

CHAPTER 1

Introduction

Gentrification Between Universality and Particularity

In the late 1990s, Prenzlauer Berg, a neighbourhood in East Berlin, experienced rapid changes. After decades of decay, more and more of its dilapidated residential buildings were bought up by investors, renovated and rented out with considerable price increases. Grey and weathered facades turned into colourful yellow, lilac and pale blue. The smell of coal produced by oven heating disappeared. The place became fashionable and more and more media reports came up with stories about Berlin's new 'in-quarter'. Accompanying this, the composition of the population changed too, with newcomers tending to be younger, better educated and, as time went by, also richer than the established residents. Together with this new population came a wave of newly established bars, clubs, restaurants, boutiques, etc.

So far, the story hardly sounds spectacular – even readers who have never heard of Prenzlauer Berg will most likely be aware of similar changes in other neighbourhoods and cities. In fact, what happened in Prenzlauer Berg has been experienced in many places in the world, before and since. The term gentrification has now become the most common term used for this kind of urban transformation. The theme has become so omnipresent that hardly any international conference that is focused on the urban proceeds without presentations on gentrification. Stacks of books have been written on the subject and in many countries the term has entered everyday vocabulary. Gentrification, however, was a term invented by the British-German sociologist Ruth Glass, who described it as early as 1964, in the following words:

One by one, many of the working class quarters of London have been invaded by the middle-classes – upper and lower. Shabby, modest mews

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and cottages – two rooms up, two down – have been taken over, when their leases have expired, and have become elegant, expensive residences. Larger Victorian houses, downgraded in an earlier or recent period – which were used as lodging houses or were otherwise in multiple occupation – have been upgraded once again. . . . Once this process of ‘gentrification’ starts in a district, it goes on rapidly until all or most of the original working class occupiers are displaced, and the whole social character of the district has changed.

(Glass 1964, pp. xviii–xix)

Changes from shabby and modest to elegant and expensive were, of course, exactly what activists in Prenzlauer Berg had in mind when they started using the term gentrification to depict the changes they saw happening in their neighbourhood in the late 1990s. They were met by sharp opposition. Public officials and urban planners, but also Berlin-based urban scholars, took the claim that the changes taking place in the quarter could be termed as gentrification as an insolent provocation (see Winters 1997; Häußermann and Kapphan 2002). Interestingly, the arguments brought forward at that time were neither confined to questions of data interpretation, nor did they move quickly to the possible implications for public policies and planning. More often than not, a rejection of the argument came together with *de facto* claims about the ontological status of the concept of gentrification. A larger group of critics posited that the concept of gentrification was developed in the contexts of the USA and the UK, with their untamed *laissez-faire* capitalism (and had limited value beyond these locations). European cities, in contrast – and Berlin, in particular – would be marked by stronger urban planning, more welfare state assistance and highly developed tenant rights that together would protect the city from the excessive development experienced elsewhere. Altogether, this would make the concept of gentrification inapplicable. A second group of critics addressed the situation from another direction. They argued that gentrification was a necessary and unavoidable companion of capitalist land and housing markets. As long as there was capitalism, there would be gentrification. Talking about rent regulations and planning strategies would, therefore, only turn attention away from problems that were systemic in nature.

Thus, whereas one line of critiques emphasised the particularities of Berlin and set them in contrast to a perceived Anglo-American ‘normal’, the other managed to do exactly the opposite and abandoned the specificities of Berlin to make a global critique of capitalism. Unwittingly, both perspectives made an age-old choice known from the field of comparative social research:

analysing the same situation and empirical data, the first argued in a clearly individualising way, whereas the latter rested on a universalising form of explanation. The outcome was diametrically opposed positions.

What both perspectives had in common, however, is that they effectively cushioned Berlin's planning and renewal policies against criticism. If planning, welfare protection and tenant rights were so strong that gentrification could not happen here, why change anything? If gentrification was so deeply embedded in the nature of global capitalism, why should one expect local policies to make a difference? In summary, while coming from opposite directions, both critiques effectively shielded the policies of 'Careful Urban Renewal' exercised in Berlin at those times (see Chapter 5 for details) against criticism and helped in defending the status quo.

With this study, I want to suggest a different perspective on gentrification. I will show that gentrification is, indeed, a universal phenomenon that reflects general conditions set by capitalist land and housing markets, yet at the same time, it is only made possible through specific institutional constellations. Gentrification, I argue, is at the same time economically and politically determined. It rests on historically specific entanglements of markets and states, expressed in multiple combinations of commodification and decommodification. Analysing the historically specific nexus between commodification and decommodification in driving gentrification is, therefore, central to this book.

What is meant by decommodification and commodification? Under capitalism, most housing is produced for the purpose of being sold as a commodity in the market. At the same time, housing is an essential human need. Most societies have, therefore, found ways in which the production and/or consumption of housing is completely or partly sheltered against the markets, so that its character as a commodity is limited and/or restricted. Thereby, commodification and decommodification stand in a dialectical relationship. Commodification happens when the social use of housing is subordinated to its economic value. When housing is commodified, it can be treated as an investment and can be purchased, sold, mortgaged, securitised and traded in markets. Decommodification occurs when exactly the opposite is taking place (see Esping-Andersen 1990, p. 22). When the provision of housing is rendered as a right and/or when a person can maintain accommodation without reliance on the market, or when the conditions in the markets make it impossible to trade housing or invest in it, the commodity status is loosened and housing becomes decommodified.

With this study, I argue that it is only when decommodification is limited to a degree that allows for satisfactory rates of return on investment in housing that upgrading becomes lucrative for investors and gentrification

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is achieved. This is what I call the ‘commodification gap’. I argue that it lies at the heart of what makes a difference when comparing gentrification across varied contexts. The major point here is that the general dynamics of commodification are universal in capitalist societies, whereas the ways in which markets are embedded into societies and the variations in which social rights are perceived, negotiated and legislated are not.

The treatment of gentrification as either a general feature of capitalism or a local experience – as argued in the debates in Prenzlauer Berg that I have described – thus, rests on a false dichotomy. However, this treatment is not unique to Berlin. Quite to the contrary, the difficulty of balancing historical and geographic particularities with the status of gentrification as a general theory has been a problem that has occupied urban scholars for a long time. Gentrification studies have been characterised by a progressing seesaw motion between universalising and individualising approaches for decades. When the term gentrification was invented by Ruth Glass, it primarily reflected on a very British (and to some degree even London-based) experience. Picking up on historical English class structures, the term gentrification had both a descriptive and an analytical edge, but always with a close connection to London. This is also reflected in the title of the book: *London: Aspects of Change*. Only a few years after the development of the term, it travelled to the other side of the Atlantic and stimulated a first wave of studies in North America. Here, the background was a novel and counter-intuitive ‘back to the city’ movement of middle-class households experienced after decades of ‘urban crisis’ and ‘white flight’, for which new explanations were needed. In this context, gentrification appeared as the term du jour to describe a new phenomenon. By and large, two major forces were seen as driving it – and both seemed to be of universal value (at least in Canada and the USA): (i) the sociocultural transformations accompanying the dawn of a post-industrial society, resulting in the rise of a new middle-class and (ii) the discovery of inner cities as a renewed terrain for investment strategies. Both transformations made up the core of explanations for gentrification back then and for more than two decades ‘gentrification debates battled back and forth over the “post-industrial, new middle-class thesis” and the “rent gap exploitation thesis” over what had caused the rise of gentrification’ (Shin and López-Morales 2018, p. 15). While gentrification expanded fast as a research field and became a major battleground of scholarly debates, differences between the place of its origin (London) and cities like Philadelphia, New York, Vancouver and others were hardly raised as a matter of concern.

In a second wave, the gentrification concept travelled back and forth across the English Channel to Western Europe, i.e. to a context that had also experienced deindustrialisation, suburbanisation and the growth of a service

economy, but with some delay and a different history of urbanisation and housing. Here, too, empirical studies (by and large) stayed with the concepts imported from the USA/UK. At the same time, the particularities of West European cities, as opposed to those in the UK and the USA, were raised as issues of concern and attributed to ‘contextual factors’ or ‘modifications’. If the first phase of gentrification studies had been uninterested in the issue of comparability, the contributions in this second phase were marked by attempts to contextualise what was still seen as a global phenomenon explained by universally valid theories.

From the late 1990s, this mood changed considerably. In the USA and the UK, gentrification had become such a cottage industry of academic career building that not only were more and more studies produced, but also more and more phenomena that were not included in the classical gentrification canon were now characterised as gentrification. Research emerged about commercial gentrification (Bridge and Dowling 2001), new-build gentrification (Davidson and Lees 2005, 2010), tourist gentrification (Gotham 2005), rural gentrification (Phillips 1993, 2004), studentification (Smith and Holt 2007), super-gentrification (Lees 2003; Butler and Lees 2006) and other forms of upgrading that did not follow the traditional demographic, cultural, and spatial patterns known from earlier gentrification studies. This expansion of gentrification research led to a growing sense of frustration among urban scholars, and more and more academics came to see the concept as overstretched¹ (see Bondi 1999; Lambert 2002; Hamnett 2003; Butler 2007; Maloutas 2007, 2012, 2018).

Where the concept of gentrification was applied outside its places of origin, critiques were even stronger. Thomas Maloutas argued (in the context of Athens) that gentrification was ‘a concept highly dependent on contextual causality and its generalised use will not remove its contextual attachment to the Anglo-American metropolis’ (Maloutas 2012, p. 33). The concept, he claimed, would be ‘detrimental to analysis, especially when applied to contexts different from those it was coined in/for’ (Maloutas 2012, p. 44). As a consequence, Maloutas demanded that the concept of gentrification not be used outside the Anglo-Saxon world and that more localised concepts and descriptions be found and used.

With the advancement of postcolonial approaches, these concerns have gained growing acceptance in the subsequent decade and are now widespread in the field of urban studies.² Nowadays, more and more scholars tend to see gentrification as an urban phenomenon rooted in very specific experiences realised in a handful of Western metropolises in the second half of the twentieth century (see Bernt 2016a). To an increasing extent, the concept is portrayed as overstretched (Schmid et al. 2018) and blamed for oversimplifying

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essentially variegated urban experiences by ‘blindly apply(ing) theories from the West’ (Tang 2017, p. 497). Some authors have even gone so far as to claim that the concept of gentrification has ‘displaced and erased alternative idioms and concepts that may be more useful for describing and analysing local processes of urban change’ (Smart and Smart 2017, p. 519) and have suggested that the concept of gentrification ‘should be laid to bed . . . among those 20th century concepts we once used’ (Ghertner 2015, p. 552). In this view, gentrification is successively seen as a thin theory, considerably over-stretched and not capable of integrating new developments.

While doubts and reservations about the concept of gentrification have become stronger than ever before, the last few years have also seen a remarkable expansion of empirical research on the subject carried out on an increasingly global scale. These days, scientific papers on gentrification come from all continents, including places as different as Yerevan (Gentile et al. 2015), Mexico (Delgadillo 2015), Copenhagen (Gutzon Larsen and Lund Hansen 2008), Manila (Choi 2016) and many more. A research group around Loretta Lees, Hyun Bang Shin and Ernesto López Morales has alone produced two volumes and two special issues that have applied the concept of gentrification to empirically studying many places around the globe (Lees et al. 2015, 2016; López-Morales et al. 2016; Shin et al. 2016). Building upon this work, Lees et al. argue that gentrification has indeed become a ‘planetary process’, and defend the application of the gentrification concept as follows:

We have considered whether the concept of gentrification has global application, and whether there really is such a thing as gentrification generalized. After much research and international discussion . . . we have concluded YES – as long as we keep gentrification general enough to facilitate universality while providing the flexibility to accommodate changing conditions and local circumstances.

(Lees et al. 2016, p. 203)

In summary, it can be said that today the urban studies world in general is split by a schism between the custodians of general (usually Marxist) theories and those criticising their Eurocentric implications. Yet, there are also voices that break out of this either-or way of arguing. Applying the concept of gentrification to cities in the Global South, researchers have found new ways of productively working with differences (for an overview see Lees et al. 2015; Shin and López-Morales 2018; Valle 2021) in the subsequent years, which have opened up new perspectives on the debate. Two issues stand out here:

First, manifold contributions have highlighted that capitalist markets in land and housing are limited in many cities in the Global South. Instead, hybrid arrangements of property rights are common (Lemanski 2014) and large parts of the housing stock are managed as informal housing (Ghertner 2014; Doshi 2013, 2015; Cummings 2016; Gillespie 2020). In effect, customary and state land tenures instead of private property are the rule, rather than an exception, in many countries. As a consequence, the movement of capital is limited in much of the Global South and gentrification is only possible when these limits are removed. The simultaneous existence of commodified and non-commodified land has given rise to a ‘real estate frontier’, i.e. an ‘interface between real estate capital and non-commodified land’ (Gillespie 2020, p. 612), which advances through the enclosure of uncommodified land. Other than in the Global North, market-based forms of land allocation cannot be taken for granted here, but need to be actively produced. Non-commodification, or de-commodification, is central here, and gentrification is only brought into being through a process of ‘primitive accumulation’ in which non-capitalist forms of tenure are actively attacked and abolished.

Closely related, research on gentrification in the Global South has repeatedly emphasised the centrality of state agency and extra-economic violence as a driver for gentrification (see Islam and Sakızlıoğlu 2015; Shin and Kim 2016; Shin and López-Morales 2018; Valle 2021). This argument has most thoroughly been developed by the geographer Gavin Shatkin (2017), who depicts how state interests are at the core of land monetisation in Asia. While Shatkin finds the specifics of gentrification theory (as formulated by Smith 1979 and others) of limited relevance for his cases, he still insists that it can provide useful insights. For the case of Southeast Asia, Shatkin argues that state actors are the main players in the real estate market. They use land rent capture for their own empowerment, as a source of revenue for the state, or redistribute the profits to key allies of the ruling elites. In turn, state actors become interested in maximising their control over land markets and exploiting the rent gap to its maximum. What makes this conceptualisation interesting is that it dissociates gentrification from its attachment to a specific geographic and socioeconomic context and uses the rent gap in a purely analytical form. For Shatkin, gentrification is not of interest per se, but rather one of a number of concepts combined to explain the complex development of state–business relations in real estate development in Asia.

This treatment resonates well with the discussion of a ‘triangular entanglement of state, market, and society’ described as the driver of ‘three waves of state-led gentrification’ investigated in China (He 2019). In her work, He describes how ‘gentrification has become an integral part of the making of the modern competitive state in China’ and analyses how ‘the state’s endeavour in

extracting values from land/housing redevelopment [operate] through market operation' (He 2019, p. 33). Contrary to Western ideas about the predominance of markets in allocating land, He insists on including the developmentalist state in the analysis in China and emphasises that markets can only be understood as working in tandem with the state and societal forces. This, in turn, makes visible the limits of a restrictively economic explanation of gentrification that focuses mainly on the effect that markets play.

Summing up, the perspectives on the usefulness of the term gentrification in the urban studies community are more controversial than ever before. After half a century of research, gentrification is intensively brought into question as a concept today and the scientific community finds itself split into two camps. On the one hand, many scholars attack the 'diffusionist' practice of exporting the Western concept of gentrification to contexts where it is not seen as applicable. They claim that gentrification has been overstretched as a theory and has become a Procrustean bed for the analysis of essentially different urban experiences. On the other hand, we find academics ferociously defending the usefulness of the concept, calling for more flexibility and attacking what they see as 'fossilization, rather than contextualization' (Lees et al. 2016, p. 7). Third, we find contributions (positioned at the margins of this debate) that offer a third way to solve the *problematique* by decontextualising gentrification theory (see also Krijnen 2018) and using it as a conceptual device to be combined with other instruments.

This book aims to advance this debate beyond the dichotomist treatment of the 'universality vs. particularity' binary. The major theoretical proposition is that land rent capture and capital accumulation and, thus, gentrification can *always* and *everywhere* only be understood as embedded in specific institutional contexts. Institutional contexts and economic dynamics can, therefore, not be separated but, instead, need to be integrated into the analysis.

Against this background, the book at hand provides an attempt to put the 'state question' at the centre of the explanation and rethink the relationship between markets and states in the field of gentrification. It does so through three empirical case studies that lay out how this relationship has developed in three neighbourhoods located in different countries, and uses this material to produce a novel concept.

How to Compare? Why Compare?

The ambition of this book is thus directed towards theory building, which will be achieved through a comparison of empirical materials. But how can gentrifications happening in different cities and at different times be meaningfully compared? Answering this question demands some reflection on the

ways in which comparisons are composed, why they are done and how the similarities and differences observed can be brought together. Against this background, this chapter now lays out the basic etymological and ontological orientations of this study and presents its methodological design.

Separating the shared essence of a phenomenon from its various expressions is an epistemological problem that puzzled even ancient philosophers. It has proven to be so fundamental to our understanding of the world that wrestling with it has resulted in fundamentally different axiomatic positions and practices in scientific research. In this sense, the difficulty of coming to grips with the applicability of the gentrification concept beyond the classical cases of the UK and USA described above reflects a deep-seated problem faced by social science in general.

Crucially, in conceptualising gentrification as either a universal phenomenon or a specific local experience only relevant to a handful of cities, the proponents of the described debate have entered the rocky waters of comparative methodologies. While doing so, they have necessarily taken on board a series of long-established methodological problems that come along with the comparison of complex social phenomena.

The first is the use of comparison. Why are comparisons done? What is the point of comparing urban change in New York's Lower East Side in the 1980s with something that is going on in, say, Bangalore today? In fact, there are many reasons for carrying out a comparative study. The aim could be to explore whether a theory developed about the causes of gentrification (e.g. middle-class invasion, the rent gap, or cultural upgrading) holds true when some of the variables it is built upon vary. Alternatively, one could examine a small number of cases holistically to see whether similarities or differences observed between the cases can be related to causal conditions. These two ways of proceeding can be termed as variable-oriented vs. case-oriented strategies of comparison (Ragin 1987, pp. 54–55). Some authors have also argued for comparison as a mode of thought, enabling 'defamiliarisation' and assisting in uncovering the hidden assumptions a theory is built upon (Robinson 2006; McFarlane 2010). In this view, studying a process in a non-familiar environment (e.g. gentrification in a shrinking city) could function as an eye-opener and allow factors and connections that are hidden elsewhere to be revealed.

No matter the particular motivation, the essential goal of all comparison is not to describe something, but to understand and explain it. The point here is to ask the reasons why a particular comparison is made. If apples and bananas are compared with donkeys, we need to have an idea about what constitutes fruits in contrast to animals. Yet, what exactly is the link between a theory, say about fruits, and the need to compare? While most comparative researchers agree that comparisons refer to theory, there is no privileged stage

of theory building in which it is most appropriate. Comparing can, thus, contribute to uncovering the limits of a theory, it can help to draw a contrast between cases and it can be used to suggest testable hypotheses. These hypotheses, in turn, can create demand for a new theory that can then be tested again by including new cases (Skocpol and Somers 1980). The relation between theory building and empirical comparative work is, thus, cyclical and there is no hierarchical (but rather a mutually reinforcing) relationship between theory and comparative empirical observation.

The current treatment of gentrification in urban studies as either a particular local experience, or a planetary urban phenomenon, occupies an uneasy position when examined against these potentials (see also Berrnt 2016a). While individualising accounts have proven to work well for attacking the usefulness of gentrification theory for a specific case, they more often than not leave one wondering whether the problem is just a misclassification of an individual case (e.g. when the gentrification concept is applied to cases where gentrification doesn't happen), a linguistic issue or something that is more deep-seated and inherent in the concept of gentrification. Universalising accounts, on the contrary, often relegate differences to the role of contextual factors, local specificities or contingencies, seen as negligible for theory building. Here, the consequence is an immunisation of established theories, but hardly their advancement. In sum, both ways of comparison fall short. This results in a stalemate in which both sides employ more or less convincing evidence to support their claims, but leave existing theories untouched and fail to frame a way forward.

One reason for this lies in the particular limits that are specific to either of these forms of comparison. There have been elaborate discussions about the difficulties of comparing complex social phenomena (like revolutions or cities) that are characterised by 'small n , many variables' (Lijphart 1971) in the past, especially within the field of comparative history. As a consequence, manifold useful strategies for conducting comparisons have been proposed (see for example Przeworski and Teune 1970; Lijphart 1971; Sartori 1970, 1991; Smelser 1976; Tilly 1984; Skocpol 1979; Skocpol and Somers 1980; Ragin 1987). In this context, Charles Tilly (1984) has developed a widely cited typology that distinguishes four types of comparison along the two dimensions of scope and number (see Figure 1.1). Thereby, in scope, comparisons can range from quite particular (getting the case right) to quite general (getting the characteristics of all cases right) and in number, comparisons can range from single to multiple.

On this basis, Tilly (1984, pp. 82f.) distinguished between individualising, universalising, generalising (or variation finding) and encompassing comparison. In this scheme, individualising and universalising comparisons

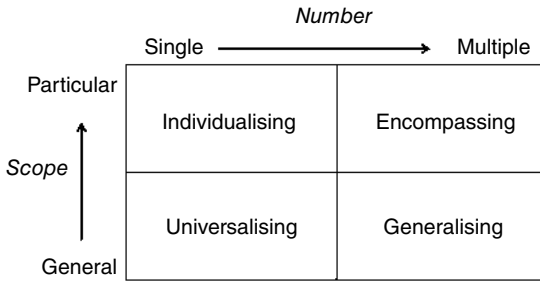


FIGURE 1.1 Types of comparison (Tilly 1984).

are antidotes: individualising comparisons contrast specific instances of a phenomenon as a means of grasping the particularities of each case, whereas universalising comparisons aim to establish that each instance of a phenomenon follows the same rule (*ibid.*). The point is that both types of comparison can be made, but each has a different function for different purposes. Individualising comparisons work well to illustrate a given theory. They can also be very effectively used to challenge the validity of a theory. The problem, however, is that they leave much to be desired when it comes to developing a new theory. Universalising comparisons, in contrast, are an effective means to go beyond the surface of similarities and dissimilarities and produce models and generalisations that allow for theorising. More often than not, the price for this is a neglect of differences.

Expressed differently, both types of comparison have their particular strengths and weaknesses – but only in relation to a specific strategy in making a theoretical argument. What counts is not the comparison as such, but the theoretical argument. It is in this field that both individualising and universalising approaches have their Achilles' heel.

Concepts and Causation

Necessarily, this leads us to matters of causation and explanation. How can empirical facts be connected to theory? How can we determine that something we can see and document can meaningfully be called 'gentrification'? While the popular image of gentrification, reflected in a now globally popular blend of artists and cappuccino places, renovation activities and rising housing costs, seems to suggest an easily recognisable picture on the surface; however, the underlying substance of gentrification is more difficult to track. The reason for this is the fundamental philosophical difference between the essence of a phenomenon, its manifestation and its description. For

this reason, this section will discuss ontological and epistemological problems of causation and conceptualisation, thereby sharpening our understanding of the relationships between concrete phenomena, abstraction and causation, as well as laying out some basic ideas about the value and the pitfalls of connecting empirical phenomena and theory. In what follows, I base my arguments on what has become known as ‘critical realism’ in the philosophy of social sciences (Bhaskar 1975; Harré 1986; Stones 1996; Yeung 1997; Sayer 1992, 2000).

One of the most common fallacies to be found in gentrification research is the treatment of gentrification as a ‘real’ phenomenon, instead of as a concept. More often than not, one encounters phrases like ‘gentrification has become a global phenomenon’, ‘gentrification has expanded beyond its places of origin’, ‘gentrification has reached into new neighbourhoods’, etc. What these phrases have in common is that they reify gentrification. They treat gentrification as something that has an equivalent in reality, i.e. as an objective fact that can be measured, described and assessed visually. If one examines the definition(s) of gentrification more closely, however, it soon becomes clear that what is usually referred to as gentrification is a bundle of empirically observable phenomena, rather than a singular object. Most importantly, these are:

1. an immigration of middle-class households into areas where they were not prevalent before;
2. investments to upgrade houses and infrastructure (e.g. shops, or restaurants);
3. purchases or rentals of homes by more affluent buyers/renters;
4. rising house prices or rents;
5. a decline in the number of working-class and other low-income groups living in the area; and
6. a change of the social character of a neighbourhood.

In terms of observation, these are distinct empirical objects. What gentrification theories do is bundle together these objects under the term gentrification. The problem is that all these properties are also linked to social relations outside of gentrification. The immigration of middle-class households has, thus, been linked to broader social, cultural and demographic shifts in Western societies (Ley 1996); the investment of money into housing has been connected to the growing financialisation (Aalbers 2012, 2016; Haila 2016) of the real estate sector; and the decline of working class housing occupants has been explained as an outcome of the professionalisation of occupational

positions in ‘knowledge economies’ (Hamnett 2003), etc. Thus, what is usually coined gentrification is not only a wide umbrella, but the phenomena covered by it are co-determined by factors that stand outside neighbourhood change. It is, thus, easily understandable why gentrification has been termed a ‘chaotic concept’ (Beauregard 1986) that lumps together unrelated phenomena and diverse explanations.

But what then is the ontological status of gentrification? What is the relationship of empirically observable phenomena to the concept? Different ontological positions allow different answers. Thus, from a positivist point of view, a bundle of empirical phenomena could be labelled gentrification as long as the term accurately describes patterns of similarity and regularity with which phenomenon A (say the renovation of dilapidated houses) is followed by phenomenon B (say a decline in the number of poor households). From a hermeneutic standpoint, the term gentrification would make sense only in so far as it was able to reveal the meanings that are attributed to the actual actions underpinning the process. Calling something gentrification would, thus, be adequate when the term could be found in actual discourses and used by actual actors, e.g. to demarcate social demands discursively. A realist understanding of the question would look rather different and, under this view, putting together phenomenon A (a renovation of dilapidated houses) and B (displacement of poor households) under a concept X (like gentrification) would only be justified if one was able to establish a causal relation between the two. The major consequence of a realist approach to gentrification is that conceptualisation, not research methods, is put at the centre.

Yet, how then can causality be built and examined? At the most fundamental level, each concept or theory is an abstraction. It must abstract from the particular conditions of a specific case and select those constituents of the case that have a significant effect that might also be found in other cases. In other words, the multiple elements of a concrete object must be isolated from each other, examined one by one and then recombined to form concepts that reflect the concreteness of their objects. The difficult point about abstractions is that they require the separating out of the kind of relationship that a particular element has to the concrete totality of which it is a part. In this respect, it is crucial to distinguish between external or contingent relations and internal or necessary relations (Sayer 1992, pp. 89–90). External or contingent relations can be found when two objects can exist without each other. Sayer (*ibid.*) uses the example of a person and a piece of the earth for this; though their interference can have significant effects, each of the two can exist without the other. By contrast, the relationship between a master and a slave or a tenant and a landlord is internal: both entities form a social relation that ceases to exist without both elements being part of it. Third, it is possible

to identify asymmetrical internal relations. These appear when 'one object in a relation can exist without the other, but not vice versa' (Sayer 1992, p. 90). Sayer provides the example of the state and council housing; states can exist without council housing, but no council housing can exist without a state.

Clarifying the type of relationships that link the different elements of an object to each other is the first step towards conceptualising, as it forces the researcher to explain what it is about an element that makes it a necessary part of a relationship. With regard to gentrification, the questions would thus be: What is it about phenomenon A (renovations of dilapidated houses) that enables it to cause phenomenon B (displacement of poor households)? Why and how are renovations done and how does this relate to the likelihood of poor households being displaced? Is there a phenomenon C (say an immigration of middle-class households) that necessarily goes together with phenomenon A to achieve phenomenon B?

In this sense, causation is the identification of the actual mechanisms producing the event (as different from identifying patterns of regularity). This, however, leads to new problems as the 'open systems' character of the social world leads to situations in which the same causal power can produce different outcomes in different contexts, or different causal mechanisms can work at the same time. As multiple causation is fundamental to social phenomena, it follows that a particular event (e.g. the displacement of low-income households) can involve several causal mechanisms that may or may not internally be related to each other. Depending on the conditions, the same mechanism can produce different results, or different mechanisms can lead to the same outcome. If one was to relate this approach to the example of gentrification, the research design would become even more complex: not only would a causal relation between A (renovations of dilapidated houses) and B (displacement of poor households) need to be established and the impact of the intervening variable C (immigration of middle-class households) be explained, but research would need to expand to other contexts in which the impact of C (immigration of middle-class households) would possibly be neutralised by variable D (say strong welfare support) or intensified by E (say ethnic discrimination). From this, theorising would move backwards and re-examine the causal relationship between renovation activities and displacement established at an earlier stage of research and reformulate the theory on this basis.

The realist approach towards theory building is, thus, built upon empirical observation and abstraction. It starts with a theory, but moves on to empirical data capable of inducing an alternative conceptualisation, and then moves back to revising the original theory, thus producing a need for new empirical observation and so on and so forth. The actual processing of research is, therefore, highly iterative. It implies a back and forth between inductive and deductive cycles of

data collection and explanation in which deduction helps to identify the object of interest and suggests explanations about the mechanisms at play, whereas induction provides data that is to be explained and tested. Both the use of data as an illustration of theoretical arguments and the use of empirical data to falsify a theory without giving any specificities that would allow for alternative conceptualisations are seen as preliminary stages in the development of new knowledge that need to be overcome by the development of new theories.

Design of this Study

How can these ideas inform a comparative study on gentrification? Without further ado, I draw four basic orientations from the preceding discussion.

First, I conceptualise gentrification not as an object, but as an abstraction. Advancing its study is hardly possible on the basis of a holistic approach that tries to integrate a broad variety of empirically observable phenomena all at once and indiscriminately apply the whole range of available, and to some part contradictory, explanations for gentrification. Learning from realist approaches, it is necessary to disaggregate the various explanations and start with one established theory whose validity can be examined in different contexts. Only when this is done, does it become possible to carefully examine the limits of this theory of gentrification and to study how other factors impact on the causal relationship between different phenomena. Meaningfully studying gentrification, thus, demands a clear point of reference towards an existing theory, as well as a focus on the phenomena to be observed.

Second, there is a close relationship between studying how an established concept works in different contexts and theoretical advancement. The task of an empirical study is, thereby, not to verify or falsify an established theory, but to work out alternative causations. In this context, it becomes crucial to empirically distinguish between necessary and contingent relations. Do different structures (say welfare states) influence a mechanism in a way that changes the causal relationship between two phenomena (say renovations and displacement)? Do contextual factors lead to differences in kind or in degree? Can the same outcomes (e.g. displacement) be explained by different mechanisms in different environments?

Third, neither universalising nor individualising modes of comparisons suffice to promote this process of iterative theory development. The problem, as I have pointed out with reference to Tilly, is not that particularising or universalising comparisons were misleading, as such, but that they are good in doing different things. While universalising comparisons work well to support a theory, individualising comparisons do exactly the opposite, demonstrating

where a theory has reached its limits. The benefits and drawbacks of the two types of comparison are laterally inverted. What is needed is not a decision for the Scylla of universally valid categorisations or the Charybdis of thick descriptions of singular cases, but a way between the two that engages established theories with new empirical material that aims to build better explanations. In this sense, comparisons can be generative for a new round of theorising – but only when they are built upon a reference to existing theories and a commitment towards abstraction. Working with concepts is of key importance here.

Fourth, the relationship of theorising and empirical research in the course of investigation can be described as ‘ascending from the abstract to the concrete’, as Karl Marx famously put it in *Grundrisse* (1971 [1894]). The abstract defines the object of empirical research that then leads to understanding the points where the theory stops explaining its particular objects and new theories must be integrated or found. This leads to an iterative back and forth movement between the empirical observation, abstraction and conceptualisation that is illustrated in Figure 1.2.

The study starts with a simple, abstract concept that seems to apply to all sorts of gentrifications at all times; moves on to the examination of actually existing forms of this abstraction; examines the interrelation of this abstraction with different concrete sociospatial formations; and then moves back to the abstract and examines the dialectic developed at a systemic level so far.

How can these recommendations be taken on board? In essence, restriction is demanded both with regard to the issues studied and the theories examined. In this respect, the following points form critical junctures for this book.

1. *Definition of gentrification:* I follow Clark’s (2005) definition of gentrification and count all processes as gentrification that ‘involv[es] a change in the population of land users such that the new users are of higher socio-economic status than the previous users, together with an associated

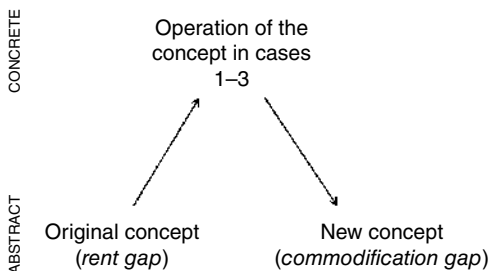


FIGURE 1.2 The relationship of abstraction and empirical observation in this study.

change in the built environment through a reinvestment of fixed capital' (Clark 2005, p. 258). With this, I position myself within close range to what has become known as 'supply-side theories' in the world of gentrification researchers.³

Two empirically observable issues are the focus of my interest. These are: (i) the investment of capital into the built environment (see Smith 1979, 1996) and (ii) the displacement of low-income residents by more affluent users (see also Marcuse 1986). In my view, these are the basic conditions that make gentrification different from other forms of neighbourhood change, as well as the two prerequisites without which the concept of gentrification would cease to make sense. Achieving higher quality and returns on existing pieces of land and housing is (in the long run) not possible without putting work and capital into it. Capital, in turn, is only invested when a satisfactory rate of return is achieved that is higher than what is already gained from the piece of land in question. Gentrification and investment are, thus, causally connected. In a similar vein, gentrification is all but impossible without the exclusion of groups of people. If everybody was able to use land, housing and infrastructure in the same way in a particular area, displacement could not occur and would either become pure coincidence or be caused by something other than gentrification.⁴ For all these reasons, reinvestment and displacement form the two key variables that are examined in all the cases studied in this research.

2. *Structuralism as a starting point:* The rent gap theory provided by Neil Smith (1979) builds the theoretical point of reference for this study. The main reason for this is that the theoretical ambitions of supply-side theories have always been more universal than those of their demand-side counterparts. Arguably this makes them a more attractive starting point for a comparative study. The goal is, thereby, not to verify or falsify supply-side theories, but to examine how theories work in different contexts, identify their limits and suggest new theories.
3. *Methodological substantivism, institutionalism and historicism:* Gentrification is not analysed in a formalised way as an expression of abstract political economies, but it is situated in space and time. Thereby, institutions are given a primary role in the explanation of gentrification. These are understood as historically and geographically specific sets of formal rules, compliance procedures and standard operating practices that structure the relationships and the interactions between individuals (see Hall 1986, p.19). As such, they have more formal status than cultural norms, but they are not necessarily legally codified. With this definition, there is a wide variety of institutions, legal codes, administrative organisations, customary habits and traditions. This study, however,

focuses on formal institutions – like forms of tenure, property regulations and rent laws. This choice is motivated by the cases analysed, in which formal institutions play a central role. It should not be seen as conceptually exclusive; depending on the context, other institutions (e.g. caste, family, ethnicity) might be more important.

4. *Comparativism*: The project applies a comparative research strategy and examines heterodox cases of gentrification. This strategy is, however, distinguished from formal and static ways of comparing distinct cases, as it seeks to engage observable differences between the cases for the purpose of broader theorising. In order to stretch the boundaries of imagination and to ‘provincialize’ (Chakrabarty 2000) ill-informed universalisation, it actively searches for dissimilar cases and seeks to interrogate different modes of interaction between the market and state in terms of gentrification. Heterogeneity is, thus, sought as a means to identify diverse combinations of factors.

The operational model of this research is the following: reinvestment is thought to result in displacement (which is the core of gentrification), while at the same time different institutions can impact on this interrelation in a way that can modify, alter and even prevent both reinvestment and displacement from happening. As a consequence, different forms of gentrification can emerge. The interrelation of these elements is expressed in Figure 1.3.

The empirical backbone of my argument stems from three empirical studies in London, Berlin and St Petersburg. As the universal conditions enabling gentrification, ‘namely, rent production, reproduction, and capture; production of gentrifiers and gentrifiable areas; and class displacement/replacement’ (Betancur 2014) are present in all three cities, one can assume it will be possible to find gentrification in each of them as well. However, as I will

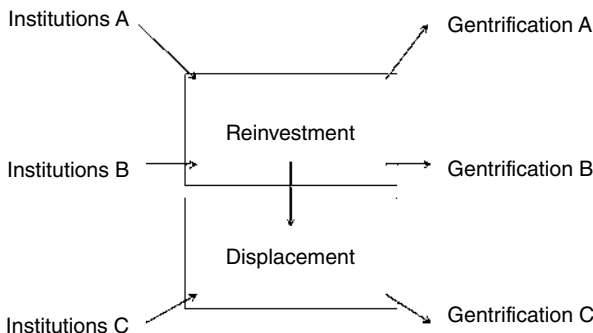


FIGURE 1.3 The relation of institutions, reinvestment, displacement and gentrification.

show, although instances of gentrification can be observed in all three cases, their dynamics, spatial patterns and causalities are highly diverse. In other words, I study a sample of dissimilar gentrifications, and while the cases studied support the idea that gentrification is a somewhat global phenomenon, they also demonstrate how this global phenomenon operates in fairly varied ways and is based upon different sets of local and national relations.

Having manifold representations of gentrification in mind, I focused on inner city residential neighbourhood change. I thus went to the 'usual suspects' of gentrification. The reason for this is that I aimed to include urban environments that would be connected to gentrification by most observers. Moreover, two of the cases selected have a longer history, allowing us to study the impact of changing institutions and regulatory environments over time. Typically, such cases are to be found in inner city environments. Based on these considerations, I selected Barnsbury (London) and Prenzlauer Berg (Berlin) as case studies. Both these neighbourhoods are seen as classical cases in their contexts and have been gentrified over decades. Case selection was more difficult in Russia, as gentrification is a new phenomenon there and often seen as a matter of newly built gated communities on city fringes or in former industrial wastelands, rather than as an inner city phenomenon. Nevertheless, I studied gentrification in the 'classical' environment provided by St Petersburg's inner city (Tsentralnyi Rayon). While this might be seen as being prone to the fallacy of morphological determinism, I argue that it is exactly the difficulties that gentrification faces in these environments that provide lessons to be learned. In some respects, the case of St Petersburg can be regarded as a control case, allowing insights that cannot be gained in Germany or the UK.

Why did I study gentrification in Russia, the UK and Germany as opposed to, say China, Nigeria and France? There are two reasons for this. First, on an epistemological level, while all these countries are located in Europe, they have very different histories and state structures, resulting in different relationships between capital, state, land and the people. Despite morphological similarities, they present different sets of institutions, relations and practices. As the study focuses on causality, not regularity or generalisability, choosing other cases would have allowed including even more dissimilar cases, making it possible to find other causalities. However, this would hardly have resulted in substantial changes with regard to the general theoretical argument put forward. As Jennifer Robinson has argued, comparison can start from 'anywhere' (2016) and there is no privileged position of one potential case against the other. Second, there are practical issues. Analysing the relationship between gentrification and public policies on an in-depth basis in different countries demands the researcher have the capacity to read local literature, analyse planning documents and legislations, and conduct interviews.⁵ Furthermore,

background knowledge on history, culture and social structures is helpful, to say the least. As German, Russian and English are the only three languages I speak to a degree that allows for this kind of work and as I didn't have the resources to hire a team of researchers, the selection of cases has been influenced by my personal background. I also have known all three cities for a long time, which made it easier to build upon existing contacts and obtain access to various sources of information.

With regard to data and sources, the research strategy has been different for all three cases studied.

In this respect, London is the birthplace of gentrification as a concept and arguably one of the top sites covered by urban studies worldwide. When trying to understand the constellations here, I was able to draw on an expansive and varied literature. Moreover, due to the concentration of academic institutions in London, I profited enormously from the background knowledge and advice provided by fellow researchers who have studied London for decades. I also interviewed a limited number of experts on the neighbourhood I researched, including real estate managers and planners. In addition, compared with Germany and Russia, the range and the quality of statistical data is excellent and the data was accessible.

My research on Prenzlauer Berg differs from this. Prenzlauer Berg is not only the place I have lived in for most of the last 30 years, but it is also a neighbourhood that I have studied intensively since I became an academic. As a consequence, most of the data and much of the interpretation included in this book are based on past work that I have brought together and updated for this study. Methods used here include a literature review, the analysis of public planning documents, interviews and participant observation in numerous events, meetings and public hearings over the last three decades.

St Petersburg has been a completely different affair. The term gentrification has hardly made it to Russia thus far, and the number of studies on this phenomenon is very small. Moreover, in Russia, the transition from socialism to capitalism has resulted in taking away resources from the academic system to such a degree that urban research is generally fairly weak (when compared with the West). The staggering lack of resources has also contributed to isolating many Russian scholars from discussions in the West and this has been changing only very recently. Moreover, official statistics are notoriously unreliable in Russia. In order to grasp the dynamics under which gentrification operates there, I therefore had to do primary research. In this, I was supported by Russian colleagues who were enthusiastic about the issue and willing to invest their time and intellectual resources. Together with them, I organised a Research Laboratory in 2015 at which we discussed the applicability of Western literature to the Russian situation and

performed empirical research in two neighbourhoods destined for larger urban renewal projects in St Petersburg. We applied a mix of document analysis, expert talks and intensive site inspections accompanied by interviews with residents to obtain an understanding of the actual developments on the ground. For a number of reasons, this work was never finished – yet it provided invaluable insights that helped me to understand the specificities of the situation there.

I proceed as follows: having sketched my approach in the previous pages, Chapter 2 re-examines the rent gap. Its task is to recapitulate the central features of this theory, as well as to discuss its limitations. Doing so, I try to avoid ‘the booby trap of the stalemate between “production” versus “consumption” explanations’ (Slater 2017, p. 121) that has occupied gentrification research for a long time (for summaries of these debates see Lees et al. 2008; Brown-Saracino 2010). I find that the arguments brought forward in this debate have reached a point of saturation where conceptual progress becomes unlikely and I aim at new lines of questioning. The main message I develop in this chapter is that the rent gap theory is indispensable for explaining gentrification, but too abstract and oversimplifying. I discuss five major problems in this context that point to the limits of this theory. These are: a lack of attention towards barriers to capital flows; the *problematique* of connecting the scales at which potential and actual ground rents are produced; the implications of a nomothetic conceptualisation of land rent; the limitations of a unidirectional understanding of property relations as ‘control’; and turning a blind eye towards the actual conditions for the realisation of rent increases and the role that the state plays in this. On this basis, Chapter 3 provides a first look into the institutional parameters that frame the operation of gentrification. It analyses the different housing systems in the UK, Germany and Russia through a historical perspective that highlights the strategies, ideologies and struggles that have shaped the design of the diverse institutions at different points of time and discusses the implications of these for the operation of the rent gap. Taking a long-term perspective, I focus on the changing conditions for reinvestment in the housing stock, roles of tenures and rent laws, and identify 12 commodification gaps (see Table 3.6) relevant for the operation of gentrification in the UK, Germany and Russia at different times. Together, these gaps guide the analysis of the cases on the neighbourhood level that follows and are further refined through empirical examination. Chapters 4–6 apply this framework to the neighbourhood level and examine the operation of gentrification in the neighbourhoods of Barnsbury (London), Prenzlauer Berg (Berlin) and the centre of St Petersburg (Russia). Finally, Chapter 7 discusses the implications of this analysis for the theorisation

of gentrification. It revisits the main themes, discusses the findings of the empirical observations and suggests a reconceptualisation of gentrification. It refines the commodification gap as a new theoretical concept and argues for a reorientation of gentrification studies.

Notes

1. In a similar vein but with different language, David Ley has characterised the gentrification concept as 'promiscuous' and as having 'a never-ending appetite to include more and more areas into its study' (presentation at the RGS-IBG Annual International Conference 2016, 'Planetary Gentrification', Authors-Meet-Critics session, 31 August 2016, London).
2. While the debate following Jennifer Robinson's book *Ordinary Cities* (2006) has become too extensive to be repeated here, three accusations can be summarised that form the core of many postcolonial critiques (see McFarlane 2010). First, it has been argued that urban studies have been dominated by Western parochialism and it has been suggested that theories and methodologies that were developed in the West were too easily applied in settings 'foreign' to their place of origin. Second, there is criticism that urban studies have been marked by a tendency to study the 'usual suspects'; without including more dissimilar contexts, the opportunity to learn from differences is severely diminished, resulting in dominating paradigms being reinforced. Third, it has been pointed out that much of the debate has been marked by a search for 'superlative', 'archetypal' and 'paradigmatic' cities (see Beauregard 2003; Brenner 2003), leaving little space for cities that would not fall into this realm.
3. I acknowledge that demand-side explanations have helped a great deal in understanding gentrification, and I also accept that supply will never be delivered without demand, so understanding the demand for inner city housing and the underlying social, demographic and cultural patterns is important. Nevertheless, I refrain from including this wing of explanations in my study. This is for two reasons. The first is that gentrification has changed since the 1970s and it has become emancipated from the 'back to the city movements' experienced in the USA and the UK at that moment in time. Theories developed against this background have, therefore, lost much of their former explanatory power. Providing evidence that gentrification in today's Mumbai, Moscow or Mexico City differ from those in Islington or the Lower East Side 30 years ago hardly comes as a surprise and, as a consequence, I find the benefit of such an undertaking questionable. This is also supported by studies from the Global South, most of which show only weak interest in the Western imagination of gentrification as an influx of middle-class professionals, artists or hipsters and their usual consumption patterns.

4. I should emphasise that this treatment of the term excludes a number of developments that appear in the literature but, in my view, should not be counted as gentrification. Thus, an ‘incumbent upgrading’ of the social structure resulting from an improvement of the social status of sitting residents should not be counted as gentrification because it hardly involves displacement. Neither should publicly financed improvements be regarded as gentrification, as long as they are not connected to market mechanisms and undertaken for the sake of a return on the capital invested. State-led displacement motivated by reasons other than profitability (e.g. ethnic cleansing) also stands outside this definition.
5. Researchers from the UK or the USA clearly profit from colonial history in this regard, as they can easily do comparative studies using their native language. Unfortunately, this also supports an imbalance within urban studies in which the UK and former British colonies are extremely overrepresented both as empirical cases and with regard to their impact on wider theorisations.

