nor can we find an entry in a yearbook that cites persons that generate surplus value over third ones.

Here again, we can tackle this indirectly, even if incompletely; let’s study the average income per district and its general *variation* to note the scope of polarization. By all means, the income each person declares and that s/he actually disposes is not always equal; non-legal sources, evasion of declaration and the laundry process are not reflected here; additionally, income distribution does not discern among wages, profits, rent or interest payments.

Hence, indices such as mean income and mean net salary per district come under the above assumptions. Concentration of occupational categories (directors, managers, technicians, qualified and non-qualified workers) may also give us some hints, even though this still does not witness the exploit of the labour of others. Concentration of employers and entrepreneurs is for sure a better index. The latter may give us cartographic allocations through Locational Quotients and Indexes of Segregation (see Petsimeris, 1998).

Formation of centralities

In this point and before closing the theoretical part we can make a synthesis. Corridors, epicentres, real-estate prices, but also accessibility to the places that satisfice needs get combined, in order to alternate the qualities of the urban districts; likewise particular *centralities* are formed that serve differently the needs of each general economic activity. So, the labour process is linked to the centralities needed for it to function; hence, we ought to know both the *technical* and the *social division of labour*.

Depending on the desired centralities, during the urbanization process land uses are not established arbitrary, rather here is reflected the sequence that the activities of expanded value chose to settle down, from higher to lower profitability. Hence, in order to pre-select the first-comers to settle in one must compare the *mean profit rate* of each branch, given a small period of historical stability.⁵ One must also add here repair costs, maintenance and risk in case a firm wants to enter an existing “brownfield” shell. This will refine first-comers’ decisions: a “high-tech” company may find its way near a city’s entrance, while a big bank directly within the Commercial Business District. A furniture factory may take advantage of existing small manufactures in the vicinity and accessibility to the commercial

⁵ Roberts (2011) methodologically calculates the mean rate of profit as $P = S / (c + v)$, where “s is surplus value; c is constant capital (means of production) and v is the cost of the labour power.”.

port, while a boutique hotel may evaluate as more important accessibility to the airport and the historical monuments. When some places are equally attractive for different activities, here profitability ranking plays an even more important role.

Some obstacles may deter the development of centralities though, and we must keep them in mind. First, a fear of an imminent fall of the profit rate may hinder an activity from making investments and entering places, thus changing land uses. Second, political issues such as parliamentary legislation, monopolies and people reactions may also deter the settling down. Last, it can be possible that a big number of unexploited estates wait for better rates in order to get sold or rented; hence the real-estate sector may hinder the growth of other activities.

Empirical examples from the Balkans

In this paragraph, we will give empirical evidence that puts into practice our general approach.

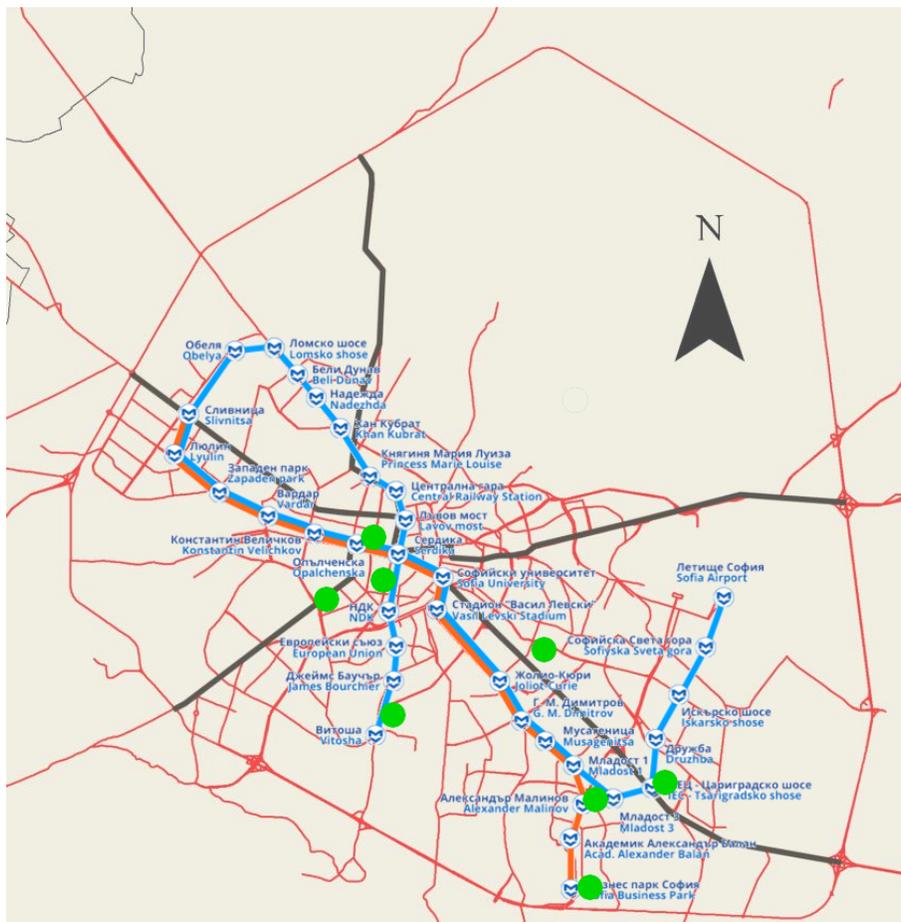


Figure 2: Metro and road network of Sofia Municipality. Cartography realized by author, data sources: metrosofia.com, metro.teczno.com (cartographic background).

Regarding, the phase of circulation, we draw examples from Sofia and Bucharest. In Sofia we studied on-line sources from the municipality, the mass transit public companies and the Sofproject institution that proposed the latest master plan of the capital, as well as some of the brochures of its development agency personally delivered, in order to see the links between that transport system and key land uses. In-situ research was also quite necessary to evaluate the above. First, let's see its road network pattern (Figure 2). Upon its long-lasting mono-centric structure, new corridors arose in the post-1989 era condensing economic activity: these are principally Evropa road (north-eastwards), Tsarigradsko Shosse

(south-westwards), Tsar Boris III (south-eastwards), Botevgradsko Shosse (north-eastwards) and Rozhen street (northwards); the axis running from south-westwards to north-westwards, as well as towards the outskirts of the city (particularly upon the foots of mount Vitosha) have also been emphasized by planning (RIMED, s.d.; Sofia municipality, 2008; METREX, s.d.; Sofproject, 2009). In addition, the development of industrial, storage and commercial activities was foreseen, along certain motorways (Tsarigradsko Shosse, Blv. Bulgaria) at the outskirts, by transforming farmland to other uses (EAUE, 2003). Those axes are planned to be connected among them with new arteries; an upgrade of the internal rings of the city and a full development of another concentric one, quickly connecting the city to the European axis is also under way. In addition, new secondary centres are projected for development upon these ring roads, further upgrading their importance (Sofproject, 2009).

Second, we pass to the metro system; if we study its allocation, its network gravitates around the access nodes of air, train and bus hubs (Centralna Gara and projected expansion to Sofia Airport), the city-centre, the Business Park of Sofia, the economic zones of Mladost 1 & 3 and, of course, the main business and commercial artery that runs from northwest to southeast, which is the principal city entrance as well (boulevards Tsarigradsko Sosse-Todor Alexandrov-Slivnitsa). Actually, the radial macro-spatial system of the master plan's organization (Sofproject 2009) that divides the city into five sectors, actually coincides with the boosting of some of them and the stagnation or decline of others, regarding accessibility: we may note that fewer transport infrastructures lie in the north-eastern and south-western sectors of the agglomeration, were some of the most downgraded districts exist, adjacent to industrial uses or abandoned complexes. The northern part is additionally obstructed by the train lines that pass through the tissue.

By applying the same path for Bucharest, we can draw data from the on-line sources of the metro system, but also the exemplary work of Chelcea (2008), who has spotted in 2005 upcoming key land uses, such as industry, offices and commerce, and Berza (2007) who has described its corridor development.

In this case, we may see here as well that the expansion of its transport system leaves outside the southern districts 4 and 5, as the peripheric 30km ring-road passing through the latter will be realized in a different future phase. This contrasts with the north of Bucharest that retains upgraded accessibility to the city-centre, the airport and the national roads. Additionally, northern DN1 axis forms clusters around Piața Unirii and Arcul de Triumf, concentrating economic and political density, but also residential locations of upper groups, including gated complexes (Berza 2007). Corridors also host linearly most land uses affiliated to offices, hypermakets and industry, like motorway A1 to Pitești, A2 to Constanța, DN1A1 to Ploiești, DN3 to Fundulea and E85 to Uzriceni (Chelcea 2008), in a particular type of ribbon development that leaves outside the southern part. As these uses are spread more than 40km away from the city-centre, accessibility is even more accentuated.

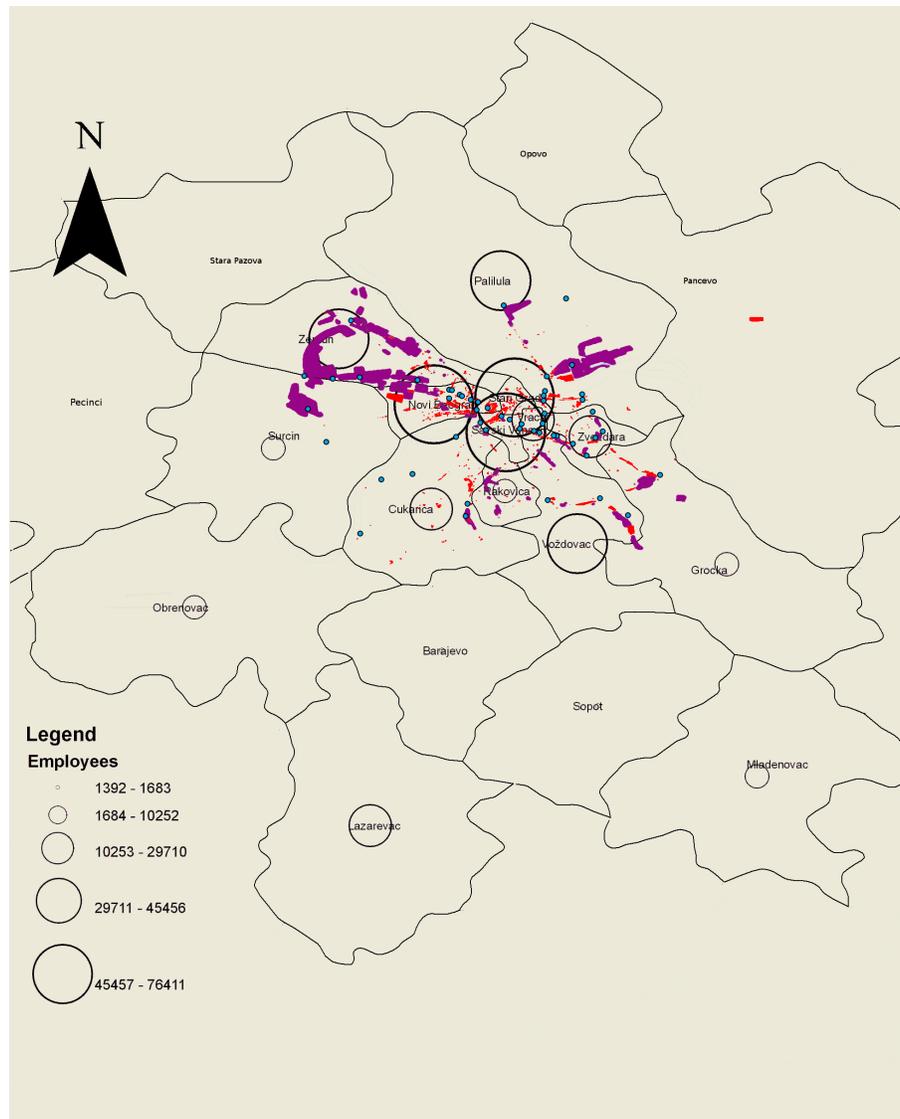


Figure 3: Distribution of employees among Belgrade municipalities, commercial development (in red) and economic zones (in purple). The blue circles indicate major existing or planned road interchanges, according to Belgrade’s Master Plan. Cartography realized by the author, data sources: SYB 2012, beoland.com

Regarding the metro system, this connects the entrances of motorways A1, A2 and to Ploiești, the previous industrial area of Berceni, the core city, the airport and the railway station. On the other hand it excludes again sectors 4, 5 and 6 at the south, such as the districts of Rahova and Ferentari.

Even though we lack statistical data for expanded value circulation, we believe that the above axes are a safe hint for the channels where it actually lies. Of course, after studying accumulation epicentres they could be further refined.

Speaking about accumulation, let’s study it in the case of Belgrade (Image 2). First, we must define its metropolitan area, which is formally limited in Belgrade region (NUTS2), although it holds significant ties with the adjacent one of the Banat area. Given an absence of other data, we may take into account studies that monitor daily migration (Stamenković and Gatarić, 2010; Tošić and Živanović, 2010). We should also add possible “edge-city” growth and significant future suburban pressures

(Đorđević and Dabović, 2010: 307,313). We will use these combined sources in order to define Belgrade's metropolitan zone, which now includes Belgrade region plus the municipalities of Stara Pazova, Pećinci, Opovo and Pančevo.

In the cases of Sofia and Bucharest, as well as many other Balkan cities that make part of EU's ESPON project, the "functional urban area" is delimited here on the basis of daily commuting above a certain level between the core city and its peri-urban and suburban administrative units (15-20% of the 15-59 age group; ESPON 2011). We consider that this assumption may approach the expanded value circulation notion, so things are more easy for us here to delimit their metropolitan area.

Coming back to Belgrade, now that we have its metropolitan area, we can draw from statistical data: since we found no GDP division among its districts, we will get some hints from the distribution of employees in all activities from the official statistical yearbook of the city for the year 2012 that can be found in printed form (SYB, 2012). Among Belgrade's 17 municipalities, we can note that more than 6 out of 10 employees are concentrated in five municipalities: Novi Beograd (17%), Stari Grad (12%), Zemun (9%), Palilula (14%) and Savski Venac (14%). The same municipalities represent only 20.5% of Belgrade's agglomeration surface and 38.44% of its 2011 population (SORS data for 2012).

Of course severe allowances must be made here, as we said, as long as we distance ourselves from capital flows. Hence, our hypothesis should get backed up at least with some more evidence. Likewise, we searched for the business "centralities" that got intra-urban developed, namely business space surface (Table 1). These were offered in the printed yearbook of the national statistical institute for the year 2012. One may note here too that commercial space has been unevenly distributed: Stari grad municipality exhibits a far higher share of commercial land to other districts, while Vračar, Novi Beograd and Savski Venac follow (SORS 2012 data).

Table 1: Business space per district in Belgrade, 2012 data. Personal elaboration on SYB 2012

| | Commune Area (ha) | Business Space (m2) | Business space (m2 per ha) |
|--------------|-------------------|---------------------|----------------------------|
| Barajevo | 21312 | n/a | n/a |
| Vozdovac | 14831 | 2,664,110 | 179.63 |
| Vracar | 292 | 801,893 | 2746.21 |
| Grocka | 28922 | n/a | n/a |
| Zvezdara | 3163 | 1,287,657 | 407.10 |
| Zemun | 15030 | 4,316,257 | 287.18 |
| Lazarevac | 38354 | n/a | n/a |
| Mladenovac | 33905 | n/a | n/a |
| Novi Beograd | 4078 | 8,023,009 | 1967.39 |
| Obrenovac | 41104 | n/a | n/a |
| Palilula | 45127 | 14,517,219 | 321.70 |
| Rakovica | 3080 | 1,281,215 | 415.98 |
| Savski venac | 1395 | 2,207,946 | 1582.76 |
| Sopot | 27066 | n/a | n/a |
| Stari grad | 538 | 3,895,017 | 7239.81 |
| Surcin | 28848 | 1,423,815 | 49.36 |
| Cukarica | 15648 | 3,386,422 | 216.41 |

Additionally, if we consult Belgrade's Master Plan 2021, which is available on-line,⁶ we will further refine growth nodes; commercial centralities are quite concentrated in Vračar, Savski Venace and

⁶ Visit <http://www.beoland.com/en/plans/master-plan-belgrade/>

New Belgrade and a linear development across highways is also witnessed. We also get the so-called, “economic zones” of offices, industry and logistics. Industrial uses fill-in the area between Nikola Tesla airport and New Belgrade, as well as the riverside areas near Pančevo and the southern entrances of the city. Commercial uses are further intensified in the city-centre. Perhaps, the major spectacular change is the transformation of New Belgrade, from a mono-thematic residential into a dynamic financial and commercial area.

Expanded accumulation has found its way in the urban tissue. Note in figure 3 the relation of corridors and their interchanges with the positions of epicentres.

Things for Bucharest are easier, because of the on-line ESPON database,⁷ which holds data for 2006 comparing LAU2 units; these refer to the sectors of the core-city and peri-urban communes. If we allocate available GDP data to the above units, one may note the deviation throughout the metropolitan area that benefits particularly a belt in the northern part, including Sector 1, 2 and 3, and the communes of Chiajna, Rosu, Dobroesti, Voluntari, Chtila and Mogosoaia. More sporadic higher densities may also be found in the peri-urban area (Bragadiru, Cornetu). The above findings may get coupled with those that we found during study of circulation of value, as some of the sources we studied before include allocation of activities and study the same phenomenon (allocation of commerce, industry and so on).

Regarding Sofia, here the ESPON database may surely be helpful again, although some statistical issues regarding the size of the core-city territorial units, make things a bit less comparable; Sofia is still a compact city, concentrating most of its economic activity in the core-city, hence a more detailed division would be helpful.

After the above studies, an empirical in-situ visit is absolutely necessary, in order to filter which of the above potentialities got realized and which failed to do so. Let us pass now to the study of speculative phenomena. We will study them in the case of Bucharest and Sofia. Romania’s real-estate sector underwent important inflationary waves the last decades: in 1993 the value of new constructions was 18 million RON and passed to 2,543 million RON in 1997, 57,000 million RON in 2001 and 96,179 million RON in 2002, before its sudden drop in 2007.⁸ Speculation was driven by another reason as well: by the year 2000, many industrial facilities that have been leased in the beginning of the privatization process under the conditions of a ten year froze of a use change got immediately in the real-estate market (Chelcea 2008).

Bucharest's real-estate development is connected to a suburbanization process towards the surrounding Ilfov county. In the post-“socialist” 1992-2011 period it faced a growth of 35.47%, while for the whole 1966-1992 period it had grown only by 24.89% (INS, 2013). This requested first and for all the revisiting of the pre-1989 strict urban planning and the autonomization of Ilfov county. However, sub-urbanization was not so important in terms of value, as were the changes within the city-core, such as Lipsani street. New centralities were also introduced in those industrial locations that were found upon higher differential rent locus, a condition that previously did not exist; activities that were more retributive than old uses settled in here and an exodus of industrial activities followed. Chelcea estimates that from the moving out industries, almost 31% got demolished, 46% got shrank and leased their facilities to logistics and 23% got transformed to services (2008).

⁷ Visit <http://datanavigator.espon.eu/>

⁸ Prices are deflated 2005 constant prices. Personal elaboration on UNECE statistics and World Bank GDP deflator indexes.

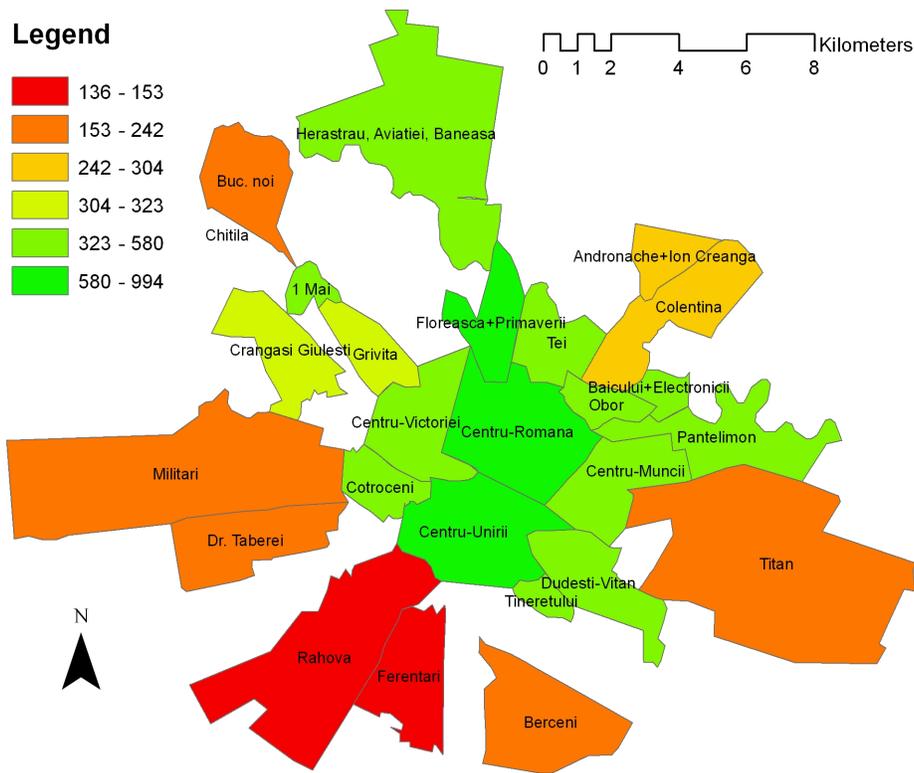


Figure 4: Indicative prices for buying one square meter of office uses in Bucharest in euros. Cartography realized by author, data for 2013 from interviews with Impuls real-estate srl in Bucharest.

Figure 4 depicts the differences in capital accumulation for Bucharest, depending on the position of the estate. Our cartography is shaped by data offered by a real-estate agency, “Impuls real-estate srl” (Dem. Dobrescu 5, 010025 Bucharest) that we visited in 2013 and discussed on average market prices. Here we got even smaller scales than the city's sectors. One can note that the city-centre and the northern part are by far favoured here. So, what we witness is that money capital accumulation capabilities through real-estate speculation are also unevenly distributed within the city. A person who bought a plot in a central space or who has turned his/her dwelling into a private one through the privatization process or who acquired it all of a sudden through the restitution process or who has took control of it through corruptive mechanisms has higher accumulation capabilities; inversely, a migrant from the periphery who had no resources but to settle in a modest place or a worker who cannot rent his only in possession dwelling, or a person who could not subsist the high rents and should move out of the district, all have not at all accumulation capabilities. Of course, there exist all the in-between capacities of accumulation.

Speculative constructions have also emerged through the absence or laxity of regulations, primarily as a tolerance of a certain violence against nature and proper conditions of urban life. In fact, up to 2011 the General Plan of Bucharest promoted “zonal urban planning” without relative regulations for maximum and minimum surface; this permitted the expansion of the built-up pattern to areas initially regarded as non-built up ones (Suditu 2012). Governance decentralisation also accentuated the phenomenon: the General Plan could be revised by local governments and include legal exemptions (ATU, 2011).

So, informality laid here as well the basis for accumulation. Of course, not all informality cases resulted in this: for example, the poorer situation of Bucharest's citizens southwards did also enable a

sprawling phenomenon, initiated more from the attempt of those people to make their living. It got accentuated by the absence of state provisions and clientèlism, while it benefited as well from regulations' laxity; so it is a result of uneven development as well, in its most general sense.

The above process is quite dynamic. It is logical, since for us rents are not defined due to any “natural” trait of land rather they are centralities that are developed when land comes under the control of capital. Speculation as a phenomenon is generally higher when the real-estate interest is higher than the mean profit rate of industry. In any case though, we should keep an eye on the moment of burst of those bubbles, since all inflationary phenomena ultimately get adjusted, provoking either small corrections or general urban crisis.

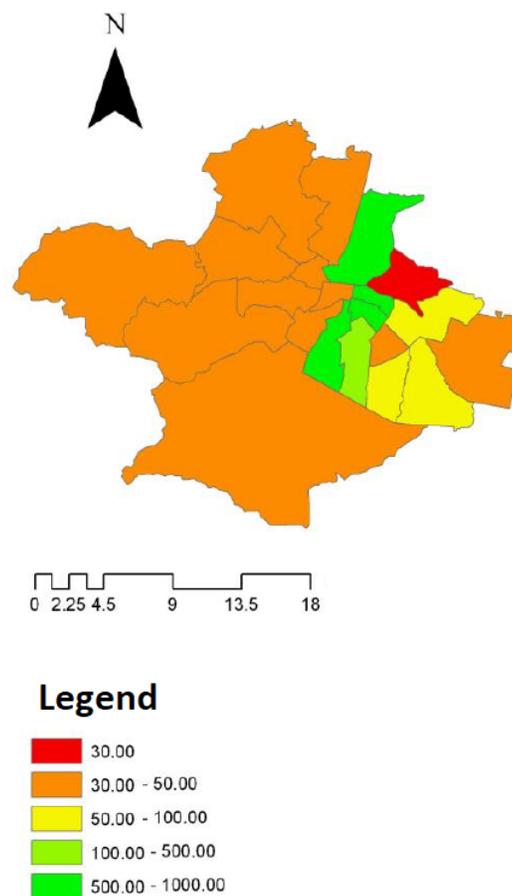


Figure 5: Indicative prices for renting one square meter of office uses in Sofia in BGN. Cartography realized by author, data for 2013 from interviews with “New Real-estate” agency in Sofia.

Similarly, if we quickly see the allocation of real-estate prices for Sofia, we will note that its north-western districts may offer higher revenues to those that get implicated in speculative activities (Figure 5). For this we personally visited and collected data from a real-estate agency, “New Estate” (Tzanko Tzerkovski Str, 1000 Sofia) in 2013. But we have also studied on-line the evolution of estate prices from the National Statistical Institute from 1993 to 2012, in order to assert which constructions were important for this kind of accumulation. Thereby, we saw that it was primarily commerce and offices that were more significant, since if we deflate the prices of residential apartments for the 1993-2012 period, they stayed practically the same for the city of Sofia (-0.39%). That is why, 85.9% of the

new total value in constructions in 2002 was in non-residential units according to UNECE on-line database, and got multiplied 3.6 times between 2001 and 2006 (Sofia Municipality 2009:11).

Apart from capital accumulation margins, it would be most interesting to see the order that centralities got formed and the urban forms they acquired, according to the rent theory that we developed. For this, we elaborated table 2, in order to get the mean rate of profit, according to Roberts (2011), approximating the surplus value with the “net operating surplus and mixed income”, the cost of the labor power with the “labor compensation” (offered by the on-line Eurostat database) and the constant capital with the “tangible fixed assets” data (offered by the national statistical institutes),

Table 2: The mean rate of profit for Romania’s major activities (2017). Personal calculations on data from Eurostat’s database and National Bank of Romania (2018). Average exchange rate from European Central Bank.

| Activities | Operating surplus and mixed income, net (mil. EUR) | Fixed Assets (mil. EUR) | Compensation of employees (mil. EUR) | Profit Rate |
|--|--|-------------------------|--------------------------------------|-------------|
| Manufacturing, incl. Mining | 15427,8 | 270997,8 | 14751,1 | 5,40 |
| Construction and real estate activities | 16025,2 | 127309,4 | 3771,0 | 12,23 |
| Wholesale and retail trade, transport, accommodation and food service activities | 5933,1 | 110186,9 | 9884,6 | 5,20 |
| Information and communication | 4402,4 | 24568,5 | 4048,4 | 15,38 |
| Financial and insurance activities | 2546,1 | 31269,0 | 1853,3 | 7,69 |

We may clearly see that the manufacturing and trade sectors lie below, while first comes entrepreneurship from information and communication; we expect it first to select its locations in the city, often in hubs with good corridors and business parks with good infrastructure. After comes real-estate and constructions activities witnessing the fervent extents for profit extraction from building management. We go on with financial activities which are usually located in business districts and the city centre. Trade then selects afterwards, even though the number of enterprise units is usually much bigger. Manufacturing finds its way last, selects the less central areas and should be satisfied with a lower profit; its low levels are also connected to the high social speculative levels. Of course, not every activity considers what is “central” at the same way, although a ranking arises that defines the first-comers, the seconds-in-line and so on. A more detailed analysis within each sector would be very interesting in order to further diversify trade, transport, accommodation and so on. Particularly for manufacturing it would shed light to the state of pre-1989 enterprises and regarding trade, it would clarify the position of malls in the city.

Table 3: The mean rate of profit for Bulgaria's major activities (2017). Personal calculations on on-line data from National Statistical Institute's database and Eurostat. Average exchange rate from European Central Bank.

| Activities | Operating surplus and mixed income, net (mil. EUR) | Net Tangible Fixed Assets (mil. EUR) | Compensation of employees (mil. EUR) | Profit Rate (%) |
|--|--|--------------------------------------|--------------------------------------|-----------------|
| Manufacturing | 2.339,2 | 13523,7 | 3866,6 | 13,45 |
| Construction | 655,0 | 2597,5 | 981,3 | 18,30 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 2.762,1 | 6896,3 | 2987,8 | 27,95 |
| Transportation and storage | 387,7 | 6220,3 | 1411,1 | 5,08 |
| Accommodation and food service activities | 89,1 | 3111,0 | 816,3 | 2,27 |
| Information and communication | 317,3 | 1673,3 | 1882,5 | 8,92 |
| Real estate activities | 3.430,1 | 8647,0 | 291 | 38,38 |

In the case of Sofia we may note the fervent margins for profit extraction from the real-estate branch (Table 3), drawing data from the on-line database of the national statistical institute of Bulgaria and Eurostat database. Then follows the trade branch that the master plan of the city extensively allocates in the city-centre and linear “service zones”, mainly in the southern part. Most of them exploit the accessibility and visibility of the arteries. After comes the high rate of construction that turns itself into other uses when realized, if it does not stay non-exploited, so it is not centrality per se that interests us here. Manufacturing's mean rate of profit rests also high, something that explains its central locations within an economic “ribbon” zone that goes along the railways lines from northwest to southeast, close to the city center of the compact city of Sofia. Next comes trade and IT activities which select their locations according to the centralities that serve them: business parks, greenfield malls upon the new axis and older renovated monumental buildings inside the city-centre. In the master plan of the city one may find those “high-density service zones” sporadically located from the core-city to the outskirts. Then come transport and logistics activities, particularly upon the new arteries and intersections that have been formed. Last, accommodation and restaurants fill-in the rest locations. Unfortunately, we did not possess data from the on-line database to calculate profit for financial activities, although we should relate the high rate of real-estate with some of their activities. Centrality is here again an issue of a general priority according to the above ranking and particular priorities depending the necessities of each activity.

Let's close this empirical paragraph, by studying Bucharest till the end of the value circle; let's see the allocation of amenities in this Balkan capital.

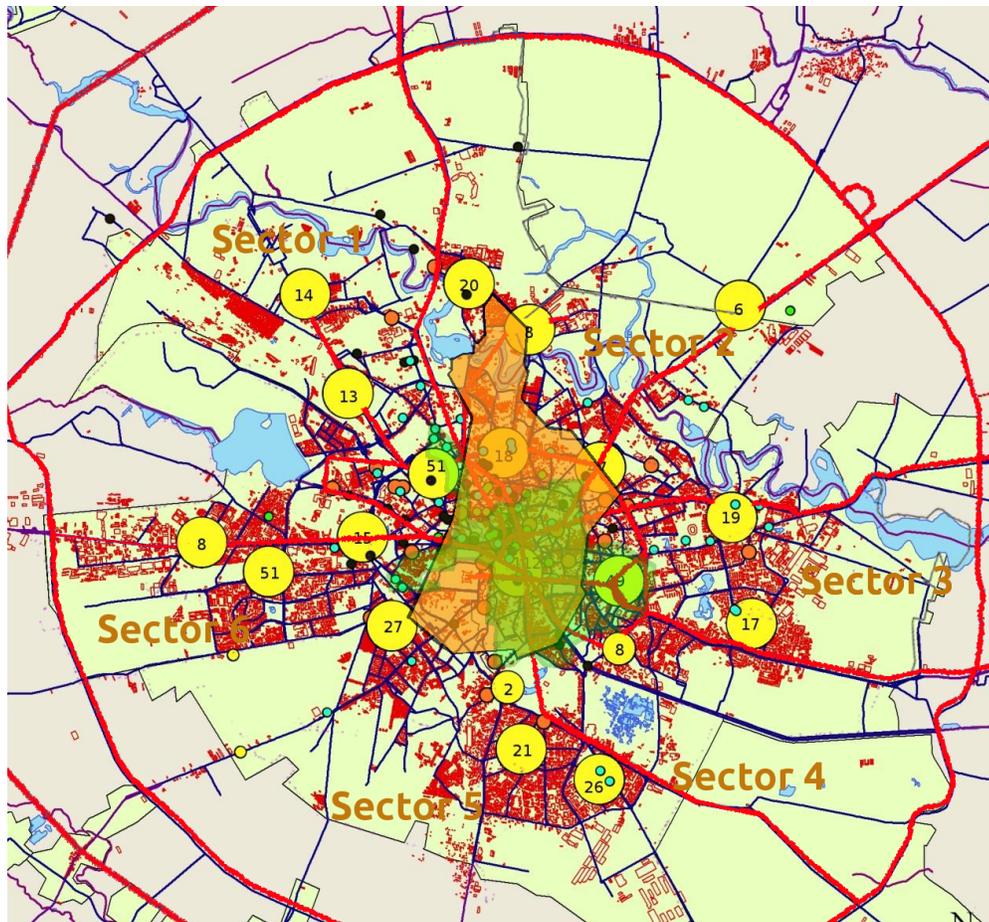


Figure 6: Allocation of culture (cultural centres, museums, operas and theatres – in green), health (hospitals, health centres and emergency centres – in cyan), education (academies, universities and colleges – in black), administration (local and public – in orange) and bank agencies (big yellow circles); upper social group positions (area in light green); main corridors (red lines); and high-end real-estate prices (area in orange). Cartography realized by the author, data sources: www.paginaurii.com (data retrieved 9-4-15), Suditu, 2006, 250 (upper group positions), metro.teczno.com (cartographic background).

For this we accessed a “yellow pages” directory, we grouped amenities and placed them upon a cartographic background (Figure 6). Conclusions are quite striking; three axis starting from the city-centre and heading north-westwards, north-eastwards and eastwards (corresponding to the national roads 7, 1, 2 and 3), concentrate the majority of culture, health and education. Here also resides the majority of bank agencies; but also public administration follows the above rule. Administratively, we speak about Sectors 1 and 2 and part of Sector 3, only close to the city-centre. Note that the southern “hemisphere” of the agglomeration seems to contain only a far minor part of what the northern has, regarding all services.

Residence should also be considered unevenly distributed, though statistics are scarce, in order to allocate it. The production of new units is very low: it came down from 16,283 units in 1985 to 1,396 in 2011, while at the same time from an almost absolutely public-funded model we passed to a private one (Suditu, 2006, 171; DRMSB, 2013). So, the rise in per capita living floor space, from 12.75 sq.m. in 1990 to 16.40 sq.m. in 2011, should be considered to be unevenly distributed in favour of a minor share that may finance its new dwelling, usually in the areas undergoing sprawl. Perhaps it is better to consult

other indexes that depict these extremities: for example, UNECE database holds that in 2002, on a national level, 91.7% of dwellings had an average useful surface under 45 sq.m.

Now, let's see the position of our social groups within the city, in order to relate all our findings with it. Unfortunately, the latest censuses did not include income levels, and even data regarding socio-occupational categories were excluded in the latest census of 2012. We have to go back to 2002 census in order to find some hints for the first post-1989 years of change. What we get from some studies that use the index of segregation and the locational quotient in order to monitor the predominance of certain groups over others is that "higher" occupations resided mainly in Sectors 1 and 3, while the "lower" ones resided mainly in Sector 5, in districts such as Grivita, Ferentari and Rahova (Marcinićzak, Gentile, Rufat and Chelcea, 2013). Suditu studies the share of employers and entrepreneurs in 2005 and gets similar results (2006, 250).

It is now that we are able to condense empirically all the phases of value and its urban forms. In Figure 6 we brought together upper social group positions, principal corridors, main epicentres and high-end real-estate prices. Note that the places entrepreneurs reside guarantee a very significant mobility all around the city and outwards, through the axis we have already seen. It is quite evident that a person residing in sectors 1, 2 or 3 has a far better accessibility to key economic land uses than a person residing in sector 4, 5 and 6. Also, as the places the upper group resides are the more expensive ones regarding real-estate prices, this guarantees a relative neighbourhood confounding. It also provides the opportunity to back activities with collateral mortgages. On the other hand, culture, health, education are plenty and easily reachable from these neighbourhoods. Safety is also upgraded by the co-presence of multiple administrative buildings. The city now, in a higher integrity, seems even more polarized.

Conclusion

To sum up, we assumed that the polarization of value's phases -accumulation, circulation, distribution- and the social process supporting their unobstructed movement -state hegemony- may correspond to certain prominent respective urban forms that witness their existence. Our empirical studies have discerned such urban forms as well. The filtering of these forms is a recurring process and all phases are articulated, so reverberations in the selection of the final forms are absolutely expected. A model is always a representation of reality in need for an everlasting refinement. This method leads to rational outcomes only if we attempt to cross-check them in the city's unity; capital correlates factors in different phases based on profit extraction. In the end, we noted that expanded value's phases and its respective urban forms are concentrated in certain places and hold an inner articulation. These drag the rest of the city in their urbanization dynamics -of development or decline. We saw that the subjects that handle expanded values assert an integer, and not partial, spatial control over them. This integrity refers to citywide accessibility of commodities, securing of mobility to workplace and home and assurance of higher real-estate prices and amenities within reach. Hence, the city not only can be shaped unevenly, but this is a precondition for capital circulation.⁹ Unevenness lies in the heart of contemporary urbanization as it is identified with the expanded circulation of capital, where values get unevenly distributed depending the average rate of profit or revenue they expect.

We will get a clearer image *why* these particular urban forms appear and why the city gets orientated towards certain economic activities and amenities if we switch scales. Thereby, another research upon *international and regional uneven development* will show us that values are drained outside the Balkans because of domestic relations of production and circulation; this drainage defined

⁹ It was Ernest Mandel who claimed that intra-regional uneven development is a precondition for capital accumulation (2004). His theory is adapted here on a city-level, mainly noting the restrictions of the profit rate equalization tendency and the respective forms of the smaller scale.

the “coarser” forms of urbanization that we actually further refined in this article on an intra-urban level (for a study, see Plevris 2019). Before closing, we must also note that the above path allows a significant margin to be filled-in by future research with “secondary” -in terms of drivers of change- value flows and urban forms. This epistemological approach will tend to grasp the full image of urbanization. Our concept of uneven development is linked to expanded accumulation, only because this is the essential, the general attribute of our social processes, in other words the motor of economic flows and urbanization. There is room for all the rest flows and urban forms to find their way in. We speak about small manufactures, consumer goods shops, family-employed firms, old state enterprises that work under low productivity levels, service points, residences under decay or more decent, under-maintained municipal infrastructures, but also urban personalities living in real-socialist habitats or buildings without a permit and so on.¹⁰ We speak about “human development” in general, now coming under its simple reproduction or its decline, either as capital or as employee or as “idle factor” for the system. All the above are linked to uneven development, as the fleeting, aleatory but real elements hooked to the essential.

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¹⁰ Urban personalities or “urban cultures” are here understood as “interiorisation of political relations” (see Sève 1978) a path that necessitates a separate study, remarkably linking uneven development and the individual.

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