

2 The Institutionalisation of Self-Build Governance: Exemplifying Governance Relationships in São Paulo-Brazil-Latin America

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Abstract

This chapter shows how the housing policies for the low-income population in Brazil, especially in São Paulo, were transformed by popular practices. The huge increase of the Brazilian favela population in the last decades, reaching more than 11 million inhabitants (about 6% of the Brazilian population in 2010), has led institutions to gradually tolerate heterodox practices (such as land invasion) and even to have them legalized by the public power. Starting from the point of view of Latin American urbanization and irregularity reality, this article describes the gradual institutionalizing of informal governance arrangements in Brazil and the evolution of the intervention paradigm from the 1960's to the present day.

Introduction: urbanization and irregularity in Latin America

In 2012, a report drafted by UN-Habitat pointed out that Latin America was the most urbanized region of the world, with 75,23% of its population living in cities. In 2010 the total population of the region totalized 588 million, with 468 million living in cities. Brazil alone, the largest country of the region, concentrates a third of the region's population. The region intense process of urbanization happened mostly in the second half of the 20th century, when beyond the intense rural-urban migration most of the countries of the region went through the demographic transition process. With this, the cities of the region received, only in a period of 40 years comprehended between 1970 and 2010, 305 million of new inhabitants. (UN-Habitat, 2012)

Beyond the intense demographic growth, another characteristic common to Latin American countries is the profound social inequality, with a great income concentration and a significant portion of the population living under the poverty line¹. Within this demographic growth and deep social inequality scenario, the formal real estate market is inaccessible to the low-income population that have, historically, used informal² practices to access housing. The intense urban growth of the last decades was overall based in the consolidation and densification of irregular and precarious settlements, whether they are irregular and clandestine peripheral allotments or *favelas* and invasions, also in central areas. What defines an irregular, clandestine or *favela*-like area³, varies in each one of the Latin-American

¹ According to the report of UN-Habitat, in 2009, 27,8% of the population of Latin America lived in condition of urban poverty (UN-Habitat, 2012).

² Here we used the terms "informality" and "irregularity" as references to common sense but not ignoring the reading made by Roy (2005) that informality "is not a separate sector, but a series of transactions that connect different economies and spaces" (Roy, p. 148).

³ *Favela* is the name given in Brazil to housing clusters built in invaded areas, with precarious urbanization and without basic infrastructures. The first Brazilian *favelas* date back to the end of 19th century, in the city of Rio de Janeiro (Pasternak and D'Ottaviano, 2016). In other countries, some of the terms used to designate these precarious housing areas are: *Villa Miséria* (Argentina); *Ciudadela* (Bolivia); *Campamento* (Chile); *Barrios Bajos* or *Comuna* (Colombia); *Tugurio* (Costa Rica); *Llega y Pon* (Cuba); *Guasmo* or *Invasión* (Ecuador);

countries, however, all of those areas are characterized by housing precariousness, where buildings do not have licensing and are not inspected by the public power, have hazardous access to urban infrastructure (water supply, sanitary exhaustion, power, garbage removal), and are self-constructed.

Pictures like those of the *favelas* in Rio de Janeiro, of the irregular allotments in permanent protection areas in the borders of water supply in São Paulo's dams, of the *comunas* in Medellín's slopes or the *villas* alongside the railway tracks in Buenos Aires are paradigmatic examples of the day-to-day of the housing of the low-income population in Latin-American cities.

□ **Figures 2.1, 2.2, and 2.3 will be placed here**

Vistas Moravia/Medellin (2.1), Jardim Lapenna/São Paulo (2.2), and Villa 31/Buenos Aires (2.3)

Source authors: Bassani, 2015(2.1); D'Ottaviano, 2015(2.2) and D'Ottaviano, 2016(2.3).

In 2005, last date with available data for all countries, the concentration of urban population living in precarious areas⁴ varied from 9% in Chile to 50,4% in Bolivia, reaching 36,1% in Peru, 32% in Venezuela, 29% in Brazil, 17,9% in Colombia and 14,4% in Mexico (UN-Habitat, 2012).

In the Brazilian case, a research published by the Ministry of the Cities about precarious housing pointed out that in the beginning of the 2000s there was a total of 1.618.836 (6,65%) residences, located in subnormal sectors⁵ (*favelas*) and 1.546.250 (6,35%) in precarious sectors⁶, indicating that 13% of the total of 24.364.375 Brazilian residences had some kind of precariousness (Marques, 2007). The study considered as precarious houses those located in *favelas*, clandestine and/or irregular allotments and tenements. Additionally to the physical conditions of the houses, the research considered variables as the access to infrastructure network, neighbourhood facilities and public services, the effective urbanization of the plot and the entitlement of the property. Data from the 2010 Brazilian Census pointed out that 11,4 million inhabitants (5,61% of the total) lived in 3,2 million residences located in the 6.329 *favelas* scattered in the national territory (Pasternak and D'Ottaviano, 2016). That is, an enormous volume of families living in houses with diverse degrees of precariousness, mainly in the big cities and metropolitan regions of the country.

As proposed in Chapter 1, the purpose here is to advance in the analysis of the contested urban governance, especially considering the role of inhabitants facing the tension between the pressing of capitalism and market, the role of the state, and the social forces. Although the struggle for decent housing by the urban poor in all Latin America is important for this discussion, its diversity from country to country or even in some local experiences hamper a general analysis. Because of that, this chapter will have as focus the analysis of the Brazilian reality and more specifically the city of São Paulo⁷ where the first self-help

Champerío (El Salvador); *Arrabales* or *Champas* (Guatemala); *Barrio* (Honduras); *Barriada* (México); *Barracón* (Peru); *Cantegril* (Uruguay); and *Rancho* (Venezuela).

⁴ In accordance with methodology of the UN-Habitat which considers data about households from four variables, used to identify precarious areas: supply of drinking water, basic sanitation, permanent housing and enough space to live (UN-Habitat, 2012).

⁵ Subnormal sector is the definition used by the Demographic Census. To the effect of academic studies and demographic analyses we use this census category as proxy of *favela*.

⁶ In accordance with methodology developed by CEM-CEBRAP for the Ministry of the Cities (Marques, 2007).

⁷ For an analysis of self-management experiences in the city of Rio de Janeiro, see chapter 6 – The Solano Trindade occupation as an urban self-management project (Rio de Janeiro) and an analysis about Quito, Ecuador,

municipal program took place in Brazil. Even though the reality of social inequality and urban housing precariousness is present in the totality of the Latin-American countries, the detailed analysis of São Paulo experience is important to illustrate characteristics and strategies adopted, and also because it has been the model adopted by many municipalities and by the federal government and by other cities and countries in the region during the following decades.

Self-building and self-management in Brazil

Historically, the access to housing to the low-income population was always very precarious and practically with no intervention of the public power until the last decades of the 20th century. During the slavery period (until 1888), the housing solution was the *senzala*, the slave quarters. In the first stage of the industrialization (1889-1929) the tenements appear as a spontaneous solution, and the workers villas as a private initiative solution supported by the public power. Access to housing was mostly by rent what was stimulated by the official policy. After 1930, Southeast cities - São Paulo, Rio de Janeiro and Belo Horizonte - experienced an intense growth process due to high demographic growth and rural-urban migration. In 1942, a federal law (Tenement Law) froze the rental prices, discouraging the building of new houses for rent. It is precisely at this moment of intense urban population growth that the form of access to housing changes: the self-building of privately owned houses in peripheral popular allotments, usually irregular or clandestine. A model known as the “tripod peripheral allotment – privately owned house – self-building”. This new model was responsible for the peripheral horizontal expansion of the urbanized area, expanding and consolidating the “poor periphery”. The self-building of houses in alleged spontaneous occupation areas – the *favelas* – was also consolidated as an important form of access to housing, mainly in the city of Rio de Janeiro and later in the urban areas of practically every big Brazilian city.

The provision via real estate market, usually associated to the legal production, is accessible uniquely to the middle- and high-income populations. To the low-income population it is only accessible via public provision, offered directly by the State, even though the building is still the responsibility of private construction companies, via subsidised public funding. The “informal” provision, by self-building in irregular or clandestine allotments, in *favelas* and areas rejected by the market or the occupations of empty buildings have been, since the middle of the last century, the main form of access to housing to the low-income population in Brazil as in other Latin American countries.

The concept of self-building employed throughout the present paper concerns all those processes in which a certain subject manages the building of its own housing, where he may use paid workforce (hiring construction workers or small building contractors), free workforce (friends and relatives working in a collective effort regime) or mixed workforce for its execution, without the presence of technicians like architects or engineers. Usually, these processes present no distinction between the stages of project and execution and present low levels of budget and planning, as they are executed with few resources and in stages that keep the house in a state of construction site for many years (Cabral, 2017, p.17).

Self-construction and official public policies

see chapter 7 – “Minga” and the production of habitat: a case study of the Alianza Solidaria Housing Cooperative’s Alpallacta project (Quito - Ecuador).

Since the 1950s, in the post-war period, many countries have officially integrated self-construction practices to their policies, combining a critique to the housing production from a State initiative, massive and standardized, advocated by the modernism in architecture. In this context, the passage of the English architect John Turner by Latin America was an important landmark of the internationalization of the concept of houses “built by the people” and of the power of users in the individualization of their needs, in the identity they establish with their houses, and the participation in the decision and construction processes. His participation as consultant of the World Bank influenced other international development and funding agencies, as well as the course that banks and local agencies gave to housing policies. Offering the incomplete house – by means of the so called “embryos” with a single room, bathroom and kitchen or, worse, urbanized allotments – and reckoning with the participation of users with their own financial resources and workforce to construct proper houses, became the recipe for success, because, in theory, with smaller (public) investments, it would be possible to produce a more expressive number of houses. The decrease of public financial inputs would be compensated by the intensive use of popular workforce.

Self-building begins to be integrated to Brazilian housing policies in the 1970’s, when the National Housing Bank (BNH) begins to finance “alternative” programs that offer incomplete houses as a solution for low-income families. The first federal program - Urbanized Allotments Financing Program (Profilurb) – was created in 1975. Profilurb intended to prevent the growth of *favelas*, with new financing lines at a lower cost. The financing was destined to the production of urbanized allotments, to the acquisition of building supplies and technical assistance and answered to the pressures for a greater popular participation in public housing programs. Other programs followed this one, like the Promorar (Program of Sub-Housing Eradication), in 1979, which promoted the opening of new popular allotments with the implementation of basic infrastructure and of housing embryo in the allotments and also allowed *favelas* urbanization projects, financing the acquisition of building supplies for restorations and improvements of the housing units. In 1985, last year of operation of the BNH, it was instituted as the national Self-building Program / Ovenbird Project. The volume of resources employed in the alternative programs has not reached 6% of the bank’s investment along its history, but it seems important to understand that this was a moment in which the integration of popular practices of self-building begins to transform the logic of operation of the public power in the housing policies, not only in Brazil.

The dissolution of the BNH in 1986 and the municipalisation of the housing policies defined by 1988 Constitution, ratified after the end of the military dictatorship (1964-1985), allied to the lack of federal funds to housing, popularized even more the so called “alternative programs”. A pioneer experience was made by São Paulo municipality by the Social Welfare Office (SEBES) that supported the construction of around 41 (forty-one) housing units by collective effort, in 1974. In this experience it was used only for the workforce of the future residents, who also chose the project for the house. Technicians from the city government inspected the work and authorized, at each stage, funds for the acquisition of building supplies for the next stage. Gomide and Tanaka affirm that

“the pilot experience of Family Collective Effort of building houses through the process of mutual help in the land of the families themselves, found strong obstacles to its development given the irregularity of the allotments and the delay of the Regional Administrations Coordinator in the approval of the projects, and to the delay of the COHAB-SP in liberating resources to the acquisition of building supplies.”

(Gomide and Tanaka, 1997, p 11)

Self-management in São Paulo: popular conquest or illusion?

In the final of the 1970s and beginning of the 1980s, the popular movements organized around the struggle for housing were already very strong in São Paulo. According to Gohn (1991), there were at least four agendas that mobilized the poorest population in different ways. In the *favelas* and precarious allotments, the mobilization happened around the demand for urban improvements, water and power infrastructure, roads, alleys and stairways, urban interventions without removals. In the tenements and consolidated neighbourhood yards, the mobilization happened around the relations with owners and intermediaries in the negotiations about rent and improvements in living conditions. There were also the squatter organized movements in the periphery that also fought for urban improvements and land tenure. There were also groups of tenants that lived in individual units in the back of allotments in the periphery, who began to claim a funding for housing. Part of those groups received the support of young architects, engineers and other professionals that got close to the popular demands and organized themselves around Unions, strike commands, architecture and urbanism schools, with the decisive support of some Catholic Church sectors, in a context in which were born the Workers Party (PT) and the Central Unions. It was a civil society broad movement, which already pressured the military and authoritarian regime, demanding direct elections and a bigger participation in the guidance of public policies.

The popular housing self-management production in São Paulo derives from this broad movement, with at least three embryonic experiences that guide the public policies until today: Vila Nova Cachoeirinha neighbourhood, in the Northern Zone, an experience with a notorious influence from the Uruguayan housing cooperatives, with collective housing production enabled by collective acquisitions with public resources from the municipal government of São Paulo; Communitarian Village in the city of São Bernardo do Campo, birthplace of Brazilian unionism, project with the participation of professionals of the so-called Housing Team, organically linked to the housing organization, where the construction began with resources from the workers' strike fund and proceeded with the negotiation of funding by the state housing company; and Recanto da Alegria and Vila Arco Íris in the Southern Zone, the project was led by a group of professors and students from the Housing Lab of the College of Architecture and Fine Arts – the experience trained many professionals who would later participate in São Paulo.

It is important to notice that these actions were strongly connected with the popular organizations. Two meetings between technical advisory teams and housing movements in the first half of the 1980s are important milestones of this growing articulation. It was a much broader movement that was responsible for the birth of organized civil society in Brazil, defining a series of guidelines for social rights that were integrated in the debates and in the text of the new Federal Constitution, including the chapter "Of the urban policy". The movement was responsible for the inclusion of collective effort, mutual help, self-management, policy participation among other concepts in the umbrella of the re-democratization process and overcoming the military period housing policy. The title of a booklet developed in the Communitarian Village in São Bernardo do Campo is very representative of this effort: "How to get out of BNH and build houses through collective effort?"

The victory of the social assistant Luiza Erundina, of the Workers Party, in the Municipal Elections of São Paulo in 1988 took to the government many of the technicians that were already working with alternative housing production by mutual help (collective effort) and self-management. Without any federal budget, the resources came from the city budget, which fed a fund of service to the population residing in subnormal housing (FUNAPS – Fund for Service to the Population in Sub-Normal Housing). This first municipal self-help

program - FUNACOM (or FUNAPS-Communal) - was structured as a tripod. In one end, the State, represented by the city government, offered public land and local technical support to organize the housing construction; in the other end the residents associations, created specifically for each enterprise and formed by the precise number of associated families that were going to live in the housing complexes; and, in the third end, the technical advisories, constituted as non-profit associations and registered in the city government to operate the program, to design the projects and to monitor the constructions according to contracts established directly with the residents associations. They allowed the associations to receive the resources in advance, to hire the advisories (until 4% of the total resource) and specialized workforce (10% limit), to buy equipment, to build the worksites (4% limit) and, finally, negotiate and buy the supplies for the construction.

During four years, Erundina administration contracted more than 90 projects - more than 12 thousand housing units (Ronconi, 1995). FUNACOM experience and projects were responsible for three important legacies. The first legacy was a strengthened popular movement. Since then, the movement keeps its mobilization capacity and formed generations of participants that see in collective effort a more direct access to quality housing, fighting for self-management in public policies. Second was the formation of 25 (twenty five) technical advisory entities, although most part of them was extinct in the following years. The most important legacy was a new program paradigm that until today influences all Brazilian self-management public policy experiences and programs.

In the beginning of the 1990s, the government of São Paulo state implemented, through the Housing and Urban Development Company (CDHU), the São Paulo Collective Efforts Program which kept the Movement – State – Technical Advisory tripod as structure, increasing the percentages for hiring specialized workforce and technical advisory. Reference sets were introduced, what altered the typological pattern, with up-righted buildings. Gradually, this production became interesting to some construction companies. To the “collective effort” or to the autonomous management of the associations remained only some less specialized services. CDHU started to adopt more and more standardized projects. Programs that advocated the principles of self-management as a form of participation of the future residents in the whole housing production process, are usually considered a less important alternative to mass production. Mass production programs, on the other hand, have no social control or transparency and focus on the solvable demands with debt capacity according to the existing financing rules. Of course, social movements fights for alternative housing had many achievements. However, the housing policies encouraged by multilateral agencies in the Latin America since the 1970s guided the “participation” as means of “unaccountability” of the State in the assurance of a fundamental right. In some way, collective effort and self-management are part of a same history.

Two questions, however, still need reflection: Would the collective effort be an antiquated remnant of a super-exploitation of the workforce, or a popular conquest on the production and management of a good, important to the worker? And, does the self-management enable the full exercise of citizenship or would this be an illusion?

Public Policies and Housing Programs: FUNAPS-Communal, São Paulo Collective Effort Program, Solidary Loan Program and My House My Life – Entities Program

FUNAPS-Communal (1989-2002)

In the beginning of the 1990s, the new housing policy implemented by the municipal administration in the city of São Paulo represented a radical change in what was occurring until then in Brazil. The mayor Luiza Erundina (1989-1992) reorganized the Municipal Housing Office (SEHAB) constituting a new technical framework with agents historically involved with the fight for urban reform and with the self-managed popular movements. For the first time the municipal public power adopted as a principle of action the recognition of the real city and its specificities, elaborating a program of action that faced the urban and housing problems in accordance with their specificities: urbanization and land regularization of *favelas*, housing improvements and interventions in tenements, production of new housing, access to urbanized land and safety of land property. The municipal government used a fund created in 1979: the Fund of Service to the Population Living in Sub-Normal Housing (FUNAPS). The Fund was created as an answer to the pressure of the Catholic Church and popular movements for housing and was destined to answer the demand of the population residing in precarious housing, with income inferior to 4 minimum wages (very poor). The resources could be applied as grant assistance, turning the municipal administration into an alternative for those who did not have access to the Financial Housing System (SFH), created in the 1960s by the federal government during the military dictatorship.

After its creation, during two municipal administrations, in the period between 1982-1988, the resources of the Fund were used for punctual actions of land acquisition, *favelas* removals, collective effort and intervention in risk areas. By then, the sole alternative of federal financing to serve families with income between 0 and 3 minimum wages was the National Collective Efforts Program of the Special Office of Communal Action (SEAC). Created in 1987, with the goal of financing 550 thousand housing units, the program was interrupted in 1990, with many of the approved projects not built due to the high inflation, to the low values of the financing and its bad management.

During the Luiza Erundina administration, the FUNAPS became the main funding source for housing, financing the Program of Housing Provision by Self-Managed Collective Effort (FUNAPS-Communal – FUNACOM), interventions in risk areas and *favela* urbanization (URBANCOM). FUNAPS-Communal was an answer to the housing movements demands for a program that included self-management production. Developed by the technical team of SEHAB in an experimental character, the Funaps-Communal ended up becoming the main program of the Superintendence of Popular Housing (HABI) due to its agility and range⁸. Through the Program the precarious areas neighbourhoods associations could themselves hire teams of technical advisory to design the project, always in a participatory process with the beneficiated families. The technicians were also responsible for monitoring the collective effort construction of the housings and, sometimes, the neighbourhoods' facilities. The collective effort included the management of the whole building process – construction, administration and finance (Pasternak and D'Ottaviano, 2014). In a little more than three years 93 projects were signed and 12.351 housing units were built, all of them through self-managed collective effort (Ronconi, 1995)

Beyond quantitative results, the experience in the city of São Paulo was responsible for the consolidation of a new form of housing provision made viable by the public power in articulation with the housing movements. The FUNAPS-Communal extrapolated the local sphere and became a model for the proposition of new national policies. From the action of the housing movements, it was negotiated with the Government of the State of São Paulo as the creation of a state collective effort program, the Collective Effort Program, later transformed in the São Paulo State Collective Effort Program. The new state program was the responsible for the continuity of the municipal programs of self-management after 1992.

⁸ About the collective effort actions developed in this period see Ronconi, R.(1995) *Mutirões autogestionados: levantamento de obras 1989-1995*, São Paulo: FASE-SP.

São Paulo State Collective Effort Program (since 1995)

In the Brazilian context, both the city of São Paulo and the State of São Paulo have special characteristics in what concerns housing policies. The municipal government of São Paulo has its own Housing Company (COHAB), with exclusive budget and basic structure. The state, by its turn, counts with the Housing and Urban Development Company (CDHU), which has its own budget linked to the transfer of part of the state Tax on Commerce of Goods and Services. With a fixed budget greater than that of many cities, the CDHU has been responsible for a considerable amount of housing provisions in cities all over the state since its creation, in 1984. After some punctual experiences that anticipated popular participation, in 1995, during Mário Covas administration, the São Paulo State Collective Effort Program was created. According to statements of the governor at the time, the Program was created since the collective effort was “*based in the incentive to the population organization, as well as to the reduction of costs and production deadlines*” (Royer, 2002, p. 103). By the end of the first year, in its preliminary valuation, the CDHU indicated as important characteristics of the Program:

“(1) the indication of the participant associations by the UMM [Union of Housing Movements]; (2) the selection of families with proper criteria; (3) the hiring of technical advisory without any interference of the CDHU and the association free choice of the architectural project; (4) the building of housing units with areas and/or patterns of workmanship superior to those adopted in the traditional production of the CDHU, those scale gains being obtained through the process of self-construction management.”

(Royer, 2002, p. 109)

However, the Program ended up encountering difficulties inside the Company as it required operational adaptation and new technical routines that until then were structured solely by a mass production model. Although innovative, the Collective Effort Program production wasn't very significant, representing only 6% of units. Even though not very significant in numerical terms, the CDHU's Collective Effort Program completes more than three decades of existence as an important alternative of housing access, mainly in the largest cities where the housing movements are present in a more organized way.

Solidary Loan Program (2004-2009)

During 1990's, housing movements organized a national articulation. In 1991, the National Popular Housing Movement (MNMR) was created, and in 1994 the National Popular Housing Union (UNMP). This institutionalization process of the housing movements at the national level amplified the self-management agenda and empowered the debates and fights for housing. UNMP had an important role in the national expansion of the self-management option, having as paradigmatic model the experience of the Uruguayan housing cooperatives. In 2001, for example, UNMP organized a caravan of the movements to Uruguay to know the Uruguayan cooperative experiences of mutual help housing production.

As the result of the housing movements national mobilization, in 2004, during the first Lula government (2003-2006) the Solidary Loan Program (PCS) was created. The PCS represented the concrete possibility of expansion to a national level of the self-management. At that moment the Program was the main form of facing the housing deficit for low-income families in Brazilian urban zones. The PCS was destined to low-income families (maximum

of 3 minimum wages), organized in associations linked or not to the housing movements. According to the Ministry of Cities, the Solidary Loan Program had as main goals

“to provide access to regular housing to the low-income population who does not have the capacity for savings, by means of special conditions and subsidized loans; to contribute effectively to the reduction of the housing deficit, reaching, as a priority, families with monthly income inferior to three minimum wages and, exceptionally, admitting the service of families with income between three and five minimum wages; to stimulate the cooperative housing model and the principle of mutual help, guaranteeing the participation of the population as protagonist in the solution for its common housing, observing local needs, characteristics, uses and traditions.”

(Moreira, 2009, p.85)

The Program had four different modalities: (1) *land*, which included the acquisition of the land; (2) *construction*, in a proprietary land or a third party land; (3) *restoration*, with funding for the conclusion, expansion or restoration of an existent housing unit; and (4) *building acquisition*, funding for acquisition of a existing unit or of buildings for urban rehabilitation⁹. The PCS was structured according to the housing movements demands, made possible using resources from the Fund for Social Development (FDS), and operated by *Caixa*, federal bank and the Program's financial agent. Between 2004 and 2007, PCS constructed 12.199 housing units distributed in 203 projects, in 21 Brazilian states¹⁰. In the second stage of the Program, between 2007 and 2010, 21.223 new units were contracted with associations and cooperatives.

From the point of view of housing programs, the Solidary Loan Program represented a paradigm change. According to Evaniza Rodrigues, leadership of the UNMP:

“And in this story we enhance the proposal... but what was still missing? It missed to those states (to the movements of state representation) that were arriving the opportunity to live, do have such an experience... Because ok, one goes to another one's house and thinks it is all pretty, very pretty, but comes back home and nothing... So, for us, it was fundamental to build solidary loan. That is, to build a program at the national level that could make self-management in other places...”

(Moreira, 2009, p. 82).

With the Solidary Loan Program the self-management ceased being a punctual experience, made viable only through exceptional pilot programs, and became a model of housing provision to low-income population with national amplitude.

My House My Life – Entities Program (since 2009)

In 2009, the Federal Government launched the Program My House My Life – PMCMV (Law nº 11.977 of July 07) with the goal to build 1 million new houses. Amidst the economic crisis, the government of the then president Luis Inácio Lula da Silva (2003-2010) bet on the public investment as a way to revert the impacts generated by the North-American subprime crisis (2008). The Program intended to face two different problems: the housing deficit (around 5,5

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Available in <http://www.caixa.gov.br/poder-publico/programas-uniao/habitacao/credito-solidario/Paginas/default.aspx>. Access in September 22, 2018.

¹⁰ Available in www.cidades.gov.br – source Moreira, 2009, p.85.

million houses) and to boost the construction industry, generating new jobs and increasing the capital investments. The PMCMV¹¹ is the biggest and more comprehensive housing program created in the country since the extinction of the National Housing Bank (BNH) in 1985. The PMCMV contracted, until July 31, 2018, 5.3 million units for different income ranges, supplanting other housing programs, which disappeared or were incorporated to it. The PMCMV offered in an unprecedented way public subsidy for families without enough income to access regular housing loaning. This segment, benefited with very high subsidy (until 95% of the unit's value), was named PMCMV-Range 1¹² and, although it serves families that represent the largest part of the country's housing deficit (approximately 90%), it accounted only 25% of the total investment of the Program or 38,8% of the contracted units.

PMCMV-Range 1 originally anticipated two models of operation: the first one based on local governments actions associated to construction companies, fed by the Fund of Residential Leasing (FAR); the second based on self-management by housing associations and cooperatives, fed by the Fund for Social Development (FDS). The Program was conceived mainly for the big construction companies, enabling their gains through the production of large housing complexes (scale gains) in the outskirts of the big cities (a way to capture the valorisation by transforming rural areas into urban space). Standard typologies were systematically replicated, minimizing project costs and increasing scale and land gains.

As a response to the organized social housing movements demands, the federal government created a subprogram, My House My Life – Entities Program – PMCMV-E¹³. PMCMV-Entities incorporated the characteristics and the demands answered by the Solidary Loan Program and was structured in a similar way, including the target public (families with maximum income of 3 minimum wages) and the form of access to the program (through organized entities) with FDS funding (D'Ottaviano and Rossetto Netto, forthc.; Pasternak and D'Ottaviano, 2014; Moreira, 2009)

Brazilians Housing Programs and Institutions, periods and abbreviations

Period or Year of creation	Institution or Program	Abbreviation
BRASIL		
1937-1945	Institutes of Pensions and Retirements	IAPs
1946-1964	Popular House Foundation	FCP
1966 (since)	Financial Housing System	SFH

¹¹ The PMCMV had three distinct phases: PMCMV 1 (2009), with the goal of building 1 million new housing units; PMCMV 2 (2011), with the goal of 2 million new units; and PMCMV 3 (2016), with the goal of 2 million new units. Each phase defines partial goals without indicating if the previous goal already have been reached. In 2017, the PMCMV 3 was reviewed, with the expansion of the income ranges served by the Program, of the values of units and with a goal of contracting 610 thousand units. In practice, the Range 1 of the Program, which depends on public subsidy to access financing, practically ceased to exist with the decrease of resources, the increase of financing values, and the restriction of financing to situations tied to urban programs and risk situations.

¹² Range 1 – families with income between 0 and 3 minimum wages (MWs) or R\$ 1.395,00 / US\$ 697,50; Range 2 – families with income between 3 and 6 MWs or from R\$ 1.396,00 to R\$ 2.790,00 / US\$ 698,00 to US\$ 1.395,00; e Range 3 – families with income between 6 e 10 MWs or from R\$ 2.791,00 to R\$ 4.900,00 / US\$ 1.395,50 to US\$ 2.450,00 (the conversion to US dollars was done from the exchange on July 09, 2009, release date of the PMCMV 1 – Source: UOL Economy).

¹³ Specific analyses on the Program My House My Life Entities are presented in chapters 5 (“My Life My House - Entities” Program: two self-management experiences in the city of São Paulo) and 6 (The Solano Trindade occupation as an urban self-management project – Rio de Janeiro).

1964-1985	National Housing Bank	BNH
1975-1985	Urbanized Allotments Financing Program	Profilurb
1979-1985	Program of Sub-Housing Eradication	Promorar
1985-1985	Self-building Program	-
1987-1990	Special Office of Communal Action	SEAC
1991 (since)	National Popular Housing Movement	MNMR
1993 (since)	Fund for Social Development	FDS
1994 (since)	National Popular Housing Union	UNMP
2001 (since)	Fund of Residential Leasing	FAR
2003 (since)	Ministry of Cities	MCidades
2004-2009	Solidary Loan Program	PCS
2009 (since)	My Life My House Program	PMCMV
2009 (since)	My Life My House-Entities Program	PMCMV-E
SÃO PAULO STATE		
1984 (since)	Housing and Urban Development Company	CDHU
1995 (since)	São Paulo State Collective Effort Program	-
SÃO PAULO CITY		
-	Municipal Housing Office	SEHAB
1989	Superintendence of Popular Housing	HABI
1965 (since)	São Paulo Housing Company	COHAB
1974	Social Welfare Office	SEBES
1979-1994	Fund for Service to the Population in Sub-Normal Housing	FUNAPS
1989-1992	FUNAPS Communal	FUNACOM
1989-1992	Interventions in rick areas and urbanization of <i>favelas</i>	URBANCOM

Table 2.1 Brazilian housing programs and institutions, periods and abbreviations. Source: Elaborated by the authors

Concluding Remarks

Self-building, in proprietary or occupied land, is still the main form of access for poor workers to housing in Brazil and in Latin America. Low salaries, high land prices, and high construction prices hamper the access to decent housing for the low-income families and workers. With no alternative, the acquisition of a peripheral plot (irregular or illegal) or land invasion are de sole options for the Latin American poor. Even in the city of Sao Paulo, Brazilian financial hub, the percentage of *favela* houses has continuously increased (the percentage of *favela* houses in 1973 was 1,2% of the total of houses; in 1991, it climbed to 5,58%, in 2000 to 7,41% and in 2010 it was 9,95%).

Historically the path of the Brazilian housing policy was always that of the continuous transference of the production cost of work from the capital owners (farmers, entrepreneurs) to the society as a whole, since the end of 19th century, with the *senzalas* or slave quarters to the worker villages, at the beginning of the 20th century. In 1988, after the military dictatorship, the new Constitution ratified the municipalisation of housing policy as response to the popular urban movements struggles. In the case of the city of São Paulo, as already stated, the existence of municipal resources guaranteed its use for grant assistance. *Favelas* were urbanized and new units were built, mainly by self-management. *Favelas* urbanization and land tenure programs represented important innovations in the confrontation of the housing question, where the pre-existence was respected and invasions tolerated (with exemption in risk areas). And, for the first time in the Brazilian history, funding was used to guarantee housing for the very low-income population. Housing began to be understood as a right. In 2009, the federal government resumed large popular housing programs, with resources from the National Treasure. But this time with an important paradigm change: units

were almost integrally subsidized for very low-income families. The use of so much subsidy is a novelty in times of extreme liberalism.

Currently, in general, in countries such as Chile, Mexico, Venezuela and Brazil the housing policy continues to be structured mainly through a mass production model in large peripheral projects with high subsidy for the lower income population, with the primary goal of heating the economy and generate jobs. In this context, PMCMV-Entities self-managed production in Brazil and the Uruguayan mutual aid cooperatives and previous save projects continue to be exemplary cases from the point of view of the participation of the inhabitants in the design processes and works, of architectural and urban quality of the projects and the residential units, and social mobilization. However, the production logic has severe limits in the dispute of land and the location in the city. Besides this, experiences are hardly representative in quantitative terms. Nevertheless, self-construction in irregular settlements and *favelas* are still the major form to access housing for the urban poor in all Latin America.

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Endnotes