URBAN POVERTY ALLEVIATION THROUGH ENVIRONMENTAL UPGRADEING IN RIO DE JANEIRO: FAVELA BAIRRO

R7343

DRAFT RESEARCH REPORT
by
Jorge Fiori
Liz Riley
Ronaldo Ramirez

March 2000

Development Planning Unit
University College London
9 Endsleigh Gardens
London WC1H 0ED
Tel: +44 (0)20 7338 7581 Fax: +44 (0)20 7387 4541
E-mail: dpu@ucl.ac.uk Website: www.ucl.ac.uk/dpu

"The UK Department for International Development (DFID) supports policies, programmes and projects to promote international development. DFID provided funds for this study as part of that objective but the views and opinions expressed are those of the authors alone."

CONTENTS
Section 1  Introduction

Section 2  The Research
2.1  Objectives
2.2  Methodology

Section 3  Poverty: Concepts and Approaches
3.1  Poverty at the turn of the 21st century
3.2  Defining and explaining poverty
3.3  Urban poverty
3.4  A new policy approach to urban poverty

Section 4  Housing Policy and Poverty Alleviation
4.1  Introduction
4.2  Conventional policies and poverty
4.3  Non-conventional policies and poverty alleviation
4.4  Towards a new generation of housing policies for poverty alleviation

Section 5  Recent Examples of Housing and Poverty Alleviation Initiatives
5.1  Introduction
5.2  The Johannesburg Inner City Renewal Programme
5.3  ENDA and the Pikine City Programme in Dakar
5.4  The Integrated Poverty Alleviation Strategy in Santo André
5.5  Integrated and Participatory Neighbourhood Improvement in Mesa Los Hornos, Mexico City
5.6  The Strategic Plan for Poverty Alleviation in Hyderabad
5.7  The Examples and their Approach to Poverty Alleviation

Section 6  Rio de Janeiro: the Housing and Poverty context
5.1  Introduction
5.2  Pre-1979: poverty and housing policy in Rio de Janeiro
5.3  Post-1979: poverty and housing policy in Rio de Janeiro

Section 7  Favela Bairro: the programme
6.1  The programme
6.2 The Objectives
6.3 Development and Implementation
6.4 Impact Evaluation
6.5 The Institutional context

Section 8 Favela Bairro projects: some examples
7.1 Fernão Cardim
7.2 Formiga
7.3 The Mangeira Complex

Section 9 Favela Bairro: the research findings
9.1 Introduction
9.2 Heterogeneity and sensitivity to the vulnerable
9.3 Multisectorality at project, policy and institutional levels
9.4 Participation, partnership and devolution
9.5 Municipalisation
9.6 City scale

Section 10 Conclusions and recommendations
10.1 Conclusions
10.2 Recommendations for policy makers
10.3 Recommendations for researchers

Bibliography

Appendix
List of Interviewees
INTRODUCTION

This report is the outcome of a research project entitled ‘Urban Poverty Alleviation through Environmental Upgrading in Rio de Janeiro: Favela Bairro’, funded by the ESCOR Unit of the UK Government’s Department for International Development (DFID). The research was undertaken by the Development Planning Unit (DPU) of University College London, with the assistance of the Núcleo de Assessoria, Planejamento e Pesquisa (NAPP) in Rio de Janeiro. The project, which started in April 1999, spanned a period of eleven months, with three of those spent in Rio conducting the fieldwork. The main product of the research is this report and its aim is to inform policy makers, multi- and bi-lateral agencies, academics, NGOs and other interested parties of the conceptual foundations of the Favela Bairro squatter settlement upgrading programme in Rio de Janeiro, and of how the concepts that underpin the programme are being put into operation. This report does not seek to evaluate either the performance or impact of Favela Bairro, but instead seeks to explore and explain the objectives and operations of the programme, especially in relation to poverty alleviation.

The research is built upon the premise that a new generation of housing policies for poverty alleviation is currently emerging and that this generation is characterised by a combination of five components. These are: the acknowledgement of the heterogeneity of the poor and sensitivity to the vulnerable; multisectoriality at project, policy and institutional levels; participation, partnership and devolution; municipalisation; and city scale. It is the analysis of these components and relationships between them that serves as the theoretical and conceptual framework of this report, with the basic hypothesis being that policies aimed at sustainable and wide scale poverty alleviation must possess certain key characteristics and be implemented in the context of institutional reform that generates robust mechanisms for power sharing, decentralisation and democratisation. The theoretical framework recognises that the specific characteristics of the key policy components will vary over time and place, reflecting the importance of social, economic and political contexts, and it stresses the complexities of developing and implementing this policy approach given the political sensitivity of the components and the complex inter-relationship or synergies between them. It is through these synergies that each policy component serves to reinforce the others and thus constitute a new approach, but they also ensure that implementation of the approach is complex and conflictive. It is this framework which was used to ground the data collection and analysis of the case of Favela Bairro.

Favela Bairro (Squatter Settlement - Neighbourhood) is a large-scale comprehensive upgrading programme for medium-sized squatter settlements in the city of Rio de Janeiro. It has the financial backing of the Inter-American Development Bank and was launched in 1994 by the Housing Department of the municipal government of Rio de Janeiro. The programme aims to upgrade all Rio’s favelas of between 500 and 2,500 households by 2004, with its objectives being to reduce social exclusion and improve living conditions in the
squatter settlements. Medium-sized favelas make up nearly one-third of all favelas in Rio, but house around 60 per cent of the favela population of the city, and in addition the Housing Department operates sister upgrading programmes for both large and small favelas.

The upgrading work undertaken by Favela Bairro not only includes sanitation systems and other basic infrastructure, but emphasises the importance of opening up and upgrading public spaces, including buildings for the operation of social projects such as nursery schools and income generation initiatives. Each upgrading project is designed by a team of architects, with the construction work undertaken by private firms and utility service providers. The implementation of the social projects brings the involvement of a variety of municipal government departments, as well as non-government organisations, while local residents participate through project consultation and approval, through information dissemination and through maintenance activities. The foundations for Favela Bairro were laid in the 1992 Master Plan of Rio de Janeiro and thus the programme constitutes an important municipal initiative to promote integrated city planning, multisectoral co-operation, the regularisation of city assets, and the social and physical integration of the informal with the formal city.

Analysed within the theoretical and conceptual framework of the research, it is argued that Favela Bairro is illustrative of the new generation of housing policies for poverty alleviation, demonstrating to varying degrees the five components that are central to the approach. While the emergence of each of these policy components within the context of Rio and its municipal government is in itself revealing of the factors that can inhibit or encourage policy change, the case of Favela Bairro clearly reveals the complex difficulties that surround the implementation of the approach in its entirety. Analysis of Favela Bairro demonstrates that the linkages between each of the policy components can serve to reinforce or to hamper the emergence and impact of the approach as a whole, and it is on this basis that the report makes general policy recommendations as well as recommendations for each of the five constituent elements.

The report firstly details the aims of the research project, the questions it sought to answer and the methodology followed. The concept of poverty is then explored by a review of relevant literature, and the components of a new policy approach to urban poverty alleviation are outlined to act as the conceptual and theoretical framework of the research. This framework is further developed in the following section with respect to housing policy, and the section also reviews how housing policy has changed over time with respect to urban poverty alleviation. Examples of recent housing and urban poverty alleviation initiatives in Latin America, Africa and Asia are then briefly described and analysed within the theoretical framework. A short historical review of housing policy developments in the context of Rio de Janeiro is then given, including information on poverty in the city. The remainder of the report then focuses upon the Favela Bairro upgrading programme, describing its origins, objectives and development, how the programme works in practice, and the methods and procedures being used by the municipal government to
monitor its progress and evaluate its impact. Following a brief presentation of
three different favelas and their upgrading projects, the report then draws upon
primary and secondary data to describe and analyse the conceptual and
operational approach of Favela Bairro, with the analysis organised according
to the five components of the research’s theoretical and conceptual framework.
Finally the report presents its conclusions and recommendations for policy
makers and researchers.
2.1 Objectives

The aim of this research was to identify the characteristics and conceptual foundations of a new generation of low-income housing policy that the authors believe is now emerging, and taking the case of the Favela Bairro upgrading programme in Rio de Janeiro, assess the degree to which those characteristics and concepts are in evidence. The objectives of the research were thus to examine the extent to which Favela Bairro can be seen as an example of the new approach to poverty alleviation through housing policy and to identify the policy and practical challenges experienced by the municipal authorities and other actors in putting this approach into operation. In sum, the objectives of the research project were:

1. To enhance current knowledge and understanding of how poverty alleviation objectives are developed and operationalised in participatory, city-scale, multisectoral municipal upgrading programmes.
2. To evaluate the objectives and conceptual foundations of Favela Bairro and how these are being put into operation, bringing to the attention of policy makers and practitioners lessons arising from the research.

The main issues to be addressed concern the formulation of the conceptual foundations and objectives of Favela Bairro and their implementation by the different actors in the programme. As such, the research questions asked:

1. How do different actors in the Favela Bairro programme understand the objectives of the programme and their relationship to poverty alleviation?
2. In what ways do the actors understand Favela Bairro to be multisectoral in character and why?
3. In what ways do the actors understand there to be community participation in Favela Bairro and why?
4. In what ways do the actors understand the scale of Favela Bairro to be important and why?
5. In what ways do the actors understand Favela Bairro to be characterised by partnerships and why?
6. How do programme managers assess the impact of Favela Bairro and know whether or not it is reaching the very poor and other excluded groups?
7. What are the policy lessons that can be derived from the research with implications for shelter-poverty initiatives in other developing countries?

2.2 Methodology

The research was conducted in four phases, starting with a comparative literature review focusing upon shelter and poverty programmes in various developing countries, the mapping of relevant concepts, and the development of the research tools (interview topic guide and preliminary list of interviewees). In the field, the second phase of the research consisted of the collection of primary and secondary data on the Favela Bairro programme, poverty and housing policy in Rio de Janeiro. A total of 38 semi-structured interviews were conducted with a range of representatives from government (municipal and state departments), non-government, and private (architects, construction
companies, consultancy firms) sectors, as well as with academics and with community groups (a complete list of interviewees is presented as an appendix to this report). For the latter focus groups were held with a range of residents\(^1\) from three selected favelas where Favela Bairro has been or is being implemented. The three settlements (Fernão Cardim, Formiga and the Mangeira complex) were chosen to represent different types of favela (the former being relatively small and on flat land, Formiga being of an average size and on very steep land, and the latter being a complex of four adjoining favelas on a hillside). In addition, Fernão Cardim is widely held to be a successful Favela Bairro project, while Formiga demonstrates some problems but steady progress and with full community backing, and the Mangeira favelas are known to have presented considerable difficulties for Favela Bairro, with long delays and problematic relations with local residents.

The third phase of the research involved the transcription of the taped interviews and their analysis using the Framework approach. Framework is a method especially designed for use during applied policy research, and enables the definition of concepts, the mapping of the range and dynamics of particular phenomena, the categorisation of different attitudes and behaviours, and the finding of associations and explanations (see: Ritchie and Spencer, 1994). Once the analysis of secondary and primary material was complete, the project then entered the fourth and final stage of writing up and research output production.

\[\text{SECTION 3}\]

\textbf{POVERTY: CONCEPTS AND APPROACHES}

\(^1\) Owing to the strength of the drugs trade in the favelas of Rio, the researchers were forced to depend upon the local residents’ associations to gain access to the favelas and their residents. This situation imposed limitations on the number and range of residents who could be interviewed.
3.1 Poverty at the Turn of the 21st Century

There is no doubt that over the last century poverty was reduced and that the overall conditions of the world’s population at the end of the 20th century were considerably better than at the beginning. According to the UNDP’s Human Development Report of 1997, in the past 50 years poverty has fallen more than in the previous 500. However, in spite of this progress, more than 25 per cent of the world population remain in severe poverty today. While data are notoriously imprecise, reflecting conceptual and methodological differences of approach, but they at least give an idea of the magnitude and of the evolution and trends of the problem. For example, currently, 1.3 billion people live in poverty with an income of less than US$ 1 per day in the South, equivalent to 32 per cent of its population. The largest numbers, 960 million people, are in South Asia, East Asia and South-East Asia and the Pacific. Africa has the largest proportion of poor people, with 220 million and in Latin America and the Caribbean the population below the poverty line reaches 110 million. In Eastern Europe and in the former USSR poverty has spread from a small part of the population to include some 120 million people, while in the advanced industrialised countries there were 100 million people below the poverty line by the middle of the 1990s (UNDP, 1997). All these figures provide just an overview, moreover, neither poverty reduction nor growth are straight linear processes. Analyses reveal short-term ups and downs according to variable economic and political conditions. The 1980s, for example, were a bad period for Latin America and the Caribbean, whereas the decade of the 1990s was also notorious as a period of poverty growth nearly everywhere.

3.2 Defining and Explaining Poverty

3.2.1 Defining poverty

The current preoccupation with poverty has given rise to a considerable amount of research and literature, leading to an abundance of material discussing what poverty is, but less examining why poverty exists. The prevalent preoccupation thus seems to be with defining and understanding the nature and characteristics of poverty, relating its origin mostly to immediately evident causes. Within this trend it is possible to distinguish very different ways of understanding poverty and it is on these differences that debate has focused for some time, leading to important changes in concepts and classifications (see for example: Wratten, 1995; UNCHS, 1996; UNDP, 1997; Salama, 1998; Jones, 1999). Within this body of work it is possible to identify and examine the prevalent understandings of poverty that may be instrumental in defining ways for the eradication of urban poverty. Taking Wratten’s contribution as starting point, the existing conceptual classifications can be simplified into three groups, each of which is very briefly examined here.

1. Quantitative definitions of poverty based on income and consumption

Most countries and international agencies define poverty as a relationship between income and a minimum socially acceptable level of consumption. Minimum acceptable consumption implies that society
agrees that there are certain necessary goods and services to sustain human and social life, and that the inability of some of its members to obtain them regularly is the expression of a social ill. The income required to purchase those necessary goods defines a poverty line that separates the poor from the non-poor. It also provides a headcount index to establish the level of poverty of a specific country at a particular time. The establishment of poverty lines creates uncertainties given the different meanings of income, of consumption patterns and values in different countries, and as a result most countries define national poverty lines according to their circumstances. International agencies such as the World Bank, however, have promoted the use of standardised lines for specific regions, changing them from region to region. In addition, the relationship between income and consumption is also used to define and measure specific aspects of poverty, for example, absolute poverty, relative poverty, and ultra-poverty.

It is these conventional definitions of poverty, frequently referred to in the literature as describing ‘income poverty’, that until recently dominated the field. One of their merits is that they facilitate the quantification of poverty and therefore its variations can be traced along time and compared from place to place, making it the favourite instrument of economists and policy makers. Moreover, its greatest contribution is that it makes it possible to link macro situations (economic, social and political), with specific conditions of poverty, introducing therefore some explanatory potential.

While acknowledging that conventional concepts and classifications of poverty have their merits, criticism of the income poverty approach has been substantive and mainly focused on its apparent uni-dimensionality at a time when there is a growing awareness of the complexities of poverty. The approach has, for example, been criticised for being culturally biased and for its emphasis on quantification. According to Chambers, “What is measurable and measured then becomes what is real and what matters, standardising the diverse, and excluding the divergent and different” (1995). The 1996 UNCHS report, An Urbanizing World, summarised what are considered to be the inadequacies of this approach as: the fact that it obscures the social and health dimensions of poverty; fails to allow for the very large variations in living costs within and between countries; fails to take into account intra-household differentials; fails to distinguish between different household sizes; is unable to account for non-monetary income sources; fails to understand the role of assets; is open to manipulation; and obscures the underlying causes of poverty (1996).

2. Definitions based on social indicators

The search for social indicators reflects not only the dissatisfaction with the notion that income and consumption might embody the whole reality of poverty, but also an awareness of the complexity of this condition, its multiple dimensions and attributes, the interaction of its many factors, its
diversity and its relativity. In this sense, this approach marks a movement towards a more qualitative understanding of poverty. Nevertheless, it does not completely abandon the use of quantification as an instrument for comparison and assessment of poverty variations. This has led to the development of a number of indices expressing specific aspects of deprivation that are considered more inclusive than income, such as life expectancy, infant mortality, nutrition, food consumption, literacy, school attendance, access to health and to safe water (Wratten, 1995). Thus the development of composite indices that combine weighted variables has been a step towards capturing the multidimensionality of poverty. For example, the UNDP’s Human Development Reports for 1997 and 1998 analyse poverty conceptually, advocating a qualitative approach and produce a Human Poverty Index (HPI) to define and compare poverty conditions in the world. While it is not claimed that the HPI gives a fully comprehensive account of the whole complexity of poverty, it has considerably broadened and refined the previous perspectives, it is multidimensional and, most importantly, it can report on some of the specific conditions of the poor. However, a major problem remains, which is the uncertainty created by indices defined outside those deprived communities without the participation of the poor, or in some cases, just by consulting them.

3. Qualitative multidimensional definitions, based on participation

Qualitative and participatory approaches and definitions of poverty have been a response to the growing recognition that poverty is complex and varied. Proponents of these approaches do not ignore the merits of statistical quantification for specific policies but they question its validity and usefulness to understand poverty. Poverty is understood as a multidimensional situation, affected by cultural, local and social conditions, interpreted subjectively by the people living in poverty, lived differently by people according to their gender, age, ethnic origin and abilities, and including many forms of income and consumption that escape the concept of poverty lines. The condition of poverty is lived by the poor in such a variety of forms that it becomes nearly impossible to define a concept of poverty, and a strategy for its eradication, without the participation of the poor themselves in these process.

Qualitative and participatory examinations of the conditions of poor communities, mostly done on the ground, have led to a large number of detailed descriptions of poverty situations and methods devised by the poor to deal with them. They have also helped to destroy the idea that the poor constitute passive and homogeneous entities, enabling the identification of more advantaged groups in positions that allow them to appropriate the benefits of social programmes, and of intra-household differentials (Jones, 1999). They have also produced new concepts that refer to specific aspects of poverty and contribute to express its complexity, such as ‘vulnerability’ (meaning defencelessness, insecurity, exposure to risks, shocks and stress, and the ways the poor counteract it), ‘entitlement’ (or command of resources) (Wratten, 1995),
'deprivation', 'social exclusion', and others. In an effort to capture the Multidimensionality of poverty, Chambers for example, identifies eight dimensions of deprivation: poverty (or lack of physical necessities, including but more than income); social inferiority (linked to age, gender, class, ethnic group); isolation (being peripheral, lacking communication, contacts and information); physical weakness (underlying the importance of a fit and strong body and the liability of sickness and disability for the poor); vulnerability (defined as above); seasonality; powerlessness (or lack of the ability of the poor to significantly influence their conditions); and humiliation (or lack of self-respect, freedom and independence) (1995).

From these three approaches to defining poverty, it is apparent that there has been a shift away from reductionist approaches to increasingly comprehensive concepts that define poverty as a variety of complex conditions. However, while a large part of the literature tends to present these different conceptual definitions of poverty as antagonistic, they can in fact be seen as complementary, as recognised implicitly in some of the texts examined. It is also notable that many qualitative studies of poverty recur to income poverty statistics and poverty lines to describe overall national and international conditions and trends of poverty. The complementarity of these descriptions does not seem to contradict or violate the integrity of any of them, on the contrary, if developed and applied systematically this complementarity would enrich the understanding of poverty, combining macro pictures and trends with human diversity and complexity. What is apparent from the recent studies of poverty, however, is the contemporary debate on poverty focused on how to define and understand it, and much less attention is being paid to the causes of poverty.

3.2.2 Explaining poverty

Complementarity cannot be extended to the explanations of the causes of poverty, where propositions seem to be mutually exclusive. To present an overview of current causal explanations of poverty, the starting point of Wratten’s classification is loosely taken, separating out two streams of analysis: those that attribute poverty to “... the personal failings of the individuals concerned” and those that view poverty as structural, as “... the inevitable outcome of an unfairly structured political and economic system” (ibid.).

1. Poverty as the consequence of personal qualities

The idea that the poor are responsible for their condition is old. It is associated with religious ideas of evil individuals, with class ideologies that see the poor as lazy and lacking the qualities of the upper classes, and with racial discrimination that considers poverty as the normal outcome of inferiority. These ideas have been developed and formalised in a number of propositions that see poverty as caused by a combination of personal characteristics developed in particularly negative social contexts (urban ghettos, slums, public housing estates), resulting in deviant and
irresponsible forms of behaviour. Explanations of poverty as the result of the personal failings of the poor have been heavily criticised by social scientists and social workers involved with poor communities. Critics point to a wealth of empirical evidence showing the vast majority of the poor as hard working members of society, equipped with attributes and values not different from the rest, fighting against the conditions they find themselves in and having the ability to devise creative strategies to try to overcome poverty.

2. The structural causes of poverty

Explanations based on structural causes search for links between the main characteristics and evolutionary trends in the social system and the quantitative variations of poverty and its changing qualities. Under this approach, poverty is a condition in which the poor as individuals are essentially equal to the non-poor, finding themselves poor as a consequence of the workings of the social system, of its economic organisation, of social structure, of cultural mores, values or history. This provides the framework for a number of immediate explanations of specific aspects of poverty.

The focus of structural explanations of poverty has until recently fallen on the economy. Accordingly, economic growth or stagnation provide the cause for the varied aspects of poverty to appear and develop, to increase or decrease. There have been many arguments concerning the value of economic growth as the explanation of poverty, for example, questions related to its alleged determinism, its limits, its blindness with respect to many issues. However, there is a certain consensus that structural explanations of poverty cannot be reduced to the workings of the economy only. Specific societies have their particular definitions of social differentiation and privileges, having mechanisms (names, family, education, language, laws, politics) that control and direct social mobility and also define the meaning of poverty, its members and place. These are powerful structural causes of poverty. Culture and values, many coming from religion and history, regulate the behaviour and opportunities open to individuals, to women and the youth. Long-term ethnic, national and religious conflicts resulting in the structural foundations of class and dispossessions, provide another line of structural causes and explanations of poverty. All these constitute formidable structural obstacles for the poor to escape their conditions, though it still does not seem to be possible to construct any structural explanation of poverty ignoring the importance of the economy.

It can be sustained that while the state and direction of the economy is meaningful for poverty, economic growth in itself does not necessarily lead to poverty reduction. Indeed, it could lead to the opposite, with more social inequality, the poor poorer, the rich richer. However, the economy is one of the most powerful social frameworks in which social groups define their interests and their potentials, exercise their powers, their ability to use opportunities and to influence the system. It is within this framework that
social relationships involving classes, ethnic groups, gender, nationalities and others are established. It is the combination of these processes, actors and relationships that define the content of policies and programmes, the meaning of economic growth in real life and its relevance for poverty alleviation.

Whatever the different origins of the two causal explanations for poverty presented above, they seem to share two interrelated weaknesses. Firstly, neither of them has as yet incorporated a comprehensive concept of poverty as multidimensional, complex, and qualitative as the object to be explained. Most causal explanations refer to specific aspects of poverty, sometimes to several aspects, yet without integrating them. This constitutes a serious conceptual gap between current understandings of poverty, especially the qualitative ones, and their causes. Secondly, there is a tendency to stop at the identification of immediate causes as responsible for specific aspects of poverty, and thus explanations are normally constituted by different levels of interdependent generalities, with implications for the formulation of poverty reduction strategies. For example, if unemployment and lack of education are identified as the causes of poverty, this might lead to the devising of training programmes to improve the employability of the poor, but if a general historical trend towards the reduction of employment is not recognised in that context, the poor might be training for something which is increasingly disappearing (Forrester, 1999) or be led to poorly paid, low-productivity, informal jobs, where their conditions might improve only marginally. While the immediate cause of one specific aspect of poverty might have been correctly identified, the explanation may still be incomplete.

3.3 Urban Poverty

“Urban poverty and its attendant human cost is perhaps the single greatest challenge of our time. The future of our towns and cities, which is where most humanity will live in the next century, hinges on our tackling it successfully. The centrepiece of urban policy as we enter the 21st Century must therefore be the struggle against poverty, with goals such as the integration of the informal city, the recovery and democratic use of public space, and the reversal of the trend towards the concentration of wealth and opportunities, which so often ends in a spiral of violence” (Recife Declaration, 1996). These words were adopted by the international community in the International Meeting on Urban Poverty in Recife, Brazil, in March 1996, pointing to a collective responsibility to eradicate poverty, focusing it on the conditions in the cities, and suggesting, rather controversially, an enabling strategy for its eradication.

The concern with urban poverty has been part of the current movement of developing ideas and experiences in the general field of poverty. It has also resulted in a considerable amount of literature that follows the same preoccupations with defining what urban poverty is and showing less interest in why it exists. The first point that seems important to clarify is whether urban poverty can claim a conceptual definition separated from general poverty. The issue has become particularly relevant given the nature and dimensions of the urbanisation process at world scale, with nearly 50 per cent of the world
population living in urban areas in 1995 (UNDP, 1998), rising in the advanced countries in Europe to 76 per cent, while in the developing countries falling to 37 per cent. Most Latin American and Middle East countries had urban populations between 70 and 85 per cent, though in Asia and Africa the figures were lower, around 30 per cent. The Human Development Report of 1998 forecast that the world urban population will become 55 per cent of the total by 2015. Thus, if the majority of the population live in cities, it becomes increasingly questionable to separate urban poverty from a general concept of poverty. The urbanisation process has not only made poverty more visible and recognisable as a common problem for society, but it has also blurred the separation between urban and general poverty.

Many writers question the specific character of urban poverty or its distinction from rural poverty, and most answers show that the prevalent concepts of poverty are the same when they refer to the conditions in the cities and in society as a whole. They also show that ideas have evolved as part of the same movement, from quantitative, income based understandings towards qualitative, complex and participatory approaches. Nevertheless, the same studies also identify specific conditions, to be encountered only in cities, introducing degrees of variation that, without changing the general meaning of poverty, make of urban poverty a specific theme. Accordingly, urban poverty is defined as a multidimensional situation, affected by cultural, local and social conditions, interpreted subjectively and lived differently by people according to their gender, age, ethnic origin and abilities. For the urban poor “.. it is an indivisible whole, an ongoing, day-to-day reality [where they] lack income and access to assets and basic services [and also have] a devalued social status; marginalisation in urban space and degraded living environment; limited access to justice, information, education, decision making power and citizenship; and a vulnerability to violence and loss of security. But, on the other hand, urban poverty also means mobilising and sharing aspirations, solutions, capacities and solidarity” (Recife Declaration, 1996).

In identifying what distinguishes urban poverty, Wratten, for example, singles out 4 interlinked features of urban poverty: environmental and health risks; vulnerability arising from commoditisation\(^2\); social fragmentation and crime; and negative contact with the state and police (though noting that they are not exclusively urban attributes) (Wratten, 1995). Alternatively, Amis (1995) identifies ten specific characteristics of urban poverty as: (1) the importance of position within and access (both social and physical) to labour markets (employment is thus identified as the most important determinant of urban poverty, while labour markets in poor countries are characterised by strong rigidities defined by education, ethnic origin, neighbourhood and such like); (2) the limited ability of the informal sector to absorb unemployed; (3) vulnerability to changes in market conditions, with increasing exposure to changes in food prices and wages and a decreasing ability to retreat into subsistence; (4) the critical importance of female headed households in the composition of the poor

\(^2\) Much of the literature dealing with the rise of capitalism refers to ‘commoditisation’ when referring to the processes described by Wratten under the term ‘commoditisation’. Assuming that both refer to the same, both words are used interchangeably in this text. The notion of ‘proletarianisation’ introduced by Amis refers to practically the same process.
(with women being disadvantaged by cultural barriers, lack of assets, domestic responsibilities, and being under-represented in well paid employment); (5) a tendency toward more expensive services and more Westernised tastes (a lack of resources and access to services results in the poor making small scale purchases and having to pay intermediaries, thereby they pay more than the rural poor and relatively more than urban middle-income groups); (6) fewer ‘coping strategies’, in particular an absence of common goods and a greater reliance on state provision of basic goods; (7) the individualisation and private nature of much urban poverty, determined by shocks (redundancy, ill-health) which affects individuals rather than communities; (8) the critical importance of assets and debts as survival strategies to shocks, with a lack of communal assets to fall back on making individual assets and debts critical for strategies to withstand shocks; (9) greater exposure to environmental risks in terms of human pathogens and industrial toxic compounds; and (10) the importance of links to the rural economy for survival and in seasonality in urban poverty (in many regions links with rural areas remain as part of urban survival strategies, and urban remittances are important components of rural economies).

Wratten’s concept of commoditisation and Amis’ concept of proletarianisation, as specific attributes of urban poverty, require exploration in a little more detail, for they go further than just describing and defining urban poverty, having considerable explanatory potential. Wratten’s concept hints at an explanation of the causes of urban poverty while Amis clearly states that it is determined by the labour market. Thus, cities, for Wratten, are characterised by commercialisation: production tends to be more specialised and people need to earn money to pay for goods and services, some of which were free or absent in rural areas. This creates vulnerabilities for people needing to sell their labour but lacking the required qualifications. An unstable or contracting labour market, expansion of casual and badly paid jobs (particularly among women) or unemployment, brusque variations of prices, illness and accidents, all these restrict access to cash earnings necessary to pay for indispensable goods and services. Housing and sometimes education have also been commoditised, and while the urban poor of the 1960s built their houses in informal settlements, their children are now paying rent in the same areas. This creates new tensions and instabilities, with the poor more vulnerable to evictions and violence (Wratten, 1995). Similarly, Amis when explaining urban poverty looks to the historical transition from a situation in which individual subsistence depended upon household production and consumption of agriculture products, specially food, to one where “… subsistence depends upon wage labour with which to purchase food” (1995). His contention is that in comparative studies of poverty in urban areas “… the extent to which individuals are or are not solely dependent upon wage labour, and the room they have for manoeuvring around this, is a useful starting point” (ibid.).

These two propositions place the city as part of the social transformations brought about by capitalism. The requirements of commodity production, among them the existence of people without other means of subsistence than selling their labour, become a reality in the cities, with a population that increasingly cut its links with rural subsistence sources. Both propositions identify the vulnerability of the urban population, partly as a consequence of
difficulties of participating in the formal labour force, and partly resulting from negative long-term trends and shocks. These situations define not only specific features of urban poverty but also advance several steps towards its explanation. On the other hand, the emphasis on the negative consequences of commodity production and consumption is open to argument. The process of commodification does not necessarily and solely imply vulnerability and poverty, for studies of the commodification of squatter settlements in Latin America, for example, have shown that large parts of the urban poor have improved their conditions through the commodification of their houses (Ramirez et al., 1992).

3.3 Bridging Theory and Practice: the Attributes of a New Policy Approach to Urban Poverty

From the above review it can be seen that urban poverty has ceased to be defined only as the aggregation of low-income people living in cities and is understood as a complex process, lived differently by the poor according to their gender, ethnic origin and age. The manifestations of poverty in the urban field are numerous, some are physical, others are social, economic, cultural or political. The remainder of this section seeks to bridge the theory and practice of urban poverty eradication by exploring the new guiding principles of policies, programmes and projects in this field. It these principles which constitute the conceptual and analytical framework for this research.

1. Heterogeneity and sensitivity to the vulnerable

As shown above, there has been a movement away from conventional views of the poor as a homogeneous social group, towards their identification and understanding as a complex and internally differentiated part of society. Jones, for example, notes that “... the urban poor are not just a ‘lumpen’ poor, but there are considerable and extensive differences between them, some of which are expressed in their possessions and assets, some others combine these with differences of power. This leads to distinguish between levels of poverty and to identify specially vulnerable groups, including street children, widows, permanently disabled heads of households, female-headed households, unemployed youths” (1999). Many qualitative studies of urban poverty that enter into its heterogeneous condition identify female-headed households as critically important (Amis, 1995) as a group that constitutes 30 per cent or more of the total households in many low-income settlements (UNCHS, 1996). Other studies highlight the particular vulnerability of children and the specific nature of the problems from which they suffer, while other studies highlight the conditions of poverty associated with ethnic or religious groups, for example the scheduled castes and tribes of India.

It is suggested, therefore, that the attribute of heterogeneity and the conditions of vulnerable groups define specific demands for poverty eradication. In policy terms this requires the tailoring of policy and the targeting of resources and subsidies toward particularly vulnerable groups to ensure that they are not excluded from, or disadvantaged by, initiatives that seek to address the needs of a range of poor households that share the same settlement, neighbourhood,
or city. Correspondingly, this requires that policy be founded upon an understanding of context and group-specific poverty. Such an understanding of what it means to be poor and how that meaning varies with gender, age, ethnic origin and so on demands a qualitative and participatory approach to defining poverty. Thus the first dimension of a new approach to poverty alleviation emphasises the concept of heterogeneity and practice of identifying the needs of vulnerable groups and tailoring resources to meet their needs.

2. Multisectoriality at project, policy and institutional levels

Any initial analysis of the new theoretical understandings of urban poverty cannot fail to identify multidimensionality, accompanied closely by concepts such as complexity and simultaneity of experience, as one of its first and most notable attributes. This is the consequence of the numerous and simultaneous deprivations that characterise the life of the poor. Those deprivations are explicitly manifested in the conditions of cities, where informal human settlements and slum areas come closer to constituting the indivisible reality of poverty than any other relatively permanent manifestation of people living in poverty. Sectoral deprivations and individual settlements and slums offer opportunities for poverty alleviation initiatives, but the eradication of urban poverty requires an integrated and multidimensional attack on all fronts in the whole city. This seems to be the sensible way to overcome the paradox identified in the Recife Declaration (1996): “For the poor ... [urban poverty] ... is an indivisible whole, an ongoing, day-to-day reality. Yet for the institutions established to eradicate it, poverty is a condition to be responded to with a diverse array of programmes, often compartmentalised, disparate and at best partially effective. There is a manifest discord between the unity of the experience and the diversity of institutional responses”.

Multidimensionality thus constitutes one of the attributes of the new paradigm which is transformed under the concept of multisectoriality into a principle to guide poverty eradication initiatives. Multisectoriality is understood as the formulation and implementation of programmes and projects that simultaneously integrate the actions of many of the traditional sectors that have hitherto divided the work of public and private agencies. Bringing together various sectors in integrated projects corresponds to the various dimensions of poverty such as poor housing, limited access to health and educational services, vulnerability to crime, insecure and low incomes. Multisectoriality at the project level, however, is unlikely to occur or be sustainable without multisectoriality at the policy and institutional levels. In other words, a sustained attack on poverty as a multidimensional phenomenon requires the joint formulation of policy by various sectors within government, as well the joint implementation of that policy. For policies to be formulated, resourced and prioritised in a co-operative manner, this in turn requires reform of government institutions and of legislative frameworks, thereby ensuring that multisectoral policy formulation is sustained over time and that its outcomes are not undermined by legislative frameworks that remain biased toward single sector interventions.

3. Participation, partnership and devolution
Participation is perhaps the attribute of the new paradigm most likely to produce significant changes in the practice of urbanism. The reason is that participation is bound to influence existing structures of political and administrative power. Participation means in this case the intervention of urban poor communities (either individually or, mostly, through their organisations) into processes that affect their livelihoods and their conditions. For some, this is a matter of principle, for example the Recife Declaration states that "People living in poverty have a fundamental right to participate in decisions which affect their living and working conditions" and that the poor have also the obligation “...to ensure that their organisations are transparent, democratic, and representative of diverse community interests, especially those of women, youth and minorities" (ibid.). For others, the rights of the poor seem to be accompanied by the practicalities of knowledge and the efficiency of actions. As mentioned above, if the condition of poverty is lived by the poor in such a large variety of forms, it becomes nearly impossible to define a concept of poverty, and a strategy for its eradication, without the participation of the poor themselves.

Participation is not, however, an univocal term. It has been used many times to describe whatever form of direct contact that is established between authority and population. This may include communities building their houses in auto-construction public projects, or bureaucratic consultations required by planning regulations, or simply requests of information. Participation, if based on the principle of devolution, means in fact the definition of new forms of governance. It means opening the decision-making centres to the intervention of community organisations, recognising their positive role in the origination of processes affecting them. It implies the recognition of their rights to participate in the making of relevant decisions, and to sustain the continuity of participation, it implies the creation of appropriate structures and partnerships. The Florence Conference of the International Forum on Urban Poverty, for example, points out that “... addressing poverty requires that the poor themselves be central to the process of decision-making from the inception of development up to the implementation” (IFUP, 1998).

In order to be able to trace realistically the attribute of participation in poverty alleviation policies, this report proposes three different forms in which it can be transformed into a guiding principle of practice. First, there is the simple concept of participation, meaning any form of intervention of poor communities in processes that affect them. Secondly, there is the concept of partnership, indicating the creation of recognised and relatively permanent structures involving diverse city ‘stakeholders’. And thirdly, there is the concept of devolution, signalling that lower levels of government and diverse civil society institutions (CBOs, NGOs and others) acquire the right to make decisions and to initiate processes. Basic to the latter concept is the principle of empowerment, the need to legitimise the power of lower levels of social organisations and to provide them with the resources and the capacity to operate, without which there is no real participation.

4. Municipalisation
The issue of participation raises the question of where participation should take place. If participation is to be a continuous process, so as to be able to develop and to give the participants the chance to learn and change from experience, it requires the creation of regular and recognised institutional structures. Moreover, if it is going to be significant, it will need to include government institutions with power and access to resources. Today there seems to exist a consensus that those structures should be located within the local or city authorities, defined in general as the municipal level. This trend is confirmed in the Istanbul Declaration of Human Settlements that recognises “… local authorities as our closest partners, and as essential in the implementation of the Habitat Agenda” (UNCHS, 1997). In the same vein, the Declaration goes on to stress the need to “… promote decentralisation through democratic local authorities” (ibid.).

There are numerous arguments concerning the advantages and disadvantages of municipalities and local authorities being the centres of community participation in their struggles to eradicate poverty. The arguments do not only refer to the practical capacity or efficiency of these institutions to cope with community organisations, but also include the very principles of participation, such as the need for devolution. Nevertheless, whatever the critical views that this topic might raise, it is acknowledged here that decentralisation is one of the attributes of the new paradigm, appearing in the practice of urbanism for poverty eradication under the concept of municipalisation.

5. City scale

In the context of poverty alleviation, city scale signifies that interventions are of sufficient size to reduce the disparities between rich and poor areas of the city, which small scale isolated initiatives may exacerbate or consolidate through processes of commodification. This is not to say that interventions at the project level are unimportant, in fact quite the opposite is true as projects are a direct means to influence the lives of the poor. Scale, however, signifies more than a simple multiplication of project numbers. The concept is not solely associated with quantity or spread, but also with quality, signifying the social integration of population groups divided by income, place of residence, access to services, opportunities and so forth. In turn, integration depends fundamentally upon processes of participation, partnership and devolution which give diverse social groups the power to make decisions that influence their lives and environments, and thus it is intimately tied to processes of institutional reform. In addition, city scale also signifies interventions of a size that ensure a more efficient use of human and financial resources as economies of scale are reached. Thus, it is argued that the city is an effective level for planning and policy making where the needs of diverse city population groups can be addressed, but where the meeting of those needs has an impact on the city as a whole by strengthening social integration.

Even in cities administered by one local authority, achieving city scale is a
complex process. Even more so in cities or metropolitan areas divided into various municipalities, where often municipalities are free from central or city government interference. Radical municipalisation can lead to the concentration of the poor in the weakest and less equipped municipalities within the city. To counteract this tendency, there is a need for mechanisms and structures for common actions by all local authorities within a city. What is sustained here is that the new paradigm reinforces the concept of the city as a system for social integration. In this way, poverty alleviation initiatives at a city scale not only serve to address the scale of poverty as a widespread social phenomenon, but also serve to reinforce the city as a system for social integration. If one dimension of poverty is social exclusion, then the concept of city scale addresses this dimension if signifying the city as a dynamic system through which power and decision making is devolved and equal access to opportunities and resources is ensured.

SECTION 4

HOUSING POLICY AND POVERTY ALLEVIATION

4.1 Introduction

A review of low-income housing policy demands a level of generalisation that hides the considerable variety of policies and programmes implemented in developing countries at different times. The aim of this generalised review, however, is to give an overall understanding of the policy context in which upgrading policies and their approach to poverty alleviation have emerged and evolved.

Over 30 years ago Otto Koenigsberger stated that the last thing that governments in the third world should do to solve the housing problems in their countries was to build houses. This was a shocking statement at the time, but it has since become the dominant view. Indeed, one can say that the history of housing policy over the last few decades is the history of the progressive retreat of the state from the process of housing construction. In the last four decades there has been a substantial redefinition of the levels and forms of state intervention and, concomitantly, of the role of the private sector, the
organisations of civil society and the users themselves, in the processes of housing production and provision.

This evolution can be described as the change from what is normally referred to as ‘conventional’ housing policy, characterised by the direct and systematic intervention of the state at all levels in the production and provision of finished houses, to ‘non-conventional’ housing policy, characterised by the partial intervention of the state to provide support systems for the production of housing and habitat, in collaboration with private agents and the users themselves (Fiori and Ramirez, 1992). Non-conventional housing policies have also gone through different stages and changed considerably, becoming increasingly associated with the concept of ‘enabling’, with those policies also sharing the ambiguities of that concept.

A full understanding of the nature and general direction of housing policies at different stages in the post-war period and of the rationale for the changes that have taken place, would require a systematic analysis of the articulation of these policies with the wider context of economic and social development strategies of which they were part. This would embrace modernisation strategies of the 1960s and early 1970s through to structural adjustment policies of the 1980s and 1990s. Although this is not possible in any detail here, the periodisation of the policies reviewed below is informed by these considerations.

Transformations in housing policy in the context of changing development paradigms and strategies over several decades, have been permeated by changing perceptions concerning not only the role of the state, but also a variety of other relevant issues such as: the meaning and causes of poverty; the nature of processes of urbanisation; the relationship between housing and other sectoral policies; the articulation of housing and urban development processes; the meaning and importance of user participation in housing; and the place of the project level in housing policy. What is argued here is that a new generation of housing policies started to emerge in the second half of the 1990s that re-focuses attention on issues of poverty alleviation and eradication through an integrated, multisectoral, city-scale and participatory approach to housing which re-emphasises the role of the physical project in housing policy. This is particularly evident in the new generation of upgrading policies and programmes, of which Favela Bairro can be argued to be one of the most ambitious and advanced illustrations. In addition, it is contended that these changes are taking place in the context of the restructuring of the local state and institutional reform which is both a pre-condition and expression of the changes themselves.

4.2 Conventional Policies and Poverty

During the 1950s and 1960s, central governments of developing countries around the world took an interventionist stance in many areas of society and the economy, a policy stance that was informed by theories of modernisation and a desire to leave their third world status behind. In the field of housing, this translated into conventional housing policies, resulting in the construction of
estates of modern, finished housing units, and the establishment of financial systems to capture savings and generate resources for housing programmes. Such policies are frequently regarded (Burgess, 1992; Ramirez, 1990; Wakely, 1986) as marking the start of widespread involvement of developing country governments in the housing of their populations. Although housing shortages, slums and squatter settlements had been in evidence for some time in many developing countries, it was a combination of factors that led to the type and scale of intervention seen in the post-war period. Governments often looked to the housing programmes of Western Europe for inspiration (Burgess, 1992), resulting in standardised estates being built, often on the edge of cities where land was cheap. Subsidised to ensure access to the poor (in rhetoric at least), such housing was built to resettle the growing populations of slums and squatter settlements, for it was these expanding settlements that were denounced, frequently by the ‘modernising’ middle classes, as being unacceptable and needing to be eradicated.

The razing of squatter settlements from the 1950s onwards reflected a variety of objectives, such as the destruction of housing deemed to be unsanitary, the removal of aesthetic eyesores from the city landscape, or the release of land for profitable redevelopment. Smart (1995) concludes from his research in Hong Kong that the government’s public housing programme was launched to neutralise protests that were predicted as a result of squatter settlement removals undertaken to release land for private development. Whereas in 1950s China, slum eradication was for national development purposes, and “… aimed to settle or control the urban population rather than to improve their living conditions” (Lai, 1995). In general, “The underlying assumptions of public housing were that it would be affordable, effective, and eventually eliminate unsanitary conditions and town planners’ perceived disorder in squatter settlement” (Pugh, 1994).

New departments and ministries defined physical standards of acceptable housing and infrastructure, and derived policies to determine the amount, location and cost of the units to be built. However, the impact of conventional programmes fell far short of that intended when targets failed to be met and costs proved too high. “If little or no subsidy was given (so that more units could be built), the new units could only be afforded by relatively well-off households. Alternatively, if sufficient unit subsidy was given to allow lower income groups to afford them, relatively few could be built” (Hardoy and Satterthwaite, 1989). In addition, it was not long before criticisms of inaccessibility, poor services, and shoddy construction and design were lodged against public housing programmes in many countries. According to Wakely, “There was no way that the centrally administered, top-down, management of such housing … could respond to the individual householders’ priorities for investment in their own dwellings and domestic environment, even if it could be ‘afforded’” (1988). In some cases, there was a high turnover of units, with higher-income groups moving in and the poor returning to squatter settlements. Where this did not happen, housing estates frequently fell into disrepair due to lack of maintenance by the state and lack of interest by their occupants.
The problems that surrounded the conventional housing estates were not, however, solely a product of bad design, but stemmed from the very ideology that informed conventional housing policies. The ideals and theories of modernisation dictated that “Direct concern for poverty and inequality was secondary, and the primary task was to ‘go for growth’” (Burgess, 1992). Indeed, poverty in general, and urban poverty in particular, was seen as the expression of a lack of modernisation that could only be eradicated by the process of economic growth.

The top down and bureaucratic administration of the conventional estates built mirrored the trend for strong central government, and the very construction of the estates was also of primary importance to the objective of rapid economic growth. Many developing countries were at this time implementing policies of import substitution industrialisation (ISI), and one sector that could act as an engine for domestic growth was the labour- and materials-intensive construction industry. According to Moavenzadeh (1987), the construction sector contributes between 3 to 8 per cent of gross domestic product (GDP) in developing countries, and conventional housing programmes were used as a means to generate employment and stimulate the economy as a whole. Witness, for example, the huge scale of the public housing programmes in Venezuela, about which Ramirez writes: “A model of capital accumulation based on import-substitution industrialisation required a relatively simple industry to act as consumer of other industrial outputs. For this purpose it was necessary for the Venezuelan state to create this area of activity, able to build houses that consumed industrially produced building materials and technology” (1990).

Overall, the housing policies pursued by many developing countries in the 1950s and 1960s illustrate the ability of the state to embrace the dominant economic model and accompanying ideology of the time pursuing the ambition of creating a modern, industrial and urban society. Under that ideology, it was believed that wealth would eventually trickle down to the poor, but in the meantime “… a direct and immediate attack on mass poverty would result only in the squandering of the limited national resources on temporary palliatives, with increases in the number of the desperately poor as the only important result” (Viner, 1958). As such, conventional housing policies were not a tool to alleviate poverty or an instrument of social policy but were instead designed mainly as instruments of economic policy with a view to stimulate domestic capital accumulation and industrialisation, in the hope that the employment and income generated and the benefits of industrialised housing production in terms of reduced costs and prices would ultimately benefit the poor themselves. These policies aimed to dampen popular unrest, reassuring an expanding middle class that the state was embracing the ideals of modernisation. The fact that conventional housing policies by and large failed to build appropriate houses that the poor could afford was thus of little immediate consequence as governments pursued their short-term political and economic objectives.

4.3 Non-Conventional Policies and Poverty Alleviation
As the 1960s progressed, dissatisfaction with the ideals and consequences of modernisation grew, for “... after a decade and more of emphasis on capital accumulation and import substitution, a period in which many countries had seen high growth of GDP, the lot of the masses in the Third World had not improved and in some cases had worsened” (Hunt, 1989). By the late 1960s, the consequences of the state’s inability to fulfil its promises of trickle down and wealth creation became so glaring that rhetoric was no longer sufficient to appease social pressure for change. In the field of housing, there was a global transition away from conventional programmes that were expensive and ineffective, and instead non-conventional policies were heralded as the means to address housing problems through utilising and aiding the self-help housing efforts of the poor. This transition marked the beginnings of a gradual acceptance of squatter settlements and illegal sub-divisions in the cities of the developing world, finally acknowledging the effectiveness of the self-help practices that the poor had long employed independently of the state.

The transition started in Latin America where aided self-help projects got underway in the early 1960s, funded by the Alliance for Progress between Latin America and the USA. Contrasting with the economic objectives of conventional housing policies, these projects were motivated primarily by the need to ensure urban political stability in the context of escalating numbers of urban poor and the destabilising influence of the Cuban Revolution (Burgess, 1992). With the fading of the Alliance for Progress, the aided self-help movement proved to be limited in scale and duration, but building upon this Latin American legacy, non-conventional housing policies started to flourish more widely by the late 1960s. Like the aided self-help movement, one early objective of non-conventional policies was the pacification of social protest, with urban riots and low-income community protest movements common in many cities of the developing country at this time. Hence governments and international agencies implementing non-conventional projects promised not just resources, but also community participation in decision-making, though usually this amounted to little more than residents providing free labour.

In addition, cost cutting was a second objective of non-conventional projects, for “Such policies seemed to offer hard pressed governments a way of solving housing problems on the cheap” (Chaguill, 1995). However, in contrast to the era of conventional policies, the initial phase of non-conventional policies also displayed a concern for poverty alleviation. This third objective reflected the growing disillusionment with policies that focused on increasing GDP above all else (Hunt, 1989). New means to measure development began to be sought by organisations such as the United Nations Research Institute on Social Development (UNRISD) and the International Labour Office (ILO), informing the development of the ‘basic needs’ paradigm and the theories of ‘redistribution with growth’. These broke with modernisation theory by advocating that growth could be stimulated by addressing problems of poverty, unemployment and inequality. “The basic goals ... were thus to be an improvement in the absolute incomes of the poor rather than an attack on relative inequality; the distribution of income increments rather than redistribution of existing assets or income; and labour-intensive measures designed to increase the productivity, output and employment opportunities of
the poor” (Burgess, 1992). Efforts to understand the failure of modernisation strategies led to new theories of poverty as the single most evident expression of that failure. Hence new conceptualisations of marginality began to appear and the concept of the informal sector, perhaps the most influential and debated contribution to the understanding of poverty in the developing world, emerged. Different from the past, the universe of poverty began to be seen, especially through the concept of the informal sector, as resourceful and containing the seeds of its own transformation. It was these theories and concepts that dominated the lending policies of the international agencies that sponsored most self-help housing projects in the 1970s (ibid.)

Also influential in the early shift to the non-conventional approach was a body of research carried out in the 1960s and 1970s, most notably by John Turner (1967, 1968, 1976) whose ideas were adopted (not without alteration) by the World Bank. Turner drew attention to the array of self-help activities initiated and managed by the poor, and recommended that governments assume the role of helping the poor to help themselves, in other words, supporting them through service and infrastructure provision, making credit and cheap building materials more widely available, thereby reducing state expenditure and helping to promote cohesive communities and individual well-being. At the project level, these new ideas were firstly incorporated into sites-and-services projects, depending upon the labour of project beneficiaries for the bulk of house construction after state provision of basic infrastructure. The World Bank’s first sites-and-services project was in Senegal in 1972, and by 1983 the Bank had funded over 70 more (Cohen, 1983, cited in Choguill, 1995). Such projects might offer a plot of land, increasing service levels over time, access to credit and materials, and technical help for construction, but they were frequently badly administered, poorly located and expensive, thus making sites-and-services projects unappealing to the poor. Nearly three-quarters of World Bank sites-and-services projects financed between 1972 and 1984 were based on the assumption that low- to moderate-income households could spend 20 to 25 per cent of their incomes on housing and services (Mayo, Malpezzi and Gross, 1986), while in reality, 12 to 15 per cent was more likely (Wakely, 1988). In two of Dar-es-Salaam’s sites-and-services projects, for example, only 60 per cent of the plots were occupied 15 years after their launch, and commonly by middle-income households (Mosha, 1995).

In response to the failings of sites-and-services projects, upgrading of existing squatter settlements and illegal sub-divisions grew to be a more popular non-conventional housing policy. This popularity was not only founded on its lower costs (Choguill, 1995), but also on the political and social gains to be won from avoiding evictions and allowing squatters to remain where they were. Once again, the World Bank led the way in promoting this policy shift. In accordance with the circumstances of residents and the resources available, projects would vary considerably from one location to another, sometimes depending upon voluntary or paid community labour, and involving various levels and/or types of subsidy. In addition to the provision of basic services and infrastructure, some projects would include the building of some new housing units, provision of construction materials, credit, tenure legalisation, and
perhaps some sites-and-services plots for those residents needing to be resettled.

However, whether upgrading or sites-and-services projects provided minimal infrastructure or ambitious combinations of services, credit, and land titles, the projects of the 1970s and 1980s tended to act as emergency measures to address the acute needs of the poor and the political needs of the implementing authorities. Though in some cases their scale was large and their objectives ambitious, early non-conventional projects focused on the immediate housing needs of the poor while neglecting their other needs and failing to address the causes of poverty in the context of the city as a whole. Furthermore, while in this period poverty became the systematic object and target of housing policy, there was the emphasis, promoted in particular by the World Bank, on reducing public subsidies and ensuring the cost recovery of housing projects and programmes. Thus, at the same time that housing policies became a more explicit instrument of social policy they began to aim, almost paradoxically, at introducing market efficient solutions where the market was not operating, at the level of low-income housing. This is a trend whose logic was taken to the limit during the next stage of housing policy.

While non-conventional housing projects multiplied in the 1970s and early 1980s, by 1983 the emphasis of policy started to shift once again (Pugh, 1994). The impetus behind the change was the debt crisis, with related social and political crises adding urgency. The resulting stabilisation and structural adjustment programmes implemented by the major international funding agencies, especially the World Bank and the International Monetary Fund (IMF), had and continue to have far reaching implications for low-income housing policy in many countries. According to Pugh, “... policy became more complex because in the global economic circumstances of the 1980s it brought housing in developing countries into a closer relationship with macro-economic policy, with development policy, and, in due course from experience in macro-economic policy, with a widening of the social agenda in housing” (ibid.).

As orthodox macro-economic policy occupied international agencies and governments alike, the reform of cumbersome and inefficient housing finance systems became paramount and a greater homogeneity of housing policy emerged in the developing world. Thus the focus of the 1980s was on the deregulation, despecialisation and privatisation of housing finance. The emphasis on the reform of housing finance was not accidental, for the reform of the finance system as a whole was in the forefront of new globalisation policies. Homogenising and deregulating the operation of financial institutions and markets was a pre-condition to true globalisation. Slowly, poverty alleviation disappeared from the agenda, and once again belief was restored in the theory that wealth would trickle down to the poor, this time from the hands of market liberalisation and minimisation of the role of the state. The state, as the central propeller of economic growth under the logic of modernisation strategies, now appeared as the central cause of economic distortion. It thus became the main target of structural adjustment policies; in other words, the state became the instrument of its own restructuring in a logic that was often paradoxical and contradictory.
Housing policy was no exception to this trend, and while sites-and-services and upgrading projects continued (with a strong emphasis on cost recovery), the real focus of government shifted from the project level to the sector level. The efficient management of housing, services, and employment came to be seen as a means to improve the macro-economic status of developing countries, and efficient management meant the drastic cutting of public expenditure. The control of inflation, raising of interest rates, devaluation of currencies and rescheduling of debt repayments became priorities at the expense of investment in education, housing, health or welfare services.

As structural adjustment policies were implemented with increasing vigour, worries started to be raised by institutions such as the United Nations Centre for Human Settlements (UNCHS) and United Nations Development Programme (UNDP), concerned that the poor were suffering from reductions in public expenditure. Attitudes toward cities started to change, and rather than over-sized agglomerations of social problems, they began to be conceived as potential engines for growth. By the late 1980s, the urban sector was receiving increasing amounts of financial assistance from donors, this time promoting the enabling approach to housing problems. This approach followed on logically from the previous emphasis on housing finance and the macro-economy. It left behind the explicit emphasis on affordability, cost recovery and replicability as a way to unblock markets from the project level upwards, instead concentrating on the need for institutional reform to better manage land markets, infrastructure, the construction industry and planning, thereby seeking to enhance productivity across the housing sector as a whole (World Bank, 1992).

To achieve this productivity, the enabling approach began by advocating greater participation by the private sector, non-government organisations (NGOs) and community-based organisations (CBOs). According to the Recife Declaration “Forging new relationships calls for substantive institutional and cultural change, involving professionals and public officials as well as all sectors of civil society, including the poor themselves, and resulting in the transformation of action of public and private institutions” (1996). In this scenario, the role of the state is to provide the “… legislative, institutional, and financial framework whereby entrepreneurship in the private sector, in communities, and among individuals can effectively develop the urban housing sector” (Pugh, 1994). This role reflected the shift toward the state retreating from direct intervention in both social and economic spheres, and instead enabling markets to become more efficient mechanisms for the distribution of both goods and services. Thus, while in the 1970s there was an attempt to unblock housing markets using the logic of low-income projects, in the 1980s and 1990s poverty disappeared as a central issue to be targeted by housing policy, with its alleviation seen essentially as the by-product of the unblocking of markets through institutional reform.

4.4 Towards a New Generation of Housing Policies for Poverty Alleviation
While the early policy documents of the enabling approach displayed a lack of interest in poverty, a recognition that structural adjustment policies have adverse effects on the living conditions of the poor, coupled with a new concern with the impact of globalisation on the poor, has put poverty back on the agenda. Not accidentally, in the 1990s there was a proliferation of studies on poverty, in particular in urban contexts, emphasising much more the complex and multidimensional nature of poverty, as seen in the previous section of this report. The conditions of poverty, vulnerability and social exclusion were frequently subject to investigation, emphasising the need for the participation of the poor in the definition of their own condition and needs, as well as in decision-making for poverty alleviation strategies. Not dissimilar from the debates of the 1970s in the context of the crisis of modernisation strategies and the ideas of the basic needs theory, there is now a more critical understanding of the difficulties of overcoming poverty even in contexts of economic growth and a greater emphasis on the resourcefulness and the assets of the poor themselves (Moser, 1998). Once again poverty has returned as a systematic object of public policy.

At the same time, the ideology of the ‘minimum state’ has become increasingly exposed as contradictory and criticised even by some of its more enthusiastic proponents (World Bank, 1997). There has thus been a growing realisation that under the enabling approach, even when purely emphasising the enabling of markets, the role of the state does not diminish but instead becomes more sophisticated and strategic (World Bank, 1992). Beyond that, however, the focus of enabling has shifted away from the market and on to the issue of democratisation of the state and the empowering of civil society.

The emergent approach to urban management and housing policy places the state in a role that contrasts sharply not only with that which it played in the 1960s and 1970s, but also with its role in the 1980s and early 1990s. Over this period, housing policies have effectively mirrored contemporary trends in government, with a movement away from centralised administration toward privatisation and decentralisation. Non-conventional housing policies effectively marked the acceptance of self-help construction practices, assigning to the state the role of supporter of those practices, a role that later shifted to that of reformer and enabler of housing markets. In the latest policy phase, that role is shifting again. This time the state, neither interventionist nor market enabler, aims at becoming an active manager and regulator of decentralised and democratic institutions implementing housing programmes and projects for poverty alleviation as part of co-ordinated urban development strategies.

While perceptions of poverty and the role of the state are changing, so are views about housing, emphasising even more than before its multidimensional nature, its unavoidable articulation with urban development processes and its place in relation to economic and social policy. Thus the enabling or integrative approach at the turn of the 21st century refers not just to housing delivery systems, but to urban development and management as a whole. The approach advocates that housing programmes for the urban poor be designed and implemented by municipal governments, private, community and non-
government stakeholders and be integrated with sectors such as education, health, employment and the environment. Hence, housing is to be co-ordinated with strategies for effective urban management and is less and less a distinct and separate arena for policy action. Upgrading and other non-conventional projects increasingly incorporate a range of components designed to boost the productivity of the poor, and projects are no longer to be designed as isolated emergency initiatives, but as part of co-ordinated programmes to enhance the sustainable development of cities. As such, non-conventional housing policies and programmes are more ambitious and an integral part of a multisectoral approach and attack on poverty, aiming at the integration of the poor, their housing and settlements into the city fabric, economy and social and political institutions.

While the circumstances leading to a new generation of housing policies and the concepts informing these policies are becoming clearer, their implementation is still hesitant and limited. This is perhaps unsurprising in view of the complexity they pose. The ingredients of this new generation of policies are not new, though their meanings have changed: multisectoriality; action at the scale of the city and its social needs; participation and new partnerships; a return to the project level and the re-valorisation of the contribution of architectural and urban design to processes of physical and social integration, are some of these ‘old novelties’. What is truly new, however, is their combination and the emphasis on the search for a virtuous circle of synergetic relations that continuously potentialises and requalifies each of the dimensions of the policy. It is the way in which those components interact that conditions the quality and extent of the policy responses and impacts.

Scaling-up for instance is a very old issue and objective. Under the conventional housing policies of the 1950s and 1960s it was to be the result of a modernising and interventionist state planning and using massive resources in the context of economic growth. Later, under the non-conventional housing policies pursued until the mid-1990s scaling-up was to be achieved by the unblocking of markets, firstly through the implementation of replicable and market-viable low-cost site-and-services and upgrading projects, and later through institutional reform. Now scaling-up is associated with both institutional reform and project implementation, but these are neither concerned solely with market replicability nor with a return to interventionist policies. Instead scaling-up is conceived as the potential result of a new combination of forces and actors, of new relations and synergies among the above-mentioned components.

In addition and more importantly, what is argued here is that all these ingredients and components, and their inter-relationships, are in turn, conditioned and permeated by the process of institutional reform of the state, and in particular the local state. Institutional reform, decentralisation, municipalisation and, above all, the democratisation of institutions and systems of governance at the local level are both a condition of these new synergies and are reinforced by them. The cornerstone of these institutional transformations and ultimately of the synergetic relations, however, is that most revisited of issues in the field of housing and poverty alleviation policies:
participation. Understanding the meaning and potential of true democratic participation at any given moment and context remains, perhaps, the greatest and most complex challenge. This is an old issue that, it is argued, requires substantial rethinking, something which far exceeds the scope of this report.

Elsewhere (Fiori and Ramirez, 1992), it is argued that the evolution of housing policies and their main turning points have been associated not only with the macro-logic of development paradigms and strategies, as indicated at the beginning of this section, but also with specific and local social and political processes. Often changes have occurred in contexts of crises of political legitimacy, in the presence of bottom-up participatory processes that have added weight to calls for institutional reform as the core of public policies, housing policies included. The creation of supporting and enabling systems in housing throughout the 1980s and 1990s was effectively about policies of institutional reform, in a dynamic in which participation was often a condition of the reform policies while becoming increasingly their expression as well. Participatory processes replicated the political will within the state necessary for the implementation of institutional reform, which increasingly hinged on the democratisation of those institutions. Participation and institutional reform appear, in this way, as condition and expression of the new policies and the new synergies, acting as their point of departure and point of arrival. More precisely, any and every moment in this process acts as a point of departure and a point of arrival in a logic which is both top-down and bottom-up.

The challenge and difficulty lies in the fact that institutional reform and the democratisation of institutions are, by definition, time and context specific. They are the materialisation of concrete power relations and the expression of specific social and political circumstances and processes. Hence the impossibility of mechanical replication of these processes and policies as a model. This would be the negation of what this new generation of policies are about and would ignore the circumstances that made them both necessary as well as possible. What is argued here is that there are certain parameters and components, which in themselves, are increasingly present everywhere and should be part of any serious attempt to alleviate poverty. Rather than a model for new generation policies, it is suggested that there is a methodological approach emerging which is applicable in different ways in different contexts. A methodology which, ultimately rooted and propelled by processes of popular participation, is and should be translated into a set of specific policies for specific contexts.
SECTION 5

RECENT EXAMPLES OF HOUSING AND POVERTY ALLEVIATION INITIATIVES

5.1 Introduction

As argued above, there is a growing convergence at an international level in identifying the central components of a new generation of housing and poverty alleviation policies. Examples and experiences, however, are still limited and there are considerable variations in the ways in which the challenges of this new generation of policies are being met. This section briefly summarises a selected number of relevant experiences with which the research team has had direct contact and experience\(^3\). The aim of this review is to illustrate how the new approach to poverty alleviation is becoming manifest in policy, and the selected initiatives all have housing as one component of a broader multisectoral approach to urban poverty alleviation. In addition, the examples come from a range of countries in Africa, Asia and Latin America, thereby illustrating just some of the varied contextual factors that influence the new approach. The analysis of the cases is organised according to the components first introduced in Section 3, but given the constraints of this report, that analysis is necessarily brief.

5.2 The Johannesburg Inner City Renewal Programme

5.2.1 Background

The Inner City Renewal Programme in Johannesburg links the spatial organisation of the city to economic initiatives, directing them to improving the quality of life of its residents, specially in terms of poverty alleviation and safety. The programme is driven by the Johannesburg Inner City Development Forum and is managed by the Inner City Office of the Metropolitan Authority. It also has close links with the Safer Cities Programme of UNCHS (Habitat) and

---

\(^3\) These case studies were compiled for the International Forum of Urban Poverty.
at least one of its stages has been carried out under the Urban Management Programme (UMP).

The Johannesburg Metropolitan Area has a population of 3.8 million people and since the first democratic local elections in 1995, the Metropolitan Area has been divided into 4 Local Councils under the authority of the Greater Johannesburg Metropolitan Council. Metropolitan Johannesburg is a powerful urban agglomeration of great contrasts. It is adapting to the social and economic dynamics triggered by the end of racial segregation, while at the same time responding to the challenges of international globalisation. It has the largest concentration of bank and financial services in Africa and is home to 70 per cent of the national corporate headquarters, while at the same time 32 per cent of its 850,000 labour force is unemployed. The city is spatially fragmented and divided, with a well-to-do north contrasting with a poor south in which there is practically no formal economy.

The Inner City is an area in the centre of Johannesburg that includes the old central business district (CBD) and surrounding residential and commercial districts. It has a resident population of 166,000 people, increased during the day by an inflow of about 800,000 commuters. The Inner City has simultaneously been affected by an exodus of businesses, banks, corporate buildings, high quality commerce, better-off residents and so forth, while at the same time, the end of segregation has attracted a large black population to the Inner City. The new residents are mainly the better-off households from the townships, black professionals and business people in search of new working premises and better housing, schools and other services. Moreover, commerce in the city was de-regulated at the beginning of the 1990s, with the result that there are today some 10,000 informal traders working daily in the streets and parks of the Inner City.

There have been several studies of the economic and social conditions in the Inner City. The overall picture presented by them is of an economy in decay, relying mostly upon informal activities without financial or technical support. The picture includes poor social conditions, overcrowding, street violence, crime and overall environmental deterioration, including abandoned buildings. All this notwithstanding, the fact that unemployment in the Inner City is half the national average and that incomes, although considerably lower than that of the previous residents, are higher than in the townships. The deterioration of the Inner City has been a long standing source of worry to the Metropolitan and local councils, as well as to the business and residents’ associations in the area. For the councils, in addition to trying to fulfil their civic responsibilities there is the worry of the continuous reduction of their tax base. While for the Business Association and residents the decay translates into economic uncertainty, coupled with deteriorating housing and services. Finally, for all concerned, the prevalent feeling appears to be a real or exaggerated sense of personal insecurity.

5.2.2 The programme

In 1995 the urgent need to address the problems of the Johannesburg Inner
City was recognised and consultants were called to research and report on the prevalent conditions. A number of consultation workshops took place during 1996 and 1997, with the participation of local associations, organised labour and political parties. The main result of these activities was to initiate in a systematic and organised way, a long term project for the renewal of the Inner City. The Inner City intervention was motivated by local social tensions. The initial stakeholder consultations unequivocally named the threat to personal security as the highest local problem. Police data confirmed the relatively high incidence of criminal activity, with petty theft at the top, followed by armed and common robbery, personal assaults, vehicle crime and other crimes. The same consultations highlighted problems of safety resulting from traffic congestion and the disorganised minibus terminal; increasing tensions between landlords and tenants provoked by the former charging the latter flat rates for water and electricity regardless of individual consumption levels; and poor maintenance of buildings.

To address these problems, 4 major initiatives were devised: firstly, the Johannesburg Inner City Development Forum to become the representative of civil society and the overall umbrella institution for consultations and policy directions; secondly, a vision for the city was formulated and adopted in a consultation meeting in 1996 by over 150 delegates representing local and provincial governments, business and community organisations; thirdly, the Vision was transformed into a Development Strategy; and, finally, the Inner City Committee was set up within the Metropolitan Authority. The Inner City Committee was an indispensable measure taken to overcome the fragmentation of the city decision making process, caused by the area being under the jurisdiction of three local councils plus the Metropolitan Council, all with their respective functional committees. The Committee, made up of representatives of the councils, business, community and labour organisations, has the mandate of co-ordinating, managing and monitoring the implementation of the Development Strategy, of co-ordinating the sustainable and efficient management of the public environment and delivery of services, and of marketing, promoting and championing Johannesburg Inner City. To carry out this mandate the Committee has an Inner City Office that acts as focal point for the general programme.

The Development Strategy, launched in July 1997, has the goal of achieving “...a comparative advantage for all stakeholders and role players through the creation of wealth for all to share in”. Its objectives are to: make the Johannesburg Inner City a destination city; a desirable residential environment; an education centre; an economic hub; to provide a desirable quality of life; and promote the centrality of the Inner City to the metropolitan area. In pursuit of these objectives there are 29 programmes, and in March 1998, the Inner City Committee adopted 6 priority programmes to be implemented during that year, and the initiation of 12 key urban renewal projects. The priority programmes, extended to 1999, were:

- Waste management restructuring;
- Informal trade management - short term interventions;
- Informal trade management - medium term interventions;
• Enforcement;
• Housing (development of a Social Housing policy and a Bad Buildings programme);
• Development of a Spatial and Economic Framework.

Looking in more detail at one of the key renewal projects, Western Joubert Park, what is revealed is the multidimensional character of the approach adopted by the Inner City programme. The Western Joubert Park Urban Renewal Project is a pilot project, using a precinct-based approach, aimed at developing policies for urban renewal and residential rehabilitation. The precinct approach, as managerial tool, helps the general programme to identify areas that encapsulate particular features. The project combines actions directed to improve the conditions of the local traffic, safety, service delivery, housing and employment creation. All this is planned for a small central residential area located between an urban park and a transport node for minibuses and trains, which generates a high movement of commuters and informal traders. The residents are not among the poorest in the Inner City, but there are poor people, specially among the informal traders and their children, working on the streets. The list of current stakeholders includes the minibus drivers' associations, the park’s photographers community, the staff of an Art Gallery in the park, local landlords and residents. There are no other local organisations such as sport or art clubs.

5.3 ENDA and the Pikine City Programme in Dakar

5.3.1 Background

Dakar, the capital city of Senegal, has a population of about 2 million, 25 per cent of which are below the poverty line. After two decades of continuous economic growth following independence, times have changed for the worse. Dakar and other urban centres of Senegal are trying to cope with dilapidated facilities, social disparities, poorly equipped districts and growing urban poverty. Policies of structural adjustment during the late 1980s and the 1990s had a severe impact in the livelihood of the poor, particularly the young, resulting in serious loss of jobs in industry and administration. Since the late 1980s poverty has been recognised by the Senegalese government as a problem requiring appropriate measures and several sectoral programmes were implemented with little results until the middle of the 1990s, when a more comprehensive National Plan Against Poverty was launched. This plan incorporated the principles of participation and partnership, of decentralisation and of transference of competence to municipal authorities. Although the plan has been strongly criticised, there is no doubt that it has helped to create the political and intellectual environment that has impelled the work of communities, NGOs and municipalities in the struggle against poverty.

ENDA (Environnement et Developpement du Tiers-Monde), was founded in 1972 and has become one of the biggest international NGOs in the field of urban poverty alleviation. Its approach privileges local grassroots initiatives while its work addresses general issues such as economic, social and environmental development, and also specific thematic areas such as health,
education, HIV and AIDS, support to street children, and protection of youth and child labourers. ENDA has its headquarters in Dakar, and works through 15 thematic teams; one of these, ENDA ECOPOP (ENDA Popular Economy) is dealing with the Pikine City Programme. Pikine City is an extension of Dakar, a dormitory for some 800,000 people served by poor roads, lacking basic services such as schools, health clinics and sports grounds, without adequate facilities, water and sanitation. Administratively, Pikine is governed by a City Authority, headed by a mayor, and is divided into 16 municipalities, all governed by local authorities and headed by mayors. The programme described here is currently taking place in three Pikine municipalities: Yeumbeul North, Yeumbeul South and Malika, and in another settlement, Guinaw Rail, outside the city.

5.3.2 The programme

The programme was set up in 1996 on the initiative of the main local associations in Yeumbeul and with the support of ENDA. The idea was to have an integrated programme to improve living conditions, including strengthening local initiatives and finding financial support. Consultations organised with the local associations helped to identify an inventory of priority problems and to define possible solutions. The identified problems were:

- Access to drinking water;
- Improving hygiene and sanitation;
- Support for income-generation activities;
- Social activities and community development promotion.

The first phase of the programme was implemented in the most impoverished areas, with the assistance of ENDA and UNESCO, and with total funding of US$ 80,000. Its achievements included the extension of the water network and construction of supplementary public taps; the construction of individual latrines and cesspools; the provision of animal-drawn carts for collection of household waste; support for women’s groups for credit-savings funds; training of local activity leaders in health and hygiene awareness raising; training for women in the credit-savings field and in community micro-project management; and training for builders in the construction of sanitation works.

The entire first phase was based upon participation, consultation and partnership. This included technical assistance offered by the government agencies dealing with water and sanitation; Dakar University providing training on health and hygiene; other local NGOs training women’s groups on credit and funding; local associations selecting the direct beneficiaries; management committees supervising the water taps, collecting payments for consumption, paying company bills, and undertaking maintenance work. The first phase yielded a number of lessons and new ideas that were used in the next stage of the programme. One was the realisation that each of the achieved activities generated a small local economy. Another was the creation of a local development fund out of contributions made from all the activities in the project. The Fund, managed by ENDA with the municipalities and community representatives, works as a social development bank, to support small scale
local initiatives. The programme also helped to create a sense of community and further motivated local people to continue their initiatives to improve their neighbourhoods. At the same time, the first phase helped to identify several problems. The most important among them being: the difficulty of reaching the poorest, mainly as a consequence of the demand for financial contributions; the difficulty of identifying solid economic micro-projects able to generate sustainable employment; the inevitable conflicts and rivalry among community groups and between local councils and community organisations. This phase of the programme also revealed that NGOs and community groups, given the limited scale of their work, cannot replace the government and town councils.

The second phase of the programme is now being carried out by a local team, supported by ENDA, in three municipalities of Pikine City: Yeumbeul North, with a population of 58,500 people; Yeumbeul South, with 62,000 people; and Malika, with 30,000 people. The programme also includes the Guinaw Rail settlement, outside the city. The second phase is clearly an extension of the first, refined by the lessons of that stage, building on its successes and the dynamics created by it. Concentration on smaller, more homogeneous and manageable areas was one lesson to emerge, and both ENDA and the local communities considered it necessary to reinforce the achievements by consolidating the social mobilisation dynamics and poverty alleviation results, and by institutionalising local dialogue and participatory processes previously initiated. The programme has the following objectives:

- To support population and ward initiatives of improving their environment and living conditions as well the access to basic urban services;
- To reinforce the dialogue and social operational technical capacities of local stakeholders (municipalities, neighbourhood associations, economic groups);
- To promote an active local citizenship and organise dialogue and consultation between the population, neighbourhood associations and local authorities.

After the agreements between ENDA, the municipal authorities and the community associations had been formalised, ENDA appointed consultants to prepare a diagnosis of the current characteristics of each of the municipalities concerned. While that was done, the municipalities prepared public forums to take place in each municipality, with these forums becoming the most important feature of this stage of the programme. They took place in October 1998 and consisted of two days open meetings with the participation of more than 100 people in each. The participants included local authorities, representatives of international agencies involved in the project, representatives of ENDA ECOPOP, of the neighbourhood associations and of many organisations representing the local inhabitants, plus some specialists and members of public agencies. The meetings followed the same procedures with presentations of the diagnosis document, followed by three workshop groups to deal with specialised themes and with the mandate to list priority problems, to identify their causes and the people most affected by them, and to propose solutions. Following the completion of the Forums, the programme transformed its recommendations into four Action Plans aimed at:
• Improving living conditions and access to basic services: including expansion of the drinking water network and support for the ‘social connections’ programme initiated by the government; the building of septic tanks and latrines; and the purchase of carts for latrine disposal and for rubbish collection;

• Improving equipment and socio-cultural activities: including repairing and/or building community infrastructure (schools, training and community centres); and promoting local cultural activities such as music, theatre, dance;

• Improving economic integration: including support to socio-economic initiatives for youths and women to generate income and jobs; and support to initiatives of neighbourhoods, sports, and cultural associations;

• Promoting citizenship: including the organisation of co-ordination activities and training local actors; and setting up consultation frameworks to allow dialogue between different local actors.

5.4 The Integrated Poverty Alleviation Strategy in Santo André

5.4.1 Background

The Greater ABC region in the state of São Paulo in Brazil is composed of 7 municipalities located in the metropolitan area of São Paulo. The region is of strategic importance to the national economy, being home to automobile, metallurgy, machinery, chemical and energy industries. As part of a process that began in the 1970s, the region has undergone intense economic restructuring and this process has been accelerated in recent years with the implementation of the economic deregulation programme. Several important industrial sectors have pulled out of the region blaming traffic jams, environmental problems, lack of space, strong labour unions and an overall low quality of life. The broad consequence of the above tendencies has been a rapid increase in unemployment in the municipalities of the Greater ABC region. The process of economic restructuring has also had a negative impact on the financial situation of the region, exactly at a moment when investments in urban and social services are crucial to revert its negative effects, manifested as poverty and social exclusion.

Santo André is one of the 7 municipalities in the Greater ABC region, with a population of 620,000 people. Although tertiary employment in the area has been rising consistently in the last few years, the associated income and employment generation in this sector has not been sufficient to compensate for the losses in the industrial sector. In addition, the labour market has been characterised by increasing flexibility of labour contracts, higher staff turnover, casualisation and informalisation. Although no in-depth study has been carried out to determine the exact impact of the restructuring process, there is evidence that poverty levels have been increasing since the early 1990s. Santo André now has 123 slums housing approximately 67,000 people or more than 10 per cent of its total population. The majority of these slums have
no basic infrastructure and services such as water, sanitation, drainage and solid waste collection.

As part of the efforts of the municipality to revitalise its economic and social prospects, the administration has chosen to promote participatory social policies and poverty alleviation strategies that target social exclusion. Currently there are several channels for community participation, among which the Participatory Budget Council (Orçamento Participativo) and the Tripartite Sectoral Councils are important examples. The former allows the community to participate in decision-making with respect to the municipal budget, while the latter aims to promote the participatory definition of sectoral policies, the implementation of shared management systems, and the monitoring and evaluation of programmes and projects. The Councils count on the participation of members of the municipal government, community organisations and, sometimes, the private sector, and are organised around the issues of housing, education and health. In addition to the councils, the municipality of Santo André has also been carrying out a series of sectoral programmes with regards to poverty alleviation. These aim to tackle what are considered to be the most pressing social challenges in the city: poor housing conditions, unemployment and urban poverty as a whole. Municipal efforts are channelled via three main programmes: the Minimum Income Programme, the Micro-Finance System and the Housing Upgrading Programme and although real benefits are being delivered through these sectoral programmes, the current municipal administration believes that increased co-ordination between them would create much greater benefits.

5.4.2 The programme

The development of a more comprehensive approach, with explicitly built-in links between sectoral lines of action, has been identified as an important priority by the municipal government of Santo André. The municipality intends to combine its sectoral strategies into an integrated poverty alleviation approach for the ABC region. It is proposed that in its first stage, the approach will be tested in four slum areas facing different socio-economic and spatial conditions, together constituting a pilot intervention for around 4,000 families. In a second stage, the pilot will serve as a basis for a broader Integrated Action Plan for the eradication of poverty and social exclusion in Santo André, and to this end authorities in Santo André decided to carry out a series of city consultations to support the development of an integrated, Multisectoral approach for poverty alleviation. The consultations began in 1998 and the expected results include:

- a system of indicators on social exclusion/inclusion, poverty and participatory governance;
- a model for inter-sectoral and participatory management of municipal integrated policies and programmes (including conceptual, methodological and operational aspects);
- a map of social exclusion/inclusion based on participatory diagnosis in 4 slum areas;
• an integrated municipal action plan for the eradication of poverty and social exclusion;
• a documented request for financial support to implement the action plan;
• the systematic documentation of the experience;
• an international round-table to exchange experiences on integrated poverty alleviation programmes.

City Consultations have been carried out with the participation of concerned actors from the public, private, civil and voluntary sectors. The actors involved in the consultations have included members of the municipal administration, of the Participatory Budget Council, Tripartite Sectoral Councils, and other local actors. It is through the various municipal councils that members of the local community have got involved in the process. City Consultations have also allowed the participation of 8 NGOs whose activities are directly related to the implementation of poverty alleviation policies and of 11 NGOs working with children and adolescents. Experts from the Brazilian Institute for Municipal Administration (IBAM), the Escola de Governo and the Social Policies Unit of the PUC(SP) University, and the Urban Management Programme have also been involved in the consultations.

Some of the expected outcomes of the consultations have been achieved while activities to meet others are currently underway. To this date, activities for the elaboration of a system of indicators and the definition of the conceptual, methodological and operational aspects of the integrated approach are currently being undertaken. The methodology for the map of social exclusion/inclusion has been developed, while the elaboration of the actual map is being carried out. An International Seminar on Integrated Strategies Against Poverty and Social Exclusion was successfully held in 1999. Despite the achievements of the consultations to date, important challenges lie ahead a viable integrated approach can be established. These include the identification of guiding principles for integration which could be based on spatial or a social-economic rational, or alternatively, driven by a system of indicators on poverty, social exclusion and governance. Similarly, methodological and operational issues need be defined for combining programmes of different scales and natures, and also combining programmes has the potential to create more tensions than single-sector programmes. Finally, given the ambitious scope of intervention covering the totality of the Greater ABC region, additional external resources will be needed.

5.5 Integrated and Participatory Neighbourhood Improvement in Mesa Los Hornos, Mexico City

5.5.1 Background

The metropolitan area of Mexico City consists of the Federal District made up of 16 political-administrative divisions or delegaciones, plus several municipalities of the neighbouring State of Mexico. It is the home of over 15 million people, 70 per cent of which are estimated to face social hardship associated with poverty. A large percentage of those most severely affected inhabit squatter settlements, locally known as colonias populares. These
settlements provide more than 50 per cent of the total housing in the city. Mesa Los Hornos is one of those settlements. It is located in the outskirts of the city within the Tlalpan delegacion. The settlement dates back to the 1970s and currently has a population of around 8,000 people. Given its complex irregular situation concerning land tenure, services, infrastructure, and housing standards, the 1986 Urban Development Plan for Mexico City classified it as a Special Zone for Controlled Development, with this status making possible the co-ordinated work of community groups, local authorities and NGOs to carry out the Integrated Urban Improvement Project for Mesa los Hornos between 1989 and 1991. National and city level political changes in the early 1990s brought the improvement process to a complete halt, only to be recently reinitiated following an agreement between the community groups and the local authorities. Mesa Los Hornos is thus the on-going result of a process of social organisation and negotiation between community groups and the local authorities of Tlalpan, with the collaboration of NGOs in the role of facilitators of the planning and implementation of the project.

The current city government's agenda includes the promotion and implementation of participatory policies to foster the social and economic development of the colonias populares. Consequently, the Secretary for Urban Development and Housing (SEDUVI) of the Mexico City government has requested COPEVI, and NGO, to develop an Urban Development Plan for the whole of Tlalpan in collaboration with social organisations, community groups and the local authorities. Parallel to this, COPEVI is collaborating with the city government to develop participatory methodologies that might lead to operative programmes for poverty alleviation in other colonias populares. To this end, it is intended that Mesa los Hornos act as a pilot project to be replicated in other similar settlements in Tlalpan and in other parts of the city. City consultations supported by the Urban Management Programme form an important element in the undertaking of this project.

5.5.2 The programme

One of the aims of the City Consultations system is to support the development of a methodology for neighbourhood improvements that is sustained by the participation of all actors concerned. The purpose of the City Consultations in Mesa Los Hornos are:

- to contribute to change traditional government-citizen relations by giving them a horizontal and democratic character;
- to consolidate the role of citizens in public management and increase co-responsibility for the civil society;
- to improve living conditions and promote development as a collaborative process that involves all concerned actors;
- to improve the culture of citizenship, both of the general population and among public officials;
- to make real the possibility of achieving urban management that is inclusive, plural and above all, an example of democratic governance;
- to elaborate a methodology for neighbourhood improvement that is integrated and participatory;
• to systematise a process the could be replicated in other areas in Mexico City.

The specific products that are expected at the end of the consultations include:

• an Urban Development Plan for the Tlalpan delegacion;
• a negotiated Integrated Plan for Territorial Development;
• the systematisation of the process of participation;
• a methodology for Integrated and Participatory Neighbourhood Development;
• a methodology for Participatory Evaluation;
• a methodology for Project Operationalisation;
• the public commitment of the actors involved.

The core participants in the City Consultations are the authorities of the Tlalpan, members of community based groups and the representatives of four social organisations that have been involved in the process of improvement of Mesa Los Hornos. These are the Neighbourhood Assembly: Patria Nueva, Tlacaelel, Asociación San Bernabé and the Asociación de Horneros. A Tripartite Committee for Programme Planning and Management has also been formed as part of the process of City Consultations and is co-ordinated by COPEVI and includes members of each of the four named social organisations plus residents from Mesa Los Hornos, and representatives from the local authorities. The participation of government bodies in the City Consultation process, as well as the investments already made by them for their realisation, seems to ensure future governmental investments for the implementation of the resulting action plans. It is also envisaged that financial contributions will be sought from private companies, aid agencies and multilateral organisations, for the implementation of those plans.

City Consultations so far led to the elaboration of a participatory methodology for the integrated improvement of Mesa Los Hornos, the application of which is already producing important benefits. In June 1998, a Co-ordinator Council for Participatory Planning was set up acting as a tripartite institution to control the neighbourhood improvement process in Mesa Los Hornos. It has proved to be important in the process of negotiations, permitting a direct relationship between the community groups and the local authorities, and it has become a real space for the participation of the community in the process of decision-making to improve the neighbourhood, with implications for citizenship and inter-sector relations. Thus, through City Consultations it has been possible to develop a methodology that is helping to provide positive results in Mesa Los Hornos, and which is being improved constantly in its application. With the project evaluation and its systematisation, it is hope that a methodological model for Integrated and Participatory Neighbourhood Improvement will be developed. The methodology is expected to help in the design of training activities in this area, as well as its practical implementation in urban areas in need of improvement.
5.6 The Strategic Plan for Poverty Alleviation in Hyderabad

5.6.1 Background

Hyderabad, the capital city of the state of Andhra Pradesh, is India’s fifth largest city, with a population of around 6 million. It is one of the fastest growing metropolitan centres in the country. For some time the state has been undergoing a process of structural reform aimed at attracting national and international investment in and around the city to promote economic growth and generate employment. At the same time, the city needs to develop a strategy to improve the poor living conditions of a relatively large slum population. In 1994 it was estimated that there were about 1.25 million people living in 811 notified slums in the city, with at least 150 of these having been formed in the last 15 years. The Hyderabad Municipal Corporation has a long record of slum improvements, firstly through the Urban Community Development (UCD) programme that was set up in 1967. The first Hyderabad Slum Improvement Project was implemented with the support of UNICEF in 1979-80 and it was followed by two other Slum Improvement Projects supported by the British Government from 1983 to 1997.

5.6.2 The programme

In 1998, Hyderabad Municipal Corporation approached the Government of India’s Ministry of Urban Development with a proposal for a new stage of slum improvement and requested its help to obtain international financial support. The Ministry called a meeting of donor agencies and as a result, it was decided that the Urban Management Programme would work with the Hyderabad Municipal Corporation in the development of a strategic plan for poverty alleviation, covering not just the slum population but all aspects of poverty in the city. This was the start of the process of City Consultation, that since 1998 has involved the Municipal Corporation, the UNDP, the World Bank, the UMP, the Administrative Staff College of India (as the local anchor institution of the UMP) and a number of local stakeholders.

The first step was to assess the past slum improvement experiences. The British supported programmes followed a community participatory approach and were implemented in 510 slums with 3 major components: infrastructure development (water, drainage, roads, pavements etc.); social development (health and education); and economic support (training, thrift and credit groups, small loans). The assessment also singled out a number of critical limitations, the most important of which was the project-level structure of the programme. It was considered that addressing slums individually and delivering services unrelated to the regular work of city wide agencies was detrimental to the long term maintenance and efficiency of the services and thus failed to solve the slum problems. This working method, added to the discontinuity of external funding, had resulted in service provision for the poor becoming a sporadic activity rather than a regular service delivery system of the local government.

This assessment and the proposal for a new approach to poverty alleviation
were submitted to the First City Consultation on Municipal Services for the Urban Poor in Hyderabad in April 1999. The consultation was attended by about 75 representatives of the main stakeholders of the city, and its main objective was assess how to change the existing paradigm from a project-based slum improvement to a regular programme of service provision, reaching all the urban poor in Hyderabad. The missing actors in this Consultation were the poor communities, the media and political representatives. This fact was acknowledged by the meeting and it was felt that at least the two latter groups should be involved in the subsequent consultations. The City Consultation recommended the development of a programme-concept document on the principles of:

- Moving from a project approach to a programme, based on partnership and participation;
- The total involvement of CBOs right from the initiation and formulation of the programmes;
- The legal and financial empowerment of CBOs;
- The setting up of suitable structures for inter-agency co-ordination;
- Increased partnerships between stakeholders and the setting up of suitable administrative mechanisms to facilitate service provision for the poor;
- A new and combined approach to bring together numerous existing poverty programmes;
- The recognition of the priorities of the poor as sustenance (livelihood), security (of land-tenure) and quality of life;
- The development of mechanisms to promote charges and payments for basic services;
- The initial piloting of some slums;
- The involvement of primary stakeholders, media and political representatives in the future Consultation.

The programme-concept document was prepared in mid-1999 and submitted to a second City Consultation later in the year, in which some 200 people participated. This second consultation focused on two main themes: the programme-concept document, and a municipal action plan. The result was an Action Agenda to guide initiatives at the state level in the areas of land and housing policy; slum notification and the integration of improved slums in the city; water and sanitation services for the slums; municipalisation of all urban poverty alleviation programmes; formulation of guidelines for financing of the programmes; and convergence and co-ordination of the state and local agencies. At the local level the Action Agenda established the basis for a municipal action plan for poverty alleviation; technical assessments; the development of institutional arrangements to enable responsive service delivery for the urban poor; the establishment of a stakeholder forum for consultative processes; the strengthening of people’s participation; capacity building of all partner agencies; need based assessments; and financial arrangements for services.

The programme-concept document was accepted in the Second City Consultation and as such the aim of the future programme is to make basic services permanently available to all poor residents of the city, irrespective of
their place of residents or tenure status. The services will include water supply and sanitation, physical infrastructure housing and shelter upgrading, education (pre-school, non formal, adult, girl child), health, employment and income generation.

5.7 The Examples and their Approach to Poverty Alleviation

Having briefly described the five selected examples of poverty alleviation initiatives, it remains to assess how the projects perform in relation to the five components of the new poverty alleviation paradigm argued in Sections 3 and 4 to currently be emerging. Given that only brief descriptions of these initiatives have been possible in this report, the following assessment is not intended to be definitive, and should not be interpreted as such.

1 Heterogeneity and targeting the vulnerable

With the exception of women, the projects do not seem to be particularly sensitive to the conditions of other vulnerable groups. There are, however, indications of the need to focus specific measures on the conditions of particular groups of vulnerable poor, such as the informal street traders in Johannesburg, youth in Pikine, and pavement dwellers in Hyderabad.

Regarding gender issues, in nearly all the projects there is implicit, and in some cases explicit, attention given to women’s problems rather than gender, thereby failing to assign sufficient importance to the role of women in relation to poverty at the household and community levels. Gender does not appear as a cross-cutting dimension of poverty alleviation, and despite recurrent references to the importance of gender issues, it does not seem that a gendered perspective is manifested in the selected projects. Specific concerns with women participation and security are expressed in the Pikine City Programme, the Strategic Plan for Poverty Alleviation in Hyderabad and in the Inner City Programme in Johannesburg. In the latter case, there are several links with the Safer Cities Programme, which includes several projects directed to increase women security.

A recurrent concern that appears in the reviewed projects is the source of funds required for their implementation, with an understanding that international funds might have a limited life. All the projects acknowledge the fact that the poor cannot pay for the installation of social assets, infrastructure, public buildings, and such like. Moreover, they also indicate that although the poor should pay for the provision and maintenance of services, these payments may be below market price and thus subsidised. What remains vague is the origin of the funds for subsidies and how or whether those subsidies should be targeted to those who are least well off.

2 Multisectoriality at project, policy and institutional levels

The cases examined above are the expression of new multisectoral
approaches to urban poverty and of policies that are consistent with these ideas. In Hyderabad the policies being adopted by the Municipal Corporation, after two City Consultation assemblies, have moved away from a project by project approach to a programme and policy approach to poverty alleviation that is multisectoral in content and comprehensive in geographical coverage. The Municipality of Santo André, for example, has adopted a comprehensive approach to poverty alleviation, linking several sectoral action programmes. In Johannesburg a multisectoral approach constitutes the foundation of the Development Strategy and of the Spatial and Economic Frameworks that are the policy documents guiding the Inner City renewal. The municipalities in Mesa Los Hornos and in Pikine have adopted similar policies.

All the projects incorporate a variety of issues and go beyond the conventional single and unisectoral theme. In practically all the cases there is an attempt to work simultaneously on physical (housing, infrastructure), social (education, health) and economic (income generation, training) initiatives and plans. In some cases, such as in the Inner City of Johannesburg, there is an explicitly stated link between spatial organisation, urban environmental improvement, safety, economic performance and social inclusion. The same could be said of the Pikine City Programme in Dakar that includes infrastructure provision, income generation schemes and community development. In Santo André, the development of an Integrated Action Plan by the Municipality, with explicitly built-in links between sectoral lines pertains to the same type of approach.

As far as multisectorality at the institutional level is concerned, referring to the processes of institutional reform necessary to foster collaborative work between agencies hitherto separated in their approach, the chosen cases reveal the extent to which such processes are evident. In part this is the consequence of most of the cases being at their initial or preparatory stages, and therefore the objective of establishing a multisectoral approach has not yet become manifested at the institutional level. In the cases where the programmes are already in operation, the evidence is that the agencies in charge, the Inner City Office in Johannesburg, the three municipalities in Pikine City and the municipality of Santo André, have managed to institutionally integrate their multisectoral work.

The selected cases also reveal that there is a considerable distance between the concept of multisectoriality defined at a policy level, its implementation at the level of project and the multidimensional experience of poverty as felt by the poor. In most cases the projects address just a few dimensions of poverty and thus bring together just a few sectors, for example through combining infrastructure improvements, with training and micro-credits initiatives. On the whole, coverage of the full range of conditions that define poverty is limited. In addition, the impression given by the cases is that rather than integrating sectoral activities through comprehensive projects, they manage only to link single aspects of separate fields.

3 Participation, partnership and devolution

Participation by organised stakeholders in the different cities, including NGOs and some formally recognised community groups, is evident in the 5 cases
reviewed. However, the role and presence of informal community groups and unrecognised organisations appear to be less clear. Most of the programmes follow methods similar to the City Consultation as a mechanism to encourage community participation. In many of the consultations unrecognised or informal organisations seem to have been absent or represented by NGOs. In some cases there have been efforts to include direct representatives of the poor. For example, in Dakar the consultations included residents’ associations. In Santo André and Los Hornos the local communities were influential in starting the programmes and in Johannesburg participation by organised labour has occurred. However, if one of the central aspects of the new poverty paradigm is the participation of the poor in defining their conditions of poverty and their priorities, not one of the cases seems to respond positively to this. Community-based organisations do not appear as initiators of poverty alleviation programmes, which instead continue to be defined by specialised institutions, although subsequent consultations might introduce changes that adapt them to the needs expressed by the poor.

As far as partnership is concerned, understood as the establishment of formal and stable structures for the participation of various (governmental, non-governmental and private) actors, all the cases examined reveal the constitution of some form of such structures. In all the cases systems of City Consultation are in place, and in addition Johannesburg and Pikine have a structure of consultative forums. In terms of devolution, all the city and municipal authorities in charge of initiating, implementing and managing the programmes, have obtained a relatively high level of devolution of decision making power from their national governments, however, devolution scarcely ever goes below the level of these institutions. There are isolated examples in which some civil society representatives participate in decision making instances, as in the case of the Participative Councils in Santo André, but these are rare.

4 Municipalisation

The role of the local authorities, either municipal or metropolitan, was central to the initiation, definition, processing and implementation of these projects. In all the cases reviewed, the projects are defined at the municipal level. In Johannesburg, Santo André and Hyderabad the programmes were initiated and are run by the city authorities, either municipal or metropolitan. In Pikine and Los Hornos the initiative was taken by local communities that were able to mobilise the support of NGOs and of the municipal authorities.

5 City scale

The Inner City Project in Johannesburg, the Santo André Project and the Hyderabad programme are all defined at the city scale. This is particularly the case when there is a strong metropolitan or city government as the major agency driving the project. For example, the Municipal Services for the Urban Poor in Hyderabad has the explicit objective of integrating the slums into the city, rejecting the idea that these are entities separated from the urban structure. Similarly, the Johannesburg and the Santo André projects are
directed to change the situation of the whole city. In those cases where the projects are focused on individual municipalities within the city, or on a cluster of them, such as in the case of Pikine, it is difficult to see an explicit intention for their extension to the whole city.

What is implicit in some of the projects is the notion of the city as a system through which to achieve social solidarity and social interaction. Such an idea is founded on the concept of redistribution of resources and the idea that the poor cannot move out of the condition of poverty if they have to rely only on their own efforts. City integration signifies the reversal of the process of social segregation that increasingly sees the better off living inside fortresses and high walls, protected by private and armed guards against the rest of the urban society. The choice between defensive segregation and redistribution of resources should be incorporated into the debate on poverty alleviation, with a recognition that the city can be a system of social integration if it is sustained by the contribution of all its citizens.

In sum, what is apparent from this brief examination of the chosen initiatives in the light of the conceptual framework of this research is that current professional practice directed to urban poverty alleviation shows many of the attributes that make it consistent with the new paradigm in this field. In addition, however, the examination reveals or hints at the complexities of implementing the new paradigm with any consistency.

SECTION 6

RIO DE JANEIRO:

THE HOUSING POLICY AND POVERTY CONTEXT

6.1 Introduction
The history of housing policy in the context of Rio de Janeiro and Brazil roughly mirrors the trends described in the previous section of this report, with the gradual emergence of a centralised conventional housing policy in the 1940s and 1950s, which by the 1970s had developed into a complex system for housing finance and production, aimed at both low- and higher income groups, but succeeding mainly in addressing the housing needs of the latter. By the late 1970s, however, in the context of democratisation and financial crisis in the housing system, non-conventional upgrading and sites and services projects began to be implemented, and following the decentralisation of government promoted by the 1988 Constitution, responsibilities for formulating and implementing housing policy have been devolved to the municipal level, with the Favela Bairro upgrading programme being one outcome of this shift in Rio de Janeiro.

6.2 Pre-1979: Poverty and Housing Policy in Rio de Janeiro

When the phenomena of urban poverty began to grow in Rio at the turn of the 20th century, government attention to the emerging housing problems was limited, contradictory and rarely in the interests of the poor. Much of the fast growing population of Rio de Janeiro was housed in inner-city tenements or lived in the northern suburbs. Those living in tenements were frequently victim of outbreaks of yellow fever and tuberculosis, and so became the target of legislation to control public health through tenement demolition, for example during the administration of Mayor Francisco Passos in 1903, nearly 3 thousand such dwellings were razed to the ground during his 6 years in office (FINEP, 1985). This wave of slum demolition, for the purpose of city centre redevelopment, with little alternative housing built, “... led the evicted population to seek refuge in areas far on the urban periphery and to rapidly claim the hills, until then deserted, to construct their shacks, giving rise to the first favelas” (ibid.).

While similar to most Brazilian cities in housing much of its poor in the suburbs, Rio during the first decades of this century was original in housing growing numbers of poor families in favelas in the city centre, Zona Sul (South Zone) and Zona Norte (North Zone). The 1920 population census was the first to register the presence of favelas in the Federal District of Rio, with for example, 839 shacks recorded on the Morro⁴ da Providência (Guimarães, 1953). In 1933, 1,504 houses were on the Morro da Favela⁵, having increased by 659 houses over a 13 year period (ibid.). Houses were built of recycled wood, waste materials, wattle and daub, and had no basic services or infrastructure. The governments of many urban municipalities in Brazil declared their intention to rid their cities and towns of favelas, and instead house the poor on purpose built estates. In the Federal District of Rio, such an intention was embodied in the legislation of 1937 that outlawed the construction of new dwellings in favelas (FINEP, 1985).

---

⁴ Morro translates as hill.
⁵ This was the first favela in Rio, with its name subsequently used to denote all such settlements.
The 1937 code to stop the proliferation of favelas failed, and during the 1930s and especially during the 1940s, their numbers grew in response to the rising cost of living, rapid urbanisation, inflation, and rising house and land values (Guimarães, 1953). From 1940 onwards, the programme to evict favela residents and raze their homes intensified, with residents rehoused in purpose built workers’ estates (funded by pensions institutions). The favelas razed were in the Zona Sul, thereby opening up more land for profitable development. Evictions were frequently violent, with homes simply burned to the ground, and within the new estates residents were strictly controlled. Despite this, the resettlement programme did constitute a first tentative housing policy for the poor (Valladares, 1978), yet in contrast, favelas in other parts of Rio were growing as a direct consequence of the actions of politicians. As the voice of popular movements grew throughout Brazil from 1945 onwards, favela residents were increasingly seen as a source of votes and politicians in Rio took an active role in working with landowners, assigning organisers to individual settlements to administer the distribution of plots of land and secure the votes of the beneficiaries.

During the 1940s, despite the resettlement programme, small-scale private, public and Church initiatives to build a road, install electricity or a water tap were common to most of Rio’s favelas (Nunes, 1976), and this surge of interest, albeit frequently paternalistic, enabled favela residents to feel more secure, to expand their settlements, to get some basic infrastructure, and often access to free construction materials to improve their homes (Valladares, 1978). In 1948, of Rio’s 105 favelas, the majority where suburban, with few remaining in the city centre (Parisse, 1969), as shown in Table 6.1. Data from 1949 show that the majority of favela residents worked in industry and civil construction, over 65 per cent of favela houses had just one or two rooms, over 47 per cent had earth floors, and houses averaged 4 people per dwelling (Guimarães, 1953). The Census of 1950 showed the favela population to amount to 7.1 per cent of the total population of the Federal District, with over 50 per cent of favela residents being between 14 and 40 years old (Valladares, 1978).

### Table 6.1

**Favela Numbers and Population by District of Rio de Janeiro (1948)**

<table>
<thead>
<tr>
<th><strong>district</strong></th>
<th>favelas number</th>
<th>favela population number</th>
<th>percentage</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zona Sul</td>
<td>25</td>
<td>29,037</td>
<td>23.8</td>
<td>20.9</td>
</tr>
<tr>
<td>Centre</td>
<td>4</td>
<td>6,781</td>
<td>3.8</td>
<td>4.8</td>
</tr>
<tr>
<td>Zona Norte</td>
<td>28</td>
<td>56,443</td>
<td>26.6</td>
<td>40.5</td>
</tr>
<tr>
<td>Suburbs</td>
<td>37</td>
<td>38,298</td>
<td>35.2</td>
<td>27.2</td>
</tr>
<tr>
<td>Periphery</td>
<td>11</td>
<td>8,308</td>
<td>10.4</td>
<td>5.9</td>
</tr>
<tr>
<td>total</td>
<td>105</td>
<td>138,837</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
While the population of Rio was approximately 1.4 million in 1930, by 1950 the city had 2.5 million residents (Abreu, 1987). The bulk of these were migrants, especially from the interior of the state of Rio de Janeiro, from neighbouring states and the Northeast of Brazil. The attraction was job opportunities in the industrial sector that had grown rapidly during World War II, and service and commercial sectors had also grown (ibid.). Most of the new migrants settled in the suburbs, so while the favela population of the Zona Sul and Zona Norte increased by 98 per cent between 1950 and 1960, the population of the city suburbs grew by up to 200 per cent (ibid.). The 1960 Census recorded 147 favelas with a total population of 335,063 residents in Rio, and showed that the entire population of the city had grown by nearly 40 per cent between 1950 and 1960 (Parisse, 1969).

During the early 1960s, with funds from the Alliance for Progress, government efforts to build popular housing were renewed. Although Rio was by now no longer the capital city of Brazil, following its transfer to Brasilia in 1960, the city still received substantial attention and funds by virtue of its continuing economic importance and the scale of its housing problem. Distant suburban estates were built whose residents came from 12 favelas razed mainly in the Zona Sul (FINEP, 1985). Like most of the estates built at this time, they were badly located and serviced, and unpopular with those who were rehoused there. While the estates were being built, the attitude of government toward favelas became contradictory in the first years of the 1960s. Legislation to control the commercialisation of property and land within favelas was passed in 1961, but at the same time the state government began to recognise and authorise the establishment of favela residents’ associations to act as a bridge between the interests of residents and housing authorities (Valladares, 1978). In addition, a programme of favela upgrading was launched and 80 such projects carried out (Ozanira, 1989), but after the state elections of 1962, such a progressive approach was abandoned in favour of an intense programme of favela demolition, and dialogue with the residents’ associations broke down.

The agency made responsible for executing the new initiative was the Popular Housing Company of Guanabara6 (Companhia de Habitação do Estado da Guanabara - COHAB-GB) established by the state government in 1962 (FINEP, 1985). The military coup of 1964 did not bring about an immediate rupture in the housing policies in Rio de Janeiro and during the first four years of the military government, the COHAB continued to raze favelas and resettle their residents on suburban estates. While direct elections for state governors were still allowed, some space for negotiation remained and Governor Negrão de Lima, elected in 1966, supported the upgrading of favelas and for that purpose set up the Community Development Company (Companhia de Desenvolvimento de Comunidade - CODESCO), which acted in direct contradiction to the resettlement programme of the COHAB (Ozanira, 1989).

---

6 With the loss of Federal District status to Brasilia, the city of Rio de Janeiro became part of the State of Guanabara, which would later be merged with the State of Rio de Janeiro in 1975.
While this contradictory approach continued, greater control was slowly being exerted over the favelas. In late 1968, as the economy improved, but the political crisis deepened, the attitude of the military government hardened and repression of popular movements became the order of the day. Direct elections of state governors were suspended, and the President was given special powers to suspend individual political rights. The federal government took charge of Rio’s housing policy and the Co-ordination of Social Interest Housing of the Metropolitan Area of Greater Rio (Coordenação de Habitação de Interesse Social da Área Metropolitana do Grande Rio - CHISAM) was set up in 1968, under the Ministry of the Interior. Directly linked to the National Housing Bank (Banco Nacional de Habitação - BNH), CHISAM enforced the conventional approach to low-income housing, namely the razing of Rio’s favelas and the rehousing of their populations on estates.

Disapproving of previous upgrading projects, CHISAM aimed to build housing for 92 thousand people per year from 1971 onwards, thereby eliminating all favelas by the year 1976 (Ozanira, 1989). The resettlement process was often violent, with militant favela leaders imprisoned or sent to separate estates (ibid.). Also the interests of private property developers and the civil construction industry were satisfied by the razing favelas in the Zona Sul and the building estates on the edge of the city, generating both jobs and profit. First to be demolished were favelas on land suitable for housing upper income groups, for leisure areas, or for infrastructure extension. Indeed, of the 16,467 favela shacks and houses demolished between 1968 and 1972, 59.5 per cent were in the Zona Sul, 16 per cent were in the Zona Norte, 19 per cent were on the north and west peripheries, and 5.5 per cent in the centre (ibid.), and yet the majority of the favelas were in suburban parts of the city. Virtually all the estates built were in the Zona Norte and suburbs and the majority of building and eviction activity took place in 1970 and 1971, as shown in Table 6.2.

<table>
<thead>
<tr>
<th>year</th>
<th>number of estates</th>
<th>temporary units</th>
<th>individual house units</th>
<th>apartment units</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>3</td>
<td>981</td>
<td>2,233</td>
<td>252</td>
<td>2,485</td>
</tr>
<tr>
<td>1963</td>
<td>1</td>
<td></td>
<td>5,533</td>
<td>48</td>
<td>5,581</td>
</tr>
<tr>
<td>1964</td>
<td>3</td>
<td>1,193</td>
<td>3,865</td>
<td>801</td>
<td>6,658</td>
</tr>
<tr>
<td>1965</td>
<td>3</td>
<td></td>
<td>90</td>
<td>2,597</td>
<td>7,802</td>
</tr>
<tr>
<td>1966</td>
<td>1</td>
<td></td>
<td></td>
<td>1,600</td>
<td>6,658</td>
</tr>
<tr>
<td>1969</td>
<td>1</td>
<td></td>
<td></td>
<td>2,597</td>
<td>7,802</td>
</tr>
<tr>
<td>1970</td>
<td>10</td>
<td>2,466</td>
<td></td>
<td>7,712</td>
<td>10,380</td>
</tr>
<tr>
<td>1971</td>
<td>8</td>
<td></td>
<td></td>
<td>10,380</td>
<td>10,380</td>
</tr>
<tr>
<td>1972</td>
<td>2</td>
<td></td>
<td></td>
<td>7,000</td>
<td>9,466</td>
</tr>
<tr>
<td>1974</td>
<td>2</td>
<td></td>
<td></td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>Year</td>
<td>Value</td>
<td>Sub-total</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
<td>-----------</td>
<td>-------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>1</td>
<td>1,434</td>
<td>6,074</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11,721</td>
<td>31,190</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,434</td>
<td>48,985</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>6,074</strong></td>
<td><strong>11,721</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>31,190</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>48,985</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted from Valladares, 1978

In 1975, CHISAM was dissolved by the federal government and taking its place, the COHAB started instead to cater for higher income groups in an attempt to make good its debts, reflecting the financial crisis that plagued the entire housing finance system at that time. Correspondingly, the pace of favela evictions slowed from 1974 onwards. While the number of conventional low-income housing units built during the programme of favela removals was substantial, even during the peak years it fell short of the target originally set by CHISAM, and above all, the programme went little way to solving the housing problems of Rio. Given the structural and locational problems of many estates, and the inability to afford loan repayments, many of the initial favelados that occupied the units had, just a few years later, returned to live in favelas, while selling their homes on to higher income groups (Valladares, 1978). During its lifetime, CHISAM succeeded in resettling 28 per cent of the favela population of Rio (Archdiocese of Rio de Janeiro, 1979), but between 1970 and 1974 the number of favelas in Rio increased from 162 to 283 (Valladares, 1978).

### 6.3 Post-1979: poverty and housing policy in Rio de Janeiro

In 1979, in the context of crises in the BNH, housing finance system and national economy, and with beginnings of a gradual process of democratisation, popular protests once more started to flourish in Rio de Janeiro. In the same year, the favela movement also gained pace in many cities in Brazil, demanding water, electricity, other infrastructure, and legalisation of land tenure. By this time, the Catholic Church, inspired by Liberation Theology, had established a pastorate to work with the favelas, organising national conventions, congresses, and city meetings (Gohn, 1995). In 1977, for example, the Federation of Resident’s Associations of the State of Rio de Janeiro (Federação das Associações de Moradores do Estado do Rio de Janeiro - FAMERJ) was established, not only encouraging the spread of neighbourhood organisations, but also pressuring the state to improve conditions in the urban periphery.

Although the rate of the favela growth in Rio had slowed during the 1970s, the number of people living in squatter settlements was over 700 thousand by 1980, as shown in Tables 6.3 and 6.4, and the number of illegal sub-divisions in the municipality of Rio was approaching 400, the majority of them concentrated in the West Zone (Cavaleri, 1986). In a 1980 survey of favelas, 156 of the 376 squatter settlements recorded in the municipality had under 500 residents, but a further 62 had between 1 and 2 thousand dwellers, and 39 had over 5 thousand residents (ibid.). Just one per cent of the favelas were attached to the public sewerage network, rubbish collection was adequate in only 17 per cent, only 6 per cent had a full water system, and 92 per cent had no drainage (ibid.).

**TABLE 6.3**
It was in this context of greater political freedom and waning tolerance of dire living conditions that the public authorities started to shift their approach to the problem, mirroring policy changes at a national level. A first and significant step was taken in 1979 when the Social Interest Electricity Programme (Programa de Electricificação de Interesse Social) was started in Rio by the then federal government electricity company, Light. Regarded as a model programme, by 1984, Light had extended the electricity network to 400 favelas in Rio. In addition, in consequence of shifts at the federal government level, in 1980 Project Rio was launched by the Ministry of the Interior, in co-operation with the state and municipal governments of Rio. Held up as a show case project, it aimed to upgrade the large squatter area called Maré, on the west side of Guanabara Bay, made up of six favelas with a total population of 75 thousand people (FINEP, 1985).

With a weakening of the hold of the BNH and greater freedom for government at a local level, there was by this time a fragmentation of government initiatives, with the municipal and state governments of Rio also taking a more active role in low-income housing. In 1979 the Municipal Department of Social Development (Secretaria Municipal de Desenvolvimento Social - SMDS) was set up specifically to work with the low-income population. It adopted a non-conventional approach to the housing problem, launching the Self-Help Project (Projeto Mutirão) in 1982, with the SMDS to provide construction materials and technical help, and the favela residents to give their labour voluntarily. In 1983, the project was extended to 20 settlements, giving approximately 134 thousand people access to basic sanitation infrastructure, and in addition community labourers began to be paid. By 1987, the SMDS broadened the
programme to embrace all aspects of upgrading in both favelas and illegal subdivisions, including the building of primary and nursery schools, and the setting up of regular rubbish collection.

While both federal and municipal governments had adopted non-conventional housing policies by the start of the 1980s, it was with the 1982 election of Leonel Brizola, representing the Democratic Labour Party (Partido Democrático Trabalhista) that the approach of Rio’s state government toward the housing problem started to change. Brizola campaigned on a populist ticket of better education, progressive taxation, legalisation of land tenure, subsidisation of food for the poor, and new institutions for popular housing and labour. Winning the bulk of his support from lower income groups and workers (Souza et al., 1985), Brizola set about trying to fulfil his election promises and in 1983, the government launched a non-conventional programme to improve the sanitation infrastructure of low-income settlements. The initiative, called the CEDAE Favela Programme (Programa de Favelas da CEDAE - PROFACE), aimed to install water and sewerage systems in all of Rio’s favelas. As revealed in Table 6.5, the coverage obtained by PROFACE benefited nearly 250 thousand people, and marked a complete shift in attitude by CEDAE, which had previously refused to assume any responsibility for sanitation in favelas (Cavaleri, 1986)

<table>
<thead>
<tr>
<th></th>
<th>favelas covered</th>
<th>favelas with work concluded</th>
<th>population benefited</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>24</td>
<td>1</td>
<td>2,953</td>
</tr>
<tr>
<td>1984</td>
<td>23</td>
<td>26</td>
<td>161,176</td>
</tr>
<tr>
<td>1985</td>
<td>27</td>
<td>34</td>
<td>81,184</td>
</tr>
<tr>
<td>total</td>
<td>74</td>
<td>61</td>
<td>245,313</td>
</tr>
</tbody>
</table>

Source: Cavaleri, 1986

Early in the Brizola administration, land invasions started to occur with increasing frequency, and a programme to legalise land tenure was launched, entitled Each Family, One Plot (Cada familia, um lote - CFUL). Those areas legalised by the programme were then supposed to become the focus of upgrading initiatives, such as PROFACE, as well as projects to build nursery schools and health clinics. CFUL had ambitious targets, aiming during the life of the Brizola government to legalise and upgrade 1 million plots in favelas and illegal sub-divisions throughout the state. However, during its four year of existence, CFUL instead issued under 23 thousand deeds, and registered
another 27 thousand claims (Araujo, 1988), while it only completed upgrading in just 2 favelas, namely Rio das Pedras and Pavão-Pavãozinho.

The problems of poor administration, paternalism, political conflict and scarce resources that marked the wide array of non-conventional programmes and projects implemented by federal, state and municipal governments during the 1980s were a product of the ongoing transition to democracy. This transition had sparked a proliferation of demands for change from a multitude of popular groups, and the need for democratically elected government to make timely responses through dialogue and action. A lack of experience on the part of both public authorities and popular organisations resulted in problems at a project level, but at the same time, conditions in some settlements were improved. The efforts of the 1980s were, however, undermined by the limited scale of projects that ensured beneficiaries were few in number, and above all their effects were limited by the series of economic crises to hit the national economy and the city of Rio.

The informal sector of Rio de Janeiro grew at a rapid rate during the 1980s, employing 36 per cent of the city’s population by 1988, and the percentage of those living under the poverty line increased from 27.2 per cent to 32.5 per cent during the decade (Cardoso and Lago, 1993). Rio also became the Brazilian city with the highest absolute number of poor people, standing at nearly 3.64 million, and the highest index of inequality, with a Gini coefficient of 0.673 in 1990 (ibid.), and during the 1980s, the population living in favelas in the urban periphery grew by 50.7 per cent (Lago, 1992) (as shown in Table 6.6). In addition, the 1980s witnessed a marked increase in violence within and around Rio’s favelas and illegal sub-divisions. Such violence is generated between gangs of drugs and arms traffickers competing for the control of territory, and also by the police forces that suffer from widespread corruption. While Rio’s media often presents the main victims of this violence as the middle classes, the violence is all the more threatening for the favela residents themselves, with laws of silence and a degree of loyalty demanded by drug traffickers.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>central</td>
<td>211,396</td>
<td>29.9</td>
<td>258,197</td>
<td>28.5</td>
<td>22.1</td>
</tr>
<tr>
<td>suburban</td>
<td>367,358</td>
<td>52.1</td>
<td>462,440</td>
<td>50.3</td>
<td>25.9</td>
</tr>
<tr>
<td>peripheral</td>
<td>127,120</td>
<td>18.0</td>
<td>191,639</td>
<td>21.2</td>
<td>50.7</td>
</tr>
<tr>
<td>total</td>
<td>705,874</td>
<td>100</td>
<td>912,276</td>
<td>100</td>
<td>29.2</td>
</tr>
</tbody>
</table>

Source: Lago, 1992

By the late 1980s, as it became acknowledged that poverty and violence had increased, and that housing and land markets had become even less favourable to low-income groups, effective urban development was seen as an
urgent priority for incoming governments. This realisation was encouraged by
the National Movement for Urban Reform that embraced and voiced popular
demands, having an impact upon the reformist agenda of the 1988 Federal
Constitution (Porto, 1995). For housing, new legislative instruments were
developed to improve housing conditions and above all establish government
control over land use (Lago, 1992). Directives demanded that local
governments introduce taxes on empty land, ease the expropriation of land,
legalise sub-divisions and favelas, set infrastructure standards for sub-
divisions, and set up 'special social interest' zones allowing more flexible
norms for urban development (Pamplona, 1993).

In Rio, the incoming municipal government of César Maia embraced these
challenges through 1992 City Master Plan, aiming to transform both the
infrastructure and image of the city. The programme Rio City (Rio Cidade) was
devised by the Municipal Department of Urban Affairs (Secretaria Municipal de
Urbanismo - SMU) as one of the central mechanisms to achieve this goal, with
the municipal authorities earmarking over US$ 220 million to renew failing
water and sewerage infrastructure, relay paving, install street furniture and
plant trees in a total of 19 city neighbourhoods (Jornal do Brasil, 16.02.96).
Having completed its work in the Zona Sul and Zona Norte, the programme
moved on to suburban neighbourhoods, marking a reversal of the traditional
neglect of the suburbs in favour of the central city. The Master Plan also
recognised the need to address the low-income housing problem, not through
localised interventions, but as part of an urban development strategy for the
whole city. The Plan’s housing objectives included: the rational use of urban
land; the upgrading and legalisation of favelas and illegal sub-divisions; the
provision of popular housing and sites and services units; improvement of
infrastructure for the low-income population; and the reduction of the housing
deficit (SMU, 1993).

To fulfil these objectives, the Municipal Housing Department (Secretaria
Municipal de Habitação - SMH) was set up in 1993, with programmes to:
legalise and upgrade sub-divisions; issue land titles to residents of illegal
settlements; encourage the development of empty plots for low-income
housing; resettle households living in areas at risk from landslides or floods;
stimulate the middle-income housing market through changes to legislation;
and completely upgrade the city’s favelas (SMH, 1993). In its quest to finally
eradicate self-help settlements through their integration into the ‘formal’ city,
rather than their demolition, the SMH set the objective of upgrading the city’s
favelas and many of its illegal sub-divisions by the year 2004 (IDB, 1997). A
central means to meet this objective is the Favela Bairro (Favela
Neighbourhood) programme, which is the subject of this research and
discussed in detail in the remainder of this report.
SECTION 7

FAVELA BAIRRO: THE PROGRAMME

7.1 The Programme

In 1994 there were a total of 661 favelas in Rio de Janeiro (Veja, 07.12.94), housing over 1 million people (IBGE, 1994). Favelas of between 500 to 2,500 households make-up nearly one-third of all favelas in Rio, but house around 60 per cent of the favela population of the city (SMH, 1999a), and it is these medium-sized favelas that Favela Bairro seeks to upgrade. Launched by the Municipal Housing Department (SMH) in 1994, Favela Bairro can be described as a programme of “… physical and social transformation” (SMH, no date) for Rio’s favelas. As revealed in the previous section of this report, the SMH also operates a number of other housing programmes designed to address a range of low-income groups, and these programmes often complement Favela Bairro projects. However, the essential components of Favela Bairro are:

- the installation and upgrading of basic infrastructure such as water, sewerage and drainage systems;
- upgrading of public and domestic lighting networks;
- reforestation;
- the opening and paving of roads and walkways;
• the elimination of strategic areas of geological instability or natural risk;
• the construction of new housing for essential resettlement;
• the setting up of rubbish collection systems;
• the commencement of land tenure regularisation processes;
• the opening of new public squares and spaces;
• the construction and reform of buildings and their use through the implementation of social projects such as nursery schools, community centres (CEMASIs), and income generation and training projects;
• the construction and operation of new sports and leisure facilities;
• the construction of commercial establishments (kiosks);
• and the construction and operation of social and urban advice centres (POUSOs).

7.2 The Objectives

Favela Bairro aims to upgrade all of Rio’s medium-sized favelas by 2004, and in conjunction with its sister programmes Bairrinho (for small favelas) and Grandes Favelas (for large favelas), the aim of the SMH is to transform all of the city’s favelas. The programme builds upon the existing infrastructure and housing assets that favelas in Rio have accrued over decades of self-help construction by residents and during previous government initiatives. It is not a programme to meet the housing needs of individual residents but instead addresses the collective needs of the favela as a whole. Upgrading projects for each favela thus build upon the existing layout of houses, roads and walkways, leaving this layout and the basic structure of the settlement in the main unaltered, though upgraded. Thus it is through the construction and upgrading of collective space and infrastructure and through the implementation of social projects that “… the Programme seeks to generate profound changes in the communities, establishing transformations in their quality of life and in the environmental quality, whose results will be felt in the entire city” (SMH, 1995a).

At the launch of Favela Bairro its objectives were set out (1995a) as being:

1. To complement or construct a basic urban structure through the installation of basic sanitation and circulation systems, allowing for the free movement of people and vehicles, in that way enabling access to all houses and making viable the provision of public services, especially health, security and sanitation services;

2. To introduce urban symbols of the formal city, such as roads, squares, infrastructure and public services, enabling the favela to be seen as a neighbourhood of the city;

3. To consolidate the insertion of the favelas into the planning process of the city, including them in legislation, plans and programmes, maps and registers for the control of land use and occupation, and in programmes for the maintenance of services and public equipment installed in the favelas;
4. To implement social initiatives, building nursery schools, carrying out programmes for income generation, professional training, and sports, cultural and leisure activities;

5. To promote the legalisation of land tenure or acquire the technical expertise necessary for residents to obtain documentation that allows them to remain settled in their place of residence.

Put more succinctly in the Housing Policy of Rio de Janeiro (1995b), the objectives of Favela Bairro are:

1. To complement (or build) principal urban structures (sanitation or democritisation of access);

2. To offer the environmental conditions that enable favelas to be seen as neighbourhoods of the city.

From the above the it can be seen that a recurrent objective of Favela Bairro is the meeting the basic collective needs of favela residents. For example, according to the Secretary of Housing, Sérgio Magalhães, the physical upgrading work of Favela Bairro provides the physical support needed to bring about improved standards of living, with the importance of the facilities, services and infrastructure installed being in its potential to improve the quality of people’s lives (SMH, 1997). What does not appear in the objectives of Favela Bairro is an explicit commitment to alleviate or eradicate urban poverty, and instead the programme utilises the concepts of exclusion and physical and social integration. Thus according to the SMH (1999a), the aim of the entire housing policy of Rio is the promotion of urban integration as an instrument of social integration, whereby “Integration signifies, initially, introducing to the informal city the same materials and urban elements that are present in the formal city: infrastructure and public health services, education, refuse collection and security” (ibid.). Similarly, the purpose of Favela Bairro is described as being to generate mechanisms to promote the integration between the two distinct sides of the same city: the formal and informal (ibid.). These objectives of meeting basic collective needs and promoting physical and social integration are thus at the foundation of the Favela Bairro programme. Their meaning and significance for poverty alleviation is explored in greater detail in Section 9 of this report.

7.3 Development and Implementation

7.3.1 Historical development of the programme

Favela Bairro was designed by a core group of people who had worked together on municipal favela projects during the 1980s and who were active in debating and influencing the Master Plan of Rio de Janeiro in the early 1990s. This Master Plan, passed in 1992 during the municipal administration of César Maia, formed the legislative basis for the subsequent development of a new comprehensive housing policy for low-income groups that was elaborated by the Executive Group for Popular Settlements (Grupo Executivo de
Assentamentos Populares - GEAP). GEAP, set up in August 1993, was made up of those municipal departments and public sectors who had an established role in the low-income housing sector and the housing policy it developed was approved by Rio’s City Council in December 1993, along with the setting up of the Municipal Housing Department (SMH). Thus in 1994 the SMH began to implement the programmes Favela Bairro (and later Bairrinho and Grandes Favelas), Morar Sem Risco (to resettle in new housing those living in areas unsuitable for occupation), Regularização de Loteamentos (to upgrade and legalise irregular sub-divisions), Novas Alternativas (to renovate deteriorated inner-city slum tenements), and Morar Carioca (to offer financial resources for the construction of new housing or reform of existing stock).

The first stage of Favela Bairro involved the launching of a competition for ideas that could form the basis of a methodology for Favela Bairro. This took place in March 1994 and was organised by the Institute of Brazilian Architects (Instituto Brasileiro de Arquitetos - IAB) in conjunction with the municipal planning institute IPLANRIO (now known as the Pereira Passos Institute - IPP) and the SMH. Of the 32 firms that competed, 16 were selected to design projects for favelas that were chosen on the basis of criteria developed by the SMH. These criteria, incorporated into a matrix as a means to prioritise the favelas to be included in each phase of the programme, included the size, age and level of physical consolidation of a settlement (with older more stable settlements being favoured), ease of access (to facilitate road building and the objective of physical integration), and extent of previous upgrading (to complement existing infrastructure and services). In addition, the extent of geological problem areas is a criterion for selection; favelas where over 25 per cent of the population need to be resettled from areas of risk cannot benefit Favela Bairro and instead must be covered by the Morar Sem Risco programme. For the first phase of Favela Bairro, 16 relatively straightforward settlements were chosen from the matrix and for each of them those architectural firms who were successful in the methodology competition were invited by the SMH to begin planning and designing upgrading projects.

During 1995, contacts between the municipal government of Rio and the Inter-American Development Bank (IDB) lead to the successful negotiation of a loan worth US$ 180 million and counterpart municipal resources of an initial US$ 120 million. With the signing of the loan the terms of reference for Favela Bairro projects were established in greater detail, specifying the need for water supply, sewerage and drainage systems, roads, public lighting, rubbish removal, buildings for social facilities, sports and leisure areas, slope stabilisation, landscaping, structures allied to service provision, and street furniture (SMH, 1995a). Thus the emphasis of the programme fell on largely upon physical upgrading of basic infrastructure, the improvement of access, and the upgrading of public spaces.

To manage the huge resources that Favela Bairro now commanded, the Urbanisation of Popular Settlements Programme (Programa de Urbanização de Assentamentos Populares - PROAP-RIO) was established, while also during the administration of César Maia two macro-planning committees (macrofunções) were set up to encourage cross-sector planning and action
within the municipal government. The SMH formed part of both the social policy macrofunção and of the urban development macrofunção, and used these forums as a basis upon which to encourage the participation of other municipal departments in low-income housing programmes, including Favela Bairro. The loan from the IDB also helped in this respect, providing the basis upon which to expand both the scale and ambitions of Favela Bairro.

As Favela Bairro entered its second phase, intervening in another 18 favelas with a corresponding growth in the political importance of the programme, the SMH was able to negotiate the involvement of more municipal departments, boosting the range of social facilities and services on offer to favela residents. This also increased the number of NGOs associated with Favela Bairro who are contracted by various municipal departments to implement their projects. Most significantly, the establishment of the Municipal Employment Department (Secretaria Municipal de Trabalho - SMTb) in 1997 contributed considerably to broadening and strengthening the social objectives of Favela Bairro and increasing NGO participation in the programme. This process, discussed in more detail in Section 9, is still underway and has recently been boosted by the procurement of a second IDB loan with resources earmarked for Favela Bairro social projects.

Also with the signing of the first IDB loan contract in 1995 it was soon realised by the SMH that the private sector would have to be contracted to undertake the construction work in the favelas, it being apparent that the municipal public works department did not have the capacity to work at the scale required. Subsequently in 1996 another significant change occurred with the contracting of private sector engineering companies to act as consultants, overseeing project implementation and the financial management of the programme as a whole. The involvement of these firms responded to a demand of the IDB for greater financial transparency and improved monitoring of the construction phase of the upgrading projects. The need to reduce some of the construction problems that plagued the first two years of Favela Bairro also prompted the broadening of the role of the architectural firms. Whilst previously their involvement ended with the completion of project plans, additional contracts began to be issued, at first by the SMH and later through the construction firms, to secure their technical assistance in the field, undertaking any necessary changes in plans and designs as necessary.

As the profile and range of social projects within Favela Bairro grew, this also enabled the transformation of the community Sanitation Education Agents inherited by the SMH from the Social Development Department (Secretaria Municipal de Desenvolvimento Social - SMDS) into community Housing Policy Agents. This latest shift in the programme occurred during 1999 with the setting up of a social policy unit within the SMH to work on all housing programmes. Thus the role of local residents contracted by the SMH has changed from educating their fellow residents about how to use services and infrastructure to prevent disease, toward issues of citizens’ rights, infrastructure maintenance, and services charges. Since the launch of Favela Bairro it can thus be seen that both the objectives and the institutional and organisational structure of the programme have become increasingly complex,
shifting from a physical upgrading programme involving mainly the SMH and architectural firms, toward a programme of comprehensive upgrading that involves a wide range of municipal, private sector and non-governmental organisations.

By mid-1999, Favela Bairro was operational in 82 medium-sized favelas (as well as 29 small favelas through the Bairrinho programme, and 4 large favelas through the programme Grandes Favelas). The programme is now in its fourth phase, with another 66 favelas still to be upgraded, but while Favela Bairro is underway in a large number of settlements, due to delays experienced during the first two phases of the programme, by mid-1999, upgrading was complete in only 12 favelas. Table 7.1 reveals the number of people and households affected in each of the previous three phases, with the first phase concentrating primarily upon relatively simple consolidated favelas of around 1 thousand households, and with the subsequent phases covering larger and more complicated settlements of up to 2,500. In some cases those settlements border each other and thus Favela Bairro can be simultaneously underway in ‘complexes’ of two or three neighbouring settlements whose populations together surpass the 2,500 household limit.

TABLE 7.1

Number of Beneficiaries from Phases 1-3 of Favela Bairro

<table>
<thead>
<tr>
<th>Phase</th>
<th>Total number of beneficiary households</th>
<th>Total number of beneficiaries</th>
<th>Area affected (hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>15,058</td>
<td>55,251</td>
<td>158,40</td>
</tr>
<tr>
<td>Phase 2</td>
<td>28,782</td>
<td>97,825</td>
<td>247,30</td>
</tr>
<tr>
<td>Phase 3</td>
<td>25,386</td>
<td>83,945</td>
<td>298,29</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>69,226</td>
<td>237,021</td>
<td>703,99</td>
</tr>
</tbody>
</table>

Source: SMH, 1999b

7.3.2 Current programme management

Despite the size of the Favela Bairro programme, its control remains firmly in the hands of the SMH. As described in section 7.5.1, the SMH is responsible for the management of programme resources, the management of project planning and designs, bidding procedures, contracts, construction work, and administration, the expropriation of property and legalisation of land tenure, negotiations surrounding the involvement of other municipal departments at a programme and project level, the implementation of the Favela Bairro Community Sport Project, the contracting and training of community Housing Policy Agents, the operation of urban and social advice centres (Postos de Orientação Urbanística e Social - POUSOs), Favela Bairro monitoring and evaluation, and reporting to and negotiating with the IDB.

The majority of SMH officials who work on Favela Bairro do so in project management and construction management tasks, with for example, just a handful working in the areas of social policy, tenure regularisation, and
programme monitoring. Such an imbalance reflects both biases within the SMH (discussed in detail in Section 9) and the practical need for people to manage and administer the large number of projects now underway (in either planning or construction phases). However, since the contracting of engineering consultancy firms to help supervise project implementation, even the number of people working on these tasks within the SMH has been reduced. This decentralisation of project management and administration tasks has increasingly confirmed the role of the SMH to be that of central programme manager, mainly co-ordinating the activities of others and only implementing certain tasks itself (for example sports and leisure projects) when other departments prove unwilling to assume an active role in Favela Bairro.

7.3.3 Project planning

The development of a Favela Bairro upgrading project follows a number of stages that are pre-defined and overseen by the SMH and the Pereira Passos Urban Institute (IPP). Once the settlement in question is chosen, the SMH holds meetings with local residents association and introduces residents to the objectives, characteristics and procedures of Favela Bairro, announcing that the programme will shortly begin in the settlement. The project for the favela is put out to tender and those architectural practices who are interested must prepare bids. Previously architectural firms were invited by the SMH to undertake a particular contract, but currently a public call for bids is made in the government’s official newspaper, O Diário Oficial. The tendering process is thus now open to which ever firm wants to compete, including non-architects, though in practice a limited number of architectural practices continues to dominate the project design stage. To mount a bid a firm must undertake a rapid assessment of a community’s problems and demands. Armed with a variety of information (official secondary sources such as census data, municipal registers and plans of favelas, coupled with data and information gathered by the architects themselves), a proposal is then submitted to the SMH. Once awarded a contract, the firm must then progress through the stages of project preparation illustrated in Figure 7.1.

**FIGURE 7.1**

Project Preparation Stages

- Stage 1: the diagnostic study

During the diagnostic study the architectural practice establishes in detail the needs, character and situation of the community. This it does through work in the field, undertaking household surveys, talking to the residents’ association,
and becoming familiar with the layout of the community, the state of existing infrastructure, social and environmental problems, and the characteristics of the surrounding neighbourhoods. Also the SMH and other actors inform the architects of the extent of service coverage for the area and supply data on the population, legislative and tenure status, geological problems, and much more.

On the basis of this information a profile of the settlement is developed which details: the location of the settlement; its area and borders; legal status; its history and cultural characteristics; the basic sanitation situation (water, sewerage, drainage and refuse collection); electricity coverage; the existing street and passageway network; access to public transport; access to essential services (schools, hospitals, churches, post offices etc.); access to sports and leisure facilities; coverage by the telephone network; street furniture; land use; population numbers, densities, and potential for expansion; the land tenure situation; community organisations; ongoing public works; vegetation cover; areas of risk; environmental problems (erosion, pollution etc.); and relevant environmental legislation.

• Stage 2: the intervention plan

On the basis of the diagnostic study of a settlement, proposals are then developed for its upgrading. These proposals are developed through discussions with the community (meetings with the local residents’ association, other influential groups and individual residents). At this stage the extent of the intervention is also identified, with focal points within a settlement being selected as the locations for the most significant upgrading activities (road building/widening, opening of public squares, construction of community buildings and housing units for resettlement). The proposals that emerge from this process then have to be presented to the SMH and IPP for their approval, and then prepared into suitable formats (posters, laminated plans, leaflets) for presentation to the community at general assemblies. Again, these proposals cover each of the main project components, from road networks to sanitation systems, to environmental protection, to social facilities, to public squares. The proposed ideas must receive the approval of the community during a general assembly in order that they can be developed further in the following phase.

• Stage 3: the pre-project

During the pre-project stage, the details of the community-approved proposals are developed. This is done in accordance with data from geological surveys undertaken at this time and a detailed topographical mapping of the community. Draft plans are made for the sanitation networks, access roads, buildings and geotechnical work to be carried out, and estimates are made of the costs involved. At this stage the architectural practices also have to consult with the relevant utility providers and municipal departments in order to adhere to their particular standards and norms. The pre-project thus serves as a basis upon which the SMH assesses the technical and financial viability proposed project.

• Stage 4: the executive project
Upon approval of the pre-project, the executive project is then developed by the architects with this project forming the basis upon which the construction work is put out to tender and then implemented. It consists of a detailed project description, plans and designs for each project component, data on the relevant norms and specifications used, the quantity and type of materials, labour and equipment needed (with corresponding budgets), and a timetable for the project. Each individual component must be approved by the relevant utility provider or public department concerned, a process in which the SMH assists.

7.3.4 Project implementation

Once the executive project is complete and approved, engineering consultants are contracted whose first task is to check project plans and budgets, requesting alterations where necessary, and who then assign an engineer to oversee work in the field. On the basis of the final project plans, construction firms then bid for entire upgrading projects, or more usually for specific aspects of the construction work; which ever firm enters the lowest bid wins the contract. Also, the architectural practice responsible for project designs is issued with a contract to provide on-site technical assistance, and usually junior architects are assigned to perform this role. Site offices are established, normally within the settlement itself or very close to it, and an SMH project manager is assigned to the settlement who, despite often being in charge of one or two other projects, usually spends a significant amount of time on site.

Construction work is conducted in phases with settlements being sub-divided into areas and, in consultation with the community, each area is then prioritised. Once underway, the work itself is then undertaken in phases, usually commencing with the largest tasks such as road construction (thereby enabling easier access for construction materials and vehicles), the construction of buildings such as nursery schools, housing and community centres, and the laying of the necessary sanitation, drainage and water supply systems. In accordance with the task at hand, additional actors get involved from the public and private utility companies and from a range of municipal departments, either undertaking the work themselves or acting in an advisory role. Figure 7.2 illustrates the range of organisations involved during the construction phase and the relationships between them.
During the construction phase negotiations with residents can be intense and revolve around specific construction problems that were not foreseen in project designs (and which are often the result of geological problems only revealed when work begins), the expropriation of properties and resettlement of residents, and demands that residents raise (or rescind) once the work gets underway. Those residents whose properties are to demolished (because they are in an area of natural risk or are blocking proposed construction plans) are offered a choice of three types of compensation: a replacement unit on
specially built housing, financial compensation, or credit with which they may buy an alternative property within the same favela. As shown in the above diagram, favela residents and their association come into direct contact with virtually all the actors involved in the construction phase, and while few of these actors have decision-making powers, contact on a day-to-day basis acts to reassure residents, clarify their doubts, or channel problems up to those who do have the power to authorise alterations to project plans. During the construction phase the community Housing Policy Agents trained and contracted by the SMH also play a crucial role in explaining project developments to individual residents and in liaising between them, the on-site team, SMH, and the residents’ association.

As each phase of the construction work is complete, it is inaugurated. Where financial resources run out, or where additional project tasks are added, complementary funding is issued and if necessary, new contracts are put out to tender.

7.3.5 Maintenance

One of the components of Favela Bairro projects is the setting up of urban and social advice centres or POUSOs, staffed by various municipal departments. These are intended to be temporary in nature and for the purpose of overseeing the transition phase when a project is completed and life in the favela returns to normal. Thus their purpose is to ensure that the infrastructure, services and facilities installed by Favela Bairro are being used and maintained in the intended manner. The POU SO also acts to ensure that newly created or refurbished public spaces are not built on and settled by residents, thus trying to ensure that the favela does not undergo a process of expansion once Favela Bairro is complete.

The POUSOs are also intended to act as advice bureaux where residents can enquire about their entitlement to benefits, services, seek legal advice and such like. To some extent this duplicates the role performed by residents’ associations who have traditionally performed services such as overseeing property transactions and providing various kinds of advice and services to residents. Despite the presence of the POUSOs, the post-project role of residents’ associations is crucial for they are responsible for the maintenance of infrastructure and services such as refuse removal, maintenance of drains and sewers, and delivery of post and utility bills. Such tasks have increasingly been devolved by the relevant utility companies to the community level since the mid-1990s. Thus, COMLURB (the municipal rubbish company), CEDAE (the state water and sewerage company), and Light (the private electricity company) all contract residents’ associations to undertake at least some part of their service, and the associations in turn contract community labour to perform the tasks assigned. The maintenance of reforested areas is also a task performed by the community, with resources allocated by the Municipal Environment Department (Secretaria Municipal de Meio Ambiente - SMMA).

The buildings that are constructed or reformed by Favela Bairro to house its social and educational services, such as nursery schools, community centres,
rubbish storage areas or recycling depots are maintained by the municipal department or agency responsible for the activities conducted therein. In this regard, the Social Development Department is especially important for the maintenance of community facilities, while the Employment Department assumes administration and maintenance tasks of buildings such as cooperatives and information technology centres until such time as it can devolve these responsibilities to the community level. Regarding the public spaces, street furniture and sports and leisure facilities installed by Favela Bairro, the SMH is in the process of developing a maintenance policy for these facilities, necessary due to the absence of the Sports and Leisure Department and the Parks and Gardens Department from Favela Bairro.

7.3.6 The role of the community

- Residents’ associations

Residents’ Associations are common to most favelas of Rio and are elected bodies with legal statutes, staff who usually work on a voluntary basis, and a resource base that depends on monthly membership fees and charges on residents’ property transactions. As described in the previous section, the favela movements and residents’ associations in Rio were weakened over a number of decades through repressive and paternalistic government policies. In addition, despite being elected by the residents of favelas, residents’ associations in Rio de Janeiro have also proved vulnerable to infiltration, domination and intimidation by drug trafficking gangs. Some have succeeded in remaining independent but many have become the direct or indirect mouth-piece of the drug gangs. Despite or indeed because of this, residents’ associations in Rio de Janeiro remain powerful organisations in their communities and key players in the Favela Bairro programme.

In Favela Bairro, residents’ associations are the first point of contact for the municipal housing department and the architects designing an upgrading project. They communicate the problems and demands of the community to those in authority, and organise general assemblies at which plans for upgrading are discussed. These plans must finally receive the formal approval of residents in a general assembly. Later, during the construction phase, the local residents’ association plays a key role in ensuring that the work goes smoothly, liaising between residents and the on-site Favela Bairro team, discussing and approving any changes that need to be made, raising new community demands, and ensuring that local drug trafficking gangs are placated and do not disrupt the upgrading work. Residents’ associations are also key to the maintenance of services and infrastructure within Rio favelas, not only organising community self-help initiatives but increasingly acting as maintenance managers working on behalf of utility companies who are devolving their services to the community level.

Illustrating the power that residents’ associations have acquired within Favela Bairro is the Grupo dos 16, an informal organisation formed by the presidents of the residents’ association of those favelas included in the first phase of Favela Bairro. This group, now in the process of being registered as an NGO,
meets regularly, has good access to officials in the SMH, and acts as a
pressure group especially around the issue of post-upgrading maintenance of
services and infrastructure.

• Other groups

Most favelas above a minimum size contain within them a number of groups
organised around particular interests, be these religious, cultural (especially
music and carnival), sporting, or practical (around issues of child care, local
commerce, and such like). The role such groups play in the development of
Favela Bairro upgrading projects depends on the extent to which the
architectural practice designing a particular project seeks to map and involve
all groups and the extent to which the local residents’ association and the
groups themselves promote their involvement. Hence from favela to favela
there are variations in the extent to which local residents’ interest groups are
involved in Favela Bairro and how.

• Favela residents

The residents of favelas upgraded by Favela Bairro have a number of
opportunities through which to participate in Favela Bairro. Initially during
consultation and project development periods they can participate in meetings
at the local residents’ association to hear about the programme and architects’
plans, and raise their concerns and demands. As mentioned above, residents
have to approve final project plans before they can be implemented.
Subsequently during the construction phase residents can apply to become
Housing Policy Agents, trained and contracted by the SMH to inform residents
of progress during the project, help iron out problems, and to prepare residents
for the end of the project when they will have access to new services but also
have to maintain them and pay new charges. Some residents can also actively
participate in the construction work by seeking employment with the
construction companies working in the community. Most residents do not,
however, play any formal or direct role in the project during the upgrading work
but instead accompany its progress, especially when it affects their particular
house or immediate environment. Once the project is complete residents can,
of course, also take advantage of the new infrastructure, services and
opportunities on offer, for example, enrolling their children in the nursery
school, joining a co-operative or training course, attending the community
centre, or using the sports facilities.

The participation of favela residents and their organisations in Favela Bairro is
explored in detail in Section 9.

7.3.7 Programme finances

Under the Favela Bairro programme a maximum of US$ 4,000 is spent per
household. This limit was originally set at US$ 3,500 but was soon increased
to the higher rate. The majority of these costs (60 per cent) are covered by the
IDB, with the remainder coming from municipal sources. In addition, however,
implementation of the social projects that form part of Favela Bairro (the
income generation and training projects, nursery school coverage, and initiatives for the elderly, youths and such like) are funded by the individual department concerned, though Favela Bairro resources pay for the construction of the buildings in which those services are delivered. The income and employment generation projects of SMTb, for example, are made possible by an agreement between the Bank of Brazil Foundation (Fundação Banco do Brasil), the SMTb, and the Fund for the Support of the Worker (Fundo de Amparo ao Trabalhador - FAT) (a federal government fund). The sports and leisure project of the SMH also has financial backing from the federal government.

Similarly, for large undertakings that occasionally form part of Favela Bairro projects, such as channelling rivers, resources may come from the budgets of other departments and programmes. While Favela Bairro funds the installation of the infrastructure such as water, sewerage, and rubbish collection points, the utility providers make those services operational with their own resources (recovering the costs through issuing bills to residents). The private electricity company Light, by contrast, receives no financial resources from Favela Bairro, funding its own technical and social work within Favela Bairro projects. Backing from private companies is also sought for specific activities associated with individual projects (for example, the oil company Petrobrás sponsors a circus training school in one favela), and local (private or public) land owners are encouraged to relinquish areas for use by Favela Bairro with no compensation. Similarly backing from private sponsors or foundations is sought to supplement Favela Bairro funds, for example, the Abrinque Foundation is to fund the purchase of equipment and toys for use in cultural centres to be administered by the Municipal Department of Culture (Secretaria Municipal de Cultura - SMC). As mentioned above, the second IDB loan (negotiated in late 1999), unlike the first, allocates IDB resources for the implementation of Favela Bairro social projects, and it is thus expected that these projects will expand in importance.

Regarding cost recovery, Favela Bairro does not seek to recuperate the US$ 4,000 it invests in every household. Instead, upon the completion of a project residents begin (if they do not do so already) to pay for utility services (sometimes at a discounted rate), and it is intended that upon the regularisation of land tenure in the favelas, a property and land tax (IPTU) will be charged, the receipt of which will go a little way toward boosting the income of the municipal government and thus helping repay the IDB loan. Nevertheless, Favela Bairro remains a highly subsidised programme.

7.4 Impact Evaluation

In line with the objectives of Favela Bairro, as set out above, in 1995 it was predicted (1995a; 1995b) that the benefits of Favela Bairro for the favelas and city as a whole would be:

1. improved health of the population;
2. strengthened communities and community organisations;
3. improved education for pre-school children;
4. reduced flooding in the city;
5. reduced accidents caused by landslides;
6. improved environmental conditions in the favelas and city;
7. strengthened feelings of citizenship and belonging to the city;
8. the integration of the favelas into the city;
9. better access, circulation systems, sanitation and public lighting;
10. services for rubbish collection;
11. improved community relations through the public spaces and facilities created.

To monitor and evaluate the actual impact of Favela Bairro, a methodology has been put in place by the SMH, with approval from the IDB, which consists of a three-stage approach:

- Stage one, called moment zero by the SMH, consists of the collection of base-line data in communities before a project is implemented. In reality this has not been done with any consistency and instead base-line data consist of 1991 census data, additional statistics and information available about individual settlements, and information collected by architectural practices and other municipal departments. In some favelas (approximately 15) more in-depth studies to capture residents opinions and perceptions were also conducted prior to upgrading.

- Stage two of the evaluation process (or moment one in SMH terminology), consists of impact studies (sample surveys) conducted in settlements where project implementation is complete. These surveys cover three themes: assessment of residents' satisfaction with Favela Bairro; the levels of infrastructure and services installed and the benefits accrued to the population; and assessment of any institutional and administrative changes within the settlements, covering issues such as tenure regularisation, and charging of taxes. By mid-1999 seven such evaluations had been undertaken.

- The final stage (or moment two) of the evaluation was intended to draw upon the census of 2000, however, owing to the limited number of projects that will be finished in time, the utility of census data for impact evaluation is debatable.

When comparing the objectives and predicted benefits of Favela Bairro with the methodology in place to assess the programme’s impact, what is apparent is the inadequacy of the latter, an inadequacy that the SMH freely acknowledges. As such there are either weak or no methods in place through which to assess the extent to which Favela Bairro achieves many of its objectives (such as social integration or strengthening citizenship), or assess potentially negative impacts such as property price rises and resident turnover. Instead the emphasis of impact assessment will fall upon the quantity of infrastructure and services installed by Favela Bairro and the extent of their usage and resulting benefits for residents. The implications of the SMH Favela Bairro monitoring and evaluation methodology are explored in more detail in Section 9.
7.5 Institutional Context

7.5.1 Public sector

• Municipal Housing Department (Secretaria Municipal de Habitação - SMH)

Established in 1994, the SMH is responsible for the development, management and implementation of housing policy for the city of Rio de Janeiro. Regarding Favela Bairro, SMH staff members previously employed by the SMDS, together with staff from IPP (then IPLANRIO) were responsible for the design of Favela Bairro and many of these staff remain in the SMH and continue to be key to its implementation and management.

The SMH team working on Favela Bairro is divided into a number of groups, some of which also work on other housing programmes. These are:

→ Management - supervision the operation of the Favela Bairro programme; negotiation with other departments for the expansion of Favela Bairro activities; the selection of favelas to be included in each phase of the programme; and reporting to and negotiation with the Inter-American Development Bank.

→ Projects - approval and management of individual upgrading projects as prepared by the architectural practices; the launching of bidding processes and issuing of contracts for the architects; negotiation with other departments and utility companies for the finalisation of project plans; the fiscal management of the projects;

→ Works - supervision of the construction phase of the projects, including participation on the ground by other departments and utility companies (with individual SMH supervisors assigned to projects); the management of bidding processes and contraction of construction companies and engineering consultants; and the financial management of construction work;

→ Land - organisation and negotiation of land expropriation and of resettlement of favela residents; and land tenure registration and legalisation processes;

→ Social Policy - contracting, training and liaising with community Housing Policy agents; and co-ordination with other municipal departments and NGOs for the implementation of the social projects of Favela Bairro.

The SMH also runs its own sports programme as part of Favela Bairro called Favela Bairro Community Sport (Programa Favela Bairro Esporte
Comunitário). This programme, run in conjunction with the NGO, Viva Rio, is targeted at children and adolescents, and is a response to the lack of participation by the Municipal Sports and Leisure Department in Favela Bairro.

- Municipal Employment Department (Secretaria Municipal de Trabalho - SMTb)

The SMTb was established in 1997 to revitalise and co-ordinate programmes in the area of income generation, employment and training, especially for low-income groups. Although it operates projects and programmes throughout the city, much of its work is done in conjunction with Favela Bairro, implementing many of the following activities in the favelas where Favela Bairro is underway or complete (SMTb, 1999):

- socio-economic research - collection of socio-economic data about households in favelas and the economic activities underway in the communities;

- improvement of educational qualification - in response to the low number of adults and children who have passed first and second grade in Rio, and especially in favela communities, coupled with high rates of illiteracy, the SMTb offers courses in literacy, first and second grades in all of the favelas where it operates to date;

- professional education - to increase access to the formal employment market the SMTb operates training courses for those with potential to enter the market, for those wishing to set up their own micro-enterprises or become self-employed, for those wanting to set up co-operatives, and for community leaders to help them formulate, implement and manage social projects in their communities;

- Rio on line - to set up information technology centres in conjunction with private sector backers and favela residents' associations;

- commercialisation - to set up networks of commercial establishments to consolidate and expand the markets of micro-enterprises and the self-employed;

- micro-credit - to set up a fund (the Economic Development and Employment Fund of the City of Rio de Janeiro) for the capture of appropriate resources for distribution through Riocred, a non-profit making company established by the SMTb, Fininvest (a private credit company), the Institute of Applied Economic Research (IPEA), and the Centre of Rio de Janeiro Industries (CIRJ). Small-loans began to be distributed to residents of Favela Bairro communities in early 1999;

- support agencies for the self-employed - to offer services such as legal advice, information on training courses, certification, access to credit, and marketing support for the self-employed;
support for co-operatives - to offer over a two year period a programme to assist in the setting up of co-operatives, the training of their members, access to technical, administrative and legal support; assistance for the purchase of equipment, and marketing support services. 17 co-operatives had been set up by mid-1999 and 5 were then in the process of becoming independent of the SMTb, no longer needing its support.

By the middle of 1999 the SMTb had implemented at least some of the above projects in 34 medium sized favelas covered by Favela Bairro (and also in 5 small favelas and 1 large one) (SMTb, 1999). The SMTb operates its courses and projects in centres built (or reformed) by Favela Bairro for this purpose, while actual implementation of SMTb activities is undertaken by NGOs and university departments contracted for that purpose. The administration of the centres and buildings is eventually devolved from the SMTb to the community.

- Municipal Social Development Department (Secretaria Municipal de Desenvolvimento Social - SMDS)

As reviewed in the previous section of this report the SMDS was established in the 1979 and throughout the 1980s was the sole municipal department to develop and implement projects in the favelas of Rio. With the establishment of the SMH, the SMDS lost much of its power but continues to be an important participant in Favela Bairro. Its role is in the operation of nursery schools (each offering places for at least 100 children aged 3 months to 4 years) and Municipal Centres for Integrated Social Services (Centros Municipais de Atendimento Social Integrados - CEMASIs), under whose roofs are offered projects of social support and services to youths, children and adolescents and the elderly. Whilst the SMDS administers the CEMASIs and nursery schools built (or reformed) by Favela Bairro, its services are usually delivered by NGOs contracted for this purpose (though SMDS staff operate some specialist clinics).

- Pereira Passos Urban Institute (Instituto de Urbanismo Pereira Passos - IPP, formerly IPLANRIO)

IPP was initially established in the early 1980s as the Municipal Planning Institute of Rio de Janeiro. In Favela Bairro its first role was to hold (in conjunction with the SMH and the Institute of Brazilian Architects) a competition for architectural practices wishing to propose methodologies and ideas upon which Favela Bairro could be based. Subsequently IPP assumed the role of liaising with architects competing for each favela project contract, participating in the setting of the terms of reference for their bids, and then supervising the submission of appropriate plans and designs according to the pre-established phases of project development. IPP also participates in Favela Bairro through the management and analysis of data for the monitoring and evaluation Favela Bairro projects.
• Municipal Urban Affairs Department (Secretaria Municipal de Urbanismo - SMU)

The SMU within Favela Bairro is responsible for the development of new norms and legislation appropriate to control the future development of favelas where Favela Bairro is implemented. The development of such regulations, aimed especially at controlling densities and the further growth favelas, is made possible by the favelas being declared Areas of Special Social Interest (Áreas de Especial Interesse Social - AIES) in accordance with the 1993 Master Plan of Rio de Janeiro.

• Municipal Education Department (Secretaria Municipal de Educação - SME)

The direct participation of the SME in Favela Bairro is limited owing to the mandate of the SME being to deliver formal education services at the city level, with no means to single out a particular constituency for special attention. As a result the SME is consulted during the development of Favela Bairro projects to ascertain whether or not a particular favela population is sufficiently covered by educational facilities in their particular area. However, both the SME and SMH discourage the building of schools within favelas that solely cater for the local favela population on the grounds that this prevents the mixing and integration of children from different backgrounds. The SME does have a programme, launched in 1997, called the School Project (O Projeto A Escola) that aims to incorporate into the school curriculum ideas and activities centred on the new services and infrastructure installed by Favela Bairro, exploring how they should best be used and maintained (SMH, 1999a).

• Municipal Health Department (Secretaria Municipal de Saude - SMS)

Like the SME, the policy mandate of the SMS is not compatible with the approach of Favela Bairro, delivering health services at the city level. As such the SMS supplies information to the SMH on the local facilities available to a particular favela population during the planning stage of a project. Where these are found to be lacking, a clinic may indeed be built but the provision of such facilities is not an integral part of Favela Bairro. The SMS has, however, recently launched a programme to enable Rio’s favela population to have access to family doctors within their communities, aiming to reduce pressure on the accident and emergency units of local hospitals. This programme is not directly linked to Favela Bairro.

• Municipal Public Finances Department (Secretaria Municipal de Fazenda - SMF)

The Public Finances department participates in Favela Bairro with regard to the commercial premises, or kiosks, established by Favela Bairro for employment and income generation. The SMF assists in the selection process by which people to run the kiosks are chosen.
• Municipal Works Department (Secretaria Municipal de Obras e Serviços Públicas - SMO)

The SMO participates in individual Favela Bairro projects where those projects incorporate elements that it is willing to execute and finance, for example major drainage works whose benefits will be felt in the surrounding (formal) neighbourhoods.

• Municipal Environment Department (Secretaria Municipal de Meio Ambiente - SMMA)

The Environment department participates in Favela Bairro through its approval of the reforestation that makes up part of the majority of Favela Bairro projects, and through funding the community management and maintenance of reforested areas.

• Municipal Culture Department (Secretaria Municipal de Cultura - SMC)

Until recently the SMC had no defined role within Favela Bairro but during mid-1999 the department agreed to the setting up and operation cultural centres within Favela Bairro communities where existing, suitable buildings could be identified. It was also agreed that if necessary and possible new buildings would be constructed to act as cultural centres, and backing from a private foundation, the Abrinque Foundation, has been secured for the purchase of equipment for the centres.

• Municipal Sports and Leisure Department (Secretaria Municipal de Esporte e Lazer - SMEL)

The Sports and Leisure Department of the Municipal Government has and continues to participate very little in Favela Bairro. At one stage, however, the SMEL, with funding from the federal government, did undertake of small-scale sports project as part of Favela Bairro, but his was of limited duration.

• Geo-Rio

Geo-Rio is a municipal government agency that conducts geological engineering work, especially for the securing of unstable hillsides. In Favela Bairro, Geo-Rio plays conducts geological (aerial photographic) surveys to supply essential data for project design and implementation. Geo-Rio also approves plans for any geological engineering work to be undertaken, and occasionally undertakes the work itself.

• COMLURB

COMLURB (Companhia Municipal de Limpeza Urbana) is a municipal company providing refuse collection services. As described in the previous section of this report, COMLURB has a specially designed refuse collection programme for Rio’s favelas which involves the devolution of collection responsibilities to the community level. COMLURB implements this programme
in conjunction with Favela Bairro, initially studying the refuse outputs of a community, helping project architects design appropriate collection systems, and then contracting residents’ associations to manage cleaning and refuse collection and the employment of local residents to undertake these tasks.

- RioLuz

RioLuz is the municipal electricity company that is responsible for public street lighting. The recently privatised electricity company, Light, performs the task of setting up electricity networks and providing power to private homes, and RioLuz usually uses these same networks, buying electricity from Light to illuminate public spaces. Within Favela Bairro, RioLuz is consulted during project development when public lighting systems must be planned. In consequence it carries out any work established in these plans.

- CEDAE

CEDAE (Companhia Estadual de Águas e Esgotos) is the water and sewerage company run by the State Government of Rio de Janeiro. It operates a programme called Pro-Sanear under which water and sewerage networks in favelas throughout the state are being upgraded and replaced. However, due to political and administrative problems this programme has been plagued by difficulties. One of the difficulties experienced has been in its relationship to Favela Bairro, with the two programmes frequently failing to co-ordinate their work leading to wastage of time and resources in the field. Nevertheless, the water and sewerage systems laid by CEDAE usually remain of importance to favela residents and to the Favela Bairro programme.

- Federal Saving Bank (Caixa Econômica Federal - CEF)

The Federal Saving Bank, among its many duties, is responsible for the distribution of federal funds for the federal housing policy of Brazil. In the city of Rio where municipal housing policy is well-defined, the CEF instead uses its funds to both back and complement municipal policy. Consequently the Bank has contributed to the funding of Favela Bairro for Large Favelas, while for Favela Bairro itself, the CEF acts as the financial agent through which funds are passed from the Inter-American Development Bank and the municipal government for use in Favela Bairro. The CEF also operates a credit scheme for people living in favelas who wish to purchase construction materials to improve their own houses. Known as Credimat, loans are available of up to US$ 4,000 and can be accessed by households whose monthly income is up to four minimum salaries (around US$ 500). Interest rates are considerably lower than the market rate, but nevertheless, the uptake of credit under this scheme has so-far been disappointing to the CEF. Under Favela Bairro, the loans can only the accessed once upgrading work is complete to avoid residents improving houses which may have to be demolished during construction. Information of CEF loans is distributed to residents through the residents’ associations and the POUSOs established by Favela Bairro.

7.5.2 Private sector
• Light

Previously run by the federal government, once privatised Light became a US-French-Brazilian consortium. Responsible for the setting up of electricity supply infrastructure, as well as metered connections to individual dwellings, Light is called upon by Favela Bairro to make alterations to electricity networks in accordance with changes required by upgrading projects. In addition to this Light has a programme (Programa de Normalização em Áreas Informais - PRONAI) to reduce electricity theft and wastage throughout the informal settlements of Rio. In those favelas where Favela Bairro is due to be implemented, the company waits for the upgrading to get underway before implementing PRONAI. Accompanying its technical work, Light also has various cultural projects for favelas such as supporting sports activities and arranging trips for residents to theatres and museums. Light conducts much of its non-technical work through NGOs, including educational work associated with PRONAI to reduce wastage of electricity and ensure residents are aware of reduced electricity tariffs for which some residents qualify.

• Architectural practices

Architectural practices have participated in Favela Bairro since its launch when they were first asked to submit their ideas to a competition whose purpose was to contribute to the design of the Favela Bairro programme by the SMH. Subsequently the architectural firms were invited to design projects for particular favelas, though later this procedure was changed with each project being put out to tender. The architects’ teams working on projects must be multi-disciplinary and include sanitation engineers and sociologists or anthropologists. The architectural practices who win a bid are responsible for the design of a project and accompanying plans through various stages in which the local community participates in raising its demands, approving or requesting changes in preliminary designs, and approving final project plans. Project plans are also developed through discussions with the SMH, other municipal departments and utility companies. When construction work begins, owing to the need for frequent changes to plans, architectural firms usually have an on-site team of architects to assist SMH project supervisors, consultants and construction firms in making the necessary alterations.

• Construction companies

Private companies are contracted to undertake the construction work involved in Favela Bairro projects. Examples of such work range from the construction of new blocks of apartments for essential resettlement, the laying of new roads, the construction of drainage networks, through to the paving of walkways. Often each project may involve more than one construction firm, each of which tends to bid for those projects which offer the type of work in which it is specialised and can thus make a profit. Contracts are awarded by the SMH on the basis of cost, with the lowest bid submitted winning the contract. Some construction firms also sub-contract out certain jobs to other firms, while to varying extents most firms also contract community residents to
carry out some (usually non-skilled) tasks associated with the construction work.

- Consultant engineering companies

Consultant engineering companies became involved in Favela Bairro in 1996 at the request of the Inter-American Development Bank. One such firm acts as a clearing house for programme finances, collecting and processing all financial data related to Favela Bairro, and reporting upon programme finances to the municipal government and to the IDB. A number of other engineering firms have, since 1996, also played an active role in the construction phase of Favela Bairro projects. Firstly these companies must approve the plans and designs prepared by the architects, and subsequently, when work gets underway they have a permanent on-site presence, checking the every-day progress of work, resolving problems in conjunction with the architects and construction firms, and reporting to the SMH project supervisor. They also have the task of making sure that project finances are in order.

- Others

On a project by project basis, other private sector companies, foundations and federations are encouraged to participate in Favela Bairro either through philanthropic sponsorship deals of cultural or sporting activities, or through their involvement in income and employment generation projects, for example awarding manufacturing contracts to SMTb co-operatives or establishing training and employment projects for favela residents.

7.5.3 Non-governmental sector

Non-government organisations (NGOs) are active in the implementation of the social, cultural and educational projects of Favela Bairro. The SMDS, example, contracts NGOs to operate its community centres, the SMH works with an NGO for the implementation of its sports project, and the SMTb also contracts NGOs (as well as a department of the Federal University of Rio de Janeiro) for the implementation of its training projects. As mentioned above, the electricity company Light also works through NGOs in its educational work. NGOs involved directly or indirectly in Favela Bairro are: Viva Rio, Roda Viva, SOS-Caju, and Fábrica de Sonhos.

The relationship between the departments of the municipal government and between governmental, private and non-governmental sectors is explored in detail in the Section 9 of this report. Below, however, figure 7.3 depicts the range of municipal government departments in Favela Bairro and the central role that the Housing Department plays, as well as the relative importance of the other departments in the programme. It should be stressed that this situation is not static, and since the launch of Favela Bairro in 1994, the participation of a wider range of municipal departments has gradually increased and continues to do so.

FIGURE 7.3
The Municipal Departments Participating in Favela Bairro and their Relative Importance

Key
- central role
- important role
- marginal role

SECTION 8
FAVELA BAIRRO PROJECTS: SOME EXAMPLES

8.1 Fernão Cardim
Fernão Cardim is a squatter settlement located on flat land in the
neighbourhood of Inhaúma in the Engenho de Dentro area in the north of Rio
de Janeiro. It has a population of 3,183 residents or 875 households, and
occupies an area of 4.5 hectares. The settlement was established in 1951
when the area was still rural in character, and over the years the Residents’
Association of the community undertook basic upgrading work with support
from various government and non-government foundations and agencies,
private companies, the Catholic Church, the SMDS (through the Projeto
Mutirão), and the state government (through the Cada Família Um Lote
regularisation programme, and through the Pro-Sanear sanitation upgrading
programme).

When the Favela Bairro programme was first presented to the community in
1995, 95 per cent of houses in Fernão Cardim were made from brick, and 5
per cent from wood. Most of the latter were located along the banks of the
Faria Timbó river that would flood on a regular basis. Land in the settlement
was under municipal ownership with a small part being privately owned, and
the surrounding neighbourhood was and is characterised by commercial and
industrial enterprises, and there is also a hospital nearby. Like many favelas,
Fernão Cardim had just one point of entry and exist to the community, a
characteristic imposed by the local drug trafficking gang for their own
protection, and Fernão Cardim also suffered from high levels of violence
associated with the drug trade.

Fernão Cardim was included in Phase 1 of Favela Bairro and was one of the
first projects to be finished, and the only settlement to date to have its land
tenure fully regularised\(^7\). The project was designed by architects from the firm
Planejamento Arquitetônico e Ambiental (PAA), with the development of the
project plans costing Rs 120,445\(^8\), and the upgrading work itself costing Rs
5,334,981\(^9\). The project included: improved access (through opening new
roads and widening existing lanes); the channelling of the river (with non-
Favela Bairro funds) and upgrading of surrounding area; a new block of 22
flats for those needing to be resettled; the reform of the community square and
football pitch; the building of a new sports area; installation of leisure
equipment; the construction of a nursery school and sewing co-operative;
installation of sewerage, water and drainage systems, rubbish collection and
public lighting; the planting of trees and installation of street furniture; building
of kiosks and a POUSO; the implementation of various IT and training courses;
and the installation of public telephones. The Residents’ Association has also
been successful in working with the near-by shopping mall, thereby accessing
resources for reform of the Association building and the opening of a health
clinic on the premises, and from a nearby supermarket and McDonald’s they
receive donations of food. Finally the Association has also acquired the
financial backing of the British Consulate in Rio for purchase of sewing
equipment for the co-operative.

\(^7\) The area of the settlement on land under private ownership was not fully legalised.
\(^8\) Roughly equivalent to US$ 63,728 in January 2000.
\(^9\) Roughly equivalent to US$ 2,822,741 in January 2000.
According to interviews conducted with members of the Residents’ Association, other community groups, and residents of Fernão Cardim, most residents were at first sceptical about the intervention of the government through Favela Bairro, believing that it would not happen. Plans for the settlement also generated controversy, especially regarding the resettlement of those families living along the banks of the river. However, when work got underway it was reported that residents became more enthusiastic and took more interest in the project. During the development of the project plans, however, the architects worked mainly with the Residents’ Association, and it took PAA around 6 months to develop the intervention plan for the residents to approve. It was reported that the wider participation by residents was neither encouraged or discouraged by the Residents’ Association and the architects, with individual residents deciding whether or not to take an active role in the planning phase, and most of them deciding not to become involved.

With the upgrading of Fernão Cardim now complete, most of those interviewed reported that Favela Bairro had indeed met the priority needs of the community, especially with the channelling of the river, however, the income generation activities in the settlement were regarded as inadequate and unemployment was reported to be high in the settlement. Indeed, it was reported that the SMTb IT courses and first grade education course had folded, though the sewing co-operative provides employment for 16 people and the kiosks built at the entrance to the settlement are regarded as successful. Also regarded as problematic is the quality of the sewerage system laid, with reports of blockages being common, though CEDAE now employs two community workers to ensure the system functions smoothly. Continuity of resources for the operation of the social projects of Favela Bairro was also highlighted as a problem, especially with regard to sports and leisure activities, and a community centre that appeared in the project plans was never built though residents could not explain why.

It was acknowledged that one area of the settlement, that located on private land, had benefited less from Favela Bairro than the rest of the community, this also being the area where the cancelled community centre was due to be built. In addition, it was reported that house prices have risen considerably since Favela Bairro was completed, with average house prices reported to be around Rs 25,00010, though it was observed that very few people had left the settlement. Many people were also said to be undertaking construction work to improve their homes further. In general, those interviewed in Fernão Cardim expressed their satisfaction with the results of Favela Bairro, describing the settlement as being more integrated with the surrounding neighbourhood. Indeed, according to one resident, “Now as a result of Favela Bairro the residents have duties as well as rights, for example they have to get rid of their illegal electricity connections, but when they start paying taxes they will have the right to complain about services and ask for better ones. Favela Bairro leads to mutual agreement between residents and the state, turning residents into normal citizens, like the rest of the population”. Nevertheless, it was acknowledged that changing the identity of an irregular settlement is not a simple process, with one residents declaring “It takes a long time to change the

way a community is seen, the way its identity is perceived. However, people’s language has changed and nobody now talks about Fernão Cardim as a favela but instead as a community”.

8.2 Formiga

Formiga is a favela located on a steep hillside in the valley neighbourhood of Tijuca, immediately to the north of the central area of Rio de Janeiro. The population of the settlement totalled 5,801 or 1,899 households at the start of Favela Bairro intervention, spread over an area of 22.9 hectares. The majority (85 per cent) of the houses in the settlement are built of brick and 77 per cent are of just one storey. The origins of the settlement date back to 1911 but it expanded in the 1940 when part of the hillside was legally subdivided into plots by a private industrial firm which then sold off the plots to individuals wanting to build their own homes. During this process parts of the hillside were invaded and illegally settled, and so the settlement is now characterised by an area of squatter housing, and area of legalised plots, and an area where the subdivision was never fully regularised.

The slope gradient of Formiga is extremely steep in some parts and the settlement has also led to considerable destruction of the natural vegetation and forest cover. As a result, Formiga has suffered from a number of fatal landslides and a considerable part of it is unsuitable for settlement of any kind. Nevertheless, during the 1980s the settlement was given a water supply through the programme PROFACE (however, a considerable number of residents receive their water from natural springs above the settlement, with a system of pipes having been set up by residents for that purpose), and in the early 1990s the SMDS undertook partial upgrading of the settlement through the Mutirão project. The settlement was also affected by the Cada Família Um Lote regularisation project, but as stated above, the tenure situation in the community remains confused, with some residents possessing legal tenure (and paying property taxes) and others having no legal tenureship.

Formiga was included in Phase 2 of Favela Bairro, and though the project development stage began in October 1995, the upgrading work still remains largely unfinished, indeed the settlement was divided into 5 sectors for the purpose of upgrading and work has been completed in only two. The architectural plans were developed by the firm Planejamento Integrado Ltd, of PLAN. Their development cost Rs 281,003\(^{11}\), while so far the money assigned to the upgrading work itself is Rs 8,331,766\(^{12}\). As evidenced by the considerable time taken to date to upgrade only a part of Formiga, the project has suffered from various problems and delays. From the contracting of PLAN to the develop the project until the beginnings of the construction phase, for example, took 18 months, while the upgrading itself was stalled for 3 months when the construction firm abandoned the project due to conflicts with the community, and once again the work had to be put out to tender. Pro-Sanear is also underway in Formiga, but due to a lack of resources only a water network was completed, leaving Favela Bairro to adapt and finish off the

\(^{11}\) Equivalent to about US$ 148,678 in January 2000.
\(^{12}\) Equivalent to about US$ 4,408,341 in January 2000.
sewerage system. A rubbish collection station was also built to handle skips, but since its construction the policy of the waste company COMLURB changed, instead beginning to work with smaller wheely bins, thus leaving the station redundant and needing to be rebuilt. Time was also lost un成功fully attempting to persuade CEDAE to accept the continuing use of the natural water springs by residents, with PLAN wishing to make these sources safer to use.

Being on a steep hillside surrounded by land unsuitable for settlement and construction, the project does not include any new access routes to better link Formiga with its surroundings, but instead includes the upgrading of the existing road and the laying of new roads within the community that will allow for better circulation by cars and pedestrians. It is these roads that consumed the entire budget of the project, and to complete the remaining 3 sectors of the community additional funds have been granted and a new tender is to be issued for the construction work. Currently, the community is against the further expansion of the road network, wishing instead for the project to concentrate upon the paving of passageways and alleyways. The local drug traffickers have also been involved in this dispute (with their interests being voiced through the Residents’ Association13), and to prevent the construction of one road, they built a giant concrete bible to block the entrance of the planned road. Indeed the drug traffickers of Formiga, in common with many other favelas, have also laid concrete speed ramps on the roads opened by Favela Bairro in order to impede easy access by the police.

Plans for a sites and services project within Formiga to house those needing to be resettled were dropped when residents instead chose to be allocated alternative (safe) houses within Formiga or to leave the settlement altogether with compensation from the SMH. A new nursery school has been built with existing nursery schools also being refurbished. A new building for the Residents’ Association is to be built and a CEMASI (integrated community centre) has been constructed, with projects for young people and the elderly already being operated by the SMDS. Reeforestation of the hillside above Formiga has also been a key component of the project, in that way stabilising the hillside and preventing the further expansion of the favela. Indeed 22 community workers are employed in reforestation tasks, while 15 residents work as community cleaners and 2 are SMH Housing Policy Agents.

The Residents’ Association of Formiga was set up in the 1960s and has a history of strong community mobilisation. Indeed Formiga was not included in the initial Favela Bairro list of communities to be upgraded, but owing to the lobbying of the Residents’ Association it was included in Phase 2 of Favela Bairro. Among the architects, SMH supervisor and construction manager working on the Favela Bairro project in Formiga there was the general impression that the Residents’ Association broadly represents the interests of the community and has its backing. When Favela Bairro entered the community, for example, the Residents’ Association set up a community council, with its members being from the Association and local youth groups,

13 The President of the Residents’ Association at the time of this research was said to have close ties to the drug traffickers in Formiga but in January 200 he was killed, allegedly by the same drug gang.
music clubs, sports groups, and churches. It was through this council, working with the site offices, that the sectors to be prioritised for upgrading were chosen, and it was insisted that those living in areas of natural risk be dealt with immediately. As a result 220 households have been resettled to date with their houses demolished.

Nevertheless, interviews with the community did reveal that the upgrading work undertaken does not correspond with the project plans that the community approved, and its was also asserted that during the planning stage the poorest households in community did not have an input into the project, with as few as 50 residents attending the first general meetings to discuss Favela Bairro. The difference between Favela Bairro and previous government upgrading initiatives in Formiga was observed, however, and a member of the Association declared “Favela Bairro is different from previous interventions because it enables the people who live in favelas to feel more valued and like citizens. The best thing about Favela Bairro is that is effects their integration into the city, giving people a voice and access to the government, allowing them to speak”. Indeed while work continues in Formiga, weekly meetings are held between the site manager and community representatives to iron out problems and establish new priorities for intervention.

8.3 The Mangeira Complex

Mangeira is in the north zone of Rio de Janeiro, not far from the Maracanã football stadium, and is famous for its samba club. Made up of 4 favelas (Morro dos Telégrafos, Candelária, Chalé and Olaria), it is collectively known as the Mangeira complex. The total population of the 4 favelas at the start of Favela Bairro was 17,308 or 4,229 households, settled over an area of 26.8 hectares. As such, the Mangeira complex is one of the largest squatter areas to be tackled by Favela Bairo14, and it has presented numerous problems for the Housing Department, including technical difficulties, financial problems, and conflict with the local communities. The project planning stage took around 8 months to complete and was undertaken by the architects Paulo Casé and Luiz Acioli from the firm Arquitetos Associados Ltd at a cost of Rs 552,00615. While Mangeira was included in Phase 2 of Favela Bairro, with the programme now being in Phase 4, like Formiga, the project remains far from complete, and to date resources assigned to the upgrading work amount to Rs 14,709,02916.

The architects of the project reported that they developed their initial plans for the community on the basis of 3 or 4 visits to the favela, and complained that very few residents understood what the upgrading project was about. Indeed the final project included around 400 plans and the community “... would look at the plans and not see anything” (Paulo Casé). The space for community participation in the development of the project was also criticised by the residents’ associations of the 4 favelas who complained that their influence was limited, that the project does not correspond to the needs and demands of

14 In order to qualify for the programme which has an upper limit of 2,500 households, the complex is considered as 3 separate, though adjoining, favelas by the SMH.
16 Roughly equivalent to US$ 7,782,555 in January 2000.
residents, and that the officials only listen to the community when residents refuse to co-operate and cause problems. Indeed, according to the president of one of the Residents’ Associations, “The people from the SMH give us what they think we need, but they don’t live here. You need to live here to know what is needed”.

The technical and financial problems experienced during the initial phase of the construction work in Mangeira led to the suspension of the project and at the time of the research, the upgrading work had not yet been restarted. Technically, the topographical survey work undertaken in Mangeira did not uncover the many physical problems that later plagued the construction work, causing delays and forcing alterations in project plans to be essential. The soil cover on the hillside, for example, is rarely more than 2 metres deep and below that are layers of rock and huge deposits of compacted rubbish. As such the construction work itself has led to the destabilisation of the hillside, leading to changes in plans, the need for more geological engineering work, and the resettlement of more residents (initially it was thought around 200 households would have to be resettled but this figure has now risen to around 400). Such changes to the project led financial resources to run out (though there are also allegations made of fraud), and thus the project came to a standstill.

While the project has been paralysed, the SMH supervisor of the project was replaced and a management consultancy firm contracted to oversee the remainder of the work. To date water and sewerage work has been undertaken, 5 nursery schools are being built or reformed, a sports area has been finished and blocks of flats have been built to resettle residents. Supplementary funds are, however, being made available to finish the project, with access roads, paving, income generation centres, additional housing\footnote{In total the construction of 164 new flats is planned, with many of those households being resettled opting for compensation rather than replacement housing.}, a POUSO, and reforestation work still to be undertaken. Like Formiga, Pro-Sanear is underway in Mangeira at the same time as Favela Bairro, but the state and municipal government “Have not really established an understanding, to such an extent that I am going to redo a number of things that Pro-Sanear already did because there was no agreement reached as to what would be done and when” (José Claudio Oliveira, Ambiental engineering consultancy firm).

The paralysis of Favela Bairro in Mangeira has not helped relations with the community. At the time of the research, for example, the SMH and site officials were at loggerheads with residents over the development of an area of land bought by the municipal government and where more replacement housing is to be built. In contrast the local residents are demanding that the land be used for another football pitch, to add to that already laid by Favela Bairro a little way up the hillside. The need for constant additions to the list of houses needing to be demolished has also fostered the perception that Favela Bairro aims to rehouse all those living in dangerous houses, resulting in conflict and dissatisfaction because this is not the case. Those houses not included on the demolition list but judged by their occupants to be dangerous should instead be covered by the Morar Sem Risco programme, but to enter that programme
involves houses being assessed by the Civil Defence Service, a process that is reported to be slow and bureaucratic. Finally, delays to the project have exacerbated the scepticism of residents, for example, according to the President of the Residents’ Association of Candelária, “The Favela Bairro project is good, it is necessary, but it keeps on stopping ... We don’t want the project to end here because we need it, but we do want the problems to be acknowledged. Every time they start a job and don’t finish it the community gets more disillusioned ... I want Favela Bairro to do what is best for us and not to treat the whole project as a package”.

Community Housing Policy Agents are active in the Mangeira favelas and for the reinitiation of the upgrading work, the communities are being into blocks, each of which will elect a community representative (to be trained by the SMH) in order to improve relations with the community. Meeting with residents and site office officials are also held at night in order to facilitate participation, however, according to the site workers, the turnover of staff of the residents’ associations has undermined their ability to establish good relations with the community. The location of the site office on the very edge of the favela complex was, however, acknowledged to act as a deterrent to some residents who do not wish to cross the entire community in order to meet the site officials, and instead much of the contact with residents occurs when construction work is actually in progress. People from the site office reported that they had also had meetings with local church groups, but that the main channel for communication with residents is via the 4 residents’ associations on the hillside.

The residents of the Mangeira complex and their community representatives complained that to date the quality of work done and materials used by Favela Bairro were poor, especially with regard to the sewerage system laid. There were also concerns raised about the ability of residents to pay new utility bills and taxes, and it was observed that while Favela Bairro opens up the settlement to facilitate the access of the police, no reform of the police services is taking place, thereby exposing residents to the danger of further police repression. Finally, while it was acknowledged that the very poor on the hillside are benefiting from Favela Bairro through their resettlement in the new blocks of flats, representatives of the local residents’ associations called for Favela Bairro to invest more in educational, health and cultural facilities, and also suggested that the residents’ associations themselves should be directly strengthened by Favela Bairro through the payment of association staff who generally work on a voluntary basis.
SECTION 9

RESEARCH FINDINGS

9.1 Introduction

This section of the report outlines the findings of the research in detail. As such, it reiterates the conceptual framework that is argued to characterise the generation of housing/poverty policies that is now emerging, and it analyses Favela Bairro in the context of that framework. In this way the research seeks not simply to assess the extent to which Favela Bairro can be seen as an example of the new approach to poverty alleviation through housing policy, but reveal the complexity of issues surrounding the implementation of such an approach. As such, the research serves as a basis upon which to raise lessons applicable not just to Favela Bairro, but to policy makers and practitioners in other developing country contexts.
The evidence presented in the section is derived from 38 in-depth individual and group interviews conducted for this research\textsuperscript{18}. Where possible and appropriate, evidence is drawn from interviews conducted with different sectors and interest groups so as to present a balanced picture. The names of the interviewees and their organisations are printed in full, though at times certain views are presented anonymously in response to interviewee requests.

The section is structured around five main issues, each relating to the conceptual and policy framework that was constructed in Sections 3 and 4 of this report. As such the areas covered are: heterogeneity and sensitivity to the vulnerable; multisectoriality at project, policy and institutional levels; participation, partnership and devolution; municipalisation; and city scale. Given that the operationalisation of these concepts through policies for poverty alleviation is complex and blurs the lines between these 5 areas, the following text inevitably includes some overlaps and repetitions. For each theme, the salient points are briefly presented of the conceptual and policy framework being applied, then Favela Bairro is analysed in that context, before the implications for poverty alleviation are finally summarised.

**9.2 Heterogeneity and Sensitivity to the Vulnerable**

**9.2.1 The conceptual and policy framework**

In Section 3 of this report, approaches to defining and understanding poverty and urban poverty were reviewed. It was shown that there has been a shift away from quantitative assessments of poverty based on income and consumption toward more qualitative assessments incorporating a wider array of variables and the understandings of the poor themselves. As part of this shift it was shown that there has been increased recognition and understanding that the poor cannot be considered as one unified group and what it means to be poor differs not only at national, regional, city, and neighbourhood levels but also at the levels of households and individuals. Thus conceptual understandings of poverty now allow for a greater disaggereation of the condition of poverty, recognising it to be complex, heterogeneous and in state of flux. It was argued that any policy that aims to alleviate or eradicate poverty should have as one of its foundations this recognition of the heterogeneous nature of poverty, thus acknowledging and seeking to address the specific needs and vulnerabilities of particular groups such as women, children, youths, the elderly, disabled, and religious and ethnic minorities. Any policy which does not recognise the specific needs of such groups runs the risk of failing to improve their situation, or worse, accentuating their marginalisation and vulnerability to risks such as expulsion, unemployment, and prejudice.

**9.2.2 The beneficiaries of Favela Bairro**

\textsuperscript{18} Many of those interviewed for the research no longer hold the same position of employment, especially since the municipal elections of 2000.
In Favela Bairro, as seen in Section 7, the immediate aim of the programme centres on the meeting of the basic needs of the population living in Rio’s medium-sized favelas. Its longer-term aim is the social and physical integration of the favelas and their residents into the city. Such objectives were clearly reflected in the interviews undertaken for this research, with the interviewees not revealing a strong preoccupation with of Favela Bairro on particularly vulnerable groups. The Favela Bairro objective of meeting the collective needs of the favela population was widely described by interviewees with phrases such as: ‘improving basic living conditions’, ‘making favelas self-sustainable’; ‘satisfying all needs in one go’; ‘giving a decent quality of life’; ‘improving the local environment’; and ‘addressing collective needs’. According to an official of the SMH, for example, “The fundamental idea of Favela Bairro has grown and changed but it remains basically the same, that being the improvement of the basic living conditions for a section of the population in various parts of the city” (Andrea Cardoso).

Improving basic living conditions has long been the priority demand of favela residents in Rio, and indeed in most developing country cities, and this was cited as one of the reasons for Favela Bairro’s focus upon collective infrastructure provision. For example, according to the Manager of Favela Bairro, Maria Lúcia Petersen, during the 1980s the demand for better sanitation systems was always uppermost when she worked in the city’s favelas. In addition, interviewees described Favela Bairro meeting the demand for improved service standards by the building of new access roads, enabling ambulances, fire engines, and commercial vehicles to reach homes for the first time. Such things, according to a community worker and resident of the Candelária favela represent “… everything that we in the popular favela movement have ever wanted to be done” (Jorge Arruda). Thus the programme not only includes the installation of sanitation systems, but also water, roads, paving, electricity, reforestation, geological engineering works and more, with the collective effect of this upgrading work conceived by some interviewees in terms of improving the entire local environment within the favelas.

When the interviewees were asked about the ability of Favela Bairro to target those households most in need of support, there was widespread recognition that Favela Bairro was limited in this respect because its resources and focus are primarily for the meeting of collective needs. For example, according to one member of the Grupo dos 16 (organisation of favela leaders), “I think we would like it a lot if the needs of individuals could be met, but under the methodology of Favela Bairro what is treated is the whole general context. Its purpose is not to improve the circumstances of individuals, a particular house or such like”. The nursery schools, community centres, sport facilities, training and literacy courses, co-operatives and kiosks are, however, aimed at addressing the needs of specific groups, and to take advantage of these social projects residents have to meet certain criteria to establish their level of need. Thus some targeting of resource allocation toward specific groups is evident, for example in the offering of places on basic literacy courses to the illiterate, or of nursery school places to the children of women-headed households. In addition, according to interviews with favela residents and those working at the project level, the resettling of households from areas of natural risk usually
ensures that some of the poorest households (which tend to congregate in the least desirable and most unsafe areas) benefit from new housing units or compensation to buy alternative secure properties.

Nevertheless, the weakness of the social components of Favela Bairro was a consistent criticism made by interviewees, commenting on its emphasis on physical upgrading at the expense of addressing the varying social, cultural and economic needs of favela residents. Thus, while interviewees acknowledged the importance of improving local environmental conditions, the ability of Favela Bairro to fulfil its objectives of improving income levels, access to employment, and access to cultural facilities was perceived to be weak. For example, while the income and employment generation programmes of Favela Bairro were, on the one hand, perceived by a majority of interviewees to be essential and generally working well, on the other hand, they were said to be limited by their lack of resources and their inability to address the structural causes of unemployment and low wages at a city or national level. Thus, according to Ricardo Guvêa of Bento Rubião, “Everything to a certain extent reduces poverty, if you enable one person to sell sweets in a street corner then you are reducing that person’s poverty, but this won’t have any kind of structural impact”. Nevertheless, the strengthening after 1997 of the income generation initiatives of Favela Bairro was widely praised and the intentions of the Employment Department (SMTb) were recognised by some interviewees as serious, though their inability to raise the income and employment opportunities of more than a lucky few was also widely acknowledged.

In addition, the fact that Favela Bairro does not improve primary health facilities or formal primary and secondary education services within the favelas was declared by some to be a major failing of the programme. According to one member of the Grupo dos 16, “For the majority of the favelas the things that Favela Bairro is doing meet our priority needs, but the thing from which the favelas suffer the most is health problems. Very few communities have health centres within them, with a doctor and nurses so that we don’t have to go to hospital to get things sorted out. As far as I am concerned, health is one of our needs that Favela Bairro does not meet”. Similarly, Favela Bairro’s neglect of the standards of individual houses was also criticised, and although the Federal Savings Bank (CEF) offers low-cost credit for home improvements, the take-up of this scheme was reported by the CEF to have been low.

As seen in Section 7 of this report and discussed in more detail in sub-section 9.4, the opportunities for participation of residents in formulating the components of a Favela Bairro upgrading project are limited, though with some variations depending on the architects responsible for project design. Thus there are no mechanisms in place to systematically identify who are the most vulnerable residents within particular settlements and assess their specific needs and their understandings of their own poverty, and nor are there any channels in place through which to encourage particular groups to participate in the initial planning phase of projects. Indeed, as seen in Section 8, it is often the very poor and most vulnerable who are least likely to participate and thus least likely to have their needs voiced. Thus in the context of the debate on poverty which stresses the importance of recognising the heterogeneity of
needs of the poor and the vulnerability of specific groups, what is apparent is that Favela Bairro concentrates primarily on those needs that are collective (water, public spaces, roads), and less so on those that are specific to particular groups of residents (women, the disabled, unemployed).

In addition, any policy approach which differentiates between the needs of different groups of poor people, needs also to assess and monitor the progress of a project or programme in meeting their varied needs and in impacting on their vulnerability. However, as seen in Section 7 of this report, the SMH has in place a three-stage methodology for monitoring the progress and assessing the impact of Favela Bairro, but these procedures are widely recognised as inadequate if their purpose is to assess the extent to which Favela Bairro is meeting its objectives of improving basic needs and promoting integration between favelas and the rest of the city. The methods in place to evaluate the impact of Favela Bairro focus almost entirely upon on access to infrastructure and services prior to and after upgrading. As such, the methodology in place does not attempt to assess post-project increases in land values, property prices, residential turnover, or evaluate if particularly vulnerable groups have been negatively affected by upgrading. This once again reveals that the main focus of Favela Bairro is on meeting collective needs, and not on the needs of specific population groups within Rio’s favelas.

9.2.3 Poverty alleviation, heterogeneity and the vulnerable

While Favela Bairro is more effective in meeting the collective needs of residents for services and infrastructure and less so in targeting those with particular needs, this does not imply that Favela Bairro has no impact on the poverty within the favelas where it is implemented. Not only does the programme provide, albeit on an insufficient scale, nursery school places, projects for the elderly, illiterate, youths and children, as well as employment and income generation opportunities, but the basic infrastructure and services it installs address some of the fundamental problems suffered by the poor, with physical upgrading having social benefits. The health implications of improved sanitation are well known, including among those working on Favela Bairro. Thus, according to Márcia Coutinho, one of the people involved in the design of Favela Bairro, “The idea of the health benefits that upgrading can bring was something that we knew about very well and bore in mind”. Thus while many interviewees tended to view the income and employment generation projects of Favela Bairro as being its sole means to address poverty, this reflects only the prevalence of a conventional understanding of poverty as being only lack of income. Such an understanding was expressed by interviewees from all sectors, and indeed if poverty is understood purely in terms of income, Favela Bairro is limited in its potential to alleviate it, and more limited yet in its potential to address the causes of poverty. However, if poverty is understood as a complex and multidimensional phenomena as described in Section 3 of this report, then Favela Bairro does have the potential to reduce the poverty experienced by the residents of Rio’s favelas.

In contrast, a recent city study on Rio de Janeiro conducted by the World Bank (1999) concluded that less than one third of Rio’s poor live in favelas (the rest
living in inner-city slums, illegal sub-division, and run-down estates) and therefore the poverty-alleviation credentials of the programme were questioned. Indeed, the Bank asserts that poverty alleviation was not the principal objective of Favela Bairro. Referring again to Section 3 of this report, it becomes apparent that the World Bank is using a definition of poverty based upon income\(^{19}\), whereas in fact the objectives of Favela Bairro are founded upon a wider and more qualitative interpretation of the concept of poverty. It is an interpretation that sees poverty in terms of lack of access to basic services, infrastructure and security, deteriorated natural and built environments, and the exclusion of individuals and whole communities from the opportunities and rights enjoyed by other citizens in the city. While the latter issues of exclusion, integration and citizenship are explored in more detail in sub-section 9.6, what can be concluded in the context of a discussion on the heterogeneity of poverty is that although Favela Bairro does not explicitly seek to recognise and address the heterogeneous nature of poverty, it nonetheless does attack a wide range of manifestations of poverty (poor services and infrastructure, vulnerability to violence, low incomes, illegality, low education and skill levels, limited ability to take advantage of opportunities). While Favela Bairro incorporates no specific mechanisms to assess the needs of particularly vulnerable groups and while its social components are under-resourced, this does not render the programme ineffective in terms of poverty alleviation.

9.3 Multisectoriality at Project, Policy and Institutional Levels

9.3.1 The conceptual and policy framework

If the poor cannot be conceived as one homogeneous group, neither can the condition of poverty be reduced to just one variable, for example lack of income. Section 3 of this report thus described urban poverty as multidimensional, for example, being characterised by limited access to basic sanitation infrastructure, vulnerability to violence and crime, low education, health and housing standards. Thus any policy and project that seeks to alleviate poverty needs to be multisectoral and integrate a range of components designed to meet a range of causes and manifestations of poverty. This does not mean to say that single-sector interventions, such as water projects, have no value, but instead that such approaches address specific needs and not the condition of poverty as a complex multidimensional phenomena.

Multisectoriality as a character of government strategies to address poverty can be analysed at three levels. At the project level firstly, multisectoriality can address poverty through, for example integrated physical upgrading (water, sanitation, paving, electricity, reforestation and such like) which can reduce poverty in a multiplicity of short and long term physical and social ways, or a project can be multisectoral when it combines physical intervention in the built environment with other non-physical activities. However, such a focus on integration and multidimensionality of urban poverty needs to be seen in the context of the wider social and economic framework in which the poor are embedded.

\(^{19}\) Even then, the findings of this report were widely doubted by the research interviewees and questioned on the basis of the poverty line used and the definition of favela applied. It should also be remembered that the income of residents of favelas, many of whom work in the informal sector, can be subject to considerable variation from one week to the next.
environment with initiatives for social development (cultural, sporting, educational, health and such like), thus addressing yet more dimensions of poverty. At a policy level, it can be argued that multisectorality should ideally involve more than a degree of co-ordination between the various sectors implementing multisectoral projects. It should imply the co-development of policy and co-planning of programmes by the range of sectors within government whose work can alleviate poverty. Multisectorality in this way can enable a more appropriate allocation of resources to target a wider diversity of needs of the poor. Finally, multisectorality at the institutional level is also a necessary mechanism for effective poverty alleviation by creating the administrative and legislative frameworks that stimulate and reinforce multisectoriality at the policy and project levels.

9.3.2 Multisectoriality at the project level

When examining multisectoriality at the project level in Favela Bairro, it can be seen that the programme aimed from its very inception at being multisectoral in nature. Multisectoriality, according to Márcia Coutinho, who helped develop Favela Bairro, was recognised within the SMH as essential in order to reduce financial losses resulting from isolated and selective upgrading, but more prevalent among interviewees was the view that multisectoral upgrading is needed to meet the multidimensional needs of the poor. Favela Bairro displays a multisectoral character especially in terms of the physical environment, upgrading sanitation networks, water systems, public and domestic lighting, roads and paving, reforestation, public squares and buildings, and addressing natural risks and hazards. Purely in terms physical upgrading, however, few interviews perceived Favela Bairro as multisectoral, instead understanding the concept to apply to Favela Bairro due to its inclusion of social development initiatives (income generation and training projects, nursery schools, community centres, sports facilities), as well as components to upgrade the physical environment.

In more detail, interviewees’ perceptions of how Favela Bairro is multisectoral in approach was largely perceived in terms of the balance and linkages between the social and physical components of the programme, with some stressing the social benefits derived from physical upgrading, and others stressing the need for stronger commitment to social development through social projects. In the opinion of Maria Lúcia Petersen, Favela Bairro’s manager, the physical ‘opening up’ of favelas to the outside world and the creation of new public spaces acts to transform the relationship between the state and the local community, directly affecting the presence and ways of operating of the drug dealers, changing local power structures and democratising participation. Similarly, according to architect Paulo Casé, integrated upgrading “... provides favelas with access to the same services and infrastructure available in the rest of the city; it changes the physical environment as well as people’s behaviour, generating community spirit and creating citizens”. Alternatively, the view was expressed that physical upgrading on its own is not enough, and Maria José Xavier, responsible for Favela Bairro social policy, argued that the social components of Favela Bairro, together with social participation, complement the physical
transformations and make the upgrading process smoother. Similarly, Sonia Café and Danielle Machado from the SMTb argued that while physical upgrading improves the quality of life and addresses the right to essential services, only education, training and income generation projects can ensure proper social development.

Within the SMH, however, the shared general view was that it was too soon to assess the synergies between physical and social development in the favelas already upgraded by Favela Bairro, and that in order for its projects to be more effective in meeting the multidimensional needs of favela residents, there remains a need to increase the participation in Favela Bairro of other municipal departments, especially those dealing with education and training, income and employment generation, and health. The representatives of the residents’ associations of the three settlements studied, plus members of the Grupo dos 16, similarly all emphasised the importance of an integrated approach which could respond to a wide range of needs of the local communities and reduce the power of drug dealers who are the traditional providers of social assistance in favelas.

The imbalance between the physical and the social at the project level was explained by interviewees in various ways. Several interviewees, for example, commented that originally the IDB was very resistant to the social components of Favela Bairro, and according to Maria Lúcia Petersen, “The IDB originally only wanted roads and sewerage”. Similarly, Sandra Jouam, responsible for community participation within the SMH, stated that the only social aspect the IDB originally wanted was sanitation education. Thus the SMH had to put a lot of pressure on the IDB to widen the programme, but resources for the social components remained limited, indeed, “... they only cover certain social facilities but no social projects. We have to look for other sponsorship to finance the social projects” (Sandra Jouam). Thus, while IDB financial backing for social projects has now been obtained by the SMH, the Bank’s initial refusal to fund these projects led to serious imbalance between the physical and social at the project level, especially during the early phases of Favela Bairro.

Furthermore, the bias within the SMH itself toward physical intervention at the expense of social was also cited by a number of interviewees as a reason for the shortage of resources assigned to social development within Favela Bairro. In fact there are only two people within Favela Bairro with responsibilities regarding social issues. Maria José Xavier, one of them, claimed that there is a lack of understanding and appreciation of social policy within the SMH, a view shared by the manager of Favela Bairro, Maria Lúcia Petersen, who also pointed to the fact that “... the previous clientelistic way of working with favelas has created little interest in, or capacity for, new approaches to social development”. This view was also expressed by some from outside the government, for example representatives of the housing NGO Bento Rúbiao, stated that there is a “... limited capacity and understanding on the part of SMH personnel to deal with an integrated approach”. On the other hand, according to Itamar Silva, a leader within the favela movement in Rio, Favela Bairro “... passes too much responsibility for the projects to architectural offices which
often have never worked in favelas before nor have experience of social development projects”.

This raises the issue of procedural and practical problems also identified by many interviewees as conspiring against the multisectoral nature of Favela Bairro projects. For example, Luis Alberto Simões, one of the architects responsible for the project of Formiga favela, argued that the standardisation of project design favoured by the SMH undermined innovation and the tailoring of projects to each community and their diverse needs. He stated that “… it is unlikely one could ever develop a model design and a model project in view of the heterogeneity of favelas and their sometimes extremely difficult locations. If one implements a standard project one ends up making alterations which are in fact deformations”. The quantity and quality of information available for project design was also criticised. Newton Ferraz, General Co-ordinator of Ambiental engineering firm, for example, commented that “… the survey material which informs the project design and planning is often poor, creating many construction problems and problems of co-ordination between the different components of a project”.

Other problems experienced at the project level and acting to undermine the programme’s effectiveness were blamed on the time pressures inherent to Favela Bairro. For example, Andrea Cardoso, co-ordinator of projects at SMH, considered that time pressures prevented the establishment of the partnerships needed to strengthen the social components of Favela Bairro projects, while Carmen Martins (of IPP) believed that the speed with which projects have to be planned prevents adequate assessment of the community needs and tends to limit the possibilities of a multisectoral approach. Thus there was the criticism that “The emphasis of the SMH is on getting the job done quickly at expense of quality and participation” (Paulo Saad, architect). Also prejudicing the balance of the upgrading projects was argued to be the bidding procedures followed by the SMH. For example, João Lagoeiro Barbará, from Concórdia Engenharia, referred to the problems created by the system of bidding which tends to favour unrealistic low bids. The result is often the interruption of work while waiting for more funds, the reduction in quality and the dropping of some components of the project, affecting in this way the integrated balance of the intervention.

A critical dimension of any multisectoral approach at the project level is achieving maximum impact not just in the short term but also ensuring continuity and sustainability over time. Here the question of maintenance is crucial, yet according to the academic Maria Alice Rezende, there are limited resources and limited ability within the SMH to prepare the community to maintain infrastructure and give continuity to the different aspects of Favela Bairro intervention. According to the Grupo dos 16, the “… lack of planning for maintenance threatens to undo improvements made by Favela Bairro”. The POUSOs, for example, the structures created to ensure continuity once the projects are finished, are “… very problematic and have created a power conflict with the resident’s associations” (Grupo dos 16).
Multisectoriality at the project level also concerns the relationships established between the various actors involved, as well as the range of sectors represented in a project, thus involving the way agents and actors participate in the process of decision-making and management. Many of the interviewees stressed the important role played by private sector architectural practices, and while there was considerable praise for what they have achieved, widely held (including among the architects themselves) was the view that their role has been very problematic at times and not always conducive to, or compatible with, an integrated approach. Lack of experience of working in favelas at the scale of Favela Bairro and in a multisectoral manner, lack of experience of working in a participatory manner, and bias towards a more design and physical orientated approach, were some of the problems raised. Maria Lúcia Petersen, for example, considered that in general the architects in Favela Bairro resisted the strengthening of social components and that "... they do not have the necessary skills for good planning of integrated infrastructure work". While according to Sandra Jouam of the SMH, architects have an "... inability to listen to the community [that] means that not all its needs are met or met in the best way". From the engineering company, Ambiental, Newton Ferraz also argued that "... few people have skills to balance social, architectural and engineering components of Favela Bairro", and he argued that the quality of design and construction work of projects varies considerably, depending on who is involved.

Many problems surrounding the work of the private construction companies during the upgrading work were also highlighted as acting to the detriment of a multisectoral approach. For example, the architects of the Formiga project considered that these companies have a very "... selective interest in only the profitable parts of the physical upgrading work", and architect Paulo Saad pointed out that the many layers of sub-contracting of construction work compromise the co-ordination and the quality of the work. Even within private companies differences in attitude between those in an executive role and those performing technical tasks in the field were highlighted as problematic. For example, in the privatised electricity company, Light, there are very few people working on the company’s social and cultural projects for favelas and the technical staff of the company were described as not understanding the value of such activities (Márca Coutinho).

Regarding the issue of community involvement, discussed in more detail in sub-section 9.4, this can be argued to undermine project multisectoriality if the various dimensions of community needs and understandings of poverty are not identified prior to project planning. Among the interviewees (both inside and outside of the SMH), there was general scepticism that the amount and quality of community involvement was insufficient to ensure meaningful multisectoriality that could respond to the specific and diverse needs of each community. Indeed, the Grupo dos 16 argued that Favela Bairro projects display a rigidity in their approach, as well as presenting limited opportunities for community participation in planning. In addition, while the issue of weak user’s participation is essentially a political one, it is worth repeating that the speed and procedures associated with the preparation of individual projects
are also likely to prejudice community participation, and thereby multisectoriality.

In sum, the multisectoral character of Favela Bairro at the project level owes much to the multidimensional upgrading of the physical environment that each project undertakes, though this interpretation of multisectoriality was not held by the interviewees. In addition, the multisectoral character of projects is strengthened to some extent by the inclusion of social development initiatives, but here it can be concluded that the balance between the physical and social remains uneven. For example, staff at the NGO IBASE agreed that on this basis the multisectoral nature of Favela Bairro projects is still limited and tends to favour the physical aspects of upgrading, but they did consider it to be a major step forward in relation to previous public programmes in favelas. It should be also recognised that “... the social projects and social components of Favela Bairro have grown in importance as other actors have got involved” (Maria José Xavier, SMH), and this process should progress still further with the future prospect of IDB direct funding for Favela Bairo’s social projects.

9.3.3 Multisectoriality at the policy level

While at the project level Favela Bairro reveals a strong multisectoral character in terms of physical upgrading in itself, and in terms of physical and social upgrading together, the interviews revealed that at the policy level multisectoriality is of a weaker character. At the initiation of Favela Bairro, the SMH was the only municipal department involved in Favela Bairro, being solely responsible for programme planning, operation and implementation. Since then, as revealed in Section 7, more departments have become involved, but according to Paulo Cavaliere of the SMH, “… through the SMH control over housing policy is centralised, control over the housing budget is centralised but the execution of policy is decentralised, though the definitions and the decisions regarding projects are always taken within the SMH”. This vision of the SMH was also confirmed by Márcia Coutinho, one of the founders of Favela Bairro, who described the disparate activities undertaken by various departments and utility providers prior to the establishment of the SMH and then went on to say, “But now the SMH has centralised all these activities and now co-ordinates the activities of all these bodies … In other words the SMH has not assumed responsibility for undertaking all these activities but instead of managing them”.

Given that design and construction work on Favela Bairro projects are contracted out to the private sector, the involvement of other municipal departments and agencies in Favela Bairro is either for the purpose of administering and implementing social projects (SMTb, SMDS, SMC), or for the purpose of approving and/or implementing upgrading plans that concern public infrastructure and services (Environment Department, GeoRio, COMLURB, RioLuz, CEDAE). Indeed, an explanation commonly advanced to account for the increasing range of departments and agencies in Favela Bairro was the practical impossibility that the SMH alone could implement an upgrading programme that was rapidly escalating in size and political importance. One member of the SMH, for example, declared that “If we don’t
have the co-operation of other levels of government and other sections of society what we can do is very limited as we don't have the capacity" (Andrea Cardoso). The difficulty of contracting more staff to work at the SMH in a climate of government restructuring was also highlighted as a reason why the internal capacity of the SMH could not simply be expanded.

In terms of policy making, the content and shape of Favela Bairro remains the sole responsibility of the SMH, though departments such as the SMTb and SMDS shape their own components within Favela Bairro. Thus, for example, the SMTb designed its own policy initiatives, but in conjunction with the SMH it was decided which initiatives would be implemented as part of Favela Bairro, while similarly the SMDS devised the idea of the integrated community centres (CEMASIs), as well as subsequently undertaking their administration and operation. In contrast it is the SMH that has to approach other departments such as Culture and Sports and Leisure, proposing ways in which they can get involved and then entering into (sometimes very lengthy) processes of negotiation.

The relationship between the SMH and SMTb was described by interviewees as perhaps the closest of inter-municipal relations surrounding Favela Bairro, with the two departments having similar approaches and ideas concerning governance and prioritising the needs of low-income groups, indeed the Director of Employment and Income at the SMTb, Sonia Café described the SMTb and the SMH as being "... in harmony". Relations between the SMH, SMDS and IPP were also reported to be close and based on historical ties and personal contacts. Officials from IPP, for example, meet with SMH on a monthly basis but while these meetings are described as giving IPP a voice that is listened to, its influence over the shaping of SMH housing policy was regarded as weak (Carmen Martins, IPP).

During the interviews many examples of problems between public sector institutions were given, varying in their permanence and impact upon Favela Bairro. For example, relations between the municipal and state governments of Rio de Janeiro concerning security and policing are traditionally poor, but were described by Maria Lúcia Peterson (SMH) as now improving due to better dialogue with the state’s Sub-Secretary of Security. Also regarding the state government, relations with the state water and sewerage company, CEDAE, were described by many as problematic, especially at the policy level (with the state government implementing the water and sewerage upgrading programme called Pro-Sanear). Within the municipal government, agreement between the SMH and Department of Culture over the setting up of cultural centres took three years to reach, while with the Sports and Leisure department little progress has been made, thereby forcing the housing department to implement sports projects (Maria José Xavier, SMH). Finally, constraints imposed by the mandates of the Health and Education departments have proved impervious to negotiations, effectively limiting the role these key social departments play in Favela Bairro.

What is recognised by a number of interviewees is that Favela Bairro has led to a much wider acknowledgement of the importance of favelas within the
municipal government and city as a whole, and of the need to bring about their integration into the rest of the city through both physical and social development. Thus, “There is an understanding throughout the municipal government of the importance of Favela Bairro for the city. Favela Bairro is like a pretty daughter, everybody wants to be its father” (Maria Lucia Peterson, SMH). Similarly, according to Sandra Jouam of the SMH, “Favela Bairro is an advance, managing to institutionalise the idea of the favelas being part of the city”, and finally the NGO IBASE also regarded Favela Bairro as having given favelas and the idea of integration a much more important place in the public administration.

Nevertheless, while there appears to be consensus among the interviewees that Favela Bairro has brought about a greater recognition of the importance of favela policy for the city and brought about the greater involvement of more municipal departments, there was also widespread acknowledgement that what has been achieved to date is inadequate. Thus, according to Sandra Jouam, “... in terms of the municipality itself, integration is not present. The social policy of Favela Bairro leaves a lot to be desired because it does not form part of a political vision within the municipality as a whole ... for example within the departments of Health, Education etc., favelas are still not conceived as part of the city ... I think that the willingness is there to some extent, so much so that the macrofunção was set up, but I don’t see anything concrete coming out of it”. Similarly, according to a representative of the Grupo dos 16, “You see a group of united favela residents’ associations, but you don’t see the public authorities united. There are a lot of divisions between secretaries and between secretaries and the rest of their departments. Only when you get real integration between them will you get a coherent programme”.

Despite this generalised perception that integrated policy making and planning have yet to be achieved, some interviewees were keen to stress that Favela Bairro does represent an advance on previous initiatives. Previously, for example, “The responsibility for installing urban infrastructure was very decentralised, with each department having its own little bit to take care of ... None of the programmes were co-ordinated or had anything to do with each other. The departments didn’t even communicate with each other when they intervened in a community, especially because politics at that time was still very clientelistic” (Márcia Coutinho). Thus, according to Paulo Cavalieri of the SMH, Favela Bairro has “... the highest level of integration I have yet seen”, and similarly, according to Favela Bairro manager, Maria Lúcia Petersen, “Favela Bairro has had an effect on the municipal government in the way it sees the problem of favelas. Now some of the departments that never worked in favelas are working there ... Favela Bairro has had an effect at every level. The process is long, taking four years but Favela Bairro has brought changes”.

The securing of the IDB loan and consequent growth of Favela Bairro was cited by a number of interviewees as helpful in breaking down the barriers and attaining the participation of more departments in Favela Bairro. According to Maria José Xavier of the SMH, for example, the visibility and success of Favela Bairro contributed to departments such as Culture finally deciding to join the programme, with Favela Bairro offering municipal departments access to
additional resources. Similarly, according to Paulo Cavalieri, “The fact that Favela Bairro is very successful, accepted and has financial backing has made it easier for us to work with other sectors within the administration”. However, while the involvement of some departments was attained through persuasion and negotiation, others such as the SMTb and SMDS were eager to participate in Favela Bairro, with the latter entering the first phase of Favela Bairro to take on the administration and operation of nursery schools built by the programme, and the former joining forces with Favela Bairro as soon as it was established in 1997. Thus the SMTb immediately recognised in Favela Bairro opportunities to access resources and to work at scale in communities where residents were already prepared for state intervention, thereby helping overcome its lack of experience and capacity (Sonia Café, SMTb).

Thus it can be concluded that while Favela Bairro is characterised by the involvement of more municipal departments and public sector bodies than any non-conventional housing programme previously implemented in Rio de Janeiro, the programme cannot be described as truly multisectoral given the centralisation of control, resources and power over the programme within the SMH. The Housing Department has, since the inception of Favela Bairro, pushed for the wider involvement of other government sectors within the programme, fighting political resistance and a culture of single sector planning and intervention. Nevertheless, it was also observed in a number of interviewees that the SMH itself is not immune to this culture and to the influence of political considerations, so while cross-sectoral participation has grown, a truly multisectoral approach to planning and decision making at a policy level has yet to emerge.

### 9.3.4 Multisectoriality at the institutional level

At the institutional level mechanisms are in place to encourage multisectoral policy and project development, with these mechanisms reflecting broad shifts in patterns of governance in Brazil resulting from the 1988 Constitution, as mentioned in Section 6 of this report. These shifts were cited by some interviewees as a crucial factor in enabling the development of multisectoral co-operation in the early 1990s under the municipal administration of Cesar Máia. Thus the 1992 city Master Plan and the resulting climate of government reform led to the formulation of cross-sectoral planning bodies and a legislative framework more conducive to multisectoriality.

According to architect Paulo Casé, before the Master Plan interventions were limited and uncoordinated, and in contrast the Plan acted a vehicle for strategic planning. In addition, the government of Cesar Máia set up the two macro-policy forums (macrofunções) of urban planning and social policy that meant that “…the municipal government began to be structured in such a way as to favour the integration of the work of various departments. Before there was nothing like that, with every department being the sole owner of its power” (Maria Lúcia Petersen). The macrofunções thus acted as a stimulus to generate cross-departmental co-operation by creating a favourable political climate and, in terms of Favela Bairro, they served as a forum through which the SMH could encourage other departments to get involved the programme.
As a forerunner, the Executive Group for Popular Settlements (GEAP), formed in 1993 during the Cesar Mâia government to formulate housing policy and negotiate with the IDB, also acted to cement inter-departmental relations, though members of the GEAP already had a history of working together (mainly through the Mutirão Project) in low-income settlements. According to Paulo Cavalieri of the SMH, GEAP helped establish a clear vision among the different departments and agencies involved of what housing policy in Rio should try to achieve, and the support of the then Mayor Cesar Mâia was essential in establishing that consensus.

Despite the establishment of the macrofunções and GEAP, their effectiveness was questioned by some interviewees. The macrofunção of urban planning brings together those departments more directly associated with physical interventions in the city, and in Maria Lúcia Petersen’s view it achieves collaboration much more at the level of implementation than of formulation and planning of programme, while regarding the macrofunção of social policy, the difficulties are greater, not least because some of the social policy departments do not specialise or even deal directly with favelas. Similarly, while the 1992 Master Plan created the legislative framework necessary for land expropriations and legalisation, the procedures and mechanisms in place prejudice this aspect of Favela Bairro’s work. For example, according to Mârcia Bezerra, responsible for land regularisation within Favela Bairro, “The tradition of ignoring favelas means that there is little information available on who owns land and the procedures for regularisation and expropriation are out-dated and inappropriate”. This in her view considerably slows the legalisation process and weakens an important component of Favela Bairro’s integrated approach.

This points to the broader problem of the institutional culture in the municipal government, highlighted by many interviewees as important owing to the lack of a tradition of working co-operatively, coupled with political conflict between and within municipal departments. For example, according to Paulo Cavalieri, “... integration is still in process because to achieve internal integration with the public sector is very complex; there are many conflicts which basically boil down to conflicts over power”. According to Sandra Jouam of the SMH, “There is not the political will at a general level to instigate co-operation between the departments. Proposals exist, discussion happens, but nothing comes out of it in reality. What exists is the idea of integration, but there is resistance to it at all levels and nobody has been able to break down the barriers that prevent a true integration”.

In addition to political reasons, ideological resistance to working in favelas was highlighted to be the reason why some departments refused to join Favela Bairro, instead wanting to cater solely for their traditional middle and upper class clientele. On a more paradoxical note, while it was acknowledged that Favela Bairro has been a driving force in improving cross-sector co-operation within the municipal government, it was also recognised that the SMH is itself unwilling to give up its strategic and political hold over Favela Bairro (Ricardo Gouvêa, Bento Rubião), thereby acting to undermine the extent to which Favela Bairro can assume a truly multisectoral character. Thus, according to the staff of IBASE, “Favela Bairro is born out of an authoritarian culture and is
not yet creating new institutional relationships ... institutional change is very localised and does not express the dominant approach of the government”. Nevertheless, the institutional mechanisms (macrofunções) to foster multisectoriality remain in place, and are even in the process of being strengthened under the terms of the latest IDB loan for Favela Bairro. Thus, while the obstacles to establishing a genuine multisectoral approach at policy and project levels are considerable, the institutional and legislative frameworks have at least been adapted by the municipal government to facilitate its establishment.

9.3.5 Multisectoriality and poverty alleviation

Favela Bairro, in the view of many interviewees, is a predominantly physical multisectoral intervention aimed at promoting physical and social integration in ways conducive to the “redeeming of citizenship”, as it is described in the official publicity of the programme. Thus the implementation of multisectoral projects by Favela Bairro can be seen to correspond to the multidimensionality of needs (for infrastructure, employment, recognition, poverty, security, child care) of the residents of squatter settlements in Rio. PHYSICAL PROVISION CATERING TO NEEDS BUT IMPLEMENTATION OF SOCIAL PROJECTS WEAKER While at the project level Favela Bairro reveals a bias toward the physical at the expense of the social and its effectiveness is undermined by procedural problems of many types, nevertheless the upgrading projects of Favela Bairro can be clearly seen to embody a multisectoral approach that corresponds to many, if not all, of the dimensions of poverty that characterise Rio’s favelas.

The weakness of the social components of projects can in part be explained by developments at the policy level, where multisectoriality can be argued to be weaker. While the involvement of a wider range of municipal departments and actors has grown over time, and is currently being further strengthened, Favela Bairro still remains firmly under the control of the SMH. To that extent it can be speculated that Favela Bairro resources could be used more efficiently and a greater range of needs and problems be addressed more effectively if decision making and the planning of policy were undertaken jointly by a range of municipal and state actors whose responsibility it is to manage the city and its problems. Instead power over Favela Bairro remains largely centralised in the SMH which suffers from its own internal divisions concerning the balance of physical and social upgrading. Similarly, while the institutional and legislative framework in which Favela Bairro operates has been conducive to the development of some multisectoriality at the policy level, it can also be argued that that framework needs to be further strengthened and made more sympathetic to the approach that the programme and its projects are trying to develop.

9.4 Participation, Partnership and Devolution

9.4.1 The conceptual and policy framework

Section 3 of this report identified the issue of participation as being crucial to
the new approach to poverty alleviation, it being understood as a process which impacts upon the existing structures of political and administrative power. Thus not only has there been a growing recognition that the poor should be given a role in defining and understanding poverty, but that they should also be instrumental in the formulation of any initiative that affects their living and working conditions or that may be designed to alleviate their poverty. In order to facilitate the analysis of what participation is, this report defined three levels or forms of participation. First was participation as any form of intervention by communities in processes that affect them. Second, the concept of partnership was proposed to signify the creation of structural mechanisms designed to ensure the participation not just of communities, but also private and non-governmental sector bodies, thereby capitalising upon a range of skills and resources and ideally ensuring that those are allocated in ways most appropriate to the needs identified by the poor themselves. Finally, the concept of devolution was presented to characterise policies and activities that seek to bring about institutional and administrative changes so as to foster the participation of diverse civil society organisations in decision making and resource allocation processes, thus focusing not just on poverty alleviation through resource transfers, but also through the permanent transfer of power.

9.4.2 Participation

Looking firstly at the motives for participation that are evident in the Favela Bairro programme, the predominant view among the SMH officers managing the programme was that the main reason for the participation of either the community or any other organisations is for functional and utilitarian purposes, translating into benefits for the programme and especially contributing to its smooth implementation. Nevertheless, more general and long term social consequences for the communities were also recognised as a motive for community participation, for example, according to Maria Lúcia Petersen, the Manager of the programme, relations with the favela residents aim at "... fostering community organisation and confidence to demand new social policy projects and not just those offered by Favela Bairro". But even those officials more concerned with the social dimensions of the programme failed to recognise the participation of communities as their right to influence decisions affecting them.

According to Andrea Cardoso, Project Co-ordinator of Favela Bairro, the IDB as the financial backer of the programme, played the initial role of demanding some form of community participation in Favela Bairro, a view confirmed by Sandra Jouam of the SMH. Indeed, the latter agreed that in its inception the programme had a utilitarian idea of participation, but that this has since changed. Early forms of participation were mainly concerned with the need to avoid community-municipality breakdowns in communication that could lead to temporary stoppages of the construction work. One measure included contracting community labourers as a way to reduce hostility, especially of local drug dealers. Thus, according to Sandra Jouam, "... participation in the Favela Bairro programme was conceived as a way to consolidate the project rather than an end in itself".
Today, however, utilitarian objectives are accompanied by long term social goals. The purpose of participation is now also to ensure that the projects are designed with the needs of the communities in mind. Sandra Jouam thus wished that communities had “... the capacity to design a project together with the architects and then to continue managing their own neighbourhoods and negotiating with the authorities”, and that community organisations were “... able to supervise Favela Bairro, but also, through participation to recover self-esteem and value ... participation should be about teaching people to protect and demand their rights ... should be a means for people to realise the role they can play in developing new values and citizenship”. This combination of utilitarian and social objectives within a framework defined by the SMH, appeared in the views of other officials. For example, Maria José Xavier, Coordinator of Social Policy for Favela Bairro, considered that community participation aims at “... making better projects, easier to implement and ... the development of a social process that strengthens community organisations and democratises participation”. In the same vein, Maria Lúcia Petersen considered that relations with the community help residents “... to understand what Favela Bairro is about ... to generate their participation in the social projects in the programme”. According to her, the reasons for community participation are both “... to change people’s behaviour, developing citizenship ... [and] to ensure the sustainability of the upgrading done by encouraging the community to maintain it”.

The reasons for community participation advanced by other public sector organisations and some of the architectural firms involved in the programme were not different from those held within the SMH, combining utilitarian and social objectives within a top-down framework. For example, Sonia Café and Danielle Machado, from the SMTb, considered that community operation of the facilities provided by the programme contributes to their “... sustainability rather than their dependency on the government” and that the management and maintenance of services and infrastructure helps to create local jobs. For Paulo Casé, from Associated Architects, the relationship between the architects and the community aims “... to get the residents to trust what the architects are doing”. Summarising the various strands, the architect Pablo Benetti stated that “... participation started because it was demanded by the IDB. It has evolved and today it should promote inclusiveness and diminish anonymity, as well as helping to maintain the Favela Bairro infrastructure”.

Unsurprisingly, the private companies involved in the construction work of Favela Bairro tended to interpret participation from a more pragmatic viewpoint. For Raimundo Santa Rosa, from the privatised electricity firm, Light, “... close relationships with communities facilitate the technical and commercial work of Light”, while for João Lagoiero Barbará, from the firm Concórdia Engenharia, a good relationship with the community is “... essential for construction work, prevents security problems and theft of materials”. Similarly, José Claudio Oliveira, Ambiental’s supervisor in Mangeira, considered that “... the work of community agents is to ensure that the communities learn how to use the installed infrastructure and not to destroy it”.
The reasons for community participation advanced by NGOs and academics interviewed for this research were more diffuse. For example, according to Itamar Silva, of Bento Rubião, \textit{“community participation is an option, not an obligation”} in the Favela Bairro programme, and Jorge Arruda, from the same NGO, reported that in his own favela of Mangueira, \textit{“... we were neither approached nor consulted on any issue during the implementation of Favela Bairro, be it construction, organisation of community meetings, opinions or information”}. This was confirmed by staff of the NGO IBASE, who considered that, if \textit{“... Favela Bairro is a project to construct new identities of the city and in the city, this does not happen without conflict ... [however] participation in the programme has not involved enough of a dialogue ... [and] no conditions for a dialogue without subordination or even controlled subordination”} yet exist in Brazil. According to the academic Maria Alice Rezende, the SMH seeks the participation of the community because it recognises that \textit{“... it is not just an architectural programme and that it won’t last if the community is not prepared to view what the programme gives them as public property”}. However, from the Federal University, Reiner Randolph took a more sceptical view, arguing that the programme initially was just \textit{“... an upgrading project with no objectives of developing the political participation of people or their citizenship”}, and thus concepts such as participation and integration were added later as the programme went on.

As described in Section 7, the participation of the communities affected by Favela Bairro takes place mainly through their residents’ associations. These act as a link between the communities and the SMH. The reasons advanced by members of the residents’ associations for their role in Favela Bairro combined utilitarian objectives with a conviction of their duty to defend the interests of favela residents, and also a certainty of their right to participate. This latter point was formulated by the Grupo dos 16: \textit{“Often the government nominates educated people to talk about communities, but it is us who know about favelas and know what to say about favela residents. Therefore the person who gives advice to the government about the favelas needs to be from the favelas”}. Thus the underlying reason for participation is the need to significantly influence the implementation of the projects of Favela Bairro, demanding changes when the communities think these are necessary and pushing for the completion of projects that have been interrupted. This was expressed by a member of the Residents’ Association in Formiga: \textit{“... at the moment the priority of the community is to pave the pathways ... instead of wasting money opening up one more road to cars”,} while Cosme from Mangueira argued that \textit{“... what we would like at the moment is to set up a library for the whole community to use. What Favela Bairro does instead is built a little bit of a park. But what we need is culture not somewhere to play”}. Similarly Eduardo, also from Mangueira, argued the need for more educational and cultural facilities, but stressed \textit{“The project is great, it is just that I want them to listen to us more ... we live here and it is us who know best what the community needs”}.

These statements attest to the fact that community participation in Favela Bairro projects tends to be more active and effective only when construction work gets underway, and less during project planning by the architects.
However, there are some indications that the communities are aware of the need to participate during the initial stages. For example, the Grupo dos 16 confirmed that “… one of the problems of Favela Bairro is the role the community plays in defining the projects”. Of the cases studied by this research, in Formiga there was evidence that the Residents’ Association had played a more proactive initial role, and one member described how they “… heard about a new type of upgrading project that affected the whole of favelas and not just bits of them. Formiga was not in the original list but the [Association] President managed to get it included. The original project was developed through meetings with the community that involved all of its various interest groups - the Residents’ Association, church groups, sport and youth groups and others. The community presented its priorities and then these were selected according to the money available … The final project plan was … presented to the community for their approval”.

In general, the process of interaction with community residents followed by Favela Bairro, was described by Sandra Jouam of the SMH as follows: “Once a favela is selected for upgrading there is diagnostic research done by the architects selected to prepare the project. Normally the architects visit the favela and talk to the residents’ association leaders and some individual residents to obtain information about local needs. Additional information is obtained from the Census and from household surveys undertaken, in the past by the Sanitation Education Agents, and today by their replacement, the Housing Policy Agents. This is the first instance of the consultation/participation process, for which there are no special rules or general instructions about how to listen to the community. The quality of the information and its value as an expression of the character and the priorities of the community concerned are not properly controlled. All depend on the personal ability, interest and the concepts of the architects and their advisers. After some time the architects come back with the project and the second instance of participation takes place. This normally consists of the presentation of the upgrading project to an assembly of residents”.

What emerges from the interviews carried out with SMH staff is that in general they hold the opinion that favela communities do not have the capacity to understand the abstractions of a project during its initial development. Andrea Cardoso, for example, argued that residents “… always approve everything at first, but fight it during the construction phase”. This was also the opinion of Maria Lúcia Petersen who declared that “… communities only really began to understand what is happening when construction works start”. This signifies that the participation process which takes place during the construction work is lengthy, often informal and complex. It is also the means by which the communities alter the initial project plans. According to Sebastião Leite, the SMH supervisor of the Formiga project, “… the assemblies to explain Favela Bairro are insufficient, specially as those in the poorest and most problematic areas don’t attend [thus] it is inevitable that the architects and construction companies have to listen to the worries and issues of the community during the construction phase”.

As discussed briefly in Section 7 of this report, the architectural practices
responsible for project planning play a fundamental role in participation processes. The firm responsible for the project in Formiga, for example, first had informal meetings with the leaders of the local Residents’ Association, “... followed by time spent ... talking to people affected by the problems under consideration in the project” (Luis Alberto Simões). Thus in Formiga, participation was “... mostly through informal chats as the project develops” (ibid.), with the role of architect being to know “... how to listen to the community but also to deny them what is not practical or in the common interest” (Fernando Santos). Similarly, the experience of the architects of the Mangueira project consisted of “... meeting the presidents of the Residents’ Associations and visiting the community a few times before designing the projects with the purpose to research the basic community characteristics” (Paulo Casé). Jorge Jâuregui, architect of the Fernão Cardim project, argued that “... the architects have to develop the skill of listening and of identifying who one must talk to”. Thus, the main contact of his firm in the favela was with the Residents’ Association, while relations with others “... were mainly sporadic” (ibid.). In addition to informal interaction, however, some mechanisms to foster participation are more organised, for example, Pablo Benetti, the architect of several Favela Bairro projects, described the efforts made through flyers and general assemblies to consult the population, while in contrast, the architect Paulo Saad argued that “... participation consists of inviting the community to say ‘yes’ to the package proposed”.

From the perspective of favela residents directly affected by Favela Bairro, their attitudes toward participation appear to vary in accordance with how the project operated in their community. Thus, in Formiga, with its long history of community mobilisation, the Residents’ Association set up a community council for the purposes of Favela Bairro, with direct access to the SMH. Residents described how, at the start of the project, information about community meetings was distributed through pamphlets to all residents, thus one resident argued that if people “... don’t participate it is because they don’t want to”. Generally the residents argued that “... the original project for Formiga developed through wide discussions where the community presented its priorities”, and since then the slow progress made was precisely “... because the community is being listened to”, thereby necessitating changes to the project. In contrast, in the complex of favelas that make up Mangueira, the associations were very critical of participation processes, considering “... the initial meetings with the architects were very restrictive in terms of participants and what the community could say; the project was presented as a package to take or leave”. Thus, one association leader complained that “Favela Bairro doesn’t ask residents or their leaders what they want for their communities”, and instead residents are only listened to when they become confrontational. Finally, according to the Residents’ Association of Fernão Cardim, few people from the Association or from the community were involved in the project planning or understood the project at its inception. No proper information about the programme, including utility charges, was distributed, and like Mangueira, the interest of the community only started with the beginning of the construction work.
Given that much interaction with residents and the implementing authorities takes place during the construction phase of projects, this involves the private construction companies, utility providers, engineering consultants and on-site architects in negotiations with residents. These actors are present in the favelas precisely when the population becomes more aware of the collective and individual implications of upgrading. Thus representatives of the engineering firms Logus and Concórdia both described the key roles they play in explaining projects to community, taking on the role of social workers, but mainly interacting with local residents’ associations (and thereby indirectly encountering the demands of local drug traffickers). The views of the on-site architects working in Mangueira confirm these assertions, while also reporting efforts made to facilitate consultations and interactions with the community, such as meetings organised at night with the presence of government and utility company officials, plus numerous meetings with individual residents who approach the site office seeking information, requesting changes or complaining.

The development of the SMH social policy group has been translated into a number of changes in community participation, that started around 1996 but were only implemented from 1999 onwards. The most important methodological change was the introduction of thematic workshops during the diagnosis phase. These are advertised house by house by the Housing Policy Agents, who explain how the process of consultation will take place, the assembly and the workshops. According to Sandra Jouam, the social policy group “... put forward the idea of thematic workshops covering infrastructure issues but also social policy and issues such as job creation, health and education. We invite the population to participate in these workshops so that they can tell us what they want out of the project in each of these themes ... The purpose of the workshops is not to present anything to the communities for their approval, but instead to investigate what they want. The information obtained in the workshops is given to the architectural firms in the form of a document summarising what was said. I think that for the initial projects of the architects to have any validity they have to start from scratch, by listening to what the population has to say and thereby designing their projects with the needs of the population in mind”.

What can be seen from this examination of how community participation in Favela Bairro occurs, is a reflection of the shift away from participation for purely utilitarian motives, toward a recognition of participation for the purpose of social development. Initially, the SMH was forced into consulting residents because the IDB’s policy requirement that each upgrading project be presented and approved by the community. Since then, however, experiences accumulated by the staff of the SMH in response to changes in the way favela residents relate to the programme (also a consequence of their own learning process), coupled with the introduction into the SMH of specialists in social policy, have been translated into new concepts and attitudes. The attitude of the SMH has thus moved from a lack of interest in participation towards a “... slow realisation of the merits and advantages of participation”, which, in the words of Sandra Jouam of the SMH “... required a sort of political struggle within the SMH”.

While the interviews show that there is not one single and consistent understanding of the concept of participation within the SMH (and certainly not within the municipal government), the principle of community participation appears to be widely accepted, with its meaning being the subject of regular debate within the SMH. It appears that increasingly, participation is understood as something more than just procedures to make projects easier to design and implement. Sandra Jouam again revealed the most progressive interpretation of participation, seeing it as a process whose objective is the transformation of the communities, “... which requires the formation of new values so that the population can position itself within society ... our work is to open a channel through which the people can speak and be listened to, respect and be respected. The eradication of poverty is not going to happen just at the level of the community, but at that level it is possible to define a platform upon which self-respect is re-established ... this still hasn’t happened ... favela residents are treated as something to be studied, as something dependent and always receiving the resources of the state, as something to be co-opted and controlled”. Supporting this view, staff of the NGO IBASE reported that the dialogue between favela residents and the government still “... leads to the subordination [of the latter] ... The top-down participation adopted leaves the community leaders too close to the government and keeps participation above the residents ... Favela Bairro is too much of a ready made programme with just a little new space for participation, while practical construction problems are frequently used as an excuse to reject community demands”.

Examining other perceived obstacles to community participation processes in Favela Bairro, staff of the SMH all noted the negative influence of an historical culture of co-optation and patronage, of the “... absence of a history of consistent and organised popular mobilisation in Rio de Janeiro ... [where communities tend] only ever to organise around limited and short term issues” (Maria Lúcia Petersen). The relationships between the state, the representative of the communities and the favela residents constitute a field of bad experiences, mistrust, abuse and corruption, becoming currently one of the most formidable barriers to participation. This acts as a general backdrop affecting all forms of participation, but in addition, SMH officials also forwarded other obstacles to participation. Andrea Cardoso and Sebastião Leite, for example, cited the difficulties caused by the very nature of Favela Bairro, among them the difficulty for an uneducated population to understand complex projects; the lack of experience in community work and limited tools available to the architects, including their lack of power to be innovative in their methods and approach.

Maria José Xavier and Sandra Jouam also singled out the confusion and poor understanding within the SMH of the objectives and modes of community participation. The former, for example, argued that “... participation was initially very unpopular in the SMH. Today is more accepted but far from all are convinced of its merits and many see it as just more work”. A number of staff also identified the weaknesses and ambiguities of favela residents’ associations as another serious obstacle for participation. The lack of legitimacy of some associations, their double role of representing the
communities to the state and the state to the communities, their widespread
direct and indirect relations with drug trafficking gangs, all constitute barriers to
participation. Indeed, the violent and corrupting role of the drug traffickers was,
among all the research interviewees, the most frequently cited factor inhibiting
participation.

As shown above, project architects also play a key role in Favela Bairro
participation processes. The obstacles they encounter to fostering community
participation are not very different to those identified by the SMH, though they
stressed the problems caused by time pressures and the need to produce
results according to a contractual schedule clashing with the slower pace of
social processes. Pablo Benetti argued that the “... undermining of channels for
participation during previous governments makes this practice hard to
establish quickly”, while the architect of the Fernão Cardim project found that
“... the complexity of social relations and groups in favelas means that relations
take a long time to establish” (Jorge Jáuregui). The architects of Formiga also
singled out the pressures of time as an obstacle to participation, indicating that
because of this “... in the latest phases of Favela Bairro there is no time to
explain the project to the community and gain their support”.

In the course of organising their relationship with the community, the architects
of Formiga found that the Residents’ Association could also become an
obstacle to the participation of the community because its leaders would
sometimes pursue interests of their own and not of the community at large.
The SMH procedures devised for participation, and the concept itself, also
came under criticism from the architects because of the lack of reliable data
available about the communities and the allegedly wrong assumption that
favela communities are able to participate in project planning while in fact they
cannot understand project plans. Another criticism was the assumption of the
SMH that real community mobilisation could be achieved without the
involvement of a political party, while another architect commented on the
limited potential of assemblies while favela residents have a tendency not to
speak at such gatherings. In addition, most of the architectural firms identified
the presence and clandestine interference of the drug dealers in the residents’
associations, as well as their control of certain areas and territory in the
favelas, as one of the most serious barriers to achieving the full participation of
the communities.

From the perspective of the construction companies and the engineering firms
working on site, one of the most important obstacles to community
participation was described as the apparent inability, or unwillingness, of
residents to give up individual interests for the good of the community. Linked
with this, in Formiga the works supervisor recognised that the “... political
exploitation of favela residents in the past has eroded their confidence in the
government ... [and as a consequence, in] the actors involved in the
construction phase”. The construction firm in Mangueira found that this
situation was aggravated when there are delays in the construction work,
sometimes lasting for long periods, and which remind the population of the
traditional failures of the past and “... undermine trust in the programme, the
constructors and their interest to participate”. One important observation made
by the works supervisor in Formiga was that the “SMH seems to deal with the community collectively, at the macro level while the objections and opinions of the residents are individual, at the micro level”. On a different vein, the General Co-ordinator of Ambential found that “... the insufficient number of Housing Policy Agents means that the residents are nor properly prepared to participate in Favela Bairro”, while in Mangueira the construction manager found that “... the size, internal conflicts and rivalries and a culture of gossip undermine the participation of the community”. Most firms also acknowledged the presence and role of the drug dealers as another serious barrier to participation.

Giving a more general perspective on the barriers to greater community participation in Favela Bairro, staff of the NGO IBASE observed that “... there is an authoritarian tradition permeating the relations between the Brazilian state and the poor communities that militates against the participation of those communities”. They described how this situation is expressed in the presence of very few organised spaces for discussing policy and planning options for the cities and thus “... participation is seen generally as consultation only”, especially in the case of Rio de Janeiro, where in the populist tradition, “... local leaders act in their own personal interests ... [and] the drug traffickers remain a primary power and the government does not know how to change this”. Thus, in the view of IBASE, “... the power of the drug traffickers and the fear of the middle classes have prevented the residents’ associations from becoming legitimate participants in policy making”. The academic, Maria Alice Rezende confirmed this, adding that the “... previous destruction of the base for community mobilisation means that the communities still view the state as paternalistic”.

From the community perspective, one barrier to participation was identified as the procedures of Favela Bairro itself, and from Formiga, a resident argued that “... the programme has very limited scope for participation, given that the projects come ready-made to the meetings ... [thus] people are reluctant to participate, get involved, until they are able to see the start of the construction phase”. Similarly, residents from Mangueira identified the interruptions to construction work as one factor undermining the trust of the population, while also “... the technical staff in charge of the works are distant and not approachable”, with their understanding limited by their not belonging to the favela. This scepticism was replicated in Fernão Cardim, where it was reported that residents’ trust was undermined by “... the track record of the government”. Finally, the Grupo dos 16 complained that the residents’ associations are caught in the middle between the government and the communities, and as a result they are blamed for the failure of the public agencies, reducing their standing in the communities. The group also identified as obstacles to participation “... residents’ ignorance of their rights and the unwillingness of the authorities to value the views of the favela residents”.

9.4.3 Partnership

As was stated previously, the concept of partnership identifies a more formal level of participation. It may involve governmental and non governmental organisations, diverse community representatives, private sector bodies and
individuals, national and international agencies. Its purpose is two fold. Firstly, partnerships can stimulate the rise of new ideas and initiatives providing all actors with a framework in which their interventions can influence possible outcomes. Secondly, partnerships capitalise upon a range of skills and resources that may be normally outside the ability of the public sector to provide. The specific characteristic of participation through partnership is the constitution of structured, formal and relatively permanent, or long term, systems of collaboration between multiple actors. The exception is contractual forms of relationship that imply subordination or just payment for the provision of services; these types of relationships are not conceived as partnerships.

Interviews conducted with SMH officials showed a rather confused understanding of the concept of partnership. This sometimes appeared as simple contractual and subordinated relationships, while at other times their understanding rested on the principle of a real participatory relationship. Regardless of their interpretation, however, SMH officials made it clear that they were highly interested in establishing partnerships both with other public agencies and with private organisations and NGOs. This interest seemed to be mainly, motivated by the need to incorporate additional resources rather than by a willingness to accept external influences. Illustrating this, example, Maria Lúcia Petersen argued that “... it is essential to establish partnerships with the private sector. The municipal government doesn’t have the resources for all of this”, while Andrea Cardoso admitted that without “... the co-operation of other levels of government and other sections of society, what we can do is very limited, as we don’t have the capacity”. Some interviewees, however, expressed an interest in partnership as a means to bring social change, as well as mobilise resources. For example, Andrea Cardoso also argued that “... what we need is greater participation of private firms ... because social processes need the participation of many more agencies and groups in order to work ... [but] such partnerships are very difficult to establish”. Similarly, according to Sandra Jouam, “Favela Bairro tries to establish partnerships both within the public sector as much as with NGOs and private companies because we have to involve society as a whole in a proposal for the development of social processes within the favelas”.

Leaving aside relationships between the SMH and other municipal departments, conceived and reviewed above under the sub-section on multisectoriality, Favela Bairro demonstrates few partnerships with the private sector. According to Maria Lúcia Petersen, this is because “... this type of solidarity is not practised in Rio. In general the private sector is not interested in the issue of poverty”. Thus nearly all Favela Bairro’s relationships with the private sector have been in the form of contracts to purchase particular services. Nevertheless, there is at least one example of partnership involving the SMH, the Municipal Department of Culture and the Abrinque Foundation, a private organisation. According to Maria José Xavier this partnership means that the SMH through Favela Bairro will either build or reform existing buildings to be run as Cultural Centres by the SMC and equipped by the Abrinque Foundation.
There is an argument, expressed in all the interviews with SMH officials, concerning whether the relationship between the SMH and the architectural firms designing the projects of Favela Bairro can be considered as a form of partnership, with some considering it as such and others not. Given that this relationship is based upon a contractual duty of providing a paid service, involving therefore a basic component of subordination, it cannot be considered as a partnership under the concept applied in this report. Thus the relationship between the SMH and the architectural firms that design Favela Bairro projects and helped shape the programme in general can be compared to the traditional relationship between clients and architects. As such, there are examples of satisfactory experiences as well as tensions created by misunderstandings, delays, fees and such like.

There are, however, two aspects to the relationships surrounding the architectural firms that suggest that the concept of partnership is applicable to some extent. Firstly, the starting point of the architects’ involvement in Favela Bairro was a competition for Favela Bairro methodologies, in which the architects proposed way in which favelas and the city could be integrated. As such the firms were not responding to a specific architectural brief, and it can be argued that the form of their initial involvement contains the seeds of partnership. Secondly, in the implementation of the projects some unexpected forms of partnership develop, for example with institutions and social actors around the favelas, with the architects being fundamental to the development of these relationships. In the case of the favela of Ladeira do Funcionários, the architect Pablo Benetti managed to establish relations with six institutions located in the surrounding neighbourhood and thereby devise programmes directed to supporting the favela. These institutions included a local military base, a hospital and the railways (with the three providing land for use as squares and streets, as well as a training course for community health workers provided by the hospital), an NGO, SOS Foundation, which provided training to young workers, and the oil company Petrobrás that finances a Circus School for which the favela donated land in exchange for running various courses and activities for children and youths. According to Benetti, without the collaboration of all these institutions, “... it would be difficult to think of any programme to integrate this favela in the neighbourhood”.

Despite the character of partnership evident in the relationships that surround the architectural practices in Favela Bairro, the ongoing relationship between the firms and the SMH can no longer be conceived as a partnership. Not only is the relationship between the two contractual, but also the architects interviewed for this research reveal dissatisfaction with the roles they play and their subordination to other actors and interests. Included among the complaints was the significant reduction in their role once construction work begins. Also changes to project plans are frequently demanded by construction companies allegedly on the grounds of increasing their profits, with the architects having to assist in making these changes and distorting their original projects. Such complaints reveal a reversal of the principle that initially informed the development of Favela Bairro, whereby the architects were approached by the SMH so that together they could develop the foundations of the programme.
Regarding the involvement in Favela Bairro of the construction companies and engineering consultancy firms, again these actors provide a paid professional service to the SMH, motivated by their need to generate profit. The NGOs, on the other hand, in theory constitute the ideal partners in a programme such as Favela Bairro. However, as staff at IBASE pointed out, "... no NGOs working in favelas were invited to participate in the strategic formulation of Favela Bairro [and] NGOs are increasingly contracted to execute public policies ... [so] as agents of public pressure ..." their role has been reduced. Even in the SMTh that relies heavily in NGOs and the private sector firms to implement its training programmes and income generation initiative, it was admitted by Sonia Café that "... the partnerships we have with the private sector do not involve them giving any resources, in fact just the opposite. Any contracts we have with firms or universities or NGOs for them to undertake training courses for us involve the municipal government paying them". Thus, regarding both the private sector and NGOs, real partnerships have not been established with relationships founded on shared decision making and risk taking yet to appear.

As discussed above with reference to participation, the relationships surrounding favela residents’ associations are rather ambiguous, their role oscillating between representation of residents’ interests and being the voice of the SMH in the favelas. There are no formal structures of participation in which the municipal departments and associations could interact as partners or even unequal partners, and instead contact between them is informal, though regular. The Grupo dos 16 constitutes the community organisation with which the SMH has the closest ongoing relationship, and according to one of its members, "... we work not as pressure group, but as partners of the government in Favela Bairro ... we have very good relationships with the Mayor, the SMH and all the institutions involved in the programme. We are with them and they are with us ... what we do is to take to the government not just problems but also solutions to those problems ... in reality we play the role of supervisors of the municipal government". Nevertheless, a member of the group also protested that "... the government still does not value our opinion and experience as much as it should ... we don’t want to be used just as a means to disseminate information but also have the power to influence [the programme]". Similar complaints were made by individual residents’ associations, protesting at the lack of organised mechanisms for communication, but also acknowledging that they have access to the SMH. Thus the concept of partnership as a formal and recognised model of participation, with rights and duties for the partners, did not appear with reference to the residents’ associations, and it is notable that none of the municipal officials interviewed mentioned the associations as potential partners.

9.4.4 Devolution

The concept of devolution defines a change in the power relationships between institutions. It signals that lower levels of government and diverse civil society institutions (NGOs, CBOs, and others) have acquired the right to make recognised and accepted decisions and to initiate processes within their area
of competence. It implies the identification of the right levels at which these decisions and processes might be legitimately influenced and the recognition of that legitimacy by higher levels of authority. As such, there is some overlap between the area of devolution and municipalisation, as can be seen under sub-section 9.5.

In the case under study, the information collected reveals a contradiction between the traditions of authoritarianism and decentralisation in Brazil. Many of interviewees coincided in their characterisation of Brazil as a society with a strong authoritarian tradition at all levels, and according to the staff of IBASE, this is a situation “... that permeates all levels and all groups of society, politicians, policy makers, technicians, intellectuals, and the popular organisations and their leaders”. This, however, has not been an obstacle to the devolution of power from the Brazilian central and state Governments to the municipal authorities, including those of Rio de Janeiro, as shown in sub-section 9.5. The Municipality of Rio seems politically capable and technically and administratively equipped to make and implement decisions that affect its population, having the facility to raise resources for that objective. Beyond that, however, there is no devolution of decision making below the municipality and its departments, as revealed in the above analysis of multisectoriality within Favela Bairro. Favela Bairro was initiated by the municipality through the SMH and power continues to remain concentrated at that level. While the SMH is prepared to promote and accept participation, there is no indication that has even considered the notion of devolving some decision making powers to community organisations or NGOs, and it is also important to note that such a notion was not a demand made by representatives of the favela communities.

9.4.5 Poverty alleviation, participation, partnership and devolution

Participation in the Favela Bairro programme appears to have been initially conceived as a space designed and supplied by the authorities for favela residents to provide information needed by project designers, managers and builders, and to give a channel for the voicing of residents’ opinions on particular issues and products. At the same time participation also acted as a means to provide residents with information on Favela Bairro objectives and merits, to facilitate its implementation and to get residents involved in the future maintenance of the facilities and infrastructure provided. However, both the concept and the mechanisms of community participation in Favela Bairro have evolved over time. In the initial projects it consisted mainly of information gathering and presentation of already finished projects to community assemblies for their approval. In later phases, however, the SMH introduced a social direction to participation, combining the initial functions with the creation of opportunities for the communities to define and incorporate their needs and interests into the programme. Since 1999, thematic workshop have been taking place to foster the participation of community residents from the beginning to the end of projects. However, notwithstanding this new approach, the prevalence in Rio de Janeiro of an authoritarian culture limits community participation processes in Favela Bairro. These continued to be framed within a top-down, subordinated structure, defined by the SMH.
With regard to partnership, the merit of partnership is generally understood to be as a mechanism to bring resources to Favela Bairro, and there have been no significant movements towards constituting formal and stable structures of participation that could provide a framework for such partnerships. The current concept of partnership, shared by the SMH and most other organisations involved in the programme, is reduced to regular but informal relationships, in many cases confused with the provision of paid services, and not including any shift to the dominant position of the Housing Department. Alternatively, there are a limited number of cases that show the emergence of forms of partnership, such as the initial role played by the architectural practices, and the efforts that some architects have since made to gain the collaboration and support of private and NGO actors, albeit on a project by project basis. Finally, devolution of power, functions and resources from the central and state governments to the municipal level has taken place in Brazil, so that the municipality of Rio de Janeiro seems politically, technically and administratively capable of designing and implementing decisions that affect its population. However, there is no devolution of decision making below the municipality and its departments. The SMH is prepared to promote and accept participation, but no evidence was found of any intention to devolve decision making powers to civil society organisations.

Participation, partnership and devolution were argued in Sections 3 and 4 of this report to be a key feature of the new approach to poverty alleviation for through these mechanisms both the nature of poverty and needs of the poor (and especially the vulnerable) are identified, giving them a voice to not only express their needs but also decide how those needs should be addressed. Through partnerships and devolution, participation goes beyond the project level and the temporary, to constitute relatively permanent mechanisms for power sharing, joint decision making and risk taking, thereby institutionalising the right of poor communities and civil society organisations to influence policy making and city governance, while also capitalising upon the diverse skills and resources of a variety of actors. As such, the link between poverty alleviation and the three concepts and activities of participation, partnership and devolution can be shown to be crucial. In the case of Favela Bairro, however, it is in this area that the programme perhaps falls most short of typifying the new approach to poverty alleviation. Participation, while evolving toward broader social development goals, is still rudimentary as a practice and dominated by residents’ associations whose legitimacy can be questioned. In addition partnerships based on structures for joint decision making and risk taking are not in evidence, and while the power of Rio’s municipal government attests to a strong process of decentralisation, Favela Bairro does not demonstrate any devolution of that power to civil society.

9.5 Municipalisation

9.5.1 The conceptual and policy framework

Municipalisation can be identified as a process involving the establishment of local government institutional structures and systems that are adequately resourced and conducive to multisectoriality, participation, partnership and
devolution, city scale. Section 3 of this report highlighted the current consensus that city or local municipal authorities are the most appropriate governmental level to deliver such structures, being closest to and most familiar with the problems and interests of their local populations, and ideally capable of developing city wide poverty reduction strategies through the creation of a regulatory and institutional framework conducive to poverty alleviation. While it is recognised that the creation of an environment conducive to poverty alleviation is not a task that municipalities can undertake easily, it is currently held that to address poverty at the local (city) level rather than national level is a more democratic, accountable, effective and efficient way of addressing local demands and ensuring that the impact of poverty programmes are not constrained by contradictory policy and legislative environments.

9.5.2 Municipalisation in Rio

While government in Brazil has a long tradition of being structured in a decentralised manner (with federal, state, municipal and, from the late 1960s, metropolitan levels of government), this has also been coupled with a tradition of authoritarianism, as shown in sub-section 9.4.4. As such, it was only in the late 1980s (with the new Constitution and its heavy emphasis on urban reform) that significant policy making power was decentralised from the federal level to the municipal level. This was a response to social pressure for change after over two decades of military dictatorship and a much longer period of time in which the central state exercised supreme control over policy making and the distribution (and collection) of fiscal resources. The late 1980s and early 1990s thus saw the decentralisation of policy making powers across all sectors, especially concerning service delivery, planning and land management, fiscal policy, and local government reform, and according to Daniel (1994), the decentralisation of government thus reflected the contemporary neo-liberal orthodoxy of state withdrawal, economic liberalisation and privatisation, coupled with popular demands and political discourse concerning democracy, rights and citizenship.

In Rio de Janeiro, these shifts were embodied in the 1992 Master Plan, formulated with the input of diverse groups from society (residents’ associations, unions, professionals), and its aim was to “... seek forms of intervention capable of reversing the perverse process of segregation and social exclusion so apparent in Rio de Janeiro” (Cavalieri, 1994). The result was a plan that gave rise to various powerful legal instruments to reform urban management and development, especially with regard to land use (legalisation and densities) and property taxation, and as stated above, the 1992 Master Plan paved the way for the current housing policy of Rio de Janeiro, including Favela Bairro. The success of the instruments created by the Master Plan remains a subject of contention however, and indeed, they have not proved to be agile mechanisms through which Favela Bairro can pursue its objective of land regularisation.

In addition, if the process of municipalisation is key to that of participation, partnership and devolution, again the progress of decentralisation in Rio de
Janeiro has not been particularly advanced. **AND VICE VERSA** Indeed, during the consultation period prior to the development of the Master Plan, according to Cavali
eri (ibid.), the participation of those with professional and business ties was much stronger and more effective than those allied with popular movements concerning favelas or the illegal sub-divisions. Furthermore, as shown in the previous sub-section, since the approval of the Master Plan and its accompanying legislation, no new institutional structures have been put in place through which to bring about more open and democratic governance in which non-governmental agencies and other civil society bodies can participate in decision making.

On the positive side, however, as described above, within the municipal government itself some institutional reform has been in evidence and led to the setting up of interdepartmental planning bodies (the macrofunções) that have enabled the beginnings of a more multisectoral approach to policy making, through still embryonic. Finally, and in accordance with the discussion below on the issue of scale and city integration, it should also be remembered that Rio de Janeiro as a municipality has the advantage not only of being relatively well positioned in terms of its tax base but it is also a large municipality and thereby able to implement a large scale and ambitious programme without having to act in co-operation with other municipal governments. It should, however, be pointed out that the municipality of Rio is just one of 17 municipalities making up the Metropolitan Region of Rio de Janeiro. However, just three of these (Rio de Janeiro, Niterói and Caxias) have institutional structures dedicated to the housing sector (Pereira da Silva, 1996), and there appears to be no movement toward the development of a metropolitan strategy for low-income housing or for poverty alleviation, despite obvious linkages between municipalities in the way these problems develop.

**9.5.3 Poverty alleviation and municipalisation**

The principle behind municipalisation is the establishment of government that is more efficient in meeting the needs of local (city) populations and accountable to those local populations, and thereby in a position to address some of the manifestations and causes of urban poverty. The creation of a layer of municipal government is not, however, sufficient on its own. Municipal government must have both the policy making powers and resource base to cater to the diverse needs of the local population, as well as devolved structures capable of capturing the opinions, decisions and demands of interest groups and coping with the conflicts inherent to such processes. In the case of Rio it was seen that the municipal government is certainly strong in terms of its resource base and mandate, and therefore in an ideal position to assess and address the needs of a local population of over 6 million people spread over a substantial geographical area. In addition, in place are mechanisms to foster internal government restructuring and allow for the emergence of a stronger multisectoral approach, however, in terms of structures through which to devolve to civil society groups decision making powers over policy and resource allocation, the municipal government has made less progress. In this regard, if access to resources, influence and power
is considered a fundamental component of a poverty alleviation strategy, then municipalisation processes in Rio are far from complete.

9.6 City Scale and Integration

9.6.1 The conceptual and policy framework

The city was argued in Section 3 of this report to be an effective level for planning and policy making; assessing and addressing the needs of the city in an integrated fashion in order to prevent the further segregation of the poor from the non-poor. Thus the concept of city integration was forwarded as a fundamental strand of the new approach to poverty alleviation, signifying the development of policy making structures that plan for the varied needs of city populations at the level of the city. As such city integration policies are also characterised by their scale. This signifies interventions of a sufficient size to ensure a more efficient use of resources as economies of scale are reached, with these savings not only being financial, but also in terms of the time and skills devoted to planning and implementing policies and programmes. However, in the context of poverty alleviation, more important is the idea that interventions at the city scale can reduce the disparities between rich and poor areas of the city, avoiding the danger of growing disaggregation between poor and non-poor areas that is associated with isolated, small scale projects. Thus while projects are an essential means to directly impact upon the lives of the poor, what is argued here is that simple multiplication of project numbers is insufficient. Instead, when projects are implemented in the context of institutional reform and decentralisation of decision making powers to civil society, their impact goes beyond a settlement level to that of the city, acting to strengthen social integration.

9.6.2 City scale

Scaling-up remains one of the main challenges facing planners and policy makers operating in the field of urban development and urban social policy, as revealed in Section 4. This has certainly been the case with low-income housing policies and upgrading programmes over recent few decades. As with multisectoriality, the question of scale is not purely one of policy decision, institutional and financial capability, or technical expertise. Acquiring the scale of the problem, or in this case, addressing the multifaceted nature of poverty at the scale of the city, is a difficult political question which is inexorably related to issues of economic and political power redistribution. The rationale for scaling-up is unquestionable, however, whether regarding low-income housing or poverty alleviation in general. It signifies not only an attempt to address the magnitude of a given problem/need, but also to neutralise the distortions associated with limited responses to the problem. This is evident with regard to the logic of valorisation, commodification and expulsion associated with limited upgrading in context of great need for housing, land, infrastructure and services. Scaling-up in this sense is more than a quantitative process; it is a change in the quality of the solutions provided. Achieving scale in the upgrading of irregular settlements is relevant from an urbanistic point of view for it changes the quality of the city as a whole and maximises the potential for
social and economic integration. In addition, scaling-up provides the conditions for a rationalisation of financial and institutional resources and allows for economies of scale to be reached.

According to the academic Reiner Randolph of IPPUR/UFRJ, the “... most notable feature of Favela Bairro, in contrast with previous approaches, is its scale”. What has been achieved by Favela Bairro is already more ambitious and of a larger scale than anything which has been done before in Rio or, indeed, anywhere else in Brazil. While the fully finished projects are few, the number of favelas where Favela Bairro underway is very large. This is especially impressive given that this has happened over the relatively short period of five years. The next phase of the programme will involve over sixty additional favelas and the objective is to reach all medium sized favelas over the next few years. Several of those interviewed for this research were, however, sceptical about this target. Ricardo Gouvêa from the NGO Bento Rubião, for example, believed that many favelas will not be upgraded because they do not match the Favela Bairro criteria. Meanwhile staff at IBASE, argued that Favela Bairro’s objective of integrating favelas into the city is far from being reached and certainly not at the scale of the city. For them, nevertheless, Favela Bairro has had a considerable effect in changing the perception of favelas in the city, arguing that “Favela Bairo forced the city as a whole to take a position in relation to the subject of favelas and in relation to a policy which involves a considerable amount of fiscal resources” (IBASE). Hence, in their view Favela Bairro has acquired scale and multisectoriality at the level of the imagery of the city, creating spaces for further development in that direction.

The question of the legitimacy of using large amounts of fiscal resources in a programme which favours the poorer sectors of society is essential when considering the sustainability of Favela Bairro, and elsewhere in this report the historical social and political processes which gave rise to Favela Bairro have been described. The role of the IDB in this, though, should not be underestimated and according to Andrea Cardoso (Co-ordinator of Projects at the SMH), their resources were crucial to enable the SMH to start planning Favela Bairro on a large scale, even though she acknowledged that the scale of the social projects has been much more limited owing to the limited number of actors and agencies involved in these projects. Maria Lúcia Petersen also emphasised the issue of scale and considered it a great success that Favela Bairro should have reached 105 favelas in less than five years. The architects of the Formiga project considered, however, that there has been a certain trade-off between scale at the city level and the reach and multisectoriality of the projects within the favelas, thus they declared that during recent phases of Favela Bairro, only selected parts of the chosen favelas receive the full package of Favela Bairro initiatives, implying that there is a thinner spread of the resources.

Márcia Coutinho, one of Favela Bairro’s founders, argued that there are many good reasons for a city scale approach to the favelas of Rio, not least the need for political visibility in a context of widespread public perception that favelas have been left out of public policy for so long. She was sceptical, however, of
the capacity of the SMH alone to deal with such large scale, and in her view, scale and true multisectoriality are intrinsically connected. However, for all the problems and limitations of Favela Bairro regarding scale, one can say that the achievements so far, and ambitions for the next few years, are of an entirely different scale to previous upgrading programmes.

9.6.3 City integration

City integration signifies far more than the physical reach or size of a programme, however. A programme can, after all, be large in scale without being characterised as integrating in purpose. Here the distinction should be drawn between a project or programme that integrates different sectors and actors, conceived above under the term multisectoral, and a programme that aims to have an integrating effect upon the city (physically and socially) and upon policy making and urban management (institutionally and administratively). Both of these aspects can be argued to be essential components of any poverty alleviation policy, for integrating the city addresses issues such as social exclusion, rights and citizenship, while integrating mechanisms for urban policy making and management addresses issues such as municipal reform, devolution of power, democratisation, and appropriate, large scale allocation of resources. While in relation to Favela Bairro issues surrounding integration at the policy and institutional levels have already been addressed above, here it remains to assess the extent to which Favela Bairro aims to and is capable of integrating the city as a whole.

As shown in Section 6 of this report, historically Rio de Janeiro is a city characterised by divisions between poor and rich neighbourhoods, formal and informal housing, lowland and hillside settlements. The divisions are not just physical, however, and access to health and education, transport and other services, leisure and the outdoors, well-paid and secure employment, influence over resource allocation and policy, police protection and justice, and freedom from the threat of natural risks and disasters all vary depending on the wealth and social status of the individual resident. Reacting to over a century of such division and exclusion, one of the official aims of Favela Bairro is to promote the physical and social integration of the formal and informal areas of Rio de Janeiro, and this has considerable implications for poverty alleviation if poverty is conceived as more than just a lack of income. According to Sandra Jouam, for example, “... poverty alleviation is about enabling people to fulfil their dreams, its about giving a chance for people to have access to the city through which they can realise their aspirations ... poverty alleviation is linked to immediate needs but it goes far beyond that to embrace new values and allow for the construction of new citizens”.

According to Paulo Cavalieri (SMH), Favela Bairro needs to be explained “… in the context of increases in the favela population, violence and crime, growing poverty and unemployment, the realisation that you couldn’t improve the city without improving the favelas, and a new way of thinking as illustrated in the Master Plan that stressed the need to build bridges between different groups in society”. Reflecting this, the concepts of integration and exclusion appear in the majority of interviews conducted for this research, and they show an
understanding that such bridge building is not just a physical process but also social. According to Maria Lúcia Petersen, for example, Favela Bairro is a "... physical intervention and that physical intervention has a social purpose, and that can be summarised by the idea of taking the city into the favelas and vice versa". Similarly architect Jorge Jáuregui emphasised that "... to make favelas part of the city, what I understand is that physical and environmental upgrading has to be accompanied by social and cultural development". Thus, how Favela Bairro works to promote integration, according to the many interviewees, is through upgrading the physical environment and bringing about social change, as expressed by Soraya Rodrigues Fernandes, an on-site architect in the Mangueira complex of favelas: "Favela Bairro begins to leave signs of formal organisation in an area, ... [this] helps people to begin to think and behave in a different way".

Key to understanding the idea of integration behind Favela Bairro is the role of public space. Traditionally physical barriers have been erected between favelas and their surroundings, empty spaces within favelas have been settled or controlled by drug traffickers, and there has been no state presence to characterise these spaces as public and for community use. Thus, Maria Lúcia Petersen explained the role of new access roads and public spaces in dissolving the physical barriers between favelas and their surroundings, thereby stopping the favelas "... from being ghettos, removing the barriers that reinforced their identity as favelas". Similarly, the role of public spaces (roads and squares) in achieving integration is given particular emphasis by the many architects involved in Favela Bairro. Paulo Cavalieri recounted that initially the idea of integration in Favela Bairro centred on infrastructure and access roads, but "... in time this evolved into the idea of using public spaces like squares as a means of integration, introducing urban symbols in the favela that are typical of the rest of the city". Hence, according to Jorge Jáuregui, “What favela residents need is basic services and public space, and if there is no public space then the state cannot be present, and people make up their own laws”.

A further component of integration was also seen by some interviewees as the process of regularisation and legalisation that is intended to be an eventual outcome of Favela Bairro, thus Paulo Cavalieri referred to the integration of favelas into the city through the regularisation of constructions, infrastructure and land tenure. From the Federal Savings Bank, Aser Cortines Peixoto Filho argued one of the benefits of Favela Bairro to be the possibility of legalising houses and thereby enable people to enter the market for formal housing finance. Going one step further, and revealing a rather simplistic notion of integration as founded on rights and duties, an on-site architect in Mangueira argued that the eventual charging of taxes and utility service charges would further integration: “I think that it is in [the residents’] interests [that they be charged] because the proposal is that we are turning the community into a neighbourhood and if the person is going to receive the same benefits that the formal city provides, they have to have the same obligations”.

How social change is essential to integration was also stressed by some interviewees, for example, Maria Lúcia Petersen declared an aim of Favela Bairro to be the generation of new attitudes within the municipal government,
local population, and police. According to staff of the NGO IBASE, “Favela Bairro is improving conditions of living in favelas, but also very importantly, changing the perception of favelas in the city”. The need for such a shift in attitudes was explained by the one of the founders of Favela Bairro, Márcia Coutinho: “The residents of favelas are highly stigmatised, not just by the surrounding neighbourhoods who use the labour of favela residents, but also by the favela residents themselves. So the idea of the upgrading was to give people an address, and thereby the ability to open up an account, get their post etc., and so upgrading would be a way to further equality”. Thus according to Sandra Jouam, “... we know that transformation requires the formation of new values in some ways so that the population can reposition itself within society”.

In this regard many interviewees talked about Favela Bairro aiming to create new citizens or grant full citizenship to favela residents. Nilsa, a resident of Formiga favela and an SMH Housing Policy Agent, said that the best thing about Favela Bairro was its ability to influence the integration of people into the city, giving them a voice and access to the government. According to the academic Maria Alice Rezende of IUPERJ, “... what Favela Bairro is doing is establishing the foundations for a long process of trying to integrate the poor into the city, the masses into the democratic state. Integration does not just involve physical infrastructure and landscape but the integration of the population into the public ordered domain characterised by the liberal, democratic and bourgeois state, which has traditionally excluded a large part of the population”.

Perceived to contribute greatly to social change and integration is the shift in the conduct of the drug trade that Favela Bairro aims to achieve. This objective does not appear among the officially declared aims of the programme, but nevertheless was declared to be one of priorities of Favela Bairro by SMH staff and other actors. According to Favela Bairro founder Márcia Coutinho, for example, “To my mind it isn’t urban projects that integrate society, they can facilitate circulation, but that is all. If you don’t confront the drug traffickers in a determined way, integration will not happen”. Similarly, the Favela Bairro Manager declared that “The most important negative impact of the favelas on the rest of the city comes from the violence of the drug trade” and hence disarming of drug traffickers through the transformation of the built environment leads to reformed behaviour of traffickers and police, with immediate benefits in both the favelas and the rest of the city. This “... reduction of violence through the establishment of the urban order” (Maria Lúcia Petersen) thus emerges as one of the most important components of Favela Bairro in terms of its objective of integrating the favelas and the city.

The viability of Favela Bairro actually achieving integration between favelas and the formal city did not, however, receive unqualified acceptance from all interviewees. While recognising the ability of Favela Bairro to reduce some of the physical barriers between favelas and the city, the architect Luís Alberto Simões, for example, declared “... this discourse about integration is complicated because physical integration cannot bring about social integration. We try to give the physical upgrading the right characteristics that will facilitate
integration, but you don’t directly bring about integration through construction work”. Thus, once again the strength of the physical impact of Favela Bairro is contrasted with its social impact, and though many interviewees recognised that Favela Bairro does or can bring about shifts in behaviour and attitudes toward and within the favelas, the programme’s ability to do this to a sufficient extent is questioned.

According to Reiner Randolph of the Federal University of Rio de Janeiro, Favela Bairro “… was sold as a means to integration favelas into the formal city network, transforming favelas into popular neighbourhoods. This is a social objective, and as Favela Bairro developed … this concept of integration was motivated by purely political concerns because nobody can integrate a favela just through physical upgrading, at the very least it would have to have some income generation programme … It raises the question of what is integration”. Similarly staff of the NGO IBASE argued that under Favela Bairro “It is not clear what it means to be part of the city. To pay new taxes or what?” Indeed that idea that favelas are not already an integrated part of Rio de Janeiro was also questioned, especially on the grounds of the economic ties between the formal and informal settlements and economies, and according to the academic Maria Alice Rezende, favela residents already regard themselves as integrated through long-standing political and economic ties, and instead they suffer from inequality and poverty.

Interviewees living in favelas also questioned the idea that upgrading alone could bring integration. From Formiga favela, Pastor Sebastião, for example, argued that real integration demands cultural change, and that while it is possible to rename favelas as neighbourhoods, it was not possible to change what they are. A member of the Residents’ Association of Fernão Cardim echoed this, observing that “Fernão Cardim is now more integrated physically with its surroundings, but it will always be a favela for those who live inside it and outside it. It takes a long time to change the way a community is seen, the way its identity is perceived. However, people’s language has changed and nobody now talks about Fernão Cardim as a favela but instead a community”. The undesirability of integration was also raised, seeing integration as a threat to the rich and complex cultures specific to Rio’s favelas, for example, Itamar Silva of Santa Marta favela argued that “Favelas are different to neighbourhoods and have a different history that I don’t think you can or should put an end to”.

The viability of integration was not only questioned on conceptual grounds, but also for practical reasons. Those living in favelas affected by Favela Bairro raised the problem of the affordability of new charges for utility services and new taxes. For example, Carlos, from one of the residents’ associations of the Mangueira complex argued that “If Favela Bairro has really come here to improve living conditions but also to charge us for it so as to turn Mangueira into a neighbourhood, you have to remember that the majority of us only earn about two minimum salaries”. From the architects involved in designing upgrading projects it was remembered that even physical integration between favela and the city can be problematic given the heterogeneous nature of the city. The architect Pablo Benetti, for example, commented on the problem of
transferring to favelas elements and symbols of their surrounding neighbourhoods if they are industrial rather than residential. Similarly, the issue of topography was raised as a problem, with it being difficult to integrate those favelas which are on steep hillsides. According to the Favela Bairro Manager, however, turning favelas into neighbourhoods does not signify a simple replication of neighbourhood characteristics within the favelas, but of creating a joining or transitional integrating zone between favelas and their surrounding neighbourhoods. However, it would appear from some architects testimonies that even this is difficult to do in certain cases. Added to this is the criticism that simply upgrading favelas in keeping with their surrounding neighbourhoods is not enough because those neighbourhoods were built without any regard for the favelas and continue to be administered as if the favelas were not there.

Finally, another obstacle to achieving integration was raised by many interviewees as Favela Bairro’s real potential to diminish the power and violence of the drug trade. According to the academic Maria Alice Rezende from IUPERJ, the programme cannot bring about fundamental change because the Brazilian police forces were untouched by the constitutional reforms of 1988 and still reflect the tactics and structures of the era of dictatorship. This concern was also echoed by those living and working in Rio’s favelas, for example Ricardo Gouvêa of Bento Rubião NGO declared that public security “… is a strong motive for turning favelas into neighbourhoods, not from the point of view of citizenship but instead to let police cars enter the favelas”. Similarly, Celso from Mangueira, said “Favela Bairro … is based on a great idea, to reinforce the citizenship rights we have, but not to repress us. We need roads to enable access by ambulances, commerce, rubbish trucks and such like, but not just to enable police repression”. Thus while Favela Bairro’s intervention in public spaces, removing barriers and making new places from communal use may lead the local drug traffickers to retreat and be less visible, the ability of Favela Bairro to change the conduct of the police (who remain under state control) is limited.

Returning to the procedures in place for the monitoring and evaluation of Favela Bairro, it also becomes apparent that the concept and Favela Bairro objective of integration is problematic. The inadequacy of Favela Bairro evaluation methods was widely recognised by those interviewed for this research, especially in their ability to assess the extent to which Favela Bairro promotes integration. Indeed, while the objectives of Favela Bairro illustrate an attempt to move beyond the basic needs agenda of many upgrading projects to embrace the objective of reducing social exclusion and promoting integrated planning and policy making, the methods in place to evaluate Favela Bairro focus almost entirely upon the programme’s impact on access to infrastructure and services. Within the SMH, evaluation and impact assessment appears to be seen as an activity separate from the interests of other groups working on Favela Bairro. According to the Manager of Favela Bairro, who is not responsible for assessment and evaluation, “From what I know evaluation is very simplified, very mechanical, with a very technocratic vision. All the social questions are missing from the monitoring and evaluation of Favela Bairro”. Indeed, Paulo Cavalieri, responsible for Favela Bairro monitoring and
evaluation in the SMH, declared that “Regarding the extent to which it is possible to assess the degree to which the upgraded favelas become integrated into the city, I don’t know how we could measure this”. To date qualitative methods have not been devised for assessing the performance of Favela Bairro, instead depending upon baseline survey and census data, and post-project evaluations, thus undermining the extent to which the impact of Favela Bairro on city integration can be assessed.

9.6.4 Poverty alleviation and city scale

For the reasons already elaborated under section 9.2, an intervention with the characteristics and dimensions already achieved by Favela Bairro is bound to have a substantial effect in terms of poverty alleviation, even if the programme was not designed to target the specific needs of the most vulnerable in society. When the previously quoted World Bank report (1999) on Rio refers to Favela Bairro as a programme for 60 favelas which, in their view, are the most consolidated and better-off medium sized favelas, it does not do justice to the coverage and, consequently, the potential impact of Favela Bairro. Whereas Favela Bairro may have begun by targeting the more consolidated settlements for ease of upgrading, the objective of the programme (especially when coupled with those of its two sister programmes for large and small favelas) extends to the multisectoral upgrading of all the city’s favelas. Thus, while the physical and social development potential of Favela Bairro may reveal a lack of balance, the programme does constitute both a quantitative and qualitative leap forward from those programmes that have gone before.

The idea of city integration and poverty alleviation goes beyond scale, however, especially in the context of a city such as Rio, long characterised by physical, social, economic and cultural divisions between the rich and poor. In this respect, Favela Bairro has a strong emphasis on integration, not only striving to integrate the activities of various sectors through a multisectoral approach at the project level, but also aiming to further promote the integration of the city as a social system, though as revealed above, this is proving to be a long and difficult process. In addition, integration is perhaps the most widely publicised objective of Favela Bairro, declaring its aim to be the integration of the informal and formal, the turning of favelas into neighbourhoods, and the granting to favela residents of the same rights and citizenship status as enjoyed by other city dwellers. This is perhaps the most interesting objective of Favela Bairro, especially given Favela Bairro’s use of individual projects to bring about immediate improvements in living conditions, while using the collective mass of projects to have a longer impact on the city as a whole. The existence and profile given to the objective of integration, coupled with the recognition by the interviewees of the complexities of this process, indicates the extent to which Favela Bairro is built upon an understanding of the heterogeneous nature of poverty and the extent to which the programme goes beyond a basic needs agenda by aiming to reduce both physical and social exclusion.
SECTION 10

CONCLUSIONS AND RECOMMENDATIONS

10.1 Conclusions

10.1.1 The new conceptual and policy framework

While the five conceptual and policy dimensions that oriented this research are by no means neglected elsewhere in the literature concerning urban management and poverty alleviation, rarely are the linkages between these dimensions exposed. In fact, as illustrated by the previous section of this report, those linkages are not just peripheral to the successful operationalisation and implementation of concepts such as participation or multisectoriality, but crucial to the viability of each and to the overall effectiveness of poverty alleviation strategies. One of the outcomes of this research was thus to expose the inter-relationship between the dimensions of heterogeneity, multisectoriality, participation, partnership and devolution, municipalisation and city scale.
Remaining at the conceptual and theoretical level, a starting point for any discussion on the components of the new approach to poverty alleviation through housing policy should perhaps be at the most general institutional level. Here it can be argued that the institutional, administrative and legislative context is of crucial importance to both the development and impact of policy. In turn, such a context cannot be understood without wider reference to the social, political, ideological and economic processes that shape society and its forms of government over time. Thus any call for decentralisation and the strengthening of municipal government to establish the financial, institutional and legislative environment conducive to poverty alleviation, must recognise the tensions, conflict and problems that such an approach would foster. Nevertheless, the setting up of strong municipal frameworks is argued to be an essential foundation for the development and implementation of policy designed to address poverty and need at a significant level and in a sustainable fashion.

Thus the linkages between municipalisation and multisectoriality can be made apparent, for without a supportive political and institutional environment, it is unlikely that different sectors and departments within government will be willing to co-develop and implement policy on anything but a limited and temporary basis. It was argued above that a multisectoral approach to policy development enables a more appropriate allocation of financial resources, more effective use of human resources within government, and essentially it brings together of a number of sectoral interests, each of which corresponds to the varied needs of local populations. Thus multisectoriality at the policy level is crucial to the development of effective multisectoral integrated projects that address poverty as a multidimensional phenomena and recognise the poor as a heterogeneous group. By planning for and addressing their needs in a multisectoral fashion, the complementarity between sectors can be capitalised upon, for example, with physical upgrading and income generation and sports projects all being conducive to reductions in violence and crime. Furthermore, multisectoriality at the project level can be tailored to address the specific and diverse needs of particularly vulnerable groups such as women, the elderly, ethnic minorities, or children.

Without multisectoriality at the institutional level, fostered through municipalisation and government reform, it is also unlikely that any initiative can reach the scale of the city in terms of both physical reach and social impact. Not only is scale of importance due to the size of the problem to be addressed, and indeed Section 3 of this report revealed urban poverty to be increasing throughout the developing world, but it is also important if the disparities between the rich and poor or between sub-groups of the poor are not to be further accentuated. Thus multisectoral programmes implemented at city scale can help protect particularly vulnerable groups, such as tenants or those with very low incomes, from the dangers of expulsion and gentrification that isolated projects can bring. In addition, the implementation of poverty alleviation programmes at the city scale can tackle the dimension of poverty that is frequently described as social exclusion. Issues such as equal access to employment, freedom from prejudice based on ethnic origin, place of residence, class or income, access to cultural and leisure facilities, are all
issues that cannot be tackled meaningfully at a project level but only at a city scale. Thus city scale can enable the pursuit of the objective of city integration that is founded on a recognition that poverty is multidimensional and embraces issues such as rights, justice, and equal access to opportunities for all.

Access to power and resources is another fundamental dimension of poverty as conceived as a multidimensional phenomena. Thus the issues as participation, partnership and devolution become key when considering mechanisms and channels through which to enable poor communities as heterogeneous entities to express their interests and influence the decisions which affect them. These concepts cannot be put into action in a meaningful or sustainable way, however, without shifts at the institutional and policy levels. There needs to be not only the establishment of structures that foster effective participation, but also the political will and capacity to act upon the outcome of such participation. Similarly, partnerships with the private sector and NGOs may necessitate changes in legislation to allow for the granting of contracts to such organisation and the setting up of bodies where government, non-government, private and community interests can jointly develop initiatives. If the poor do indeed gain influence through such mechanisms, it is unlikely that any resulting initiative would be single sector or limited in scale, and thus the links between participation, multisectoriality and scale become apparent, with institutional structures at the municipal level needing to be able to react to as well as develop mechanisms for participation, partnership and devolution.

While undoubtedly there are further linkages which could be highlighted here, what is important to stress is that the interdependence of policy dimensions such as municipalisation, multisectoriality, scale and so forth is at the heart of the emerging new generation of housing policies and their concern for poverty alleviation. While this brief theoretical analysis took as its starting point the issue of municipalisation, in practice there appear to be no signposts that clearly mark the best route to establishing integrated policy as well as legislative and institutional frameworks for poverty alleviation at the city level. As clearly shown by the example of Favela Bairro, the processes involved can be messy, conflictive, lengthy and contradictory. Similarly, those processes may be initiated by a range of predictable or unpredictable circumstances or events, such as a newly elected official or government, a loan from a multi-lateral agency, social demands or movements (from low-income groups, workers, or the middle classes), or economic crises. In this way, the complexities involved in the new approach to housing policy and poverty alleviation can be made apparent at a purely conceptual and theoretical level, and made yet more apparent still by the examination of cases such as Favela Bairro.

10.1.2 Favela Bairro in the new conceptual and policy framework

One of the aims of this research was to assess the extent to which Favela Bairro exemplifies the new generation of housing-poverty policies that is currently emerging, and it can be concluded the Favela Bairro reveals all the elements and dimensions of that approach, even though they are unevenly
and incompletely developed. Thus it can be argued that Favela Bairro
demonstrates some sensitivity to the vulnerable and recognition of the
heterogeneity of the poor. In addition, its upgrading projects reveal a high
degree of multi-sectoriality, while multi-sectoriality at policy and institutional
levels can be seen to be in the process of development, albeit in its early
stages. The strengthening of mechanisms to foster some participation by
favela residents and their associations is also evident, although traditional in its
approach, and the development of some partnerships with those outside of
government is another characteristic of the programme. Favela Bairro is also
the fruit of a strong movement toward decentralisation of government and
municipalisation in Brazil, and it is being implemented at an unprecedented
scale with the purpose of addressing the scale of need and fostering the
integration of a city traditionally divided between the rich and poor. Although far
from perfect, Favela Bairro is certainly a major step forward in Rio and Brazil
and reveals valuable lessons of relevance to other policy makers devising
housing policies and programmes for poverty alleviation.

Before detailing these lessons, it is first necessary to reiterate what makes
Favela Bairro specific and peculiar to Rio de Janeiro at the turn of the 21st
century. As stated above, it is not possible to identify a single starting point
from which to begin to put in place a new approach to poverty alleviation. This
and the processes involved will vary from city to city and country to country.
Thus what made Favela Bairro possible are circumstances specific to the city
of Rio in the early 1990s within the broader context of Brazil. Those
circumstances, as shown in Section 6, include a broad popular rejection of
central government control and strong demands for democratisation, more
open and transparent government. They include the rejection of over 40 years
of conventional housing policy and demands that escalating urban poverty (as
manifested by favelas, illegal sub-divisions and homelessness) be addressed
and that city management be reformed to ensure better service standards and
economic development. In Rio, such concerns were also accompanied by
growing discontent among the middle classes with alarming levels of crime and
violence associated with the illegal trade of drugs and arms, while among the
poor, community movements suppressed during 20 years of dictatorship
began to reorganise and demand redress for decades of neglect when
wealthier neighbourhoods had seen waves of public investment. Within the
state itself, the growing powers and resources of the municipal government
came after a decade in which experimental upgrading projects had been
implemented, indicating to a group of committed professionals the potential of
a multi-sectorial approach. Thus by the early 1990s with a new mayor in power
keen to respond to popular demands, a new Master Plan providing a
framework conducive to reform, and the financial backing of the Inter-American
Development Bank, the conditions were ideal for a qualitative and quantitative
shift in housing policy, as best illustrated by Favela Bairro.

That qualitative and quantitative shift can be summarised using the conceptual
and policy framework applied in Section 9, acting as a means to assess the
poverty alleviation credentials of Favela Bairro. Thus the programme
addresses a range of needs of favela residents which can be described as
collective as well as individual. The latter receive less emphasis and
resources, with no specific mechanisms in place to either understand poverty at household or individual levels or assess project impact on the most vulnerable, but nevertheless there is some targeting of resources to those perceived to be most in need, as shown in Section 9. In addition, the programme addresses a wide range of collective needs related to the physical environment, while one of the most interesting and novel aspects of Favela Bairro is its objective of integrating the favelas and the formal city of Rio, with this integration not only being physical but also social. The means to achieve integration include infrastructure, income generation projects and more, but stress falls on the importance of space (roads, public squares, public buildings, sports facilities) as a physical link and as a means to introduce those elements of the build environment that characterise the city, including the presence of the state. Thus the process of integration involves the weakening of the hold of drug traffickers, the granting of rights of access to services and infrastructure, and the development of changes in attitude toward the state and the environment.

A range of collective and individual needs can only be addressed if upgrading projects are multisectoral, and in this respect, Favela Bairro projects were shown the be multisectoral due to the range of physical upgrading work conducted, and due to the combination of that physical upgrading with social development projects. Again the research revealed that the social components of Favela Bairro projects are weaker than the physical, and this imbalance, along with some of the procedural problems that hamper project operations, can be traced to the policy level where the multisectoral character of Favela Bairro is weaker. At this level, there has be a gradual involvement of more municipal departments in Favela Bairro, consequently leading to a gradual strengthening of the programme’s social components, but nevertheless, barriers to the emergence of a truly multisectoral policy approach are many. They include political disputes within and between departments, limited financial resources available for social projects, the historical tendency for most departments to ignore favelas and the continuing reluctance of some to broaden their constituency, policy mandates that clash with the Favela Bairro approach, and a certain reluctance within the Housing Department itself to give up control over such a politically important and visible programme as Favela Bairro. Nevertheless, the multisectoral character of Favela Bairro continues to grow and reform at the institutional level has encouraged this through the setting up of macro-planning bodies (macrofunções). While the translation of discussions at this level into action on the ground has been difficult, the institutional context in which Favela Bairro operates does illustrate some of the central tenets of the new approach to policy making, being the product of municipalisation trends, institutional and legislative reform.

That reform process has been conducive to the development of a multisectoral approach that in turn has enabled the scale the Favela Bairro to grow, while at the same time the rapid growth of the programme has also encouraged the participation of more municipal actors and a strengthening of multisectoriality. Thus one of the most distinctive features of Favela Bairro when contrasted with previous housing initiatives in Rio de Janeiro and in Brazil is the programme’s current scale and its ambitions to reach the city scale. In doing so it aims to
benefit over 600 thousand people and reverse decades of physical and social division between favelas and the rest of the city. While the complexities and difficulties of achieving integration are many, especially requiring the strengthening of social development projects within Favela Bairro, the formulation of adequately resourced maintenance strategies, and the establishment of mechanisms for greater participation and power sharing, Favela Bairro through its ambition to work at city scale and to achieve city integration at least recognises that poverty cannot be addressed purely at the settlement level.

Where the programme proves weakest, however, is in the dimensions of participation, partnership and devolution, argued to be critical for any substantive and sustainable alleviation or eradication of poverty to occur. What Favela Bairro reveals, however, is a very traditional approach to participation, being motivated by utilitarian and pragmatic objectives and consisting mainly of exchanges of information useful to the smooth implementation of projects. While such a narrow approach has recently broadened to acknowledge the importance of participation for social development, coupled with the development of new mechanisms to foster participation, nevertheless, the approach to participation evident in Favela Bairro remains top-down and controlled by the SMH, giving little scope for substantive decision making and power sharing by community groups. Unsurprisingly then, the development of partnerships as relatively permanent and structured mechanisms to share decision making and to capture resources and skills has not occurred within Favela Bairro to any great extent. Instead, the involvement of NGOs and the private sector enterprises (including architectural practices) is through contractual agreements to deliver particular services. Few examples of joint decision making and shared risk taking are evident in the programme. Regarding devolution, while Favela Bairro is the product of a strong process of government decentralisation within Brazil, power has not been devolved beyond the municipal level to civil society, and in Favela Bairro it remains very much in the hands of the SMH. Thus, when examining the concepts and practices of participation, partnership and devolution with respect to poverty alleviation, Favela Bairro reveals the limits of what has been done in the context of a city characterised by a tradition of authoritarianism and entrenched divisions and hostility between government authorities and poor communities.

In sum, analysis of Favela Bairro within the conceptual framework of the new generation of housing-poverty policy reveals Favela Bairro to be illustrative of this new generation and to be a considerable qualitative and quantitative advance on previous housing initiatives implemented in Rio and Brazil. Thus the case of Favela Bairro reveals the complexities, problems and contradictions inherent to developing city level, multisectoral and participatory municipal housing policy for poverty alleviation, while also revealing the interdependence and linkages between the various dimensions of such an approach. What stands out about the programme in the context of previous approaches to housing policy in Rio and beyond is the programme’s scale, working at the level of the city toward the objective of socially and physically integrating the poor areas of the city with the wealthier. In addition, the quantity of financial resources being invested as subsidies through Favela Bairro is
another characteristic previously unseen in Rio. The programme also demonstrates a very strong (albeit incomplete) multisectoral approach at the project level, and is especially interesting in the emphasis it places on architecture and public space as mechanisms to bring about social and physical integration, with integration of the informal and the formal at the city level being its most ambitious objective. Thus it can be concluded that Favela Bairro does constitute a new approach to poverty alleviation in Rio, and although the programme’s considerable resources are not targeted at the most vulnerable, they instead focus upon the collective needs of a sizeable proportion of Rio’s population. In addition, Favela Bairro applies a broad and multidimensional understanding of poverty, which is addressed at the city scale through a multisectoral approach.

10.2 Recommendations for Policy Makers

Examination of Favela Bairro within the framework of the new conceptual and policy approach to poverty alleviation raises a number of issues that serve as the basis for formulating recommendations to policy makers and practitioners. These recommendations are made on two levels: firstly, relating to the general policy framework, its applicability and replicability; and secondly, more specific recommendations are made with regard to each of the five components of the new approach.

10.2.1 Implementing the new approach in its entirety

As has been stated before, the new generation of housing policies for poverty alleviation that is currently emerging is made up of components or elements that in themselves are not new. Over time, their meanings and implications for theory and practice have changed and evolved, but what is argued to be new about the current generation of housing-poverty policy, is the combination of these elements. It is this combination that makes the approach more complex than previous approaches, a complexity which creates problems for analysts, researchers and above all, for policy makers and practitioners. The approach, with its 5 elements of sensitivity to the vulnerable, multisectorality, participation, municipalisation, and scale, cannot be implemented in a manner free of conflict and contradictions (as illustrated by Favela Bairro), and nor can it be replicated mechanically from one context and one time to another.

Nevertheless, it is argued here that it is the combination of these components and the dynamics and synergies created by that combination that gives the approach its potential to bring about a lasting shift in the way cities are managed and urban poverty addressed. In turn, however, without a commitment to reform and poverty alleviation, it is unlikely that the essential elements of policy will be put in place and so it becomes apparent that each component is both a pre-condition and a product of the other. It is this that makes the latest generation of housing-poverty policies complex and impossible to replicate in a mechanistic fashion. Even at this level of the general approach, however, it is possible to derive recommendations for policy makers and practitioners:
• Institutional reform is fundamental to the success of policies that aim to reduce poverty in a sustainable fashion, but unlike the 1980s, institutional reform is no longer a means to strengthen the market by diminishing the size and reach of the state, and instead its focus should be democratisation, decentralisation and devolution. These processes are essential in order that institutional change be lasting and create the frameworks essential for the development of multisectoral, participatory, integrative and city scale programmes for poverty alleviation. It is thus recommended that a cornerstone of institutional reform be the establishment of structures and mechanisms that devolve power and encourage the participation of all city residents in decision making.

• The components of the new generation of housing-poverty policies, while impossible to replicate in a mechanical fashion, are all necessary to the overall success of the approach. Each acts to mutually reinforce the other and together create a dynamic approach whose influence extends beyond the project and the policy to diverse city institutions, their cultures and ways of working. It is thus recommended that policy makers adapt the elements of the approach to suit their context, but that they recognise the importance of all these dimensions to achieving effective poverty alleviation policies. It is the combination of these dimensions or components that constitutes a powerful proposal for a new approach to housing-poverty policies.

• The dynamic linkages between the components of the new approach should not be overlooked by policy makers and practitioners. Each can feed off the other but so too can each diminish the strength and potential of the other. Thus it is recommended that policy makers pursue the new approach in a manner that is reflexive and flexible, and this also implies the need to undertake evaluations of policies, programmes and projects, that assess progress and problems within and between all the elements of the approach.

10.2.2 Implementing each of the 5 components of the approach

Without forgetting the importance of the linkages and inter-dependency of the 5 components of the new generation of housing-poverty policies, it is possible to make more specific recommendations for each component:

• Heterogeneity and sensitivity to the vulnerable - when developing poverty alleviation initiatives and policies, policy makers need to clearly identify what poverty is in the context of their city, using participatory methods to capture the multidimensional meanings of poverty to the poor as a heterogeneous group. In this way, policy makers and practitioners can develop multisectoral approaches to meet multidimensional poverty, they can target resources to those who are particularly vulnerable, have base line information against which to evaluate progress and assess the impact of policy, and have the means to develop assessment methods capable of responding to concepts such as social exclusion, vulnerability and integration.
• Multisectoriality at the project, policy and institutional levels - one obvious recommendation is that no one government department can on its own enforce or lead a multisectoral approach. Institutional reform is needed to promote and cement multisectoral policy making that in turn will generate further reform, as well as enabling effective multisectoriality at the project level. This does not mean to say, however, that policy makers should abandon all single sector interventions which also have a role to play in poverty alleviation. In addition, at the project level, multisectoriality when pursued in a rigid fashion can be detrimental to meeting the specific needs of specific communities and so multisectoriality needs to be combined with flexibility and sensitivity to the needs of the vulnerable. Similarly, with the current revalorisation of design and architecture as tools for social as well as physical change, it is recommended that a greater effort be made to make these adaptable and responsive to local circumstances and needs.

• Participation, partnership and devolution - when dealing with city institutions, interest groups and civil society, there is no one formula or means to generate participation in either projects, policy making or city governance. However, despite wide variations in civil and governmental organisation over time and space, it is recommended that institutional mechanisms and structures be established that promote partnership and power sharing in ways appropriate to local conditions. Such structures and mechanisms are needed if participation is to generate a dynamic that leads to sustained democratisation and devolution of power, plus the generation of mechanisms and practices to cope with the consequences of devolved decision making.

• Municipalisation - the financial and institutional capacity of municipal governments needs to be strengthened to improve the delivery of essential goods and services to poor urban residents, thereby improving the integration of poor and wealthy neighbourhoods and residents. In addition, the establishment of legislative frameworks is needed to enable the setting up of structures and mechanisms to devolve power through partnerships. Thus while municipal level government needs to be strengthened, it should also be recognised that greater power sharing with non-governmental, civil and private sector actors is needed. Where various municipalities share the same city, mechanisms are also needed to ensure that planning and management is undertaken for the city as a whole in order to avoid the deepening of disparities and inequalities between rich and poor municipalities.

• City scale and integration - policy makers and practitioners should not view scale solely in terms of the numbers of users reached or size of territory covered, instead seeing the city as a system for social integration. It should also be recognised that that reality of the poor cannot be touched without projects, but at same time policy and institutional frameworks are needed to ensure that project impact is felt not just at the settlement level but also in the city. Thus while projects are an important means to reach the poor, mere multiplication of project numbers is insufficient if poverty is to be tackled in a meaningful and lasting way. Again, it is thus recommended that
institutional reform, focusing upon mechanisms to strengthen participation and partnership, be a central mechanism to transform urban management at the city level and thereby foster social integration.

10.3 Recommendations for Researchers

This research and its findings suggest several areas where further research would be of great value to improve both theoretical and practical understandings of how housing policy can be used as an effective tool for poverty alleviation and eradication.

• Further research is needed into the synergies and linkages that exist between the varied components of the latest generation of housing policies in order to better understand how such policies develop and can be encouraged to develop. As revealed above, the linkages between poverty alleviation, multisectoriality, participation and partnership, municipalisation, city scale and integration are complex, with each conditioning the emergence and development of the other. Improved understanding of the synergies and inter-connections between these policy components would strengthen the development of recommendations that enable policy makers and practitioners to better develop and implement housing policies for effective poverty alleviation.

• Both poverty and policy vary from location to location and over time. Greater understanding of how context shapes policy and poverty is needed in order that housing policy can become a more effective tool to address both the manifestations and causes of poverty, and in order that commonly shared patterns and lessons can be identified and used to inform generally applicable policy recommendations.

• With attention once more returning to the importance of projects as well as policy frameworks, the relationship between public space, design and social change needs to be further explored. Favela Bairro, under the influence of many architects, attempts to use public space and buildings as a means to change people’s attitudes to community, the state and to drug-related crime. How design and architecture can be used as vehicles to bring about changes in attitude and behaviour needs further examination as housing projects are increasingly founded on more comprehensive understandings of poverty and exclusion, aiming to bring about long-term shifts in the relationship between government, the city and poor communities.

• While there is a growing recognition that poverty is a multidimensional phenomena that needs to be addressed through more holistic, multisectoral and long-term strategies, current methodologies for evaluating the impact of projects and programmes often fail to reflect this complexity and multidimensionality. Research is needed into the complex and varied impacts that comprehensive, participatory housing projects can have at settlement and city levels so that more effective evaluation and assessment techniques can developed for use by policy makers and practitioners.
• participation - old theme but how processes work in different contexts and moments, what participation is in each context, how to foster it, capitalilise upon it etc.

BIBLIOGRAPHY


**APPENDIX**

**LIST OF INTERVIEWEES**
**Public Sector**

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Name of Interviewee</th>
<th>Position of Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMH</td>
<td>Andrea Cardoso</td>
<td>Favela Bairro Project Co-ordinator</td>
</tr>
<tr>
<td>SMH</td>
<td>Maria Lúcia Petersen</td>
<td>Favela Bairro Manager</td>
</tr>
<tr>
<td>SMTb</td>
<td>Sonia Lèbre Café and Danielle Carusi Machado</td>
<td>Director the Employment and Income Directorate, and Co-ordinator of Information Systems</td>
</tr>
<tr>
<td>Instituto Municipal de Urbanismo Pereira Passos (ex-IPANRIO)</td>
<td>Carmen Martins</td>
<td>Favela Bairro project Co-ordinator</td>
</tr>
<tr>
<td>ex-IPANRIO</td>
<td>Márcia de Moraes Coutinho</td>
<td>founder member of Favela Bairro team</td>
</tr>
<tr>
<td>SMH</td>
<td>Maria José Xavier</td>
<td>Favela Bairro Co-ordinator of Social Policy</td>
</tr>
<tr>
<td>SMH</td>
<td>Paulo Fernando Cavalieri</td>
<td>Assistant to the Housing Secretary</td>
</tr>
<tr>
<td>SMH</td>
<td>Sandra Plaisant Jouam</td>
<td>SMH Co-ordinator of Community Participation</td>
</tr>
<tr>
<td>SMH</td>
<td>Sérgio Magalhães</td>
<td>Secretary of Housing</td>
</tr>
<tr>
<td>Caixa Econômica Federal</td>
<td>Aser Cortines Peixoto Filho</td>
<td>Superintendent</td>
</tr>
<tr>
<td>SMU</td>
<td>Marlene Ettrich</td>
<td>Assistant to the Technical Co-ordinator</td>
</tr>
<tr>
<td>SMH</td>
<td>Márcia Bezerra</td>
<td>Land Regularisation Unit</td>
</tr>
<tr>
<td>SMDS - Regional Office 2.2</td>
<td>Lúcia Souza Martins and Eloah Marcondes Faria</td>
<td>Assistant to the Co-ordinator of Regional Office 2.2, and Supervisor of Regional Office 2.2</td>
</tr>
<tr>
<td>SMH</td>
<td>Sebastião Leite</td>
<td>Formiga Works Supervisor</td>
</tr>
<tr>
<td>SMTb</td>
<td>André Urani</td>
<td>Employment Secretary</td>
</tr>
<tr>
<td>State Department of Human Rights</td>
<td>Sr. Ivani</td>
<td>Human Rights Sub-Secretary</td>
</tr>
</tbody>
</table>

**Private Sector**

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Name of Interviewee</th>
<th>Position of Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisation</td>
<td>Name of Interviewee</td>
<td>Position of Interviewee</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Bento Rubião</td>
<td>Ricardo de Gouvêa Corrêa, Itamar Silva, and Jorge dos Santos Arruda</td>
<td>Executive Co-ordinators and community leaders</td>
</tr>
<tr>
<td>Roda Viva</td>
<td>May Hampshire Campos de Paz Malta</td>
<td>Project Co-ordinator</td>
</tr>
<tr>
<td>IBASE</td>
<td>Moema Valarelli, Cândido Grzybowski, Fernando Carvalho, Jaime Patalano, and Maria Naksho</td>
<td>board of directors</td>
</tr>
</tbody>
</table>

**NGOs**

• **Favelas**

<table>
<thead>
<tr>
<th>Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents’ Association and residents of Formiga</td>
</tr>
</tbody>
</table>
• **Academics**

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Name of Interviewee</th>
<th>Position of Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>IUPERJ</td>
<td>Maria Alice Rezende</td>
<td>Co-ordinator of FINEP/SMH research on Favela Bairro</td>
</tr>
<tr>
<td>IPPUR/UFRJ</td>
<td>Reiner Randolph</td>
<td>Co-ordinator of FINEP/SMH research on Favela Bairro</td>
</tr>
<tr>
<td>UFF</td>
<td>Isabel Evias</td>
<td>Co-ordinator of FINEP/SMH research on Favela Bairro</td>
</tr>
</tbody>
</table>