PART I

INTRODUCTION TO URBANIZATION AND HOUSING POLICIES IN BRAZIL

I.1 The Urban Transition in Brazil

The total population in Brazil is estimated to reach 207 million inhabitants in 2017, according to the projections by the Brazilian Institute of Geography and Statistics-IBGE. In 2010, according to the National Demographic Census 84% of the total population lived in cities.

Since the 16th century, after Portuguese colonization, towns and cities have independently developed in faraway areas of the large territory without connections between them, mostly located in coastal areas. The urbanization of Brazil, however, is a phenomenon that steadily progressed from the end of the 19th century. Until then the geographic distribution of cities, villages and towns formed what the Brazilian geographer Milton Santos has described as “a large archipelago of subspaces that evolved following each one's own logic, mostly oriented towards its relationship with the exterior world (SANTOS 1993, 22)”. Inside each of these subspaces, dynamic centers that organized the internal spatial logic of each subspace developed to become main cities. This logic has been dismantled by the industrialization of Sao Paulo city that stimulated a process of unification of markets affecting the entire organization of the Brazilian territory (TSUKUMO and FLORES URUSHIMA 2014; TSUKUMO, FUKAMI and FLORES URUSHIMA 2016).

For Santos, market and space, or otherwise saying, market and territory are synonyms. From the point of view of the role of main large cities within the Brazilian territory there were four important moments of transformation in the relationship between markets and territory. The first, when urban Brazil was an archipelago described above, and the main cities controlled only a fraction of the territory under their influence zone which lasted until mid-19th century. In a second moment, the effort to integrate markets and enlarge the zone of influence through regional integration was limited to the Southeast and South areas of the territory, and lasted until the 1930s. In the third moment when has occurred the formation of the national unified market until the 1970s. After which followed a fourth moment, which witnessed the adjustment of varied hierarchies and unequal regional articulations, negotiated between powerful national and international enterprises with governmental support (SANTOS 1993, 85). For Milton Santos, however, Sao Paulo has since late 19th century concentrated the power to influence the entire organization of the territory, in the beginning as an “industrial metropolis” and in a second moment as a “transactional metropolis” articulating the complex national urban system.

The Brazilian national urban system was articulated through inequalities in the processes of modernization from inside and outside cities since the first initiative for controlling the private possession of lands which was a result of the promulgation of the 1850 Land Law (Law n. 610). The intimate relationship between socio-economic transformations in rural areas and their impact to cities became, however, explicit with the large technological modernization of agricultural means of production that occurred during the 1950s. Until the 1950s, the relationship between landowners and rural workers was maintained within a patriarchal regime based on exchanging patronage after slavery was abolished in 1888. Impoverished rural workers lacked ownership of lands but had sufficient means of subsistence through relations of complicity, connivance and closeness to landowners.

“In the (rural) working relations money exchange was minor. The possibility of cultivating the landowners’ land that rural workers had in order to assure their own subsistence and that of their

1) I would like to express my gratitude to the careful reading of this text by Tais Jamra Tsukumo who suggested revisions and the addition of literature.
families, and the possibility to dwell in the landowners’ owned facilities generated a peculiar type of poverty...The poor world of the ‘Hick’(Caipira) and the ‘Backlands’ Man’ (Sertanejo) was a world of abundance (Text written by the sociologist Jose de Souza Martins, cited in STE-DILE, 1997).”

The 19th century early industrialization process generated at a worldwide scale the need for internal consumption markets of industrial products. The great majority of the Brazilian rural population could not fulfil the role of becoming potential consumers since money transactions were absent from the previous exchanging system, and this population lacked any means of production in order to initiate an activity based on money exchanges. In some countries of Europe, North America and Asia, the conflict between the needs from an emerging industrial and merchant bourgeoisie and the well-established national oligarchies has led to a land reform which, “opened up the path for the development of productive forces in these countries, through the creation of a large internal market and capitalist advances that came about with the democratic ownership of land (STEDILE, 1997).” This process, however, has not occurred in Brazil, where the industrial and merchant elites joined forces with oligarchs in order to establish the political mechanisms of modernization of the country, which within a long-term view resulted in the concentration of land ownership, increase in incentives for large scale export production, intensive mechanization of agriculture and use of chemicals. In parallel to this, occurred also a modernization of working relations through the establishment of money exchange contracts that included also the protection of workers’ welfare, including the welfare of rural workers. This process generated a rupture with established patriarchal systems: rural workers were expelled from the lands and houses where they lived through favour exchanges, and landowners began to employ rural workers only in seasonal periods in order to avoid expenses with permanent working contracts. This generated a rural proletarization, where an impoverished population began to live in urban peripheries and work temporarily in rural activities, at the origin of the apparition of “Bóia-Fria” as these workers became known since the 1960s. At the same time, a large quantity of unprepared workforce reached cities, and supported in the expansion of slums, informal settlements, tenements and other precarious types of living conditions, as there were no housing alternatives for them. The complexity of urban problems in Brazil are intimately linked to the advance of capitalism and the technological modernization of rural areas, and an export oriented agricultural policy at national level. Since the 1960s, the resulting urbanization processes occurred in a fast and unplanned pace, and led to the worsening of the quality of life in urban areas, due to a lack of timely response in cities to the fast population growth, specially, in large cities (BRUNA, 1976).

Cities were the focus of progress, modernization and income concentration, attracting a population that suffered with the lack of work and living conditions in rural areas. The Brazilian population, mostly rural, since the 1960s period began to migrate in large numbers to modern capitalist cities, and this population was obliged to adapt to an urban lifestyle in precarious conditions of cities unprepared to expand (SANTOS, 1988). This migrating population represented an impoverished and inexperienced workforce unable to support in generating consumption and new means of production in cities (BRUNA, 1976). The insertion of this population in cities occurred through the ‘tertiary sector’, which different from other countries, was created by an impoverished population by themselves: “(...) largely, these are small retailers and street vendors, domestic servants, transitory and non-specialized services, and several kinds of disguised idleness (CASTELLS, 1973).”

By this way, cities in Brazil under fast processes of expansion were unable to assimilate into their own local economic systems a large quantity of population composed of “…uprooted rural masses and the inhabitants of small cities that flee from misery and unemployment. The result is a disarticulation of the urban network, where the hierarchy of agglomerations lacks a logic based on technical division of activities, but the resulting profile is instead a result from shocks from social and economic crisis (CASTELLS, 1973).”
Another consequence from this type of urbanization will be the formation of a dismantled and curtailed urban tissue where large metropolitan regions will mostly grow and concentrate income, and political and economic decision making power. This type of urban expansion is a result of the combination of an absence of public policies aiming at tight control of urban expansion in large cities, altogether with local and national policies that contributed to reinforce an expansion pattern based on low cost peripheral expansion. The absence of regional policies to support the growth and development of small and medium sized cities has led to the concentration of growth in large cities and the subsequent appearance of slums, tenement formation, inequality of demographic distribution, inappropriate land use patterns, lack of infrastructure and civic facilities for education and health, increase of cost and decrease in efficiency of commercial and supply services, in conclusion, the general deterioration of life in large cities (BRUNA, 1976). In parallel, several local and national policies supported in establishing a pattern of peripheral low cost expansion. This is the case, for example, of policies that gave priority to expansion of road networks and transportation based on individual automobile or buses instead of trains, due to the fact that road networks installation allows for a fast expansion of less cost when compared to railroad track installation (MAUTNER 1999, 248). The fast expansion of cities and the problems associated with them arose with the huge transformations associated with the Brazilian urban transition.

As a matter of fact, between 1940 and 1980, in terms of place of residence of the Brazilian population an inversion has occurred. In 1940 the national urbanization rate in Brazil was 26.35%, in 1980 this rate reached 68.86%. During those forty years, the total population of the country tripled and the urban population has manifold by seven and a half (SANTOS 1993, 29). During that period, the Brazilian society became mainly urban from 11 million people (1940) to more than 80 million people (1980) living in cities.

I.2 Urbanization and the National Housing Problem

During the mid-1960s, in order to solve the problems of urban expansion several new national plans and programs were engendered. Created in 1965, the Brazilian National Housing Bank (BNH) and the National Financing System (SFH) initially had the objective to channel resources, into implementing housing programs, from the national savings and the Severance Indemnity Fund for Employees (FGTS), a special fund designated for workers. Later, during the 1970s these became the most important mechanisms for urban policy in Brazil, at the same time that the housing question became a central focus of attention in the debate about public policies. Housing and construction works began to be strategically used in order to regulate the Brazilian economy. The construction industry was expected to create jobs for the great quota of unprepared workforce, with an expected increase of income, and subsequently, of consumption. Moreover, this policy also aimed at the provision of housing to respond to the high demand from a homeless population or from a population living in inadequate housing conditions.

Effectively, the BNH faced difficulties in implementing programs for financing public housing. On one hand, it was due to the extremely low income of the target population that was unable to respond to the varying interests and monetary adjustments of the financing programs. On the other hand, the bank had to respond to pressing requirements from the construction industry, real estate developers and other financing agencies engaged in the developmental projects of the national government. Summed to that the fact that the slumping economy in the beginning of the 1980s witnessed a rising inflation and the source of revenues decline from the national savings and the FGTS. The economic crisis hit the construction industry and the real estate market, that led to the subsequent dismantlement of the BNH and the SFH in 1986.

2) Janio Quadros took office in the municipal government during mid 1980s, in a moment when the BNH was dismantled and the new orientation to public policies on housing issues was transitioning from conservative approaches to experimental and renewing actions and programs.
“The housing policy in Brazil is characterized by a strong interventionist State, through the SFH (...) that supported in the creation of a network of private developers, the strengthening of real estate markets and the construction industry, and that allowed a vigorous dynamism in housing provision specially targeting the medium and high social classes. The absence of State interventions towards the great majority of the low-income population defined, however, the other side of the national housing policies: of the illegality, of the squatter settlements, of the irregular constructions, of land invasions, of slums, of tenements, of the overwork on self-construction, of the housing congestion, of the promiscuity, of the insalubrity, among others (MARICATO, 1987)”

At first, the resources from the FGTS and the national savings were allocated to be used in the housing sector. However, during the 22 years of existence of this system, the investments varied from sanitation related projects, urban planning, transportation, support to the construction industry, the creation of new economic clusters, urban renovation and so on. The SFH participated in more than 50% of the civil construction sector ventures in 1976. The BNH, in fact, turned into the greater funding source of civil construction in Brazil and centralized the production of urban facilities and infrastructure, a function that was traditionally controlled by municipal governments. Because the BNH was a second line bank operating with funds raised at high costs, it was unable to attend to the demands of the population with incomes between 0 and 5 minimum salaries. This population, however, represented the greatest number of the housing demand. Finally, the greatest part of the BNH investments were not used for housing and the largest part of the three million housing produced during the 20 years of the SFH did not respond to the needs of the target population at the origin of the creation of this system (FINEP, 1988)

The severe economic recession also has stimulated the growth of precarious, illegal and irregular types of housing which were the solution to the housing problem of the population excluded from the official housing policies. Between 1970 and 1980 the number of population living in slums (favelas) increased at a rate of 45% per year. According to the urbanist and housing specialist Suzana Pasternak Taschner, this rate was ten times higher than the rates of the total population growth in the Sao Paulo Metropolitan Region in 1978 (POLIS, 1994). These numbers show that the “alternative” forms of housing provision, which through time had been established as permanent housing, are in fact constitutive of the urban expansion of Brazilian cities. Several authors argue that the complex system of economic relations

Note about the urban modernization in Brazil

One feature of the Brazilian urbanization was that European cities’ modernization greatly informed the transformation of cities in Brazil. The city as a symbol of modernization was an idea that gained relevance in this primordially rural country during the early process of industrialization and expansion of markets in the late nineteenth century. Similar to what happened in other industrializing countries of the same period, the main large cities became the locus of development where the basic technical infrastructure began to be installed. For instance, Rio de Janeiro, Recife, Santos, Sao Paulo, Manaus and Salvador received the first installation of drain, water supply and sewage systems. In these cities and also in Fortaleza, Belem and Porto Alegre, urban transportation, electricity and gas services have also been installed. These services were mainly installed and administrated by English companies and foreign investments, with a special mention to the railway system installation in the country. In that early moment, the great majority of interventions aimed pragmatic and sanitarian purposes and lacked the ideological purpose of engraving in cities an image of modernity. Moreover, these interventions lacked any intention of a total reconfiguration of
encompassed in the processes of housing provision is at the origin of the apparition of several forms of irregular, illegal and informal housing, since the formal systems of housing provision lack provisions for incorporating the low-income population (VALLADARES, 1980). In the case of Sao Paulo city, the low-income population has settled in the urban peripheries which had expanded following the horizontal and scattered expansion pattern of urban growth. This population, expelled from central areas where most of the infrastructure and urban facilities are installed, has found in the trilogy “periphery-illegality and own house” the solution for their own situation, generating a process of uncontrolled peripheral expansion which is costly for the municipality responsible for providing urban infrastructure for faraway areas (BONDUKI, 1998). This horizontal and scattered urban expansion, once again reinforced by the BNH financed projects of housing complexes’ construction in peripheral areas, is well described by the urbanist Carlos Nelson Ferreira dos Santos in (VALLADARES, 1980).

Official housing programs needed revision because 70% of the population in Brazil received between one and four minimum salaries, and were unable to respond to the legal and financial requirements of official housing provision programs (SANTOS, 1988). Moreover, the conventional interpretation of slums and other “alternative” housing solutions as illegitimate and unacceptable was challenged since estimates of the total amount of housing irregularly built accounted for about 44% and 60% of the total housing production in Sao Paulo between 1980 and 1991 (SILVA and CASTRO, 1997). According to the document that discusses previous national housing policies, the difficulties to respond to the low-income families were mentioned as: lack of flexibility in the financing contracts; inefficiency of administrative processes; excessive quantity of documents required; unavailability of income proof since several of the families received their income from informal transactions; old legislation that obliged costly administrative procedures; use of inadequate technologies for the construction of housing complexes which were unnecessarily expensive (ORTEGA, 1997).

At the national level, in light of the discussion above that preceded the dissolution of the BNH and SFH in late 1980s, new housing programs and financing systems began to be envisaged. New types of highly subsidized financing systems were discussed in parallel to new projects that included mechanisms for volunteer work and self-construction of houses, altogether with a general revision of the legislation that reduced the requirements for the regularization of clandestine land division and occupation, in order to modify the colonial features of Rio de Janeiro city, the Major of that time Francisco Pereira

Interventions on the physical structure of cities pressed by ideological orientation took place during the beginning of the twentieth century with different characteristics according to the varied needs of each city. The desire to deny colonial urban structures and the search for new symbols of an independent country motivated many of the early attempts of urban modernization in that period, as exemplified in the case of Belo Horizonte city, located in Minas Gerais state. Before the creation of Minas Gerais state, the capital city of the province was Ouro Preto (Black Gold, when translated in English). The latter was the centre of gold production during the colonial period, and is until nowadays famous for its richly ornamented churches and the characteristic urban form of the city shaped after the influence of baroque ideas and aesthetics incorporated from Europe. After the proclamation of the Republic in 1889, when the term "State" began to be officially adopted, an entirely new modern city was planned and built in order to shelter the administrative functions of the modern governmental headquarter of Minas Gerais state. This city was planned and built following the orientation of a team headed by Aarao Reis (1853-1936), engineer from the Polytechnic School of Rio de Janeiro. In similar way, in order to modify the colonial features of Rio de Janeiro city, the Major of that time Francisco Pereira
to approximate the official regulation to the real needs and conditions of inhabitants. The new urban policy framework included the urbanization of existing slums, as well as measures for the consolidation of existing land uses and the permanence of slum dwellers. In the case of the self-help construction processes (*mutirão*), which was the most common way of building houses in peripheral urban areas, this process began to be systematically adopted in public-private collaborations inside building sites.

### I.3 National Policies’ Changing Views

**And Sao Paulo Local Government Practices**

This new official attitude towards the informal processes of city making began to be incorporated within the municipal governments projects and programs of urban development. In the period that preceded the case study discussed in this volume, during the municipal government of Mario Covas (1983-1985), new housing policies have been experimented. Against the previous experiences of large housing complexes built in peripheral areas by the state housing company COHAB, the Covas municipal government promoted the construction of small and medium scale housing complexes located in areas close to well-consolidated and more centralized neighborhoods. During this period, the Covas municipal government experimented with new processes of participation that aimed at the integration of several sectors of the society, including community, governmental institutions, private developers and political parties. These collaborative initiatives aimed at supporting the community with material, legal, administrative and technical support. Thus, one of the principal priorities of this municipal government was the acquisition of lands in areas where a clear demand for housing existed, in a trial to increase the density of land occupation in the intermediary urban ring between the center and peripheral neighborhoods, with the construction of new housing complexes, urbanization and urban improvement of shantytowns and the regularization of precarious allotments (PMSP/SEMPLA, 1987).

Mario Covas was nominated Mayor by the former Governor and was expected to rule from 1983-1987. However, in 1985 with the end of 21 years of authoritarian rule, Brazil has finally returned to democracy. Consequently, the housing policies of Covas municipal government discontinued and the call for the direct election of Sao Paulo Mayor candidates led Janio Quadros to take office in 1986. Janio Quadros, ex-president of Brazil in the early 1960s, used to be a social conservative with ambiguous political...
attitudes. As President, Quadros received the Indonesian president Sukarno in Brasilia, and awarded Ernesto ‘Che’ Guevara with Brazil’s highest honour of the Order of the Southern Cross. Quadros election as Sao Paulo Mayor countered the poll of voter’s intentions and contradicted the media evaluation of his candidacy as an “outdated” representation in the new democratic context. Indeed, Janio Quadros candidacy received large support from the most conservative groups of the elite society of Sao Paulo city. Quadros took office with housing policies that began by cutting funds for the previous projects of self-help construction and slum urbanization. His new housing programs included slum clearance and the transference of slum dwellers to housing complexes located in the periphery of the city, with actions that echoed the early orientation of the centralized planning orchestrated by the BNH and the old idea that:

“Slums were ‘ailments’ of the city, dens of debauchery. Slum dwellers were marginal groups of ‘lumpen’(...) against which the solution was: eradication of the existing urban fabric and reinstallation of slum dwellers into housing complexes (TASCHNER 1998).” A point of view that denied the innovative interpretations and visions for city making which had evolved during the 20 years of existence of the BNH, and which also supported in the dismantlement of the entire national housing system.

In this model of urbanization, a nucleus which concentrates public modern infrastructure and urban facilities tends to generate further peripheral urban expansion due to the large socio-economical inequality and the lack of control in land markets. The installation of a housing complex built by the COHAB near irregular peripheral allotments leads to the installation of electricity, water and sewage systems, and the construction of schools, kindergartens and hospitals in the area. This process generated a rise of land prices in the housing complexes’ nearby areas, and subsequent, consolidation of irregular allotments into permanent occupation of the land. Moreover, the rise in land prices expels the poorest population into farther peripheral areas away from the vicinities of housing complexes, extending infinitely the limits of cities (SANTOS, in VALLADARES, 1980). At the time when Quadros was elected Mayor, had already initiated a debate that emphasized the need to develop the housing sector with improvement of legislation, empowering of local actors, increased technical training and modernization of housing construction systems and processes. The policies of this period tended to dismiss previous attempts of slum urbanization, attempted to reinforce efforts towards technological modernization of the housing

sanitation and expansion of Santos city - the main port city of Brazil, an important center for the import and export of coffee in Sao Paulo State. With the same integrated approach of Campos Plan this plan contained an integrated vision of the city, following the ideas of the Austrian architect and city planning theoretician Camillo Sitte (1843-1903). Saturnino de Brito’s analysis and propositions greatly influenced the development of modern urban planning as a profession in Brazil.

Another group of important modernizing interventions took place in the city of Sao Paulo. This was a period of dynamic economic and physical growth brought by the exportation of coffee and attracted the interest of English companies to invest money in the first ambitious speculative operation done in South America. In 1912, in London, was constituted The City of Sao Paulo Improvements and Freehold Company with the objective of creating districts of high standards for the enriching coffee bourgeoisie through the plotting of large distant areas on the south and west of the city, areas which were still unoccupied and primordially rural. For the elaboration of the urban plan, were hired the English architects and town planners Raymond Unwin (1863-1940) and Richard Barry Parker (1867-1947), both involved in the project of creation of Letchworth a planned town inspired by the garden-cities’ ideas of Ebenezer Howard. Among the interventions, two projects are remarkable and worth to be mentioned: the Jardim America and the City Lapa districts,
construction in the provision of both large scale complexes and individual houses, and incorporated the practice of self-help for the extension of embryo minimal houses as part of official housing programs. The following sections will discuss in detail the housing programs of this municipal government, and analyse the effectiveness of these programs with the feedback from the dwellers from selected case studies described as follows.

Bibliography (Part I)

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Note about the urban modernization in Brazil

which plans were elaborated between 1917 and 1919. It was a long term operation where the first dwellers’ occupation began at end of the 1920s, after that, the final consolidation of the entire neighborhood developed in later stage. Because of the quality of the urban design and the strict legal control over plots’ use, both districts resisted to transformations for more than 70 years and maintain until nowadays the formal and landscape quality resulting from the application of some of Howard’s ideas.

Those interventions aimed at the creation and/or expansion of the original urban centers and after mid-1920s, other interventions progressed, aiming at the renovation of existing urban areas of the cities. In 1927, the French architect and urbanist Donat-Alfred Agache (1875-1979), produced a long report which contained his opinion about the best urbanistic orientations to improve Rio de Janeiro city, besides other smaller proposals and advisory reports on cities such as Porto Alegre, Belo Horizonte, Vitoria, Campos, Cabo frio, Araruama, Petropolis, and Sao Joao da Barra. Similarly, in Sao Paulo city by the end of the 1920s, the engineer and architect Francisco Prestes Maia (1896-1965), published the “Plano de Avenidas” (Plan of Avenues, in English), a large plan which contained detailed analysis and propositions for circulation systems but also some guidance to general urbanistic matters. Sao Paulo and Rio de Janeiro became the reference of modernization that served as a model for several other growing cities in the
The two initial decades of the 20th century in Brazil were a period of huge transformations of Brazilian cities with high rates of population growth in the main capital cities of many states of the country and consequent demand for housing and urban services. The prosperity brought by the coffee exportation, introduced new patterns of consumption, and the obsolete structure of cities, mainly developed during colonial period, were not still prepared for those transformations. Despite the lack of a coherent strategy for occupation and ordination of the territory for the country as a whole, some fundamental features of those punctual interventions were commonly recurrent: ideological repertory ruling urban interventions, and urbanism evolving as a discipline and an instrument of modernization.