

The Fight for Urban Integration In Buenos Aires: A Triumph or Failure?

*By Jack Memolo,
Research Associate at the Council on Hemispheric Affairs*

Trouble in Paradise

Every year tens of thousands of tourists visit the charming city of Buenos Aires. Typically seeking out the quiet and clean neighborhood of Retiro, foreigners are shown the good life. There are spacious parks, beautiful art galleries, splendid European style architecture, and fashionable coffee shops where Argentina's well-to-do chain smoke cigarettes on patios while fiercely debating politics and philosophy. Yet unbeknownst to many visitors, what they see is only a mirage of beauty hiding something for which some permanent residents of Retiro are ashamed: Villa 31.

Indeed, just a few minutes walk away from one of the wealthiest neighborhoods in Buenos Aires lies one of its poorest. The Carlos Mugica neighborhood, colloquially known as Villa 31, like the rest of the numbered "Villas" in Argentina, is an informal settlement. Similar to the *favelas* of Rio De Janeiro, the slums of Buenos Aires are vast and at times overpowering for those unaccustomed to seeing such humble conditions. Six percent of the population of Buenos Aires live in these informal settlements, and the number has only been growing. While this growth is reflective of the much broader and global trend of urbanization, the upsurge of informal settlements in Argentina is tied to singular historic factors. Although such villas have sprung up around the edges of Buenos Aires for decades, the phenomenon escalated substantially in the early 2000s. In 2001, Argentina underwent one of the largest credit defaults in human history. Faced with an economic calamity, thousands immigrated from the countryside in search of better opportunities in the city. Between 2001 and 2010, the total population of the slums around Buenos Aires increased by roughly 50 percent.¹ This trend continued even in the face of Argentina's later economic recovery-- an indication that commercial growth isn't the sole solution to dynamic urban housing issues. In all, roughly half of the current population living in Villa 31 is Argentine, while the rest are external migrants mainly drawn from Paraguay, Bolivia, and Perú.

Like the majority of slums around the world, Villa 31 was created almost absent-mindedly and without the benefit of formal central planning. It is one of the oldest settlements of its kind in the country, having grown out of an influx of immigration patterns dating back to the early 1940s.ⁱⁱ Much to the consternation of various government officials and civil contractors, Villa 31 sprang up on valuable property worth millions of dollars. As a result of the villa's close proximity to some of the most wealthy neighbourhoods of the country, Villa 31 has been regarded as a "thorn in the side" of successive municipal city administrations.ⁱⁱⁱ While many politicians, both on the local and federal levels, have run campaigns to alleviate the plight of those living in run-down neighborhoods like Villa 31, recent initiatives by the World Bank and Inter-American Development Bank represent the most concrete positive actions taken on the issue in years.

With an investment of a 250 million dollar credit line, along with another 100 million in initial loans, the Inter-American Development Bank hopes to "integrate" the residents of Villa 31 into the social and economic fabric of the Autonomous City of Buenos Aires (CABA).^{iv} Their initiatives run in tandem with the World Bank, which has pledged 170 million USD.^v The combined efforts of both these international institutions represent the largest "urban integration" project in the history of Argentina. According to the municipal government, currently run by the "Cambiamos" coalition presided over by President Mauricio Macri, the funds will be used to urbanize and transform the nearly 320 hectares of public land upon which much of the villa now stands. Additionally, the plan also calls for the resettlement of families living beneath a nearby elevated highway to 1,350 newly constructed homes.

Historical Precedent

Despite the optimism expressed by thousands living in Villa 31 for the newly pledged economic and social aid packages, some remain skeptical. Many of the older generations remember previous heavy-handed attempts to remove the villas, such as those made under the infamous Argentine military government of the 70s and early 80s.^{vi} More recent haphazard initiatives also give a good reason to remain pessimistic. In 2011, then-mayor Mauricio Macri founded a municipal agency called the La Secretaría de Hábitat e Inclusión (Secretariat of Habitat and Inclusion, SECHI). SECHI's mission, like that of the World Bank and Inter-American Development Bank, was to integrate various informal settlements into Buenos Aires' wider economic community. Through a strategy of "urban acupuncture," Macri's municipal administration "strategically" located community centers, plazas, and various sports facilities in villas around the city. While the opening of these facilities gave city officials great photo opportunities, the buildings themselves offered residents little in practical value. In fact, some local villa dwellers who were frustrated by the slow and ineffective progress of the initiative staged a hunger

strike in central Buenos Aires. “We need basic services, not little plazas and football pitches” one resident vented.^{vii}

While skeptics of the current initiative by the WB and IADB point to past failures in Argentina, supporters of the project take inspiration from Rio de Janeiro, where a relatively similar initiative called the 2007 Growth Acceleration Program (PAC) was completed. They contend that PAC successfully “integrated” favelas into the wider metropolitan community.^{viii} The project entailed a 107 million dollar investment, and was accompanied by another program known as the *Unidade de Polícia Pacificadora* (Unidades Pacificadora Program, UPP).^{ix} As opposed to PAC, which was mainly an investment in infrastructure and public services, UPP was a law enforcement effort to “pacify” the favelas.^x While these programs differed in tactics and scope, their goal was the same: to integrate the favelas, and perhaps more importantly for the city officials promoting the projects at the time, to shore up Rio’s position for a potential bid to host of the World Cup and Olympic games. To some extent both of these goals were achieved. Rio hosted the World Cup and Olympics, and also made some structural improvements to the Favelas. A study by IETS and Firjan found that the homes of over 90,000 residents living in “pacified” Favelas were noticeably improved by the initiatives. 75 percent of newly constructed lodgings had tile floors, 44 percent had a computer, and 95 percent of homes were made of brick and concrete-- as opposed to lesser grade materials such as wood and sheet metal.^{xi} While these structural improvements led to a positive change in the aesthetics of the favelas, they often came at a steep price to local residents.

Along with the estimated 170,000 people who were evicted across Brazil to make way for the infrastructure projects, those who remained faced rising housing prices and an increased, often militarized presence. In this sense, a paradox can be found in investment projects like PAC. These initiatives were implemented in order to help those from low socioeconomic backgrounds, yet at times they had the opposite effect. With an increase in the quality of infrastructure, a rise in real-estate prices inevitably followed-- pushing many poor favela dwellers even further to the margins of society. An Inter-American Development Bank report on the “Urban Rehabilitation” projects spearheaded by the Brazilian government supported this notion. The report interviewed thousands of Favela dwellers, and concluded that “Poverty targeted projects that did not include specific objectives to reach excluded populations, often reinforced their exclusion.” Perhaps this notion is best illustrated by an interaction between a Rio city official and a woman from one of the “pacified” Favelas. After being asked if her life had improved as a result of the urban integration investments, she responded: “No, I am much worse off today. Before the project, I lived in a shack. I had no light, no water, no job, but no bills either. Now I have been given this nice house with bills to pay, but I still do not have a job either. I do not know what to do.”^{xii}

This sentiment is reflective of a wider flaw within past urban integration projects-- that of investment priority and civil participation. Programs such as PAC, while deemed

successful by many supporters of urban integration, put a heavy emphasis on structural improvements to poor communities whilst neglecting the far more important social and human investment. Social, rather than structural development must be a priority of any project going forward. Without education and job opportunities, residents living in informal communities will not be able to properly harness the advantages that infrastructure projects might bring. Moreover, lacking education and a steady salary, these residents are inevitably pushed out of their homes and communities as housing prices soar-- a process of gentrification which has affected Rio, and could occur in Villa 31 if the proper steps are not taken. A successful urban integration project must prioritize participation and input of residents living in the slums, job training, education, public sanitation and healthcare-- in that order.^{xiii} Only after improvements have been made in these areas should efforts be directed to developing the housing and urban infrastructure of an informal settlement. By prioritizing local participation and investments in social development, residents will then be able to more effectively cope with the rising real estate prices which will inevitably follow any infrastructural improvements. More prominent examples of successful initiatives can be found when these factors are taken into account-- especially in the case of Porto Alegre.

As the capital of Rio Grande do Sul, Brazil's southernmost state, Porto Alegre has achieved one of the highest standard of living of any metropolitan area in the country since 1996. Yet this wasn't always the case. In the late 1980s, Brazil was faced with plummeting federal tax revenue, the dispensation of public services, and an energy crisis. With the federal government running out of resources, increased responsibility was transferred to the state and local level. In 1989, Porto Alegre introduced a "participatory budgeting" system in which financial decisions were opened to the public.^{xiv} In this way, any public works project had to be analyzed and audited by a citizen body-- removing a level of disconnect that often plagues local administration projects to help those living in informal settlements.^{xv} Each city district was allotted funds based on its population density, and district public assemblies in turn could designate funds to areas which they deem important-- such as education and public transportation. Since the implementation of the participatory budgeting mechanism, Porto Alegre has seen important budgetary improvements in key areas. Between 1989 and 2000, the city's investment in social services increased from 91.2 million reais to 361.6, and investments in urban development went from 134.7 reais to 385.8. As a result, the dropout rate from municipal schools plummeted from 9.02 to 1.46 percent, and the number of individuals actively integrated into the municipal decision making process increased from 398,950 to 1,732,900.^{xvi} In other words, by prioritizing participation and the investment in human capital, Porto Alegre integrated marginalized segments of the population into the social and economic fabric of the city.

The lessons learned from the success of Porto Alegre's social and urban integration initiatives have not been entirely lost on those currently involved in Villa 31's urban integration project. One sign of optimism is the decision to move the city's Ministry of Education into the villa. The lack of education is one of the most fundamental flaws

currently plaguing Buenos Aires' informal settlement population, with only 27 percent of Villa 31 residents holding a high school diploma.^{xvii} This runs in stark contrast to the metropolitan barrios of Buenos Aires, where 80 percent of residents have completed secondary education. As a result of both social and educational deficits, data from a Buenos Aires housing survey found that villa youth are “less likely to enter skilled formal sector employment”-- a crucial factor in determining the likelihood of their social and economic mobility.^{xviii} Without an education, and lacking formal sector employment, villa youth are locked into a vicious cycle of unstable informal jobs which reinforces the economic exclusion of the villas from the formal sector.^{xix}

Although efforts to increase both the access and quality of education of Villa 31 youth are positive developments, other components of the urban integration project leave reason to remain skeptical. Along with investments in infrastructure, the government also plans on awarding property deeds to residents currently living in houses inside Villa 31-- many of whom have been living there for over 20 years. While this move is meant to help integrate villa dwellers into the formal housing economy, it may also give real-estate companies the opportunity to exploit the inevitable rise in housing prices. “They are selling public lands to real estate companies so they can urbanize public for real-estate companies” asserted Jonathan Baldiviezo-- the president of the Observatorio del Derecho a la Ciudad (Observatory of City Rights) during an interview with the Buenos Aires Herald.^{xx} Baldiviezo and other activists have been skeptical of the Cambiemos coalition's intentions in regards to Villa 31. Their concerns are certainly well founded. Despite putting together one of the largest investments for urban integration in Argentine history, Cambiemos had previously been in favor of eradicating the slums surrounding Buenos Aires for years. As such, many see the recent initiatives as a wolf in sheep's clothing. Instead of using hard power to eradicate the villas-- a tactic favored by the military dictatorship, some believe that the government is using the urban integration initiative to gentrify Villa 31 and destroy it under the guise of “assistance.”^{xxi}

Conclusion

Despite the pessimism, some residents see the investment as a generally positive development, reflective of a new and vigorous attempt to integrate them into the formal economy of Buenos Aires. Such initiatives, if anything else, can serve as lessons for the much larger programs which will inevitably follow in the future. The growth of informal settlements, and the much broader trend of urbanization as a whole, presents one of the most substantial demographic shifts since the Industrial Revolution. According to the United Nations Habitat For a Better Urban Future (UN Habitat), based on current social trends, if the rising informal settlement population is left unmitigated as many as 3 billion people will live in slums by 2050.^{xxii} In this respect, the question of urban integration is one of the most pressing of the century. If the Argentine government, the World Bank, and Inter-American Development Bank can learn from past mistakes, which aforementioned reports indicate that they have to some extent, then perhaps

positive changes can be made. For now, however, the most decisive factor in the integration of Villa 31 is whether or not the project will prioritize the development of civil participation and human capital, along with the necessary investments in infrastructure and public services. But as with any project in its early stages, only time will provide the answer.

By Jack Memolo,

Research Associate at the Council on Hemispheric Affairs

Additional editorial support provided by Aline Piva, Assistant Deputy Director and Head of Brazil Unit, and Tomas Bayas, Gavin Allman, and Eugenia Rosales Matienzo, Research Associates at the Council on Hemispheric Affairs

ⁱ"The unplugged." *The Economist*. May 05, 2014. Accessed November 11, 2017.

ⁱⁱCalatrava, Almudena. "Argentine capital seeks to improve iconic Villa 31 slum." *The Seattle Times*. May 17, 2017. Accessed November 5, 2017.

ⁱⁱⁱCalatrava, Almudena. "Argentine capital seeks to improve iconic Villa 31 slum." *The Seattle Times*. May 17, 2017. Accessed November 5, 2017.

^{iv}"Urban, Social and Educational inclusion in Argentina." IDB - Urban, Social and Educational inclusion in Argentina. September 27, 2017. Accessed November 16, 2017.

^v"WB/Argentina: Housing and Urban Transformation Projects to Improve Living Conditions for more than 110,000 People." World Bank. February 28, 2017. Accessed November 6, 2017.

^{vi}Calatrava, Almudena. "Argentine capital seeks to improve iconic Villa 31 slum." *The Seattle Times*. May 17, 2017. Accessed November 5, 2017.

^{vii}The unplugged." *The Economist*. May 05, 2014. Accessed November 11, 2017.

^{viii}Duffy, Gary. "Brazil spends to transform slums." *BBC News*. April 20, 2009. Accessed November 14, 2017.

^{ix}Oosterbaan, Sarah , and Joris Van Wijk. "Pacifying and integrating the favelas of Rio de Janeiro An evaluation of the impact of the UPP program on favela residents." Taylor & Francis. October 31, 2014. Accessed November 19, 2017.

^x Hammer, Joshua. "A Look Into Brazil's Makeover of Rio's Slums." *Smithsonian.com*. January 01, 2013. Accessed November 22, 2017.

^{xi} Williamson, Theresa. "Brazil is Missing an Opportunity to Invest in the Favelas (NYT Olympics Debate in-depth response)." *RioOnWatch*. May 04, 2016. Accessed November 11, 2017.

^{xii}Azevedo, Luiz Gabriel. "How we incentivize social inclusion through Sustainable Infrastructure?" *Negocios Sostenibles*. May 19, 2017. Accessed November 16, 2017.
<https://blog.iic.org/2017/05/19/incentivize-social-inclusion-sustainable-infrastructure-case-villa-31/>.

^{xiii} Williamson, Theresa. "Brazil is Missing an Opportunity to Invest in the Favelas (NYT Olympics Debate in-depth response)." *RioOnWatch*. May 04, 2016. Accessed November 11, 2017.

- ^{xiv} Menegat, Rualdo. "Participatory democracy and sustainable development: integrated urban environmental management in Porto Alegre, Brazil." *Environment and Urbanization*. October 2002. Accessed November 16, 2017.
- ^{xv} Eisenbeiß, Katrin. "The SDGs go local! Why cities need to engage in integrated urban development." *Urbanet*. Accessed November 21, 2017. <http://www.urbanet.info/sdgs-integrated-urban-development/>.
- ^{xvi} Menegat, Rualdo. "Participatory democracy and sustainable development: integrated urban environmental management in Porto Alegre, Brazil." *Environment and Urbanization*. October 2002. Accessed November 16, 2017.
- ^{xvii} Calatrava, Almudena. "Argentine capital seeks to improve iconic Villa 31 slum." *The Seattle Times*. May 17, 2017. Accessed November 5, 2017.
- ^{xviii} Lépore, Eduardo, and Simca Simpson Lapp. "Urban social policy in Buenos Aires must recognise the social-mobility challenges facing marginalised 'villa' youth." *LSE Latin America and Caribbean*. August 10, 2017. Accessed November 6, 2017.
- ^{xix} Lépore, Eduardo, and Simca Simpson Lapp. "Urban social policy in Buenos Aires must recognise the social-mobility challenges facing marginalised 'villa' youth." *LSE Latin America and Caribbean*. August 10, 2017. Accessed November 6, 2017.
- ^{xx} Del Carril, Santiago. "Bringing the City to the neglected." *BuenosAiresHerald.com*. March 31, 2017. Accessed November 19, 2017.
- ^{xxi} Del Carril, Santiago. "Bringing the City to the neglected." *BuenosAiresHerald.com*. March 31, 2017. Accessed November 19, 2017.
- ^{xxii} "UN-HABITAT.:. Our Mission | The Challenge." *UN-Habitat*. Accessed November 29, 2017.