

The Chronic Poor in Rio de Janeiro: What has changed in 30 Years?

Janice E. Perlman

ABSTRACT

This paper reports on findings about chronic poverty, durable inequality, exclusion and citizenship, based on a longitudinal panel study in three squatter communities (“favelas”) in Rio de Janeiro. The author of *The Myth of Marginality: Urban Politics and Poverty in Rio de Janeiro* (UC Press, 1976) originally interviewed 750 favela residents in 1968-69, collecting qualitative and quantitative data and, since 1999, has been conducting a re-study of the same people and communities. Comparing within and across generations, the author shows that, although there have been notable improvements in consumption of collective urban services, household goods, and years of schooling over the past three decades, there is greater unemployment and inequality. The stigma of favela life is reflected in a lack of return on educational investment and extraordinary earning differentials between favelados and non-favelados in the same areas of the city. Among the barriers to livelihoods is the expropriation of the space of the favelas by drug dealers in complicity with police, politicians, and international criminal networks. The violence between rival gangs and police creates a pervasive sense of fear and dampens the once vibrant social life and social capital of the communities. Despite the promise of a greater “voice” and sense of citizenship with the end of the dictatorship in 1984, favela residents feel they have less bargaining power now and are more severely excluded from job opportunities.

Key Words: **chronic poverty, inequality, exclusion livelihoods, citizenship, marginality**

1. INTRODUCTION¹

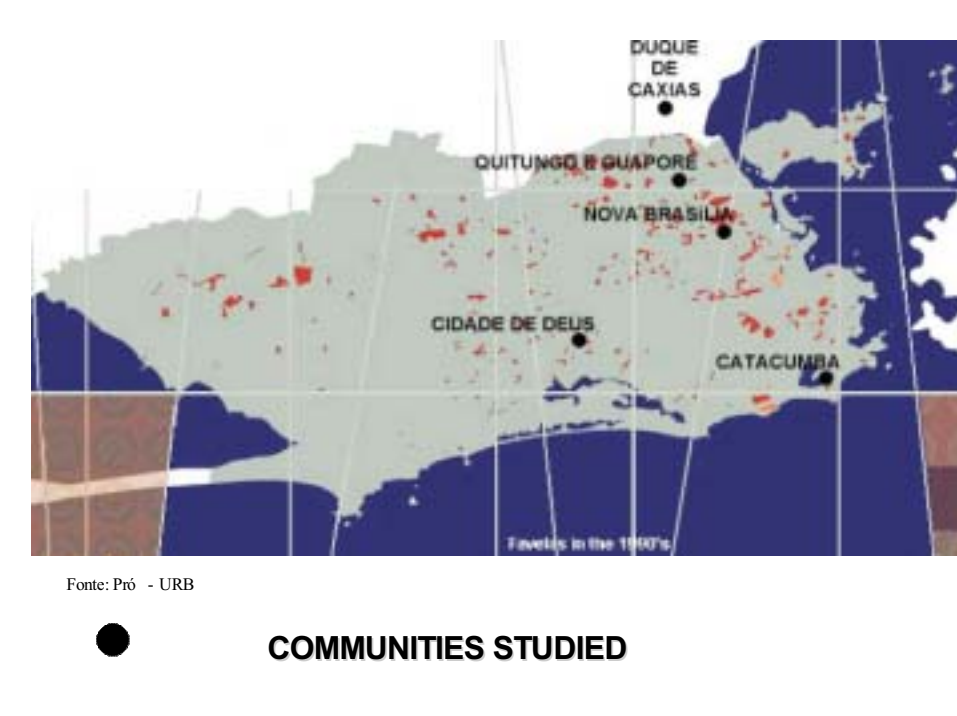
Brazil has changed dramatically over the past 30 years. A gradual political *abertura* (opening), starting in the late 1970s, led through a series of incremental steps to the end of the dictatorship in 1984 and the re-democratization of the country. However, the “economic miracle” of the 1970s also gave way to triple digit inflation during the 1980s, then to stagnation and a series of devaluations of the currency. Efforts to curb inflation culminated in the *Plano Real* (Real Plan) established by Fernando Henrique Cardoso in 1994, but this did not solve the problem of economic growth, which remained low during the 1990s, resulting in increasing unemployment and inequality over the decade. For the urban poor, marginality has been transformed from a myth to a reality as high hopes for a better life for their children have been dashed by a series of barriers. Brazil continues to be one of the most economically unequal countries in the world with the top 10 percent of the population earning 50 percent of the national income, while about 34 percent of the population lives below the poverty line.

This chapter is based on longitudinal survey data, life histories, and participant observation in three low-income communities in Rio de Janeiro, initially collected by the author in 1968–69, and again 30 years later in 1999-2003. The trajectories of families and individuals were followed from fishing and agricultural villages to *favelas* (squatter settlements) and *loteamentos irregulares*, (illegal or clandestine low-price subdivisions lacking urban services and infrastructure), in the three areas of Rio de Janeiro where poor people could then live. These areas studied were: Catacumba, a *favela* in the wealthy South Zone that has since been removed and its residents relocated to more distant public housing; Nova Brasilia, a *favela* in the industrial North Zone that is now a battleground between police and drug traffickers; and Duque de Caxias, a peripheral municipality in the Fluminense Lowlands (Baixada Fluminense), where three *favelas* and five *loteamentos* were selected for study. These communities as well as the housing projects to which the

¹ This paper was originally presented as a talk at the Conference on Chronic Poverty in Manchester, England, April 7-9, 2003. It will be published in *The Journal of Human Development*, in a special issue on the topic (forthcoming).

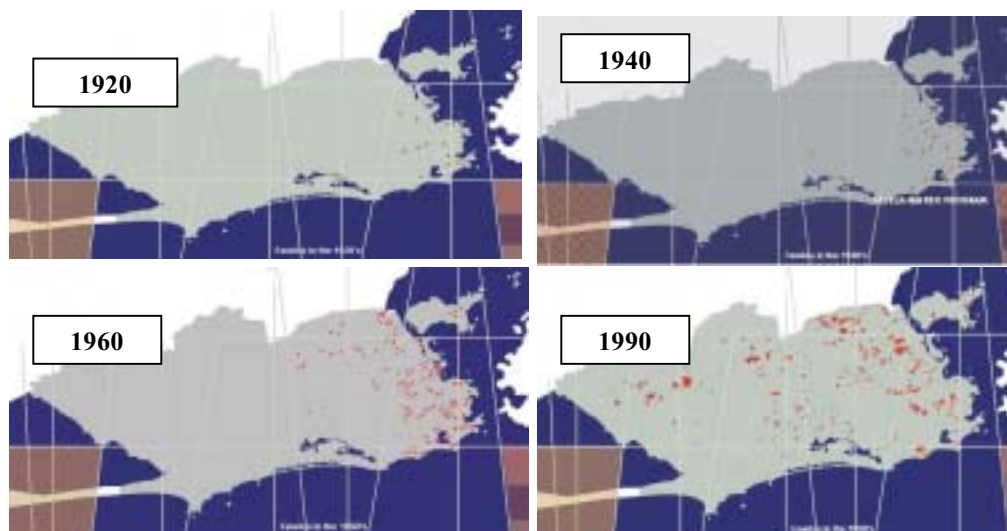
Catacumba residents were removed – Guapore-Quitungo and Cidade de Deus (“City of God”), which is now famous for the movie adaptation of the book authored by Paulo Lins, are shown in Figure 1.

FIG. 1: MAP OF THE COMMUNITIES STUDIED



Despite three decades of public policy efforts in Brazil, – first to eradicate *favelas*, then to upgrade and integrate them into the city, – both their number and the number of people living in them has continued to grow. There were approximately three hundred *favelas* in Rio in 1969 and today at least twice as many. Not only have *favelas* increased in number and size, they have merged to form vast contiguous agglomerations or “complexes” of communities across adjacent hillsides as seen in a series of maps from 1920, 1940, 1960, and 1990 (see Figure 2).

FIG. 2: EVOLUTION OF FAVELAS OF GROWTH IN RIO DE JANEIRO (1920–1990)



Statistics shown in Table 1 indicate that in every decade between 1950 and 2000, Rio's *favela* population grew much more rapidly than the city as a whole with the exception of the 1970s when *favela* eradication programs forcibly removed over 100,000 people into public housing or sent them back to the countryside. Most striking is that during the period 1980 to 1990, when the overall city growth rate dropped to 8% but *favela* populations surged by 41%. Then, from 1990 to 2000, when the city's growth rate leveled off at just less than 7%, *favela* populations continued to grow by 24% resulting in a current all-time high percentage of Rio's population.

TAB. 1: GROWTH RATES OF FAVELAS AND RIO DE JANEIRO CITY POPULATION BY DECADE

Year	Favela Pop. (a)	City Pop. Rio (b)	a/b (%)	Grow. rate: Favelas	Growth rate: Rio Pop.
1950	169.305	2.337.451	7,24%	-	-
1960	337.412	3.307.163	10,20%	99,3%	41,5%
1970	563.970	4.251.918	13,26%	67,1%	28,6%
1980	628.170	5.093.232	12,33%	11,4%	19,8%
1990	882.483	5.480.778	16,10%	40,5%	7,6%
2000	1.092.958	5.857.879	18,66%	23,9%	6,9%

It is also clear that *favela* growth has not been spread evenly over the metropolitan region, growing 108% in the West Zone over the past decade in response to greater availability of vacant land, newly accessible transportation and the burgeoning upper class developments in the Barra de Tijuca, as compared with 21% and 14% respectively in the already consolidated South and North Zones. This growth is evident in the table below, both in terms of number of favelas and population in the favelas

TABLE 2: GROWTH RATE BY ZONE FROM 1980–1992

ZONES	Number of Favelas			Favelas Population		
	1980	1992	Rate of growth	1980	1992	Rate of growth
South	25	26	4%	65,596	79,651	21%
North	22	25	14%	49,042	55,768	14%
West	86	195	127%	94,002	195,546	108%
Suburbs	194	270	39%	416,307	532,340	28%
Central	45	57	27%	92,119	99,488	8%
TOTAL	372	573	54%	717,066	962,793	34%

The fact that *favela* growth has been outpacing city growth was initially due to the influx of migrants from the countryside, particularly the Northeast, Minas Gerais, and the State of Rio itself. But today, the rates of rural-urban migration are much lower, and the West zone is the main reception area for significant numbers of newcomers to the city, indicating that the growth is due to a combination of natural increase² and some immigration from other areas within Rio and from other states.

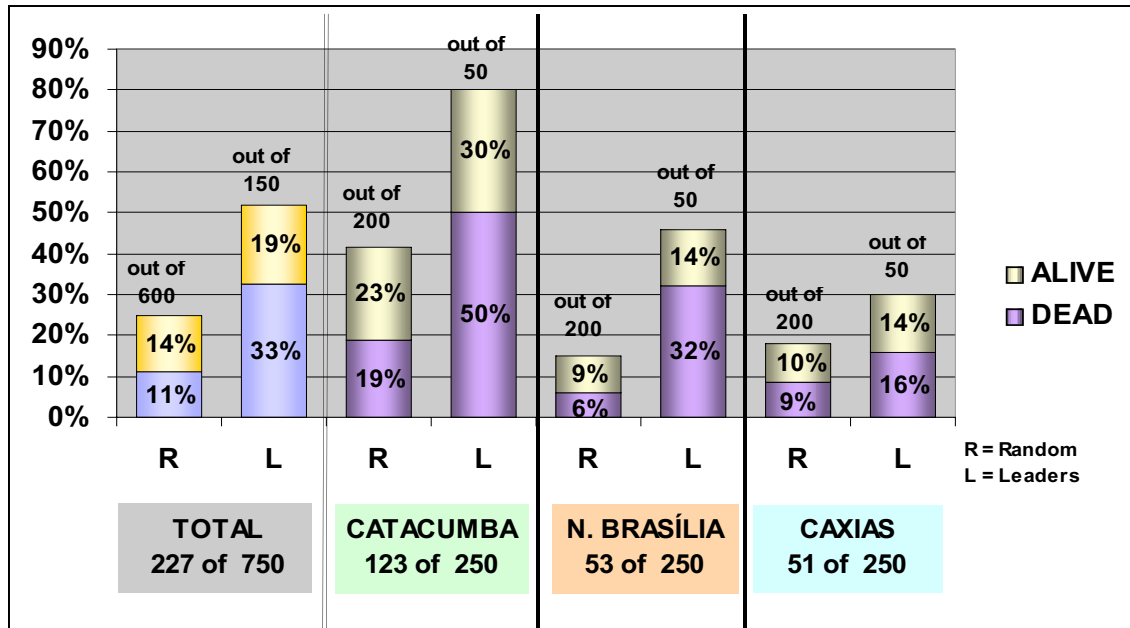
2. METHODOLOGY

In the original study from 1968–69, we selected 200 men and women 16–65 years of age at random from each of the three communities (the random sample, 600 in total) and 50 leaders selected by position and reputation in each (the leadership sample, 150 in total). When we went back in 1999, we were able to relocate 41% of the 750 people in the original study. Because we did not record the names of the interviewees of the random sample in order to protect their anonymity but had the last names of the leaders, which were also better known, we were able to locate the latter much more easily, –finding 61% of the leadership sample vs 36% of the random sample.

As shown in Fig. 3, Catacumba, where we expected the lowest success rate in finding our original interviewees (since forced eviction in 1970 had scattered families across several distant housing projects) turned out to have the highest rate, due to the strong sense of solidarity created through years of struggle for collective urban services, culminating in the long battle against eviction. By contrast, the lowest relocation success rate was for original interviewees from Duque de Caxias — particularly in the *loteamentos* (rented or privately owned lots). Contrary to predictions in the literature that home ownership would create stable settlement patterns, we found a much higher turnover rate among those living in *loteamentos* in Caxias than in *favelas*. This could be explained by a variety of factors including the fact that many of the people we interviewed in the *loteamentos* were renters and not owners, that more of them moved out, and that since there were weaker social ties and fewer community organizations, the neighbors and local establishments had no ongoing contact with those who had left.

² Statistics show that family size tends to be larger in *favelas* as compared with the rest of the urban population, despite the fact that *favela* families have been getting steadily smaller with each generation in the city. For the details of this phenomenon in São Paulo, see Lloyd–Sherlock, Peter (1997).

FIG. 3: PERCENTAGE CHART OF OUR INTERVIEWS BY COMMUNITY; BY RANDOM OR LEADERSHIP SAMPLE, AND BY “SURVIVAL”



2.1 Testing bias

Although it is impressive to find 41% of the study participants so many decades after the original research, it raises the question of what happened to the other 59% and whether our findings can be generalized. It is conceivable that we found only the poorest as the better off had moved away, or that we found only the most successful as the worst off had been forced to live on the streets or under bridges and were, therefore, not located. Thus, considerable effort was spent testing for bias. We did this by using the 1968–69 data to compare those whom we found, either alive or deceased and those we could not find.

We found no systematic bias by any measure of socioeconomic status, including income, educational level, possession of household goods, people per room or an index we created combining these measures among those we were able to locate and those we could not. Nor was there any difference according to race, manual vs. non-manual occupation, or the level of urban services in the household. Comparing those we were able to find with those we could not locate, there was also no difference in gender or age, but women and the youngest cohort were overrepresented in those found alive as would be expected.

The main factors determining our chances of success in relocating the people were 1) of the degree to which they were members of some community group or more connected socially to networks of friends and relatives, and 2) that they lived in a *favela* and not a *loteamento* in Caxias. As explained above, this is because people in the *loteamentos* did not have to struggle collectively to get community services and to fight against removal as those in *favelas* did, and therefore their ties to the community were weaker, and when they moved, there were no family members, friends or community leaders who kept track of them as there were in the *favelas*. For the people who had died in the interval between the two studies, mostly the eldest of the random and elite samples and more men than women, we located their spouse or eldest child and asked them to complete the life history data for the original interviewee.

3. ANALYSIS OF FINDINGS

3.1 Where are they today?

In a model of chronic poverty one might expect that the majority of people who were living in *favelas* in 1968–69 would be living in *favelas* in 2003. This was true for only one third of the random sample (33%; see Table 3). Another 27% are still in the public housing projects to which they were removed in 1970, and it appears that although this was highly detrimental to their lives at that time, it has improved their lives overall. The most encouraging finding, however, is that 40% of those who were in *favelas* at the time of the original study are now renters or owners of houses or apartments in legitimate neighborhoods (*bairro*). Only a handful have made it to the South Zone, but many have either bought land in peripheral parts of the city and constructed on it or managed to rent apartments in the less expensive parts of the city. In the random sample of their children, the pattern was similar: 35% are now living in a *favela*, 21% in a housing project, and 44% in a legitimate neighborhood.

The leaders have done even better: only 13% of them have remained in *favelas*, 32% are in public housing, and over half or 55% are in legitimate neighborhoods. In many cases, these leaders have bought fairly large lots of land in distant areas (the outskirts of Niteroi, the less-settled areas of Japaripagua, Bangu, Campo Grande, or the peripheral neighborhoods of Caxias) and have built family compounds. These houses are generally not visible from the unpaved road, and it is hard to find them. Once you go through the metal gate into the driveway, however, there is often a little garden area and veranda inside and a series of attached and separate houses, the main one usually two or three stories high. They are self-built over time (*autoconstrução*) as the original *favelas* were, and as the family acquires capital, it is often reflected in the tiling of the kitchen and bathroom or the furnishing of the bedroom. Many families said that they had purchased their major home improvements during the period just after the 1994 *Plano Real*, when the local currency was pegged to the value of the dollar and its purchasing power suddenly much greater.

This move from *favela* to legitimate neighborhood is a major status leap as well as a geographic change: the distance from the center and the incurring of the costs of monthly rent or by purchasing land and building materials is traded off against the stigma and danger of living in a *favela*. Some of the families I interviewed who had left the *favelas* or the public housing projects to escape from the violence and distance their children from the drug trafficking scene, reported feeling very lonely and isolated in the apartments they had rented and financially squeezed by the monthly rent and utility charges.

TAB. 3: CURRENT LOCATION OF FAVELA RESIDENTS INTERVIEWED IN 1969

WHERE ARE THEY NOW?

Type of Community

Type of Sample	Favela	Public Housing Project	Neighborhood	
Random (alive)	33%	27%	40%	100% (N=115)
Leaders (alive)	13%	32%	55%	100% (N=38)
Children	35%	21%	44%	100% (N=119)

Updated in September, 2003

3.2 Livelihood and well-being

How are the people originally interviewed living today? Due to the advanced age of the group, a majority (60%) are living on federal retirement payments. They receive about one "minimum salary" per month (equivalent to about US\$90³). In many cases this is the main source of income for the entire household, often consisting of several unemployed children and young grandchildren. The pension is sometimes supplemented by charity and scrounging such as the *cesta basica* (basic-needs basket) distributed by religious groups or gathering leftover produce from local market stands. More importantly, under the government of President Fernando Henrique Cardoso, a number of innovative poverty programs were established, which give small cash transfers to poor families in exchange for each child from 7 to 14 who is kept in school, is inoculated and can prove regular medical check-ups. An array of such programs (*bolsa escola*⁴ and others) have been consolidated as the Family Grant Program and expanded by the Labor Party President, Luiz Inacio 'Lula' da Silva. This is done through a type of debit card for eligible families and is now providing an average monthly benefit of about US\$24 (see Dugger 2004). Such government programs play an important role in the survival of these families, which is why theories of "advanced marginality"⁵, which posit a re-trenchment of the welfare state do not hold true for the case of Brazil. In fact, in Brazil the welfare state is now expanding.⁶

3.3 Socio-Economic Status

³ The current exchange rate is 1 US\$ = 2.7 R\$ (reais), but it has oscillated a great deal during the past years.

⁴ *Bolsa escola* is a small monetary voucher given to the family for each child of school age who stays in school.

⁵ For more on the concept of advanced marginality see Wacquant (1996). For the ways in which the propositions of advanced marginality fit or do not fit to the reality of Rio's favelas see Perlman (2004).

⁶ When asked who is the politician who has most helped them or people like themselves, the most frequent response was Getulio Vargas, who during the Estado Novo, between 1930–45, put in place the basis for the welfare state as it is today.

In order to look at the relative well-being of the individuals in our study, we created an index of socioeconomic status (SES) using income, education, household goods and people per room. This enabled us to create a score for each person and to cluster these scores as high, medium and low. From the literature on chronic poverty, the feminization of poverty and race-based poverty, we expected that race and gender and particularly the gender of the household head would be strong determinants of the level of SES.

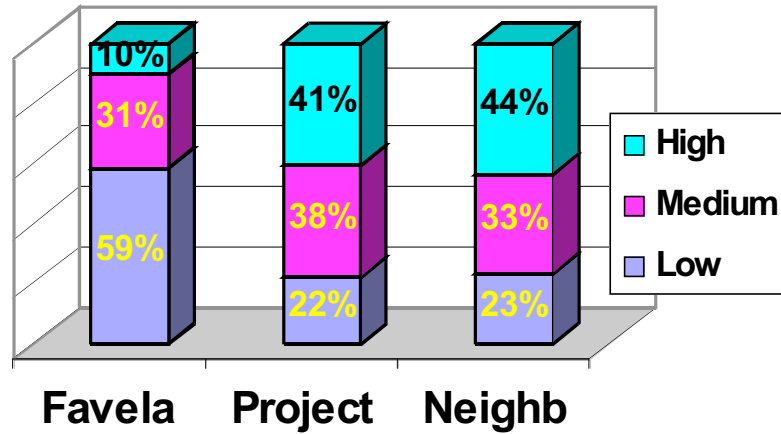
In the 2001 data, neither race, nor gender, nor gender of household head were correlated with SES. It is of interest, however, that in 1969, race was significantly correlated with SES. Forty-two percent of whites, 34% of *pardos* (mulattos) and only 6% of blacks were in the high SES category at that time. Today, however, there is no correlation, and in fact, the racial group with the highest percent in the top SES category is not whites (28%), but *pardos* (41%). Blacks are in-between (33%). More work must be done on this, but one possible explanation is that the best and brightest among whites had other opportunities and were not the ones who tended to be living in a *favela* in 1969. This may explain why the whites did more poorly than *pardos* and blacks over time. On the other hand, the pervasive power of racial prejudice may be seen in the percentages of people of each skin color who have managed to move out of *favelas* or public housing projects (or *conjuntos*, i.e., “high-rise walk-ups) into legitimate neighborhoods. Forty three percent of the whites, 30 % of the *pardos*, and only 24% of blacks now live in legitimate neighborhoods (*bairro*).

Looking at gender, there was not a statistically significant difference between males and females in the high SES category (24% of males and 37% of females), although it is of interest to note that there was a higher percentage of females. Likewise, there is no significant difference between the SES of male and female-headed households; but in this case, slightly more male-headed households (39%) than female-headed households (31%) ended up in the top SES group.

Of over 80 variables tested, only two were strongly associated with SES: the type of community the person was living in – *favela*, *conjunto* or *bairro*– was strongly associated with SES, as was the fact that a person remained in the original community as opposed to having moved away. Almost twice as many people who are living in *bairros* were in the top SES category (44%) as compared with those in either *favelas* (10%) or *conjuntos* (41% each).

FIG. 4: CHART OF SOCIO-ECONOMIC STATUS BY TYPE OF COMMUNITY

SES by Type of Community



Significant

Pearson Chi -Square .005

It appears, however, that those in *conjuntos* are better off, since when we look at residential mobility among those who never moved, only 18% are in the high SES group, compared with 38% who went to a *conjunto* and stayed there and 39% of those who moved at all, regardless of where they ended up. As a result, the group one might consider as the chronically poor are those who lived in a *favela* all of their lives and were unable to get out. This is consistent with the discourse on marginality and exclusion.

3.4 Intragenerational Mobility

Some of the people we found had improved their levels of living over their lifetimes, some had stayed the same, and some suffered a decline. In order to measure socioeconomic mobility, we compared standardized

measures of current and past socioeconomic status⁷ using each person's SES scores in 1969 and in 2001. This is only a relative measure and only relates to two points in time. There could have been many ups and downs in the intervening years (and we will be able to look at these through the analysis of the life history data), but for now, it is a relative comparison between two fixed points in time.

According to these measures, we found that, within our sample, the leaders who already had higher SES than those in the random sample in 1969 also had greater relative upward mobility. We also found that all those who moved out of *favelas* into legitimate neighborhoods showed higher socioeconomic mobility along with physical mobility. This may be interpreted to mean that the ones most able to move out did so thereby hampering their future chances of success, creating a vicious cycle. Those who remained in the *favelas* had the lowest SES, even lower than those who were forced to go into housing projects.

As with SES, the lack of correlation with race, gender, or gender of the household head was striking. Only two variables from among more than 80 tested correlated significantly with mobility. The first correlation reconfirms the findings reported above: there is a strong positive correlation with residential and socioeconomic mobility. Among those who moved their place of residence, 33% had relative upward mobility comparing their SES in 1969 and in 2001, as opposed to those who stayed in the *favelas* where only 18% were in the upward mobility group. Correlation does not imply causality or explanation, but what is probably true is that those who could move did so and once out of a *favela*, had more life opportunities to improve in multiple ways. We will return to this discussion when we look at the issues of barriers to mobility and the stigma of living in a *favela* as opposed to the so-called *asfalto* (asphalt), or legitimate city.⁸

The other significant correlation is with social capital, particularly with membership in community groups. This confirms and complements the literature, which posits the importance of social networks, organizational membership, and density of social relationships for economic prosperity and political stability at the regional level (Putnam 1994) and of those same variables for well-being among the poor. Even before the term social capital had come into vogue, experience had shown that mutual help through networks of reciprocal exchange was a major coping and survival mechanism of the poor (c.f. Lomnitz 1977, Campbell 2003, Perlman 2004, etc.).

In the case of the *favelados* (residents of a *favela*) we studied, almost 60% of those who participated in one or more community association vs. 17% of non-participants had relative upward mobility. That may be explained by the fact that those who were better-off to begin with, and therefore had the time and resources to participate, were in a better position to be upwardly mobile. One could also conclude that those who had the motivation, hope, and energy to belong to a community group and advocate for the community's improvement were more likely to succeed in their lives. In any case, the relationship holds up even when controlled for levels of income, education, and optimism.

There is also a relationship, although not statistically significant, between relative upward mobility and two other indicators of social capital: friendship and kinship networks and trusting social relations with neighbors. Among those who report having many friends and relatives in the community with whom they interact frequently, 42% scored high in relative upward mobility as opposed to only 23% among those who are more isolated. In terms of trusting social relations with neighbors, 47% of those who felt they "could trust

⁷ We have created a standardized Socio-Economic Status index (SES) using data on family income per capita, years of education, people per room, and consumer goods. The "mobility index" is a relative index created by measuring the difference in SES scores in 1969 and SES scores in 2001.

⁸ This phrase has persisted despite the almost universal paving of *favela* entrances and main passageways through the *Favelas Bairro Program*, which recently celebrated its 10th year. The *Favela Bairro Program* is an upgrading program that aims to improve infrastructure (e.g., streets and sanitation) and social services with community participation. It is a program supported by the Rio Municipality, the Federal Bank (Caixa Economica Federal) and the Inter-American Development Bank, and it originated from a Program of the Urbanization of Popular Settlements of Rio de Janeiro that started as a self-help *favela* initiative. The basic approach of *Favela Bairro* is to keep the residents in the *favelas*, bring them services available in legitimate neighborhoods (*bairros*) and to improve the physical integration of the *favelas* into the surrounding neighborhoods.

most or all of their neighbors” vs. 25% of those who “could trust few or none” demonstrated relative upward mobility.

The link between relative upward mobility and reciprocal helping networks may be weakened by the lack of family income. As Mercedes de la Rocha (1994) has pointed out, there has been a change in the past decades from “ the resources of poverty to the poverty of resources.” Her work in Guadalajara , Mexico, showed that once chronic poverty becomes endemic in a family and no one in the household has any outside source of revenue, these networks tend to break down due to lack of reciprocity. This remains to be tested for the Rio de Janeiro case.

3.5 Intergenerational Mobility

This research project, when completed, will have data on four generations, spanning the end of the 19th century into the 21st century. We will have collected information about the original 750 interviewees, their parents, their children, and their grandchildren. As interviews with the grandchildren are still being conducted, the comparisons here will focus mainly on the original interviewees and a random sample of their children. Three aspects of mobility have been selected: consumption, education, and occupation.

3.5.1 Consumption

Consumption is increasingly being used as an indicator of well-being as income has become controversial as a measure. Income was seen as easy to obtain, objective and convenient in comparisons, but this has been challenged by social scientists and even economists who have found it does not provide a meaningful indicator of well-being. In part, this is because of differences in purchasing power in different places at different times, the varying values of the currency, the disregard for non-monetary benefits and the absence of assets in the equation. This last point was strikingly brought home to me many years ago when I witnessed a clerk at Sears denying a credit card application from a well-known person who was independently wealthy. The problem was that on his application, he had filled out a sum in the monthly expenditure column far exceeding the sum (zero) he had entered in the column on monthly income from his present job. The question of assets was not included in the application form. Recently Moser et al (2001) have argued for the inclusion of assets and livelihoods in economic measures at the other end of the spectrum, i.e. poverty assessment. For the urban poor, who rarely have any savings or investments, their “net worth” may be seen, in part, by the condition and materials of their houses, their access to urban services and their possession of household goods. Our findings from the Rio de Janeiro re-study show an astonishing increase in consumption on all of these measures in the past 30 years.

Taking infrastructure and housing conditions as an example in 1969, only 27% of *favelados* had running water in their houses, 52% had bathrooms inside their houses (although less than half were connected to any sewage system), and none had a legal electricity connection, although 66% had access to some illicit form of electricity. Today, access to these amenities is almost universal. This change has revolutionized the Quality of Life, especially for the women who, when I lived there, had to wake well before dawn to line up at the collective standpipe to fill their square 5 gallon cans with water (sometimes only flowing at a trickle) and carry them back up the hill on their heads for the morning cooking and cleaning. In terms of housing materials, only 37% had homes made of brick, while all others were shacks of scrap wood, wattle and daub or a mixture of materials. Now, 97% of the houses are made of brick.

As for household appliances, television ownership went up from 64% to 98%; refrigerators from 58% to 98%; and stereos from 25% to 75%. When you look at the next generation, the consumer profile is surprising. Among the children of the original interviewees, 86% have land or cellular phones (as compared with only 2–3 people in each community who had phones when I first did my study), 79% have washing machines, 71% have VCRs, 30% have microwave ovens (which I suspect is higher than the average in Rio de Janeiro as a whole), more than one in four (26%) own a car and, most surprising of all, 22% have computers. In my interviews, computers were often mentioned as a choice gift for a child’s 15th birthday, although parents usually did not want them to have Internet access.

This consumption profile well exceeds that of the average university professor or middle class professional in Rio de Janeiro today. When I give presentations in Rio about this data, the audience is always surprised, but those who work on poverty in other situations in Brazil and Latin America have often expressed to me the recent phenomenon of overconsumption relative to what income levels would suggest. I also notice in the *favela* homes I have been visiting that the kinds of floor and wall tiling in kitchens and bathrooms exceeds in luxury and cost that of most middle class apartments as does the quality of living room, dining room, and bedroom furniture sets. Is this some sort of attempt to rectify the sense of exclusion and stigma that the poor feel as expressed in their constant claim that they are not seen as *gente* (people)?

3.5.2 Educational Mobility

There has also been an extraordinary revolution in literacy and education in general across the generations. 23% of the people interviewed in 1969 were illiterate (mostly among the older members of the population), but that was a huge advance over the 95% illiteracy rate of their parents, who in large part were born and raised in the countryside. In the children's generation, only 6% remained illiterate while 34% went to high school (as opposed to 7% of their parents and zero percent of their grandparents) and 8% made it all the way to university. Eighteen percent of the families of our sample have at least one child with a university degree.

The Brazilian school system makes it particularly difficult for the poor to get into universities, which is why this percentage of sample families with university degrees is an impressive achievement. The good high schools are private and expensive, and after completion, there is an expensive preparatory course (*cursinho*) for the critical "vestibular" exam, which determines who gets admitted to the public universities. These are the best universities, and they are free, but usually only those who have the resources to go to private high schools and are able to pay for the *cursinho* receive sufficiently high grades on the exam to be admitted to university.

Comparing each original interviewee with his or her parents on a case by case basis, 69% had more education than their fathers (their mothers had less). Even more of the children (72%) had more education than their parents, the original interviewees.

3.5.3 Occupational Mobility

Occupational mobility is difficult to measure due to a lack of clear hierarchy among job categories (i.e. the movement of manual to non-manual work may lead to higher or lower salaries and prestige, and "working for oneself" includes the highest and lowest earners.) However, using the standard categories, we found that the pattern of occupational mobility parallels that in education. With migration to the city, the original interviewees replaced the rural jobs of their parents with unskilled manual labor as measured by "occupation for the longest period of one's life." The children of the migrants moved into semi-skilled manual jobs and routine non-manual jobs (see Table 5). For example, 62% of the parents of the original sample, 10% of the original interviewees, and none of the children held rural occupations. Comparing each participant specifically with his or her father, 62% of original interviewees (69% of males and 59% of females) had better jobs than their fathers.

Another method of comparing occupational levels is to look at the jobs held during the peak period of the life cycle, which we took to be approximately twenty years after the first job. As jobs tend to vary throughout the life cycle, we compared the jobs of original study participants and their children. It is obvious that the children have done better, but this is more clearly seen on a case by case basis: 66% of the children had a better occupation than their own parents; 19% had the same level jobs; and 19% had less prestigious jobs than their parents had. Here is the first indication of a problem with the picture of improving conditions of life over the three generations.

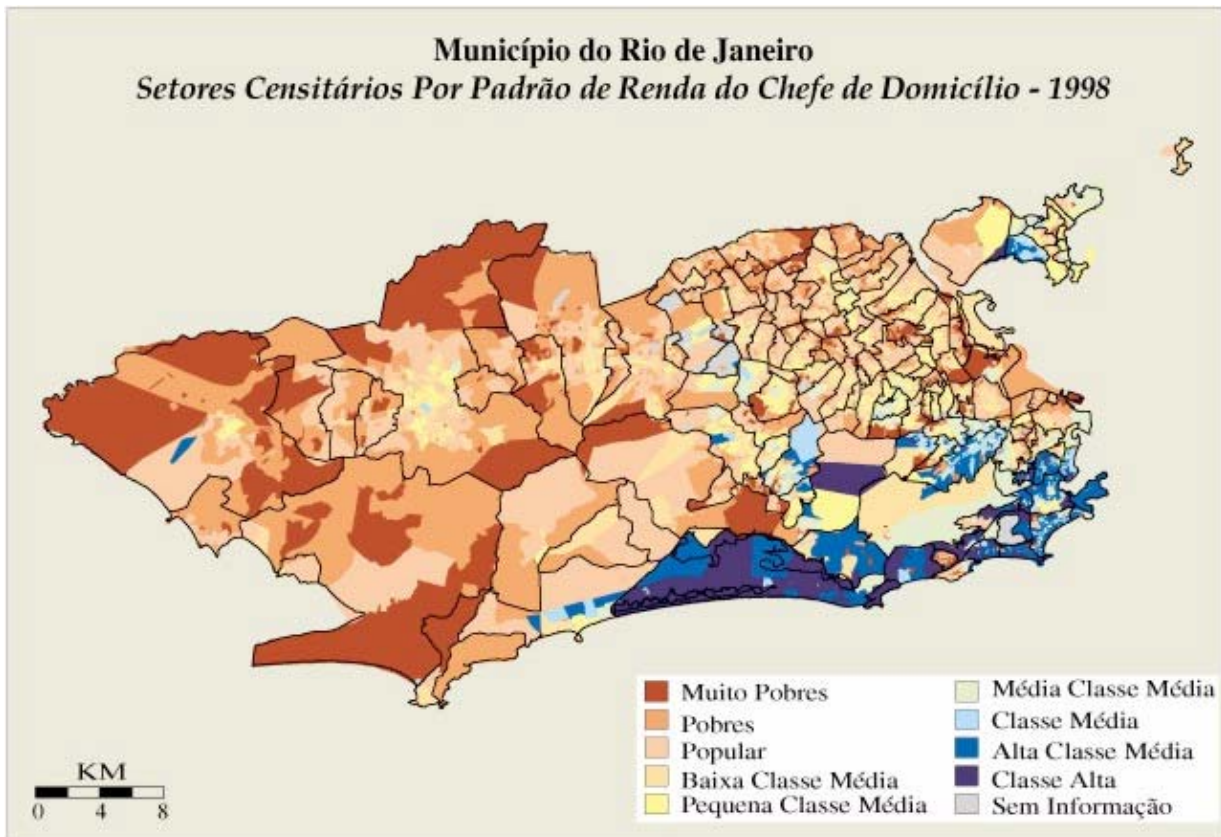
What this reveals is that the impressive educational gains are not fully reflected in occupational gains. Whereas 70% of the original sample had more education than their parents, only 62% ended up with better jobs; and, whereas 75% of the children of the original sample had more education than their parents, only

66% had better jobs. This is, no doubt, an improvement but not as great an improvement as might be expected. Part of this difference is due to a structural change in the value of years of schooling as they relate to prestige in the job market. When I lived in Rio de Janeiro in the late 1960s, parents in the *favela* would often tell their children that if they did not stay in school they would end up as garbage collectors. In July of 2003, the city opened a competition for 400 garbage collector jobs, and 12,000 people applied. A high school diploma was a prerequisite for application.

This change can also be seen in the differential rate of return to education for those living in *favelas* as opposed to the rest of Rio de Janeiro's population. Research by Cardoso, Elias and Pero (2003) has shown that until the third year of school, the increase in income for each year of additional schooling is equal for those in *favelas* and those in other parts of Rio, but from then on, those outside the *favelas* benefit much more.


There is a strong spatial component to the difference in earnings between *favelados* and non-*favelados*. It is much more pronounced in the high income areas of the South Zone (Leblon, Ipanema, and Copacabana) and Barra. These wealthy areas are easy to distinguish on the map of Rio de Janeiro (see Figure 5), which has been color-coded by the average income of household heads.

FIG. 5: CENSUS AREAS BY CLASS OF HOUSEHOLD HEAD



The blue areas are the wealthiest and the dark red the poorest. The income differential between *favelados* and non-*favelados* is greatest in the desirable residential zones, but even in the poorest areas, there is a huge gap. As shown in Table 4, the average monthly earnings of non-*favelados* is 567% greater than that of *favelados* in the South zone—even though the South zone *favela* residents earn more than *favelados* in other areas. The smallest difference is in the West Zone, where non-*favelados* earn 153% more per month than *favelados*.

TAB.4: AVERAGE MONTHLY EARNINGS IN REAIS BY RESIDENCIAL ZONE⁹



Average monthly earnings (R\$) by area of residence

<i>Area of residence</i>	<i>Favela</i>	<i>Non-favela</i>	<i>Total Average</i>	<i>Diff.(%)</i>
South zone	437	2,476	2,173	566.6
North zone	361	1,284	1,179	355.7
Near suburb	382	880	694	230.4
Distant suburb	363	728	655	200.6
Jacarepaguá	391	896	806	229.2
West zone	368	564	542	153.3

Compiled by Valeria Pero from the 2000 Census

The stigma of living in a *favela* is clearly reflected in this income differential, which does not seem to be affected by the “magic bullet” of education. Many youngsters seem to recognize this when they drop out of school and enter the workforce or the drug trade. They see the underemployment and unemployment of their older siblings and friends who have remained in school and feel that it is pointless. The number of young people, both girls and boys, who are not in school and not looking for work surprised me.

This is worse for the new generation. In 1969, only 31% of the random sample in the *favelas* reported being unemployed for more than a month, but among their children today, 65% say they have been unemployed for more than a month. During many of the interviews I conducted, one or several of the adult children were hanging around the home in the middle of the afternoon on a weekday with nothing to do. The most haunting example is an interview with Mr. S, one of the former leaders on Nova Brasilia. He had an excellent job as a truck driver for the Coca Cola bottling company on Avenida Itaoaca and after it closed continued to drive trucks until his hearing and eyesight failed. His wife became mentally ill and he was reduced to selling off the large, multistoried home he had built over the years and living with his family in a small hut in the backyard (*quintal*). His home was one of the only houses I visited which still had an outdoor kitchen, an outhouse and a pounded dirt floor. When asked, he said his major problem was getting milk for his grandson, who lives with him, as do his wife and several of their children, none of whom has an income. They all subsist on his pension.

One daughter who was sitting on the edge of the sofa during the interview was in her mid-twenties or early thirties. She did not have a job. She told me she would like to be a supermarket checkout clerk and that she had gone to inquire about a job she had heard was available. When she got to the location, she realized that she lacked enough money for the return fare, so she stayed on the bus and came directly home. The next time she had enough money for the round-trip but was told she needed a *carteira assinada*, a type of worker document signed by a previous employer. Since she had never worked and did not have the neces-

⁹ In 2003 on average the exchange rate was 2.7 reais to the US dollar
NOTE TO EDITOR: OMIT THIS IF already mentioned elsewhere

sary papers, they told her where to go to register. She went and filled out the forms, and they told her to come back in two weeks. The forms were still not completed, so I asked her how long ago it had been since she had applied, and she looked at her father and said, “Oh, it’s hard to say, about eight months, I think”. That sense of not believing it would make a difference and not even trying anymore was simply not present in the first generation of immigrants. The idea was to do whatever it took to survive in the city.

Another story that sticks in my mind is the young man who had gone to see about a job as bus-fare collector. First of all, he said he found that type of work humiliating; it was ok for his father’s generation, but he expected to do better than that. After having been told what the pay would be, he subtracted his travel and lunch costs and the cost of the clothing and shoes he would need to buy and found out that his net earnings would be so low as to be totally insignificant. In addition, he would be traveling 3–4 hours a day and working another 12 hours. So, there he was, “flying kites” like a little kid, his father told me, and if the father complained, the son would say, “Don’t pressure me or I’ll join the drug trade.”

This is indeed a daunting picture. It leads us to the question about barriers to livelihoods.

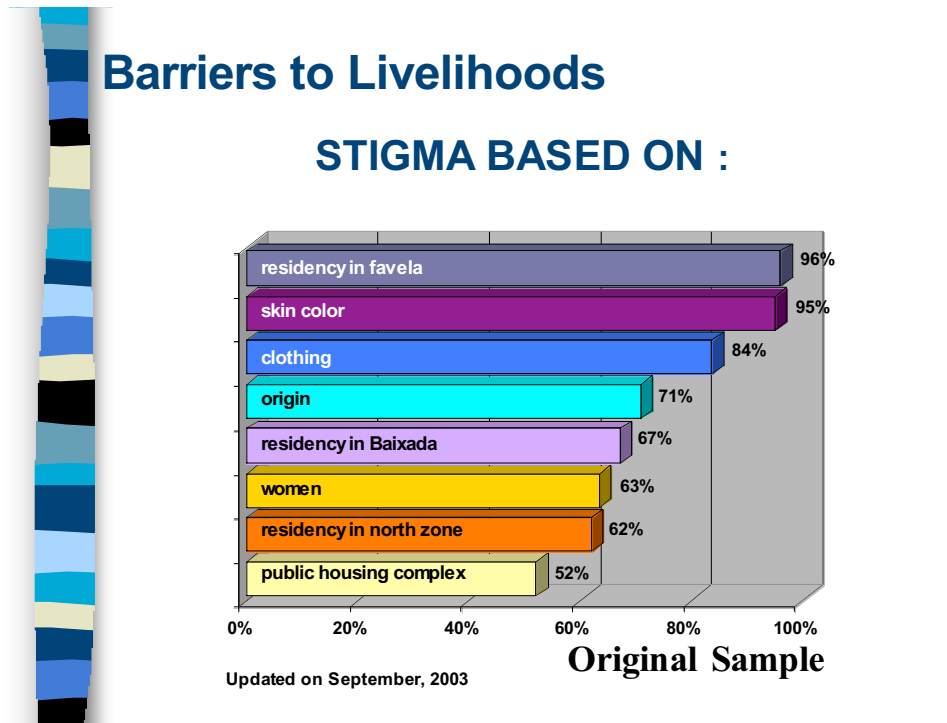
3.5.4 Barriers to Livelihoods

The primary barriers we have identified to date are many: 1) the dramatic loss of manufacturing in the Rio de Janeiro Metropolitan area, which has left thousands of blue collar workers unemployed¹⁰; 2) the consolidation of the physical space of the city and consequent reduction in construction jobs¹¹, which had been a mainstay for unskilled and semi-skilled workers in the boom of the 1960s and 1970s; (3) the belt-tightening of the middle-class, which, along with increases in electro-domestic appliances, fast food, and take-out services, has led to a steep reduction in domestic service employment, typically down from live-in maids receiving free room and "board plus" 5–6 day/week pay to 1–2/days/week, which was the single major female livelihood source in 1968; 4) technological advances that have replaced many labor-intensive jobs with a few high-skilled ones; 5) higher educational standards for job entry due to structural gains in educational levels; 6) the increase in drug-related violence in the *favelas*, which has depressed the value of the rental and sales properties there; and 7) the pervasive stigma against *favela* residents reflected in the job market even when the applicant meets all other qualifications for employment. The sources and degree of perceived exclusion are shown in Figure 6 based on the percentages of people who responded “yes” to the question, “Is there discrimination on the basis of gender, skin color, favela residence, manner of dress or “appearance”, place of origin, etc?”

¹⁰ During the past decade, 236,078 factory jobs were lost when factories either failed and closed or moved away. One of the people I interviewed in Caxias had been thus displaced by 7 different enterprises over the past 15 years.

¹¹ In the past decade, the Rio de Janeiro Metropolitan Region lost 41,816 jobs in civil construction.

FIG. 6: DISCRIMINATION AS BARRIER TO LIVELIHOODS



It is interesting that, yet again, living in a *favela* is seen as being more prejudicial than being dark skinned or female. The perception of racism, however, had gone up from 64% in 1969 to 85% in 2001, leading us to wonder whether there is really more prejudice today or just more awareness of it. Many non-profits, particularly Afro-Reggae, emphasize “roots” and black pride, and, interestingly enough, the same people classified themselves as darker skinned when asked in 2001 than in 1969, more saying they were black, more saying mulatto and fewer saying white than they had in the earlier interview.

The issue of mode of dressing came up so frequently in the open-ended interviews that it was included in the final survey instrument even though it had not appeared to be important in the first study.

Dona R., an owner of a clothing and show store in Nova Brasilia, who lives in a nearby high-rise and is quite well-off, tells the story of being ignored and then mistreated when she tried to buy a new pair of eyeglasses from an upscale optician in the center of the city. She is a light-skinned woman, perhaps 55 years old, and quite well spoken. When I asked her why they did not want to serve her, she said it was because she was dressed like someone from the North Zone, not like the South Zone, and they had therefore assumed she was wasting their time as she would be too poor to afford their merchandise.

On the other end of the spectrum, young men evaluate jobs on the basis of how many months it will take them to buy a brand name shirt (or copy) or Nike sneakers, and young women, from maids to manicurists, spend their entire earnings on clothing and accessories that symbolize the South Zone chic. I spoke with one young man who had a cellular phone, a pager, and a palm pilot hanging off the waistband of his baggy shorts. I asked what he needed all of those for? He looked sheepishly at me, and since we have known each other since he was a young boy, he confessed that none of them worked, they were merely accessories.

3.5.5 Fear, Insecurity, and Violence

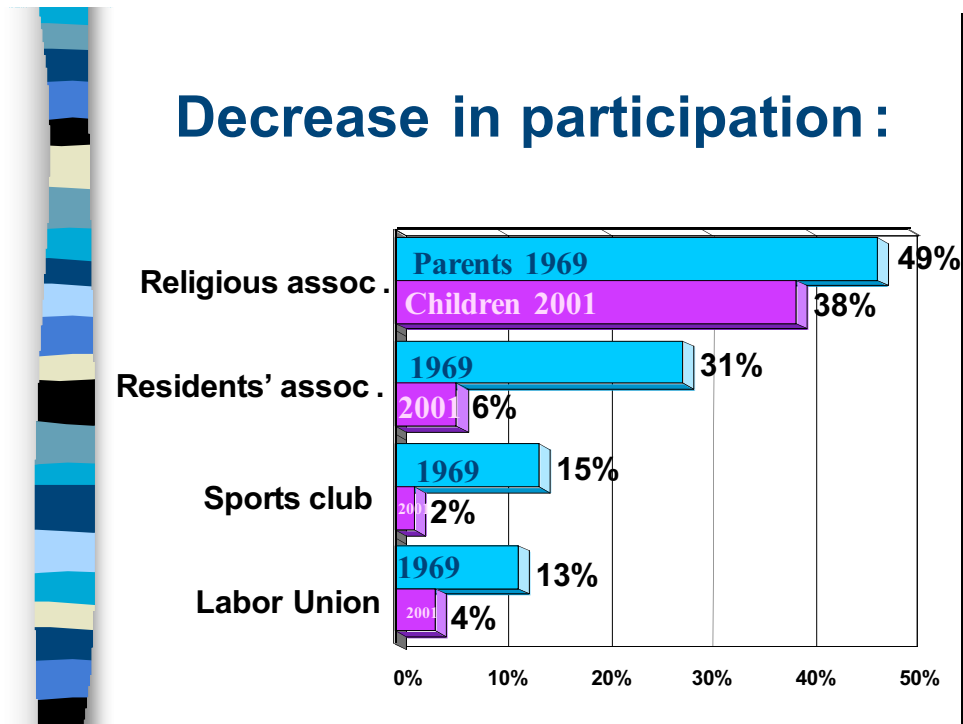
In 1969, people were afraid of their homes and communities being removed by the government. Today they are afraid of dying in the crossfire between drug dealers and police or between rival gangs, the Red Command and the Third Command, in particular. During the first study, only 16% said that violence and crime were the worst things about living in Rio de Janeiro, and today, 60% think so. The fear for personal safety is well justified. More than one in four people (27%) said that some member of their family had died in a homicide, a level comparable with that during civil wars and much higher than that of cities in the , drug-producing countries of Colombia or Bolivia.

One of the most perverse results of the new “sphere of fear” is the decrease in social capital, one of the few clearly helpful assets in getting out of poverty, or at least relatively improving one’s living conditions. People are simply afraid to leave their homes. As N., a former Catacumba resident, now living in Guapore, put it:

“To live in a place, where you do not have the liberty to act freely, to come and go, to leave your house whenever you want to, to live as any other person who is not in jail. It is imprisoning to think, Can I leave now or is it too dangerous? Why do I have to call someone and say that they shouldn’t come here today? It is terrible, it is oppressing. Nobody wants to live like this.”

With this comes less use of public space, less socializing among friends and relatives, decreased membership in community organizations, and less networking in general. Thus, news about informal jobs and casual work of all types that was passed easily along the grapevine of connection is now more difficult to come by, and people have turned inward. As shown in Figure 7, comparing the participation of the original interviewees in 1969 with that of their children in 2001, the one exception to decreased participation is the Evangelical church. For many women, it is their one opportunity to get out of the house and the one “leisure” activity they permit themselves. It becomes their only social life. Among young men who have been involved with drug traffic, it is the one avenue of escape

FIG. 7: DECREASED PARTICIPATION IN COMMUNITY ACTIVITIES 1969-2001



Another indicator of the changing times, as well as the new isolation caused in part by the entrance of outside dealers and their gangs, is the decline in the sense of community unity. For example, among the people interviewed in 1969, 54% said the community was “very united” and another 24% said “fairly united”; whereas among their children, almost none said “very united” and the majority (55%) said their community “lacks unity”. This may be due to the fact that *favelas* were always at the high extreme of collective help and mutual aid due to the many battles they fought in common and that only a third of the children (35%) live in *favelas* today, but I think there is more to it than that. I sense that even in the *favelas*, there is much less unity. People feel trapped between the drug dealers and the police and cannot trust either one or their spies. They feel the police do more harm and provide less help than the drug dealers but see both as disrespectful of life in the community. When police enter the *favela* on raids, they barge into people’s homes, knock down their doors, knock them around and destroy their possessions, all under the pretext of searching for a hiding gang member. The gang members provoke this by putting a gun to a resident’s head and saying, “Hide me here in your home or I will blow your brains out.

3.5.6 Lack of Voice

During the period of the dictatorship and especially during the gradual “opening” and the return to democratic rights, it was assumed that the direct vote for Mayor, Governor and President, which had all been appointed positions, would give the urban poor, a substantial voting bloc, greater bargaining power, a stronger voice with which to negotiate for community improvements and that inevitably this would improve their conditions of life. The interviews did not bear this out. When asked what had changed since the end of the dictatorship, people seemed to agree that there had been improvements in housing, transportation, sanitation, and access to – although not the quality of – education. But, it was also widely agreed that access to health services, personal security and the economic situation, as well as exclusion and bargaining power, had worsened. The *favelados* were deeply disillusioned by democracy’s unfulfilled promises. They saw too much corruption and heard too many empty campaign promises, and some had even started to feel nostalgic for the safety and relative peace during the military regime.

Perhaps the election of the first Labor Party President, Luiz Inacio ‘Lula’ da Silva will change this. As of 2001, however, people felt that all levels of government helped them very little and actually did harm in many cases. The state government was seen as the most helpful (still only 37%) and federal government seen as most harmful (52%). Despite all of the funds invested by the Inter-American Development Bank in the massive Favela-Bairro Program only 3% said that international agencies were helpful and 40% gave no response.

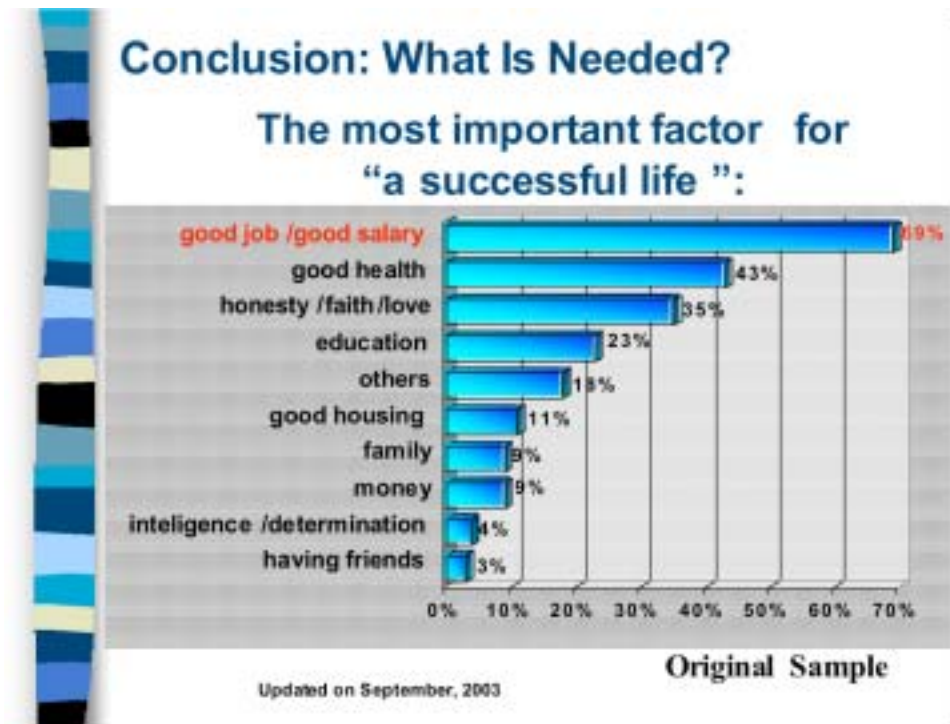
4 Conclusion

What seems to be emerging is the transformation over 35 years from “the myth of marginality” to “the reality of marginality.” In 1969, there was widespread hope that the sacrifices made by the city ward migrants, would open up wider opportunities and a greater degree of choice for their children, if not for themselves. This is one reason why the expected radicalism of the *favelados* never materialized (Nelson 1969). They were not angered or frustrated by the disparities between themselves and the upper classes surrounding them in Rio de Janeiro because they were comparing their future perspectives with those of their counterparts who remained in the countryside. Although their children have acquired more consumer goods, have greater access to health care and are more educated, they are suffering from the devaluation of that education in a changed job market, the entrenched stigma associated with living in *favelas* (or *conjuntos*), a shorter life expectancy and a new set of daily dangers involved with the pervasive violence in their communities.¹²

¹² According to the New York Times of January 21, 2004, among 60 countries studied by the UN, Brazil has the highest rate of homicide in the world, with 90% by firearms. According to recent studies, Rio follows Sao Paulo as the city with the highest murder rate, and rates are much higher in favelas than in the population at large.

The bottom line for Rio’s urban poor is the need for jobs. When asked an open-ended question, “What is the most important factor for a successful life?” they did not say, better governance, land tenure, or more security from violence. For them it was clear that only a *good job with a good salary* would get them out of the chronic poverty bind that constrained their freedom (see Figure 8).

FIG. 8: THE MOST IMPORTANT FACTOR FOR A SUCCESSFUL LIFE



The simple fact is that no amount of housing or infrastructure upgrading and no amount of “integrated community development” or “partnership strategic planning” can substitute for the primary drive to earn one’s living through honest labor. Even the young people who get caught up in drug dealing know they are risking early death and often say they would not be doing these things if there were alternatives.

More years of schooling, often seen as the panacea by policymakers, has not resulted in significantly better access to the changing demands of the job market as shown above. Legalization of land tenure, the great struggle of the 1960s and 1970s, is now a non-issue for *favelados* in Rio de Janeiro, who are no longer threatened with eviction and have “de facto” tenure. In fact, now (decades later) that the literature¹³ and the Cities Alliance policies of the World Bank are focused on land tenure, especially in regard to collateral for loans and the ability to separate capital from assets, Rio’s *favelados* are mostly opposed. They do not want to pay property taxes nor submit to building codes, and have no intention of using formal credit systems for loans. People feel it is much too risky to borrow against their homes when they cannot count on a steady income to repay their loans.

Our finding that the most important issue is jobs (whether in the formal or informal sector) and the ability to earn a decent salary, is confirmed by a survey conducted by the Mega-Cities Project in 7 of the world’s largest cities: London, New York, Tokyo, Mexico City, New Delhi, Lagos and Rio de Janeiro itself. Our research teams in each city identified the top leaders from the public, private and voluntary sectors as well as academics, labor and media. Across all of these sectors and all of the cities, when asked “what is the top

¹³ See de Soto (2000).

priority over the next five years” for that city, the most frequent answer was “ jobs and economic opportunities”.

The one thing that stands out in contrast to the rather dismal situation depicted above is the optimism of the Cariocas (Rio’s residents). Although the people we interviewed think that conditions in Brazil, Rio , and their own communities may well become worse in the next five years, the majority feel that their own lives will improve, and almost half say that their lives today are better than they had expected. Despite the absence of solutions from the public sector, there are numerous urban social movements, non-profit organizations, and umbrella organizations of residents’ associations in favelas, conjuntos and loteamentos that are struggling to turn these signs of optimism into reality.

As I have called my research a Re-Study of Rio’s Favelas, I would like to end this piece with selected passages of Gilberto Gil’s samba, “ReFavela”¹⁴. It captures as only music and poetry can, some of the contradictions and the spirit of favela life :

A refavela revela aquela que desce o morro e vem transar
O ambiente efervescente de uma cidade a cintilar
A refavela revela o salto que o preto pobre tenta dar
Quando se arranca do seu barraco prum bloco do BNH
A refavela revela a escola de samba paradoxal
Brasileirinho pelo sotaque mas de língua internacional
A refavela revela o sonho de minha alma, meu coração
De minha gente, minha semente, preta Maria, Zé, João
A refavela, a refavela, ó, como é tão bela, como é tão bela, ó
A refavela, alegoria, elegia, alegria e dor
Rico brinquedo de samba-enredo sobre medo, segredo e amor

Refavela reveals the one who comes down from the hillside and merges with the effervescent atmosphere of this scintillating city...

Refavela reveals the leap that the poor black takes when leaving his shack and his community for the cold concrete of the public housing project

Refavela reveals the paradox of the samba ,

Brazil’s specific essence in an international language

Refavela reveals the dream in my heart and soul

Of my people, my seed, black Maria, Jose, Joao

Refavela , so beautiful, so very beautiful

Refavela, allegory, elegy, happiness and pain

The rich and playful source of samba’s plot of fear secrets and love

¹⁴ Informally translated by the author

REFERENCES

- Campbell, T. 2003. *The Quiet Revolution. Decentralization and the rise of political participation in Latin American cities*. University of Pittsburgh Press.
- De la Rocha, M. 1994. *The resources of poverty: Women and survival in a Mexican city*. Oxford, UK; Cambridge, USA: Blackwell.
- De Soto, H. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic Books.
- Dugger, C. 2004. *To Help Poor be Pupils, Not Wage Earners, Brazil Pays Parents*. New York Times, January 3, p. A1.
- Lins, P. 1997. *Cidade de Deos (God's Town)*. Companhia das Letras.
- Lloyd-Sherlock, P. 1997. The Recent Appearance of Favelas in Sao Paulo City: An Old Problem in a New Setting. *Bulletin of Latin American Research*, 16:3, 289-305.
- Lomnitz, L. 1977. *Networks and Marginality. Life in a Mexican shantytown*. New York, San Francisco, London.
- Moser, C., A. Norton, T. Conway, C. Ferguson, P. Vizard 2001. *To Claim our Rights: Livelihood Security, Human Rights and Sustainable Development*. Overseas Development Institute.
- Nelson, J. 1969. *Migrants, Urban Poverty and Instability in Developing Nations*. Center for International Affairs, Occasional Papers in International Affairs, No. 22. Cambridge, Mass: Harvard University.
- New York Times 2004. *Brazil Adopts Strict Gun Controls to Try to Curb Murders*. January 21, p. A3.
- Perlman, J. 1976: *The Myth of Marginality: Urban Politics and Poverty in Rio de Janeiro*. Berkeley: University of California Press.
- Perlman, J. 2004. Marginality: From Myth to Reality in the Favelas of Rio de Janeiro: 1969-2002. Roy, A., N. Alsayyad (Eds.). *Urban Informality: Transnational Perspectives from the Middle East, Latin America, and South Asia*. New York: Lexington.
- Pero, V., A. Cardoso, P. Elias 2003. *Urban Regeneration and spatial discrimination: the case of Rio's favelas*. Anais do XXXI Encontro Nacional de Economia (Proceedings of the 31th Brazilian Economics Meeting. Brazilian Association of Graduate Programs in Economics ANPEC).
- Putnam, R. 1994. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press.
- Varley, A. 2002. Private to Public: Debating the Meaning of Tenure Legalization. *International Journal of Urban and Regional Research*, Vol. 26, Issue 3: 449-461.
- Wacquant, L.J.D. (1996). The Rise of Advanced Marginality: Note on its nature and implications. *Acta Sociologica*, Vol.39, XX: 121-139.