

Rio de Janeiro's Olympic Disposessions

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Abstract

Based upon a study of urban interventions in the city of Rio de Janeiro conducted under the pretext of the 2016 Summer Olympics, this paper offers an understanding of how the various forms and mechanisms of dispossession relate, contribute, or even do not contribute, to capitalist accumulation proper. To do so, I first define three types of dispossession based on whether each contributes to the accumulation of capital. One is only a redistribution of surpluses; the other two serve the accumulation of capital by converting the means of production or subsistence into capital or commodities, and both expand the availability of labor power. Each of these types of dispossession is based on one or more specific social processes, which, for this reason, also serve capitalist accumulation in a form different from the others. These processes are redistribution, proletarianization, capitalization and commodification. They guide the analyses of concrete phenomenon related to the 2016 Olympics in Rio de Janeiro in an attempt to empirically distinguish the types of dispossession previously theorized.

Keywords

Disposessions, Olympics, primitive accumulation, Rio de Janeiro, urban evictions.

I will never forget what [the mayor] said: that we would have to leave because he wanted to clear the community.
Francicleide da Costa Souza, resident of Metrô Mangueira, Rio de Janeiro

Introduction

In October 2009, the city of Rio de Janeiro was chosen to host the 2016 Summer Olympic and Paralympic Games. This was the apotheosis of a process that involved great efforts by leaders of government, business and sports entities. Since then, it has been affirmed that the Olympics will be an opportunity for economic and social development, as the 2014 World Cup was supposed to be. Months before the selection, the city government had already committed to mobilizing resources that would be needed to hold the event, and the federal government made a similar effort. Unlike the president of the United States who, in support of the candidacy of Chicago, arrived at the International Olympic Committee's meeting just minutes before the selection, the Brazilian president arrived two days in advance, bringing personal letters to each one of the voters. Asked why Rio de Janeiro was chosen, one member of the Brazilian Olympic Committee said "we wanted it more."²

For years, global cities, in particular those in so-called emerging countries, have been competing to host events of this type. According to state discourse, they contribute to the social well-being of the urban populations. The Rio de Janeiro mayor affirmed that "for each real [the Brazilian currency] spent on sports facilities, another five are invested in public works—BRT [bus rapid transit] lines, light rails and metro, revitalization of abandoned areas and sanitation projects."³ But these public works also spark the interest of capitalists seeking profits. In the evaluation of the Fitch Group research company, "the hosting of major international sporting tournaments in mostly emerging market countries provides much scope for investments, not just in sports and tourism facilities, but also in economic infrastructure."⁴ Due to the potential for construction projects related to the World Cup and the Olympics, another important research company forecasted that the

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² "The Americas: Rio's expensive new rings; Brazil and the Olympics," *The Economist*, Oct. 10, 2009, v. 393, p. 41.

³ Eduardo Paes, "Jogos da inclusão," *Folha de S. Paulo*, Sept. 13, 2015, available at <http://www1.folha.uol.com.br/fsp/opiniaio/232873-jogos-da-inclusao.shtml> (accessed Sept. 14, 2015).

⁴ "Brazil infrastructure report Q2 2011," *Business Monitor International*, Feb. 2011, p. 98-99.

Brazilian cement industry would have annual growth of 9% from 2012 to 2016, compared to the 4% expected for GDP.⁵

The most recent estimates for spending on construction related to the Olympics are R\$ 6.7 billion (\$2 billion) for sports installations and R\$ 24.6 billion (\$7.5 billion) in urban infrastructure.⁶ There is a budget for an additional R\$ 7.4 billion (\$2.2 billion) in administrative, commercial and other spending needed for the Games.⁷ Besides the constructions and the potential gains they offer builders, the context is typical of that which Marx called primitive accumulation. In June 2014, the Popular Committee for the World Cup and Olympics of Rio de Janeiro—a civil society organization that has been monitoring the impacts of these events on the city and its population—reported that 4,120 families had been evicted from 25 communities to clear the way for construction projects related to the World Cup and the Olympics. In those cases in which the residents removed were offered cash settlements, they were not enough to allow them to purchase property nearby similar to the one from which they were evicted. The Committee estimated that another 2,486 thousand families were threatened with having to leave their homes to make room for construction projects related to the Olympics.⁸

This situation shows that so-called mega events contribute to make urban space a frontier of capitalist valorization also in the periphery of the world-system. As in the pre-history of capitalism, when agricultural frontiers were pushed into capitalization, urban frontiers are being forced in the same direction. Social relations still not completely dominated by the logic of commodities are increasingly subordinated to it. In history, and in current times, in the center and in the periphery of the world economy, the advances of capital push people far from the spaces in which they produce their existence. Workers who subsist, to some degree, under non-wage social relations, are led to proletarianization, whether by selling their labor power or by joining the industrial (urban) reserve army.

Based on a study of preparations for the Rio 2016 Summer Olympics, this paper offers an understanding of how the various forms and mechanisms of dispossessions relate, contribute, or even do not contribute, to capitalist accumulation proper. The article is organized into six sections following this introduction. In the next one I synthesize the provisory theoretical basis of the study, defining distinct types of dispossession. Each of them is based on one or more specific social processes, which, for this reason, serve capitalist accumulation in forms distinct from the other processes. These processes are redistribution, proletarianization, capitalization and commodification. In the following four sections, each of them will guide the analyses of empiric phenomenon linked to the Olympics. I conclude the text reconsidering the provisory theoretical base to articulate the processes analyzed with the different types of dispossession.

⁵ “Research and markets; Brazilian cement industry outlook: 2014 FIFA World Cup and 2016 Olympic Games provide new business opportunities and future growth potential,” *Investment Weekly News*, Aug. 11, 2012, p. 527.

⁶ Olympic Public Authority, “Terceira atualização da matriz de responsabilidades,” available at <http://www.apo.gov.br/index.php/matriz/atualizacao/> and “Sobre o plano de legado,” available at <http://www.apo.gov.br/index.php/plano-de-politicas-publicas/sobre-o-plano-de-legado/> (accessed Dec. 12, 2015). Due to instability in the exchange rate during 2015, all of the values in US dollars in this study were calculated based on the average exchange rate from January to November 2015 (BRL 1:USD 0.3047).

⁷ Rio 2016 Organising Committee, “Budget,” available at <http://www.rio2016.com/en/transparency/budget> (accessed Dec. 12, 2015).

⁸ Comitê Popular da Copa e das Olimpíadas do Rio de Janeiro, “Megaeventos e violações dos direitos humanos no Rio de Janeiro,” Nov. 2015, p. 36.

So-called Accumulation by Dispossession and Expanding Dispossession

Capitalist accumulation is meant to be a fluid and circular process, where money is turned into commodities that are transformed by labor into a more valuable commodity, which is then sold in the market at a profit. Actually, this process is not circular but spiral, for each cycle ends with more money than existed at the beginning of the cycle (Luxemburg [1913] 2003). Nonetheless, as an historical process, capitalist accumulation must have developed upon some antecedent social process. This process is known as primitive accumulation, which, roughly speaking, involved the expropriation of land from feudal serfs who then began to leave the countryside for the urban labor market linked to the textile industry that rose in England. This whole process triggered capitalist accumulation proper, since the expropriation of common land led peasants to flee to the towns to become either proletarians or lumpen-proletarians.

In terms of its relation with capitalist accumulation proper, primitive accumulation can be defined as the first and foundational round of centralization of means of production, which entailed the first processes of both proletarianization and capitalization of means previously used by direct producers for their subsistence. The specific concept of primitive accumulation is thus related to the concept of capitalist accumulation proper. Use of the Marxist formula of the rate of profit ($s/[c+v]$) can help make this relationship clearer. The formula allows deducing that primitive accumulation created both the variable capital (v) and the constant capital (c) as such, making them freely available to capitalists for the production of surplus-value (s). In sum, primitive accumulation was the process through which capitalism had its first and foundational rounds of both proletarianization and capitalization, i.e., of turning direct producers into wage-dependent producers and means of subsistence and production into capital, respectively.

Although the concept of primitive accumulation has been located at the dawn of capitalism, it has never been determined if it should be restricted to that past. The idea that Marx's capitalist mode of production would be depicted as such only at an abstract level, or as an "ideal of capitalism" vis-à-vis "its reality" (Althusser [1965] 1979:195) brought about considerations that primitive accumulation would be an ongoing process. For Saskia Sassen (2010b:51), the pronouncement of the victory of the free market, and that neoliberalism is the best path for pursuing economic growth set the stage for the financialization of the economy, which has led to "the return of primitive accumulation." Other authors suggest that primitive accumulation has never ceased to occur, and is necessary to, and present in, "mature" capitalist systems, and thus has a continuous character (De Angelis 2001:2; Harvey 2014:57). More clearly, primitive accumulation would be both an historical and reproductive feature of capitalist social relations and, as such, the foundation of the social constitution through which labor exploitation is reproduced (Bonefeld 2001:2; 2011:379).

The best known approach that calls attention to the contemporaneity of processes analogous to primitive accumulation is David Harvey's (2003a:145,147; 2003b:74) concept of accumulation by dispossession (AbD). In addition to inspiring countless studies on dispossessions worldwide, it has also triggered considerable debate. This alone gives the AbD concept a deserved prominence among studies of the historical-geography of capitalism. However, its excessively broad scope causes imprecision, and the AbD concept does not provide a clear explanation about how its operative elements relate to expanded accumulation. Questioning Harvey's understanding that AbD is an economic process that arises to solve problems of over-accumulation, Levien (2011:457) defines it "as the use of extra-economic coercion to expropriate means of subsistence, production or common social wealth for capital accumulation." On one hand, he admits that AbD helps capitalism to overcome barriers to accumulation. On the other hand, Levien's focus on dispossession and, mainly, on its extra-economic character, indicates that it is not automatically connected to the entire process of accumulation (Levien 2011:454). In sum, dispossession does not necessarily and automatically lead to expanded accumulation.

In the same sense that I understand that Marx's primitive accumulation was more about redistribution of means of subsistence and production than about accumulation proper, this is how I characterize some of the main elements of Harvey's AbD. Let's take the realm of finance, one of the main loci where Harvey sees AbD as taking place through appropriation of surpluses in the form of money. The problem is that the concentration of money and its exclusion from circulation—hoarding—constitute the opposite of its valorization as capital (Marx [1890] 1990:735). In sum, “for money to constitute capital, and in order for the desire to hoard to constitute capitalist accumulation, there must be the conditions for its investment: that is, the capitalist must be able to purchase both the means of production and labor[-power]” (Read 2002:29). Translated into the Marxist formula of profit rate, we see in some examples of AbD nothing but a redistribution of surpluses, which thus increases neither constant (c) nor variable capital (v).

Due to these theoretical difficulties, I suggest three different concepts of dispossession, which are distinguished from each other by their relation with capitalist accumulation proper and their impact on the profit rate. I call the first redistributive dispossession (RD), which can involve means of appropriation, production or subsistence, but entails no proletarianization, capitalization or commodification. As such, it has no impact on the aggregate rate of profit, and the relation of RD with the general process of capitalist accumulation is one of dependence of the former on the latter. What actually happens in RD is a redistribution of either kind of capital (c or v) or even of previously accumulated surpluses. Some common examples are public debt, privatization of production, and cutbacks in welfare expenditures. Straightforwardly, I define RD as an appropriation of surpluses that does not increase capitalization, commodification or proletarianization. The kind of dispossession that leads to the expansion of capitalist accumulation proper is quite different.

What I call here expanding dispossession is the form that primarily involves proletarianization and, thus, sets the stage for labor exploitation to take place or even be deepened. The notion of proletarianization is not deployed here as a discrete category. Drawing on the example of peasants who have been expropriated to make room for the creation of special economic zones in rural India, Levien (2011:473) provides a straightforward notion of this by referring to households that are “relatively more proletarianized in the sense of having to perform more wage-labour.” The possibility that processes of dispossession do not necessarily lead to an increase in the number of workers directly deployed in production does not weaken the argument. Workers who were previously less dependent on wage-labor who have been thrown into the labor market, even without being hired, fulfill the role of pushing down the wages of those already employed. The growth of the reserve army of labor triggered by dispossession of means of subsistence has an active role in increasing the profit rate ($s \div [c+v]$) through the decrease of one of the factors of its denominator, in this case, variable capital (v). Logically, the rate can be raised by decreasing the factor of the other denominator, namely, constant capital (c), and this is the second criterion that identifies expanding dispossession.

Therefore, the second fundamental criterion for defining expanding dispossession is capitalization, which involves turning into capital means of production or means of subsistence that were hitherto not capital. In addition to proletarianization, capitalization is also an element of what I call expanding capitalizing dispossession (ECpD). As in the past, capitalization continues to occur through the displacement of direct producers from land, allowing it to be turned into capital, i.e., so that it can be deployed in the pursuit of capital accumulation. But the means by which capitalization takes place have expanded, and people have been displaced to give room for large construction projects like dams and power plants, urban developments and other types of facilities that function as means of production and as such of accumulation. In sum, ECpD engenders a combination of proletarianization and capitalization, which leads to a reduction in the costs of variable capital (v) and constant capital (c) respectively.

In addition to capitalization, there is a second way to decrease the cost of constant capital (c) and, thus, to raise the profit rate when the other factors (s and v) of the formula remain unchanged. This is what I refer to as expanding commodifying dispossession (ECmD), which, along with proletarianization, involves the commodification of means of subsistence by subjecting them to the logic through which they start to have, in addition to use values, exchange values. As Frederic Jameson (2011:37) recalls, “anything with use value can be commodified ... inasmuch as use value means that other people ... want and/or need to acquire it.” It is relevant to stress this very “need to acquire” vis-à-vis the universal access to means of subsistence that might have existed before commodification. One way by which this has increasingly been taking place is the transfer of hitherto state-funded services to private companies. ECmD, however, involves the creation of new industries, such as education, healthcare and pensions whose provision have been increasingly transferred to the realm of exchange regulated by production costs.

The two kinds of expanding dispossession, ECpD and ECmD, are quite different. The first entails capitalization, while the second entails commodification and both entail proletarianization. As such, both relate to capitalist accumulation proper by creating conditions for its expansion. This is different from RD, which is dependent upon capitalist accumulation, but has no impact on it at the aggregate level. ECpD and ECmD, each in its own way, impact the aggregate rate of profit by reducing the costs of variable capital (v) and/or constant capital (c). Thus, I define ECpD as a dispossession of means of subsistence and production that increases both proletarianization and capitalization, but does not involve commodification. ECmD, in turn, is a dispossession of means of subsistence and production that increases both proletarianization and commodification, but does not involve capitalization. In sum, the main distinction between RD and the two others is that, even though none are exploitative per se, both ECpD and ECmD set the stage for labor exploitation, while the first does not.

Redistributive Dispossessions

For some time now, cities, more than just spaces for the production, circulation and consumption of commodities, are themselves objects of capitalist accumulation. In the process of production of the city, so-called mega events perform an important role in making viable investment alternatives, which have become increasingly scarce due to capital overaccumulation. But events like the Olympics can also engender redistribution of surpluses, as in the case of fiscal incentives, particularly the tax exemptions used by governments to attract investments. Insofar as taxation “only alters the proportion in which that surplus-value is divided” (Marx [1890] 1990:658), exemptions are nothing but the redistribution of surpluses. Even before the city of Rio de Janeiro was chosen to host the Games, its government had committed to reserve budget resources for the acquisition—including those involving evictions with cash settlements—of properties needed for the construction of facilities demanded by the International Olympic Committee.⁹

If at the level of individual capitalists these incentives reduce the need for constant capital (c), at the level of the capitalist system this does not occur. The same is true of fiscal incentives given by the federal government in the form of provision of security services, healthcare, sanitary inspections, customs and immigration at no cost to the organizers of the Olympics.¹⁰ Or by providing radio frequency spectrum and communication signals needed for the organization and realization of the Games also with no costs for the organizers, sponsors, suppliers and official media. The federal

⁹ City of Rio de Janeiro, “Decree no. 30379,” Jan. 1, 2009, available at http://doweb.rio.rj.gov.br/visualizar_pdf.php?edi_id=738&page=3 (accessed Oct. 27, 2015).

¹⁰ Brazil, “Law no. 12,035,” Oct. 1, 2009, available at https://www.planalto.gov.br/ccivil_03/_ato2007-2010/2009/lei/112035.htm (accessed Oct. 2, 2015).

government even agreed to cover operating deficits of the Rio 2016 Organizing Committee.¹¹ This decision was revoked in 2015 due to the fiscal difficulties caused by Brazil's recession at that time.¹²

But the redistributive dispossessions realized under the form of fiscal incentives were indeed revealed more clearly in the tax exemptions. One year after Rio de Janeiro was chosen to host the Olympics, the city government granted a series of exemptions and reductions of municipal taxes on i) construction and operation of hotels, inns, resorts and hostels; ii) services directly related to the organization and realization of the Games and the related events; and iii) the real estate property used by the organizers of the Olympics.¹³ The federal government, in turn, granted the organizers, related companies and people resident abroad contracted to work on the Olympics exemptions from taxes on activities related to its organization or realization occurring from 2013 to 2017.¹⁴ In October 2012, when these federal exemptions were granted, the government estimated they would cause a loss of tax income of R\$ 3.8 billion (\$1.1 billion).¹⁵

The examples above do nothing but redistribute surpluses, since they neither convert means of subsistence into capital nor expand the need for wage labor. This is also true for the artificial increases in real estate prices experienced in Brazil and particularly in the city of Rio de Janeiro. From 2002 to 2014, residential real estate prices in the main metropolitan regions of Brazil rose about 453%, compared to 271% in Hong Kong, 45% in the United States and 301% in South Africa (figure 1). Until the mid-2000s, the price changes in these regions were similar, with the exception of South Africa, which hosted the 2010 World Cup. It was precisely at the moments when the large events were announced for Brazil that prices there had significant increases. The announcement that Brazil would host the 2014 World Cup was made in late 2007, and real estate prices, which had risen an average of 16% per year in 2002-2007, rose an average of 51% per year in 2008-2014.

¹¹Brazil, "Law no. 12,035," op. cit.

¹²Brazil, "Law no. 13,161," Aug. 31, 2015, available at http://www.planalto.gov.br/ccivil_03/_Ato2015-2018/2015/Lei/L13161.htm (accessed Dec. 13, 2015).

¹³City of Rio de Janeiro, "Law no. 5,230," Nov. 25, 2010, available at http://doweb.rio.rj.gov.br/visualizar_pdf.php?edi_id=1206&page=1 (accessed Dec. 13, 2015).

¹⁴Brazil, "Law no. 12,780," Jan. 9, 2013, available at https://www.planalto.gov.br/ccivil_03/_ato2011-2014/2013/lei/112780.htm (accessed Oct. 2, 2015).

¹⁵Brazil Ministry of Finance, "Explanatory memorandum no. 200/MF," Oct. 8, 2012, available at http://www.planalto.gov.br/CCIVIL_03/_Ato2011-2014/2012/Exm/EM-200-MF-Mpv-584.doc (accessed Dec. 13, 2015).

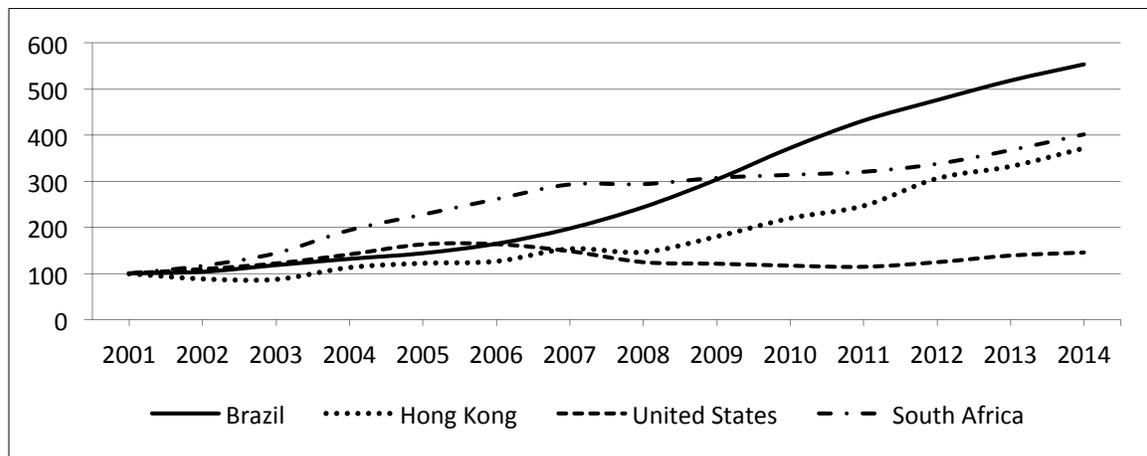


Figure 1. Residential property prices, selected countries

Source: Bank for International Settlements (BIS).

Note: Scale in index: 2001=100.

The city of Rio de Janeiro also reproduced this standard of redistribution of surpluses via prices. From 2008 to 2014 the real estate sales prices in the city rose 264%, more than four times higher than the 65% change in the national index of building costs for the period (figure 2). Given that this index is a significant indication of the variation in production costs which, in the Marxian rate of profit ($s+[c+v]$), composes its denominator; and given that the nominal output in the Brazilian construction industry grew over 102%, it is reasonable to suppose that the sale prices of real estate incorporate, more than their values, surpluses produced in other economic sectors. In these cases, what occurs is the redistribution of surpluses by means of price variations in real estate not connected to their values.

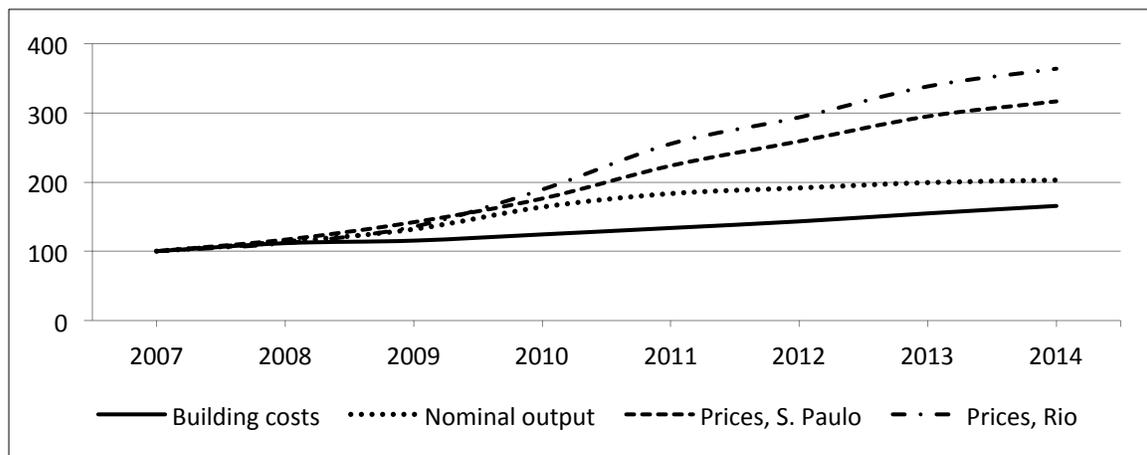


Figure 2. Construction indices (Brazil) and real estate prices (selected cities)

Sources: Instituto de Pesquisa Econômica Aplicada (IPEA) and Instituto Pereira Passos (IPP).

Note: Scale in index: 2007=100.

One of the explanations for these price increases is precisely the choice of Rio de Janeiro to host the mega events. The same hypothesis concerning the influence of the World Cup on real estate prices in the main Brazilian cities (figure 1) is supported by the case of the Olympics in Rio de Janeiro, where real estate prices rose faster than in the city of São Paulo, Brazil's largest economic

and population center. It was precisely after the announcement, in 2009, that Rio would host the games that prices began to rise in relation to prices in São Paulo (figure 2). Another explanation for this acceleration is related to the Police Pacification Units [Unidades de Polícia Pacificadora (UPP)], permanent police stations that have been placed in various points of the city since 2008. In the words of a board member of the association that represents condominiums and real estate brokers and managers in Rio de Janeiro state, “the neighborhoods with UPPs had nearly immediate price rises” after their installation.¹⁶

The joint analysis of these phenomena shows not only an organic relationship between the real estate market and public safety policy, but also the relationship of both of these with the choice of the city to host the Olympics. According to a police commander who participated in conceiving the UPP project “it is the Olympics that dictated our choice” adding, “without this event, the pacification would have never taken place.”¹⁷ Thus the Olympics and the militarization of the city, under the declared justification of expanded security, are factors that are part of the same movement, which researchers of urban issues call commodification of the city (dos Santos Júnior 2015:30). This movement is also inserted in the framework of the world economy, in which, since the mid 1990s, Brazil’s participation has been characterized by efforts to establish itself as a space for financial valorization of capital (Paulani 2008).

The very process of commodification of the city is inserted in this process of financialization of the economy. Saskia Sassen (2014:120,149) believes that we have seen not just the commodification of so many goods, such as land or water, but also their financialization. These goods are joined by the city itself, whose commodification is accompanied by its financialization. This articulation is seen, for example, in the authorization given by the federal government for municipalities to expand their debt limits to finance the infrastructure needed for the World Cup and the Olympics.¹⁸ An even clearer form of articulation between urban production and financialization is in the funding model for the Porto Maravilha. This is a project for the recovery of urban infrastructure in downtown Rio, with an estimated investment of R\$ 8.2 billion (\$2.5 billion) to be raised through securities that can be sold in capital markets.¹⁹

The Porto Maravilha project shows that the articulation between commodification of the city and its financialization does not occur in isolation from the so-called real economy. This appears in the construction of the Transolímpica, a highway with an exclusive bus rapid transit corridor that will connect the Barra da Tijuca and Deodoro neighborhoods, the two main sites of the Olympics. The route is being constructed by a consortium—which will also collect the tolls—whose shareholders include three of Brazil’s largest pension funds.²⁰ Here, by associating the real economy and financialization, the distinction should remain clear between what is *produced* and what is *redistributed* through what Marx called fictitious capital. As he said, “the capital does not exist twice over, once as the capital value of the ownership titles, ... and then again as the capital actually invested” (Marx [1894] 1991:597). Despite this distinction, the financialization of the city allows

¹⁶ Cirilo Junior, “UPP faz preço de imóveis disparar no Rio,” *Folha de S. Paulo*, Mar. 15, 2011, available at <http://www1.folha.uol.com.br/mercado/888964-upp-faz-preco-de-imoveis-disparar-no-rio.shtml> (accessed Oct. 22, 2015).

¹⁷ Anne Vigna, “UPP: o poder simplesmente mudou de mãos?” *Le Monde Diplomatique Brasil*, Jan. 7, 2013, available at <http://www.diplomatique.org.br/artigo.php?id=1328> (accessed Nov. 11, 2015).

¹⁸ Brazil, “Law no. 12,348,” Dec. 15, 2010, available at https://www.planalto.gov.br/ccivil_03/_ato2007-2010/2010/lei/112348.htm (accessed Oct. 5, 2015).

¹⁹ “Mercado demonstra pouco interesse nos Cepacs de Porto Maravilha,” *Valor Econômico*, Oct. 22, 2012, available at <http://www.valor.com.br/empresas/2875182/mercado-demonstra-pouco-interesse-nos-cepacs-de-porto-maravilha> (accessed Dec. 12, 2015).

²⁰ Isabela Bastos, “Consórcio da CCR assume a Transolímpica,” *O Globo*, Apr. 20, 2012, available at <http://oglobo.globo.com/rio/transito/consorcio-da-ccr-assume-transolimpica-4694935> (accessed Oct. 21, 2015).

those who Marx ([1894] 1991:495) called money capitalists, the owners of interest-bearing capital, to appropriate surpluses generated in the production of the city.

Expanding Dispossession: Proletarianization

When Marx undertook his analysis of the dawn of capitalism, some of the complexities found today did not exist. He affirmed that “the events that *transformed* the small peasants into wage-labourers, and their means of subsistence and of labour into material ... elements of capital, *created*, at the same time, a home market for capital” (Marx [1890] 1990:910; emphases added). Today, all of these elements—wage-labor, capital and market—exist in a structure where their articulation is dominant. Marx was referring to the beginning of proletarianization. Given that this was a transitional phase between forms of labor organization, the proletariat and the peasants were more easily distinguished from each other. Later, with the exploitation of the labor of others conducted through the exchange of labor power for wages as the dominant mode, some empirical distinctions became less clearer. How is it possible, amid this dominance, to grasp situations in which producers who did not (totally) depend on the sale of their own labor power, come to do so, if not exclusively, to a higher degree?

Of course the basic method for accompanying the situation in which direct producers are forced out from producing for themselves to, then, start to depend on a wage continues to be valid. The advance of agribusiness on the spaces of subsistence of peasants is perhaps the clearest example. What has happened is that the complexity that expanded in historic terms is also revealed in urban space. In the latter, the organization of production is more complex than in the countryside, and this requires a specific methodological effort to distinguish the proletarianization process. A fruitful route is to observe the phenomena in a relative manner, that is, in that which they signify in terms of the *expansion of need* to sell one’s own labor power. This is also true for situations in which this need is not satisfied, causing the expansion of the reserve army to be responsible for reducing variable capital (*v*).

In the context of the Olympics and the evictions for which it was a pretext, people are denied access to goods and services—many of them provided by the state—which we can associate to the *commons* of the times of primitive accumulation. There are also cases in which the very means of subsistence is extinguished or interrupted, imitating what took place in so-called primitive accumulation. For example, the fishermen’s association Z13 has been located in the Rio de Janeiro region of the Rodrigo de Freitas Lagoon for more than 90 years. Its 30 fishermen, who in 2013 caught some 55 tons of fish, were suddenly threatened with eviction to make room for the Olympic rowing and canoeing competitions. In 2015, Z13 turned to the state attorney general’s office to request a *remuneration* for the period in which they could not fish because of the Games. In compensation for the payment, they offered to *work* in support services for the Olympics.²¹

In the realm of the complexities typical of urban life, there are people who sustain themselves by means of individual activities, such as small businesses in their homes. In some evictions, when cash settlements were offered to people forced out, they were limited to the determined value of the residence and not of the business. In locations such as Vila Harmonia, Recreio II and Restinga, in the Western Zone of the city, evictions because of construction of the Transoeste BRT corridor were conducted without indemnifications for these commercial operations.²² In other cases, residents were resettled under the federal government housing program called My Home, My Life [Minha Casa, Minha Vida (MCMV)], whose regulations prohibit operating business inside the dwellings.

²¹Danielle Villela and Marcio Dolzan, “Pescadores da Lagoa Rodrigo de Freitas sofrem com indefinição,” *O Estado de S. Paulo*, Apr. 25, 2015, available at <http://esportes.estadao.com.br/noticias/jogos-olimpicos,pescadores-da-lagoa-rodrigo-de-freitas-sofrem-com-indefinicao,1675967> (accessed Oct. 29, 2015).

²²Erica Tapley, “Rio Olympic evictions roundup,” *RioOnWatch*, Aug. 20, 2012, available at <http://www.rioonwatch.org/?p=4599> (accessed Sept. 15, 2015).

People who had been living in favelas, where loose regulations allowed them to open a small business at home, could no longer count on this option after resettlement.²³

This movement is similar to what took place in the first moment of urban expansion in Brazil. Upon analyzing the labor market in the 19th century, Emília Viotti da Costa (2010:509) noted that “women who in the past had been dedicated to crafts and small business ... were expelled from the market because of the privatization of public space, ... the increased price of urban land, and taxes and regulations that made difficult peddling and other traditional activities.” Today, the Popular Committee for the World Cup and Olympics of Rio de Janeiro affirms “household income is often complemented or even completely composed of work done at home by women [who] make crafts or food to sell in the neighborhood. When they are threatened by removal, what is at stake is much more than the home (a roof and four walls). It is the household’s entire way of survival.”²⁴ In sum, people are being evicted precisely from the spaces to which their ancestors were pushed by ancient evictions.

In any case, these evictions point to the expansion of the dependence on wage labor by those who are evicted. This dependence is also intensified by the increased costs for subsistence typical in large metropolitan regions, especially for transportation and housing. Many residents evicted from their homes, as we saw, were resettled through the MCMV program, in which 67% of the housing units are located in the Western Zone of the city, leading most of the evicted people far from their workplaces, in some cases, 40 miles from where they had been living (Faulhaber and Azevedo 2015:17,67). In addition to being far from the main centers of employment, leisure, education and healthcare, these new locations lack satisfactory transportation, sanitation and paved roads (Castro and Novaes 2015:80). One resident of the Vila Autódromo who had been working in Barra da Tijuca when the city government offered him far-off housing options complained: “Who will pay for my fuel so I can come work here everyday? Who will pay for the time it takes to come back and forth? Who will pay for all the costs for my children to get to the good schools that are here?”²⁵

In the case of the housing costs, the indication of proletarianization—at least potential—resides in the fact that people who did not need to pay rent must do so after being removed with cash settlements not large enough to purchase a similar home. One resident of the Western Zone who was removed because of the construction of the Transcarioca corridor said:

In 2008 ... I purchased a lot for R\$ 15 thousand in the favela do Tanque, where I was able to build a house ... in 2013 rumors began about eviction because of the BRT ... I resisted as long as I could, because the first cash settlement offered was R\$ 18 thousand ... They said they would come with an injunction, that the construction would pass through in any case, and they would even bring the Army if necessary to remove us by force. I wound up accepting R\$ 40 thousand to leave ... It was only enough to buy a small one-room house on top of the Morro da Pendura Saia, here close to the Tanque ... We stayed there for two years and three months, until a woman rented our home and we found another, with one bedroom, at the Conjunto Bandeirantes ... We are here for two months, and life is tough. I am back paying rent, of R\$ 750.²⁶

In addition to the expansion of costs for transportation and housing, there are others, typical of urban life, which point to the resettled people’s increasing dependence on wage labor. In 2011, it

²³Sara McTarnaghan, “Em busca de votos, presidenciáveis apoiam-se em promessas de MCMV sem questionamento do programa,” *RioOnWatch*, Oct. 4, 2014, available at <http://riononwatch.org.br/?p=12506> (accessed Oct. 5, 2015).

²⁴Comitê Popular da Copa e das Olimpíadas do Rio de Janeiro, “Megaeventos e violações dos direitos humanos no Rio de Janeiro,” Jun. 2014, p. 13, available at https://comitepopulario.files.wordpress.com/2014/06/dossiecomiterio2014_web.pdf (accessed Nov. 5, 2015).

²⁵Brooke Parkin, “Com 81 anos, dona Dalva resiste à remoção olímpica na Vila Autódromo,” *RioOnWatch*, Jul. 7, 2015, available at <http://riononwatch.org.br/?p=14813> (accessed Oct. 5, 2015).

²⁶Jefferson Puff, “Rio 2016: vidas arruinadas e negócios impulsionados a um ano para a Olimpíada,” *BBC Brasil*, Aug. 5, 2015, available at http://www.bbc.com/portuguese/noticias/2015/08/150805_depoimentos_olimpiada_jp (accessed Oct. 11, 2015).

was reported that in the housing projects of the MCMV in the Western Zone, militias were forcing thousands of residents to pay for clandestine Internet and cable TV services, security fees, fees to not have the water cut and to buy kitchen gas at above the government-set price.²⁷ In 2014, the police broke up one of these militias, which controlled 1,600 units in the MCMV and required some five thousand residents to pay for security, and extra fees for electricity, clandestine cable TV and basic food baskets sold at up to three times the market price.²⁸ In late 2015, it was estimated that the main militia group in the city of Rio de Janeiro profited R\$ 1 million (\$305,000) per month through the exploitation of these activities in twelve neighborhoods in the Western Zone, the largest and poorest in the city.²⁹

This first form of proletarianization is fundamentally related to the expansion of insertion of workers in the commodified cycles of providing for their subsistence. The process of removal of people to the periphery presents another important indicator of proletarianization. This involves access to housing, the supply of which also comes to be commodified. Some forty years ago, upon analyzing the evolution of the Brazilian economy post-1930, Chico de Oliveira ([1972] 2013:59) indicated that in the large cities a significant portion of workers' housing was built by the workers themselves, on their days off, on weekends and in cooperative work groups. For Oliveira, this process engendered unpaid labor and thus signified an increase in the rate of exploitation of labor power, because it reduced its cost of reproduction, in this case, the spending on housing. He concluded that this apparent survival of practices of the "natural economy" within the cities conformed to the processes of capitalist expansion.

Following Oliveira's reasoning, one may state that the current removal of workers and placement in units of MCMV inverts the flow of the social process in relation to the movement he noted. This, however, does not modify its essence. Workers may have now been removed from spaces that they had once built on their own to spaces built by workers directly exploited by building companies. Practices of the "natural economy," which had previously *combined* with the process of capitalist expansion, are now *substituted* due to this expansion. If there had previously been an increase in the rate of exploitation because of unpaid construction work, the reverse is now possible, because the construction of housing for workers, upon being inserted in the circuit of the production of commodities, brings with it the expansion of wage labor, i.e., of proletarianization. This was present in Oliveira's ([1972] 2013:84) reasoning when he noticed that the advance of urbanization causes the cost of the reproduction of urban labor power to have increasingly urban components.

²⁷Sergio Ramalho, "Minha Casa, Minha Vida já está sob o domínio de milícia na Zona Oeste," *O Globo*, May 6, 2011, available at <http://oglobo.globo.com/rio/minha-casa-minha-vida-ja-esta-sob-dominio-de-milicia-na-zona-oeste-2772979> (accessed Oct. 22, 2015).

²⁸Vitor Abdala, "Milícia desarticulada no Rio controlava 1.600 imóveis do Minha Casa, Minha Vida," *Agência Brasil*, Aug. 7, 2014, available at <http://agenciabrasil.ebc.com.br/geral/noticia/2014-08/milicia-desarticulada-no-rio-controlava-1600-imoveis-do-minha-casa-minha-vida> (accessed Oct. 5, 2015).

²⁹Marco Antônio Martins, "Novo chefe faz aliança inédita de milícia com tráfico de drogas no Rio," *Folha de S. Paulo*, Oct. 17, 2015, available at <http://www1.folha.uol.com.br/cotidiano/2015/10/1695178-novo-chefe-faz-alianca-inedita-de-milicia-com-trafico-de-drogas-no-rio.shtml> (accessed Oct. 17, 2015).

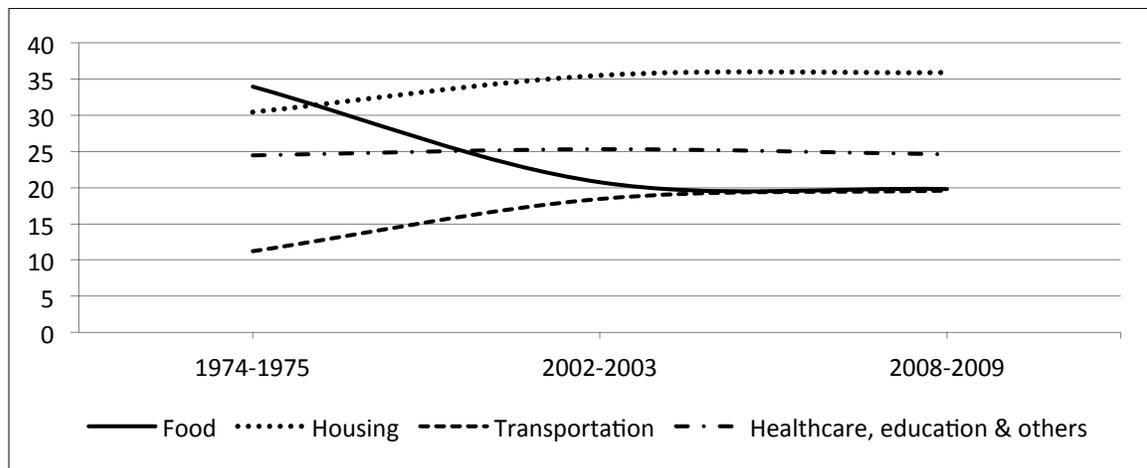


Figure 3. Household consumption expenditures, Brazil
 Source: Instituto Brasileiro de Geografia e Estatística (IBGE).
 Note: Scale in percentage share of total expenditures.

This point brings us back to the issue of urban transportation, whose relevance for the costs of production have increased significantly since Oliveira's analysis. The participation of spending on transportation in total household expenses, which had been 11% in the mid-1970s reached 19% throughout the 2000s (figure 3). In addition to this increase of eight percentage points, there has been increased spending for housing, which rose from about 30% to 36% in the same period. This was contrasted by the relative reduction in spending on food, which dropped from 34% to 20% of the household budget. That is, the consumption items with predominantly urban components increased their relevance to the reproduction of labor power to the same degree as the reduction in the relevance of items whose non-urban composition is more significant. Of course, this movement cannot be attributed to the Olympic-related evictions. Nevertheless, the latter steer the relations of production in the same direction as the proletarianization process, indicated by the increased importance of urban components in the reproduction of the labor power.

Expanding Dispossession: Capitalization

As in the countryside, where capitalist agriculture continues to expand its domain, urban spaces are continuously converted into capital. The logic is similar to what took place in times of primitive accumulation, when the main object of this conversion was land. In the city, land may be converted into capital with the removal of occupants who have it as a form of subsistence, in this case, with urban characteristics, like living close to workplaces or in locations with adequate infrastructure. This capitalization is completed with the production of some special commodities, such as real estate and urban infrastructure and facilities. This production deploys, in addition to variable capital (v), constant capital (c), like the truck that transports construction materials. But land is one of the most important components—maybe *the* most important component—of constant urban capital.

The main site of the Rio Olympics, the Olympic Park, is an area of 291 acres in the Barra da Tijuca region. The Olympic Village is being built close by to accommodate the 17 thousand competitors expected for the Games. The village is composed of 3,604 apartments, in 31 buildings, which, when the Games are over, will be sold by the builders—some apartments will cost over R\$ 1

million (\$305,000).³⁰ In this same region is located the Vila Autódromo, which was first inhabited by fishermen who moved there in the 1960s. In October 2011, its residents were told by a top city government official that they would have to make way for the Olympic Park. In the following month, the city government published a public bid for the concession of the public land where the Park would be built through a public-private partnership.³¹ Since then, by mid 2015, of the some 500 families who were living there, 430 had been removed and the others were threatened with eviction.³²

Even events that take place in spaces apparently not connected to the Olympics are part of this urban capitalistic logic, as in the case of the Porto Maravilha in Rio's port zone. This is a project to restore urban infrastructure in an area of 1,235 acres, with a total estimated investment of R\$ 8.2 billion (\$2.5 billion).³³ In 2014, the mayor of Rio said that the port zone was "the place in the city where there is the most real estate speculation, more than in Barra [da Tijuca], and thank God it is. Big companies are stampeding to get sites to build there."³⁴ As a result, about 535 families had been removed from this region until mid-2015.³⁵

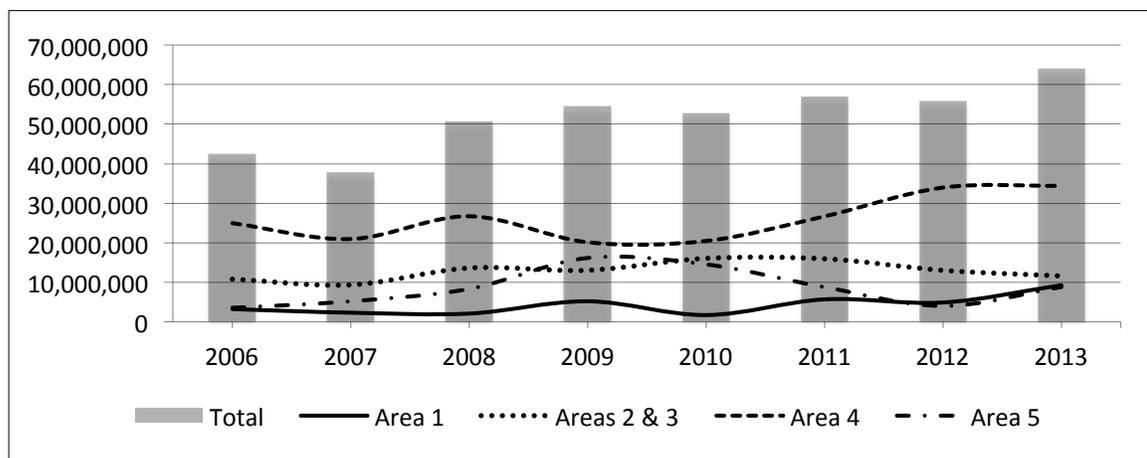


Figure 4. Construction licensing, City of Rio de Janeiro

Source: IPP.

Note: Scale in square feet.

The Porto Maravilha and the Olympic Village exemplify the movement of capitalization of urban land destined for real estate developments. Since 2009, when Rio was announced as the Olympic host, there was a significant increase in construction, for which average annual licensing

³⁰ Jefferson Puff, "‘Como é que você vai botar o pobre ali?’, diz bilionário ‘dono da Barra da Tijuca’,” *BBC Brasil*, Aug. 10, 2015, available at http://www.bbc.com/portuguese/noticias/2015/08/150809_construtora_olimpiada_jp (accessed Oct. 11, 2015).

³¹ Ciro Barros, "Altair enfrenta a terceira remoção da vida pelas Olimpíadas,” *Agência Pública*, Jun. 21, 2013, available at <http://apublica.org/2013/06/altair-enfrenta-terceira-remocao-da-vida-pelas-olimpiadas/> (accessed Sept. 15, 2015).

³² Comitê Popular da Copa e das Olimpíadas do Rio de Janeiro, "Megaeventos e violações dos direitos humanos no Rio de Janeiro,” Nov. 2015, op. cit., p. 36.

³³ Olympic Public Authority, "Plano de políticas públicas – município,” available at <http://www.apo.gov.br/index.php/pppmunicipio/> (accessed Nov. 12, 2015).

³⁴ Fábio Vasconcellos, "‘Olimpíadas têm que servir para melhorar lugares da cidade’, diz Eduardo Paes,” *O Globo*, Mar. 18, 2014, available at <http://oglobo.globo.com/rio/olimpiadas-tem-que-servir-para-melhorar-lugares-da-cidade-diz-eduardo-paes-11907485> (accessed Oct. 22, 2015).

³⁵ Comitê Popular da Copa e das Olimpíadas do Rio de Janeiro, "Megaeventos e violações dos direitos humanos no Rio de Janeiro,” Nov. 2015, op. cit., p. 36.

rose from 43 million square feet in 2006-2008 to 56 million in 2009-2013 (figure 4). The highlight was in Planning Area 4, where a new centrality of capitalist accumulation was created, or even consolidated, based on the restructuring of the city (dos Santos Júnior 2015:28). It is in this area that the Olympic Village and Olympic Park are located. There was also significant acceleration in licensing for constructions in Planning Area 1, where the Porto Maravilha and various other so-called urban revitalization projects are located. Meanwhile, in Planning Areas 2 and 3, which mostly cover the South and North Zones of Rio de Janeiro respectively, and which are formed by regions with less room for expansion, there were drops in the proportions of licensing for construction.

Another significant process of urban capitalization is the construction of mass transportation systems. Four large exclusive corridors for bus rapid transit systems stand out in Rio de Janeiro, two of them are already operating. The Transoeste corridor, inaugurated in 2012, connects Campo Grande and Santa Cruz, in the far west of the city, with Barra da Tijuca. Totalling 32 miles in length, 190 thousand passengers ride it each day. Since 2014, the Transcarioca corridor connects the international airport of Galeão and Barra da Tijuca. The Transolímpica corridor, which will link Recreio dos Bandeirantes—a neighborhood close to Barra da Tijuca—and Deodoro, and the Transbrasil corridor, which will connect Deodoro to the center of the city, have not been inaugurated yet. It is estimated that about 1,304 families have been removed because of the construction of the corridors already in operation and that another 500 may be removed because of the Transolímpica.³⁶

The Transolímpica corridor best illustrates the process of capitalization that the city of Rio de Janeiro is experiencing. Of its sixteen miles, eight will be a highway that in addition to having an exclusive bus corridor in each direction will be composed of two additional toll lanes in each direction. A 35-year concession of this highway was granted to a consortium of private companies. In 2012, when the concession was contracted, the consortium estimated it would have operating earnings—EBITDA—of about R\$ 3.1 billion (\$950 million) from a total investment of R\$ 1.8 billion (\$550 million) throughout the concession period.³⁷ The capitalist nature of the project is not only seen in the toll system, but also in the bus corridor. In Rio de Janeiro, as in all of Brazil, urban bus transportation is run by private, for-profit companies, which operate under concessions from municipal governments.

The capitalization of the city is completed by the expansion of labor, particularly in civil construction. In 2002-2013, the number of workers employed in this sector grew 169%, compared with 46% growth in the other sectors combined (figure 3). But it was after Rio won the bid for the Olympics that the increase accelerated, passing from annual growth of 9% in 2002-2008, to 20% in 2009-2013. The rises in the two lines in figure 3, together with the acceleration of jobs in civil construction in relation to other sectors, suggest that this is not just an increase of economic activity through the expanded reproduction of capital. It is rather a process in which the expansion of construction is made viable by both the advance of the urban frontier—i.e., the construction of new spaces—and the expulsions of people from already occupied spaces.

³⁶Idem.

³⁷“CCR ganha licitação para concessão da Transolímpica, no Rio de Janeiro,” *InfoMoney*, Apr. 20, 2012, available at <http://www.infomoney.com.br/ccr/noticia/2408811/ccr-ganha-licitacao-para-concessao-transolimpica-rio-janeiro> (accessed Nov. 6, 2015).

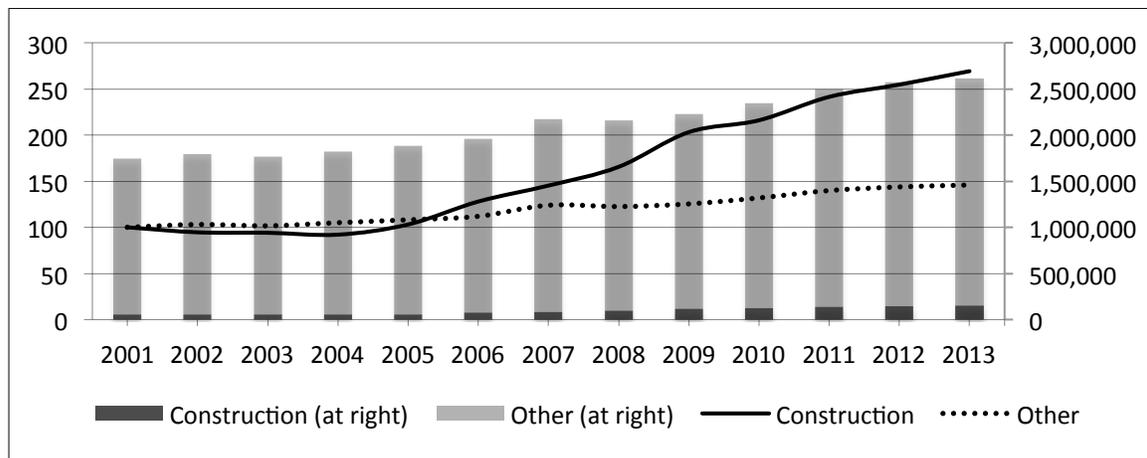


Figure 5. Employment by sector, City of Rio de Janeiro

Source: IPP.

Note: Left scale in index: 2001=100. Right scale in number of people employed.

The examples described here are part of a broader framework, which goes beyond the manifestations such as the production of real estate or transportation systems. It involves the capitalization of the city itself. A few days after Rio was announced as host of the Games, the city government created The Rio Business Office, whose attributions include “identifying and articulating investment opportunities” and “strengthening the image of the city of Rio de Janeiro in Brazil and abroad as a business center.”³⁸ In this way, Rio followed a global pattern of urbanization, in which the city, more than a *locus* of capitalist development, is itself one of its objects. An indication of this process is the expansion of the frontier of gentrification, a process that reproduces in urban space the notion of primitive accumulation.

Gentrification reveals that the poorest residents do not only lose their homes through violent evictions to advance urban production. This was observed, for example, in the Favela do Vidigal, which in 2012 was occupied by the police with the installation of an UPP. The favela with 10 thousand residents, which is close to wealthy neighborhoods like Leblon and São Conrado, became attractive to new residents, luxury houses and expensive parties. About two years after the military occupation via the UPP, the president of the Vidigal residents association affirmed that many original residents were no longer able to live there because of the high rents. In other cases, they received apparently good deals for their lots and sold them for prices that nevertheless only allowed them to buy another property in the periphery of the city.³⁹ This reproduces what Engels ([1887] 2015:39-40) found when analyzing European housing in the late 19th century, when the artificial rise in land prices in the most central areas of the metropolises in expansion pushed workers to the periphery.

The example of Vidigal, combined with the removals that I mentioned earlier, shows that poorer residents are removed from their living spaces by direct methods as well as by the dynamic of opening new spaces of capitalization. This dynamic displaces both those who still live in the initial targets of the advance of the urban frontier, and those who live in the additional locations upon which the effects of this dynamic spread out. There is a reproduction of what Harvey

³⁸City of Rio de Janeiro, “Decree no. 31182,” Oct. 5, 2009, available at http://doweb.rio.rj.gov.br/ler_pdf.php?edi_id=652&page=3 (accessed November 7, 2015).

³⁹Greta Hamman, “‘Gentrificação’ chega ao Vidigal e pressiona preços dos imóveis,” *Deutsche Welle Brasil*, Apr. 12, 2014, available at <http://dw.com/p/1Bgii> (accessed Sept. 14, 2015).

(1990:258) understands as the main dilemma of the politics of space in any project of social transformation: “space can be conquered only through the production of space”. The installation of a UPP is not the conquest, but the production of a space to be conquered by the capitalization of the city. In this way, a specific space is created, “legitimized under [a] legal system of rights to space ... which guarantees security of place and access to the members of society” (Harvey 1990:258).

One of these social processes is precisely gentrification, which is increasingly present in the capitalization of so-called global cities. Neil Smith (1996:26) observed that at the same time as the gentrification frontier advanced through neighborhood after neighborhood in New York City in the 1980s, some of the fanciest condos were advertised in international media vehicles like *The Times* and *Le Monde*. The business office created to “strengthen the image of the city of Rio de Janeiro in Brazil and Abroad” operates similarly. In 2011, *The New York Times* reported that, “with compensation rivaling that on Wall Street, so many foreign bankers, hedge fund managers, oil executives, lawyers and engineers have moved here that prices for prime office space surpassed those in New York this year, making Rio the costliest city in the Americas to lease it.”⁴⁰ It seems that it is the turn for Brazilian urban spaces to connect global capital flows, which, as Ribeiro and Santos Júnior (2015:41) observe, “have been transforming cities into commodities.”

Expanding Dispossession: Commodification

We saw in the second section that commodification involves the transformation of an object into a commodity by attributing to it, in addition to use value, exchange value. Even though commodity is a form of capital, I distinguish commodification from capitalization in the sense that the latter is a process for turning a means of subsistence into a means of *production of commodities*. As we saw in the prior section, *commodities* like real estate and transportation systems are being *produced* after portions of urban land have been *capitalized*. Another distinction—perhaps an arbitrary one—between the two processes is that commodification, in the terms that I define it here, does not involve evictions. Eviction supposes that the space in question is already in some form private, e.g., the residence of a worker, from which he or she can come to be removed so that the cleared space can be converted into capital. Marx ([1890] 1990:929) made a similar distinction by opposing “capitalist private property” to “individual private property.” In my argument, I distinguish commodification by emphasizing that, instead of *removal* from a space already occupied in a *private* form, it encloses spaces or goods that were hitherto public.

After being absent from the Olympics for more than 100 years, golf is returning to the 2016 edition. The matches will be held at the Olympic Golf Course, built on land that was part of the Marpendi Environmental Protection Area, in Barra da Tijuca. There was considerable debate about the need for a new course considering that there are two others in the city. But the notion of commodification helps understand this “need.” In this case, commodification surges with the enclosure of an environmental preserve, which, by definition, favors the collectivity, because its benefits cannot be contained within limits like those of private property. One example of these collective benefits would be air quality. The same can be said of the authorization given by the Rio de Janeiro state government in early 2014 to cut down 49 acres of Atlantic Forest for the construction of the Transolímpica bus corridor.⁴¹

Until now, the enclosures of commons, in the case of environmental preserves, reveal the extinction of use values, even if they create others. In the case of the Transolímpica bus corridor, the

⁴⁰Simon Romero, “Foreigners follow money to booming Brazil, land of \$35 Martini,” *New York Times*, Aug. 13, 2011, p. A.1.

⁴¹Vinicius Konchinski, “Obra de avenida olímpica derrubará 200 mil m² de Mata Atlântica no Rio,” *UOL*, Apr. 15, 2014, available at <http://esporte.uol.com.br/rio-2016/ultimas-noticias/2014/04/15/obra-de-avenida-olimpica-do-rio-vai-derrubar-200-mil-m-de-mata-atlantica.htm> (accessed Sept. 14, 2015).

collective use value of the deforested area will give place to the use value of the capital invested, which is its potential for increased return with the construction and operation of the transportation system. Meanwhile, the exchange value will appear in both the incomes from construction and the tolls charged by the private consortium that will operate the route. The same is true for the Olympic Golf Course. The agreement between the city government and the company responsible for its construction determined that the latter would pay the cost of construction—R\$ 60 million (\$18 million)—and, in exchange, would receive the right to build 23 22-story buildings. Until then the height limit in that region was six stories. The state attorney general’s office, which in 2015 opened an investigation about the agreement, estimated that the operation could bring revenues of up to R\$ 1 billion (\$305 million) to the builders.⁴²

There are situations in which the conversion into a commodity is not revealed directly, but even so elements of social life come to be submitted to the logic of commodities when enclosed. In 1990, Harvey (1990:287) said “images have ... themselves become commodities.” Just before Rio was chosen to host the Games, the city government implemented a peculiar set of restrictions on the unauthorized use of symbols related to the Olympics. In addition to graphic symbols, flags, hymns etc., the restrictions would affect terms and denominations such as “Olympic Games,” “Paralympic Games,” “Olympic Games Rio 2016,” “Rio 2016” etc.⁴³ A few months later, this virtual privatization of words was also formalized in a federal law.⁴⁴ Moreover, urban spaces were placed under the same mercantile logic by granting the organizers of the Olympics the right to request the suspension of advertising in public places or from being exhibited to the public in the areas of interest to the Games during the event. The organizers could also opt to use these so-called advertising spaces with exclusivity.⁴⁵

These are not the clearest examples of the potential for compromising the subsistence of urban residents, but they indicate the privatization of public spaces whose monopoly on use depresses costs of constant capital (*c*). But there are also cases in which this contemporary manifestation of enclosure linked to the Olympics directly imposes restrictions on forms of subsistence. The same decree that restricted the use of symbols, words and urban spaces prohibited street vendors from operating in areas of interest to the realization of the Games, also prohibited these vendors from selling trademarked goods related to the Olympics.⁴⁶ In 2015, the municipal government reinforced this enclosure, even if temporarily, assuring the organizers of the Games exclusivity in the realization of commercial activities in the locations of competition, the surrounding spaces and main access routes.⁴⁷

The issue of street vendors reproduces what took place in similar events like the Olympics in Seoul (1988) or Barcelona (1992), at the 2010 World Cup in South Africa or the 2014 World Cup in

⁴²Júlia Dias Carneiro, “Alvo de inquérito e saia-justa, campo de golfe é ponto sensível da Olimpíada,” *BBC Brasil*, Mar. 1, 2015, Available at http://www.bbc.com/portuguese/noticias/2015/03/150227_golfe_rio2016_jc (accessed Oct. 25, 2015).

⁴³City of Rio de Janeiro, “Decree no. 30379,” Jan. 1, 2009, available at http://doweb.rio.rj.gov.br/visualizar_pdf.php?edi_id=738&page=3 (accessed Oct. 27, 2015).

⁴⁴Brazil, “Law no. 12,035,” Oct. 1, 2009, available at https://www.planalto.gov.br/ccivil_03/_ato2007-2010/2009/lei/112035.htm (accessed Oct. 27, 2015).

⁴⁵City of Rio de Janeiro, “Decree no. 30379,” op. cit.

⁴⁶Idem.

⁴⁷City of Rio de Janeiro, “Law no. 5924,” Aug. 13, 2015, available at http://doweb.rio.rj.gov.br/ler_pdf.php?edi_id=2854&page=3 (accessed Nov. 9, 2015).

Brazil.⁴⁸ The process, however, is not restricted to the preparations and realization of events. First, as we saw, it involves the commodification of the city itself, where spaces are enclosed by capital. Moreover, these enclosures serve to expel from the city activities whose traces of subsistence place limits on capitalist valorization. Even before the announcement that Rio de Janeiro would host the Games, the city government determined the registration of authorized street vendors and of those who wanted to exercise this activity in Rio.⁴⁹ Of the 35 thousand people interested, 25 thousand were considered eligible and 18 thousand were authorized to conduct the activity.⁵⁰ Meanwhile, the leaders of these workers calculated that there were 60 thousand street vendors in the city.⁵¹ Here, commodification leads to proletarianization, at least by pushing hitherto street vendors into the industrial (urban) reserve army.

Concluding Remarks

With this study I sought to use the concrete case of the preparations for the 2016 Olympics in Rio de Janeiro to understand how variations, forms and mechanisms of dispossession have related or contributed to capitalist accumulation. I first defined types of dispossession, with the first being that which does not engender accumulation of capital, but only the redistribution of surpluses, which I named redistributive dispossession. We saw this concretely in fiscal exemptions and subsidies granted by the state to private companies. We also saw it in increasing real estate prices presumably artificial in relation to their values. Values, in Marx's terms, comprehend the costs of production ($c+v$) and the surplus value (s), and none of these changes its aggregate magnitudes with modifications in taxation or prices.

The kind of dispossession that leads to the expansion of capitalist accumulation is quite different. It first involves proletarianization and thus sets the stage for labor exploitation to take place or be deepened. Expanding dispossession also involves capitalization, which means turning into capital means of production or subsistence that were hitherto not capital. In this study, proletarianization and capitalization were analyzed separately, however, when combined, these processes make up what I call expanding capitalizing dispossession. This is what happens when fishermen lose their fishing site; small merchants are evicted without indemnification; residents are removed from places where they can conduct small home-businesses and are settled where this is prohibited; or removed from areas close to the centers of employment or from those with better urban infrastructure to locations that lack these facilities.

All of these processes point to proletarianization, which takes place through the expansion of insertion of workers—including the unemployed—in the cycles of reproduction of the labor power whose components are increasingly urban. And all of these stem from the conversion into capital of urban spaces that were occupied by those whose proletarian condition has now deepened. Many gave space to real estate linked to the Olympics, which will later be sold; others were removed to

⁴⁸ Andrea Dip, "Os ambulantes e as zonas de exclusão da Fifa," *Agência Pública*, Apr. 5, 2012, available at <http://apublica.org/2012/04/copa-nao-e-para-pobre-os-ambulantes-zonas-de-exclusao-da-fifa/> (accessed Dec. 13, 2015); Brazil, "Law no. 12,663," Jun. 5, 2012, available at http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2012/Lei/L12663.htm (accessed Dec. 13, 2015).

⁴⁹ City of Rio de Janeiro, "Decree no. 30587," Apr. 7, 2009, available at http://doweb.rio.rj.gov.br/visualizar_pdf.php?reload=ok&edi_id=00000594&page=3&search=30587 (accessed Dec. 13, 2015).

⁵⁰ City of Rio de Janeiro, "Seop entrega 714 licenças para ambulantes que atuarão na Tijuca," May 6, 2010, available at <http://www.rio.rj.gov.br/web/seop/exibeconteudo?article-id=768005> (accessed Nov. 9, 2015).

⁵¹ Máira Villas Bôas Vannuchi and Daniele Martins (eds.), "Copa do Mundo Para Todos O Retrato dos Vendedores Ambulantes Nas Cidades-sede da Copa do Mundo de 2014," Apr. 2012, available at <http://wiego.org/publications/copa-do-mundo-para-todos-o-retrato-dos-vendedores-ambulantes-nas-cidades-sede-da-copa-d> (accessed Nov. 9, 2015).

give way to the restoration of urban infrastructure; others to give room to mass transportation systems operated at a profit. The synthesis of expanding capitalizing dispossession appears in the expansion of labor power in the civil construction sector, which has accelerated in relation to the other sectors.

Expanding capitalizing dispossessions engender a combination of proletarianization and capitalization, which leads to reductions in the costs of variable capital (v) and constant capital (c) respectively. Like capitalization, commodification decreases the cost of constant capital (c) and thus raises the profit rate when the other factors (s and v) of such rate remain unchanged. Expanding commodifying dispossession involves, in addition to proletarianization, the transformation of the means of subsistence into commodities. Urban spaces come to have both use values different from their original ones, and exchange values, the latter hitherto inexistent. This is the case of an area for environmental protection whose collective use value is eliminated to give way to a use value for capital—potential accumulation. In addition, these spaces come to have exchange values that are revealed, for example, in the sale of real estate or in transportation fares. Not even images or public spaces have escaped the enclosures brought about by the Olympics.

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