

“*Remoção Branca* as State-led Gentrification in the Southern Zone Favelas of Rio de Janeiro”

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Abstract

The present article investigates the current process of gentrification that emerged in the favelas of the southern zone of Rio de Janeiro, taking into account the contemporary definition of gentrification and the core elements used to demonstrate its existence. The objective of this article is to analyse the recent changes in Rio's favelas that might be resulting in the displacement of its original low-income inhabitants.

This article suggests that the gentrification process in favelas is a State-led gentrification, which is legitimised through policies of formalisation. In this context, this study analyses the ongoing public programs of urbanisation and security that have been implemented in Rio's favelas. In addition, the process of territorial restructuring from different logics that were previously established are discussed and analysed. Furthermore, the impact that those policies have on the favelas' economic, social, and spatial environment is explored.

This article questions the validity of the government's statement that the interventions serve the original purpose of improving the local residents' lives. Furthermore, it evidences that the State drives the population of the favelas into the logic of the formal real estate market, while promoting the process as an 'integration' of the favelas into the city. To explore the nature and applicability of the concepts of gentrification the favelas Babilônia e Chápeu Mangueira were chosen as a case study.

Key words: Gentrification. Slum-upgrading. Favelas.

Theme Area: D4 - Intervening in irregular settlements: between changes and continuity.

Introduction

Gentrification is the urban process of displacement of lower income residents as consequence of physical upgrading in an invested area, resulting in socioeconomic transformations. This process, which is no longer an isolated phenomenon¹ of inner-city areas in North American and Western European cities, has in its large diffusion the evidence of “what might be called the generalisation of gentrification as a global urban strategy” (Smith 2002, p.437).

In Brazil the debate on gentrification is still recent, especially when compared to the discussions on the phenomenon in Western European countries and in the United States. However, the increasing use of the term in academic articles, in the media, as well as the emergence of NGOs and social movements that actively discuss this topic, have called for this study’s attention.

Like many countries in the Global South, where gentrification as an urban strategy is playing out in diverse ways Brazil has been experiencing the emergence of different forms of this process (Lees et al. 2007). As presents Smith (2002), the mobilisation of urban real-estate markets as vehicles of capital accumulation integrated into the definitional core of neoliberal urbanism comes from cities such as Rio de Janeiro.

The current discussion about the phenomenon emerged with the announcement of the two sport events that the city of Rio de Janeiro would host: the 2014 World Cup and the 2016 Olympic Games. These events have led to a complex set of large investments from public and private sectors to prepare the city and promote tourism in order to stimulate the inflow of foreign capital. In this context, the sporting mega-

¹ The origin of the concept is connected to a local scale phenomenon that occurred in England and United States. The term was first introduced in 1964 by the British sociologist Ruth Glass. According to its original definition, gentrification is described as a process of urban transformations that leads to the displacement of the original working class population, living in devalued inner-city neighbourhoods by middle-class residents coming from the suburbs of the city. By the early 1980s this definition was already amplified to encompass different urban transformations, linked to process of spatial, economic and social restructuring.

events in Rio de Janeiro consolidated a new system of city government, a model based on the transposition of the public sphere to a management and business competition model (Arantes & Vainer 2013).

This model of urban policy has reinforced the construction of an exclusive territory that takes place in different forms, from forced evictions² promoted by the State to develop mega-projects, to involuntary displacements as a result of property appreciation. Motivated by the construction of an image of global city, this model shows the incapacity of the Brazilian government to establish a democratic administration and transparent government spending. Within this complex scenario of neoliberal policies and displacement of the urban poor, the debate on gentrification in favelas is established.

The widespread phenomenon of gentrification that has similar characteristics in different geographical contexts, have been ultimately discussed beyond the logic of the formal city. Recent research and news reports have warned about the displacements of low-income inhabitants caused by the rising cost of housing in the hillside favelas of southern zone of Rio de Janeiro.

It is known that during the period from the implementation of a security program called Pacification Policy until the World Cup event of 2014, the housing prices increased significantly. At the same time, many newcomers were attracted to live and invest in these favelas. The hillside favelas are now subject of speculation and there are no effective measures by the government to control the prices and to protect the old-time residents. In this regard, the present article overviews the urban process of gentrification from the perspective of favelas and its informality.

² In the dossier presented by Ancop (2014) 3507 families or 12275 people from 24 communities were removed by works and projects directly related to mega sporting events, and another 4916 families in 16 communities are under threat of removal. In an interview for the Office of the United Nations High Commissioner for Human Rights, Rolnik (2011) presents her concern about the evictions taking place in Rio de Janeiro carry out with "lack of transparency, consultation, dialogue, fair negotiation, and participation of the affected communities in processes (...) and the very limited compensation offered to the communities affected, which is even more striking given the increased value of real estate".

The favelas located in most valuable areas of Rio de Janeiro have been the focus of several states' interventions and some private investments in order to formalise the territory and acquire new areas to invest respectively. This article questions the validity of the government investments directed at improving the life quality of favela dwellers and to increase land tenure security through formalisation. Furthermore, it is put in question if the economic gains brought with the arrival of newcomers are actually contributing to improve the local resident's income or to the process of gentrification. This article focuses especially on the role of the State, as it is considered to be the main driver of this process.

The relevance of this discussion is to provide awareness to the current process of transformation in the well-located favelas of Rio de Janeiro, which has been contributing to the displacement of the local population. This article reveals the local consequences of the ongoing phenomenon of *remoção branca*³, albeit noticeable in a small scale, it could shape the future of these territories in the long run. Threatening the sustainability of areas that were historically occupied by the poorest, and that still remain as sources of affordable housing, this process can contribute to the relocation of people into the direction of informal and precarious areas distant from the facilities of central locations.

This article is part of a research developed during my master dissertation at the Technische Universität Berlin. In order to explore the nature and applicability of the concepts of gentrification, two favelas in the south zone area of Rio de Janeiro were chosen as a case study and the information presented is substantially based on interviews with different local actors. Informal open-ended interviews were conducted with 40 stakeholders and guided by a questionnaire and then used as an analytical resource.

³ The gentrification process is locally known as *remoção branca* (white removal).

1. Building a 'Geography of Gentrification'⁴

The process of indirect displacement of old-time residents, caused by urban and social transformations, place the discussion of the local phenomenon in the favelas of the south zone area of Rio de Janeiro within the domain of gentrification studies. Generally, if gentrification is a global phenomenon that can be identified locally what are therefore the core elements that characterise its production nowadays? By using the definition of (Davidson & Lees 2005), the core elements of gentrification can be identified as follows.

- (1) Reinvestment of capital. The 'rent gap'⁵ in marginal locations is a condition for the production of gentrified spaces (Lees et al. 2007).
- (2) Social upgrading of an area by the arrival of high-income groups.
- (3) Landscape change. Either through formal redevelopment projects or individual initiatives, changes in the landscape occur through investments in urban infrastructure, renovations, new construction and uses. Gentrification is perceived as a potent economic development strategy, where real estate developers, public officials, and others individual actors capture the aesthetic aspects of gentrification to sell an attractive image of city (Siqueira 2014).
- (4) Direct or indirect displacement of low-income groups. In this process, low-income residents are displaced by several means, from development of renewal projects, deviation of social policy resources and increase in the price of rents and property value.

To describe gentrification in the favelas of Rio de Janeiro, the elements that triggered the process are based on the concept presented by Davidson & Lees in respect to: (i) Reinvestment of capital. Investment potential in favelas exists in areas that have

⁴ With regard to gentrification and its relationship with globalisation and neoliberalism, Lees et al. (2007) argue about the necessity for a contemporary geography of gentrification that depends on the various components of the neoliberal policy acting nationally and locally.

⁵ According to Smith (1996) the 'rent gap' occurs when there is a large disparity between the value of the 'potential ground rent' and the 'capitalised ground rent'.

always had poor physical condition, but are located in super valued and privileged regions with good access to job opportunities, leisure, and infrastructure. The rent gap in this case is based on the land prices, given the low material value of the houses. (ii) Social upgrading by the arrival of high-income groups. The affordability of well-located housing and plots in the context of one of the most expensive cities in the world, combined with the visibility of the favelas as culture and tourism centres, has attracted new higher income residents and investors. (iii) Landscape change. The overall scenery is improved based on the government's investments, but it is also transformed by the contradictory exploitation of the 'poverty aesthetic' combined with 'elements of the *asfalto*' present in the new developments and houses, (iv) Direct or indirect displacement of low-income groups. In this process, lower-income residents are displaced by direct means due to removals in areas of environmental protection, and indirectly means by increasing the price of rents and living costs. The 'displacement pressure'⁶, that occurs when residents are drawn to sell their properties because it is suddenly located in high-value areas of the market, is also considered as indirect displacement. Also occurring is the 'exclusionary displacement' that refers to other low-income residents that can no longer afford housing in gentrified neighbourhoods.

This article acknowledges that the *remoção branca* phenomenon is primarily a result of the convergence of some factors that are reflected in the current dynamic of favelas in Rio de Janeiro. These factors are presented as follows, based on the selected case studies, and can be identified as:

1. Slum-Upgrading Programs. Since the beginning of the 90s, large investments were done in order to upgrade and formalise the favelas, by promoting urban and land regulation. The pioneer Favela-Bairro program represented a progress in urban policies for the right to adequate housing. With the end of this program, the formalisation policies were carried out since 2010 by the current Morar Carioca program. Despite the improvements in the built environment, its limitations and negative impacts with the arrival of formalisation contributed to the commodification of the favelas. The

⁶ From possible definitions about displacement to be considered, the definition elaborated by (Marcuse 1985) supports the present article about direct and indirect displacement.

forms of intervention promoted by the government in order to 'integrate the favela into the formal city', i.e. to integrate these territories into the logic of capitalism, stimulated by real estate appreciation. The rising cost of living by the increase in the housing market, as well as the cost of fees and taxes, ended up putting pressure on the most vulnerable residents to leave the favelas.

2. Police Pacification Units (UPPs). The upgrading programs in favelas are often faced with the problem of drug trafficking. Thus, in order to dismantle the criminal networks and to overtake the state's control of the territory, the UPP's were created in 2008. The program was developed with the principle of proximity and permanent policing in the implemented favelas, giving support to the implementation of public works, public services providers, and private investments. This program prioritised the well-located favelas next to the touristic places, making the territory more accessible not only to government's investments but also to outsiders. With the territory control restored, the favelas became more attractive to new investors, residents, and tourists. After the installation of UPPs, significant changes in the physical space, local economy, and social relations were witnessed inside the favelas, as well as real estate appreciation in the surrounding neighbourhoods.

3. International Events. The city of Rio de Janeiro has hosted a number of international events in recent years, requiring large government investments. The Pan American Games were held in 2007, Rio+20 (United Nations Conference on Sustainable Development) in 2012, the Confederations Cup and the World Youth Day in 2013. Recently, the selection of Rio to host the 2014 FIFA World Cup and the 2016 Olympic Games has created new opportunities for business development, resulting in land speculation in the whole city. Along with the development of these events the demand for accommodation and housing increased significantly, not only in the formal city but also in the favelas with high touristic visibility. This growing demand combined with the commodification of housing, has generated a new market of rentals and hostels in the 'pacified' favelas.

4. Tourism in Favelas. The production and consumption of favelas as touristic places explores the 'alternative' and exotic part of Rio. The development of 'social tourism' enabled the politically correct engagement of tourists in the social context, also motivated by an impressive landscape with a view to the ocean. Favelas have gained international attention in recent years as touristic and cultural destinations. Their inclusion as part of the official program of tourism in the city, in concert with the 'pacification' program stimulated the tourism market in a wider dimension. Entrepreneurs, NGOs, community leaders, and public officials, as well as the movie and television industry have been promoting the glamorisation of favelas, by placing them in an ambiguous logic associated with solidarity and joy but also with poverty and criminality. The commodification of these territories and its social life are also perceived in the development of expensive commerce and festivities in order to attend the new touristic demand. Attracted by the favela culture, young artists, international tourists, and worldwide celebrities make the favelas a new place to live and invest.

1.1 Government Interventions

Unlike many cities in Brazil the peculiar geographical position of some favelas in Rio, located on top of hills and in the most valuable neighbourhoods, generated permanent tensions between middle and upper class residents and the favela dwellers. The media had an important role in shaping and spreading a criminal image of the favela, by creating a general feeling of fear and insecurity, which combined with prejudice, ended up emphasising the duality represented by the inhabitants of the formal city and the marginal favela dwellers.

The numerous clashes between police and drug dealers and other cases of violence brought the need for order and public safety. After the failure in the implementation of a few safety programs, the program of the Pacifying Police Units (UPPs) was created. The Program of Favela Pacification foresees the recovery of the favela territories that were dominated by drug gangs and militias, through the state's control. A military force installed permanently in the favelas, the purpose of the community policing is to end armed trafficking and reduce drug trafficking to a more reasonable level.

By 2014 38 pacifying units were implemented. The UPPs were installed in favelas located in the Southern, Northern and Central zone of the city, focusing on favelas located close to areas of touristic development. The favelas that are in the vicinity of important sporting event facilities and those located in the southern part of Rio were the first ones to receive the UPP.

The UPP program cannot be analysed separately from the current model of 'business management of the city', which is aimed at transforming Rio into an international centre of tourism and business. The realisation of mega sports events accelerated the militarised management process of urban space. As pointed out by Dias (2012), safety managers overlooked other areas of the city that have higher crime rates.

After the arrival of the UPPs, the real estate value rose in the surrounding formal neighbourhoods as well as in all pacified favelas. The "elimination" of trafficking groups and the decrease in disputes for drug selling areas resulted in a generalised comforting feeling due to the reduction of violence. Favela dwellers as well as surrounding neighbourhoods celebrated the implementation of the program, encouraged by the recovery of property value and the decrease of insecurity.

If on the one hand reducing crime from implementation of the UPPs brought a certain relief to the favela residents, violence generated by the imposing power of the police is still evident. A corrupt and violent police force remains and the prohibition of traditional social events brought conflicts and disagreements between residents and police officers. Besides this, the political mediation of the Military Police takes the right to organise their territory away from the residents. The favela dwellers are concerned about the risks that came along with all the power given to the UPP to control the life in the favela.

Pacifying the favelas was the first step towards their integration into the formal city. The UPPs would be a precondition, being able to facilitate the massive entry of government intervention and to eliminate the precariousness of the built space

through urbanisation programs, as well as to eradicate poverty through social programs and economic development opportunities.

Aiming at a final integration into the formal neighbourhood, the current Morar Carioca program preceded the urbanisation projects. This program was launched at a time when the municipal administration intensified neoliberal strategies for new forms of urban entrepreneurship management. According to the Municipal Department of Housing's website, the program is part of the 2016 Olympic Games social legacy and has the objective to urbanize all favelas in the city until 2020.

The focus to implement the Morar Carioca program follows the logic of the UPPs in the favelas, and therefore prioritises the ones that are close to development clusters and tourist facilities. After regaining State's control over the favelas through military police occupation, the public works for urbanisation started to be implemented.

The establishment of several companies in the favelas marks the post-pacification period. With the supposed end of the armed trafficking, the formal city is slowly settling in various forms. The first form is done through the regularisation of basic services. With the territory accessible, water, waste collection, gas, electricity, and TV companies could implement official network systems and then charge for individual consumption.

The supply of electricity was the first service to be regulated after the UPPs implementation. According to the 2013 sustainability report of the company Light, the electricity provider in several cities of the state of Rio de Janeiro, commercial losses in favelas due to illegal connections reached 64.1%. After the company turned the service into a regular and formal relationship with its customer, it successfully managed to curb down commercial losses which dropped from to 11.1%, while timely payments grew significantly from 9.6% to 98.5% (Lins et al. 2014).

While the electric company celebrates the benefits generated by the formalisation of services in the favelas, residents protest the improper payment collection and the lack of transparency when measuring their monthly consumption. The new payment

collection system, even with social tariffs, has significantly impacted the budget of the residents and there are constant problems with lack of street lighting and blackouts.

In addition to physical improvements, urbanisation programs aim at poverty reduction through social policies by supporting the development of entrepreneurship and microcredit programs. After the implementation of the first UPPs in 2010, the government launched a project called Rio Top Tour. In preparation for the mega events, the objective of this project of 'social inclusion' is to stimulate the tourism in the pacified communities. The great impact caused by this public policy stimulated the emergence of new tourism companies and guides that explore this business.

The integration of the favela residents based on a social component is represented by the actions of several government agencies and private companies that by training seek to develop their business skills necessary to be included in the market (Botelho 2013). In this sense, the UPP Social Program was created in 2010 to mobilise and articulate municipal policies and services, coordinating the government, civil society, and private sector. One of the main objectives of the UPP Social is to promote the economic development of the pacified favela with focus of intervention is the development of entrepreneurship in the favela, especially on the local vocations of tourism, which takes advantage of the favela's location.

In addition, the formalisation of local trade occurs based on government initiatives that encourage the regularisation and the development of small businesses. In relation to new businesses established, the field research identified that residents who benefited most from the promotion of entrepreneurship were those who used the tourism potential of the favela or that invested in a business geared to the population from outside. Despite some cases of success, most local entrepreneurs who have found new opportunities after the implementation of the UPPs have not developed their business based on formality. On the contrary, the number of informal establishments after the pacification increased significantly, where several hostels and lodging houses were opened in order to meet the new demand of tourists coming for the World Cup.

New employment opportunities generated from these new ventures is, however, questionable since it does not absorb the favela's population. Despite considering the market expansion as generally positive for business owners and residents, the insertion of the population occurs mainly as consumers for services, and the benefits of extra income generation goes only to those who extended their houses in order to meet the new demand for tourist and new residents. The expansion of the local market does not incorporate the old time residents, as seen in most of the visited business.

The meaning of social inclusion, based on universal concepts of social rights, is displaced towards individualised strategies of entrepreneurship. The commodification of the favelas resulting from formalisation, finds in the new available land market profitable opportunities. Under the formalisation umbrella, the last aspect to be discussed is the land regularisation. In this case, the state's control will override existing forms of land security.

Another process that was facilitated with the implementation of the UPPs was land regulation. According to the website of the Municipal Housing Department (SMH), among the social inclusion initiatives of Morar Carioca Program by 2013, the land regulation project reached around 53,000 households in Areas of Special Social Interest (AEIS) in the city. Besides the regulated favelas, more than 103,000 households are undergoing regularisation⁷, including Babilônia and Chapéu Mangueira.

The current land tenure policy promoted by governments is implemented on a large scale in Rio de Janeiro's favelas. This policy is elaborated without including all necessary dimensions that comprise the contemporary concept of regularisation. Focusing mainly on the last phase of the regularisation process, the immediate concerns in granting land titles overlap broader rights of housing security.

⁷ Vasconcellos, Fabio: "Close to 103 thousand houses in favelas, or 23% of the total, are currently being regulated". O Globo, 28th of December 2013.

Magalhães (2013) points out that the State has donated all the properties to the residents, even if they had already acquired the right the occupied land. Institutionalising and prioritising the privatization of land reserves as a public management policy for low-income settlements, acts to deconstruct other legal land situations formed over time and its ownership characteristics. Although private property is seen as a form of wealth distribution, land titling focuses on the creation of a new land market.

The regularisation programs should target the integration of informal settlements into the city and not just the recognition of individual land tenure. Since legalization through individual property titles does not guarantee the permanence of the communities in the occupied areas, this program fails to promote the desired spatial integration. If there is no predictability in how the market will behave after regularisation, new informal settlements can emerge as a consequence of these new living costs. If there is no clear stance by the government to take preventive measures to avoid unwanted shifts, and to make use of this regularisation process as a true instrument of urban policies, the favelas might be absorbed by the real estate market and, thus, exclude the population for which access to land was granted.

2. The Markers of Gentrification

If the improvement of physical conditions and public safety has contributed to a relative improvement in the quality of life of the favela dwellers, it has also collaborated to create a fertile ground for real estate appreciation. The valuation of land without the guarantee of protection of the most vulnerable residents rights, along with the commodification of the territory geared towards tourism paves the way for the current process of *remoção branca*. Signs of this phenomenon are discussed as follows, on the economic, physical, and social aspects, taking as reference the transformations in the local real estate market, the commodification of social spaces, and the relations between new and old residents in the favelas.

2.1. The reinvestment of capital

The history of the state's intervention in favelas demonstrate how these territories where always confronted with programs of slum clearance, with the objective of reclaiming these valued areas for the real estate market. Even if the paradigm shift in the 1990's from eradication to slum-upgrading programs enabled the improvement of the urban conditions, the land was kept for the local and informal housing market, in possession of the low-income local population. This is because the urban and legal inequalities of favelas, which combined with high rates of violence, excluded these territories from the interest of the real estate market.

However, the favelas that are located in super valued and privileged regions of the city, with good accesses to job opportunities, leisure and infrastructure, are now subject to the investment of capital. The investment potential in the southern zone favelas intensified immediately after the interventions promoted by the state. The recent urbanisation programs have promoted not only the improvements in the urban space, but also the formalisation of services, commerce and land, including these favelas in different economic markets. The pacification program was responsible for recovering the state's control over the territory, while, at the same time, facilitating a massive entry of public intervention.

With the territorial control restored and the incentive of the local tourism opportunities, the favelas became more attractive to new investors, residents, and tourists. New opportunities of business development were reinforced by the selection of Brazil as host of the 2014 FIFA World Cup and Rio as host of the 2016 Olympic games. The popularity of "favela tourism" attracted many travellers to the pacified favelas, seeking for the local culture and lifestyle, as well as for affordable housing in central locations.

The hyper-appreciation of real estate values was identified few days after the pacification inside and outside of the favelas. This shows that the interests of the real

estate market were behind the discourse of public security of this program. The excessive increase of property values inside favelas can be explained by the readjustment of the outdated value of locations nearby well-valued neighbourhoods, which combined with a lack of strict regulation produce spectacular returns for those who hold the land. The information collected from interviews on the informal housing market demonstrated the existence of a rent gap in these well-located areas, which was followed by a valorisation of real estate with rent and sale prices increasing more than the double of the previous values.

2.1.1. The New Logic of the Informal Housing Market

Internationally known, the favelas have not only been attracting tourists but also new residents, boosting the demand for housing and accommodation. Aside of the impacts on the favela commerce, this new demand has generated a new market of rentals and hostels in the pacified favelas. Local residents and external investors established formal and informal hostels, as well as lodging houses that are in operation until nowadays.

Consequently, the supply housing market has suffered adaptations with the arrival of the newcomers. This new rental market depends on new properties produced informally from the fractionation of the original plot, house subdivision, or verticalization. This intense process of verticalization or extension of houses represents an opportunity for additional income generation for the local residents. However, with smaller units and higher density, this new demand has contributed to the expansion of precarious housing conditions and the maintenance of the real estate appreciation.

The particular endogenous logic of the housing market in the favelas that kept the prices affordable for its residents is no longer accessible. The inclusion of these territories into the logic of the formal real estate markets without the protection of its former residents' rights has diminished the capacity of the population to resist to the market pressure. This is because the new imposed logic makes its residents to suppress and reshape local customs and regulatory practices.

The new established logic to attend the increasing demand of tourists, new residents and investors, influences mechanisms of price formation, advertising of houses, supply market typology, real estate agents mediators, and contract agreements. Thus, gradually adapting the informal real estate market to the logic of the formal market. If the real estate transactions were based on trust and established between friends and relatives in the past, today these relations begin to weaken. The impartiality is a characteristic of the current real estate transactions that follow the logic of the profit.

However, the transformations of this market exceed the process of formalisation. Gentrification in the context of the favelas could be seen as a complex interrelation of formal and informal market practices. The maintenance of the informality it is also necessary for the new demand. This is because the transactions carried out in the informal housing market are less bureaucratic, thus facilitating the establishment of the newcomers that do not intent to establish long lasting relations in favelas.

The tension between these two logics is contributing to an increase in property prices, thus leading to displacement by gentrification. The lack of formal regulation in the favela's markets also contributes to the displacement of residents with low level of land tenure. The effects on the dynamics of the informal housing markets have also prevented other low-income people from accessing these favelas. Comprehending this market's functioning is a step towards effective solutions compatible with the real needs of the population.

It was verified that the favelas of Rio's south zone are losing their affordability while the local real estate market is suppressing its local practices, thus leading to displacement of local population. If housing is no longer perceived as a social good, but as a strategy to build wealth, the formal housing market works providing for those who can pay enough to guarantee the profit.

2.2 Social transformations by the arrival of high-income groups

The interest and fascination about favelas is not a recent phenomenon. The specificity and uniqueness of these places based on a peculiar way in which they occupy the hills,

presenting an unusual aesthetics characterised for its poverty and violence, but also for its culture, solidarity and joyfulness are the main motivations for the tourism industry. Favelas are also popular for the promulgation of traditional music styles and dance rhythms that originated many popular festivities in Rio de Janeiro. Many of these practices were disseminated and penetrated the mainstream society of Rio de Janeiro, and also are carried out in many places in the world.

Many of those who visit favelas are also interested in the lifestyle that these locations have to offer. Favelas have emerged as a special place into a romanticized vision of 'community values'. In pursuit of this collective lifestyle and traditions, the newcomers consume the culture that the favelas have to offer. In this regard, many residents interviewed have been witnessed the constraint of their leisure spaces. Many of the cultural traditions are a now draw for tourists and are often performed in indoor formal places. There is, therefore, a process of commodification of social spaces that segregates the population inside the favela.

After the pacification, and with the constant incentive of tourism strongly supported by the state, some local businesses were established to meet the growing demand of travellers and middle class residents from all around the world. This new demand, often requiring higher priced products, not only encouraged local businesses to adapt and formalise, but also stimulated foreign companies to settle in the favelas. This new businesses were mainly developed in order to attend the newcomers with higher purchasing power than the local residents.

The threat of the elimination of its rich cultural and socioeconomic diversity was perceived in many of the visited favelas. The new 'globalized' favelas are at risks of homogenisation, where the tourism might be in the long-term, or already eroding Rio de Janeiro's cultural richness.

2.2.1. Old- time residents and newcomers

The new dynamic established in the favelas with the arrival of the newcomers and the inclusion of these territories in the market logic has produced new forms of exclusion:

the privatization of the public spaces and the commodification of housing. The old-time residents' perceptions, regarding these changes and the arrival of newcomers, generate diverge opinions. On one hand, the presence of tourists in the favelas is generally perceived as something positive, because they can bring economic gains, give more visibility to the favelas, and promote interaction and cultural exchanges.

On the other hand, the presence of tourists causes inconveniences for many locals. The lack of respect from some tourists for the privacy of the local residents causes some reactions against the tours. Although many support the constant flow of newcomers as an opportunity to integrate the favela with the city, those who criticise the presence of the newcomers argue that this integration does not occur in both directions. The long history of discrimination and stigmatization, which favela dwellers are a part of can be strengthened with these tours.

In regard to the new residents, it was evidenced that many old time residents are not feeling positive about the new influx of people and many complain that some newcomers do not establish any relation with the favela. The role of the newcomers in this process is as favela consumers, and since the foreigners started to come, the rents have been increasing. However, those who believe that *remoção branca* is already happening do not assign responsibility to the new residents. Instead, they recognise that the newcomers' presence may contribute to the process of gentrification, in this period characterised by strong State intervention

The profiles of the new residents interviewed in Babilônia and Chapéu Mangueira comprises of young people between their 20s and 30s, working for hostels or restaurants. A large part of the new demand for housing is composed by young foreign travellers without family. Most of them come from countries in Europe and Latin America, particularly from Colombia. The interviewed newcomers declared that they came to Rio just before the World Cup, searching for a job opportunity during the event. The majority does not have the intention to stay in the city permanently, but instead intend to continue travelling. In other visited favelas, additional newcomers' profiles composed of volunteers and university researchers were identified. Not only

foreigners, but also middle class Brazilians that are unable to afford housing in the high-priced neighbourhoods, are moving into the favelas.

It was identified that the community cohesion has been gradually disintegrated, causing uncertainty about the future of the favelas. The weakening of the public participation is evident in the diminishing role of the resident's associations. Removing the power of local authorities and the participation of the population in making decisions regarding their future, these actions created a fertile ground for the exploitation of favelas.

2.3. Landscape change

The landscape of favelas has also been changing by new constructions. The status of 'favela chic' has been used to refer to the new condition of favelas in which it is possible to find expensive houses owned by celebrities. Also the aesthetic of poverty combined with 'world style' characteristics are present in the landscape of the favela chic. At the same time that this aesthetic is advertised in the formal city to reflect the 'culture of the hill', the aesthetic from the *asfalto* has been brought to the favelas and it is present in the new business, and in the outside and interior of the houses.

The government's interventions are also contributing to the landscape's change. In the case of Babilônia, the urban improvements can be seen in several parts of the favela, especially in the lower parts next to the formal neighbourhood. First, the Morar Carioca program concluded the basic infrastructure and drainage networks. Besides this, the government is investing in the construction of three 'sustainable' buildings to relocate the population removed by the works. New streets were established, and the access to the favelas was improved by these 'alley-limits', which at the same time that allows the access to new services establish physical boundaries to control the expansion of informal occupation. In some other favelas the government programs and private investments were allocated to create touristic attractions, intervening in public squares and in the environmentally protected areas at the top of the hill.

2.4. Direct and indirect displacement

The displacements occur due to a process of territorial restructuring replacing logics that guaranteed the maintenance of low-income residents and changing the housing affordability in favelas. Despite the lack of studies on the relocation patterns of the favela dwellers, the displacement of its original residents has been reported by the interviewers and by the media. The investments following the establishment of the UPP compromised the most vulnerable residents' ability to stay, first by the direct displacement of those who were located in areas of environmental protection. Where the government has appropriated from legal mechanisms to justify and facilitate interventions, and thereby, legalized the removal process. The removals are consolidated by virtue of risk situations to promote the implementation of recreation areas or touristic facilities.

Then, the indirect displacement of people, that have been attracted to sell or rent out their properties that are now located in high-valued areas of the market, is also evidenced. As pointed out by all residents interviewed, the greatest threat of removal is due to the increasing costs of living caused by the enhancement of local trade, services, taxes, and rents. Even if selling the property in order to leave is a real desire of some, this choice usually represents an opportunity to obtain significant resources. The private appropriation of public policies occurs when families who benefited from the program transfer their residence to other areas that are not regulated, thus maintaining the circuit of urban irregularity.

The new established businesses and the homeowners that rent out their houses are profiting from the new influx of people. However, they are also exposed to the negative impacts caused by the commodification of the favelas. In the long run, it is not clear if these financial opportunities will benefit the old time residents or outside investors. Those who did not make use of the opportunities that have arisen are unable to afford the increased cost of living. As a result, have the reduction in their standard of living.

3. Community Reactions

The fact that the market exploitation is socially accepted and even encouraged increases the risks of a continuing gentrification process. Despite the criticisms on the public programs, in particular in relation to the imposition of ostensive policing and lack of political participation in public decisions, most of the favela dwellers support the transformations. Nevertheless, mobilisation forums promoted by some dwellers in order to demand a better transparency of policies and market regulation can be found. These movements try to raise the local populations' awareness for the newcomers and actively call for better regulation and state protection. These forums discuss the pacification and commercialization of the favelas that have generated an increase in prices and lead to the displacement of thousands of families.

The loss of power and representative legitimacy by the residents' associations has also stimulated the emergence of resistance movements. These movements are capable of connecting different favelas, in order to provide awareness of the risks and eminence of the *remoção branca* process to their residents. For instance, the movement Favela Não Se Cala aims at bringing legal knowledge to the favela dwellers, in order to protect them from the real estate pressure. These social movements have a good mobilisation capacity and are the first step towards the control of gentrification.

Conclusion

Characterised as a State-led gentrification, the process of *remoção branca* is legitimised through policies of favelas formalisation, in order to upgrade them and to promote the local tourism. The formalisation programs were implemented with the purpose of integrating the favelas into the logic of the city, resulting in changes to the local dynamic. The gentrification process in favelas is primarily a result of the convergence of factors that interfere in the local dynamic, by weakening its existing

sociability and the local norms that ensured the maintenance of the original population.

The strategies presented by the government are causing the opposite effect that was expected of integrating the favelas into the formal logic of the city. The formalisation of services, businesses, and land has contributed to the weakening of the favelas' community norms and traditions. The inclusion of the favelas into the mercantile logic of the city does not benefit its population as a whole, nor guarantee the security of adequate housing for its inhabitants. If the improvements in physical conditions and public safety have contributed to a relative improvement of the life quality of the favela dwellers, it has also collaborated to create a fertile ground for real estate appreciation.

Under the false discourse of social inclusion and compensatory policies, the State misleads the population and diminishes the political and organisational role of local entities. The residents' associations are now linked to the administrative machinery of the State that proposes solutions vertically, regardless the existing relations and dynamics that were created to compensate the lack of the State.

This article suggests that the current policies transcend the goals and targets announced to serve another purpose. Even if the current policies have contributed to the improvement of the quality of the urban space, they did not give more security of land tenure to the original residents, especially not to the most vulnerable. Therefore, the attempt to integrate the favelas into the city is done without the integration of its residents.

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