

Micro-insurance

in the favela of
Heliópolis (São Paulo)

Introduction to the
Composite Commercial
Microcenters Model

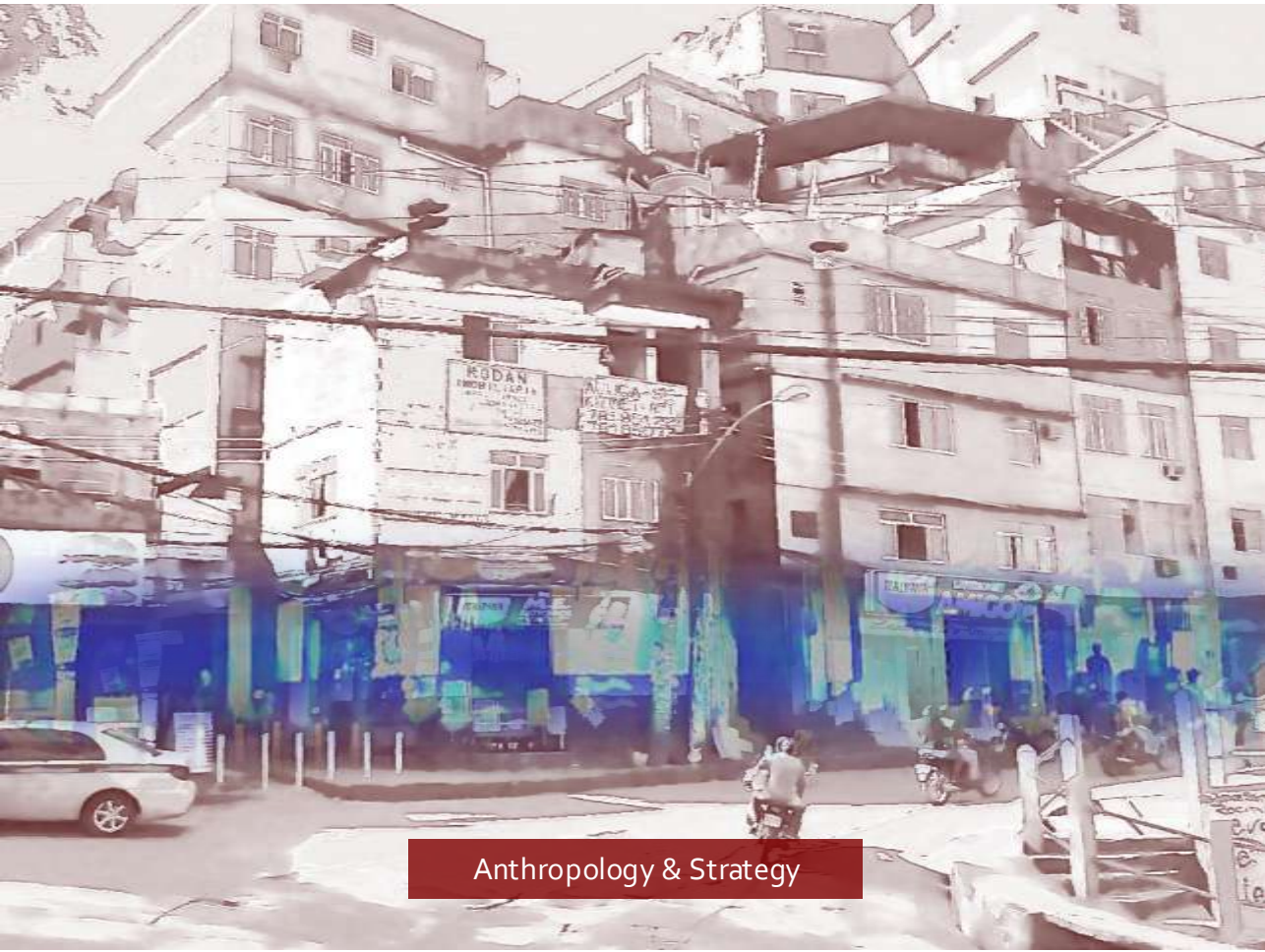
Hernán Poblete M.



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Anthropology & Strategy

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Between 2010 and 2013 IMR developed a series of the research and publication of this book were possible with the support of Bradesco Seguros

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General Edition: Fabiana Dias da Cunha
Journalistic Edition: Denise de Goes
Translation: Anita Butters
Graphic Design: IMR Brasil

About the author

Hernán Poblete Miranda is a designer from the UTEM University in Santiago de Chile, a social anthropologist from the Bolivarian University, and an eternal candidate to Magister in complex social systems at the University of Chile. He has observed the topic presented in this book in more than 15 countries in America and Asia.

This book is dedicated to all who made it possible: Carlitos, Fabiana, Lucy, Hernán, Gabriela, Damiler, Martín, Magaly, Janet, Silvana, Claudinha Neves, LIU MR, Rogerio, People of Radio Heliópolis, UNAS, Paola, Bolívar, and Eugenio.

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Foreword

Between 2010 and 2013 Bradesco Seguros developed a series of activities aimed to know in depth the main recipients of micro-insurance in Brazil. This initiative resulted in the series of research presented in this book, led by the international consulting firm IMR, who made the first socio-anthropological immersion of insurance in middle and low-*middle class favelas and neighborhoods*.

From the beginning, our understanding of the complexity of the low-income population was clear. We could not generalize or use standard indicators to meet the new C class. People from the highlands do not think or behave the same way in regards of risks and family budgets as the population of the coastal area of Brazil, much more developed and interconnected.

Therefore, our objective was to know the various publics, their needs and aspirations and find out the real need for insurance of the segments of the new called Brazilian middle class.

Since then, a large amount of opportunities in the field of insurance unwrapped, allowing not only to define the characteristics of the new C class, but to implement new communication tools that today help to illustrate the complex concepts of our industry in a much more simple and direct way.

At Bradesco Seguros, we are very pleased to spread an innovative knowledge proven of a socio-anthropological root, which will open great opportunities in the area of social and economic development in low income populations. We are certain that concepts such as the Composite Commercial Microcenters, presented here for the first time, may be used for the development and implementation of public and private policies around the world.

Eugenio Velasques

Director – Bradesco Seguros

Introduction

Once our three month stay living in the favela of Rocinha concluded, the next stage consisted in the comparison between favelas (informality) and low middle class neighborhoods (in transition to formality), in search of matches that could compare with extrapolated cases to Rocinha. Therefore, between 2011 and 2014 we added new research living in and comparing low middle class neighborhoods in more than 10 cities in the North, Central and South of Brazil. During this period we continued to apply the methodological model of the favelas, designed to interpret and generate dialogue between anthropology and economics.

Therefore, the method is based in part on active observation of meta- linguistic categories - which could support the design of practical communication strategies, either in the world of companies associated with the subject, such as insurance companies and pension funds, as well as in the development of public policies in various areas of the work, pensions, and education economies, among others. During these 4 years we have coexisted with hundreds of people; lived with them, slept in their homes, and participated in their rituals and personal and family celebrations. We have deepened systematically in urban forms of adaptation and creation of micro-economic-household systems in Brazil, and as a result, raised a valuable amount of statistical information as we surveyed and interviewed more than 3,000 people. One of the most important finds for our research was the verification of the existence of a whole formal neighborhood, occupying extensions of informal square kilometers in where in Brazil is colloquially called of "asphalt", or the formal world. The conclusions that can be drawn from this data are many, those related to the household economy and its

“composite” condition are what interest us. We want to understand and explain how this economic composition becomes dynamic thanks to the major core that is the Composite Communicational Microcenter, and the onset of the verticality over the horizontality of the urban expansion. In contrast to Rocinha, which is still flanked by easily collapsible forests, in Heliópolis, there is nowhere else to grow. The formal city already enclosed it with an endless concrete wall and forced it to adapt again, growing upwards in the same cluttered way every low income project has.

In Heliópolis, street names originate as an important basis for socio-economic inclusion, which incubates inside to give expression to the need of the residents of having a fixed and formal address, which will help them get employment, a bank account, or legal documents. It also helped that the Government, which considered the place irregular, never took the initiative, but the merit of this data by itself lies in its urban micro-economic basis.

Despite these achievements, the occupation of Heliópolis did not occur collectively or at once, but gradually and more individually, following a certain hybrid pattern of supply and increased demand. In other words, the increasing demand and limited supply fit into a growing need for working-age migrants, and therefore, likely to “pay for their right”. The large number of options for occupation that took place are a sample of how the household economic system ended up becoming independent of any ideology that could co-opt it, although the resident would buy lots from “grileiros”, a sort of real estate speculator. Whatever the origin of the resident who, either by public instance or local association, would arrive after a relative already settled in the area provided him with a place to live, would take an empty peripheral area, or would buy or rent a room already built, the resident found an economic system of

interactions that ignored formal definitions, to create and follow their own rules.

The issue of proprietary regularization of the land is, from the beginning, a superlative guideline in the political and social movement of the residents of Heliópolis; during the decade of 1970, they would begin to meet under the name of Committee of Residents, in their fight for the legalization and urbanization of the locality. In 1981, the Central of Residents of Heliópolis emerged and the following year, informally organized, the Union of Nuclei, Associations and Societies of Residents of Heliópolis and São João Clímaco (UNAS), just official in 1992.

All in all, 2006 should be considered the year of the fundamental breakthrough in Heliópolis as it is today, where the clearest manifestation of its existence is expressed in an almost unprecedented global development process. Worthy of study due to its character as an example of a possible process of self-management, which takes it from being an informal, precarious and marginal settlement, to want to become an urban ideal identified as a neighborhood, that year the residents of Heliópolis represented by the historical leaders of the UNAS and the municipality of São Paulo, decide to take over a social attribute and renamed the favela as Nova Heliópolis, assigning it almost by decree, but also by basis, the status of 'Educational Neighborhood'. Formally and politically, Heliópolis leaders launched the idea of it being a neighborhood in which priority is given to education, encourage investments in public schools and promote actions of integration among residents, such as the creation of community radio stations, blogs, newspapers, and an important educational epicenter with a great cultural center available to the local residents which is home to one of the most important youth symphony orchestras in Latin America.

Nearly all streets in Heliópolis present some kind of commerce. In general, the business is not recognized due to being located in a non-regularized area, and therefore does not pay taxes. The historian and researcher Ariovaldo Malaquíás¹, tells that there was great growth of small businesses in Heliópolis at the beginning of the 1990s with the decrease of offers for formal work in the city of São Paulo. As it progressed, this type of activity began as an alternative to generate household income, setting up precariously "in a small door", in a shack or even with the offer of products door to door, which often grew enough so that the owner would increase his sales becoming rich within the favela, buying properties and owning a home.

During our field work we surveyed hundreds of small businesses located in different areas of the favela, something that Malaquíás had also noticed in terms of a great variety of types of businesses such as "bars and grocery stores, shoe stores, emporiums, butchers, bakeries, pharmacies and an infinity of stores."² This author also coincided with us on the existence of a hypervaluation of goods marketed in the locality, being the products sold at prices much higher than those found outside. Therefore, besides the low cost in the maintenance of the business (tax free), there is also an over profit due to speculation. That way there would be a transition in the business as a mean of survival towards a lucrative business, as well as the increase in intensity of the dispute for the internal market.

¹ MALAQUIAS, Ariovaldo. O cotidiano do morador da favela de Heliópolis (1971-1992). PUC-SP. 1994

² Ibidem

Lícia Valladares, in her extraordinary book *The Invention of the Favela*, produces an intractable criticism on the "dogmas" commonly accepted in Brazilian society with regards to the favelas, claiming that these dogmas inserted in the representation that the political class makes of it, repeatedly tries to reduce the diversity of the favela through limited looks seeking to homogenize it.

1

Heliópolis, city of the sun

(History, occupation and claims of the property)

Every year, since the end of the 1990s, the residents of Heliópolis make the *Walk for Peace*. Along four kilometers inside the favela, they remember the death of a 16-year-old girl, savagely murdered by her ex-boyfriend in the spring of 1999, at her school's entrance during dismissal.

For many residents, rather than perpetuate the memory of the girl from a religious point of view, the event is an act of citizenship, of secular humanism, that manages to integrate the population around issues that are pertinent to everyone in the favela, whether political or community related.

According to the Union of Nuclei, Associations and Societies of Residents of Heliópolis and São João Clímaco (UNAS), politically close to the PT, which represents much of the residents, the walk is a great opportunity to lead a type of public demonstration of joint action and political articulation of the residents of Heliópolis.³

Considered one of the ten biggest favelas in Brazil, Heliópolis has 41,118 residents and 12,105 homes, according to the Brazilian Institute of Geography and Statistics (IBGE) 2010 census. Those numbers, however, do not match with the data of the Association of Residents, which estimates more than 120 thousand residents and 18 thousand homes in the favela distributed by area.

Located in the District of Sacomã, a neighborhood in the

³ which represents itself as According to the Union of Nuclei, Associations and Societies of Residents of Heliópolis and São João Clímaco (UNAS), politically close to the PT, which represents much of the residents, the walk is a great opportunity to lead a type of public demonstration of joint action and political articulation of the residents of Heliópolis.

greater Ipiranga region, in the south of São Paulo, Heliópolis was developed along the Estrada das Lágrimas, one of the main avenues that pass through its perimeter area.

The occupation of the area known today as Heliópolis began in the 1970s, but its name originated in the beginning of the last century. In 1923, the Countess Álvares Penteado, then owner of the Old Mill site, after dividing some of the land and requesting their regularization called that area Vila Heliópolis. Modest brick homes were built there as part of a rental residential complex. At the time, all that area was part of an industrial pole where Industrias Reunidas Matarazzo S.A. and Ceramica Sacoman were being built.⁴

In 1942, the Industrials' Retirement and Pensions Institute bought the area with the intention of building houses for its members. When in 1966 a federal decree unified several entities linked to the National Institute of Social Pensions, previously INPS, all the land went to be administered by the Institute of Financial Management of Pensions and Social Welfare (IAPAS) seeking to build an important medical complex to meet the growing demand of the southern region of São Paulo.

In 1969, the IAPAS had already built the Heliópolis Hospital and the Center for Medical Assistance (PAM), allowing the construction workers who had worked on the construction of the hospital to live in the same homes built temporarily on the land next to the site.

At the beginning of the 1970's, new families joined them. The first wood shacks or basic housing of Heliópolis only began to be built by the Municipal Prefecture of São Paulo three years later, between 1971 and 1972, during the administration of mayor José

⁴ Available on the site <http://www.favelization.com>. Accessed in January 2014.

Carlos Figueiredo, who was seeking to relocate the 200 families who had been displaced from illegal occupations in central areas of the city, such as Vila Prudente and Vergueiro. The temporary shelters to where they were transferred in the area of close proximity to the commercial center of Sacomã were supposed to be "temporary", but the residents supported by social workers from the municipality remained in their homes and were promised to later move into brick homes in the same area.

Some historians have taken notice in the role played by social workers in the training of residents,⁵ indicating that what these professionals actually did was to impose schedules to use bathrooms or wash clothes, and even controlled the agenda for parties or encourage the discipline of residents. Without a doubt, the help of the social workers drew certain proto-order of Stalinist discipline, as a phase of a first organizational stage that would have counted with the aid and the growing influence of young leaders emerging among the population, such as the legendary and iconic João Miranda, who later would play a highly relevant role in set up of the structure of organic and political complexity that was the UNAS, still in force today.⁶

According to a study conducted in 1992 by the Center for Popular Documentation of Heliópolis (CDPH), in 1972 70% of the area's first residents settled there after having lived in another neighborhood or city paying rent. Much of this population was made up of migrants who came from the northeast of Brazil, who had been

⁵ Is the case of MALAQUIAS, who is carried away by isolated data or a certain ideological stance.

See MALAQUIAS, Ariovaldo. *O cotidiano do residente da favela de Heliópolis (1971-1992)*. PUC-SP. 1994

⁶ During the presidential campaign of 2010, we received in the UNAS the visit of the then candidate Dilma Rousseff, where the still elected João Miranda welcomes and accompanies her to the shooting of her TV commercial.

brought there by intermediaries. In that year, only a few were born in Heliópolis. But gradually new residents arrived and integrate themselves to the place, building shacks near the first housing units.

Despite the emergence and explosive growth of Heliópolis, the first favelas of São Paulo had appeared thirty years earlier, in the 1940s, mainly in the neighborhoods of Mooca, Vila Prudente and Lapa. At the end of the 1950s, the city had around 140 favelas, however, the process of *favelization* gained power beginning in the 1970s driven also by a dynamic informal real estate market with years of operation and which was securely established. During that period there were already 540 favelas scattered throughout the city.

7

At the beginning of the occupation, some of the informal real estate agents - called *grileiros* or facilitators-, used to cheat people falsifying property deeds and acting violently to ensure domain over lands in dispute. They controlled almost the entire area, dividing and commercializing lots without any control.

In Heliópolis, many of these *grileiros* were former residents of the neighborhood who auto-proclaimed themselves owners of the lands, demarcating and selling lots for the newcomers. Organized, they threatened residents who didn't pay or occupied the land spontaneously.

Grileira activity escalated in the area in 1977. Residents were divided between those who believed that the *grileiros* were true owners of the land and those who put into question this idea, but were threatened in the event that they offered resistance. The climate was of permanent violence, there were murders in the

⁷ SANTOS JUNIOR, Oswaldo de Oliveira. A liturgia no contexto urbano: apontamentos para a práxis pastoral na comunidade de Heliópolis. Universidade Metodista de São Paulo. São Bernardo do Campo. 2006.

middle of closed disputes between invaders and *grileiros*. The actions of the *grileiros* in the early years was facilitated even more when migrants looked for houses and land on an individual basis.

It is likely that the excessive and violent attitude of some *grileiros* has gone down in history and created the myth that persists until today about them, but there is no doubt that they also acted as transforming real estate agents who encouraged the growth of a huge occupied area, when generating business transactions which in turn stimulated and invigorated household economies through the permanent auto-construction.

In the meantime, the true owner of the land, the IAPAS, began to seek in the judicial system a solution to the disordered occupation of the area, filing a series of requests for reintegration of ownership against *grileiros* and occupants. It was in this context of crisis that the first associations of residents were formed with the support of external entities, which according to Malaquías, was composed by "priests and seminarians of the Progressive Catholic Church, and lawyers from the Center of Studies and Social Activities of the PUC (CEATS) and the COR - Center Oscar Romero of Human Rights"⁸. With this momentum, the organized movements passed not only to claim ownership of the land, but services of basic infrastructure such as water, sewerage and electricity, which ended up transformed into symbols of fight.

Despite these achievements, the occupation of Heliópolis did not occurred collectively or at once, but gradually and more individually, following a certain hybrid pattern of supply and increased demand. In other words, the increasing demand and limited supply fit into a growing need for working-age migrants, and

⁸ MALAQUIAS, Ariovaldo. O cotidiano do residente da favela de Heliópolis (1971-1992). PUC-SP. 1994.

therefore, likely to "pay for their right". The large number of options for occupation that took place, are a sample of how the household economic system ended up becoming independent of any ideology that could co-opt it, although the resident would buy lots from *grileiros*, a sort of real estate speculator. Whatever the origin of the resident who, either by public instance or local association, would arrive after a relative already settled in the area provided him with a place to live, would take an empty peripheral area, or would buy or rent a room already built, the resident found an economic system of interactions that ignored formal definitions, to create and follow their own rules.

But independently from the type of occupation by which a family was established in Heliópolis, all of them were irregular by not being within the framework and the legal rules established for the growth and development of the city. An occupation occurs in a disorderly manner, and in general is done without planning, as it is the case of emblematic neighborhoods that once were disordered and unplanned occupations, then slums and finally neighborhoods (such as San Martín de Porres in Lima): new residents arrive and settle where there is space, no matter if that space is a small forest of Floresta Atlantica or a communal soccer field. The locality is growing in inexorable form with the construction of wooden shacks and then brick homes; with the emergence of passages, corridors and dead-end roads, "no asphalt, no sewer, no plan other than the one provided by the *grileiros*"⁹. That was what happened throughout the history of Heliópolis.

The soccer fields that existed in Heliópolis, for example, were built because of the absence of these spaces in surrounding

⁹ Ibidem

neighborhoods, by owners of clubs in the area who took those buildings with the approval of the municipality. While occupation is happening, the boundaries between formal and informal stress and public spaces become gradually occupied by the settlers from the 1980's. The last soccer field to disappear was the Copa Rio, in 1998.

The issue of proprietary regularization of the land is, from the beginning, a superlative guideline in the political and social movement of the residents of Heliópolis; during the decade of 1970, they would begin to meet under the name of Committee of Residents, in their fight for the legalization and urbanization of the locality. In 1981, the Central of Residents of Heliópolis emerged and the following year, informally organized the Union of Nuclei, Associations and Societies of Residents of Heliópolis and São João Clímaco (UNAS), just official in 1992.

The urgency in having a committee of residents became imminent beginning in the 1980's, more specifically in 1983 when the IAPAS attained the reintegration of ownership of the area. In that moment, acting quickly upon the political opportunity that arose, the Committee of Residents manages for zone (gleba) A, the main area of the administrative subdivision of the favela and where the largest number of occupants until then was concentrated, to be donated by the Federal Government to the Municipality of São Paulo to regularize the situation of the families.

That was one of the most important political achievements of the organized settlers, causing that in the following year, in 1984, the area until then occupied by the favela of Heliópolis was transferred from the IAPAS no less than to the National Bank of Housing (BNH), enabling the State Housing Company of São Paulo (Cohab) to start work in the sector.

Despite that bursting entry in the constellation of federal housing policies, the leaders of Heliópolis did not see with good eyes that it came at the same time with the administration of the Mayor of São Paulo, Janio Quadros, who had been long leading an intense policy of "*desfavelization*" in order to move the residents from "more valued areas to others farther away, and used those areas to build sophisticated buildings"¹⁰. It was in response to that removal policy, which had already put an end to the favela Cidade Jardim (a park was built in its place), that residents promoted a series of demonstrations against the Cohab, which tended to end up in riots and clashes with the police. The residents even invaded the headquarters of the company to try to come to an agreement on the lots.

At the beginning of the 1980's, the organization of the residents was big and dynamic enough to promote busy meetings and assemblies in which demonstrations of great turnout were planned and organized. On one occasion, circulation of vehicles was blocked in the Estrada das Lágrimas in protest of the continuity of a housing project in the area.

In 1993, during the administration of Mayor Paulo Maluf in the municipality of São Paulo, the police and residents came into direct confrontation motivated by the attempt of the public authority to remove the residents from what was considered risk areas. Later, after the construction of the housing project with the prosaic name of *Singapur*, the issue of the removal of families for new residences was discussed in Assembly and despite differing views, the move from the old houses to new buildings was approved by residents. Today, life in that building complex of formalized small

¹⁰ Ibidem

apartments, goes on for many in a coming and going that longs for the old life in Heliópolis.

All in all, 2006 should be considered the year of the fundamental breakthrough in Heliópolis as it is today, where the clearest manifestation of its existence is expressed in an almost unprecedented global development process. Worthy of study due to its character as an example of a possible process of self-management, which takes it from being an informal, precarious and marginal settlement, to want to become an urban ideal identified as a neighborhood, that year the residents of Heliópolis represented by the historical leaders of the UNAS and the municipality of São Paulo, decide to take over a social attribute and renamed the favela as Nova Heliópolis, assigning it almost by decree, but also by basis, the status of 'Educational Neighborhood'. Formally and politically, Heliópolis leaders launched the idea of it being a neighborhood in which priority is given to education, encourage investments in public schools and promote actions of integration among residents, such as the creation of community radio stations, blogs, newspapers, and an important educational epicenter with a great cultural center available to the local residents which is home to one of the most important youth symphony orchestras in Latin America.

Although favelas such as Heliópolis are in the process of evolution or transformation into real neighborhoods¹¹, its urban structure continues to be strongly rooted in a state of transition favela-neighborhood, with features of both popular neighborhoods (formal) as well as favelas (informal), not limiting itself to any of the two categories.

¹¹ Understanding by neighborhood a heterogeneous urban complex or conglomerate, yet formal.

If on one hand the area presents typical aspects of favelas, such as irregular occupation and high concentration of buildings and overcrowding, in regards to urban infrastructure Heliópolis has the characteristics of a neighborhood, with water, electricity, sewerage, telephone and internet services in almost its entire area. According to the UNAS, 75% of Heliópolis already has urban infrastructure and, as per the Basic Sanitation Company of São Paulo (Sabesp) dedicated to the treatment of water and sewerage systems, the area has 100% of water supply and 77% of waste water collection. Nearly 100% of Heliópolis has public lighting and most roads are paved.¹²

¹² Available on the site <http://redeglobo.globo.com/acao/noticia/2013/07/una-das-maiores-favelas-de-sao-paulo-Heliópolis-comecou-com-153-familias.html>. Accessed in January 2014.

2

Inside Heliópolis

São Paulo's metropolitan area, formed by 39 municipalities, concentrates 596,479 homes in different favelas, as surveyed by the Brazilian Institute of Geography and Statistics (IBGE), based on the demographic census of 2010. That number represents 19% of the total number of residences in Brazilian favelas. There are 2,162,268 people living "at those subnormal agglomerates", according to the distinct and no less derogatory terminology used by the general public to describe favelas. Only in the municipality of São Paulo there would be 1,020 favelas, where 1,280,400 people live in 355,756 homes.

This data, however, is not the same reflected by the Municipal Office of Housing of São Paulo, which considers the existence of 1,643 favelas occupying a total area of 24 square kilometers.

Heliópolis is embedded in that universe of inaccuracies, considered the second largest favela of São Paulo just behind Paraisópolis, both in the southern region of the city.

In an area of approximately one million square meters, property of the State Housing Company of São Paulo (Cohab), Heliópolis is located in the District of Sacomã, in the region of Ipiranga, traditionally linked to industry and commerce. The Ipiranga region is historically an important place of passage and transit of goods. Since the mid-17th century, people heading for the Baixada Santista (which connects to the Atlantic Ocean and the city of Santos) used the area as a travel route and it already showed its current unifying character of large inflows to the city's economy.

With the arrival of the railway to the locality, almost at the end of the 19th century, many industries in the region visualized a good opportunity to expand their production, settling in the neighborhood. Growth in the region of the so-called ABC, which includes the cities of São André, São Bernardo and São Caetano, area of the greater factory worker occupation of Brazil, also contributed to the strengthening of this industrial characteristic of the southern region of São Paulo, of which the Ipiranga is part.

With the economic crisis of the 1970's, many industries left the region in search of lower taxes and their lands were occupied by businesses, services, and more recently, by major real estate development projects.

Some important access routes are within the limits of the area: Avenida Juntas Provisorias and Avenida Almirante Delamare, near the boundary with the municipality of São Caetano do Sur and Avenida Anchieta, the most important connection with the Baixada Santista. Among the main roads are Rua Silva Castro and Rua Cônego Xavier, and the most famous of them, the Estrada das Lágrimas which divides the area. It is said that it was given the name Estrada das Lágrimas (Road of Tears) because families would gathered there to say goodbye to relatives and friends leaving for the port of Santos, crying under a large fig tree, known as the *Árvore das Lágrimas* (Tree of Tears). This historical tree is still there, lost and anonymous amid the concrete and the brick houses that have been crowding the Estrada.

For the residents of Heliópolis, these streets are fundamental for traveling to other neighborhoods in the city. With no public transportation in the narrow passages of the locality, people are forced to use only the bus stops located along those roads. Opened in 2007, the Sacomã Terminal, which also serves Heliópolis Hospital,

became an alternative to transportation of the residents of Heliópolis. Buses with destination to the city center pass by there.

The extensive area corresponding to the locality of Heliópolis is divided into 14 parcels (glebas), named by letters from A to N. Gleba K, is the most populated with 35 thousand people; Gleba N has 7.5 thousand residents and Gleba A, 7 thousand, according to the municipality of São Paulo, but there is no certainty in this data. Originally, Gleba is the name given to the parcel before being subdivided into streets and lots. Neighbors, therefore, adopt the term Nucleus (Núcleo) which has nothing to do with the institutional administrative division, to designate the different areas of the locality. That terminology was created in 1982, by the Committee of Residents (which later would form the Union of Nuclei, Associations, and Societies of Residents of Heliópolis and São João Clímaco, UNAS) with the purpose of organizing the area. According to the local population, Heliópolis is divided into ten nuclei: Mina, Flamengo, Viracopos, Lagoa, São Francisco, Portuguesa, Imperador, Heliópolis, Sacomã and PAM. The names kept a close relation with the daily life of the residents. For example, the old soccer field named Portuguesa became later what is now called Núcleo Portuguesa/Portuguesinha.

A hypothesis for the emergence of the first nuclei in Heliópolis is directly related to the dynamics of occupation of idle land in the region, as well as the construction of houses. In the areas corresponding to the soccer fields were performed the first *mutirões* (collaborative working events, very similar to the "Mingas" which take place in the island of Chiloé, in the South of Chile) for the construction of houses, and the names were given by the residents.

According to the already mentioned Ariovaldo Malaquíás¹³, the *mutirão* is a collective action which constitutes the identity of the residents of Heliópolis, the measure that breaks with the individualism typical of the relationships established in the metropolis. It is through that work, generator of solidarity and trust among residents, that the possibility of permanence in the place is created: building his own home, the resident is compelled to a symbolic corpus of collective living.

It is through the relationships that are formed from the *mutirões* that lead to a political understanding among the residents, strengthening neighborhood associations.

To Malaquíás¹⁴, as well as to some residents of Heliópolis, the ties between neighborhoods are strengthened with these joint actions, easily generating social bonding, which does not happen with those who bought shacks or houses already built. According to this author, living in the favela requires increased perception of collective action, given that "in formally organized neighborhoods residents seem to keep some distance from each other, because in those localities property is admittedly private."¹⁵

In the case of the *mutirões*, it is relevant to note that just like the *mingas chilotas*, the personal benefit is associated with the collective benefit. Also, the ties between residents many times goes back to the memories of the land of origin, as there are common the cases of families who recently arrived from the North and Northeast of the country (Pernambuco, Piauí and Ceará, etc.), establishing close in proximity to each other according to relationships created in their native land.

¹³ MALAQUIAS, Ariovaldo. O cotidiano da favela de Heliópolis (1971-1992). PUC-SP. 1994

¹⁴ Ibidem

¹⁵ Ibidem

The first 'official' *mutirão* for popular housing was authorized in 1987 by the public authority, after years of negotiation between the residents and official agencies. It was financed by the Special Office of Community Affairs (SEAC), with money audited and administered by the Pro-Favelas Community Housing Society, a private entity founded in 1987 contracted by the Cohab".¹⁶

In 1984, when negotiations with the Cohab began, the principal claims were the possibility for families to build their own homes; the release of water and electricity for the homes and especially the ownership of the land by means of a deed. Negotiations did not go well, leading the Cohab to build a barbed wire fence around the area of Heliópolis in order to prevent the settling of new families and occupations. Later, the fence was removed by the Sabesp (The company responsible for the water supply, collection and treatment of wastewater in the State of São Paulo) and by the residents.

The housing policy implemented by the municipality of São Paulo in 1986 continued to be associated with the constructions of the Cohab done by contractors, not leaving room for the popular *mutirões* largely practiced in Heliópolis unofficially. However, in 1987 after all the pressure, the *mutirão* project was approved. The goal was the construction of two hundred houses in the areas of the Portuguesa and Flamengo amateur soccer fields, as well as in the areas of Lagoa and Dom Pedro. According to accounts from residents the *mutirão* was an initiative that came "from above to below", in other words, from the Government to the population, which residents accepted because they did not have many options for the construction of their homes. Residents demanded to be

¹⁶ idem

granted lots in areas outside of risk so they could build their own homes, and in response the Federal Government and the Municipality imposed the *mutirão* as a form of political propaganda."

¹⁷

Residents who participated in those *mutirões* had a series of issues with the public authorities responsible for the aid to constructions (Cohab, SEAC and Pro-Favelas) losing much needed materials and technical assistance. During the administration of Luiza Erundina, between 1989 and 1993, there was a variation in how the *mutirão* was used, as it occurred, for example, in the area of *Lagoa*, where it was used not only in the construction of houses, but also in the implementation of the sewer system network and the paving of streets. In that *mutirão*, twenty seven - four bedroom apartments were built. At the same time, in a *mutirão* at the Núcleo Heliópolis, the first to be occupied by temporary residents, twenty-seven houses were built. The *mutirão* of Mina, in 1992, counted with the participation of sixty residents for the implementation of a sewer system and the pavement of the street.

Despite the achievements and the possibility of participating directly in the construction of their homes, the lack of regulation in the ownership of the land always represented a high threat to the residents. The regularization of the land in Heliópolis still remained in process in 2014. Along the ethnographic study we did starting in 2010, we found an intensification in the use of the space available for the construction of houses in the favela. Stories of residents still point out that at that time period Heliópolis did not have any more vacant land available for the construction of homes. The remaining land, such as the old soccer fields that were occupied by residents

¹⁷idem

long time ago, and given the necessity to build new homes, many of them built rooms above the existing houses originating to what is commonly known as "*puxadinho*".¹⁸

Real estate speculation is a reality in the area: "homes, land and shacks are sold at the price dictated by the external market. (...) Today, it will be very difficult for a newcomer to have the financial resources to acquire a place in Heliópolis"¹⁹. Malaquíás affirms that already in 1992, the buyers of land and houses in Heliópolis were residents of other neighborhoods in São Paulo, who had some savings and did not consider that there was risk of eviction for families - even though the area was not yet regularized.

"Real estate companies sold houses and commercial buildings; the value is measured by the proximity of the location to paved roads and the infrastructure presented."²⁰

Some older residents imagined that with the real estate market speculation it could be possible to sell their house and return to their homeland with money.

When the lack of available land, the explosion of Heliópolis, in other words, its defining expansion occurred as a result of an "implosion" within the favela, more precisely, by vertical growth; homes with more than one-story were built by the families themselves, rising as buildings mounted on top of each other in a precarious balance, which do not collapse only because they are located on tectonic plates of very low seismic risk.

¹⁸ In contrast to Rocinha, which is still flanked by easily collapsible forests, in Heliópolis, there is nowhere else to grow. The formal city already passed it with an endless concrete wall and forced it to adapt again, growing vertically in the same messy way that every low resource project has.

¹⁹ *idem*

²⁰ *idem*

These vertical constructions tend to be occupied by members of a typical modern nuclear family (parents and children) but particularly combined with features of an extended family (other relatives living together) that rents or buys from other residents in the favela. Different spaces are used for the construction of new apartments above houses that can reach three stories, creating agglutinated areas with buildings so close to each other, that leave only a small passage of transit that can meander up to 150 meters into the heart of the favela, creating large areas of continuous facades where the sunlight stopped touching years ago.

In Heliópolis, street names originate as an important **basis for socio-economic inclusion**, which incubates inside to give expression to the need of the residents of having a fixed and formal address, which will help them get employment, a bank account, or legal documents. It also helped that the Government, which considered the place irregular, never took the initiative, but the merit of this data by itself lies in its urban micro-economic basis.

On the process of designation of the street names, Malaquías (1994) recounts: "(...) meetings were held where residents voted for the name of streets and passages. Thus were born the streets: Alegria, Pernambuco, Ceará, da Mina, Praça Dom Pedro, João Miranda, Miguel Borges Leal, Lili, etc. (...). After the deliberation of the name, someone would paint a plaque and placed in the public space; the street was baptized."²¹

According to Cruz Soares, the names of the streets in the locality can be traced to facts, moments or individuals rescued by the memory of the residents. "Rua da Mina, Rua Paraíba, due to the origins of the first settlers in that area, or Rua Heliópolis, which is in

²¹ idem

proximity to the Heliópolis Hospital. These are streets displaying meanings and feelings constructed and deconstructed collectively over the years. Rua União, the place where the first settlers held meetings. Other names indicate the wishes of the community, such as the Rua da Paz e Rua da Alegria. Also, there are names that honor leadership, such as Rua João Miranda, leader and former President of the UNAS (...)"²².

A few years ago, the public authority confirmed many of those street names, and gave them official plates.

²² SOARES, Claudia Cruz. Heliópolis: práticas educativas na paisagem. Dissertação de Mestrado. Faculdade de Urbanismo, Universidade de São Paulo (USP). 2010.

3

Urbanization and social transformation

In the last 10 years Heliópolis has undergone significant urban transformation, product of interventions of municipal and federal governments. Projects such as the federal government's Growth Acceleration Program (PAC) continue in implementation phase, with new construction of housing developments already in progress. At the municipal level, the Heliópolis Urbanization Program, from the municipality of São Paulo, foresees the construction of 1,341 housing units until 2016. Operations include infrastructure projects, such as the construction of paths and gutters and the channeling of the drainage system.

From the methodological point of view, we consider two operational components of the notion of "urbanization" mentioned in the previous paragraph: one is the personal dynamics of life of the residents of Heliópolis and the other, the economic exchange that occurs in its interior "urban" space.

During the study period, for example, various ways in which the state's intervention in housing construction impacts the socio-economic living status was examined, most of the time accompanied by the eviction of homes and the significant change in the balances of the place's real estate issue. Public entities remove families from their old homes and then finance them the rent on a new house until the definitive housing projects are ready, transferring the equivalent to six months' rent and ensuring the delivery of an apartment, although in many cases there might be more than one family living in the same house.

Homeowners in the area took advantage of the municipality giving out checks in an amount equal to six months' rent and

exponentially raised prices; others refused to rent from those who were not beneficiaries of the municipality, which ensured them advance payment. Some families also took advantage of the conditions offered by the public authorities and occupied houses in the areas of evictions after the departure of residents. In order to receive the check towards the rent of an apartment in the housing projects, they alleged, afterwards, to have always lived there. As a response, the municipality demolished the houses where families were evicted from and left debris in place to prevent the construction of new houses.

This example serves to illustrate that when we speak of "urbanization" in Heliópolis, we should highlight that this has been an ongoing process that has led to constant transformations, but also to "externalities" that have hardly been learned. Nor is it possible to reduce the "urbanization" in its explicit signs such as the paving of streets, water and electricity distribution, access to a sewerage system, internet etc. In Heliópolis, urbanization assumes significant aspects that go well beyond changes in the infrastructure and includes a strong component that is expressed in the form of changes in the socio-economic reality of the favela.

As already stated, after so many years of interventions is still possible to say that Heliópolis is in what can be considered a transitional state from favela to neighborhood. In almost 40 years, therefore, little was achieved in terms of integration with the city's various centers and *glebas*.

Since the 1980's, Heliópolis is suffering public interventions in the attempt to stabilize and revitalize it. Reflection of an era in which São Paulo lived the contradiction to mix great economic development with serious social issues, especially the lack of housing and urban infrastructure. The city had about 400,000 people living in

favelas that year, however, public investments were aimed primarily at the central regions and most valued neighborhoods.

During the administration of Reynaldo de Barros (1979-1982), the municipality, trying to meet the demands of residents, introduced a program of urbanization, the Pro-Favelas, which provided improvements in the housing infrastructure. That program was intended however for the areas regularized legally, which was not the case of Heliópolis. The locality, although having some organization among residents for being in an area owned by the federal government, the IAPAS, was not covered by the program. In this period, Heliópolis would be target of other municipal projects such as Pro-luz and Pro-water, which began to be implemented at the beginning of 1982 and had a high impact on the quality of life of the residents.

During the administration of Mario Covas (1983-1985), Heliópolis still had to deal with the *grileiros'* actions and the violence generated by them to ensure domain over the area. In 1984, with the area transferred from the IAPAS to the National Bank of Housing (BNH), under the administration of the Housing Company of São Paulo (Cohab), a plan was presented by the Regional Administration of Social Services of Ipiranga, which sought to eradicate the favela through urbanization, building more than 10,000 lots. The plan was not fully completed and some proposals were presented but eventually not carried into practice, until the Cohab began construction of 6,420 apartments. Of them, only 318 were finished. At that time the main demand of the residents, who already had an organized movement, was the implementation of water and electricity systems.

After taking office in the municipality of São Paulo, Mayor Jânio Quadros (1986-1988) defined as one of the priorities of his

administration the urban cleaning and *desfavelamento*. His practice was to evict residents from their homes, often with the use of violence and prevent the realization of *mutirões* for the construction of new housing. During the administration of Luiza Erundina (1989-1992) Cuadros' policy, widely criticized, was set aside and communal urbanization projects emerged, organized by the municipality with the associations of residents. The *mutirões* resumed and many streets were paved. The pact, however, was interrupted during the administration of Paulo Maluf (1993-1996), which prioritized the construction of buildings of the Singapur project to relocate residents of the favela without worrying about creating new public facilities, such as kindergartens or urban infrastructure in Heliópolis.

With the start of the 2000s, the housing effort focused on the partnership between the municipality and residents of Heliópolis. In 2005, the Municipal Office of Housing developed a new housing policy that resulted in the development of the Municipal Plan of Social Housing of the city of São Paulo. In Heliópolis, the program drew up guidelines for the intervention of the public authority from an urban plan that envisioned the construction of new housing, integrating other offices to achieve four objectives: transportation, housing, environment and compact neighborhood. The idea was to "provide the recognition of Heliópolis as part of the city. Diagnoses pointed out the need for resettlement of approximately 5,000 families of Heliópolis, still living in areas of risk or harmful to their health." The new housing units would be built "prioritizing a typological diversity that serves the various profiles of residents."²³

In 2008, the contract for work of the Growth Acceleration Program (PAC) in Heliópolis was signed. Four years later, in April

²³ Plano Urbanístico Heliópolis 2010/2014. Prefeitura de São Paulo.

2012, the Caixa Econômica Federal delivered 421 housing units of the Comandante Taylor Residential Complex. The homes were built with resources from the PAC and given to 15,884 low income families.

According to the municipality of São Paulo, the construction of another 1,341 units is planned, along with the restoration and expansion of seven community centers and the urbanization of the area of the Canal Independência for 2017.

Urbanization and commerce in Heliópolis

Nearly all streets in Heliópolis present some kind of commerce. In general, the business is not recognized for being located in a non-regularized area, and therefore does not pay taxes. Malaquias tells that there was a great expansion of small businesses in Heliópolis at the beginning of the 1990s with the decrease of offers for formal work in the city of São Paulo. This type of activity began as an alternative to generate household income, setting up precariously "in a small door", in a shack or even with the offer of products door to door, which often grew enough so that owner would increase his sales becoming rich within the favela, buying properties and owning a home.²⁴

During our field work we surveyed hundreds of small businesses located in different areas of the favela, something that Malaquias had also noticed in terms of a great variety of types of businesses such as "bars and grocery stores, shoe stores, emporiums, butchers, bakeries, pharmacies and an infinity of

²⁴ MALAQUIAS, Ariovaldo. O cotidiano do morador da favela de Heliópolis (1971-1992). PUC-SP. 1994

stores." ²⁵ This author also coincided with us on the existence of a hypervaluation of goods marketed in the locality, being the products sold at prices much higher than those found outside. Therefore, besides the low cost in the maintenance of the establishment (tax free), there is also an over profit due to speculation. That way there would be a transition in the business as a mean of survival towards a lucrative business, as well as the increase in intensity of the dispute for the internal market.

In terms of urbanization, we observed that the distribution of commerce cannot be directly associated to the physical condition of the streets, because most part of them are paved. Yet, highways - as the Avenida Delamare and the Rua Comandante Taylor - do not have large concentrations of businesses despite the favorable physical conditions (extension, paving, lighting, etc.). A hypothesis that explains the concentration of commerce within Heliópolis is confirmed in streets that have vehicle circulation associated with a greater flow of people. These roads, however, are of slow traffic not of intense traffic of cars and buses, therefore, they are an ideal place for the installation of small businesses.

It was noticed that a common characteristic between the concentrations of commerce within Heliópolis is the fact of them being located on long streets and not in passages. Almost all access roads facilitate transit: there are not big hills or drops that difficult the traffic of people, as it happens in Rocinha. In Heliópolis, almost all streets are paved and all waste waters are channeled. With that, the flow of residents is not influenced negatively by the area's physical characteristics as it happens in its Carioca counterpart. The only difference observed between the passageways in Heliópolis is a

²⁵ Ibidem

relative range of amplitude that makes possible or not the transit of cars and buses with greater or lesser intensity. In the case of the small passages, the transit of vehicles (except motorcycles) is impossible, which makes an active flow of commerce impractical, being those areas mainly residential.

From this finding it was possible to link the main roads of the favela with a stronger flow of functional traffic of people and services in the same way we did in 2009 during our work in the peripheral areas of Lima, in Peru. Main roads facilitate a concentration of commercial activity - which does not exclude commercial activity that occurs in the passages. It is possible to think about a closer relationship between urbanization (in terms of streets paving or access) and commercial activity.

4

Heliópolis and its representations

19th century, there has been an evolution in the Brazilian society in regards to the social representations of the favela²⁶. In the last thirty years, the literature focused on the subject has been registering some basic characteristics of the socio-cultural dimension that have helped us to improve our understanding of Heliópolis. Lícia Valladares, in her book *The Invention of the Favela*, for example, produces an intractable criticism on the "dogmas" commonly accepted in Brazilian society in regards to the favelas, denouncing these creeds, installed in the representation that makes of it the political class, repeatedly tries to reduce the diversity of the favela through limited looks seeking to homogenize it. Supported by this point, we set out to imagine the favela from a perspective of second order, playing to take a step backwards on the way it observes itself compared to the "rest of the society" (which is also a structure).

Among the dogmas mentioned by the author is the specificity of the favela, which sublimates the peculiar way as it occupies the urban space, outside of the regularities and urban standards, without streets well drawn, with scarce or absent services and collective infrastructure. That is, the favela as a specific and unique urban space. According to Valladares, all official agencies - architects, lawyers and researchers - either justify their approaches, recalling that the favela is irregular and illegal or enhance it for its unique aesthetics. Another characteristic or dogma is the favela being seen as *locus* of poverty, the urban territory of the poor. The theory of

²⁶ VALLADARES, Lícia do Prado. *A invenção da Favela. Do mito de origem à favela.com*. Rio de Janeiro:Ed. FGV, 2008.

marginality is also used here to promote that vision. In the end, the favela as a unit: although everyone acknowledges it is a multiple reality, they all allow themselves to be carried away by the habit of reducing a plural universe to a single category.

"The certainly atypical trajectory of those individuals presents a new issue to Brazilian social sciences: the need to develop a **sociology of social mobility**, so far little present in the research. The development of this thematic area would precisely allow us to abandon the limitation of the category built by dogmas, showing clearly the complex process of social differentiation that is happening in Brazilian society, even in the favelas. It is possible to be poor and not live in a favela, or to live in the favela believing in the possibility of a social ascension. If we stop confusing the social processes observed in the favela with the social processes caused by it, it will be possible to understand phenomena that, despite manifested, in fact, in the favelas, it is also manifested in other places. Our proposal is that the favelas be no longer the field systematically used to study the most various issues related to poverty. Only then will we stop confusing favela and poverty."²⁷

During the three months we lived in Heliópolis and coexisted with the residents, it was possible to observe the undeniable movement of transformation that was happening with the representation of poverty in the favela. The study confirmed the existence of certain "culture of poverty" that transferred from one generation to another, incorporating values that put in check the concept of poor - seen under the perspective of economic and social aspects.

²⁷ *Ibidem*, 163

In Heliópolis, as well as in other Brazilian favelas, the culture of poverty holds itself in a vicious circle that is able to guarantee to the poor conditions of survival in the modern society²⁸, a way of existence that seems to generate a kind of "syndrome", for its ability to transfer anxiety, specific to low income populations that show on one hand "a spirit of resignation and fatalism about the future", and for another, certain 'joy of living' and to create instances to "get high doses of human warmth and interaction, turning everyday difficulties more bearable".²⁹

Behind this culture of poverty, there would be, in fact, a game of political interests. On the one hand, by reinforcing the situation of poverty in Heliópolis, the State maintains its political and economic influence over it. This can be verified mainly through urbanization plans, since in order to keep possession of the land it controls in some way the freedom the residents have to build their own home. That also interests the majority of residents whose objective is to maintain the social benefits.

Therefore, the favela as a representation of poverty is rather a circular vision perpetuated by the actions of political and social agents. Over time, the term "community" happens to be used in the space of the favela as a way of livening up that stigma. But the favela is not a community. Both in Heliópolis and in Rocinha, people have never been on equal terms. The word community derives from the Latin *Communitas*, and is associated with the idea of communion, of congregation and people in equality of requirements. For that reason, it was long used in the religious sense by Christian culture.

²⁸ According to Oscar Lewis, American anthropologist, whose field work on big farmhouses in the central areas of Mexico served as a basis to his best-selling book *Five Families* (Lewis, 1959)

²⁹ VALLADARES, Lícia do Prado. *A invenção da Favela. Do mito de origem à favela.com*. Rio de Janeiro:Ed. FGV, 2008.

More recently, socialist movements, especially the utopian, used the term to spread community ideals.

For anthropologist Patricia Birman, "the notion of community, based on Catholic values, does not need to be explicitly religious, as, moreover, often it is not: references to the community as a place of realization of the hierarchy and the complementarity between the different is anchored in a diffuse Catholicism that is confused, in some circumstances, with what would be as of one of national heritage. It won symbolic value as a place of 'traditional' values for certain governmental and non-governmental agencies. The image resulting from this conception of identity is positive and greatly powered by the residents of the favela as well as the larger society, in moments in which is sought to value the axes of the first with the latter." ³⁰

The question is to know if the term 'community' is used as a form of changing the representation of the *favelado* or just another way to reinforce that stigma. In recent years, the Union of Nuclei, Associations and Societies of Residents of Heliópolis and São João Clímaco (UNAS), for example, has been building a political speech to represent itself as "an educational neighborhood".

Valladares explains that "the use of this term [community] also legitimizes its own statute as representative vested by the collectivity, and hides all the differences and conflicts that exist between the various areas or between the residents themselves. The notion of community implies an idea of union - which has not always been a feature of these associations and their territories. And therefore masks the diversity of social situations and the multiplicity

³⁰ BIRMAN, P. Favela é comunidade? In: Machado da Silva, L. A. (org), p.108)

of interests present in an often more atomized than communitarian structure." ³¹

The associations of residents take up the image of "lacking community" to secure support from the public authorities to residents. That way, the associations possess a mediating role, because "when reaffirming the specific nature of the areas they represent, they want both to sublimate the precarious state of its residents, the legal status of the occupation of the land and the urban infrastructure, in addition to citizenship".³²

Valladares points out that often the residents reinforce the practices of community leaders at the time of defend their interests: "Proof of this is that they invest in the improvement of the exterior appearance of their homes, extending the perception of the precarious spaces, even though the comfort of the inside is considerably worn out".³³

In addition to public authorities, non-governmental organizations (ONG) operating in the favelas tend to cultivate the representation of lacking community in the collective imaginary. Closer to the "poor" than many other institutions, its branches or subsidiaries operate within the favela and reaffirm the speech of the associations of residents such as the notion of "community" and its connotations of unity, solidarity and cohesion.

"Many times, those organizations have very specific clientele - women, children, young people, African-Americans, etc. – and particular domains of action, but they always highlight a more global vision that insists on outsiders, victims of violence, women heads of

³¹ VALLADARES, Lícia do Prado. *A invenção da Favela. Do mito de origem à favela.com*. Rio de Janeiro:Ed. FGV, 2008.

³² *Ibidem*,160

³³ *Ibidem*,

household, etc., as segments of poverty. A globalizing speech that, opposing the "poor" to all the rest, can only continue to produce uniformity", explains Lícia Valladares.³⁴

According to the Brazilian researcher, the *free rider* model can be used to analyze the presence of hierarchical relations in the favela, because it emphasizes the personal interests and the advantages that can be obtained from a given situation - which contradicts an idea of community, so deeply rooted in the representations that are made of the "world of poverty".

The *free rider* concept was used by the American economist and social scientist Mancur Olson, in his book *The logic of collective action*, to explain the behavior of individuals that "do not have any common interest in regards of paying the cost of that collective benefit. Each member would prefer others to pay all costs, and by way of rule would enjoy any provided advantage that might or might not covered a portion of the cost."³⁵

According to Olson, the *free rider* is the individual who enjoys collective goods without having to pay anything for them and with that keeps the group from reaching their goals.

Valladares indicates that the practice of the 'jeitinho brasileiro' also contributes to the development of formal and informal means and mechanisms to obtain benefits. And, in a transposition to the Brazilian *free rider* concept model, she evaluates that "if the participation of the *favelados* was active and creative, it also recognizes itself more individual than collective, each trying to capture particular advantages, suggesting that the utilitarian

³⁴ VALLADARES, Lícia do Prado. A invenção da Favela. Do mito de origem à favela.com. Rio de Janeiro:Ed. FGV, 2008.

³⁵ Olson, Mancur. 1999. A Lógica da Ação Coletiva: os benefícios públicos e uma teoria dos grupos sociais. São Paulo: EDUSP

ideology and individualistic ethics are stronger than the direction to act collectively."³⁶

The favela is not a homogeneous whole composed of poor people, a "lacking community", but a locality in which the most varied expressions, experiences, dreams, markets and expectations coexist. Therefore, to avoid the concept of community and its representation still linked to stereotypes, another analytical line was adopted: the distinction between community/locality.

Why locality?

The American anthropologist Anthony Leeds (1925-1989) defined the issue of the relations between local authorities and supra local institutions as an important element of their problems. Leeds came to Brazil twice. The first time, in the 1950's, to study the economics of cocoa in Bahía, and later, at the end of the 1960s, accompanying a group of the Organization of American States (OAS) to research inside the favelas of Rio de Janeiro. During that period, Leeds analyzed the evictions of residents done by the housing programs and his conclusions differed from most of the anthropological thinking of the time, for which living in the favela was related to the inability to occupy other urban areas. For Leeds, the favelas had a complex organization form and disagreed on the existence of a 'culture of the favela'. Leeds criticized the concept of community as a synonym of favela, which to him was hardly a place of residence without the connotation of social stigma, consequently defending its heterogeneity.

³⁶ VALLADARES, Lícia do Prado. A invenção da Favela. Do mito de origem à favela.com. Rio de Janeiro:Ed. FGV, 2008.

The historian and anthropologist from Rio de Janeiro Marcos Alvito in "*A Century of Favela*" exposes the beliefs of Leeds. According to Alvito, to Leeds the so called community studies used the same methods of the studies of tribes, of different realities:

"Criticizing the widespread use of the notion of community, he proposed to replace this notion by the one of 'locality'. According to him, "the use of the term 'locality' does not force us to postulate a minimum or maximum notion of organization such as 'community' (...) or to discuss its ontological status (...). It does not force us to assume that the locality we live in is also a community. Usually it is not (...). The localities as nodal points of interaction, are characterized by a highly complex network of diverse relationships. The family ties of the nuclear family, and often, those with close relatives, will be widely found in localities, especially in the small ones. Close friendships also tend to exist in the locality. Neighbors exist, by definition, in the locality. What contributes to portray a locality is the fact that it only serves as identification of the place of residence of individuals; the fact of living in a locality does not necessarily mean to be part of a local community (...). This view is supported by a vision of urban society as complex system, not being possible to understand an element alone without considering its relationships with others."³⁷

What is important of this concept is that it is linked to the notion of Node and Composite Commercial Microcenter (CCM) used for analysis of urban spaces in regards to micro-insurance, as it will be seen later:

"The main characteristic of localities would be the fact of them constituting 'nodal points of interaction, where there is a highly

³⁷ Zaluar, Alba e Alvito, Marcos. Um século de favela. Rio de Janeiro: FGV Editora. 2006

complex network of diverse relations'. They would be, above all, very close family ties, more meaningful friendships, ritual kinship and neighborhood. In short... localities are, indeed, highly organized segments of the total population."³⁸

That vision makes it possible to use the Composite Commercial Microcenter (CCM) concept, because it places its activity within what precisely is a locality. Therefore, from an economic point of view, a locality can also be characterized by the presence of CCMs.

To the concept of locality we may add the contribution of French anthropologist Marc Augé, with his definition of the spaces of interaction of the type *place/no place* - being the *place* an area similar to the locality of Leeds, but with a strong emphasis on personal recognition and identification of the uniqueness of the other; and the *no place*, the opposite, i.e., public areas of fast transit, such as airports, stations and subway trains.

The CCMs are in "*places*" or spaces of interaction in which the relationship is personal; the locality will be a kind of *place*, "an area characterized by things such as a mass of people more or less permanent or an group of houses, usually including and surrounded by relatively empty, but not necessarily unused, areas".³⁹

At the same time the Node, which would be the spatial opposite of the CCM, would be closer to the concept of Augé's *no-place*. In the Node, the relationships are transitory, impersonal, and highly functional. Augé gives as an example of *no-place* the Metro in Paris, where millions of people transit without recognition to their individual condition. At the Nodes as well as at the *no places* there is no "transit" beyond the mandatory. And this can be corroborated in Heliópolis, at the Estrada das Lágrimas that borders the locality.

³⁸ *Ibidem*

³⁹ *Ibidem*

Marcos Alvito, when studying the favela of Acari, in the northern area of Rio de Janeiro, notices a similar process:

"What I understand by transit, of course, excludes mandatory trips such as going to work, the market or to school. I noticed that it was always the same people in the same places. After some time, I already knew some women's groups, always chatting, always close to their homes, sometimes sitting in the slabs of their doors. As for men, each *birosca* (small business) has a good number of "frequent" customers, the vast majority of them, very close neighbors. Most of the time, they do not consume anything: the "barraca", as they call it, is just a meeting place."⁴⁰

The analysis particle: micro-areas or pieces of the favela

For the methodological effects produced by a prospective study on the way micro-insurance transforms commercial interactions inside a favela, the concept of **micro-area**, exposed by Marcos Alvito in his already mentioned analysis of the Acari favela, it is widely possible. According to Alvito, **micro-areas** would be small pieces of the favela serving as support to representations about the differences that exist in the interior of a single favela: "there are micro-areas considered poorer...where improvised wooden shacks are still predominant", as there are also some where better quality houses are many, covered in ceramic tiles, taking life then in a center/periphery relationship [but within the auto poetic enclosure of the favela]. A basic distinction can be made between micro-areas "in the outskirts" and "deeper in" favela. The interior areas, far from the "asphalt", possibly less accessible, would be the less valued.⁴¹

40 Ibidem, 193

41 Ibidem, 187

What is relevant for insurance circulating inside Composite Commercial Microcenters, is that the view of Alvito recognizes that each small piece of favela is part of a network of relationships that have the neighborhood as a starting point:

"The micro-area is that middle area between private (home) and public, in which a basic, wider sociability than the established in family ties, therefore more dense, meaningful and stable than formal and individualistic relations imposed by society develops." ⁴²

If daily life of the immediate neighborhood, with exchanges and personal relationships where affection and permanent celebration of life in *mutirões*, develops in the small pieces of the favela, on micro areas the ties of friendship and neighborliness, already greatly active, are reinforced by family ties, including, too, the ritual kinship established by the existence of "godmothers" and "godfathers", as it happens in any part of Latin America.

Similarities with other large cities in Latin America are seen everywhere. Also at Heliópolis the area is heterogeneous because different economic elements coexist, and in each micro area that space requires equal behavior from its residents, where excessive generosity, as well as greed, are demonstrated to be out of an environment where the horizontality of social relations primes:

"The title for those who know how to balance that relationship is *parceiro* (partner), among men, and *girlfriend*, among women; "although there is no actual ritual kinship between them".⁴³

⁴² *Ibidem*

⁴³ *Ibidem*

Another feature of these small pieces of favela, according to Alvito, is the fairly restricted limit imposed by the relationship between genders:

"Mainly in the case of married women, the network of reciprocity that is allowed for them to build is much more restricted and normally settles in the family organization: sisters-in-law and nieces, preferably under the watchful supervision of the mother-in-law. At most, a very close neighbor, from next door or across the street, can be incorporated into that circle. The locus of such female relations of reciprocity is the domestic space or the border thereof ('the doors'). The exception are outside activities justified by the dynamics of the 'home' and the family, like grocery shopping, taking the kids to school or go to Church (normally, in groups composed of other women or accompanied by their children)".⁴⁴

Men, on the contrary, rarely visit each other, although the places in which they meet are occasionally banned to women, noting some flexibility in this and other behaviors between Heliópolis and Rocinha.

To Alvito, the favela is a world of amazing diversity; each small piece carries marks and seals which the residents evoke, and keep and treasure in their affective memory over the years. Micro areas are the *locus* of that collective memory. Sometimes tragic ("here in this place she was murdered by her boyfriend"), also cheerful and friendly, like remembering between laughs their mischiefs or fights from when they were children. It is a space with marks of family relationships, of loved ones – absent today.

Social Representation

⁴⁴ *Ibidem*, 194

The concept of collective representation was proposed by the French sociologist Émile Durkheim (1858-1917), for the construction of a theory of religion and magic. According to him, those collective phenomena were different from individual events. Human individuality would develop from society, since the knowledge of the group would have origins in social life. Religion, for example, would be a product of a community or a town, with the existence of a clear distinction between individual representations, which would lead the life of every person, and the collective representations that would govern social life.⁴⁵

Collective representations, as defined by Durkheim, would be static and immutable phenomena with the purpose to transmit the collective heritage of the ancestors, such as the law, moral, customs, political institutions, pedagogical practices, among others, that would form a 'collective consciousness'.

The main criticism that was made to this thought is not taking into account the increasing complexity of modern society. Instead, new elements were introduced by the Romanian Serge Moscovici, in 1961, who by rescuing the concept of collective representation of Durkheim, created the concept of social representation ("set of concepts, phrases and explanations originated in daily life during the course of interpersonal communications"⁴⁶), indicating that this type of projection [for us, mental drawing] would sit between the borders separating sociology and psychology. To this vision, the individual takes an active role in

⁴⁵ To Durkheim, it was interesting to study society. Psychology would study individual representations.

⁴⁶ MOSCOVICI S. On social representation. In FORGAS, J.P. (ed). Social cogbution. London: Academic Press, 1981,p.191)

the process of building society thanks to social representations.

French anthropologist and linguist Dan Sperber would later make an analogy with medicine to differentiate collective and social representations. According to him, the human mind is susceptible to cultural representations, in the same way that the human body is susceptible to diseases⁴⁷:

- **Collective:** durable representations, traditional, widely distributed, linked to culture, slowly transmitted for generations; compared to an endemic.

- **Social:** typical of modern cultures, they spread rapidly through the whole population, they have a short life span, similar to "idioms"; compared to an epidemic.

According to Marcos Alexandre⁴⁸, social representations are a particular modality because "not all 'knowledge' can be considered social representation, but only one that is part of the daily life of the people, by common sense, which is developed socially and works in the sense of interpret, think and act about reality. It is a practical knowledge, opposed to scientific thinking, therefore similar to it, as well as to the myths in what it says regarding the development of such knowledge from a symbolic and practical content."⁴⁹

Under this perspective, the social representation theory would allow to accompany the daily life of individuals, considering their values and cultural identities, seeking their true roots and origins,

⁴⁷ Sperber (cited by Alexandre, Op. Cit.)

⁴⁸ .ALEXANDRE, Marcos. Representação Social: uma genealogia do conceito. Revista Comum. Rio de Janeiro - v.10 - nº 23 - p. 122 a 138 - julho / dezembro 2004.

⁴⁹ Ibidem

providing discovery of old and new aspects of their identity.

An important point that stands out is that the representations of the social world are always determined by group interests. In addition, "the struggles of the representations are as important as the economic ones, to understand the mechanisms by which a group imposes or attempts to impose, their conception of the social world, its values, or its domain".⁵⁰

This idea is very present when analyzing social representations that were formed around the favela.

⁵⁰ *Ibidem*

5

Node and CCM, concepts for understanding the urban configuration in Heliópolis

To understand the commercial dynamics in Heliópolis, we must analyze the urban setting of the broad area that it occupies, from its main, secondary and tertiary roads, as well as the distribution of the local businesses. Two concepts were fundamental to understand that functioning: Node and Composite Commercial Microcenter (CCM), developed after my work in slums and lower middle class neighborhoods in Lima, Peru in 2009.

By 2008, we observed that a commercial pole, or Node, is characterized by the high concentration of services and significant movement of people, which also enables the development of anonymous and impersonal relationships in commerce. Nodes are, by excellence, places of transit in which interactions occur only commercially - which generates higher formalization in customer care and in the forms of payment. They fulfill a crucial role in the commercial dynamics of an urban area, since they function as systemic devices of economic development and capital circulation.

The nodes are places of transience and can, also, be defined by the concept of *no-place*⁵¹, of Marc Augé. An idea that is opposite to the concept of *place*, which includes the spaces in which residents have strong personal ties.

In contrast to the Node, the Composite Commercial Microcenters (CCM) are characterized by being relatively small commercial cores, catering to a small number of people, which

⁵¹ AUGÉ, Marc. Não-lugares: introdução a uma antropologia da supermodernidade. Campinas: Papyrus. 1994. (Coleção Travessia do Século).

facilitates the development of personal relationships, especially between merchants and customers. They are not transit areas, in other words, they are not characterized as *no-place* but as *place*, in which it is possible to not only pass, but interact in a more intense social network.

In the CCM, it is possible to find characteristics of the anthropological *place*, a sort of second skin of the resident, because they do not only live there but share a family history and consolidated personal relationships. From there it emanates the formation of ties marked by a relational intimacy.

But the Nodes and the CCM are categories more determined by the relative and composite flow of merchandise and goods. Hence the importance of the roads that interconnect them.

In the case of Heliópolis, because it presents aspects typical of a favela and characteristics of popular neighborhood, it is important to note that the difference between center and periphery, explicit in the relationship Node/CCM, cannot be fully applied. The concept of periphery must be understood here as a space of lack and absence of political and economic characteristics, features that contribute to a negative and stigmatized interpretation of the social reality of the popular sectors, as opposed to the center, or presence space, defined by commercial agglomerations. That situation, considered atypical when thinking of the main picture of favelas and periphery, also produces a specific context for the construction of the concepts of formality and informality for the relationship between Nodes and Composite Commercial Microcenters (CCM) in Heliópolis.

Hence the characterization of Nodes and CCM, specifically in Heliópolis, has as a basis not the relationship of absence (periphery)

and presence (center), but, presences, in the plural, of different features that mark each of the groups.

The Nodes can be defined as areas where there is sale of products with higher added value, such as electronics, furniture, optical services, specialty products, among others; presence of an infrastructure that changes the whole configuration of the commerce, allowing it to become a distribution center of products; presence of banks and lottery outlets, areas for withdrawal of money and payments to accounts; area with a greater flow of people and that interconnects different areas of the city.

The CCMs, in turn, are characterized by being spaces where there is sale of simple products, which are also found in the Nodes, such as clothes and perishable and non-perishable foods, but with a higher price. In the CCMs there are physical structures that are more precarious or marked by the improvisation of the place of business (as a small garage of cars transformed into a kitchen or grocery store). There is also a greater presence of combined businesses, in other words, the simultaneous sale of products and services not typically associated to businesses in central areas of the city, such as bars that also sell women clothing; beauty salons that sell clothing; and jewelry stores and shops selling perfumes.

In Heliópolis, Nodes were the great centers of commercial interaction and flow of people, such as businesses located on the main access roads to the locality, Estrada das Lágrimas and São João Clímaco. Businesses located on roads defined as secondary and tertiary, due to their length, width and precarious condition, were classified as Composite Commercial Microcenters (CCM). These points present less traffic of people and the established commercial relations are, in general, personal, because they are relationships

observed between local residents and merchants who also live in Heliópolis.

The concepts of Node and CCMs cannot be used as still categories. Therefore, due to the different degrees of impersonality a classification scale was adopted, A and B for the Nodes, and another one for the CCMs. Node A classification is attributed to the more impersonal shopping centers, such as the businesses located in the Estrada das Lágrimas. Classification of Node B extends to the businesses that present impersonality to a lesser extent - in this case, the businesses spread through that road. The same applies in relation to the CCMs, in which various degrees of personality were observed in business relations.

Nodes and CCMs

In Heliópolis, Nodes and CCMs can be initially separated into two categories: those that are inside the locality and those who are outside of it. This division is indeed very simple, but allows for an initial approximation between the two categories.

The boundaries of the CCMs and their nomenclature were determined from our field work and based on information reported by residents. The name of each CCM is related to an important street that is part of it. However, it does not mean it is limited only to that street. The Mina CCM, for example, refers to Rua da Mina as an important point of flow of goods and people. But other roads, such as Rua Social, Rua da União and Rua da Gertrudes, are also part of the CCM.

Schematically, the chart below shows distribution of Nodes and CCMs in Heliópolis:

	NODES	CCM
Outside Heliópolis	Silva Bueno	Mina
	Sao João Clímaco	Florestal
		Alegría
Inside Heliópolis	Estrada das Lágrimas	Hospital Heliópolis
		Cónego Xavier
		Taylor

Heliópolis has three Nodes: Two of them outside the boundaries of the locality and one within its area, and six CCMs inside. The two categories have peculiar characteristics, divided into: Nodes A and B, and primary, secondary and tertiary CCMs, as Table 1 shows. Node A, central and located inside the locality, and Nodes B, also important, therefore of second order in relation to A, either by its location outside the studied area, the daily traffic of people.

	A	B	Primary	Secondary	Tertiary
Outside Heliópolis	-	Silva Bueno Sao Joao Clímaco	-	-	-
Inside Heliópolis	Estrada das Lágrimas	-	Cónego Xavier	Hospital Heliópolis	Mina
				Luiza	Alegría Taylor

Table 1 – Classification of Nodes and CCMs

The CCMs, in turn, were divided into three groups. The primary CCMs are the most important in terms of the dynamic role of the local commerce, by the proximity in relation to the Nodes, and because the strong commercial density and the diversity of services offered. The secondary CCMs present a relatively minor commercial density - some of them are even farther away from the Nodes, which could explain in part the lower concentration of commerce that flows from there - meanwhile, there is commercial diversity, as well as a homogeneous distribution of businesses on the streets comprising that group of microcenters. Finally, the tertiary CCMs have great potential for development, therefore they are classified that way because they concentrate commerce in just one street and have the lowest diversity of businesses.

Type A Nodes

Estrada das Lágrimas

This Node includes the entire length of the entrance of Heliópolis, from the Sacomã bus and metro station to the intersection with the Avenida São João Clímaco. The Estrada das Lágrimas is one of the great boundaries that define Heliópolis, and constitutes an important corridor for the flow of people due to the many bus lines that transit through the terminal. The area also presents a high flow of goods as an important commercial center.

Some businesses in Node Estrada das Lágrimas:

Appliances Repairs	11
Auto Parts	11
Banks and Lottery Outlets	1
Bars	13
Jewelry Stores	1
Taylor and Alterations	2
Candy Stores	5
Pharmacies	6
Internet House	5
Small Restaurants	8
Nail Salons	1
Home Building Supplies	9
Grocery Stores	2
Minimarkets	13
Produce Stands	4
Auto Repair Shops	10
Clothing Stores	13
Hair Salons	23

The Estrada das Lágrimas is a Node different than the others, because it combines characteristics of commerce predominant in the CCMs and type B Nodes. It has defining characteristics of the Nodes such as banks, gas stations, furniture stores, and a large amount of bars, hair salons and Internet House, which can also be found in the CCMs.

Type B Nodes:

Silva Bueno

Node Silva Bueno has Rua Silva Bueno as its main road, and the section analyzed includes the five blocks between Rua Clementine Pereira and Rua Lord Cochrane. It is a densely urbanized area, next to the terminal and the Sacomã metro station, with an important network of commerce and services. It was cited several times by residents of Heliópolis as a reference of a commercial center, with the option to make credit purchases.

Some businesses in Node Silva Bueno:

Appliances Repairs	0
Auto Parts	1
Banks and Lottery Outlets	10
Bars	2
Jewelry Stores	8
Taylor and Alterations	0
Candy Stores	3
Pharmacies	6
Internet House	0
Small Restaurants	10
Nail Salons	1
Home Building Supplies	0
Grocery Stores	0
Minimarkets	8
Produce Stands	1
Auto Repair Shops	2

Clothing Stores	19
Hair Salons	3

This node has the most significant concentration of banks in the vicinity of Heliópolis. Beyond that, it offers certain kinds of businesses, not very common in the locality, such as shoe stores, exclusively women or men clothing stores, furniture stores and pharmacies.

São João Clímaco

Node São João Clímaco includes the Rua São João Clímaco, and the Rua São Silvestre and Rua Tamatua, area at the opposite end to the Sacomã Terminal. That Node, as well as the others, is the only place in the vicinity that offers the banking services, one of the characteristics of the Node, as economic center of production and distribution of goods, supplies, and capital. In addition, the area has two lottery outlets (important points for paying bills), optical services and a legal consultant. It is the most sought Node by the residents of the Gleba K, as it is an alternative to the purchase of goods and services, not available in the CCMs or in the Estrada das Lágrimas.

Some businesses in Node São João Clímaco:

Appliances Repairs	0
Auto Parts	5
Banks and Lottery Outlets	3
Bars	1
Jewelry Stores	0
Taylor and Alterations	2

Candy Stores	7
Pharmacies	1
Internet House	7
Small Restaurants	0
Nail Salons	1
Home Building Supplies	3
Grocery Stores	7
Minimarkets	1
Produce Stands	7
Auto Repair Shops	2
Clothing Stores	5
Hair Salons	5

Primary CCMs

Cônego Xavier

The Composite Commercial Microcenter (CCM) *Cônego Xavier* is bounded by Rua *Cônego Xavier*, by the stretch of Rua Cel. Silva Castro, from its start to the Heliópolis Hospital, and three blocks from Av. Alm. Delamare. That CCM has the largest concentration of commerce inside Heliópolis. This occurs homogeneously, which is not seen, for example, in the tertiary CCMs. Commerce and services in this CCM are the most diversified in the region. The area stands out for offering services such as auto repair shops, beauty salons, appliances repair shops, totaling 24 businesses. Another difference of this CCM are the pharmacies, which are not very big and become more difficult to find as one enters the microcenter. The location of this CCM is double privileged: on the one hand, it is one of the areas of Heliópolis closest to the access roads that lead to the center in terms of public transportation; on the other hand, it is located next

to the housing projects in the North, ensuring merchants a constant flow of consumers.

CCM Cônego Xavier

Appliances Repairs	6
Auto Parts	11
Banks and Lottery Outlets	16
Bars	2
Jewelry Stores	2
Taylor and Alterations	1
Candy Stores	4
Pharmacies	1
Internet House	6
Small Restaurants	7
Nail Salons	1
Home Building Supplies	20
Grocery Stores	3
Minimarkets	9
Produce Stands	6
Auto Repair Shops	17

Secondary CCMs

Hospital

The CCM Hospital Heliópolis receive this name because of its proximity to the hospital. Although the land is not part of the locality of Heliópolis, it was included because much of the commerce there is directed to those who go for medical services and also to residents of the surrounding areas. This CCM presents the same business pattern

of the region, in other words, bars, beauty salons, restaurants, cafeterias and minimarkets.

CCM Hospital Heliópolis

Appliances Repairs	0
Auto Parts	0
Banks and Lottery Outlets	0
Bars	10
Jewelry Stores	0
Taylor and Alterations	0
Candy Stores	0
Pharmacies	1
Internet House	1
Small Restaurants	5
Nail Salons	0
Home Building Supplies	2
Grocery Stores	6
Minimarkets	2
Produce Stands	1
Auto Repair Shops	3
Clothing Stores	5

Florestal

The CCM Florestal is delimited by Rua Itamaratí, Rua Padre Segundo and Rua Florestal. It is a CCM right next to the Estrada das Lágrimas, a factor that stimulates the economy of the area. In addition, it is an important reference for residents and real estate brokers. The centrality of the CCM Florestal is related to the flow of people and

not to the number of businesses that are found there. It is a more residential than commercial area, where there are bakeries, pizzerias and a gymnastics academy, inside of the only mini shopping center of the locality of Heliópolis.

Appliances Repairs	3
Auto Parts	0
Banks and Lottery Outlets	10
Bars	2
Jewelry Stores	1
Taylor and Alterations	3
Candy Stores	0
Pharmacies	0
Internet House	8
Small Restaurants	2
Nail Salons	2
Home Building Supplies	14
Grocery Stores	5
Minimarkets	1
Produce Stands	5
Auto Repairs	12

Tertiary CCMs

We classify some areas within Heliópolis as tertiary CCMs for two reasons: first, by its low commercial density; second, for its development potential. That potential is related to certain factors capable of boosting the economic activity in the area, including the urban reforms in the *glebas* of Heliópolis, located in the Avenida Comandante Taylor, and the presence of streets with strong commerce, as in the cases of the CCMs Mina and Alegría. That

scenario creates conditions to provide the strengthening of economic activity in the surrounding streets.

Mina

The CCM Mina is bounded by Rua Paraíba, Rua Social, Rua da União and Rua da Mina. Although the CCM Mina is tertiary, the Rua da Mina has characteristics of a primary CCM, which are not found in the surrounding streets. In addition to concentrate businesses of various types, is in that road where important centers of political and social organization in Heliópolis are located, such as the UNAS headquarters; the only library in the favela; a school of Robotics and a multisport complex, in which various social-educational projects take place. Rua da Mina can be considered the irradiator of economic and social development of Heliópolis. It is also the street that concentrates the largest number of bars in the area, totaling 29 units; beauty salons, 18 units, and minimarkets, 20 units.

CCM Mina

Appliances Repairs	4
Auto Parts	1
Banks and Lottery Outlets	29
Bars	3
Jewelry Stores	2
Taylor and Alterations	3
Candy Stores	0
Pharmacies	4
Internet House	6
Small Restaurants	6
Nail Salons	2

Home Building Supplies	20
Grocery Stores	5
Minimarkets	0
Produce Stands	9
Auto Repair Shops	18

Alegria

The CCM Alegria is demarcated by the Rua da Alegria, Rua Dia Três de Maio and Rua Primavera. That CCM is adjacent to the CCM Mina, almost splitting from it, opening up in more depth in Heliópolis. Therefore, as it happens in the CCM Mina, we can see that the commercial activity of this CCM orbits around a single street - in this case, Rua da Alegria. In the adjacent streets, it is rare to find any businesses, the reason why it is not possible to consider it a primary or secondary CCM, despite the amount of commerce in there. All businesses are concentrated in the first half of Rua da Alegria, from its intersection with Rua da Mina to shortly after the intersection with Rua Dia Três de Maio. The main economic activity on that road is related to bars, which total 19 just in the small initial stretch. Besides that, the street has four Internet Houses, more than on any other CCMs. So, although it does not constitute a reference in terms of commerce for the residents of other points of Heliópolis, Alegria is certainly an important commercial center in the region through were young people and men mainly transit.

CCM Alegría

Appliances Repairs	2
Auto Parts	0
Banks and Lottery Outlets	20
Bars	0
Jewelry Stores	3
Taylor and Alterations	1
Candy Stores	0
Pharmacies	4
Internet House	5
Small Restaurants	2
Nail Salons	2
Home Building Supplies	13
Grocery Stores	3
Minimarkets	1
Produce Stands	13
Auto Repair Shops	8

Taylor

The analyzed stretch of the Avenida Comandante Taylor corresponds to the first five blocks of the road. They end at the viaduct that leads to the Sacomã Terminal. In that region some *glebas* of Heliópolis which were in process of urban reform during the period of the study, in 2010, are located, and that is why lots of land was in reform, or empty, drastically reducing the commercial density of the region. Apartment buildings, housing projects, and a police station are also part of this CCM's scenario. Although it has characteristics of a tertiary CCM, there is potential for a future evolution to a secondary type, because of the growth of the demand

for services that should be generated by the end of the works and the arrival of new residents. That CCM does not present a considerable number of data to be presented individually as the others.

6

Micro-insurance in CCMs, between informality and formality

In Heliópolis it is possible to establish a pattern for the introduction of micro-insurance through types of commerce and services, based on an analysis of the shopping centers observed in the Nodes and the Composite Commercial Microcenters (CCMs). Some economic activities are predominant in the CCMs and can perfectly be linked to insurance products by means of associating these products to the nature of the services. In the CCMs, bars, small markets, food stands, hair salons, points of sale for home to home cleaning materials, taylor and alteration services, are the most common types of businesses and services. Within the Nodes are concentrated businesses and services rarely found inside the *favela*, such as supermarkets, florists, optical services, banks, lottery outlets, gas stations, pharmacies, furniture stores, clothing stores, shipping services, computer IT stores and dentists.

A way of understanding the manifestation of the distribution of micro-insurance within the spatial conformation of the businesses can be associated to the concepts of formality and informality; there is an invisible line that separates the formal and informal commerce. In this case, the formal commerce would be the business with physical structure, documentation and recognition of the public authority to operate. Many commercial points found in the Nodes near Heliópolis are 'formally' established. Which does not occur inside, in the CCMs, where commerce is quite informal, noticeable by the improvisation of points of sale, often operating from small doors in front of the homes, or by the indirect sale of handcrafted products, such as cleaning materials and taylor and alteration services.

Most of Heliópolis is still in the process of municipal regularization. Obtaining documents to formalize and legalize businesses depends on property deeds that prove the frequent possession of the land, which generally is not possible. Because of that, the access to certificates, such as the National Taxpayer Registry (CNPJ), is very difficult to find in Heliópolis.

Two criteria to evaluate the formality of a business clearly emerged from this finding: its structural conformation and its legal status. Therefore, what indicates total formality are the possession of documents related to the regularization of the business and the physical structure which can be inferred by the appearance of the business (lighting, facade, finishing and signage), besides the presence of electronic methods of payment (credit and debit cards) and mobile phone recharging and transportation systems. These last elements are indicators of recognition of formality of the business by the corporations that provide these services (MasterCard, Visa, SPTrans, Oi, Vivo, among others).

To identify a type of business that exhibits certain structural formality by having its legal status about to be regularized, which may lead to a category of "formal", the term "Business of Intermediate Formality" was created. But it is the absence of legal regularization and the presence of a precarious physical structure which characterizes "Informal Commerce".

Another parameter used, this time to observe the "personality" and "impersonality" of the commercial relations, was the forms of payment offered by local businesses. Obviously Nodes offer impersonal forms of payment, such as payment in cash or with credit and debit cards. But in the CCMs, in addition to cash payments, it offered in various degrees the practice of "customer credit". This practice is, by itself, a degree of personal interaction in

commercial relations, where "customer credit is only given to people who is well known". The "institutionalization" of the practice not only derives from the absence or impossibility of implementation of other methods of payment, as situations were verified in which the possibility of payment with credit card existed, and still the practice of giving "customer credit" persisted.

During the study of food companies that supply to the businesses in Heliópolis it was observed the way in which the distribution of products was made for businesses, shedding light on some facts related to the formality and informality that occurs in the favela. It was possible to observe the relationship that these large companies had established with the merchants of Heliópolis and understand that this dynamic was built on an informal and very personal door to door contact, knowing the customers personally; creating a relationship of proximity and sociability at the discretion of the employees in charge of those business relationships, which normally does not occur in neighborhoods. Establishing social contact, according to these employees, it is so simple, it only takes for them to go around the streets and passages of the locality.

An important distributor which has operated in the area for eight years serves about 80 small businesses or grocery stores, supplying non-perishable products. And no documentation is necessary for the business to receive products directly from the factory. Usually only a registry of the person in charge of the business is required, no matter if the business is located at the far end of a garage or in a commercial property. These type of companies have much more interest in keeping small businesses because of the consumer potential which Heliópolis possesses.

This form of business gained dynamism as of the year 2000 with the introduction of representatives from different companies to

Heliópolis. Transactions between local merchants and companies occurred through checks that had to be cancelled monthly, and it mandated a minimum order of products which required to be negotiated in advance to justify their presence in the locality. Delinquency cases were very rare, especially when there was little movement, which generated insufficient income to cancel the debt. However, the debts were always paid, no matter if a month or two late.

Prices in Heliópolis are hardly under the market value average. But in the case of grocery stores chains, for example, the greater the quantities of merchandise purchased, the lesser the cost provided by distributors. That way, bigger buyers gained the same merchandise as small businesses, but at a lower cost.

That did not happen in Heliópolis' grocery stores, because they could not sell the enough merchandise, therefore they could not buy them in greater amounts. For that reason, prices in small markets were higher than those found at the big grocery stores established in the Nodes. Only in CCM Alegria lower prices were found, specifically in grocery stores that are part of a large chain, both in relation to other CCMs as well as to nearby Nodes. A major difficulty for merchants in Heliópolis is to obtain the National Taxpayer Registry (CNPJ). The owner of a small market said that in order to obtain the registry and open a folio it was necessary for his accountant to "find a way" with bureaucracy. Because of it, despite having an advantage by buying wholesale merchandise at lower prices, the practice not always guaranteed profit, therefore not having legal documentation to gain access to that type of business is not seen as a problem among the merchants of Heliópolis.

Commerce in Heliópolis.

During our field study in Heliópolis, we surveyed 508 businesses, distributed in six CCMs. Close to one-third of them (34%) were considered intermediate, in other words, businesses that are in between informality and formality. The rest of the businesses (66%) were considered informal. It is important to note that the distribution of different types of commerce varies in each CCM: At Hospital Heliópolis and Florestal there is balance between informal and intermediate businesses; in Comandante Taylor intermediate commerce is predominant, and as far as the CCMs Mina, Alegria and Cônego, denser, informal commerce is predominant.

Although the CCMs closest to the Node Estrada das Lágrimas are Cônego, Mina and Florestal, there is no indication of propagation of formal commerce associated with the CCM Mina, where the only bank in the favela and the UNAS is located, has 98 informal businesses, against 32 intermediate ones. In the case of Rua da Mina, although considered a primary CCM (given the high concentration of commerce; its proximity to the Node Estrada das Lágrimas and for being known as the political center of Heliópolis) its political and commercial “centrality” does not guarantee a greater level of formality. The proximity between Nodes and CCMs does not imply the establishment of more formal and impersonal relations between merchants and consumers either, a common scenario in large shopping centers.

On the other hand, areas more distant to the Nodes and with a lower commercial density, such as Rua Comandante Taylor or towards the end of Alegria, present a significant concentration of formal businesses (or intermediate), which, in principle, contradicts the relationship of dynamism expected for CCMs areas more distant to the Nodes.

Either way, it is possible to identify the pattern expected for the dynamics between Node and CCM in some sectors: areas in proximity to Nodes, such as Rua 28 de Março, Rua Castelo dos Sonhos and Rua Coronel Silva Castro, present more formal businesses, while in more distant areas, such as Rua da Alegria and Rua Barão do Rio da Prata, more informality exists.

All streets in Heliópolis, including the roads surrounding the CCMs, possess some kind of commerce that can be used to distribute micro-insurance. Therefore, although in lesser quantity, it is possible to find, throughout the area, businesses such as small markets and beauty salons, as well as other services such as nail salons, tailor and alterations services, and locksmiths.

The six areas of Heliópolis identified as Composite Commercial Microcenters (CCM Alegria, Cônego, Florestal, Hospital, Mina and Taylor) concentrate the commercial activity in the area as a whole. That does not mean that there is no commerce in the streets and passages outside of these microcenters, but it indicates that businesses in these areas are less relevant in terms of circulation and size in relation to the commercial activity of the microcenters located in longer streets with transit of vehicles. It is worth mentioning that passages are slowly decreasing, due to the evictions done by the municipality or because they are being shut down by the residents themselves, due to security issues, preventing the transit of vehicles.

Two areas in the limits of the locality of Heliópolis display how the distribution of micro-insurance between the passages and the CCMs may be. One of them is next to the southern limit of the locality, area adjacent to the Sabesp. There you find somewhat precarious housing in some roads and in passages in close proximity, such as the "Travessa Dos", there are bigger houses with beautiful

facades, as well as nice cars in the driveways (sometimes, more than one car per home). Those passages, both with nice or precarious housing are located around CCM Mina. The other area is located near the Sacomã Terminal, between Glebas A and N. The area is known as Pakistan and the presence of drug trafficking is intense. In addition to the housing projects, there are more rustic houses and also upscale homes, even though many streets are close to the Estrada das Lágrimas and the Sacomã Terminal. In terms of commerce, the so called "Pakistan" does not differ much from the southern area of the locality (Sabesp). Both Pakistan and the area of Sabesp have paved roads and water and electricity, as well as a sewer system. The predominant type of commerce in both areas is informal, being basically composed of bars, small markets, hair salons and produce stands.

The two described areas, however, may be considered as marginal in terms of concentration of commerce if they are compared to the CCMs, although they are both located relatively close to the Node (in the case of Pakistan) and the CCM Mina (in the case of land next to the Sabesp).

It was observed that in those areas outside of the Nodes and CCMs, a smaller variety of types of commerce exists, nearly all informal. However, in the same way we cannot establish the direct relation between the proximity to the Node and formality, it is also not possible to conclude whether there are marginal areas - more precarious in terms of urbanization - inside Heliópolis because of the distance to the Node and the CCMs.

CCM Mina is the one that concentrates the most informal businesses, but the presence of institutions that prove the intervention of an urbanization project of Heliópolis - such as the Polo Cultural Heliópolis, ETEC de Heliópolis, and the Instituto

Bacarelli - in the adjacent area (around the southern end of Heliópolis), can be related to the better living conditions found in passages next to Rua da União. Therefore, before considering a direct relationship between CCM, formality, urbanization and distribution of micro-insurance, it is important to take into account that there are diffuse manifestations of those aspects within the sub-areas of Heliópolis, which not necessarily establish this type of correlation, as it was verified at the time of the research.

The data gathered about the six CCMs and the two identified Nodes in Heliópolis allowed for the development of patterns of influence between them, or the influence of the Nodes in the CCMs, the first taken as developing areas characterized by the formality of their commerce. A deeper analysis of each one of these agglomerations can generate more accurate information about the dynamics of the local commerce, shortly influenced by the specificities of each configuration.

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