

Urban regulations and the capitalist production of housing in the 2000's: the master plan, the construction regulations and the social housing “Minha Casa Minha Vida” programme case in the town of Araraquara, Brazil

Carolina Maria Pozzi Castro¹, Milton Balestrini²

¹⁻²Urban Engineering Post Graduation Programme

¹⁻²Federal University of São Carlos – UFSCar – Brazil

¹carolmcastro@gmail.com

²balestrini.m@gmail.com

Starting from 1986, when the Housing National Bank (BNH) was extinguished, the government has failed to draw up a comprehensive housing policy. During the next 17 years, several federal departments and offices had been in charge of isolated aspects concerning social housing, however, without the existence of a policy or a centralized coordination. Only since 2003, with the creation of the Ministry of Cities and the approval of the National Housing Policy in 2004 by the Council of Cities, the Brazilian government has taken actions for addressing the housing deficit on a national scale.

This change is a landmark in the housing assistance approach, as to consider it inextricably and necessarily integrated into the planning and urban management, infrastructure and urban mobility, in addition to land issues and resource allocation in order to ensure the rights to housing and to the city. This understanding has guided for developing the National Housing Plan - PLANHAB, between 2007 and 2009, The PlanHab was designed with broad popular participation, taking into account the solution for the accumulated housing deficit and demographic growth in a 15 years horizon. The deep regional differences in Brazil has been considered, as well as land issues, included its speculative aspect, in order to ensure integrated housing production to urban dynamic, sustainable and inclusive actions, with popular involvement.

With the economic crisis triggered by the bursting of the American housing bubble (the 2008 subprime crisis), the government implemented anti-cyclical plans to prevent economic depression, aiming the maintenance of the private investment level and employment achieved over the years 2000. Among a few others, the construction industry was targeted, as to provide new infrastructure and housing. The reason is that it generates jobs and new market demands upstream and downstream. Then, with solid involvement of the real estate and construction industry representatives, an ambitious housing programme was created. The program “My Home My Life” (PMCMV), as it was called, was developed at the Ministry of Finance, with solid involvement of the real estate and construction industry representatives, without proper link with the Ministry of Cities and its housing policy (FIX , 2009). In 2009, planned to be the start-up time of PLANHAB, the federal government launches this new housing program, disregarding the fundamental propositions of the original PlanHab. As the PMCMV takes the place of the very National Housing Policy, it changes the production of social housing into a market product, financed by public and semi-public resources operated by a Federal Bank (Caixa Econômica Federal), establishing for it the "Table Corporate", a sort of centralized service to release funding for major construction companies (Krause, 2013 Shimbo, 2013).

Therefore, an economic project sets up, aimed at the growth of the real estate activity boosted by state intervention and the role of large nationwide companies, especially those that have opened their capital in the stock market in mid 2000's. The MCMV program has also included a significant number of local and regional sized companies, which allowed it a huge presence in the country.

With massive resources, the program has allowed the production of 4 million units between 2009 and 2015, which means 93% of what the extinct BNH has built during 22 years (1964-1986). This production has also aimed the low-income segments, historically neglected in previous policies, yet not in the same proportion to their weight in the Brazilian housing deficit, particularly in relation to metropolitan areas. To allow access to the financial system for the under three minimum wages income population (US\$600.00 in 2009), the Programme granted public subsidies and

implemented the guarantee fund, which ensures compliance with loan agreements on event of failure of the borrower.

On the one hand, quantitatively, the PMCMV is unprecedented. However, qualitatively, there were criticisms that the program works disconnected from urban politics and the housing deficit, becoming, in fact, an economic stimulation programme (Krause, 2013) that, in practice, delivery in market hands the management of housing policy, leaving it free to act within its logic of speculative profits (Fix 2011, Rolnik, 2015).

In this perspective, the model of mass production of low-cost housing in large horizontal projects, on the fringes of the cities, often outside the urban perimeter, became the favourite of construction companies in all regions of Brazil. Without taking into account the local social and cultural characteristics, the model has been multiplied under the announced risk to deepen the urban problems of infrastructure and urban mobility, whose solutions are costly to the government and therefore unfeasible in the short and medium term.

The comparative study between PLANHAB and PMCMV conducted in 2013 by the Applied Economics Research Institute of the Ministry of Planning (IPEA) revealed that the business logic guides the allocation of resources, disregarding the relationship between demand and housing shortage in various regions of the country (Krause, 2013). In other words, the houses are built where companies identify the existence of solvable demand, not necessarily where there is a deficit. It is also observed that "the hegemony of the private sector, the pressure for results, the strong call for legitimacy, combined with the lack of skills of local governments to effectively control its own processes of territory development, reduced these administrations to mere supporting actors of the process "(IPEA, 203).

This article aims to study the characteristics of the MCMV housing production process in the case of Araraquara, a 200 years old town, located in the state of São Paulo. Araraquara shows a high HDI (0.815 in 2010 according to the UNDP) and a population of 200,000 inhabitants. To fulfil the purpose for the production of an affordable, egalitarian and sustainable town, it has a master plan regulated by urban legislation, in accordance with the City Statute (Federal Law nº.10257/2001), several departments dedicated to the environment, urban development, social welfare,

housing, transportation, and municipal councils, which constitute the pillars of municipal management. It seems, so far, that this town has a local technical and administrative staff trained to implement the urban instruments according to the ideals of urban reform and regulated by the City Statute.

However, the question is why this training was not enough to contain the peripheral production model of housing units for low-income populations. It, in fact, may deepen known urban problems such as segregation and social exclusion, mobility and higher infrastructure costs, besides causing significant environmental impacts to the municipality and the quality of life of the inhabitants that now live in the studied areas. The new housing developments, built between 2009 and 2015, totalling 3,553 units, has been delivered without basic urban facilities, creating monotonous and monofunctional neighbourhoods, isolated on the border of the plantation fields.

Through research on documents and legislation, as well as in facts of the recent history of the city, this article investigates how the Master Plan, the land use law, among others, have been modified, and others were created in order to allow these enterprises. The survey also included interviews with officials from the local government social assistance and housing departments, as well as interviews with residents of the studied areas.

The analysis focuses at the time when the first MCMV projects have been approved, at the same time that it happened the revision of the Master Plan. Throughout this investigative process, it is possible to hear the voices of conflicting interests, hidden or otherwise, for which the city can be a use value or an exchange value (Harvey, 1982). The municipality, the authority in charge of the production and use of space, although armed with powerful legal instruments granted by federal law, remains fragile before the interests of real estate capital.

As a result, a population of 12,000 people has occupied a vast area in the north end of the city, initially classified as protection and recovery of water sources. The fact fully met the interests of the real estate market and construction companies. On the other hand, the issue arises that the conflicts of interest within the city hung to the denial of the right to the city for most of its inhabitants.

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