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New Actors, New Political Spaces, Same Divided City? Reflections on Poverty and the Politics of Urban Development in Salvador, Bahia

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Abstract

Critics of Lula's administration argue that business has greatest weight in setting its priorities and that anti-poverty programmes based on conditional cash transfers have little long-term structural impact on social inequality. Yet the coherence and scope of these programmes is now an order of magnitude greater than under the previous administration, their impact on poverty has so far proved sustainable, and poor people themselves often express satisfaction with them. This paper argues that critics who see retreat from universal social benefits as undermining political commitment to reducing social inequality underestimate the countervailing force of the capacity of some poor communities to seize the opportunities that have emerged to oblige politicians to reengage with both poverty and the roots of social injustice. Analyses that focus solely on economic precariousness and the decline of sociability are ignoring the ways in which third sector activity and social change have produced new kinds of political actors and group identities, particularly amongst young people, that may be ambivalent in nature but indicate that levels of politicisation are not being reduced. Nevertheless, optimism about poverty reduction needs to be tempered by appreciation of how problems of violence and insecurity also shape state interventions in, and in some cases virtual withdrawal from, poor communities. The rationality of party politics may have a more negative effect on securing the longer-term patterns of public investment required to reduce social inequality than it has had on the administration of the Bolsa Familia programme. In the case of Salvador, Bahia, where urban real estate interests remain as politically influential as ever, change will depend on the strength of pressures from above and below on municipal and state governments, but although anti-poverty programmes help keep people invested in the political system, they can also increase aspirations for greater economic and racial equality.

Keywords:

Brazil, Conditional cash transfers, Urban poverty, Economic and racial inequality, Grassroots engagement, Party politics

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Introduction

Brazil has been at the forefront of the development of targeted approaches to poverty reduction based on conditional income transfers. Although the majority of the current programmes were first introduced under the administration of Fernando Henrique Cardoso (1994-2003), generally seen as epitomising the shift to neoliberalism, the two administrations of Luiz Inácio 'Lula' da Silva that followed not only brought a much improved management and coordination to previously fragmented government schemes, but radically extended their coverage from a total of 3.5 million families in 2003 to 11.1 million families nationally by 2006 (Ivo 2008: 170, 195).

In the low-income community in which we have been conducting ethnographic research in Salvador, Bahia,¹ Bairro da Paz, data from a survey conducted by a team from the Brazilian Centre for Analysis and Planning's (CEBRAP's) Centre for Metropolitan Studies in August 2006² showed that just under half (45.6 percent) of households enjoyed access to government anti-poverty programmes. The biggest proportion of these families received support from Bolsa Família (89.1 percent) and Bolsa Escola (18.9 percent), with a smaller proportion receiving assistance from the Vale Gas programme (13.2 percent) and the Programme for the Eradication of Child Labour, which seeks to substitute schooling for paid work (3.3 percent). Including income from state benefits and social programmes, average total household income in Bairro da Paz was equivalent to 1.5 minimum wages in August 2006, but the average total income of the bottom 25 percent of households remained 14 per cent below the level of a single minimum wage. These data need to be contextualised in terms of the Bolsa Família programme's definition of households as living in extreme poverty, where per capita income is one-quarter of the minimum wage, and of poor households as those with a per capita income of 50 per cent of the minimum wage (Ivo, 2008: 193).

¹ The project 'Poverty and social networks: mechanisms of social inclusion/exclusion (Pobreza e redes Sociais: Mecanismos de inclusão/exclusão social)', directed by Hita, was financed by FAPESB, the Bahian State Foundation for Research Support, PIBIC, the Programme for Institutional Support for Scientific Training, of the Federal University of Bahia, and the Centre for Metropolitan Studies of CEBRAP, the Brazilian Centre for Analysis and Planning. The collaboration with CEBRAP consisted in carrying out parallel studies conducted by different teams in Salvador, Rio de Janeiro São Paulo.

² We are grateful to CEBRAP for allowing us to use the evidence produced by their survey team, directed by Adrián Gurza Lavalle.

Effects of targeted income transfers

Nationally, the Bolsa Familia programme enabled 31 percent of families that had been living in a condition of extreme poverty to escape that condition in 2006, although only 4.9 percent rose above the poverty line completely as a result of the impact of this programme (Ivo, 2008: 194, Table 11). There was, however, also a concentration of effort on the poorest regions of the country, with 75 percent of the total number of families benefiting from Bolsa Familia being located in the North and Northeast regions of the country (Ivo, 2008: 195, Table 12). If the aim of targeted poverty alleviation is to direct scarce resources at the most immediate and pressing questions of hunger and misery, then there seems to be a case for arguing that the Lula administration got its priorities right.

The government's supporters are able not only to point to significant achievements in terms of poverty reduction since 2004, but to the apparent sustainability of these achievements in the face of the current crisis, for the moment at least (IPEA, 2009). Between April 2004 and March 2009, 4.8 million Brazilians passed beyond the poverty line, reducing the proportion of poor people in the six principal metropolitan regions by more than 28 percent, from 42.7 percent to 30.7 percent. Whereas poverty rates always increased in previous periods of crisis, that they have continued to fall since the present crisis began in 2008 is attributed to an increased real value of the minimum wage, linked to the falling prices of the foods included in the government's basic subsistence basket (*cesta básica*), and the impact of government programmes for maintaining the incomes of the poorest families. Besides Bolsa Familia, these include the extension of pension benefits to rural workers in the 1990s, which Barrientos (2006) and Gacitúa Marió (2008) have shown had a significant impact on the welfare of poor rural families containing older people, and the Benefício de Prestação Continuada (BPC), an old age and incapacity benefit introduced in 1996.

In terms of public funds expended, even in 2008 the 10.4 billion reais spent on Bolsa Familia remained less than the 13.9 billion spent on the BPC alone (Ivo, 2008: 192, Table 10). BPC is a right to payment of a minimum wage guaranteed by the constitution that is nevertheless made conditional on the per capita income of the household in which the elderly or incapacitated person resides being less than one-quarter of the minimum wage, paralleling Bolsa Familia (Barrientos, 2006: 375; Ivo, 2008: 165). This and unemployment insurance spending were in turn dwarfed in cost by the more than 200 billion spent on 'previdência social'. As is well known, the historical problem with Brazil's, by Latin American standards, relatively high level of pensions spending is that it was regressive, targeted towards better off citizens (Gacitúa Marió, 2008: 102). It is therefore important that the 1990s saw the introduction of targeted non-contributory pension schemes funded from taxation that were specifically designed to reduce poverty, and were directed at the elderly and at workers not covered by employment-based schemes:

old people were a growing and overrepresented category amongst the poor, and the extent of informal employment made innovative thinking about how to provide security in old age essential (Barrientos, 2006: 370). Nevertheless, for critics of current social policy, such as Anete Ivo, the difference between an approach that focuses on building a universal social security system and targeted cash transfer programmes is a matter of fundamental difference of principle. Universal social benefits are based on common citizenship rights and a definition of the kind of society that Brazil aims to be.

As Armando Barrientos (2006: 376) points out, there are arguments for and against targeting that are practical as well as matters of principle. Targeting makes pension policy a redistributive instrument that directly addresses poverty. But universal programmes are less likely to exclude some poor people because of imperfections in administration and quality of information. The exclusion of households that should have been included in Bolsa Família emerged as a significant issue from our ethnographic research in Bairro da Paz (Hita and Duccini, 2008). Furthermore, there may be perverse incentives: Brazilian use of household income measures 'generates incentives for the aged poor to live separately from their better-off households to qualify for the benefit' (Barrientos, 2006: *ibid*).

Yet, as Barrientos also observes, ethical issues that reflect different definitions of social justice remain at the heart of the debate. For Ivo, means-tested social assistance programmes such as Bolsa Família signal a lack of political will to secure a more fundamental reduction of inequalities in Brazilian society: with payments ranging from R\$18 to R\$172 per family, levels of income transfer are too modest to do much more than alleviate some of the misery created by the neoliberal economic model and enable poorer citizens to participate minimally in a consumer society (Ivo, 2008: 197). Despite the improvement of recent years, almost a third of the population of the principal metropolitan regions remains in the vulnerable situation defined by the poverty line. Nor is vulnerability to economic downturns restricted to the poor, which complicates public policy issues considerably, not least in terms of practical politics: those middle class families whose social ascent is recent, and levels of consumption-induced indebtedness high, may be particularly vulnerable to the effects of the present crisis, along with working class families that benefited from improvements in the number of workers in stable employment with some access to social security benefits.

Leaving those issues aside for the moment, Ivo argues that the process of identifying poor families as potential beneficiaries and monitoring their compliance with the conditions of support creates further social and ethical problems: if it is not followed up by other actions that promote more substantial social mobility, it threatens to (re)produce positions of social stigma. Although this is an argument that can be made against any kind of system in which state agencies define which disadvantaged citizens are worthy of public assistance, as Ivo points out it has a special relevance in Brazil, where slavery left

an ideological legacy of prejudices that impacted on the status of free labour, and in particular on public ideas about the social unfitness of 'indolent' masses not subject to the command hierarchies of the capitalist farm or factory (Ivo, 2008: 199).

One could, however, offer the counter-argument that it is simply utopian to imagine that a more comprehensive universal rights-based welfare state system could be seen as a politically viable alternative in the near future, even if further moves in this direction would make desirable longer-term goals. The language that Lula used in launching his 'Fome Zero' initiative was, in its own way, a language of basic human social rights and struck a responsive chord across a wide range of political and social opinion internationally in consequence. But critics also question the impact of the programme (and the effectiveness of public-private partnerships) as a means of ending the experience of the 'madness of hunger', to adopt the term that Nancy Scheper-Hughes (1992) used to encapsulate the daily suffering of the very poor. Anthony Hall (2006: 697), for example, argued that Fome Zero became little more than a cosmetic label after its principal elements were reintegrated into the Bolsa Família family of conditional cash transfer programmes. Although Hall accepted that this reorganisation greatly increased the effectiveness of these social safety-net measures, his analysis of their first years of operation also suggested that any scheme offering cash handouts to the poor was likely to reproduce political patronage relations, to the detriment of long-term social development.

Yet Tracy Fenwick (2009) has argued against this kind of pessimism about the influence of the political system, arguing that Bolsa Família has been successful to date because it proved possible to establish a productive relationship between municipalities and the federal government that largely bypassed state governors in the implementation of these programmes. Even critics of the underlying principles of Bolsa Família, such as Anete Ivo, recognise that the greater efficiency, coherence and transparency that the Lula government brought to the programmes transformed their impact (Ivo, 2008: 170). Although audits based on the cross-tabulation of data in different government databases have revealed some misuse of money, the amount of scandal involved was not great, and is likely to be further reduced in the future, simply because the audits did prove effective and data are being made available for independent and democratic public scrutiny. Furthermore, for many analysts, the crucial measure of the success of the Lula administration's approach to poverty reduction is its impact on inequality, as reflected by year-on-year declines in the Gini index since 2004, a product both of rising incomes at the bottom deciles of the social pyramid and modest declines at the top.³

³ The Gini coefficient of inequality in income distribution in Brazil was 0.604 in the early years of the 1990s, falling to 0.587 by the end of Fernando Henrique Cardoso's administration and reaching 0.5687 by the end of 2004 (Ivo, 2008: 191). Although this is still a high level of inequality, the tendency to reduction in inequality of monthly income is evident for all regions and for both men and women in the most recently published synthesis of indicators of the Brazilian Institute of Geography and Statistics (IBGE), which gives a national figure of 0.534 for 2007

From poverty to inequality

The issue of inequality is clearly crucial in a wealthy society characterised by high levels of poverty such as Brazil. What makes it crucial is the way in which inequality reflects systematic processes of social discrimination, in particular with regard to race, but also with regard to gender. These have an impact not merely on access to opportunities, but on the lived experience of class difference, through a racialisation of poverty in which the poor tend to be 'blackened', irrespective of their phenotypic appearance (Costa Vargas, 2006). Although there is a corresponding process of 'whitening' of people of colour who achieve upward mobility (Fry, 1995), there are also obstacles to such mobility. Even if social inequality rather than poverty as such is ultimately the key to understanding patterns of violence in Brazilian society, the social situations of the poor are clearly affected for the worse by the tendencies of many non-poor Brazilians to see poor people as 'violent by nature'. Images of crime and violence add what Loic Waquant (2007) calls 'territorial stigmatisation' of the places of residence of poor people to the burdens of class and racial or ethnic stigmatisation. These kinds of issues indicate the need to take a more qualitative view of situations of poverty as lived experience, and the social consequences of such lived experience. Those consequences can include poor people reacting to the indignity of their own social stigmatisation by staking out their own claims to respectability and social value by stigmatising their neighbours as 'the real marginals' who are bringing the neighbourhood down, thereby further diminishing everyday patterns of sociality within poor neighbourhoods, in which the livelihoods of all are now precarious.

Once we adopt this perspective, it is not only the question of social inequality, but also the particular social effects of changes in capitalist society since the 1970s that come into focus. These include the restructuring of labour markets and redistribution of income from labour to capital, but they also include the broader ethos of a neoliberal market society, in which consumption becomes central to the construction of personhood and social dignity. For pessimists such as Wacquant, the consignment of a substantial part of the economically active population to precarious employment or livelihood strategies also diminishes the social and political capabilities of those at the bottom of the social pyramid. These economically grounded contradictions are deepened by another dimension of state action in countries such as Brazil, the role of the policing and prison system as a means of containing 'social threats' that are seen as being 'located' within favelas, even by working class people who live in less socially stigmatised areas (Caldeira, 2000). Despite the extension of Bolsa Família, this is another side of the reality that can be found in metropolitan cities such as Salvador. There are some slum

(IBGE, 2008: Table 7.1.7). Although Brazil's levels of inequality remain substantially higher than those of, for example, Russia and China, these countries have displayed deteriorating, rather than improving, trends in recent years.

areas, such as Nordeste de Amaralina, with a population of 100,000, in which, with two of the area's three police stations closed down, the state seems for the moment to have abandoned its responsibilities for protecting the residents against the violence perpetrated by drug traffickers. In consequence of its rising everyday insecurity, Nordeste de Amaralina has also lost NGO-sponsored and private-public partnership schemes that enhanced the prospects for the social mobility of young people and improved residents' chances of securing fair treatment from the justice system.

This is not, however, the pattern in every poor neighbourhood in Salvador, and the fact that state abandonment is a possibility might increase the positive impact of evidence for government interest in improving social welfare. Our own study community, Bairro da Paz, represents this kind of alternative trajectory. The contrast with Nordeste de Amaralina should not be exaggerated. Bairro da Paz is also socially stigmatised,⁴ and its residents are certainly not happy about their security situation. There are also plenty of social fractures within the community. These reflect differences in socio-economic situations, religious differences, and also inequalities in the distribution of social development resources and public investments in infrastructure in different parts of the neighbourhood. However inevitable they may be, given the limited amount of money that has been available for such investments to date, the latter inequalities sometimes provoke charges of nepotism, clientelism and lack of transparency against community leaderships, particularly the leadership of the Residents' Council that acts as intermediary in the negotiation of such resources. Yet there is also a particularly strong NGO presence in Bairro da Paz, which has not only played an important role in the delivery of services, but has also helped to sustain forms of grassroots organisation that have proved strong enough to counteract these differences to a significant extent and, as a result, to keep the attention of local politicians focused on the community.

As Hita and Duccini (2007) show in greater detail, this reflects a particular history. Militant traditions, forged at the time of the community's creation through land invasion and its resistance to eviction, have been reproduced despite social changes. It also reflects the particular ways in which this community relates to an environment that is now dominated by high-income condominium residents and high tech and business services economic initiatives, on the principal vector of expansion of the modern capitalist city. Access to local employment and a lower than average density of occupation, again the product of specific historical factors, make the settlement more attractive than many other low income neighbourhoods as a place to live. But what we want to emphasise here is how the Bairro da Paz case illustrates additional factors that we need to consider in discussing the longer-term prospects for promoting greater equality and social mobility in Brazil.

⁴ The Military Police considered it one of the 13 most dangerous zones in this city of three million people in 2009.

We should begin with the observation that the Bolsa Família and Bolsa Escola programmes have been well received in this community, although how far greater participation in school will enhance future social mobility will depend on improvements in the quality of the public education system. NGO investments and private-public partnerships have probably played the most important role in generating a sense that improvements in community infrastructure are possible, along with enhanced possibilities for individual training and the acquisition of new skills. Present provision of public goods still falls far short of residents' aspirations, particularly in the areas of education and healthcare. Yet it seems important that the different community organisations in Bairro da Paz have not only intensified their efforts to demand improvements from government, but have also acted on the need to organise themselves more effectively to press their demands, by creating an overarching and inclusive Forum of Social Entities to demonstrate their capacity to speak with a single voice that reflects the consensual view of a variety of community-based organisations and leaderships.

On this evidence, it would be difficult to argue that conditional cash transfer programmes simply reproduce political clientelism or that 'hand-outs' necessarily dampen broader demand making and reinforce individualism and fragmentation. The fact that the government seemed to be taking a more serious interest in addressing poverty encouraged residents to press the state for further, long-term, structural improvements, generally in a tone of voice that was closer to the 'demanding' than the 'petitioning' end of the negotiating spectrum. As anyone who participates in the well-attended public debates that have been convened by the Forum will readily appreciate, the residents of Bairro da Paz possess a realistic understanding of how the political process works, are constantly alert to the possibilities of cooptation of leaderships, and often exhibit scepticism about the motives and continuing class biases of government. Yet they show themselves eager enough to exercise an 'active citizenship' of a collective kind, where they perceive that discourses of 'participation' and 'inclusion' have some potential to bring significant structural changes to their situations when they are engaged through grassroots action. They are also strongly interested in enlisting government and media support for activities designed to contest the social stigmatisation of their place of residence and its inhabitants.

Social change and bottom-up responses

This is important, given that we are considering the role of bottom-up responses to poverty, including asset accumulation, since, as Caroline Moser (1998) has observed, horizontal community-based organisations are a significant asset. Taking this argument a step further, it seems clear that organisational developments that strengthen the ability of community-based organisations to work together constructively offer an important

counterweight to social and political processes that foster fragmentation and preference for individual solutions to social problems. But the Bairro da Paz case also illustrates the significance of other forms of asset accumulation.⁵

The CEM-CEBRAP survey showed that 43 percent of houses in Bairro da Paz have three to four rooms, and 39 percent have five or more, but almost 90 percent only use one or two rooms as bedrooms. Residents in fact use their self-built environment for a variety of small-scale production and commercial activities, and almost half of the residents surveyed in 2006 described themselves as 'working on their own account' (compared with 36 percent who were salaried workers). Thirty percent of all residents surveyed also worked inside the *bairro* itself. This underscores the importance of the investments that poor people themselves make in securing their livelihoods. But poor people who make such investments remain vulnerable if their property rights are not fully regularised. Although the municipal and state governments seem to have promised the invaders of Bairro da Paz land titles in 1987, in the political settlement that suspended the threat of eviction, a distinction was made between a central area and the rest of the terrain occupied. Today, the land titling situation still remains confused, even in the more urbanised core of the *bairro*, and there is continuing nervousness throughout the community about security of land tenure, given the continuing development of the surrounding region not simply for condominiums and up-market retailing, but also through the creation of a new technology park that will have an impact on various low-income communities. One anxiety is that Bairro da Paz might be dismembered piecemeal by individual sales of lands on its periphery to developers. Another is that the municipal government might expropriate properties located along the major arterial road that passes in front of the neighbourhood, the Avenida Paralela, and relocate the residents in an effort to hide the stain of poverty from view.⁶

Nevertheless, the insecurity has had the positive effect of bolstering the position of community leaderships that argue that it is essential to maintain unity and coherence and negotiate from a position of strength with local government to win concessions that will enable the residents to be included in plans for developing the area, particularly through training programmes. In this context, then, there is plenty of 'bottom-up'

⁵ The social networks inside and outside the community that form the subject of the project directed by Hita are another important facet of bottom-up responses and 'asset accumulation' that we cannot discuss further in this paper, but see Hita and Duccini (2008) for some examples.

⁶ Although the original invasion took place in a forested area that was still undeveloped at the start of the 1980s, the road, which connects the city centre to the international airport and the resort areas of the northern coast, already had a strategic significance for future urban development, marked by the establishment of a new business district at the Salvador end and the construction of a new state government administrative centre closer to Bairro da Paz itself. Because the road is now so vital to the city's business and communications, one of the residents' greatest tactical assets is to threaten to block it with a mass protest.

pressure to promote further development in the economic activities established in the neighbourhood, which include a number of cooperatives mostly funded through private-public partnerships, as is also the case with the successful 'digital inclusion' centre established in the neighbourhood. Pressure from below to secure more investment in human capital through training programmes is not premised on the idea that this will permit individuals to 'escape' from a territorially stigmatised area, but on the idea that the neighbourhood itself can and should be upgraded as a 'place' whose residents deserve rights to the city and inclusion in a process of socio-economic change that should upgrade the living standards of all.

Another, related, issue is the emergence of new types of community political actors, in the form of youth groups focused on Afro-Brazilian culture and affirmative action policies. It is the quotas for black and indigenous students in Federal Universities that have attracted the greatest attention and controversy, leading to demands within the legislature to include household income criteria in the allocation of reserved places, to ensure that opportunities for poor students are enhanced and that the schemes do not simply benefit students from middle class families who can meet 'racial' criteria.⁷ Yet this is not the whole of Brazilian policy on matters of racial disadvantage, and it seems important to recognise that action in this area does matter from the point of view of poorer people in Bahia, who are now more likely to self-identify as 'black' in a politicised sense than their parents (Sansone, 2004).

There are, however, a number of respects in which the behaviour of these younger actors seems ambivalent or even contradictory. They tend to critique global capitalism, yet at the same time wish to participate in a globalised black 'style' culture of consumption; much of the public and private support given to Afro-Brazilian music and dance reflects the way that Afro-Brazilianness has become commercially central to Salvador's tourist sector; and they can be quite competitive and individualistic in their pursuit of work opportunities and sponsorship. Some of these 'new actors' have been critical of clientelism and lack of transparency within the Residents' Council. Yet many of them are actively lobbying political patrons for support for projects and cannot be portrayed as completely opposing the politics of patronage, despite their critiques of the cooptation and corruption of earlier generations of community leaders. There has been a steady growth in the number of small programmes targeted at youth in general, and Afro-descendent youth in particular, in recent years, and an Internet-savvy younger generation of leaders is learning how to tap into funding opportunities more effectively. At the same time, however, it is this self-consciously 'black' youth that is articulating some of the most radical arguments about entitlements to land, livelihood and the rights

⁷ Given that so many Brazilians are 'mixed' and that skin colour and physical features associated with 'Afro-descendence' can vary between siblings, it is not surprising that attempts to apply these criteria have provoked controversy. Class bias would clearly limit the impact of quotas on social inequalities.

of the (black) poor to the city, grounded in the logic of reparations for slavery and centuries of exploitation and discrimination. For some of these young people, Bairro da Paz should be seen as an 'urban quilombo'. The recent evolution of public policy in Brazil has therefore reinforced political developments that also reflect social and cultural changes provoked by the Bahian elite's commercially motivated embrace of Afro-Brazilianness and a 'globalisation from below' linked to NGO and transnational social movement activity.

In the case of Bairro da Paz, then, it does not seem that we should paint the neighbourhood as a 'zone of urban relegation', from which the only conceivable form of social mobility would be to leave. For many residents it is a place to build better lives and the fundamental question is therefore whether public policy will support or thwart such aspirations. This raises the more general issue of patterns of public capital investment in the upgrading and transformation of low-income neighbourhoods, transport systems, and educational and medical services. If we assume that conditional cash transfers targeted at education may contribute to social mobility in the longer run, by increasing the number of years spent in education and the levels of education to which poor people can aspire, then, as we noted earlier, the quality of education, and the sectors to which public investment in education should be targeted, also become issues. The impact on social inequality will be limited if poor quality public education reproduces disadvantages and only a minority manage to move on. In primary and secondary education, private provision is of considerably better quality than public. The problems this creates are compounded by the fact that the middle and upper class students, who are the main users of private secondary education, currently take the lion's share of places in the federal universities, which charge no fees, whereas children from lower class families often have to pay for a lower quality education in a private university.

Politics and patterns of investment

The possible negative effects of Brazil's political system also perhaps become more preoccupying when we turn from federal conditional income transfer programmes to consider longer-term capital investments. Let us consider, for example, the systems of 'participatory municipal budgeting' that became one of the Workers' Party's flagship policies. Participatory budgeting is supposed to be a means of 'deepening democracy' and giving poorer citizens more of a voice in the projects to which public capital investment is directed. Although these systems have been widely, though still unevenly, adopted, and have been implemented or continued by local governments controlled by parties other than the PT, their results seem to have varied widely by municipality and region, even in the case of PT governments.

Brian Wampler (2007) has shown that the reasons for differences in outcomes are as much political as they are questions of how much money is available to local

governments. He argues that one reason why participatory budgeting was relatively successful in delivering both participation and resources to the poorer sectors of the relatively affluent southern city of Porto Alegre was that the middle classes were willing and able to use private sector provision for their medical and educational needs, allowing the municipal administration to channel more resources to the poor. But he also shows that elsewhere even PT mayors were not necessarily very interested in delegating any real power to make decisions over capital investments, although they might use the participatory budgeting framework to size up grassroots priorities, and coopt any leaderships that looked potentially challenging. Mayors, who are relatively unconstrained by town councils in their budgetary decisions, might also decide to prioritise other areas of investment entirely, such as environmental conservation over social spending.

One major issue to emerge from Wampler's study that is of wider relevance was how Brazil's electoral politics impacts on the management of decentralised public finances. Although the presence or absence of contentious social movements in different areas was an important variable in shaping the conduct of municipal governments, Brazil has a plethora of political parties, which means that another major variable is the strength of the position that mayors enjoy in the local electoral political arena. Where mayors do not have the backing of a grassroots constituency that dominates local society, and especially where political plurality reflects a volatile balance of social forces and voting behaviour, patterns of public investment often reflect the way that mayors have to build the alliances that enable them to govern by giving other parties their share of the resources necessary to convince voters that they can deliver public works. Indeed, this is a pervasive problem throughout the political system, that has direct implications for the effectiveness of public policies. The federal government of Fernando Collor, for example, declared public housing 'a priority', but the new schemes not only offered high profits to private construction companies, but also were operated on the basis of the exchanging of housing funds for votes in Congress, further weakening the programme's contribution to addressing the housing needs of the poor (Valença, 2007: 407)

Trades of fiscal resources may also be involved when parties negotiate deals over support for candidates for governor and seats in the Senate (or agree not to run competing candidates), but individual competition for access to power also involves regular movements of politicians between different parties. The present mayor of Salvador, João Henrique Carneiro, who in 2007 changed party while in office from the PDT (Democratic Labour Party) to the Party of the Brazilian Democratic Movement, and secured re-election for a second term in 2008, is currently negotiating his future affiliation with a range of parties as competing political factions negotiate around the 2010 elections for governor. Jaques Wagner, the present incumbent from the PT, is likely to be opposed by a candidate from the PMDB, most probably the current federal Minister of National Integration, Geddel Vieira Lima, whose post gives him considerable oversight of

investment resources and special development plans for the North and Northeast. The PMDB is currently participating in Wagner's state government administration, just as it participates in Lula's government nationally.

João Henrique originally came to power in a movement that opposed the candidate put forward by the late Senator Antônio Carlos Magalhães (ACM), the strongman whose 'carlista' political machine dominated Bahian politics for the last 30 years of the 20th century. But João Henrique had previously been a member of ACM's Party of the Liberal Front (now the Democrats), despite the fact that his father, also a former state governor and senator, had fallen out with ACM permanently after 1986, when he was held responsible for the victory of the centre-left candidate, Waldir Pires, over the carlista candidate standing to succeed him as governor. There is very little that is ideological and much that is strictly personal about the factions and cliques that compete for position in Bahian politics. Nevertheless, the unexpected victory of the PT's Jaques Wagner in the 2006 governorship election could be seen as the result of the declining power of the Carlista machine to capture the votes of a changing society, as well as of the high level of approval enjoyed by Lula's federal government among Bahian electors. Yet, although João Henrique came to power as mayor of Salvador in 2004 promising a 'government of popular participation', Bahia has lagged behind many other regions in the development of participatory budgeting. The influence of the private sector in public affairs is extremely visible, including that of a company directly linked to ACM's family, and yet more privatisation of public services seems to be on the municipal agenda in Salvador. There is a strong popular suspicion that government remains as much on the side of property developers today as it was in the days of ACM and his protégées, and there seems little doubt that party political horse-trading between cliques will also continue to shape patterns of capital investment by the local and state governments in Bahia. Yet, with the federal government emphasising the need to go further in reducing the welfare gap between the North and Northeast and the rest of Brazil, there is a clear window of opportunity for grassroots organisations to seize the moment and demand greater participation. Given the nature of regional politics, such a combination of pressures from above and below may be necessary to promote further advances in reducing inequality in the state and its capital city.

Conclusions

It is nevertheless significant that reducing inequality is on some political agendas and that it is possible to find lower class Brazilians who are still prepared to campaign for greater social justice by engaging with government, despite having few illusions about the less noble side of institutionalised party politics. In Bairro da Paz, as in any other low-income neighbourhood, there are plenty of people not participating in any religious, political or recreational form of association. Nevertheless, the CEM-CEBRAP survey

showed that more than half the residents had participated during their lives. Although churches were the main form of association, 20 percent of those interviewed had been active in social movements at some point in their lives, and a nearly six percent rate of current active participation in popular movements does not seem trivial.⁸ Even amongst those who are presently committed to collective action, some will no doubt seize any opportunities for individual social advance that might appear in the future. Within the city as a whole, such strategies often involve relocation to another area, in order to build assets through networks of kinship, affinity and friendship. NGO networks also provide employment circuits for residents that may promote upward mobility. But the poorer residents of Salvador are still demonstrating capacities to organise themselves collectively and gain voice, despite inhabiting a city in which employment regimes are notoriously precarious, social inequalities are glaring and still racialised, and patterns of urban development are still largely dominated by the interests of property developers with strong backstage political influence.

NGO and activist actors from other social classes are contributing to these processes of mobilisation, but so are the openings provided by public political acknowledgement of social and racial injustice, and the opportunities that contemporary cultural politics provides of building and projecting new kinds of positive group identities. Given the stimuli towards action coming from so many different directions, it seems increasingly difficult for an assistentialist approach to promote 'depoliticisation' of poverty and inequality. Applied on the scale of Bolsa Família, conditional income transfers seem more likely to encourage than restrain popular aspirations to go further. The many small projects and training opportunities targeted at black youth may sometimes be striving to instil the 'mainstream' social values of a market society and be intended to keep people 'invested' in the political system, but these initiatives also increase aspirations for greater economic and racial equality.

The problem is, however, that the state has to remain responsive to a variety of political pressures, which may include middle class reactions to threats of downward economic mobility in the present crisis, and which certainly include the concerns about security, to which we referred earlier. The Lula government has been timid in threatening the privileges of the rich, which concentrates the burdens of income redistribution on middle and working class taxpayers. The debate about how to reduce inequality must ultimately engage the current economic model, and in a variety of different ways, ranging from the balance between the public and private sectors, through the best means of securing the capital expenditures needed to make more substantial advances in reducing inequality, to the effects that economic life has on social life and sociability, and the art of the

⁸ Rates for social movement participation were 33-50 percent higher in Bairro da Paz than in the São Paulo neighbourhood of Cidade Tiradentes that was surveyed in the same period by the same team.

politically possible. But it is not simply the expectations of the poor but also of the lower classes more generally that have been raised, by, for example, increased access to consumer credit and by ideas of personal and social emancipation promoted in neoliberal ideologies of self-help, active citizenship and multiculturalism. So the slogan 'let the rich pay for the crisis' is probably one that Brazilian politicians of all colours would be well advised to take seriously.

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