FROM THE MARGINALITY OF THE 1960s TO THE "NEW POVERTY" OF TODAY: A LARR Research Forum

Mercedes González de la Rocha
CIESAS Occidente

Elizabeth Jelin
Conicet-IDES, Buenos Aires

Janice Perlman
Trinity University

Bryan R. Roberts
University of Texas, Austin

Helen Safa
University of Florida, Gainesville

Peter M. Ward
University of Texas, Austin

Abstract: This paper derives from a LARR-sponsored forum at the LASA 2003 Congress held in Dallas in March 2003. Targeted at younger scholars, a panel of leading researchers whose early work was shaped by marginality and dependency thinking of the 1960s were invited to reflect cross-generationally about how paradigms analyzing poverty in Latin American cities have shifted from that time to the present. Specifically, each of the authors compares "marginality" as it was construed more than three decades ago with contemporary constructions of poverty and social organization arising from their more recent research. While there are important continuities, the authors concur that the so-called "new poverty" today is very different, being more structural, more segmented and, perhaps paradoxically, more exclusionary than before. Moreover, the shift from a largely patrimonialist and undemocratic state towards one that, while more democratic, is also slimmer and downsized, thereby shifting state intervention and welfare systems ever more to local level governments and to the quasi-private sector of nongovernmental organizations. If earlier marginality theory overemphasized the separation of the poor from the mainstream, today's new poverty is often embedded within structures of social exclusion that severely reduce opportunities for social mobility among the urban poor.

INTRODUCTION AND OVERVIEW: MARGINALITY THEN AND NOW

By Peter M. Ward

One of the goals of the new editorial team of LARR is to promote fora and workshops on cutting-edge research issues.[1] A second idea is for

1. See Editor's Foreword, *LARR* 38, no. 1: 5.

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LARR to sponsor panels at LASA Congresses, and in March 2003 in Dallas, three such panels were organized and chaired by the LARR editors. This Research Note reports on one of those panels, which invited senior scholars to reflect cross-generationally on how different cohorts of researchers during their careers have analyzed poverty, sometimes over almost a half-century. The aim was that younger scholars would benefit from hearing how their predecessors, many of whom are leading figures in the profession today, have confronted the same issues, albeit from different initial paradigms, often using different methodologies, and with inferior information processing capacities than those that we now enjoy. With the exception of Mercedes González de la Rocha, all of the scholars on the panel cut their teeth by researching poverty and urbanization starting in the 1960s and early 1970s.

Perhaps nowhere can such cross-generational perspectives be better tracked than in constructions of poverty, shifting as they have from the classic marginality theory of the 1960s to the so-called "new poverty" of today. Classic marginality of the 1960s came in two primary forms: economic and cultural, and the theory emerged at the shatterbelt of two conflicting paradigms. These were (the then waning) modernization theory that prevailed throughout the previous decade, led by luminaries such as Gino Germani, Bert Hoselitz, Phillip Hauser et al., and the rising stars of dependency theory who challenged and eventually displaced it, most often associated with the writings of Andre Gunder Frank, Fernando Henrique Cardoso, and Enzo Faletto. Specifically, on the economic side José Nun (1969), Aníbal Quijano (1973), and others argued that there was a growing separation between a blue-collar elite on the one hand and the marginal masses on the other. This led to a debate about the extent to which the latter constituted an industrial reserve army of labor, and its impact in terms of wages and poverty. These marginal masses threatened social and political stability and exacerbated the "great fear" (Gerassi 1963), further fueling perceived threats of a revolutionary overthrow forged by a lumpenproletariat (Fanon 1963), in many respects reminiscent of late nineteenth-century Victorian England.

In fact, empirical research fairly quickly began to explode the notion of a marked separation between a small elite class of workers and the masses. Instead, it appeared that the Import Substituting Industrialization (ISI) model of economic development promoted by the United Nations' Comisión Económica para América Latina (CEPAL) since the 1940s was generating a wide accessibility to jobs (albeit minimally paid ones, with low or modest levels of social protection). If people were poor it was by virtue of their integration, not their exclusion from formal economic activities (Oliveira 1972; Roberts 1978; Perlman 1976). From the early 1970s onwards, informal sector analyses drew attention to the multiple linkages between the formal and informal sectors, and to the apparent virtu-

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osity of the latter, and even its capacity for growth (Bromley 1978). Although the formal sector offered greater job security and benefits denied to most informal sector activities, it became apparent that early formulations of a sharp economic process of exclusion were wrong, or at the very least were overstated, and probably applied only to a small elite section of the working class in key strategic industries.

On the cultural side, functionalist sociology emphasized the changing nature of value systems as Latin American societies urbanized. Migrants to cities were cast as peasants in cities, carrying with them the trappings of a rural and traditional culture, foisting their traits upon the city, and being "marginal" to the mainstream of city life. Indeed, one study even described a "ruralization of the city" and described the growth of shantytowns and squatter settlements as a "cancer on the carapace of the city" (Juppenlatz 1970), or as the flotsam and jetsam of what was perceived to be rapidly out-of-control and dysfunctional urbanization (Nelson 1979). Specifically, although Oscar Lewis' earlier work had challenged these stereotypes of urbanization and migrant breakdown,[2] he also theorized a culture of poverty, arguing that the poor were outside of the cultural mainstream, and their poverty was so deeply embedded that it became trans-generational, and those trapped in the culture carried a whole range of marginal traits at the individual, familial, and community levels (Lewis 1966).

These ideas, too, were challenged and discredited—not least by some of the scholars whose commentaries follow below. This critique was often reflected in the imaginative titles of several of their works: "Rationality in the Slum" (Portes 1972); "The Poor Are Like Everyone Else, Oscar" (Safa 1970); *The Myth of Marginality* (Perlman 1976); *Organizing Strangers* (Roberts 1973). Social networks and local organization in self-help settlements were effective demonstrations of social mobility and survival (Roberts 1972; Lomnitz 1975). The poor were not radical (Ray 1969; Moreno 1970; Eckstein 1977), nor were they excluded, but were, instead, invariably locked into clientelistic networks that they could mobilize to reasonable effect (Leeds 1972; Cornelius 1975). Irregular settlements, it was argued, were rational and viable responses to rapid urbanization, and should be perceived as a "solution" rather than as a problem (Mangin 1967; Turner 1969; Ward 1976).

Fast-forwarding almost four decades, there is now increasing evidence that although classic marginality may have lacked empirical veracity in its earliest iteration, changing economic conditions born of the structural adjustment and austerity of the 1980s, together with neo-liberal

2. Itself a quarter-century throwback to Louis Wirth's "Urbanism as a Way of Life," *American Journal of Sociology* 44, no. 1 (1938): 1–24. See Oscar Lewis, "Urbanization without Breakdown," *Scientific Monthly* 75 (1952): 31–41.

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restructuring of the 1990s, is today creating the very conditions and cultural constructions conceived and predicted by Nun, Quijano and Lewis in the 1960s. Rising unemployment, declining opportunities in even informal sector activities, a rise of private provisioning within a barter economy (the *trueque* system in Argentina), social exclusion and new dimensions of marginalization, rising violence and insecurity—these are all-too-frequent features of the contemporary urban scene. Nevertheless, while these offer throwback similarities to the past, the political and public policy architectures are very different today, and this so-called "new poverty" is embedded within a framework of democratization, a rolled-back and more decentralized state, and a new intermediate "third sector" of non-governmental organization with increasing responsibility for the delivery of social goods. Tied to democratic opening, a general broadening of citizenship rights has empowered the poor to claim and assert those rights, or as Jelin (below) puts it, "afirmar el derecho a afirmar."

Against this backdrop, panelists were invited to engage in partial autobiographical reflections, comparing their earlier work and experiences with observations from their and others' contemporary research. Specifically, too, they were invited to identify the principal similarities and differences between the marginality—then and now. So fertile and interesting was the panel session that many in the audience requested that they prepare brief written commentaries for publication in LARR, and these are reproduced below.[3]

Alejandro Portes,[4] participating in the panel (but not contributing to this Research Note), concurs that during the 1960s there was a clear "rationality" in the slum, and that this had generated both fears and expectancies from both the political left and right. But he underscores that these were rational responses *to the contours of the day,* and needed to be analyzed within the context of how marginality was constructed at that time. Similarly, under neo-liberalism of the 1990s, new forms of social organization have emerged, and invariably these are responding to declining employment and the growing scarcity of jobs. In turn, this has led to new patterns of self-employment, and the rise of a category that he refers to as micro-entrepreneurs (Portes and Hoffman 2003). Moreover, he argues that these responses also follow the contours and practices of the principal cities in which he is currently working, and that different sorts of adjustment may be observed in each city. For example, emergency forms of organization that are no longer built around unions are appearing in Buenos Aires, but are much more individualized and

3. LARR is grateful to two external readers who offered comments on this Research Note.

4. Department of Sociology, Princeton University.

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vested within the shantytown and squatter areas or *villas miserias*. Similarly, in Rio de Janeiro, samba schools have become important arenas of social organization that overlay their traditional role and functions. Finally, a key difference today is the fact that these cities are no longer growing fast—or at all in some cases.

FROM RURAL TO URBAN, FROM MEN TO WOMEN, FROM CLASS STRUGGLE TO STRUGGLES FOR ENTITLEMENTS

By Helen Safa

In many respects the "new poverty" of today in Latin America and the Caribbean is very different from that observed in the 1960s. As Portes and Hoffman (2003) document in their article on changes in Latin American class structure during the neo-liberal era, income inequality in Latin America today is even greater than it was in 1980, largely because of structural adjustment and neo-liberal reforms.

Other aspects of life for the urban poor in Latin America have also changed since 1960. The period of ISI from 1960 to 1980 brought about considerable economic growth and benefits to the working class because it was designed to build up an internal market, which required adequate wages to raise purchasing power. ISI also favored male employment in heavy industry and was built on the model of the male breadwinner, in which the man maintained authority in the household through his role as chief or sole breadwinner. The social wage increased as unions expanded and governments provided some public services to urban residents through expanded programs in education, health and basic infrastructure such as piped water and electricity. As my study *Urban Poor of Puerto Rico* (1974) demonstrated, most of the recruits to this expanding working class were rural migrants, and the opportunities for employment and education in the city gave them an optimistic outlook on social mobility and aspirations for their children. Failure to succeed was blamed on personalistic factors such as low educational levels or an errant husband.

Optimism came to an end in the 1980s with the growing debt crisis and structural adjustment policies imposed on loans from the International Monetary Fund. Structural adjustment severely limited government spending—resulting in the decline of the public sector and privatization of public services on which many of the urban poor depended. It also froze wages and employment, contributing to an expansion of unregulated jobs in the informal sector for the self-employed and subcontractors to the formal sector. The complex links between the formal and informal sectors belied the notion of marginality and the culture of poverty, which argued that the poor were outside the economic and cultural mainstream and passed on their poverty

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