



Microinsurance in the favela of Rocinha (Rio de Janeiro)

Introduction to the
Composite Commercial Microcenters Model

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Anthropology & Estrategy



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Between 2010 and 2013 Bradesco Seguros developed a series of initiatives to obtain in-depth knowledge of the primary target consumers of Microinsurance in Brazil. One of such initiatives resulted in a series of researches presented in this book and carried out by international consultants IMR, who made the first social-anthropological immersion in slums and low-middle class neighborhoods for the insurance industry.

Since the beginning we had a clear understanding of the underlying complexity of the low-income population. We could not make generalizations nor use standard socio economic indicators to get to know the so-called Brazil's new middle class. The rural population does not think nor behaves in response to risk and household budget management in the same way as the city population, much more developed and interconnected, does.

Therefore our goal was to know in-depth the different and diverse people of a new market for insurance, along with their needs and aspirations, as well as determine the true needs for insurance of the individuals of Brazil's new middle class.

From that point forward, a long horizon of opportunities was revealed for the insurance industry, allowing not only to describe and define the characteristics of Brazil's new middle class, but also to implement new communication tools, which today help to illustrate in a much simpler and more direct way the complex concepts of our industry.

At Bradesco Seguros, we are very pleased to share knowledge deeply rooted in social sciences such as Sociology and Anthropology – the type of knowledge that we hope it will unravel great opportunities in the field of social and economic development in low-income populations. We are certain that concepts such as Composite Commercial Microcenters, herein presented for the first time, may be used for the development and implementation of public and private policies worldwide.

Eugenio Velasques

Director at Bradeco Seguros

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Introduction

The concept of poverty is, primarily, economic, even though it also affects other systems, such as social and cultural. Poverty is the result of complex systematic operations structured along time that are difficult to appreciate at a glance. In the method described throughout this book, we associate poverty with a social risk of urban character, given the psychological-spatial implications that downward social mobility has on people exposed to the deterioration of their own economic situation.

It is necessary to take into consideration that the influence of social representations defines the existence of other ways of understanding contemporary Brazil, and determines special scientific approaches that require a review of the academic and bibliographic materials produced from the time of its appearance as a phenomena, in the mid nineteenth century, to the present day. Therefore, to understand the dynamics of the *favela* as an urban phenomena of social mobility, it is not only necessary to take into consideration the representations that the Brazilian elite built throughout its history, but also to explore the perceptions of the *favela* residents from a new perspective.

It is within this context of understanding the social risk and representations of what is “favelado,” that we find the results of research done by IMR for Bradesco Seguros in Rocinha, in the southern part of Rio de Janeiro. This book shares the generated knowledge, the result of the work of a team of anthropologists, sociologists, and economists from Brazil, Chile, and Peru. Researchers penetrated a world unknown to most of the Brazilian society, used to see the so called favelas just from the outside, and shed light to the experience of going through that universe and how to submerge themselves to be able to understand and intervene in the structures that affect “social risk.”

Between January and July of 2010, the team of researchers coexisted with

the residents of Rocinha to detect and describe cultural factors determinant of the economic behaviors. The research was a joint process of qualitative analysis with quantitative illustrations - allowing for a more accurate observation of the consumption patterns phenomena and the economic constitution of the residents of Rocinha. The focus of analysis has the conceptual basis of the Composite Commercial Microcenters – often referred in this book by the acronym CCM. Such concept is proposed as a methodological and operational mechanism, bringing policies and development actions even to segregated urban spaces; places where representations and prejudices rooted in society tend to conspire against the implementation of concrete actions that will result in the expected outcomes to fight poverty.

Throughout this book, it will become clear how the CCM proved to be a very effective methodology as they inspired and supported commercial, politic, and communicative strategies from a giant like Bradesco Seguros. The case of micro insurance and the interest there is to learn about them from a deeper and more practical perspective, are concrete examples of how this methodology can be used not only to identify patterns of economic exchange in situations of social risk, but also to create, implement, and measure actions.

The result is that micro insurance is not necessarily a lucrative business, but a structure that can be used by any government or institution to increase the economic development of large areas where population is at social risk, since through detection, distribution and/or communication of insurance, a large portion of the population is being educated by motivating them to reflect about their financial responsibilities (savings, investment, pension contribution, etc.).

We can discuss in another text about the inclusive character that financial education has in the development of regions with population at social risk, but we have no doubt that large portions of the country's population misuse the economic resources they receive or generate. Education is key, and insurance,

although a security product, designed from the economic system regardless of its sign (There is also insurance in Cuba), is a “high performance” value in the cultural mind that supports informality in environments at social risk.

In that sense, Bradesco Seguros’ strategic vision in supporting the development of this work, is an example to follow as it recognizes and legitimates the utilization of new research methods to enrich its own internal operations. In the area of the social and economic sciences, it is uncommon to see such ambitious projects when it comes to using scientific research to adjust private communication and commercial strategies. It dares to break traditional paradigms from the private sector world to support a research action that tops in unprecedented contributions in the area of social development.

With the support of IMR, Bradesco Seguros is not only thinking about the world of development from an academic standpoint, but from its own organizational strategy, and with this book makes available to the private and public worlds a new proposal in regards of how we should intervene in order to reach initial understanding of the economic decision.

Composite Commercial Microcenters

The history of observation, description and studies of the Composite Commercial Microcenters is fairly recent. The first descriptions were made by the IMR in 2009, while making a study of towns north of Lima, in Peru. Since then, new observations made in other countries confirmed the presence and dynamic socioeconomic and cultural importance of the CCM in all urban zones investigated.

The CCM are dynamic structures generally hidden, or right outside, great urban centers. Microcenters are small spaces of economic trade created within a small town or adjacent community. They are small in size if compared to supermarkets or shopping centers; they are centers of commerce because it involves

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