

Second Urban Research Symposium of the World Bank:
"Urban Development for Economic Growth and Poverty Reduction"
Topic I, Theme A

ABSTRACT

"LIVELIHOODS, CHRONIC POVERTY AND SOCIAL MOBILITY IN RIO'S FAVELAS:
1969-2002"

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The basis for this paper is a re-study of leaders and randomly selected residents originally interviewed in Rio's favelas in 1969. Thirty years later in 1999 we initiated a longitudinal panel study starting with the relocation of the original participants. At the WB Urban research symposium last year, we reported on our preliminary finding regarding 5 themes: 1) the changing meaning of marginality; 2) the sphere of fear (related principally to the violence around drug traffic); 3) mobility and inequality; 4) the deception with democracy; and 5) the sense of agency and optimism¹. For this year's paper we intend to explore in greater depth the issue of urban livelihoods (sources and barriers) and intra- and inter-generational mobility..

Based on our sample² what we have found to date regarding sources of urban livelihoods is that due to the advances age of the group (they ranged from 16 to 65 in 1969), a high percentage (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, sometimes supplemented by such survival aids as "cesta basica" (a basic food basket) distributed by religious groups, and leftover vegetables from local market stands. In cases where children are in school age, the family also may receive a "bolsa escola" which is a federal payment for each child (from 7 to 14) who stays in school. These government programs play an important role in the survival of these families, which is why theories of "advanced marginality"⁴ positing a retrenchment of the welfare state do not hold for the case of Brazil.

In terms of barriers to urban incomes and livelihoods, the main ones we have identified to date are: 1) the dramatic loss of manufacturing in the Rio de Janeiro Metropolitan area which has left

¹ For further information see: Perlman, Janice "The Metamorphosis of Marginality: Favelas in Rio de Janeiro 1969-2002" in Urban Informality, Ananya Roy and Nezar AlSayyad (eds), Lexington Books: forthcoming 2003. pp.105-146. and Perlman, Janice "Longitudinal Panel Studies in Squatter Communities: Lessons from a re-study of Rio's favelas: 1969-2003" paper presented at Urban Longitudinal Research Methodology Conference, university College London, May 28-29, 2003.

² We succeeded in locating 34 % of the random sample (originally 600) and 60% of the leadership sample (originally 150) and were able to fill in the Life Histories of those who had passed away using triangulation among their spouses and eldest children. The major bias is that we lost the poorest among the random sample and the richest among the leaders.

³ The current exchange rate is 1 dollar = 2.7 reais, but it has oscillated a lot during the past years.

⁴ For more on the concept of advanced marginality see: Wacquant, Loic "The rise of advanced marginality". Acta Sociologica, v.39,1996.

thousands of blue collar workers unemployed⁵; 2) the consolidation of the physical space of the city and consequent reduction in construction jobs⁶ (which had been a mainstay for unskilled and semi-skilled workers in the boom of the 60's and 70's); the belt-tightening of the middle class along with increases in electro-domestic appliances, fast food and take-out services, had 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. (As this was the single major female livelihood source in 1968, it too has created a painful job loss; 4) the increase in drug-related violence in the favelas has depressed the value of the rental and sales properties there; and 5) the multiple barriers of prejudice in the job market stigmatizing favela and housing projects' residents.

There was, however, significant geographical mobility out of favelas, which positively correlates with improvement in socio-economic status. Whereas virtually the entire sample lived in favelas by the time original study⁷, in 2001 only 33% of the random sample was still in favelas, 27% in "conjuntos" (public housing where residents from favelas were relocated after eradication/removal) and 40% had moved into regular neighborhoods. For the elite only 13% are still in favelas and 55% are in neighborhoods.

In order to measure socio-economic mobility we compared standardized measures of current and past socio-economic status⁸. According to these measures we found that within our sample, the leaders who already had higher SES in 1968 also had greater relative upward mobility and those who remained in the favelas had the lowest.

Looking at inter-generational comparisons, occupational mobility has been 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, we do have objective measures of educational mobility, which correspond to a structural change in Brazilian society over the 30-year period. Among the original interviewees 42% were illiterate and/or had never attended school. For their children, only 3.5% are in this category. More than one in five of the children have made it into secondary school as compared with 0.5% among the parents, and 5% of the children versus none of the parents have gone all the way to university. Eighteen percent of the families of our sample have at least one child with a university degree.

In terms of chronic vs. transitional poverty what we have seen is that there is some socio-economic mobility within our sample, but it is limited in range. If we divide the entire group of interviewees in quintiles and compare where they were in 1969 with their present position today, we find that 63% of the people stayed in their same quintile or ended up in an adjacent one. Twenty-five percent stayed in the same relative position, with the remainder equally divided between upper and downward movement. Only 2% went up from the lowest to the highest quintile and 2% went down from the highest to the lowest.

⁵ 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.

⁶ In the past decade the Rio Metropolitan Region lost 41,816 jobs in civil construction.

⁷ In Caxias we sampled some "un-serviced lots".

⁸ 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, and "mobility" is a relative index created by measuring the difference in scores in 1969 and 2001.