

# Reclassification of the downtown area of São Paulo

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## Introduction

**W**HEN ONE thinks about the city of São Paulo, contrasting features always come to mind. On the one side is a vibrant city whose political and economic agents seek to create and strengthen the idea of a world city; and on the other is the great socioeconomic inequality materialized in poor outlying areas and increased urban violence. We could speak here of the various fragments of the city in which these elements are contained, but we have chosen to draw attention to the downtown area of the city which, in our view, epitomizes the contradictory process of capital reproduction that today has the space as the fundamental and necessary element in the current times of crisis of capital (Harvey, 2009).

As stated by Carlos (2005), the space becomes productive and is consumed as a commodity, a process that has generated, simultaneously, productive articulation on multiple scales - including the international scale - which in its reproduction process has promoted the transformation of spaces. These become to be thought out and planned for the purpose of meeting the demands imposed on production at the expense of the existing needs in the everyday life of most of its people. According to the same author, the space as a real estate product is a commodity

aimed primarily at “productive consumption”, i.e., understood as a place of finance capital reproduction, in close coordination with industrial capital (basically the civil construction industry), which through mediation by the real estate sector becomes productive investment in space, overlapping unproductive investment, regulating the distribution of activities and uses. (Carlos, 2004, p.52)

The downtown area of the city is a case that can explain this process. Since the mid-1980s the government, together with the private sector, has been designing plans for the renewal of the downtown area of the city of São Paulo. The act of renewing is associated with the deterioration process of the center that presents itself as the problem to be overcome. We insist that the downtown area is the case to be highlighted, but other areas of the city are also going through the same process, albeit marked by other features that will be emphasized.

As we are dealing with a process, the so-called decaying and deteriorated areas are only qualified as such because they once were the exact opposite: they

represented the rise, the modernization, the drive of the city. But what promoted this transformation and the consequences of this rise / fall / renewal process is what we seek to highlight in this paper.

### **The heart of the city: rise and “fall”**

Until the mid-1950s, what is known today as the downtown area of the city was called *city* by the population, a place that concentrated public services, jobs, shopping, leisure areas - public squares such as República, Ramos de Azevedo (popularly known as cat square), as well as tall buildings like the Martinnelli Building, the Altino Arantes Building (also known as Banespa or Banespão building), the Matarazzo building (now the seat of the Municipality of São Paulo), among others, in addition to buildings housing public institutions such as the Municipal Theater, the Light building (currently Light Mall) - as opposed to the outlying areas of the city, where public facilities (water, sewage, transport, health clinics and hospitals, schools, banks, shops, etc.) were either lacking or insufficient.

This area used to be what Müller (1958) called the heart of the city, marked especially by administrative activities, retail and wholesale trade, and commercial offices, and where the vertical sprawling of the time was concentrated, giving the city, in the view of the same author, features that resembled the American cities of the period.

This concentration of activities and the fact that it was the knot of transport services gave that area of the city the attribute of centrality. This attribute, on the one hand, was responsible for the process of concentration and appreciation of the downtown space; on the other, this same spatially promoted appreciation led to the increase in the price of urban land in the area.

The increased price of urban land in the downtown area, associated with the real estate agents' strategies of promotion and sales (at lower prices) of other areas in the municipality, led to what Cordeiro (1980) called the development of centrality, already characterized, back in the 1960s, by the concentration of activities formerly found only in the downtown area of the city or in the existing sub-centers (such as Pinheiros, Santo Amaro, Penha), in areas not necessarily contiguous to the center, but which began to concentrate specialized and often less diversified activities.

The downtown area of São Paulo experienced what Lefebvre (1986) calls a process of implosion / explosion of the center, promoting a saturation of the process. The crisis, coupled with the strategies of real estate agents, caused centrality to expand. By expanding, the area which concentrated everything and where, therefore, the price of urban land was very high, began, as some companies moved out, to experience a change in use: the occupation pattern changed in many buildings, others became empty or had their function changed, and many were simply closed down. In addition, there was a reduction in the price of urban land.

But there are limits to the reduction of urban land prices, even because of the reaction of those whose built assets are located in the downtown area of the city. In the case of Brazil, and more specifically of the city of São Paulo, this renewal process of the downtown area of the city can be established as starting in the 1980s, with specificities of its own, but already following an international trend of appreciation of the downtown areas of the cities.

In the world, this international trend is revealed in a comprehensive global urban strategy, the urban regeneration that promotes, according to Smith (2006), widespread gentrification. But what is it? What does gentrification mean today? The first definition arose in the mid 1960s, when Ruth Glass studied the changes occurred in an former working-class neighborhood in London that experienced a population change: in the so-called decaying neighborhood, the houses of former workers were transformed and a population with higher purchasing power moved to the area, thus promoting its “gentrification”, i.e., some working-class neighborhoods were occupied by part of the middle classes.

However, what is the meaning of gentrification today? Would it necessarily be associated with and related to housing only? As an international trend, as pointed out by Smith (2006), the meaning of gentrification has been expanded. Beyond housing, it may indicate the cultural occupation of spaces, with the eviction - or at least the attempted eviction - of lower income populations from areas that concentrate cultural facilities. According to the author, this would be occurring in New York and would become a global trend.

São Paulo, despite its peculiarities, is part of this process and its downtown area, as well as that of other countries, has been going through changes as a result of an articulation between the government and private agents. But what are the characteristics of these changes?

Backed by the discourse<sup>1</sup> of deterioration of the center associated with violence, danger and fear, the government was able to initiate the process of changing the downtown area in coordination with the private sector, without much resistance.

Initially (in the 1980s), official documents pointed to the need of “revitalizing” the downtown area. Revitalizing implied seeking a new life for the center, as if the existing one was not desirable. What one sought through official speeches was to attract back the wealthier classes that had moved out of the center. If it were not for housing reasons, they should return for cultural reasons, for the existing cultural heritage. But for that to happen, many structural changes needed to be implemented in order to attract investments (both national and international, private and / or public).

But this “decay” of centrality is also associated with the global production crisis of the 1970s. We have, as shown by Harvey (1992), the crisis of Fordism, of the Welfare State, and what was established against this scenario was the regime of flexible accumulation, which entailed changes in production and labor relations.



Photo by Hêlvio Romero/Agência Estado - 30/9/2010

*Demolition of the former bus station in Luz Neighborhood, downtown area of São Paulo.*

From a technical standpoint, flexible accumulation enables, thanks to advanced technology, differentiated products to be produced according to the market niche, without the need to change all the machinery. Robotization, the intensive use of technology and information, the reduction in the number of workers on the production line are but some of the characteristics of this new production. From the point of view of labor relations, flexibility has also been imposed: most of the workforce is formed by outsourced workers, i.e., they are no longer employees of the companies, some are even independent workers, thus promoting great insecurity among workers, since turnover and insecurity are a constant reality.

In Brazil, particularly in São Paulo, despite the increase in the number of modern, technically flexible enterprises, most of them are still Fordist companies from the technical point of view, but flexible labor relations and high worker turnover, unemployment and informal employment grow and change the lives of citizens. The center and sub-centers undergo transformations to ensure the reproduction of capital in view of the capitalist form of reproduction.

Flexibility becomes the motto: of production (thanks to technical advances), of labor relations (with the expansion of outsourcing and informal work), of urban legislation, especially through the Urban Operations.

To renew the central area, some specific actions were taken before the end of the 1980s, but it was the Urban Operations that effectively led to a public policy on the transformation of the downtown areas of São Paulo.

### **The Urban Operations**

The Urban Operations enabled making the urban legislation flexible, contributing, because of their exceptional nature, to overcoming the constraints imposed by legislation, with regard to both the constructive potential (through the sale of Certificates of Additional Construction Potential (Cepac) as in the case of Operation Faria Lima), and use in the area, through the modification of zoning.

In this case, several Urban Operations were implemented to renew the central area: the oldest, Urban Operation Anhangabaú<sup>2</sup> became official in the government of Luiza Erundina, but some works had already begun in the administration of her predecessor, Jânio Quadros. It was in this context that the private sector organized to discuss and work with the government through the Viva o Centro Association, in order to enable the changes deemed necessary to renew the area and attract investment. In practice, this Operation failed to achieve, at that moment, the expected investments, but it showed the private sector the willingness of the government to change the existing scenario and take steps towards its rehabilitation. These investments, for the most part, were public and reshaped the Anhangabaú Valley and part of São João Avenue, with the creation of the São João Boulevard.

Currently, the most controversial Urban Operation under way in the cen-



tral area is Urban Operation Nova Luz, whose purpose is, according to official documents, “to promote the rehabilitation and recovery of the Nova Luz area from public interventions that enhance public spaces and the establishment of a set of incentives to new private investments”(São Paulo, 2005).

To achieve these goals, some guiding principles are also pointed out, such as: enhancement of the cultural heritage, incentive to mixed use in the region and implementation of new real estate developments. The problem is that the whole project seems to show that there are no people in the area, as if it were an absolute space, in which planners can effectively plan over an empty space.

As shown by Vaz (2009), when speaking of the Luz region one is referring either to “Cracolândia”<sup>3</sup> (Crack Cocaine Land) and the problems associated with drug abuse, or to Sala São Paulo, the Museum of the Portuguese Language, Luz Station, the State Art Museum, all of which are public assets that have been reclassified through a public-private initiative.

But the Luz region is much more than that; it is also life, and it is this life that is being attacked by this Urban Operation. In addition to drug users, there are also stores (Santa Ifigênia Street and vicinity) specialized in electronics and information technology products, retail stores, bars and restaurants at risk of disappearing, since the area of action of Urban Operation Nova Luz also encompass Santa Ifigênia Street and adjacent streets.

Although the principle of recovery of the cultural heritage is included in the guidelines, one might question what the government means by cultural heritage. Much of the existing buildings have been demolished, including the former bus station that used to be located opposite Sala São Paulo.

The demolition of the former bus station sought to send away crack cocaine users who were concentrated in the area, while promoting its reclassification from the change in use. According to the project, the area will house the Luz Cultural Complex, where the Dance Theatre of São Paulo will be established which, together with Sala São Paulo, will form a large cultural center in the city.

This action had the support of most of the population of São Paulo and of the media, since, apparently, with the demolition, drug users would move out of the area. However, after this demolition, the municipal government resumed the project announced in 2009, which expanded the area of action of Urban Operation Nova Luz to include portions of Santa Ifigênia Street and surroundings, based on a new legal instrument labeled Urban Concession.

The Urban Concession was provided for in Law No. 14917 and Law No. 14918 of May 7, 2009 and, in practice, formalized the outsourcing of the management of the territory, which used to be under the responsibility of the municipality and that now can be outsourced by contract to concessionaires, which tell the municipal government which areas are of interest to them and therefore should be “vacated” by expropriation for private investment. If in other Urban

Operations, as Faria Lima, as pointed out by Carlos (2001), we witnessed the temporary suppression of the right to property in the name of the so-called social interest, in the case of the Urban Concession the suppression of this right is due to private interests.

Since 2009, the Association of Businesses of Santa Ifigênia Street has been fighting Laws 14917 and 14948 on Urban Concession, on the grounds that this action would destroy the local life, which consists no longer of drug users alone as widely spread, but also of local businesses that have been in the area for generations. The fight intensified in early 2011, when the strategies to reclassify the area were presented by the municipal government, triggering new demonstrations by local businesses and residents, aimed at preventing the implementation of the proposed actions.

There is clearly a logic for changing the area. With the discourse of reclassification, of freeing the area from danger (represented especially by the presence of drug users, beggars, homeless and low-income people living in slum tenements), the government, together with the private sector, ensured through the media the support of most of the population of the city that ignored the protests and the life existing in the area. After all, the “suspects” of violence in general are workers in the formal and informal sectors, who dress simply and often show a tired face. In 1997, in downtown São Paulo, during Operation Zero Tolerance,<sup>4</sup> “suspicious” individuals were taken to the downtown police stations, in general because they were not bearing their working papers or were undocumented. These people are “considered ignorant, backward and dangerous, and the police are authorized to stop any worker in the streets, demand that they show their working papers and arrest them for investigation” (Chauí, 1989, p.57).

This action reinforced the idea that those responsible for insecurity are the poor. Although this operation was carried out over a decade ago (but continues to be repeated daily), the association of danger with the low-income working population still persists.

It is in this sense that, under the discourse of the reclassification of areas, the process of gentrification, understood as population change and not necessarily linked only to the housing issue, but rather in its broadest sense, has been occurring. That is, a broader transformation of the urban landscape, with respect to the presence, use, and frequenting of streets and public places in downtown São Paulo. But what kind of changes are we talking about? Changes that enable removing the lower purchasing power populations from the area in question, and, therefore, changes in the urban landscape of the central area are essential in this process.

### **Final remarks**

In the Urban Operations carried out in downtown São Paulo, although in the official discourse they appeared to be guided by reclassification, includ-

ing functional reclassification, and based on the (formal) principle of preserving the coexistence of the most diverse social classes, actions indicate otherwise: the changes aim to benefit the wealthier classes while seeking to remove the lower classes from the area. The projects proposed seek changes favoring (also through tax incentives) the establishment of businesses from the advanced tertiary sector (state-of-the-art technology, IT, and advertising), as well as higher education institutions, the construction of smart buildings and cultural facilities. Culture plays a crucial role in this strategy. According to Arantes (2002), in the management strategies of cities, the culture, city and business triad is the basis for the transformation of (traditional or historical) central spaces of cities in Brazil and worldwide, with a tendency towards the elimination of everyday relationships that already existed, were established in the area and involved a greater population diversity.

The whole strategy to reclassify the central area is guided by technical reasoning (Lefebvre, 1984), which requires removing the populations whose stay preclude the implementation of actions considered fundamental for attracting new investment to the area to be reclassified. There are several ways to technically justify the removal actions. The issue of violence (especially related to fear associated with the presence of drug users) justifies the cleansing action (through the demolition of buildings). The change in zoning is driven by a new way of understanding the city, which denies the unique functionality (characteristic of modernism) and explores the mixed use that would enable a greater diversity of activities in central areas through the existence of housing, trade and services. Therefore, areas that previously had a more restrictive use now are having (especially in the areas of the Urban Operations) their zoning changed, usually to mixed areas, thus enabling various types of occupations and activities that can develop and ensure, according to municipal documents, the reclassification of areas regarded as “degraded”, usually central (such as the downtown area of the city or previously industrial sub-centers that are now undergoing transformations, such as Barra Funda and Vila Leopoldina).

A consensus is built guided by the existence of elements that depreciate an area (from abandoned or degraded buildings to the presence of people with low or no purchasing power) to, in the name of reclassification, design strategies that although in theory are to be implemented in the name of social good, tend to favor economically privileged groups, seeking to remove the population which, according to the same vision, “declassifies” the area. It in this sense, of change in the social use of the central areas, that we can say that there is indeed a strategy of repulsion of the lowest income segments of the population. Quoting Smith (2006), it can be said that a strategy of gentrification of the downtown area and of the centralities of the city of São Paulo has been triggered, particularly in those areas where new Urban Operations are expected to be implemented.



## Notes

- 1 Violence did exist, but the downtown area of the city also offered opportunities for social rise through employment and life, but the media only reinforced the negative aspects of the center. See Alves (1991).
- 2 Established by Law No. 11090 of September 16, 1991.
- 3 Cracolândia (Crack Cocaine Land) is the term used in the media and designates an area of the central region located near Luz Station, where there are many crack users (a hallucinogen derived from cocaine but much more affordable). Cracolândia is bordered by Duque de Caxias, Rio Branco and Ipiranga avenues and General Couto de Magalhães street.
- 4 The name was a reference to the same type of Police Operation carried out by the New York Police to ensure safety on the streets of the downtown area of the city.

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*ABSTRACT* – Since the late 80’s of the 20th century, downtown São Paulo has gone through a process of spatial transformation which is intended to reclassify and endow it with elements of modernization in order to keep it in the network of world cities, i.e., spaces that control and command the process of capitalist reproduction. However, these transformations imply changes in the lives of the population living in that area. The strategies of the actors (primarily State and private sector) involved in urban renewal process tend to reinforce the social and spatial differentiation, in an attempt to change the population profile, which can follow the world trend of gentrification of central areas.

*KEYWORDS*: Urban reclassification, Socio-spatial differentiation, Centrality, Space consumption.

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