Ten ways to see a favela: Notes on the political economy of the new city

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1. Introduction: Opening a debate

This essay argues that understanding the economic structure and dynamics of favelas is crucial in shaping public policies that reduce poverty and generate higher levels of human-capability attainment for all Brazilians. There is at present no settled model of the favela economy, or even agreement among economists about how favelas fit into the broader urban economy. Nor has an agreed model of low-income or segregated minority communities in other countries been developed. Nor could this article set out an approach to the economy of the favela on which all observers and analysts would agree.

Given this point of departure, this paper seeks to provoke debate and dialogue about how the economy of the favela should be seen, and about how favelas fit into the broader economic dynamics of the cities and regions in which they exist. The idea is not to settle debate, but to start it. Consequently, a variety of approaches to favelas – ways of “seeing” them – are set out here, without resolving which is most accurate or most useful. The different ways of “seeing” favelas illuminate the conflicting interests at work, interests that imagine different futures for the people and the land occupied by favelas today. In the absence of any debate about these views and the futures they imply, empowered economic and political interests will grind out futures for favelas and those who live there now without any consideration of the public interest and the rights of their residents.

A political economy of the favela: missing in action?

Favelas are an ever-present component in large Brazilian cities. But while they have featured centrally in sociological, anthropological, and public-health studies of Brazilian urbanity, economists have paid them little attention. This neglect of low-income urban areas is not unique to Brazil. Economists largely leave discussions of ghettos, “inner city” areas, or banlieus to sociologists.

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But this leaves a hole in the fabric of urban investigations by social scientists. Without any focus on the economic structure and dynamics of favelas or inner city areas, then there are no explicit discussions of potentially important topics: how they function as economic spaces; how their internal economic relations differ from wealthier areas; and their structural connection to the remainder of the city. To undertake such analyses is to treat these areas as small open macroeconomies – but macroeconomies with permeable boundaries, with innumerable daily flows of people, goods, and finance across their borders. At the same time, such analyses necessarily confront the complexity of social relations in the city: its many residents and businesses, its layers of social interaction, its energy and anomie, its wealth and poverty. This is problematic for economists, who are trained to simplify radically so as to illuminate whatever (hopefully) simple principles may be at work. In any urban context, the arbitrary character of one’s choice of an analytical entry point cannot be hidden, nor can the fact that in so choosing one has to disregard many possibly fruitful alternatives.

In any event, this lacuna means that economists – who so vociferously debate explicitly macroeconomic questions such as ‘what to do about exchange rates?’ – have been largely absent in policy discussions regarding ‘what to do about favelas?’ Perhaps they are not needed: it may be that favelas have no autonomous political economic dynamics; it may be, further, that their political economic aspects are no different from those of non-favela urban communities. In terms of policy design, this would imply that economic policy initiatives should not be focused on favelas, even very large ones.

But these are unexamined premises, which should be subjected to debate. Some of the terms of that debate are implicit in what has already been set forth. For one example: “If favelas have no autonomous dynamics, then in what ways are they dependent on political-economic dynamics in the formal (non-favela) city?” For another: “To fight poverty and the causes of poverty, is it sufficient to focus only on low-income households or individuals? Might there not be spillover effects and through-time and/or in-space links that bind together to some degree the economic units that inhabit favelas?”

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2 There are important exceptions to this rule. The work of Pedro Abramo and Marco Crocco, discussed below, emphasizes some important economic characteristics of favelas, thus pointing the way to a broader debate. In addition to the work of these established analysts, there is evidence that many members of the new generation of Brazilian political economists are interested in engaging these issues.
Brazil without misery: War on poverty?

Brazil now is on the policy move to reduce poverty and social deprivation. President Lula’s two terms in office were marked by important initiatives, notably Bolsa Familia and an increase in the minimum wage. These and other efforts, such as the implementation of microfinance programs, significantly reduced hunger and poverty. Brazil’s new President, Dilma Rousseff, has announced an initiative entitled “Brazil without misery” (Leahy, 2011) which seeks to eliminate extreme poverty.

Since so many of Brazil’s poor live in favelas, efforts that target low-income individuals or households will necessarily affect economic conditions in favelas. This raises the question: in confronting poverty, joblessness, and small-business stagnation, is it sufficient to target income, or should the economic structures within which many of the poor and socially excluded live – favelas, in many cases – be targeted separately? The first step in answering such questions is to create one or more visions of the political economy of the contemporary Brazilian favela. One way to unearth these different visions is by thinking about what it is that different policy approaches are attempting to impact.

The analysis that follows unfolds in two steps. We first set out nine different ways of “seeing” favelas. This makes the point that radically different perceptions about favelas are active in media depictions, policy analyses, and the imaginary. The officials, analysts, policy activists, and residents using these various lenses are seeing very different realities, problems, and futures for favelas and their residents.

We then proceed to a second step which is inspired by an intriguing historical parallel. Since the election of President Lula, much public-policy attention in Brazil has focused on the challenges of poverty. President Rousseff’s pronouncement and policy aim of a “Brazil without misery” brings to mind US President Lyndon Johnson’s declaration of a “War on Poverty” in January 1964 – a declaration in which addressing the problems of the “dark ghetto” (Clark 1967) figured centrally. Indeed, since that declaration, the US has had five decades of debate about – and experience with – programs to reduce economic deprivation in the US “ghetto” – or in the contemporary term, the “inner-city.”

Specifically, we trace the main policy and conceptual approaches to
the economic problems of the US inner city. We describe the debates that happened, and the debates that should have happened; and we trace out the policy approaches to the “inner city” over the years. Once we consider structural differences between US “inner cities” and Brazilian favelas, some insights relevant for Brazil’s policy trajectory will emerge. And this brings us at the end of our exploration to a tenth way of seeing a favela.

2. Nine ways of seeing a favela

To define the favela economy, we can start with the question, What is a favela? As Janice Perlman notes in her recent book Favela (2010a), Webster’s Dictionary has a definition - “a settlement of jerry-built shacks lying on the outside of a Brazilian city” – which manages to err in two ways (“jerry-built shacks” and “outside [the] city”). Perlman goes on to cite the definition of the Brazilian statistical office (IBGE, the Instituto Brasileiro de Geographia e Estatistica): “A favela is a settlement of 50 housing units or more located on public or private property and characterized by disordered occupation without the benefits of essential public services.” But this definition too is incomplete and inadequate. So, concludes Perlman, no widely-accepted and acceptable definition of the term “favela” exists.3 Valladares (2006) goes further. She argues that in the 1960s, an outpouring of research – including that of Perlman – led to the “invention of the favela.” This has led to the reification of this subject, and the assumptions that, as Abdenur (2009, page 644) put it in her review of this book, “the favela is a unique place that merits its own specific approach .. is a place of poverty .. and is a coherent, homogeneous unit.” All these premises are problematic, once Census data are used to analyze favelas. The point is to “treat the favela as a hypothesis, not as an assumption.” (Abdenur 2009, page 645).

A different approach to characterizing the favela economy is to contrast it with the non-favela urban economy. This means developing some dichotomies. We begin with some focusing on the built environment: formal vs. informal spaces in the city; homes that have numerical addresses, and those without them; homes built by trained architects and certified contractors, and those built by the eye; places where the roads are maintained by municipal or state governments, and places without maintained roads. Or, in the realm of

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3 See Perlman (2010), page (6) and pages 35-36.
the economy: places whose businesses are drawn from the “black economy”, and those whose businesses’ transactions are “on the books”; places where workers’ wages, terms of employment, and working conditions conform with labor laws and standards, vs. places where workers are employed without cover of these protections. Or, in the realm of security: places the police protect, and places the police do not protect.

These dichotomies, like the definitions identified by Perlman, are helpful primarily in making us aware of many exceptions to any simple rule. More profoundly, Matt Edel, in a 1972 review article on urban dynamics in Latin America, noted with approval “the waning of past tendencies to view the field in terms of simplifying dichotomies.” This outstanding analyst, who died prematurely in 1990 at age 49, expanded on this theme as follows:

“Recent theories have divided geography into dependent and nondependent areas, and the economy and society into formal and informal sectors. This last distinction has been applied to labor markets and types of businesses, to housing arrangements, and to systems of social support and political mobilization. These dichotomies were, in their time, useful steps in conceptualization. But a dichotomy is limited in its nuances; even when smoothed into a continuum, it remains one-dimensional. A dichotomy may also reinforce a rather rigid either-or form of thinking that can feed a Manichean moralism. It is consequently a good sign when the dichotomies evolve into more sophisticated and multidimensional systems.” (Edel 1972: 166)

A moment of reflection leads to the insight that dichotomies feed “us/ them” couplets that can reassure but not explain. So we proceed by trying to take on the “multidimensional” aspect of the favela and its economic dynamics directly.

Nine ways of seeing a favela

A first consideration in “seeing” the favela multidimensionally is register the fact that many parties are looking:

- To begin, residents: workers, fathers and mothers, activists, dealers, children; musicians seeking inspiration or seeking audiences.
- Then, outsiders who need the residents, or who need something from residents: government administrators, police, politicians seeking votes; businesses seeking customers; capitalists seeking workers, capitalists seeking
to earn interest, fees, or rent, Brazilians with NGOs that want projects there, foreigners with NGOs that want projects there; foreign tourists seeking ‘local color’.

• Then, outsiders who don’t need the residents, but who want their land: developers, speculators, investors, backed up by their own political interests.

• Next, those for whom the favela offers a canvas, a background, a scenario: local and foreign journalists, writers, film-makers, bloggers, graduate students, professors, researchers.

Many “viewers”, with many interests. The many paths that lead people to favelas, or to a view of favelas, are too many to count. We would have to proceed like Delegado Espinosa in the novels of Luiz Alfredo Garcia-Roza, following one set of footprints after another in the streets and pathways intersecting the city. To focus, we record the view from nine different sets of binoculars.

View (1). For a neoclassical urban theorist, a favela is a location on a map. A point on a grid, or perhaps a bounded space. In regional economic modeling, every real space is understood as representing an abstract reality. In that reality, a spatial equilibrium is imagined. The distribution of stores and of residents somehow depicts the choices made by agents based on their opportunity sets, their budget constraints, and all that. Glaeser (2008) provides a compendium of models illustrating that anything observed can be understood as the outcome of a game in which the democracy of choice determines what we see.

A favela is, of course, a space where the schools may not be good – or there are no schools; a space where there are stores, but maybe not chic stores. In the equilibrium approach, as Glaeser points out, the fundamental theorem explaining urban form is the Tiebout theorem. According to this, people ‘vote with their feet’, moving to whatever location in the urban grid that offers the specific package of public goods and amenities that optimize each household’s utility, given their budget constraint. Of course, as Glaeser points out, But Bewley (1980) showed that a well-defined equilibrium exists in this case only if there are as many ‘points’ – locational choices, each with its own amenities bundle – as there are agents. This is a virtual impossibility. So this theory admits it cannot provide a satisfactory bundle of services for each household; instead, some people will be left in suboptimal living circumstances.
View (2). Another distant view of favelas sees them through an aesthetic lens: *a romantic landscape* of multicolored, multishaped houses perched on a picturesque hill, above a beach and the sea. The good favela is the one that makes a good photograph, a point readily understood by the many artists who offer their semi-abstract renderings of this aesthetic every Sunday in Ipanema’s “hippie faire.” This aesthetic is plastic, however; as inspiring as it is to contemplate the vista of the favela on the beachside hill, it would be more delicious to view the sea from the hillside, in a building designed for one’s comfort.

View (3). The favela can also be seen as *an historical accident* – a mistake. Cities develop unevenly over time, with different uses in different epochs; the same city can serve through time as a military base, a commodities port, a political capital, a cultural hub, and so on. Consequently, some places within the city that may have been seen previously as unimportant, or that may have been reserved for public purposes that are no longer needed (a pasture for the Emperor’s horses), may now have become immensely valuable. Additionally, some areas that were not suitable for the homes of monied classes in earlier historical stages may now be immensely desirable locales. In effect, such areas can be seen as temporary wrinkles in the city’s spatial price/location continuum, which have arisen due to the historically uneven spread and land-use pattern of the city. Those who occupy such land – one thinks of favelas like Babelonia and Vidigal in Rio - are not criminal in intent; they are simply there by historical chance.

In this view, places whose increased marginal land-value has made them much more valuable than previously are real-estate placeholders. Those resident now are capturing non-pecuniary rents as long as they live there; they stand in for people who deserve to be there. Others who are more worthy – in the sense that they have more money – deserve to take that space. And those others may come from other nations, they may be speculators. Indeed, the game is open. So the presence of favelitos there saves the space, for the favelitos have only human rights – no property rights.

View (4). A view of the favela’s residents as unplanned occupants readily leads to two negative views. The favela can be depicted as *a drain on the scarce held-in-common resources* of the city. The illegal residents there tap into and drain the energy, water, education and other services provided by
the municipal and state government to its taxpayers. Insofar as favela residents pay less than their fair share for these services (if they pay anything at all), they can be seen as marking up user costs for those who pay those costs. The higher the share of favela residents in any municipality, the higher the cost markup.

This “civic drain” depiction depends on how public services are defined and financed: what services do favela residents demand, and what elasticities in service provision are there for public-service systems initially designed to cover only the city’s formal zones?

Note that this view has a parallel in the long-standing and often acrimonious debate in the US regarding whether undocumented immigrants have a right to public services, and pay for what they use. These US policy debates do not center on informally-settled areas’ use of electricity and other service grids designed for formal-sector residents. Instead, the sometimes burning issue of whether undocumented (or even documented) immigrants “pay for the public services they use” concerns whether the marginal public expenditure costs generated by these residents are funded by taxes paid to the governments providing these expenditures. The US debate turns in part on the fact that undocumented residents are far more likely to be paid “under the table” than are citizens: hence, their employers engage in widespread income-tax avoidance. Of course, there is a significant difference between the immigration of other nations’ citizens into urban residential and labor markets (US), and the internal migration of citizens from work-starved to work-rich regions (Brazil). Arguably, the latter process furthers the creation of a mobile workforce linked to growing economic sectors, whereas the former may involve race-to-the-bottom wage competition in low-skill labor sectors. Nonetheless, here are two parallels between the growth of undocumented worker populations in the US and of favela populations in Brazil: first, favela residents in the labor force are more likely to be paid “off the books” than other members of the labor force; second, these debates involve, in part, the “right to the city” – the right of undocumented immigrants, in one case, and of favela residents, to be full “city-zens”.

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4 Schrag (2006, Chapter 1) summarizes the available (if incomplete) empirical evidence as follows: undocumented immigrants pay less than in state and local taxes than the cost of the services they use from state and local governments (especially for education and emergency medical care), but more in payroll taxes (Social Security) than they use.
View (5). Another negative view sees the favela as a terrain of lawlessness. In the interest of developing our argument, this view will be stated strongly. There are several senses in which the favela can be considered a place “outside the law.” For one thing, most of its businesses participate in the “black economy”; and as noted above, many of its residents who work are “off the books”. The space itself is not authorized, not planned; it has been occupied, taken for use without public authorities’ permission or payment to registered land-owners. In effect, the favela represents a zone in which the Rousseauian social contract that implicitly binds individual members to a common set of rules is systematically violated.

This view is too strong, of course. Many workers who reside in favelas are “on the books”, and the Brazilian government has made important strides in regulating wages and working conditions for those without formal wage contracts. Further, there are numerous pathways by which favelas come to occupy particular tracts of land; in some cases – Cidade de Deus included – the government authorized the creation of the space that later became deemed a “favela.” And this bears some thought – for if all places that are termed “favelas” were not, originally, illegally occupied and fabricated from informally-constructed housing, then what is their defining feature?\(^5\)

This thematic of the favela as a place beyond the law is amplified by the development of favelas as hubs for drug trafficking. This story, related dramatically in the *Tropa de Elite* films and in numerous popular books, involves several elements: the involvement of favela youth as “soldiers” in the drug trade; the high rates of murder and of incarceration for those so involved; the symbiotic relationship between the drug trade and public authorities and officials, including corruption, racketeering, and extortion. The emergence of police militias as participants in drug trafficking, sellers of weapons, and extractors of monopolistic rents for goods and services sold in favelas, has created both public scandal and a crisis of governability. The quiet life of law-breaking and off-the-books economic activity has been transformed into behaviors that have exceeded all boundaries of acceptable behavior.

View (6). A key component of everyday life in Brazil is the Brazilian *jeitinho*. This term has no translation in English and doesn’t appear in Webster’s or other English dictionaries. Wikipedia offers the definition: “doing things

\(^5\) An article by Cardoso and Leal (2010) notes that more than 50% of all housing construction in Brazil is done informally.
by circumventing rules and social conventions.” This definition is too rigid, however. The *jeitinho* refers as well to ways of solving problems by creativity, using alternative solutions, working with what one has (rather than what a rulebook specifies is necessary).

One way of viewing the favela is as a *collective expression of the Brazilian jeitinho*. Inasmuch as the favela represents its residents’ individual and shared solutions to the problem of day-to-day living – that is, of social reproduction – the favela represents a *jeitinho*. With its invented, self-constructed structures and pathways, with its use of what is available, the favela represents a collective, largely unplanned solution to the problem of the city’s political economy. It provides a vehicle for generating production and distributing income in an urban context wherein residents have vastly different abilities to pay rent, acquire titles to property, and afford both daily necessities and consumer durables. The gap between those with means and those without is solved by creating a portal into the formal city for those without. This is precisely the favela.

The idea of inventing what you need is admirable, and captures something of the flexibility and spontaneity that are components of the Brazilian national character. But it also has a self-undermining quality. The priority is always for the needs of the present moment; the person executing a jeitinho solves today’s problems in his or her small world: to have tables at which his customers can sit down, electricity so she can more efficiently store food and expand her market, a room on top of the house for the visiting uncle who may never leave. The more people use formerly public (or unoccupied) space to solve their own personal problems, the less public space there is for others to work with. At the aggregate level, this flexibility in action generates a continuing problem for the urban form of the city itself: It gives rise to an infinite game for spacial priority. In the extreme, as Pedro Abramo has observed, the city becomes an infinitely expanding space in which living conditions become more and more impossible for those residents who fit themselves into plots on the ever more remote urban border.

**View (7).** The next two views prioritize the economic activities of favela residents. One approach is to focus on *how favela residents are linked into the broader urban economy*. As Pedro Abramo’s surveys (Abramo, 2009) have shown, the percentage of favela residents who work exceeds that of other
urban residents. Further, favela residents often are available to take on lower-wage work that involves less formal training and more learning-by-doing. As a landing place for a disproportionate share of the new residents who hope to find work in the city, then, the favela constitutes a surplus labor reserve.\(^6\)

This “favela as labor reserve” vision leads to two pertinent observations. Note first that migrants seeking work in the city will also move into residences in the formal city; the notion of the favela as a labor reserve depends on the in-moving rate being higher in the favela. Second, if economic growth involves the growth of both lower-skilled and higher-skilled (and by extension, lower-paid and higher-paid) employment, and if lower-skilled workers are more likely to be able to afford to live only in favelas, then the economic growth of the city requires the expansion of either residential capacity or population density in both the formal city and in the favela: that is, the growth of the city economy implies the growth of the favela, \textit{ceteris paribus}.\(^7\) And insofar as new favela residents often arrive primarily as workers, leaving family members behind in the rural areas or smaller cities from which they have migrated, the growth of the city economy implies the demographic evolution of the hinterland areas surrendering population.

This view of the favela casts a completely different light than do the negative views earlier in our listing. In effect, the favela can be seen as one physical locus for a regional flexible-labor mobility program; a holding-bin permitting the circulation of people across the face of the country, so that people can make successful adjustments from where they (and earlier generations of their) families have lived to where jobs are now. This sort of labor circulation mechanism is crucial for a giant country whose citizens have vastly different levels of education, skills, training, and sophistication. This conception of the favela as a key component of the urban economy deepens if we think of it not just as a locus of labor-supply, but as a reservoir of income, savings, and wealth accumulation. That is, the favela provides an expansion zone for savings and financial activity and for the consumer economy. Insofar as cash-flows per capita are lower than in the formal city,

\(^6\) As Harris and Todaro (1970) showed, this dynamic operates whenever urban wages, adjusted for the probability of being employed, at least equal rural wages.

\(^7\) The logic of the Harris-Todaro model suggests many interesting dimensions of this dual-economy growth problem. To pick one example, if the wage differential between wages in any urban center and in any in-mover’s alternative location is higher for those hoping for lower-income urban work, “equilibrium” should be reached with higher unemployment rates in the favela than in the formal city.
savings and credit relationships may be more precarious, and consumption centered more on lower-cost, high-volume goods. And since financial services are distributed hierarchically in Brazil (Crocco et al. 2009), lower-income communities and especially favelas have few – or no – bank branches and are a site of financial exclusion (Dymski 2006).

The favela then has its place – in the production and service sectors, in mass-consumption behavior, in debt-payment-transaction linkages – within the city economy. What is yet to be resolved – and, as we will see, has been the topic of unresolved debates – is this: what is the structural specificity of the favela within the urban economy? Should we think of the favela as forming a couplet with the formal city, much like two neighboring nations that have high cross-border trade volumes? Is the favela an autonomous or dependent part of the urban economy? Are the geographic lines between the formal city and the favela not solid, but changeable over time – so that everything on the favela side of the “line” at any point in time should be regarded as temporary arrangements and locations? In this latter case, we can envision those who are resident now in the favela as eventually moving on to other places with more firmly established places and capital; in the spatial logic of Rio de Janeiro, the favela is a queue for residents hoping to move eventually to the Zona Sul.8

**View (8).** We next turn to three views of the favela that celebrate its spontaneity and creativity – the economic activities that can arise *sui generis* within the favela itself. Here, through the eyes of Hernando de Soto, we see the favela as a *zone of potential entrepreneurship*. De Soto (2000), of course, has become well-known for his view that urban economic growth will emerge not from what he regards as heavy-handed public-sector intervention and planning, but instead from spontaneous business formation by the poor. Using Lima, Peru as his perennial example, De Soto asserts that people have an entrepreneurial potential that is systematically blocked when many residents of a nation reside in informal settlements (such as favelas). Because people have effective ownership of assets (the land they live on), but no formal property claim to it, people are blocked from being able to use their own capital to start businesses and generate jobs.

This claim is naïve when applied to Brazil’s favelas, since in actuality a market in housing exists (Perlman 2010b), and residents pay rent to “owners” who have effective – if not formal legal – claims over the land (Dymski 2006).

8 Or hoping to expand the boundaries of the Zona Sul to include portions of the Zona Norte and Zona Oeste.
Nonetheless, it is important to register De Soto’s approach. For the same sort of thinking appears in idealized visions of microenterprise programs as means of using financing-from-below to permit poor people to become self-sustaining. Something of De Soto’s bottom-up belief in spontaneous order also appears, for example, in the recent depiction of the favela as a “self-organizing system” by Blum and Neitzke (2005). In effect, a “market friendly” view emerges by identifying the Brazilian jeitinho as a means of generating spontaneous order and economic prosperity once legal obstacles are cleared out of the way. The concerns we find in Abramo about the self-undermining collective consequences of aggregated self-motivated adjustments are simply ignored. No pure public goods and no “tragedy of the commons” problems are admitted; everything can be resolved by market forces once markets are liberated.

**View (9).** Finally, the favela can be seen as a cultural reservoir. In the case of Rio, samba developed “in the hills” in the early 20th Century, as bailo-funk has done in the last two decades. Lineages can be marked out: from Pixinguinha to Noel Rosa to Paulinho da Viola to Chico Buarque: from favelas and city squares in Salvador, Bahia to favelas and city squares in Rio de Janeiro (and elsewhere), and back again. Whether or not MPB (musica popular brasileira) and bossa nova can be understood as distillations of music that originates “in the hills,” the role of favelas in the creation of new forms of musical expression cannot be denied. In this respect, contemporary condemnations of musical expression and celebration in favelas as oversexed or culturally-derivative represent continuity, not a break, with the past.

**Contradictory or complementary views?**

Edel’s urban multi-dimensionality is fully on display in these nine “views” of the favela, which pull in different directions. Views (1) and (2) see favelas as developable space; view (3) sees residents as strictly temporary occupants. Views (4) and (5) see the favela as a generator of economic and social bads. View 6, by contrast, sees the favela as a physical manifestation of Brazilian resilience in the face of all odds. Views (7) and (8) are economic

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9 In 1992 the author of this essay spent time in Dhaka, Bangladesh. A common activity of women in informal settlements in Dhaka was to put down and dry cow-patties, which could then be used to fuel fires for cooking. De Soto would undoubtedly interpret this survival-motivated behavior as entrepreneurial enterprise.

10 See Bellos (2004).

11 Nelson Motta (2000), whose career in music and in musical criticism has encompassed the last half of the 20th century, has observed polemically that there is no bossa nova, only samba.
views, which respectively focus on the favela’s structural links of the broader urban economy and on the favela’s entrepreneurial potential. View (9) reminds us of the key cultural role of favelas.

While each of these views reflects what one or more pairs of eyes are looking see, they lead in very different directions for public policy:

Is the population in the favela to be regarded as permanent or transitory? Is the favela population a community only by virtue of the serendipity of its residents’ accidents of migration from elsewhere, or is it a community by virtue of the struggles of its residents for rights and recognition over time?

Is the favela a cornerstone of urban economic reproduction, or a drain on urban resources? Is it a coherent economic space or a dependent extension of the larger city? Will the urban economy be best served by opening informal areas to purchase by outside investors, or should the land be preserved for the use of those who have lived there until now?

Is the favela best left to achieve spontaneous order or is more government guidance needed? Does democratic voice matter, and at which levels?

It is readily seen that these views are in many senses contradictory. Here we will elaborate on just two axes of tension. Note first the contrast between views (3) and 4: to take care of the problem of “drain on services” (view 4) would involve recognizing the permanent status of those who are there (view 3) – getting past the notion of accidental occupancy.

This challenge – of the permanence or impermanence of the favela economy as a space – as a space for temporary activity or for permanent investment - is posed profoundly in Pedro Abramo’s theoretical and empirical work on the city. In his 2007 volume, Abramo notes that from a Keynesian perspective (especially as Keynes has been interpreted by G.L.S. Shackle), the problem of fundamental uncertainty – which deters investment and leads people to value liquidity more highly – can be solved via planning and coordination. In the city context, Abramo notes, this involves planning as a way of making longer-term investment possible. At the same time, Abramo’s empirical explorations of the favela housing market (Abramo 2009) demonstrate increased stability: people move within – and add rooms to – the homes they have in the favelas they already live in. The fact that people buy

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12 The author of this essay worked in South Africa several years ago on an effort to regulate that nation’s informal, small-denomination loan markets. A survey undertaken in the course of this work revealed that the leading purpose for property-related loans in Soweto Township was the purchase of barbed wire to protect one’s home.
homes, and build on them, even in the absence of a longer-term, fixed solution to the problem of reproduction, tells us what favela residents see as their place – their community link – to the city.

So we confront an apparent paradox – urban residents need/want an expanded sense of planning and order, but they want to stay in places defined as purely spontaneous. This brings us to a second point of tension, involving De Soto’s advocacy of spontaneous market order. The notion that the favela offers a free-market tabula rasa is untenable. Power emerges in a vacuum, and one reason that favelas have been defined for many as the sites of lawlessness (view 5) is precisely that militias and drug cartels have established monopolistic control over spaces outside effective public control.

But this does not mean that the problems in favelas can be eliminated through the imposition of order from above. De Soto’s thinking blurs two impulses that must be understood separately: on one hand, his belief in spontaneous market order; on the other, his suspicion of top-down planning. We can dismiss the former impulse as naïve without thereby embracing the latter. The disjuncture between the interests of the elites that control top-down planning and those of favelitos was poignantly demonstrated in the destruction of the Catacumba favela that Perlman studied in her 1976 book. Respect for the democratic favela community was absent. There is no need for democracy or anything but a minimalist state in De Soto’s idealized world; but in the complex multi-dimensional reality of today’s favelas, democratic voice is an irreducible ingredient.

3. US inner-city development policies, from the “War on Poverty” to the present

While we have exposed different views about favelas, we have not yet unearthed different possible models of the favela economy. This is a literature that does not exist. So this section will instead summarize key junctures and ideas in the literature that arose in a parallel case – the start-and-stop efforts of the US government to stimulate the economy of the impoverished, largely minority “inner city.” The starting point for this effort was President Lyndon Johnson’s state-of-the-union speech on January 8, 1964; as noted above, this speech launched the “War on Poverty.”

Efforts to reduce poverty and increase jobs in inner-city areas constituted

For Brazil, the construction of Brasilia stands out as the defining case how top-down planning can go bad (Scott 1998, Chapter 3).
a key element of that “War”; and while much reduced, those efforts have continued through the early 2000s. These evolving efforts provide different frameworks for thinking about the economic dynamics of urban sub-areas such as the US “inner city” or the Brazilian favela.

From urban renewal to Community Action Agencies

“Inner city” areas typically shared some historical characteristics. These areas provided a locus for the ethnic-minority populations that migrated from the rural South in response to the labor shortages induced by the two World Wars. Given the extensive residential racial segregation of US cities, African Americans and Latinos and other minorities were permitted to live only in restricted areas. The areas they occupied were typically older and devalued neighborhoods near the central city; this reflected the tendency of US cities to grow through outward spatial expansion, with a “hole” left in the center. Home ownership in “inner city” areas was limited, as the federal housing-finance programs that facilitated most home purchases explicitly discriminated against minority areas and minority home-buyers. The land on which minorities settled was typically rented by absentee owners; when businesses failed, much of it was “land-banked” and held vacant.

The sacrifices imposed on US families by World War II led to the passage of the 1949 Housing Act, which promised an affordable home for every American family. This promise together with the massive federal funding made available through the 1956 Federal-Aid Highway Act led to the vast expansion of suburban housing tracts open almost exclusively to white families. The 1949 Act also permitted “urban renewal,” a method of reclaiming and reusing strategically-located urban space so as to spur urban economic growth. The mechanism used to accomplish this reclamation was to declare the land “blighted.” In most medium- and large-size cities, Highway Act monies were used to place highways around or through inner-city areas, effectively cutting off segregated minority communities from the remainder of the city. Once World War II ended, minority workers were eased out of high-wage industrial jobs, and unemployment became a major problem in “inner city” areas.

Fueled by the visions of Corbusier and other modernist planners, most US city governments in the late 1950s and early 1960s viewed their inner-city areas as per views (1) and (3): the people living there represented
an historical accident; they could be removed to the warehouse-style public-housing projects being constructed in less well-located urban space. These areas often encompassed former industrial zones whose productive days had passed by, leaving districts of abandoned warehouses and factories that were both a fiscal drain and an economic dead spot.

The death of John F. Kennedy, coinciding with the intensification of the Civil Rights movement and its move into urban centers, created the political opening that Lyndon Johnson needed to pass both the Civil Rights and Economic Opportunity Acts in 1964. President Johnson’s January 1964 speech, noted above, led to the passage of the Economic Opportunity Act in August 2004. It established a wide range of programs, including the Neighborhood Youth Corps, the Jobs Corps, Head Start (which provide pre-Kindergarten educational enrichment for children from low-income families), Adult Basic Education, Family Planning, Community Health Centers and Neighborhood Centers; Summer Youth Programs; Legal Services; and Economic Development. In sum, a wide variety of federal programs were created which funneled services and training into lower-income areas, and which created jobs and cash-flow for many residents of lower-income communities, especially youth.

These programs were implemented via Community Action Agencies, which were established under the control of the Office of Economic Opportunity (OEO), directed by Sargent Shriver. CAAs were established in over a thousand cities, with their offices centered in high-poverty areas challenged by joblessness. The OEO had the ability to override local and state governmental objections to these federal programs. This override capacity was fundamentally important, as these programs put jobs, income, and resources in the hands of lower-income and disproportionately minority residents of cities who had been systematically cut out of access to federal programs prior to this period. The social urgency of the OEO programs was punctuated by a rising wave of urban riots and violence in inner-city minority areas. To cite just the most dramatic outbreaks: Philadelphia, 1964; Watts and Los Angeles, 1965; Cleveland, 1966; Detroit and Newark, 1967; Washington DC, Baltimore, and Chicago, 1968. This backdrop of social unrest also provided some of the political space for OEO’s override capacity.

These outbreaks and the federal OEO programs shifted the focus of
inner-city interventions from removing unwanted populations to stimulating job growth and income flows for these same populations. “Ghetto economic development” emerged as a new topic of economic inquiry and debate. Many political activists and social analysts emphasized the parallels between the historical circumstances of ghetto communities and those of former colonies in the global South. Paralleling the discussion in global-South nations about breaking free from the chains of colonialism were discussions among Black and Brown Power leaders about whether self-determination and separatism represented a surer path to minority economic development than the integration that had been the long-standing goal of many in the Civil Rights movement.

At the level of economics, the question was whether surplus was being systematically extracted from the ghetto economy (Tabb 1970). Countering this assertion was the idea that the ghetto was not exploited as a subordinate space per se; it was instead the site of exploitation insofar as a disproportionate number of its residents were engaged as workers in sites of capitalist production. The implication was that ghetto residents should build alliances with white workers; the problem was the exploitative and crisis-prone nature of capitalist accumulation more fundamentally than it was spatial racial segregation. Some analysts pointed out that one form of exploitation reinforced the other: Baron (1985) pointed out that racial segregation in the urban North has permitted the super-exploitation of minority workers, insofar as the ghetto is a “labor reserve” whose members have restricted mobility within the labor market (due to racial discrimination); and Reich (1981) demonstrated empirically that the payment of discriminatory wages to minority workers depressed wages for white workers as well.

A key question both for those who hoped for an autonomous, self-sufficient ghetto economy, and for those concerned with whether injections of federal funds would generate self-sustaining growth in the ghetto. Movement veterans emphasized the importance of enhancing “cash-flows within the community.” Analysis suggested that federal anti-poverty fund inflows would enhance income and employment in the ghetto, at least marginally (Oakland et

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14 The review article on this topic by Harrison (1974b) contains an extensive set of references to the various issues touched on only briefly in this text.
15 The three most important examples in texts of that era are Clark (1965), Carmichael and Hamilton (1967), and Allen (1969).
16 This argument paralleled the investigation of uneven exchange between former colonies and former colonial powers by authors such as Emmanuel (1972).
17 See Harris (1972), and then the ensuing debate between Tabb (1974) and Harris (1974).
The question was whether the structure of economic interactions would permit income recirculation at high enough levels to permit a take-off into self-sustaining growth.

Economists use the base-multiplier model to assess the extent to which dollars that enter any area will recirculate within it. Oakland et al. (1971b, 1973) assessed the size of the multiplier in several ghetto communities. They found these impacts to be insignificant, and concluded “policies which seek to concentrate spending in small depressed urban areas with high levels of unemployment must find justification in terms of efficiency, externalities, or other first round effects, rather than in terms of multiplier impacts” (1971a, page 345). Further, they noted in a reply to Kottis and Kottis (1973) that more locally-owned commercial establishments would not affect their conclusion (1973). These authors also pleaded for better and more precise data with which to assess the level of multipliers; many of their calculations were necessarily based on guess-work.

Other economists focused on human capital factors. Baumol (1968) noted an immediate problem: that the concentration of high-productivity-growth industries outside of the ghetto – and the limited access of ghetto residents to employment there – would impose a cost-squeeze on ghetto residents and industries, over the longer-run. Further, ghetto residents are disproportionately dependent on public services, which tend to have low productivity growth. In sum, the technology divide would make the ghetto less and less competitive, and “self-help offers no way out for our cities” (Baumol 1968, p. 426). This gloomy assessment was underlined by Downs’ (1967) cost-benefit analysis of urban anti-poverty programs over time, he argued, white resistance to minority population presence would lead to a dispersal of upper-income minorities from the ghetto, deepening its economic isolation from the rest of the city. This perspective – which represented a consensus among mainstream economists - led to the conclusion that “heavy investments in training programs” (Bronfenbrenner 1970, page 755) would be most likely to benefit the relatively low-skilled minority workforce.

Harrison (1971) responded that this human-capital view failed to take

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18 The authors found a multiplier of approximately 1.13 – that is, $0.13 is gained in multiplied expenditure for every $1.00 injected into the community. This pessimistic conclusion is not surprising in light of other studies of local multipliers. For example, a comprehensive assessment of alternative local multiplier models by Mulligan and Kim found a consensus multiplier of 1.71 for Phoenix, Arizona, a city of over 1 million people.
into account the fact that minority workers faced systematic discrimination in the labor market, and further were forced to live in segregated areas with lower-quality public services than elsewhere. This pointed to the need not only to strengthen training programs for minority workers, but to take action against racial discrimination in markets and to reduce the structural imbalances between the resource base of the ghetto and other parts of the city. An alternative to training workers one-by-one, so to speak, was to undertake the economic development of the ghetto. This would require, at the least, a continued heavy flow of income and resources as in the initial phase of the OEO; and it would require the identification of and enhancement of areas of “competence” (Lawson 1999).

But this pointed to a perennial problem: leaving aside whether inner-city business clusters would be large enough to capture agglomeration economies, successful inner-city development would have to confront what Edel called the “weak spot” in economic development: innovative supply (Edel 1970). And even were an innovative set of goods to be supplied were identified, the structural weakness of the business/employment base in the ghetto meant that income inflows channeled into the community would multiply only weakly. This line of argument leads either back to the need for ghetto residents’ class solidarity with workers elsewhere, or to the need for autonomous economic development.

From Model Cities to market-based incentives

Several policy steps were taken in the direction of autonomous economic development. CAAs were encouraged to start community-development corporations to spur business-incubation and employment-growth in depressed urban areas. At the same time, the impetus for continued concentrated spending in inner-city areas slowed. One obstacle was the fiscal impact of the Vietnam War; another was the political resistance of local and state political leaders, whose local autonomy was bypassed by the War on Poverty’s peculiar mixture of top-down and bottom-up initiatives. President Nixon replaced the OEO program with the “Model Cities” program, which largely returned control to program councils controlled by local elected officials. One immediate consequence was that, despite federal requirements that inner-city residents be privileged in Model Cities employment, the
majority of Model Cities jobs – especially higher-wage jobs – went to non-residents (Harrison 1974a).19

President Nixon took further steps in this direction: he created the Office of Minority Business Enterprise in 1969, and then in 1971 used an executive order to initiative affirmative action – setting aside some contracts for minority-owned businesses. On the surface, this was consistent with Black Power advocates’ call for autonomous ghetto development; but in fact, the passage of fair-housing legislation, along with ‘white flight’ to more remote suburbs, had already led to the upper-income minority residential dispersion predicted by Downs.

So the spatial-community-oriented OEO programs of the 1960s were shifted toward incentive programs for individual businesses. The same sort of logic was used by inner-city coalitions to pressure Congress into passing the Community Reinvestment Act, which required insured depositories (banks and savings and loan associations) to providing lending and other banking services on a non-discriminatory basis (Squires 1992).

The weakened cash-flows of inner-city communities were reduced even more in the latter 1970s and 1980s, as deindustrialization made many inner-city areas into jobs deserts.20 The onset of the Reagan Administration meant a radical tilt toward deregulation and market-based policy. Federal housing-construction programs were replaced by a system that provided vouchers that low-income households could use to seek rental properties on the open market. There was no policy focused on inner-city redevelopment until the Clinton Administration took office in 1993. Two ideas about inner-city revival featured centrally in President Clinton’s administration. This revival was given impetus by an April-May 1992 riot – an ‘uprising’, primarily by lower-income residents – in Los Angeles. This put the “urban question” back on the table. But it took a distinctly different form than it had 28 years before. First, his “Putting People First” campaign platform emphasized microfinance and community development banking. The idea of stimulating inner-city economic resurgence was renewed, in large part, through President Clinton’s assessment that federal programs providing finance to worthy potential entrepreneurs could generate a maelstrom of innovation. This initiative, of

19 Eventually, federal urban initiatives were downsized and reconfigured as block grants provided in exchange for modest local efforts to develop and update affordable housing plans.
20 Wilson (1987) provided the definitive analysis of the increasing economic isolation of inner-city residents from jobs and income flows.
course, emerged not only in the shadow of the LA ‘uprising,’ but in the context of many studies showing that banks and other financial intermediaries had systematically provided fewer financial branches and fewer loans to inner-city areas and to minorities.\footnote{Dymski, Veitch, and White (1991) established this pattern in Los Angeles just before the ‘uprising’; and see the celebrated study by Munnell \textit{et al.} (1992).} There was immediately a debate how to implement this vision. One approach (Minsky \textit{et al.}, 1993) called for the creation of a comprehensive system of autonomous community-development banks, which would capture savings and finance investment and housing in inner-city areas. This path was not taken; instead, the Clinton Administration passed the Community Development Financial Institutions (CDFI) Act of 1994, which funded a small set of non-profit loan funds (and later selectively provided leverage for enterprise capital) operating in inner-city areas. CDFIs lacked the scale and capacity to become the core of an economically-functional banking system for the inner city: they could neither provide sufficient financing to reverse asset-decumulation processes, nor could they offset the exploitative lending practices then developing (which later generated the subprime lending crisis of the 2000s).

This outcome, for a Democratic Administration, symbolized the federal government’s retreat from serious efforts to attack economic stagnation for the people who lived in the inner city. This would have required a significant effort at job creation or at redistributing either income or economic capacity to residents of inner-city communities. Instead the pre-War on Poverty approach of focusing on the possible economic re-uses of inner-city land reemerged. The Clinton Administration expanded the enterprise-zone approach, providing tax credits for businesses that would locate and create jobs in “distressed” areas. These federal credits augmented the (unsuccessful) efforts of many states and localities to achieve the same results via state/local tax credits. The Clinton Administration also provided federal contracting incentives for businesses located in low-income areas via the Hubzones program.

The 1990s also saw the creation of Michael Porter’s Initiative for a Competitive Inner City (ICIC). Porter applied his ideas about competitive advantage, which focused on ideas about agglomeration effects and industrial clusters, to the inner city (Porter 1995). Porter argued that federal initiatives have failed because they have been fragmented, they have entailed social \textit{and} economic elements, and they have focused on individuals and firms, not at
impacted areas per se. The competitive advantages of the inner city are: its location near high-value-added business centers; its sizeable consumer market; underused human resources, and its land. What should be done is to exploit the advantages of location and land, while encouraging job training (human capital) efforts for inner-city residents. While he is interested in the people who populate the inner city, ultimately he sees the inner city as developable land: if the land is more rationally used, the lower-income, economically-excluded people who live nearby should reap some income gains. This back-to-the-future approach (see above) was challenged in a special issue of the Review of Black Political Economy, later published as a book (Boston and Ross 1997).

The Clinton Administration’s modest efforts at renewing a commitment to inner-city revitalization, then, ended by embracing policies that could at best renew the land and displace the people. The ICIC continues to operate, and has isolated success stories (see http://icic.org). The Bush Administration continued Clinton’s initiatives on a reduced-funding basis. Meanwhile, given the inattention of policy-makers, inner-city communities were left to their own devices: some were displaced by gentrification; residents of others moved back to the American South or were caught up in the prison system. Many inner-city communities became ports of entry for the waves of documented and undocumented immigrants that flowed into the US in the past three decades. These communities also became a central locus for subprime mortgages and other forms of predatory lending.

Consequently, when financial exploitation, the housing bubble, and Wall-Street hyperleveraging led to the 2008 financial crisis and recession, inner-city communities experienced cataclysmic job losses, housing-price drops, and foreclosure rates. The Obama Administration has not made the current inner-city crisis a focal point of its economic-recovery programs. The Administration’s $700-billion stimulus package included instead reauthorizations and marginally increased funding for the programs that have been carried forward from the Clinton Administration (Dymski 2009). No Jobs Corp or Community Health Center (or other War on Poverty-era) initiatives were proposed or passed into law.
Key differences between the US inner-city and the Brazilian favela

Without attempting a complete elaboration of all the differences between the US inner city and the Brazilian favela, several points stand out. First, the favela’s very location becomes possible because the land on which it sits was at some point in an urban history judged not to be valuable or usable. This is quite different in the case of the US inner city, which emerges as usable space for socially excluded people only after its prior uses have expired. Second, this implies that a prior – legitimate – owner almost invariably retains title over the land occupied by the inner city; so while those who live in the inner city may be seen as illegitimate, ownership rights are not in dispute. By contrast, in the favela, both the quasi-owners and the occupants may be seen as illegitimate. Third, the favela and the inner-city are places where there are concentrations of Black residents. The potential for confusion between policies that favor Blacks (and other minorities, in the US case) as individuals and those that seek to assist heavily-Black communities exists in both nations. Fourth, while the favela can be a sizable community – a small city – it can also be a small place, a multiplicity of small places within the larger formal city. This means that “the inner city” as a contiguous, internally connected space in many US cities is not reproduced in most “favela communities” which are not contiguous but instead are distributed as islands within many Brazilian cities. This means that the problems of scale and interconnectedness, which were already significant for inner-city economic development, are even more pronounced for favela development.

Fifth, whereas the favela has continually been a port of entry for largely rural migrants for a century, the inner city was populated in two huge rushes linked to World-War-related labor-supply shortages. So whereas the labor demand that justified the growth of the new inner city population faded years ago, the labor demand for those moving to the favela has grown more continuously. At the same time, the demand for favela labor depends ultimately on the adequacy of the cash-flows of formal-sector residents and on the vibrancy of manufacturing activity. Sixth, the political position of both inner-city and favela residents – and their ability to command policy space – is quite variable and depends on a wide range of historical factors.
Implications for Brazilian favelas

This said, what are some of the implications of the US inner-city policy story for Brazil’s favelas? As we saw, inner-city policies began with simple population removal and space clearing based on a disregard of these areas’ residents’ human rights. Then a period of political upheaval and social protest put in place the pressures that led to a massive surge of income, jobs, and investment in public goods and services. There is some parallel here to the surge that brought the PT to power in Brazil and made it politically accountable to previously-disregarded people.

It is worth noting that the entire period of effective policy activism in the inner city was marked by profound tension between federal and state/local political leaders; the latter took their revenge (and undercut or starved the too-independent federal initiatives) as soon as they could. Another important point to mention is that the top-down federal initiatives worked as long as they did because they unleashed bottom-up organizing energy and participatory voices. This balance was impossible to sustain in the US, and has been increasingly problematic for the PT in the past 15 years as well.

Another key lesson here is that a robust debate about the extent of the dependency of the inner-city economy on the city surrounding it was cut off prematurely (due to shifts in federal policy). This debate, which was certainly weakened by the lack of good data, suggested a dilemma: the weak structure of the inner-city economy means weak multiplier, but a weak multiplier in turn undercuts effort to develop a more robust economic structure. Unfortunately, shifts induced both by a changing federal-government political orientation and by the emergence of deindustrialization ended this debate prematurely, before creative solutions for generating autonomous economic development in the inner city were identified. Deindustrialization – together with high levels of racial antipathy – prevented one solution, a common defense of working-class interests by white and minority workers. In the Brazilian context, it is important to understand whether the common interests of favelitos and those who live in the formal city – as workers, and even as people who work for one another – can overcome the sense of difference between denizens of the formal and informal city.
In the US, whatever political solidarity existed between inner-city and suburban residents quickly dissolved. One further lesson of US experience for Brazil is to note how quickly political backlash undercut the vibrancy of the War-on-Poverty effort, including the OEO. Programs that had built up inner-city cash-flows in the 1960s were, by 1971, being used to pay the salaries of largely white public-sector workers who lived elsewhere. The programs put in place instead of the OEO were piecemeal, fragmentary, and largely symbolic in scale. Brazil shares with the US a political structure in which only a few key political shifts could lead directly to wide-spread reversals of policy direction. Another lesson of US policy is this: in the absence of a movement that will force effective economic intervention, inner-city structural problems that can only be resolved via large-scale interventions and a “high-pressure” macroeconomy (one which substantially reduces the unemployment rate) will be replaced by largely symbolic programs that are not designed to succeed. In the US, the politics of symbolism replaced the economics of transformation; and the political atmosphere became so poisoned that public anger over this shift was blunted or forgotten. This last point is especially relevant in Brazil, which has not maintained a “high-pressure” macroeconomy even in its recent period of much-celebrated growth. A slowdown could have important adverse consequences, both for programs aimed at poverty reduction and for political sentiment about the necessity of such programs.

Perhaps a final lesson of US inner-city policy experience is that there are two fundamentally-different ways to build a program aimed at transforming low-income spaces: with the space itself, looked for its own value (as in the pre-Johnson and in the Clinton-and-after years); or with the people who live there, valued for themselves. Policy design can start with the question, what are the human rights of the citizens that live in these places? Or it can start by considering, what is an optimal outcome given the property rights of the citizens who own these places? The fact that property rights are so poorly defined in favelas makes it easier to start with the second question, manipulated in a manner that maximizes a political insider’s gain. Standing against this is the entire historical development of “cidadania no Brasil” (Murilo de Carvalho 2011), all that it has meant and could mean.
4. Conclusion

The nearly fifty-year history of US efforts to address inner-city poverty and deprivation can be understood as reflecting the outcome of debates among elected politicians, academic thought-leaders, and other “stake-holders” about several core questions. These debates seldom actually occurred; only rarely did parties on opposite sides take on one another’s arguments. But perhaps the key lesson for the Brazilian case from this 50-year US history of unsuccessful policy interventions is that these debates are fundamentally important in elaborating what resources are needed to make different approaches work, and whose interests these different approaches serve.

Debate is useful in addition because it illuminates different participants’ underlying visions of vital questions about society: what do members of society owe one another? What does membership in society mean? And are all residents in a society, full members of that society? This leads us, then, to a final, hypothetical, impressionistic way of seeing a favela. It is offered here in the hope that a debate about these vital questions will soon open in Brazil—and indeed, in the US.

View (10). A favela is a community in the process of becoming. The favela is a community that vibrates with the memories of the journeys that brought residents to this place. The favela is a set of relationships, people who know one another and who know things in common. The favela is the child who came in from no-one-knows-where, and was taken in by everyone-knows-who. The favela is the family who once lived under the highway until they came here, and now have a roof and hope that its children can go to a school, and learn there and succeed. A favela is sometimes a hostage to occupying forces, but sometimes a place where residents decide things for themselves. A favela is a child that is not a child. It does what it must to survive. It is not afraid to create, it knows it must create or die.
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