

Changes in Contemporary Brazilian Housing Policy: The Dismantling of Social Housing and Grassroots Mobilization

Thalles Vichiato Breda

Thalles Vichiato Breda argues that since 2016, with the rise of right-wing governments in Brazil, the federal social-housing policy has been dismantled, resulting in increasing housing precariousness and making room for grassroots mobilization.

In 2014, roughly 80 families engaged in a land occupation on the outskirts of São Carlos,¹ in São Paulo State in Brazil. The objective of the occupation was to put pressure on the local government so that the families could access the social-housing units built in the city by the federal housing policy, the My Home My Life Program (*Programa Minha Casa Minha Vida* – PMCMV). After months of negotiation, the town violently expropriated the land, claiming that the occupied area was an environmental reserve. But this did not mean the occupation had failed. In 2015, the pressure of the occupation and the strategic alliances with left-wing parties convinced the local government to promise the former occupants access to social-housing units—precisely what prompted them to launch the land occupation in the first place.

Figure 1. Repossession, first land occupation, São Carlos, May 2014



Source: Mídia Ninja, 2014.

¹ São Carlos is located in the central region of the state of São Paulo, has about 250,000 inhabitants, is known as the technological capital of Brazil as it hosts two large public universities and a large number of technology companies. Data from 2017 shows that São Carlos is among the 100 richest cities in the country – see: https://pt.wikipedia.org/wiki/Lista_de_municípios_do_Brasil_por_PIB.

Struggles for housing: same actions, different results

In 2016, another set of approximately 120 families occupied the same land to again put pressure on the government to grant them access to social housing under the PMCMV. However, this time they were not successful. Yet, this case too yielded interesting and mixed results. With the support of the Socialism and Freedom Party (PSOL) and the Homeless Workers' Movement (MTST), the occupation resisted requests for repossession and, in 2020, won the right to own the land. At that time, the area was no longer designated as an environmental reserve. In the same year, the city government promoted the urbanization of the lot with water, sewage, electricity, and asphalt system through municipal funds. Today, the residents own an urbanized lot but continue to live in shacks.

Figure 2. Urbanized public roads, second land occupation, São Carlos, January 2021



© Thalles Vichiato Breda.

To understand why the first occupation was able to access the PMCMV and the second was not, and why the second set of families secured the right to own the land when the first set did not, we must examine federal social-housing policy in Brazil and how it has changed over the last decade. Since 2013, the PMCMV, which was created in 2009 under the Luis Inácio Lula da Silva presidency, has been drastically reducing its social-housing budget. This program was the first to effectively offer high subsidies for low-income populations to access housing in neighborhoods with basic infrastructure that were relatively integrated into the urban fabric.

In 2020, the PMCMV was replaced by a new program created by Jair Bolsonaro—the Green and Yellow House Program (*Programa Casa Verde e Amarela* – PCVA), thereby creating a fragmented system that offers poor people titles to peripheral land with inadequate infrastructure and no money to build homes. The current program provides hardly any subsidies for the low-income population and is even more focused on the financialization of housing.

My Home My Life Program: from beginning to end

After more than 20 years without a national social-housing policy, in 2009 Luis Inácio Lula da Silva (Workers' Party) launched the My Home My Life Program to address the 2008 global financial crisis and strengthen the domestic housing market via two main lines of financing and subsidies:

- **I. Social housing** serving low-income families. The State subsidy can reach up to 90% of the property's value, and the beneficiary pays the other 10% without interest over several years. Buyers obtain access to this program through a lottery.
- **II. Market housing/real-estate incorporation** serving the middle class, with smaller subsidies and interest rates between 5% and 9% per year. Buyers negotiate directly with a construction company or the owner of a built property.

Since its launch, the PMCMV has contracted around 5.5 million housing units. Its projects have therefore significantly impacted urban land in multiple Brazilian cities, becoming a new model of urban development. The PMCMV's social-housing standard is characterized by the peripheral location of housing units, their homogeneous design, and the lack of public and private facilities for collective use (Breda 2018). On the other hand, market housing projects have a variety of designs, better build quality, and are more centrally located.

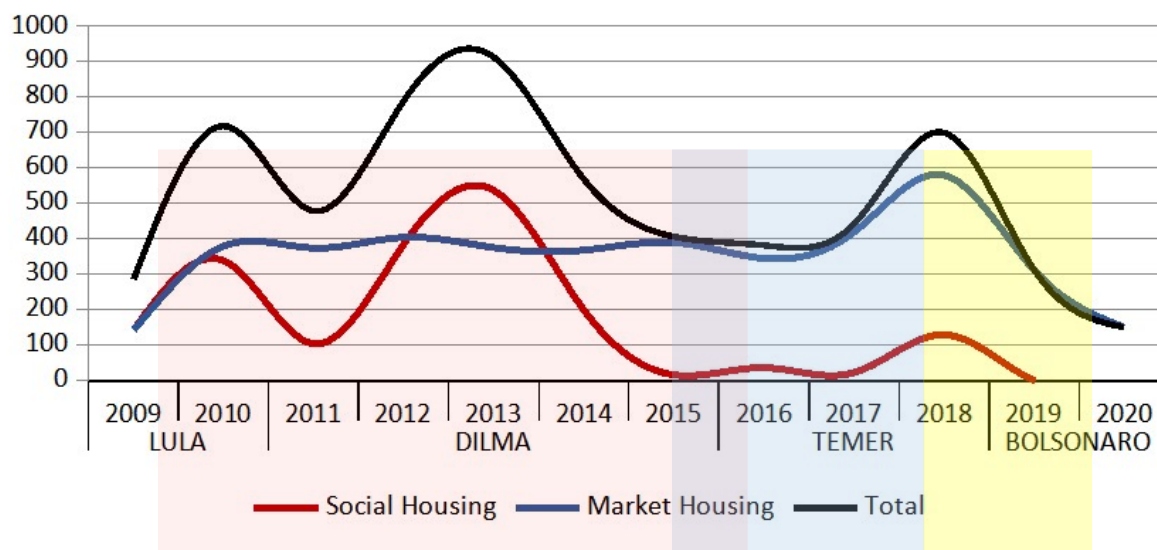
Figure 3. Social-housing neighborhood promoted by the PMCMV



© Thalles Vichiato Breda.

In the graph below (Figure 4), we can analyze the trajectory of the PMCMV from 2009 until its demise in 2020. The chart traces spending in the Social and Market segments of the program from the administration of Luis Inácio Lula da Silva through the administrations of Dilma Rousseff, Michel Temer, and Jair Bolsonaro.

Figure 4. Housing contracts by category, PMCMV, 2009–2020 (in thousands)



Source: Ministry of Regional Development, Brazil, 2021. Adapted by the author.

Since 2013, social housing has been drastically reduced. From 2015 to 2020, there was practically no hiring. 2018 was an exception, which can be explained by the intense pressure of housing movements such as the MTST.² Market housing remained stable for ten years until 2018, and kept PMCMV active in the last five years. It represents approximately 66% of hiring, although the housing deficit is concentrated in the low-income population (about 91%³), who need access to social housing.

Some political events were responsible for the reduction of social spending, and consequently, the decrease in the contracting of social-housing units. Since 2013, Dilma Rousseff had been experiencing political destabilization. In 2016, Rousseff suffered an impeachment process with all the nuances of a coup d'état. With the rise of the liberal government of Michel Temer (2016-2017), PMCMV was frozen for budgetary readjustment. Temer also approved the Public Spending Law that curbed public spending over the next 20 years, affecting several social programs. Finally, with the rise of the Jair Bolsonaro government (2019), PMCMV was discontinued to make way for a new housing program called the Green and Yellow House Program (PCVA).

The post-2016 scenario indicated that public spending on social policies would be reduced. Among them, housing policy was not spared. The largest social-housing program in Brazil's history had come to an end. Despite its problems and limitations, the PMCMV was the first federal program to offer subsidies to the low-income population systematically and extensively, which does not occur in the new program.

Green and Yellow House Program: overeducation of subsidies and deepening of housing financialization

When the government launched the PCVA⁴ in August 2020, they emphasized that the goal was to secure roughly 1.6 million housing credit contracts for low-income families. The new program's focus is to offer credits rather than subsidies to low-income populations to purchase a house. In the PMCMV, the subsidy could reach up to about 90,000 reais (17,000 USD), with interest-free

² See: <https://pt.org.br/mtst-exige-retomada-do-minha-casa-minha-vida-em-manifestacao>.

³ See: <https://valor.globo.com/brasil/noticia/2018/05/03/deficit-de-moradias-no-pais-ja-chega-a-77-milhoes.ghtml>.

⁴ See: <https://imoveis.estadao.com.br/casa-verde-e-amarela/qual-a-diferenca-entre-o-casa-verde-amarela-e-o-antigo-mcmv>.

financing of the rest of the housing to be paid in up to 10 years. The current program⁵ offers low-income families a smaller subsidy of between 30,000 and 42,000 reais (5,800–8,000 USD), depending on the region and size of the city; the rest must be financed with interest rates of around 4.5% per year for about 35 years. The top value of the property has also changed. While before the top emphasized a focus on affordable housing at 96,000 reais (18,500 USD), it now varies between 180,000 and 264,000 reais (35,000–51,000 USD). In 2022, the average Brazilian per-capita income is 1,353 reais, or 260 USD.

It will now be more challenging for low-income populations to access homeownership since members of this group have difficulties affording loans. For instance, about 45% of the low-income beneficiaries of PMCMV are indebted, even with the high subsidy and zero-interest financing (data from 2020⁶). This new model emphasizes large, long-term (arguably untenable), interest-bearing loans and will likely increase the indebtedness of the low-income population.

Although there is a proposal to provide housing for low-income population, the government delivered only 20,000 housing units in 2021,⁷ and they were still contracted under the PMCMV. A survey by the Observatório das Metrópoles⁸ indicated that about 300,000 housing units hired by PMCMV should be delivered with the PCVA stamp if the government honors the contracts. There seem to be no contracts for social-housing units through PCVA.

Two other service lines of the new program focus on land regularization and housing improvements. The land regularization process through the PCVA is supported by the Land Regularization Law created in 2017 during Michel Temer's presidency. This law allows land regularization in spaces such as environmental reserves or places with no conditions of habitability, without urban infrastructure, allowing the costs of urbanization and housing construction to be allocated to the resident. It intends to promote a large legal real estate market in urban peripheries. Regularization can be achieved through an agreement between the municipality and low-income residents through the REURB-S category (land regularization of social interest). However, by the end of 2021, no houses had been regularized or received housing improvements through the PCVA.⁹

In general terms, the PCVA framework offers long-term, interest-bearing loans for low-income families to access social housing—which is likely to deepen the indebtedness of householders. It also bets on “flexible” land regularization that is not concerned with minimum quality-of-life standards in urban areas. However, the program doesn't seem to have taken off. For instance, its meager budget for 2023¹⁰ (34 million reais/6.5 million USD) indicates that there should be no substantial impact.

Back to land occupations: what do we learn from them?

The two land occupations mentioned at the beginning of this article offer an empirical foundation for understanding housing policies in the current Brazilian context. The first occupation was helped by members of the PSOL and was met by social housing under PMCMV after going through a violent land expropriation process. The second occupation tried to follow the same path, but it was

⁵ See: <https://imoveis.estadao.com.br/casa-verde-e-amarela/governo-eleva-subsidios-do-cva-e-prepara-mudancas-estadao-imoveis>.

⁶ See: <https://valorinveste.globo.com/produtos/credito/noticia/2020/08/27/minha-casa-minha-vida-sofre-com-inadimplencia-e-avalanche-de-acoes-judiciais.ghtml>.

⁷ See: <https://economia.estadao.com.br/noticias/geral.casa-verde-e-amarela-governo-anuncia-reducao-de-juros-e-ampliacao-do-valor-dos-imoveis,70003840895>.

⁸ See: www.observatoriodasmetrolopes.net.br/casa-verde-e-amarela-pontos-criticos-do-novo-programa-habitacional-do-governo-federal.

⁹ See: <https://economia.estadao.com.br/noticias/geral.casa-verde-e-amarela-governo-anuncia-reducao-de-juros-e-ampliacao-do-valor-dos-imoveis,70003840895>.

¹⁰ See: www.cartacapital.com.br/cartaexpressa/orcamento-de-2023-preve-reducao-de-95-da-verba-para-o-casa-verde-e-amarela.

no longer possible. They were already facing the dismantling of the housing policy promoted by the Temer and Bolsonaro presidencies. The occupation looked to the MTST to help them when they realized no other alternative was left. The MTST is one of the most significant national housing movements, building knowledge from about 25 years of housing struggle.

A partial solution is in the works for the second land occupation after four years of struggling: City Hall was authorized to implement the subdivision on the occupation's land via the REURB-S category. Because of the new land regularization law, environmental fragility wasn't an issue anymore. Municipal funds secured access to water, sewage, electricity, and an asphalt system. The leisure area and institutional space were required to be financed by the counterpart of some large private enterprise that wishes to settle in the city.

The construction of housing units will likely be carried out through self-building. It could take years, since there is no indication that the families will be subsidized, and in the end, it may not meet building standards. These families have now lived seven years in a precarious situation and are uncertain of gaining access to housing.

The responsibility to supply housing was transferred from the state to the individual. The access to the land, its urbanization, and possible resources that will enable the housing construction must now go through a series of negotiations involving political and social capital, and different agents from the public and private spheres, with varying scales. This is an entirely different process from the PMCMV production chain. Under the former program, private construction companies produced large social-housing neighborhoods using public funds. The low-income population applied to City Hall, which conducted a lottery. The predictability that the program had achieved by 2013 no longer exists.

The last few years have seen the dismantling of a relatively successful social-housing program (albeit with flaws that should be addressed) that provided substantial subsidies for the low-income population. So far, the program presented by Bolsonaro seems not to have taken off, and as a program with a minimal budget, only serves as (fake) political propaganda for Bolsonaro. The housing projects inaugurated by the PCVA are the last projects still contracted by the PMCMV.

Bolsonaro's program over-reduced subsidies and presented long-term and interest-bearing loans as a way for low-income families to access social housing. This either prevents families from accessing affordable housing or throws them into heavy debt. As in the second occupation, what impoverished people have achieved in the last years through intense struggle is the right to land, but they continue to live in shacks. Access to housing or land now occurs in a fragmented and uncertain way, resulting in increasing housing precariousness that has compounded an ongoing health crisis.

Bibliography

Breda, T. V. 2018. *Articulações entre a produção do espaço urbano e a gestão do social: agentes e escalas na produção do PMCMV em São Carlos/SP*, master's thesis in sociology, Universidade Federal de São Carlos, 296 pp.

Thalles Vichiato Breda is a sociologist and currently a PhD candidate at the postgraduate program in sociology at the Federal University of São Carlos (UFSCar), in Brazil, and at the Faculty of Architecture and Urbanism at the Bauhaus-Universität Weimar, in Germany. He is a researcher within the research network SAGEMM (Social Activities, Gender, Markets and Mobilities from Below (Latin America); website: <https://sagemm.ird.fr>) and the assistant editor of *Contemporânea – Journal of Sociology* at UFSCar. His interests lie in urban sociology, the production of urban space, social policies, social management, housing and housing movements, and land occupation.

To cite this article:

Thalles Vichiato Breda, “Changes in Contemporary Brazilian Housing Policy: The Dismantling of Social Housing and Grassroots Mobilization”, *Metropolitica*, 21 October 2022. URL: <https://metropolitica.org/Changes-in-Contemporary-Brazilian-Housing-Policy-The-Dismantling-of-Social.html>.