

HOUSING AND URBAN MANAGEMENT IN BRAZIL

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References for South Africaⁱ

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During the meetings with different groups of South Africans who visited the IHS during the last two years, I was able to confirm a series of similarities between the democratization process of South Africa and Brazil. Especially when it concerns issues such as urban equity, the socialization of cities, sustainable urban development, access to urban land and housing and institutional building at the municipal level after a long period of an authoritarian regime.

The election of progressive and socially oriented mayors after the municipal elections of 1976 and particularly the fall of the military regime that ruled over Brazil from 1964 to 1985, made possible the emerge of democratic forms of municipal management and local development in a large number of municipalities.

Some of these experiences gained recognition during the period of transition that ended recently with the election of the second civilian president of the country in the end of 1994. Different variants were replicated in distinct large and intermediary cities e.g. Lages, Esperança, Vitória, São Bernardo do Campo, Santos, Belo Horizonte, Recife, Porto Alegre, São Paulo, etc. There are now a large scope of accumulated experiences

which are certainly valid for a country like South Africa. Indeed Brazil detains interesting experiences at the municipal and local level which unfortunately are not known by a large international public. These examples do provide useful lessons and/or show alternative ways to solve the dilemma of housing the poor in a society earmarked by a sharp social and economic inequalities.

Urban poverty alleviation has risen to an important position in the agenda of multilateral and bilateral development organizations in the nineties. There is now a consensus that cities are the motor of development and that they have major contribution to the process of macroeconomic growth. Urbanization goes vis-a-vis with industrialization and the economy of scale represent important propel for development. The housing sector, in particular, plays an important role in macroeconomic development and in the process of job creation and income generation. For the brazilians this is not new. Cities have always represented the place of opportunities, modernization and development. Actually, seventy six percent of the brazilian population lives in urban areas in a country that is 236 times larger than the Netherlands. But it has also been a place of despair, underemployment, informality and

marginality for those who did not find the means to survive in an urban economy.

The emerge of squatter settlements (favelas) was just one of the signs that the development model was not distributing the resources and wealth in an equitable way. Today, Brazil has one of the worse income disparity in the world. 20 % of the population detains more than 70 % of the wealth of the country. The richest 20 % of the population earn a monthly income above the US\$ 5,000 while the poorest 20 % survive with a monthly income around the US\$ 40. This is sharply reflected in the way the brazilian cities have developed and consolidated. One can speak about a process of social, economic and spatial segregation which becomes apparent in the stratification of cities. Certain zones of megacities like São Paulo, Rio de Janeiro and Brasilia are provided with high standards of infrastructure and public services whereas other areas lack the most basic infrastructure and services, whose inhabitants live in shacks under very precarious conditions. Coincidentally, the former controlled the means of production and capital, and had direct access to the political decision making while the latter only have their labour as their most valuable asset. Except for some peculiarities such as the racial question and the human settlement patterns and housing left by the apartheid regime, these are just some of the analogies one can make between Brazil and South Africa.

Another similarity is referred to the role played by grassroots organizations in the democratization process. In Brazil, neighbourhood associations became an important channel of citizen participation. While claiming for a democratic state, civic rights and

participation in the political decision making, these organizations had a broader agenda which included the improvement of the living and housing conditions in their localities. In the beginning of the eighties, most major urban centres had a confederation of neighbourhood associations and organized popular movements that were claiming for an urban reform, better and affordable housing and participation in urban policy making. Many of these organizations were legitimized later on by progressive mayors and became a part of the decision making of municipal governments under the names of Popular Councils, Community Councils or Municipal Councils. Depending on the political will of the mayors, many of them became official de facto or were legalized by laws as the result of very specific institutional engineering.

The 5,000 brazilian municipalities have experienced a reasonable level of autonomy since 1934. This autonomy was substantially increased after the approval of the new constitution of 1988 which was formulated under a strong concern towards decentralization and political empowerment of the local level. Autonomy in this sense means the power to choose the local government, to adopt its own law, to levy and collect its own tax, to organize its own public administration bodies and to define its own budget and priority areas for investment. For some experts in public administration, the brazilian municipality is considered as one of the most autonomous in the world, only comparable to the cantons of Switzerland. The mayor, vice-mayor and the local representatives of the municipal chamber are directly elected by the municipality's inhabitants who are eligible to vote (older than 16 years old). The municipalities are responsible for up to 23 % of the total fiscal revenue

of the country, the highest among developing countries.

After 1988, there was a significant increase in the tax base since taxes originally collected by state (provincial) and federal governments were transferred to the local government. The municipalities are actually responsible for 50 % of their revenues. Besides that, the Municipal Development Fund-FPM increased the transfer of federal resources up to 23 %. In principle, the municipalities got richer after 1988 but the macroeconomic situation of the country and very high inflation started to weaken municipal budgets and programmes. The multiplying effect of the constitution of 1988 was thus not significant as one would have thought. The municipalities were confronted with a serious financial problem while assuming new roles and responsibilities transferred from state (provincial) and federal levels. Furthermore, there was a process of restructuring of local governments aiming at the dismantling of discrepancies between the different levels of government, redefining the relation between the state and the citizen and establishing more transparency and accountability in the public administration. This seems to have some parallels with the merge of black and white local authorities and the redefinition of roles and responsibilities between the local and provincial governments in South Africa.

The macroeconomic difficulties shoved local governments to create inventive and resourceful solutions to tackle the various problems which are entirely under their level of responsibility from 1988 onwards. Urban development, housing problems, public transport, basic infrastructure, public health and education and so on are now a local problem. Local level solutions will have

to be thought and implemented if the general situation of the country has to be improved. For an urban nation as Brazil, it will be in the cities where solutions for the major problems will be found.

In order to involve the inhabitants and provide them with clear responsibilities in the process of planning and implementation of public policies, several local governments invited grassroots organizations, community associations, professional and trade unions to take part in the popular councils. These councils became legitimized arenas where the local government policy and programming were discussed and approved and budget allocation was defined. State capital cities such as Vitória and Porto Alegre even implemented participatory budgeting mechanisms in order to define priorities and gain a responsible citizen commitment and support from the population to public policy making and implementation. In the Municipality of São Paulo, regional housing forum were set at the various submunicipality offices and a decentralized form of programme management and implementation was successfully established.

Participatory planning was linked with the process of decentralization of local governments. The constitutional obligation to have an approved urban development plan for all cities above 20,000 inhabitants and their obligation to involve the population in the formulation of such plans stimulated the activities of physical planning and did widespread the knowledge and understanding about urban planning.

In order to solve the critical housing problem, most municipalities adhered to self-help housing production processes and created interesting

mechanisms to deliver land and finance to low income groups. A municipal housing fund was often the most used formula because it did not depend on the federal government's will and resources. The fund was an instrument to mobilize resources for social housing and implied a direct access to finance by grassroots organizations. Once more the residents' associations were asked to play important role in the process of housing production and a series of partnerships were forged. This was first tried in Rio de Janeiro and later it was largely applied in São Paulo and Curitiba. Other small municipalities followed the same line.

The resources of the fund was originated directly from the municipal budget and from revenues generated through taxes on land readjustment programmes and from transactions involving urban properties. The most famous example is the FUNAPS programme of São Paulo where these urban operations generated around 70 million dollars within a short period of 3 years. Very intricate forms of urban operations and transfer of building rights were used as instruments to allocate land and financial resources for social housing programmes. Land expropriation was used in some cases when owners were little cooperative and unsensitive for social causes. The private sector was invited to participate and finally played a relevant role in the programmes in São Paulo and Curitiba where interesting forms of partnerships were implemented.

The new constitution stimulated and motivated several local governments to apply hard approaches against land speculation and this favoured the access to land by low income groups. The optimization of the existing infrastructure networks became an issue, taxes were levied and collected

from those land owners who benefitted from public investments and flexible urban planning instruments were created in order to adapt densities and land occupation indexes in different areas of cities.

During the democratization process, most of the neighbourhood organizations counted on the voluntary technical, political and social support of architects' unions, order of layers, association of sociologists, etc. This was turned official by progressive local governments in their policies and programmes. In the case of São Paulo, this partnership was made part of an integrated urban and housing policy and became a sine-qua-non condition to have access to finance for housing. A cadastre of small bureaus of young and motivated professionals (architects, engineers, sociologists) provided the neighbourhood associations with the necessary partners to formulate and implement housing projects based on the principle of mutual aid and self-management. The background of the associations and their experience with organized community actions was partly responsible for the success of such initiatives.

The fundamental question to be resolved for developing and implementing a sustainable and socially oriented housing policy that can cope with the immense housing backlog in South Africa does not lie on resources and technologies. Alike Brazil, South Africa seems to have a well developed construction sector. The fundamental problem to be solved is the lack of tradition with non-conventional housing programmes which must be part of an integrated approach to urban development and city planning. It is not only a question of building houses but creating processes for human settlement

development within an institutional and urban environment where the existing spatial and social segregation is solved and where lower income groups can have access to decision making, employment and income generation.

The accumulated experience with social housing and city planning of the Netherlands can provide a very useful references but it would be very important for decision makers, policy makers, urban planners and the professional cadre of South Africa to look at experiences, results and lessons learned by other developing countries that went through similar processes such as Brazil.

i . This short article was specially written for the reader prepared for the conference on Housing in South Africa, Arnhem, 22-23 June 1995.

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