Brazil: Favela-Bairro—Scaled-up Urban Development

Probably the best-known urban upgrading program in Latin America, the Favela-Bairro program is considered a reference for urbanization of informal settlements. Favela-Bairro is a significant example of effective urban interventions in infrastructure and social services that are organized according to a life-cycle perspective, with ample community participation.

Origins and components of the program

Once the municipality of Rio de Janeiro acknowledged the problem of long-neglected slums (favelas), the Favela-Bairro program developed policies to address this issue and methodologies for proper implementation. Favela-Bairro originated from the Program of the Urbanization of Popular Settlements of Rio de Janeiro, which began as a self-help favela urbanization program in which the municipality performed, and financed, sanitation and street improvement works by hiring labor from within the beneficiary communities.

Innovation: no displacement, participation, and integral approach

Instead of relocating the slum’s population, Favela-Bairro’s basic approach was to maintain the residents in the areas they occupied and bring to them the services available in more prosperous city neighborhoods. In order to select urban upgrading projects, contest and bidding process mechanisms were implemented for each favela. Moreover, residents participated in selecting proposals for interventions in infrastructure, social services, and employment-generation programs. In addition, Favela-Bairro included components of community development, sanitation, and environmental education, as well as support for the regularization of irregular settlements.

Transparent selection of neighborhoods

To avoid the costly politicization in the selection of the favelas to be included in the program, transparent and technical criteria were implemented. In order to increase the urban impact of the intervention, the selection of favelas used a system of ranking based on poverty indicators, cost-effectiveness, and strategic aspects that favored favelas located in the same area. The adoption of these selection criteria from the outset confirmed the program’s apolitical nature and protected it from any partisan interests. This was a significant factor in the public’s perception of the program’s transparency.

Continuity between administrations

Successive city administrations have provided continuity to the program. The first stage took four years to accomplish its goals and was recognized as a tremendous success both by its
beneficiaries and overall public opinion. In those four years, the program benefited 195,000 people living in 55 favelas, and an additional 25,000 living in 8 irregular subdivisions.

The success of the first phase of the program persuaded the city government to increase the scale of the operation. Phase II was therefore designed systematically to apply a revised, integrated upgrading methodology. The goal of the second phase, which began in 2000, is to benefit an additional 89 favelas (320,000 people) and people living in 17 irregular subdivisions.

From the beginning of the program, the financial and technical support of the Inter-American Development Bank has played an important catalytic role for Favela-Bairro.

Impact
The major effects of the program, among many others, relate to (i) improving the standard of living of the residents and surrounding neighborhoods; (ii) improving health conditions, with direct reflections in health indicators; (iii) increasing the value of the real estate of slum residents (overall property value has increased between 80 and 120 percent in the favelas that are part of the program); (iv) reducing poverty-related risks in the most vulnerable groups (children, teens, female heads-of-households); and (v) improving the technical skills and competitiveness of the residents, thereby increasing their ability to find work and earn income.

Critical factors of success
The factors that were critical to the program’s success and that made it a benchmark of urban upgrading are that (i) it rightly addressed challenging and socially relevant issues in urban and human terms; (ii) it was implemented efficiently, with sound financial and managerial controls, transparent selection criteria, and a high degree of community involvement; (iii) it adopted a methodological approach that integrates a holistic vision of urban poverty with a life-cycle-based social services focus; and (iv) it triggered broad public opinion support because of the wide dissemination of its significant social, urban, and economic impacts.

Physical and social investments with community participation. Urban strategies for dealing with urban poverty and slums in the 1960s and 1970s relied too much on subsidy schemes that were often misdirected to middle-income families. Many housing developments were built only to be rejected by their residents or to become vertical slums, and were created by institutions that eventually became too big, too expensive, and ineffective.

Bridging the gap between the formal and informal city requires concerted policies intended to transform squatter settlements into regular neighborhoods by providing them with legitimate infrastructure and regularizing their land tenure situation. This upgrading process is often more economical and effective than other forms of urban intervention, such as resettlement or housing subsidies. Although this approach has been attempted in the past, the new emphasis has been on a comprehensive intervention while ensuring its sustainability and replicability. The combination of physical and social investments should permanently elevate the area’s rank from slum to that of a regular neighborhood, and should be tailored to the demands of the communities. This participative process ensures that the project will address the real needs of its beneficiaries.
Some strategies for community participation include involving the community in the decision-making process of the project from inception to completion; organizing neighborhood associations and using them as a channel for communicating with the rest of the community; and using neighborhood associations to provide services such as garbage collection, child care, and reforestation.

*The social macro function.* Favela-Bairro’s implementation had a number of features that enabled it to overcome the difficulties inherent in such a complex multisector and multi-institutional program. A permanent intersectoral committee—the social macro-function—and a technical group to support its decisions was created to ensure a good level of coordination among the several departments involved in the project implementation. This social macrofunction joined up the municipal departments of education, health, housing, social development, culture, sports and leisure, and later labor.

*Project management model.* Favela-Bairro’s experience demonstrates the effectiveness of a management-by-projects approach in such complex operations. The introduction of professional managerial methodologies that enabled managers to coordinate all interventions and to follow up progress in each neighborhood has been a crucial element for efficient supervision and control.

*The correct methodological approach.* The integral approach strategies adopted by Favela-Bairro consist of proposals of integrated and participative actions. The path that goes *from welfare to work* should combine programs and services for human and social development with labor and income-generation opportunities. To be viable, however, social promotion interventions should be focused on geographical areas with a high concentration of poverty, specifically on the poorest families.

An intersectoral, decentralized, and participative approach can produce synergetic effects capable of providing greater impact for poverty and inequality reduction policies, and capable of contributing to their sustainability.

Although Favela-Bairro has been based on the idea of integrated urban infrastructure interventions, initially the program did not incorporate all the basic components of an integral approach strategy. These components were gradually incorporated into its design as a result of the participatory process and the transformations that occurred in the municipal administration.

Favela-Bairro is the result of an evolving process that resulted in the creation of a typical integral development model with a territorial base that incorporates life-cycle perspectives.

*Public perceptions.* Rio de Janeiro inhabitants, either living in favelas or not, recognize the importance of the Favela-Bairro Program. A public opinion poll carried out in 2003 asked *cariocas* (as Rio residents are called) to choose from a list of governmental programs the one to which the next mayor should give priority. Favela-Bairro was chosen in first place in all three rounds of the survey. The same institute asked respondents about the most important project for the city, and again Favela-Bairro ranked first: 26.1 percent of respondents have elected Favela-Bairro as more important than programs such as minimum income, popular restaurants, and even essential works in major city roads.
The scaling-up effect: influencing other regional programs

The Favela-Bairro program has indeed been promoting a scaling-up effect not only in Brazil, but also in other countries. Favela-Bairro inspired similar initiatives in the area of neighborhood upgrading in at least six other countries: Argentina (National Neighborhood Upgrading Program, 1996), Ecuador (Housing Sector Support Program, 1997), Bolivia (Housing Sector Reform Program, 1998), and Uruguay (Municipal Development, 1997 and Integration of Informal Settlements, 1999). In Brazil, other programs were inspired by the success of this program: in Rio de Janeiro, the Baixada Viva program (1997); in São Paulo, the Slum Upgrading Program (1996); and the national reach upgrading program Habitat Brasil (1998).

Lessons learned: from small to large scale

Despite the inherent complexities of slum-upgrading projects, technical problems are not the biggest difficulties in moving from small or pilot programs to large undertakings that can have a significant urban impact. What is most important to this expansion is acceptance of the upgrading policy. In this case, the integrated multisectoral and life-cycle-based approach is a legitimate and effective form of public policy.

Only integrated solutions produce significant improvements on the quality of life of the urban poor. Although integral approaches are more costly, in this case because of significant complementarities and synergies, marginal benefits are even larger. Certainly this outcome has helped to ensure the necessary funds to support a large-scale effort either at the local or the national level. Single sectoral solutions do not solve complex urban problems.