

THE PROMISE OF MEGA-CITIES: MOVING FROM DESPAIR TO HOPE

Urban Informality and the Favelas of Rio de Janeiro

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“Change is not only a question of doing things better but of doing better things”¹

Living the urban reality

It is widely accepted today that cities are a positive force in global development and that the future of the planet depends on the future of its cities. Urban life provides opportunities to *do things better* and to *do better things*. It holds the promise of improving the quality of life for the migrants and, even more so, for their children and grandchildren.

Global urbanization is the expression of freedom of choice – it is rural people “voting with their feet” by coming to cities to start life anew – often risking all they have to do so. While the growth of cities in Western Europe and the Americas has leveled off, the growth of cities in Asia and Africa is still rising and is re-shaping our geo-political, social and environmental landscape. Cities are growing by some 70 million people a year or 1.4 million people a week. That means that a city the size of the size of Venice is added every day and one the size of Munich is growing anew every week. Currently over 51% of the world’s population is urban and that percentage is expected to grow to 60% by 2030 and 70% by 2050.

This is good news for several reasons. The concentration of people in dense urban agglomerations frees up land for other uses, as opposed to sprawling suburban subdivisions that eat up land, raise the costs of infrastructure networks and the delivery of social services and increase pollution through home to workplace commuting. The urban half of the world’s 7 billion inhabitants occupies only 2.7% of the land area of the planet. This frees up more space for feeding our population (which is also taking up less land area as technologies improve) and for natural habitats, which are proving so vital to our survival.

¹ Aleem Walji, Director, Innovation Labs, WBI, author of *Striking Poverty*.

There is also a strong correlation between the degree of urbanization and the level of economic development and between the rate of urbanization and the rate of growth in incomes and per capita GDP.

After decades of denial, it is now undeniably clear that virtually all the world's population growth in the coming decades will be urban growth in the cities of the developing countries. And that growth will be concentrated in self-built shantytowns, squatter settlements and slums, known as *informal settlements*. There are already one billion people living in these stigmatized communities and their numbers are expected to double by 2030 and triple by 2050. This means that in just over one generation, one out of every three people on the planet will be living informally – either within the city limits or on the urban peripheries.

These informal settlements fill a pressing need. Neither the private housing market nor the public sector has been successful in providing shelter for new migrants at prices within their reach. They have to fend for themselves by finding unused land and building their homes and communities as best they can. The informal sector grows not because residents are getting “free” public housing or urban amenities, but because cities, especially mega-cities, offer greater choice and opportunity. As this author and others have been arguing since the 1960s, *squatter settlements are not the problem, they are the solution*.

Shacks on invaded lands currently house about 40% of the urban population in developing countries. To accommodate the anticipated population growth over the coming decades will require 35 million units per year or some 96,150 additional homes per day. These will largely be self-help structures built on vacant land, off the street grid and without urban infrastructure or city services.

Research has shown the persistent failure of public policy efforts to stem the tide of city-ward migrants or limit urban growth. Those who come are often the most able with the highest aspirations and achievement needs. Policies such as rural development, closed city policies, zoning restrictions, growth poles and new capital cities have proven unsuccessful in *keepin' em down on the farm* once they've seen the equivalent of Paris on their TV. Investment in rural electrification, roads and factories only speeds up the outmigration to the largest cities. Closed city policies work only in “command and control” states such as Cuba, Russia, China, and South Africa during apartheid – and even there, not very effectively. All of them had or have large “floating” populations – unregistered individuals and families – living below the radar.

This means that the “city-as-citadel” is increasingly being beset by the perceived irritation of sharing space with poor migrants from the country-

side – and their families. They share not only physical space but economic, political, cultural, social and ecological space as well, despite all efforts to prevent this. Due to proximity they share the air they breathe, the water they drink, and the soil, including any contaminants that pollute them when so many people are excluded from water, sanitation and solid waste management. Iron grates may provide a sense of safety but no such barriers separate rich and poor from environmental ills.

As a consequence, cities are deeply divided and beset by conflicting claims over whose interests will be served. The struggle over the contested territory and assets of the city and its surroundings is the core issue, played out in public policy and popular protests, whether in terms of access to housing, land, education, health care, transportation or green space. But the city is not a zero sum game, and there are myriad opportunities to expand the pie and distribute its fruit more widely if the short-term demands of the electoral cycle and “impatient capitalism” are overridden by the long-term benefits of social peace, economic growth, and conviviality resulting from an inclusive city.

Experience shows that there is a 25-year lag time between ideas and implementation. It took decades for research on urbanization and squatter communities to be reflected in public policy. From the 1960s research showing that squatter removal and relocation to public housing was a disaster to the first on-site upgrading project by the World Bank took over a decade (1972) and it took another 15 years for national and local governments to follow suit. With the mounting challenges facing cities today we cannot afford to wait another generation for new knowledge to inform the decision-making process.

Our collective ability to integrate informal communities into urban, life and to include the energy and intelligence of their residents as part of the solution, will determine the security and prosperity of our urban future.

Tapping into the potential of the new urban citizens

Mega-cities, those urban agglomerations with ten million people or more, are the most attractive to city-ward migrants and their energy has a strong magnetic pull. As size increases, opportunities proliferate, new kinds of jobs are created and new opportunities appear. As shown in the map below, there are 26 mega-cities today and another 10 about to join the club.

In large cities throughout Asia, Africa and Latin America, squatter settlements have been growing and continue to grow at a faster pace than the city as a whole, starting in the post WWII years. Depending on the level of urbanization, this growth is due to different combinations of incoming migrants

and natural reproduction. In either case, local authorities are confronted with increasing deficits in housing, infrastructure, and urban services.

With limited municipal budgets and regional natural resources reaching the limits of their carrying capacity, the one resource that is in abundance is being overlooked – that is human capital. Growing cities are filled with job seekers who are unemployed or underemployed. As I laid out in my earlier book, *The Myth of Marginality*, the new urban migrants are not the proverbial “bottom of the barrel” but the “cream of the crop” – the ones with the smarts, motivation and aspirations to try something new. They were called “marginal elements” but they were actively marginalized by systemic stigma and exclusion. In fact they were the ones who often worked the longest hours for the lowest wages under conditions that other workers would not tolerate.

One policy opportunity is to see how to re-combine the constrained budgets and natural resources with the abundant human talent to create a virtuous cycle. A good example of this is the Zabaleen in Cairo that turned two problems – lack of income and too much garbage – into a solution. By separating the garbage and selling it to intermediaries in bulk, they earned pennies on the ton, but when they turned it into crafts through weaving, metalworking or melting and casting, they provided livelihoods for the entire community, reduced garbage, replaced donkeys with trucks for solid waste collection and enabled the residents to build decent housing and send their children to school. Other such innovative approaches can be found in every large city if the search is done at the grassroots level and they can be supported by public policy or scaled up by other communities who adapt the idea. In fact, that is precisely the process that we facilitate through our transnational non-profit organization, The Mega-Cities Project, Inc.

Since the recent election of Bill de Blasio as Mayor of NYC, there have been numerous articles in the New York Times, Financial Times, Wall Street Journal, and The Economist about the “tale of two cities” and the negative effects of inequality. For those of us who have worked in international urban development over the past several decades, this is not news. We know first hand the opportunity cost of marginalizing the energetic go-getters and creative problem-solvers living in “irregular settlements”.

Blocking the natural evolution from shantytowns to thriving working class communities and perpetuating the “divided city” is detrimental to urban development and stability. Excluding the urban poor means lost of labor power, productivity; consumer spending and participatory democracy. It also erodes public safety, personal security and resilience to climate change. Urban inequality and lethal violence are related – to have safe streets

The Poverty-Environment Nexus: 6 Lessons from 20 Mega-Cities

(1) There can be no global ecological sustainability without urban ecological sustainability.

- Concentration of the human population in cities is a necessity. Not only do the economies of scale create energy and resource efficiencies, but also, if the entire landmass of the planet were divided into individual household plots, there would be no space left for either agriculture or natural wilderness areas.
- Circular rather than linear systems: As cities concentrate pollution and environmental degradation, transforming the urban metabolism through circular rather than linear systems is the key to reversing our global environmental deterioration. We need to re-use our water and waste streams, and utilize what is now discarded as productive resource.

(2) There can be no urban environmental solution without alleviating poverty. The urban poor tend to occupy the most ecologically fragile areas of our cities, such as steep hillsides, low-lying swamplands, or adjacent to hazardous industries. In addition, their lack of resources often prohibits them from having adequate water, sewage, or solid waste management systems. Without alternative locations and income for basic needs, their survival will be pitted against environmental needs.

(3) There can be no lasting solutions to poverty or environmental degradation without building on bottom-up, community-based innovations. Since creativity was not distributed along lines of race, class, or gender, experts and policymakers are not always the best source of system-transforming innovations. The most creative and resource-efficient solutions to urban problems tend to emerge at the grassroots level, closest to the problems being solved. And, without local participation in implementation, even the best ideas are doomed to failure.

(4) There can be no impact of scale without sharing what works among leaders and scaling up into policy. While small may be beautiful, it's still small and the problems are enormous. In order to have meaningful impact, micro-initiatives need to be replicated across neighborhoods and cities through peer-to-peer learning or incorporated into public policy frameworks.

(5) There can be no urban transformation without changing the old incentive systems and "rules of the game". Since every sector of urban society holds a de facto veto on the others, local innovations can never achieve scale with cross-sectoral partnerships involving government, business, NGOs, academia, media, and grassroots groups. We need to create a climate conducive to experimentation, mutual learning, and collaboration.

(6) There can be no sustainable city of the 21st Century without social justice and political participation, as well as economic vitality and ecological regeneration.

and a secure investment climate, a city needs to embrace conviviality, not add more police.

Research on natural disasters, such as hurricanes, shows that the speed and success of recovery is not determined by wealth or governing institutions, but by the degree of community cohesion and civil society organization. Creative breakthroughs in music, art, theater, design and film often arise from “alternative spaces” and become the vanguard for mainstream cultural trends, not only in their own cities but nationally and internationally. The creative city combines large scale, high density, diverse populations in close proximity to one another, freedom to fail and reward for risk. We need the “other” for stimulation and new ways of thinking.

Urban innovations don’t always come from large budgets, from financing “exposure visits” or from the elaborate hosting of delegations from other cities. Many of the breakthroughs are home grown from the bottom up and then taken to scale. But to me the greatest price for exclusion is the loss of the *intellectual capital* that will be critical to solving the complex problems of our times. Ignoring the brainpower of the bottom billion of the world’s population may be the greatest liability of exclusion. We cannot afford to “throw away” this potential or miss it through lack of opportunity.

Only by working towards inclusive cities can we move towards safe and sustainable cities that can attract investment and create a convivial quality of life. The linkages between cities, environment and poverty are shown in the box.

The Case of Rio de Janeiro, Brazil

Latin America is the most urbanized region in the world with 77% of its population living in cities. Brazil is the most urbanized country in the region and in the world, with 84% of its population living in cities (compared with the United States which has 80.5). The growth of Brazilian cities in the decade from 2000–2010 slowed down to 1.63%, while favelas grew at an annual rate of 4.2%, increasing Brazil’s favela population from 6.5 to 11.4 million people. There are 161 countries in the world with national populations lower than the favela population in Brazil.

Each of the nine metropolitan regions of Brazil has sizeable favela populations, but Rio has the dubious distinction of having the largest number of favelas, favela residents and favela sizes. Rio has about 1,200 identifiable favelas that have been clustered into 763 larger complexes. They house roughly 1.4 million residents, which is 23% of Rio’s population. The next largest favela population is in Sao Paulo, which has 1,280,400 favela residents.

Rio’s urban growth spurt began in the 1950s and since then the growth of favelas has outpaced the growth of the city as a whole in every decade.

The one exception was the 1970s when an estimated 700,000 people were forcibly evicted from their favela communities under the policies of the military dictatorship. Even as Rio's growth rate slowed to barely 3% in the past decade, the favela population grew by 28%.

Re-democratization at the end of the dictatorship in 1985, turned favela removal into a political liability as political parties and candidates competed for votes. Eradication policies gave way to on-site upgrading. The *Favela-Bairro* program, launched in Rio in 1995, became widely known as one of the most ambitious upgrading programs worldwide. The program invested US\$180 million to *integrate favelas into the fabric of the city through infrastructure upgrading and service increases*. It reached 253,000 residents in 73 small and mid-sized favelas.

The new Constitution of 1988 and the City Statute in 2001 guarantee the right to decent housing and introduced the "right to the city" and mandated participatory planning at the local level. In fact in Sao Paulo, squatters occupying an abandoned office building in the decaying downtown recently won a court case enabling them to stay, based on the right to the center of the city.² Here again, Brazil was positioned as a leader of progressive urban policy.

More recently two massive urban investments have been made in Rio's favelas – the PAC (Program for Accelerated Growth) and the UPP (Units of Pacifying Police). Initiated in 2007, at the height of Brazil's economic surplus, PAC invested US\$306 billion over three years to solve long-overdue infrastructure issues as well as prepare for the upcoming mega-events, the World Cup coming up this June, 2014, and the Olympics in 2016. Its Slum Upgrading component in Rio is targeted to the largest favela complexes, but is a source of controversy since the residents have no voice in how the funds will be used. The second phase, PAC 2, began in March 2010, with funding of US\$582 billion from 2011 to 2014.

The UPP, meaning "Units of Pacifying Police", was initiated in 2008 by Rio's Governor Sergio Cabral and his State Public Security Secretary, Jose Beltrame, with the goal of the state re-taking control of the favela territories from the drug traffic. This is carried out through the full time occupation of the favelas by trained and armed military police. It has now reached 38 favelas at expenditure of about \$360 million dollars annually.

² The New York Times, *Immigrants Stir New Life Into São Paulo's Gritty Old Center*, Simon Romero, April 14, 2014 continues with the story of a decadent city center.

Today, some twenty years after the start of Favela-Bairro, and considering all of the investments over the past few years, we are seeing the fragility of favela claims, particularly for those in desirable locations proximate to the sites for the World Cup and Olympics. The residents are once again engaged in a desperate struggle against eviction. This is happening now in the oldest favela in Rio, the Morro de Providencia, and in several other favelas located next to the sites of the sports events. Just as this article was being written the demolition began in a favela called Vila Autodromo, which has been fighting for three years for the right to remain and working with university students and NGOs. Their alternative plan for on-site consolidation and upgrading recently won the Deutsche Bank Urban Age Award, but nonetheless, the bulldozers are there.

I wrote a poem a few years ago to express what cannot be conveyed by research alone:

Why I love favelas

Favela is life; favela is love. Favela is freedom, friendship and feijoada. Favela is people persevering. It is laughter and tears, life and death – only a hairs’-breadth apart. It is a place where the unexpected is expected and spontaneity is the norm. It is not all pain, poverty, and passivity. It is people living their lives amid a civil war.

Giving Voice to the Disenfranchised

When I was an undergraduate anthropology student I did fieldwork in rural villages in the Northeast of Brazil. I was trying to understand how young people develop their worldview and aspirations for their lives. What I discovered was a dramatic change with the introduction of the transistor radio into these villages, which happened while I was there. From then on, all the young people could talk about was going to the big city “where the action was”. That set me on a course of a forty-year study, starting with my doctoral research in 1968-’69 by following migrants as they came into the city of Rio de Janeiro.

During that time I lived in three of Rio’s favelas for six months each. Working with a group of Brazilian students, I interviewed 750 people: 200 randomly selected men and women (16-65 years old) and 50 leaders in each location. This was at the height of the military dictatorship in Brazil. In fact, I had to flee the country towards the end of the study, when I learned I had been accused of being “an international agent of subversion”, the only possible explanation of why an American would be spending so much time in favelas.

The findings from that study became the basis of my book, *The Myth of Marginality* (University of California Press). I kept in touch with the friends

I had made there and the families in whose homes I had lived. Thirty years later I embarked on a re-study, which began with the painstaking location of the surviving study participants. Using some unconventional methods, I was able to find 41% of the 750 original study participants.

Our re-encounter was a powerful emotional experience on both sides. It was joyful and poignant. We laughed and cried. People had gone through a lot in these 30 years and were eager to tell their stories and be heard. They wanted to bear witness, to give testimony, to be understood.

They were also excited to see me again, the young “hippie-looking”, “hard-working” American who had lived among them and shared their daily lives at a time when even bus and taxi drivers were afraid to stop too near to their communities. They were eager to learn about my life story. Was I married? Did I have children? Where was I living? What was I doing?

With a team of Brazilian researchers, I re-interviewed each of them, using an updated form of the same survey instrument and life history matrix. Then we interviewed 368 of their children (who were about the same age as the original sample in '68) and 208 of their grandchildren.

One of the first observations was that the favelas had not been a trap, but for many, a stepping-stone towards formality. Only 1/3 of the original participants had remained in the favela where I had met them; about a fourth had been removed to public housing when their community had been eradicated. By the grandchildren's generation, about half were living in the formal sector, either as renters or as owners in peripheral areas.

It was also obvious that there had been enormous gains in the individual consumption of household goods and in the collective consumption of urban services. Almost all of the houses had electricity and running water, indoor toilets (although not necessarily connected to a sanitation system) and nearly all were made of permanent building materials. Many homes even had air conditioners, plasma TVs, washing machines and other amenities.

There were also impressive gains in educational levels. Illiteracy declined from 72% of the fathers and 94% of the mothers of my original sample, to 45% among them, to 6% among their children to ZERO among their grandchildren. A fourth of the grandchildren had completed Secondary School as compared to none of the original interviewees; and 11% were at university. But, these gains were not fully reflected in their jobs: whereas 85% of children had more education than their parents, only 56% had better jobs. And there was higher unemployment. As the graph below shows, after the first 3 years of school, the income gap between people in favelas and in the rest of the city grew with every additional year of schooling.

That is one reason why in the re-study, people were less likely to say that education was the key to a successful life and much more likely to say WORK – whether informal or formal. The stigma of living in a favela was a strong barrier to being hired. In fact, over the generations stigma by skin color and gender decreased radically, but the stigma of place remained high – the highest basis for discrimination. That was only made worse by the drug-related violence that started growing into the favelas after the return of democracy in 1985. The turf wars among competing drug gangs and the battles between the gangs and the police (less well armed) led to an extraordinarily high level of deaths. About 20% of the people interviewed had lost a family member to homicide.

The fear of removal had been replaced by the fear of dying in the crossfire by what Brazilians call a “bala perdida” – lost bullet. This led to a drastic drop in community unity and in the level of trust in ones neighbors; factors that had helped people cope with daily difficulties of life on the edge. People absorbed the ideology of democracy but were only pseudo-citizens as police neither protected them nor acknowledged their rights under the law. The young people who are the best educated and the most likely to have Internet access are the most cynical about politics and the least participatory.

In my new book, *Favela: Four Generations of Living on the Edge in Rio de Janeiro* (Oxford University Press), I trace these patterns showing them through the lives of the people and families who I am closest to in each community. The last chapter is about the quest for personhood and dignity. The sense of exclusion has gotten worse over time, not better. One of my friends from the first study put it this way:

Janice, when I first met you, I thought that if I got a good job, worked hard, married well, limited my family to two children, gave them a good education, and continued to work after retirement, that I would be gente. But I did all of that and I am “light years away”.

One of the key challenges for our urban future is to master ‘The Art of Inclusive Cities’ and make sure that the “invisible” young men and women in the slums of today, are treated as “gente” so that they may become our leaders tomorrow.