The challenges
of the democratic
management in Brazil

the right to the city

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THE CHALLENGES ON THE DEMOCRATIC MANAGEMENT IN BRAZIL — THE RIGHT TO THE CITY

RENATO CYMBLISTA (ORG.)

Presentation

One of the characteristics of the current era are the growing processes of urbanization that occur in the most different societies. Everything indicates that the future of mankind will be increasingly urban, and this presents us with some specific challenges.

Cities are (and will be) more and more the place where our societies' poverty and misery are explicit: millions of people living in slums, in subnormal settlements, or even in the streets. On the other hand, cities are also the places concentrating investments in infrastructure, in quality of life, in commerce and specialized services, and in the supply of public facilities such as universities, hospitals, and research centers. In cities, more than in rural areas, disputes over territory are translated into rising real-estate prices in regions with good location and environmental quality. Cities have become, thus, extremely unequal places, the final expression of the contradictions and injustices of our society.

These are the themes concerning the present collection, composed of texts developed by the Pólis Institute in the 21st century meant to produce and systematize knowledge and intercede in the public debate over inequalities in the city and the quest for their treatment.

The urbanization of the population, poverty, and inequalities generated in recent decades an understanding that city territory is not just an *expression of* the contradictions and social inequalities, but has been a powerful ally of the processes of exclusion and segregation. The different locations in cities signify different real state prices, greater or lesser commuting times for different activities, access (or lack thereof) to public services and equipment, and stigmatization or status for their inhabitants. In many places in the world, living in the proper parts of the city can mean the right to basic sanitation, public transportation, and the use of the city after dawn.

In this context, the reality in Brazil contains some specificities. The first is the rhythm and scale of the processes of urbanization, one of the fastest and most intense experienced. While in 1960 the urban population represented a little more than 40% of the total population, this number surpasses 80% currently. In absolute numbers, this represented more than 100 million new inhabitants in cities: from 1960 to 2000, the urban population grew from 31 to 137 million.

Another detail of the Brazilian process refers to the social structure of the country. The gigantic process of urbanization took place in one of the most unequal societies in the world, and despite the many changes that occurred in the society from the second half of the 20th century, inequality remained practically untouched. The great majority of new urban inhabitants have been the poor, in search of better opportunities in cities. In the failure of housing policies to attend to the huge demand for urban locations, urbanization meant – principally in the largest cities – the proliferation of unqualified peripheral neighborhoods, unhealthy slums, and dangerous constructions. Even in situations in which the State was active in constructing housing, the results were distant housing projects and low quality homes. Thus, in the societal transformation from rural to urban, Brazilian cities could not take care of housing with dignity a large part of their population. And it is this that the first text of this collection addresses, "Urban Territorial Disputes redesigning social relations in Brazil," by Kazuo Nakano, Dirce Koga, and Frederico Ramos. The authors trace a panorama of the rapid and immense recent process of urbanization in the country, presenting the disputes for access to land and urban locations, defining conflict territories and relations among social groups in Brazilian cities, and relating the processes of urbanization to violence in the country.

The third specificity in the Brazilian reality is of political character. Since the 1960s, actors from the Brazilian civil society have built a profound understanding of the social contradictions expressed in the urban realm, on the active part of urban structure in the reproduction of inequalities. In the long process of redemocratization of the final decades of the 20th century, different social actors – movements of housing struggle, NGOs, academic sectors, trade unions, and professional organizations – were articulated in the quest for structural transformations in the forms the State constructs its urban and housing policies. These struggles resulted in important changes in the institutional framework of the country. More recently, the experience in Brazil has been debated in the international sphere, constituting a strategic reference for the construction of

a worldwide struggle for the right to the city. The second text of this volume, "The Right to the City: strategic response to Social Exclusion and Spatial Segregation," by Nelson Saule Jr., recuperates this trajectory, which was consolidated in the 1990s with the strengthening of NGO articulations and social movements on the international level. These actors have been carrying the banner of guarantee of the right to the city as one of the human rights and have come to occupy important political spaces since then. The text shows the Brazilian specificities in this process, and relates the national struggle for urban reform to the international struggle for the right to the city.

The struggle for the guarantee of the right to the city and for the transformation of Brazilian urban territory en route to a less unequal situation generated many experiences of building public policy and instruments that seek urban reform. The text "Urban land and social housing in Brazil: the Issue of Land in Participatory Master Plans," by Raquel Rolnik, Renato Cymbalista, and Kazuo Nakano, brings a systemization of one of the most important recent processes in this area: the wave of municipal Master Plan development, put into practice since 2001 with the institution of the progressive law of urban development in Brazil – the so-called Statute of the City – and the creation of the Ministry of Cities in 2003, after many years of struggle on the part of social movements, NGOs, and other segments of society.

The two final texts of this publication have as their focus the city of São Paulo, the largest Brazilian metropolis and one of the largest in the world, with more than 17 million inhabitants. São Paulo is the city where Pólis Institute is headquartered, and since its foundation one of the objectives of the Institute has been the defense of democratization of territory and democratic management of this city. In São Paulo are expressed with maximum force the contradictions of the development model and urbanization in Brazil, territorial disputes, and the difficulties of confronting the exclusionary and voracious market forces of real-estate and property. Also in São Paulo, social movements and technical sectors were historically articulated in search of treating this situation in the technical and political arena, at the same time feeding and being fed by disputes in the national and international spheres. The fourth text, "Property Rights and Real State Markets in São Paulo," by Renato Cymbalista and Paula Santoro, revives the recent history of the dispute for democratization of access to land in the city, not always with positive results.

And finally, in seeking to present current elements of the specific dispute currently engaged in the future of the central region of the city, between sectors that fight for

feasibility of popular housing in this region, and those that defend uses of a more cultural, touristic, and administrative character, the text "Public policies for Downtown São Paulo: social auditing the Inter-American Development Bank to São Paulo City Hall," by Renato Cymbalista, Isadora Tsukumo, Natasha Menegon, and Markus Brose, recovers the trajectory of more than a decade of elaboration and implementation of a project for the central region of the city with resources from the Inter-American Development Bank (IADB). The principal focus is the analysis of processes and potentialities from social participation and control.

The texts were constructed in the context of projects, networks, and several partnerships, mentioned in each of them. Though researchers from Pólis Institute have participated in the elaboration of all texts, several of them have co-authorships from long-time collaborators, since collective and inter-institutional work is another of the characteristics of Pólis's action.

There isn't any intention to neutrality in this group of texts, on the contrary, what unites them is a clear political position in favor of urban reform and to the guarantee to the right to the city. It is certain that the construction of knowledge is a goal in itself, but here is also explicit a political project – project that is collective, of which the Pólis Institute is only one of the pieces – that guides the construction of objects of study, research methods and circulation strategies of the knowledge produced. It is with this specific perspective – focused on the politicization of society, the instrumentalization of social actors and struggles, and the practical intervention in reality – that the texts present in this publication should be read.
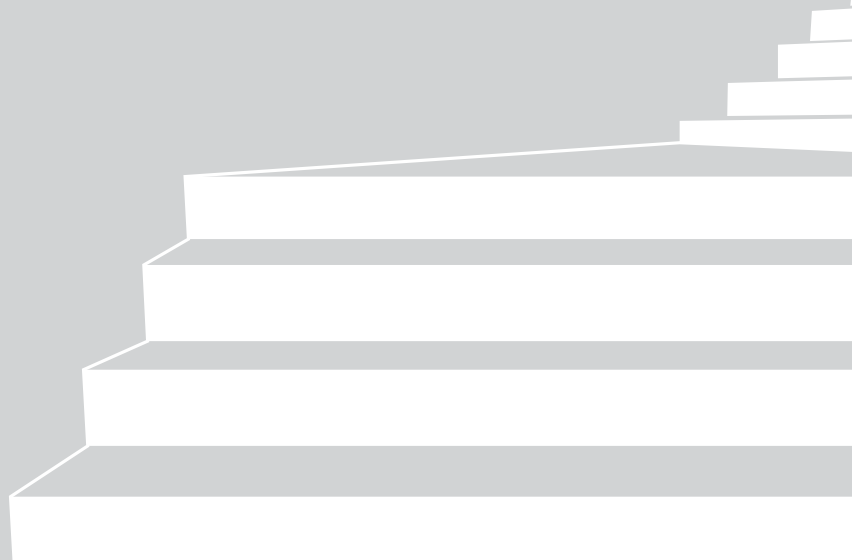
Summary

Urban Land and Social Housing in Brazil: the Issue of Land in Participatory Master Plans

Urban territorial disputes redesigning social relations in Brazil

KAZUO NAKANO*, DIRCE KOGA** AND FREDERICO RAMOS***

INTRODUCTION

The comprehension of the many expressions of the Brazilian social issue has become, paradoxically, a routine, considering the multidimensional factors contained in what can be called cases of poverty, social exclusion and social susceptibility. The evidence that such expressions really take place in the territories of experience inside more than 5.560 Brazilian municipalities, with different sizes, geographical areas and economic, political, cultural and social characteristics is also challenging.

One should highlight, for instance, the policies of health and social welfare in the actual scenario of seeking the territorialization of social protection responses through

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SUS and SUAS (health and social security systems). Both programs consider the territory in the design of their strategies towards the citizens, taking into account the city where they live.

If one takes into consideration the social field traditionally marked by the determination of actions focusing on target audiences, this perspective brings new ideas to be analyzed.

In this scenario, some questions arise about the meaning of territorialization or the relevance of being included in the analysis of the Brazilian social expressions and territorial dimensions. According to Bruno Palier, in his work entitled "Governing Social Security", the territory is, at first, a type of social action, an istrument allowing a new perspective to wards social policies as an alternative to the traditional modalities of social intervention. (PALIER, 2005:316)

This article, therefore seeks to discuss the existing evidence in the dynamics of occupation, creation and established relations which put the territorial dimension beyond the geographic space, considering its inclusion in the economic, political and social processes. The 21st century scenario has been pointing to the complexity of these current processes, in which indications such as evidence and prevalence have been increasingly structured territorial disputes.

FRONTS OF URBAN EXPANSION

In some parts of the chapter "The Sower and the Tiler" in the book "Raízes do Brasil" ("Roots of Brazil"), the Brazilian historian, Sérgio Buarque de Holanda, compares the foundation of cities in the Spanish and Portuguese processes of colonization of the Americas. There, he shows how the Portuguese colonization of the current Brazilian territory which differs started along the coast, having a "commercial exploration character",[1] from the efforts made by the Spanish settlers who transformed the conquered American land into an "organic extension"[2] of the metropolis. Holanda has also made a meaningful distinction between the processes of territorialization in the Portuguese and Spanish cities: while the first ones were "tropical and located on the coast",[3] the second ones tried to "intentionally escape from the coast, giving preference to the countryside and plateaus[4].

This author shows how the Portuguese "created dificulties to colonize the countryside, afraid that this might depopulate the coast"[5]. Therefore, small communities arose on the coast originating, the first Brazilian cities, such as Recife, Salvador, São Vicente, Santos and Rio de Janeiro, among others. These cities worked mostly as commercial posts for the products exported to Europe.

The explanation for the Portuguese preference for locating the colonial cities on the Brazilian coast is based on a strictly economic factor. According to Holanda, this preference existed because the "food produced near the coast could be more easily to Europe easier than the ones in the countryside that took a longer transported time to arrive in the harbors and when they did, they would coste more, so the farmers would rather sell them for the same price sold on the coast".[6] Despite the deep transformations taking place in Brazil in the last centuries, the influence of the coastal colonization undertaken by the Portuguese still endures nowadays. As Holanda mentions, "today, when one mentions the countryside, one still thinks of it as in the 16th century, a region lacking population and only slightly touched by urban culture".[7]

Regarding the distribution of population in Brazil, the largest densities are still located on the territories along the Atlantic coast, as shown in map I. The regions where the state capitals are located are highlighted with larger densities. In the states in the South and Southeast, mostly in São Paulo, the density is more balanced between the municipalities located in the countryside and along the coast. In the Northeast, the states of Pernambuco and Maranhão have also shown the same pattern of balance, unlike the states of Ceará, Piauí and Bahia, among others, where a clear difference between municipalities in the countryside and in the coast can be noted.

The persistence of small population in the countryside confirms the fact that Brazil is a country which is still territorializing part of its population in non-occupied spaces.

Map l

POPULATION DENSITY IN BRAZILIAN MUNICIPALITIES — INHABITANTS/KM² — 2000

**Population density
(inhabitants per km2)**

54041

35

15

0,09

0   500km
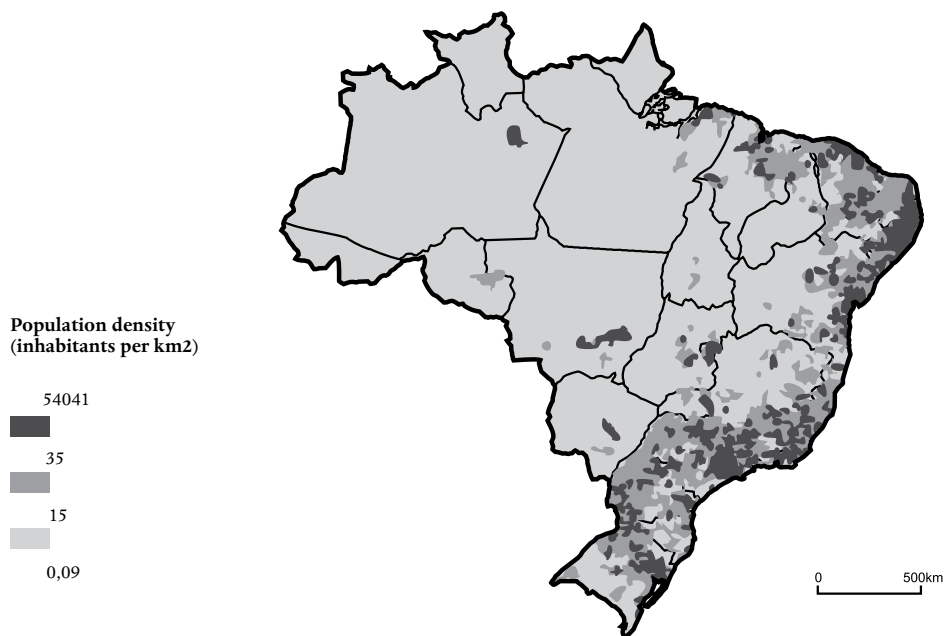
Source: IBGE Census 2000

Extracted from the Thematic Documents Elaborated to Support the Proposal for the Territorial Planning National Plan – Ministry of National Integration – 2006.

The Brazilian urban networks are located in the regions where density is larger, Small and medium size cities, metropolises and megalopolises with millions of inhabitants concentrating regions and great group of cities with their political, economic and cultural roles are part of this network. One should highlight two important concentrations of cities: one in the states of São Paulo and Rio de Janeiro, in the Southeast, and another in the coast in the Northeast, between the cities of Natal and Salvador. These two urban concentrations have great economic dynamism.

Although the greatest part of the Central West region does not have a large populating density, one can note the high level of urbanization in this part of the Brazilian countryside. This is recent evidence which confirms, and also contradicts Sérgio Buarque de Holanda's statement mentioned above. It confirms scarce population related to the

persistence of the low density and contradicts the idea that Brazilian countryside is only reached by the urban culture from other regions.

The Central West region has its own urban culture present in the cities distributed, mainly, along two urbanization axes which are going through an accelerated process of consolidation. These axes can be identified as follows: one along the road that connects Campo Grande, Cuiabá, Porto Velho and Rio Branco and another along the road connecting Brasília and Belém. These axes and the regions of Manaus, Boa Vista and Macapá, among other urban centers in the North and Central West, represent the front early 21st century urban expansion.

It also concerns a migration front composed by people coming from different parts of the country, especially from the South and Northeast regions.

The axes of urbanization in the North and Central West regions are organized with the expansion of the agro-business based on the husbandry and agricultural cultivation for exportation, mainly of soybeans. The following maps show the evolution in the number of cattle on natural and artificial grazing during the period of 1977 to 2001. One should notice that the dissemination of husbandry towards the countryside has taken place exactly along the axes of urbanization mentioned above. The dissemination is still happening, considering that Brazil was the largest exporter of red meat in the world during the years 2004 and 2005.

Looking into the areas where soybeans were grown during the period of 1977 and 2004, one can realize that there is a similar tendency of space distribution. The expansion of the production of this "commodity", along with its increase of value in the international market, is also shown in the highlighted urbanization axes.

The growth of soy beans indicates the intense mobility of agriculture in Brazil. Before the 70s, this product was not cultivated in large scale in the country. Nowadays, Brazil is the largest exporter of soybeans in the world. This process makes one wonder what is the role played by the cities in the development and transformation process taking place in the field and the role of crop growing fields in the development and transformation in the cities. What are the characteristics of the links between the rural and the urban in the actual fronts of migration, urban expansion and dissemination of the agro-business in the countryside toward areas covered by the Amazon rain forest? Which are the political, economic and cultural connections between the field and the cities conditioning specific territorial arrangements in the regions and intra-urban spaces?

Certainly, cities present territorial arrangements conditioned by the activities carried out in the rural areas. The structuring of the commercial activities related to the supply of agricultural machines and goods coming from other places, or the organization of territories for industrial processing and aggregation of values, or the, agro-business in the city limits are examples. Or, the emergence and consolidation of peripheral areas in existing cities of small urban cores erected next to the highways or other infra-structures serving to store and distribute these products. They are peripheral neighborhoods and centers with small stores and housing for the families of workers attracted by regional development.

Map II

EVOLUTION OF THE CATTLE POPULATION — 1977 TO 2001
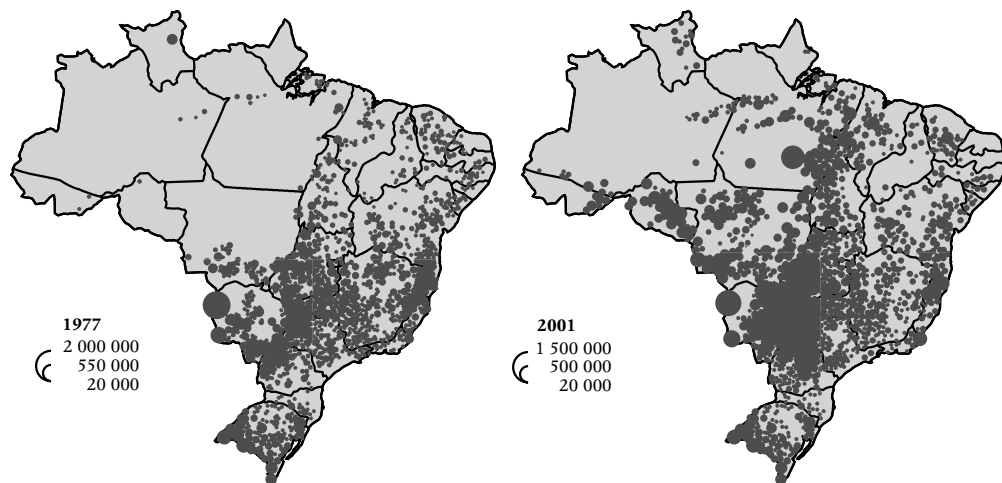
1977
2 000 000
550 000
20 000

2001
1 500 000
500 000
20 000

Source: Extracted from the Thematic Documents Elaborated to Support the Proposal for the Territorial Planning National Plan – Ministry of National Integration – 2006.

Map III
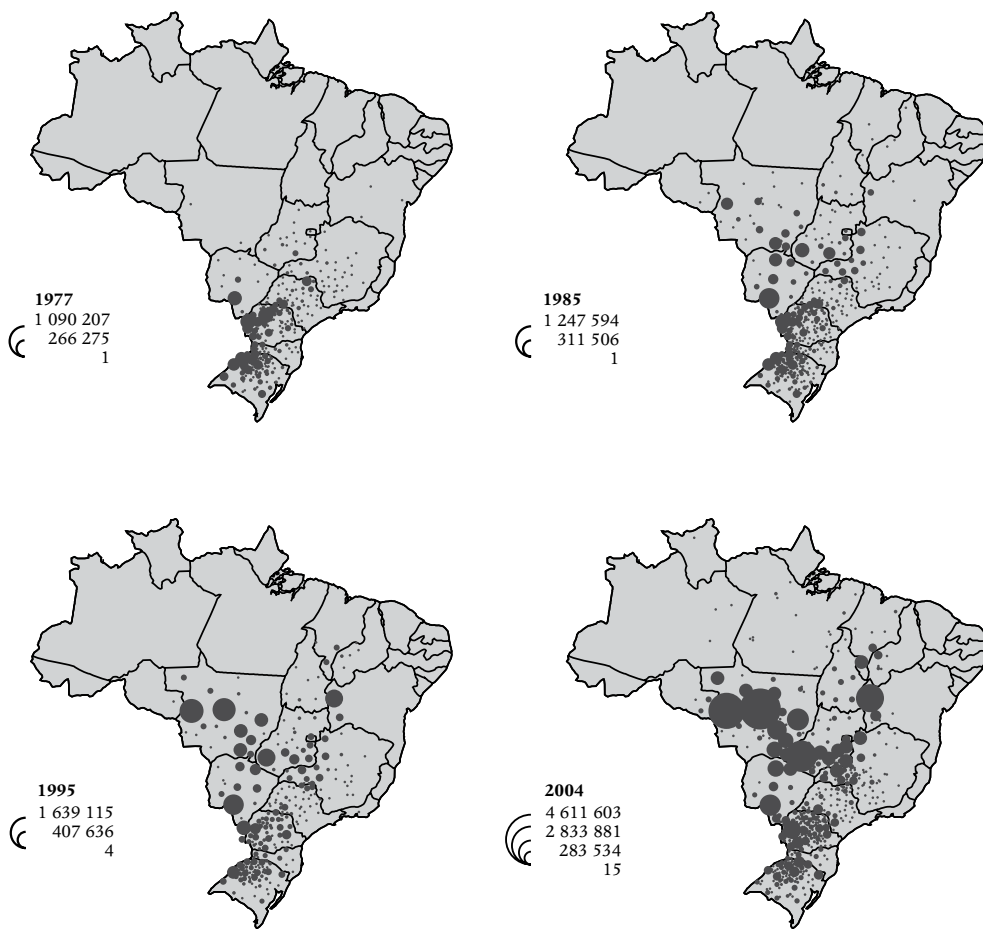
1977
1 090 207
266 275
1

1985
1 247 594
311 506
1

1995
1 639 115
407 636
4

2004
4 611 603
2 833 881
283 534
15

Source: Extracted from the Thematic Documents Elaborated to Support the Proposal for the Territorial Planning National Plan – Ministry of National Integration – 2006.

21

The agro-business induces the production of specific types of urban and rural spaces which need more detailed and deep studies taking into account the critical analysis about its characteristics, problems and conflicts.

Strong conflicts in the migration fronts, urban expansion and growth of the agro-business are evidenced in the North and Central West regions of Brazil. The conflicts of interest and the dispute, for the access to urban and rural land are being aggravated which fores the price of land to acquire high economic values in a scenario of accelerated production of wealth.

Such conflicts and disputes increase due to the lack of land reform in real estate properties. The lack of solutions to the problems generated by the irregular occupation of public and private lands and the inability of the government to avoid the production of fake land property documents in the federal, state and municipal lands in the clash between possession and property increases these conflicts and disputes. Many times, the goverment is connives with the lands occupation by those holding fake documents in exchange of political and economic support.

The advance of the migration, urbanization and agro-business fronts over the territories of traditional populations, mainly the native Indian communities, give a specific political and cultural shape to the conflicts and land disputes which also require a more detailed analysis. The complaint of the "death hug" involving the Xingu river is already well known. The soybean plantations and the deforestation put the water sources of the main rivers responsible for supplying the region at risk, harming traditions, customs and habits of the communities living there.

As these expansion fronts adware, particularly the deforestation, over the Amazon Forest areas which are rich in biodiversity and possessa high socio-environmental interest – they introduce local conflicts related to international processes, such as those related to climate change and global warming.

These distinct types of conflicts and disputes bring violence to small municipalities in the countryside.

These conflicts and disputes are aggravated in the "Deforestation Arch" as seen in the next map.

In this area, male presence, the proportion of migrants in the local communities, the cattle/human relation, the increase in the soybean plantations, and the number of murders linked to rural conflicts the are very high.

Map lV

MIGRATION, URBANIZATION, DEFORESTATION
AND THE EXPANSION FRONT OF THE AGRO-BUSINESS' FRONT
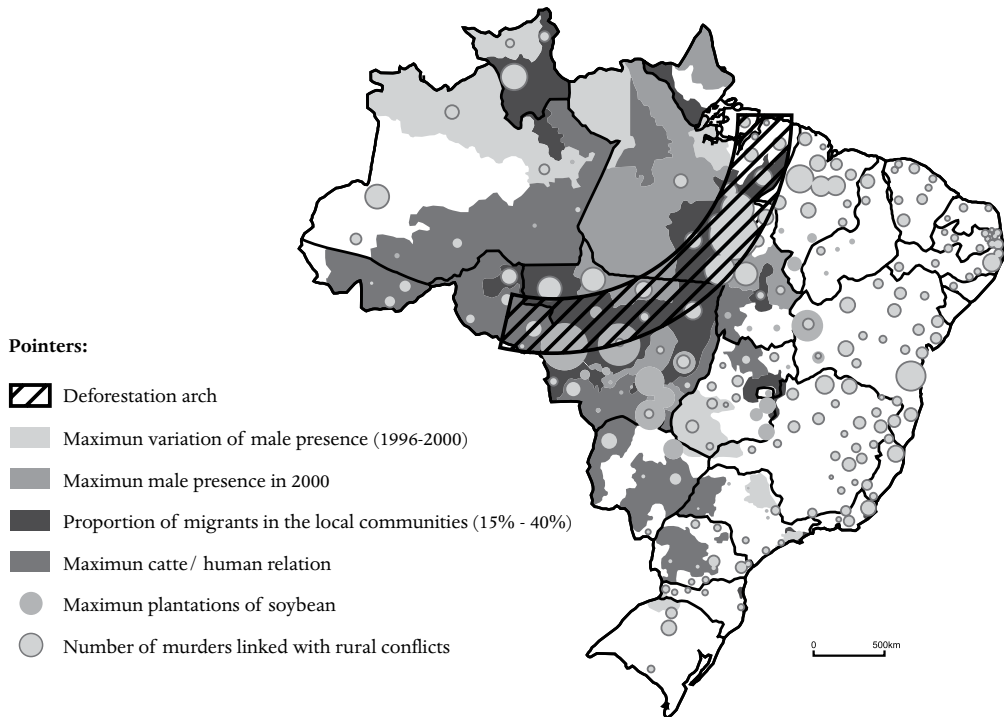
Pointers:

- Deforestation arch
- Maximun variation of male presence (1996-2000)
- Maximun male presence in 2000
- Proportion of migrants in the local communities (15% - 40%)
- Maximun catte / human relation
- Maximun plantations of soybean
- Number of murders linked with rural conflicts

0   500km

Source: Extracted from the Thematic Documents Elaborated to Support the Proposal for the Territorial Planning National Plan – Ministry of National Integration – 2006.

In the countryside, the combination of territorial occupation, urbanization, migration, deforestation, cultivation for exportation, land conflicts, impacts over native Indians' communities and high rate of violence, regard the colonization process of the Brazilian coast analyzed by Sérgio Buarque de Holanda in the book mentioned at the beginning of this text. Although this historian does not deeply analyze the conflicts and predatory and violent patterns that have oriented the territorialization of the first Brazilian cities in the colonial period, it is possible to assume that in the current migration, deforestation, urbanization and growth of agro-business' fronts towards the North and North West regions in the country, such patterns are still valid.

THE TERRITORIAL DIMENSION OF SOCIAL INEQUALITIES[8]

In fact, the latest "Map of Municipalities' Violence" produced by Ritla (Latin American Technological Information Network) and the Ministries of Health and Justice,[9] released in January 2008, shows that the violence is moving towards the Brazilian countryside. This trend seems to move along with urbanization and the advance of urban expansion, as seen before. The following map reveals the trend and concentration of the highest rates of homicides in the municipalities located of the countryside of Brazil (marked with darker color).

Map V

AVERAGE RATE OF HOMICIDES — BRAZIL — 2004/2006

until 0,000

0,000 – 6,360

6,360 – 10,075

10,075 – 16,716

16,716 – 29,240

29,240 – 107,200
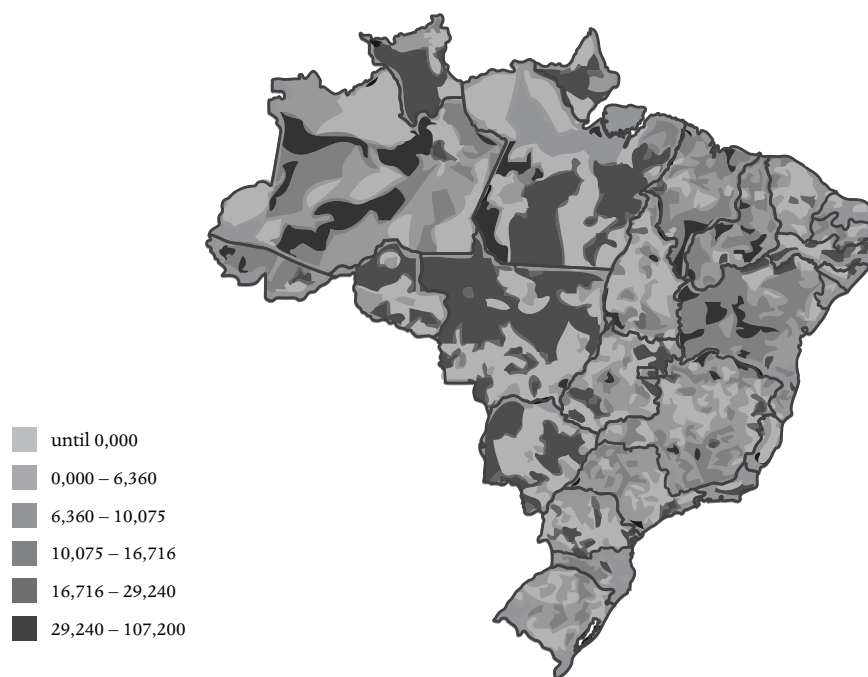
Source: Map of Brazilian Municipalities' Violence – 2008.

The research corresponds to a total of 556 towns and cities considered the most violent ones, and are equivalent to "10% of the 5.564 Brazilian municipalities, comprehending 44,1% of the Brazilian population and 73,3% of homicides in 2006. These 556 towns and cities have an average of 144 thousand inhabitants – while 32,6 thousands in every municipality in the country." (Folha de S.Paulo, January 30th, 2008)

Therefore, despite the trend of moving towards the countryside, the presence of 25 country capitals in the 10% of what is considered the most violent municipalities, with an exception of Boa Vista (RR) and Natal (RN), should be considered. On the list, the municipalities located on international borders, the presence of land conflicts, touristic profile and developing municipalities, are also highlighted, according to the first 38 municipalities considered the most violent ones.

Table l

THE 38 MUNICIPALITIES WITH HIGHER AVERAGE RATES OF HOMICIDES
(FOR EACH 100 THOUSANDS INHABITANTS) IN THE TOTAL POPULATION

			Number of homicides					yearly moving average	average rates of homicides	average popul. thousands
Order	State	Municipality	2002	2003	2004	2005	2006			
1	MS	Coronel Sapucaia	21	8	17	17	13	3	107,2	14,6
2	MT	Colniza	20	21	18	12	13	3	106,4	13,5
3	MT	Itanhanga	•	•	•	5	4	2	105,7	4,3
4	ES	Serra	404	363	407	346	365	3	102,4	364,1
5	PR	Foz do Iguaçu	265	241	285	275	326	3	98,7	299,2
6	PA	Tailândia	53	40	48	58	66	3	96,2	59,6
7	PR	Guaira	13	12	23	36	22	3	94,7	28,5
8	MT	Juruena	4	18	3	10	9	3	91,3	8,0
9	PE	Recife	1.312	1.336	1.352	1.324	1.375	3	90,5	1492,0
10	PR	Tunas do Paraná	0	4	6	6	2	3	90,1	5,2
11	PA	Marabá	100	137	150	187	164	3	87,9	189,9
12	PA	Itupiranga	18	20	27	29	46	3	87,5	38,9

13	ES	Vitória	240	221	253	263	273	3	87,0	302,1
14	RO	Chupinguaia	8	3	2	11	4	3	85,9	6,6
15	RJ	Macaé	133	113	163	119	123	3	85,9	157,2
16	BA	Porto Seguro	32	37	53	92	124	3	85,8	104,5
17	ES	Viana	33	37	44	45	54	3	84,9	56,1
18	PA	Novo Repartimento	28	28	29	36	53	3	83,9	46,9
19	MT	Nova Ubiratã	2	8	3	10	4	3	82,4	6,9
20	ES	Cariacica	272	297	280	280	291	3	81,6	347,4
21	RJ	Duque de Caxias	655	703	605	710	686	3	81,5	818,5
22	AL	Maceió	511	520	559	620	899	3	80,9	856,1
23	RO	Buritis	28	32	16	31	19	3	80,7	27,3
24	PR	Rio Bonito de Iguaçu	12	13	14	9	10	3	80,1	13,7
25	PE	Jaboatão dos Guararapes	442	474	493	535	475	3	78,6	637,1
26	RR	Alto Alegre	7	3	6	5	23	3	76,9	14,7
27	PE	Cabo de Santo Agostinho	143	139	115	134	119	3	76,8	159,7
28	PA	Cumaru do Norte	1	1	5	7	7	3	76,7	8,3
29	MG	Betim	108	252	306	297	285	3	76,5	386,9
30	RJ	Cabo Frio	81	115	103	127	118	3	76,4	151,7
31	PA	Goianésia do Pará	11	13	12	17	33	3	75,8	27,3
32	RJ	Itaguai	80	89	75	79	49	3	75,6	89,5
33	MT	Gaúcha do Norte	3	1	7	4	0	3	75,6	4,9
34	PE	Aliança	12	25	26	30	23	3	75,5	34,9
35	RJ	Armação dos Búzios	13	9	13	17	21	3	74,8	22,7
36	RJ	Itaboraí	174	181	151	154	150	3	74,0	204,9
37	PE	Rio Formoso	13	19	13	17	16	3	73,7	20,8
38	PE	Ilha de Itamaracá	10	17	22	7	7	3	71,9	16,7

Source: Map of Brazilian Municipalities' Violence – 2008

With the exception of São Paulo, the more violent cities in each state of the Southeast region are in the metropolitan area. An interesting comparison was made among the 10% most violent municipalities in the country and the "Deforestation Arch", in which data was released in the end of 2007, revealing an increase in deforestation: "In a list released by the Ministry of Environment, of 36 cities responsible for half of the recent deforestation in the Legal Amazon Forest, 23 of them are among the 10% most violent cities in the country" (Folha de S.Paulo, January 30th, 2008). In the same document, according to the author of the research Julio Jacobo Waiselfisz, the relation between deforestation and violence can be explained by the lack of State presence in those areas: "one can clearly see that there are illegal properties, slavery and an absence of government in the Arch of Deforestation".

As already discussed, the land irregularities in these areas of conflicts and violence make the mediation of the State even more difficult. The lack of consolidation of property titles or deeds generates more conflicts with those owning fake titles and those who have occupied abandoned lands. Here, the participation of the territorial framework in the expression of correlated social and environmental processes is evident in so far as they are part of the same excluding socioeconomic logic. There is more than one way of analyzing the data released in this research that might contribute to the debate about the (re) consideration of the territorial dimension present in phenomena such as urban violence.

When the same research shows the average rate of homicide among the population aged 15 to 24 years, for instance, the peripheral municipalities are highlighted next to the ones located in the metropolitan region.

Table II

			Number of youth homicides					Average homicide rate	Average popul.
Order	State	Municipality	2002	2003	2004	2005	2006		
1	PR	Foz do Iguaçu	140	102	134	135	154	234,9	61,3
2	PE	Recife	503	603	600	625	630	214,3	303,1
3	MG	Santa Cruz de Minas	1	0	3	2	4	211,8	1,4
4	ES	Serra	166	157	179	136	155	201,6	80,1
5	PR	Guaira	4	10	8	15	8	191,0	5,4
6	AL	Maceió	229	246	290	299	428	186,5	183,5
7	PE	Jaboatão dos Guararapes	205	212	235	261	212	178,3	135,4
8	RJ	Duque de Caxias	225	259	221	295	306	176,9	157,1
9	ES	Vitória	122	115	104	111	114	175,5	63,7
10	MG	Betim	44	120	144	151	133	174,2	85,0

Source: Map of Violence in Brazilian Municipalities – 2008.

That is to say, one of the social susceptibility's perspectives present in the metropolis that should be considered concerns the phenomenon of violence affecting the youth and adolescents in these areas, a situation which is normally highlighted in debates on youth policies.

One should recall that this population's susceptibility was also highlighted in the research conducted by the CNASEA – National Council of Social Welfare, coordinated by the Center for Security and Social Welfare of PUC/SP entitled "The Municipal Management Photo Album."[10]

Among other indicators related to the social welfare policies, the research aimed to reveal the interpretation of managers, professionals and other participants of the municipal conferences which took place in 2005, on the risks and susceptibilities existing in the social urban and rural areas.

The contrast of urban and rural areas stands out as an important element of the research in so far as it shows how the territory of living can produce different perceptions in the same municipality, state or region.

One of the conclusions of the research shows that "in the urban area the larger percentage of commentaries about social risks during the adolescence, is evident in relatively regions of the country, except in the North and Northeast regions where the larger percentage of risks is mentioned to be during childhood." (SPOSATI, 2007:127)

The Brasilian urban area is not described in the same way as the rural part of the country when it concerns risks and social susceptibility. Social risks, when disaggregated by population sectors (childhood, adolescence, elderly, family) as presented in the "Photo Album" also change in number of perceptions. Taking the Brazilian regions as the basis, the "elderly" sector was considered the one with lowest incidence of social risk, information that might reinforce the trend verified in the latest years about the central role they have been assumed as prividers for Brazilian families, through social or welfare benefits.

Table III

PERCENTAGE RATE OF URBAN SOCIAL RISKS AND SUSCEPTIBILITY POINTED BY MUNICIPAL OFFICIALS, SEGREGATED BY GREAT REGIONS BRAZIL — 2005

Area	Childhood social risk	Youth social risk	Elderly social risk	Family vulnerabilities
Center-west	43,9	52,4	23,4	36,6
Northeast	64,7	60	28,2	28,3
North	52,9	46,6	23,5	26,2
Southeast	40,1	57,9	24,2	38,2
South	35,7	40,1	19,1	36,8
Brazil	49,3	53,6	24,5	33,4

Source: Municipal Management Photo Album. CNAS, 2005 – 2006.

It is still interesting, when discussing urban violence, the Brazilian society persists, of relating social susceptibility territories with violent and dangerous areas. This simplistic and direct association builds in the collective imaginary the stigma of social degeneration in a great part of the Brazilian population. In the field of geostatistics, some

studies have been conducted to analyze, through the technique geographically weighted regression technique, how the relations between mortality by homicide rate and socio-economic variables are spatially distributed.

In the case of the City of São Paulo, the correlation between homicide and illiteracy rates have been analyzed in 456 weighted areas in the municipality. A total of 4.637 homicides, according to data released by the SEADE Foundation, in 2001, were georeferenced by the victim's address and summed for each weighted zone (456). The total was divided by the population counted in the 2000's census, reaching a rate that represents the concentration of homicides by weighted area towards the total population.

Map VI, shows the more critical areas by density of homicides.

Map VI

HOMICIDES DENSITY — MUNICIPALITY OF SÃO PAULO
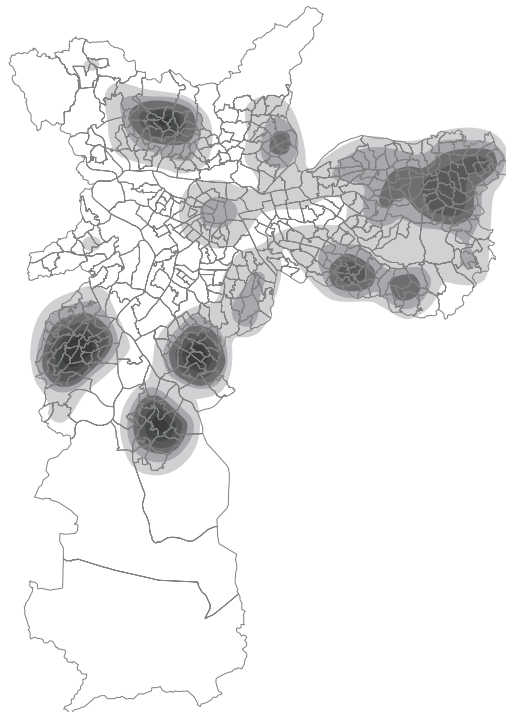
Source: Seade Fundation, 2001 e Census IBGE, 2000.

The rate of family heads illiteracy was also obtained in the 456 weighted areas. Map VII shows the spatial distribution in percentages.

Map VII

t-value

- -1,86 – 0
- 0 – 1,96
- 1,97 – 2,58
- 2,59 – 6,09
- 6,10 – 9,34
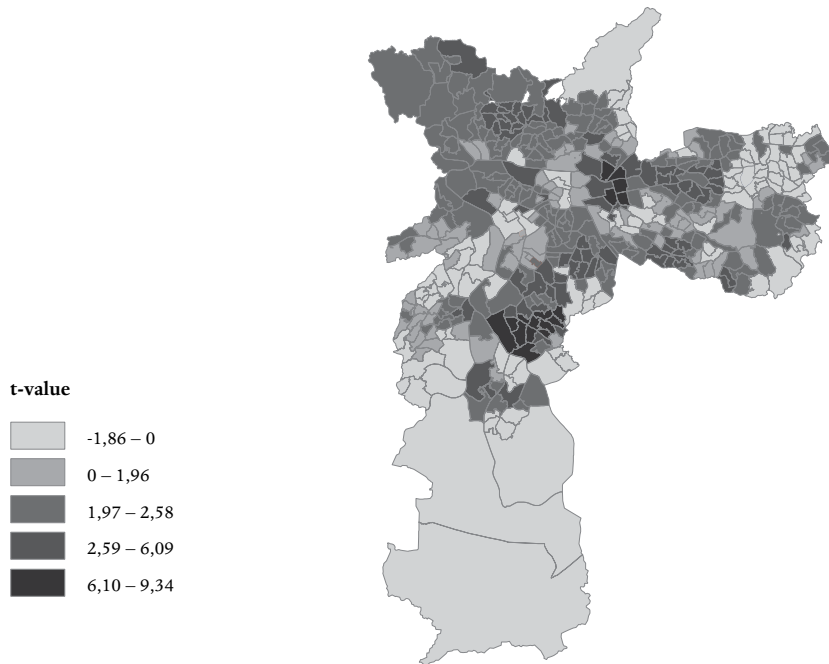
Source: IBGE, Census 2000.

In the cases of analysis by weighted area in the Municipality of São Paulo, the study has shown, through the analysis of the homicides rate and percentages of illiteracy, a positive and statically significant association between two variables, one with coefficient of determination (r square) of 0,36. This rate, however, does not capture local variations of correlation since it concerns an analysis about the association in the Cartesian space x,y, not considering its location.

The technique of geographically weighted regression allows the information of the location in the statistical model of regression's incorporation. (FORTHERINGHAM and others, 2002)

From the analysis, the results can be spatialyzed in terms of its determination parameters (known as Beta) in the regression equation. Beta can be interpreted as following: it is the inclination of the straight line's correlation. Therefore, when variations of 6,39 to 15,76 are found, one can affirm that in some areas the increase of one percentage point of illiteracy can provoke the decrease of up to 6,39 times the rate of homicides, considering that in other areas this increase might provoke an increase of even 15,7 times the number of homicides. That is to say, different territories where similar incidence of socioeconomic indicators take place, may not present the existence of the same social phenomena.

In Map VIII, the positive and statically significant association between homicide and illiteracy of the family's head in the South zone of São Paulo is evident showing that in the areas where the t-value is greater than 1,98, there is a statically significant association among the variables. Such significance, however, does not happen in any other area in the City.

Map VIII

MAP RESULTING FROM THE REGRESSION ANALYSIS

0,04% – 2.5%
2,51% – 5%
5,01% – 7%
7,01% – 11%
11,01% – 19,38%
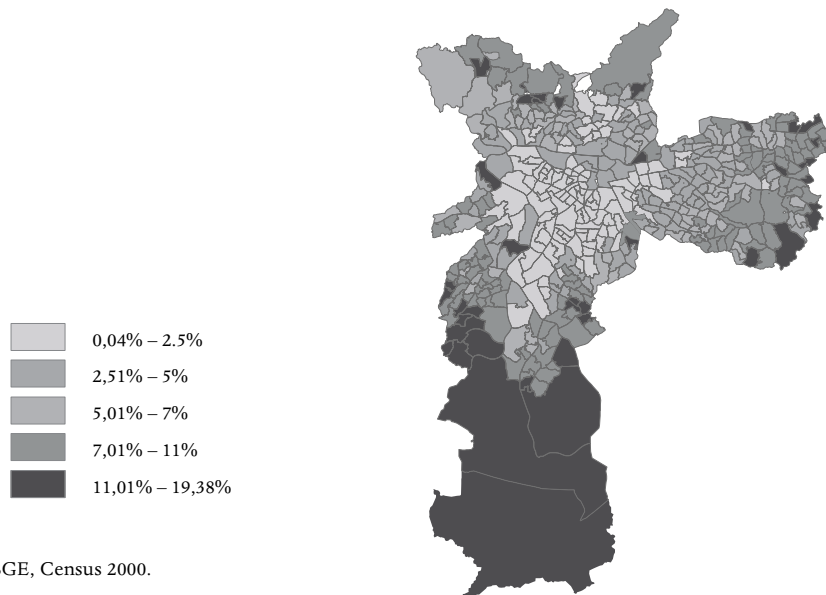
Source: IBGE, Census 2000.

This quantitative analysis shows how risky can become the association of socioeconomic conditions to the phenomenon of homogeneous violence, without considering the territorial dynamic and the complexity that this factor represents in a metropolis such as São Paulo. So, one should consider that

> *(...) metropolises have, at the same time, the greatest potential for development and the worst social problems. This scenario is present in metropolitan areas all around the world, turning the metropolis into a political problem. This happens because they constitute a territorial reality not considered by the Law, they are not formal unities of organization and, consequently, do not have a government structure which can respond to the problems they have.* (ANDRADE and CLEMENTINO, 2007:240)

Metropolises reveal a portion of reality that represents the routine of the battles in urban territories, battles that are also evident in other regional arrangements in the Brazilian scenario, as previously analyzed.

Regarding social policies, the political management factor has become a constant challenge to the Brazilian metropolitan areas. The management models related to the more complex and regionalized systems of social security in health and social welfare, for instance, should be (re) considered. One should remember that while 20% of Brazilian population lives in more than four thousands municipalities with less than 20 thousands inhabitants, another 20% live in 15 metropolises with more than one million inhabitants, according to the latest census.

Therefore, the creation of social policies to metropolitan area requires a more specific look over its dynamics, what may also require specific tools of public management. In the policies of social welfare, for instance, what would be the real meaning of the presence of CRAS – Reference Center of Social Welfare – in the metropolis' scenario considering its socio territorial dynamic? Although it was designed in the perspective of basic social security, its function can be easily extrapolated in the metropolis to respond to social situations considered specials, requiring a different spatial, professional and technical design.

According to the National Policy of Social Welfare – PNAS/2004,

> *The Reference Center of Social Welfare – CRAS is a regional public center of territorial basis, located on areas of social susceptibility, covering a total of up to 1.000 families/year. It is responsible for basic social security services and the coordination of the local network of social welfare policies."* In addition, *"the average complexity social protection also involves the Specialized Reference Center of Social Welfare, aiming the guidance and family communitarian life. It differs from basic protection since it concerns a guidance for situations when rights have been violated.* (PNAS, 2004:33,36)

The CRAS, in cities with more than 10 million inhabitants such as São Paulo, or with more than two million inhabitants such as Belo Horizonte, due to its metropolises' characteristics, are usually facing more complicated social situations or violation of rights, but also some cases of problems to access the city when one depends of other transportation besides walking or of a solidarity network in the neighborhood. That is to say, in such scenario, CRAS and CREAs are only one, making the distinction of basic protection and special social protection more difficult.

The opposite situation takes place in another Brazilian reality: the Amazon Forest with its physical, environmental, political and cultural peculiarities where the demand for adaptations of social policies is even more evident and urgent. In the field of social security, in the Municipality of Coari, for instance, located in the heart of the Forest, the CREAS works on boats that stay away from its municipal headquarters 20 days/month, sailing through the communities along the rivers.

Bertha Becker, when approaching the new Amazon geography, argues that *the territory effects the political action, which affects itself retroactively. The recognition of the territory may be a solution for establishing different political priorities.* (BECKER, 2007:35)

Therefore, the social policies' territorial perspective is not reduced to a simple replacement or transposition of a political-administrative division of the territory, approaching the territories such as they were "cold blood territories". Here, one of the challenges to consider the action of social policies in the territories is at stake: get to know the territories beyond its visible characteristics, but also for its distinct dynamics which make them "hot blood territories".

Some cases which were territorialized here make a group of factors evident in the scenarios of disputes as faces of territorial degradation. The indicators of violence – cruel expression of disputing territories – cannot be considered alone. The socioeconomic indicators can neither be attributes of cases of violence.

As Milton Santos used to say, "The territory should be understood as the used territory, not as the territory for itself. The used territory is the ground and the identity. The identity is the feeling of belonging to what belongs to us. The territory is the core of the work; the place of living, material and spiritual exchange and the exercise of life". (SANTOS, 2007:14)

The State is a main subject in the territory building. As previously analyzed, the territorial disputes are structuring the Brazilian territory regionally and inside a city such as São Paulo, for instance. The consequence of this process is the deepening of social exclusion and susceptibility of the population. In this scenario, the presence of the State as a mediator and regulator is extremely important according the collective and public interests. It is necessary to seek a new definition for the State role in the construction and implementation of a post-neoliberal agenda, in which public policies in a territorial perspective need to organize State and non-State provision and regulation.

NOTES

1. HOLANDA, Sérgio Buarque. *Raízes do Brasil*. São Paulo: Companhia das Letras, 1995. P. 98.

2. Idem. P. 98.

3. Idem. P. 99.

4. Idem. P.99.

5. Idem. P. 100.

6. Idem. P. 101.

7. Idem. P. 101.

8. Part of this text was initially elaborated as a request made by the Department of Social Protection of the Municipal Secretariat of Social Welfare of the Municipal Government of Belo Horizonte aiming to be used in a workshop about territorialization expected to take place in 2008.

9. The document was released by the press on January 30th, 2008 and made available in Ritla's website: www.ritla.net.

10. The research coordinated by Professor and PhD Aldaíza Sposati (NEPSAS – Center of Social Welfare and Security of PUC/SP and CEDEST – Center of Socio territorial Inequalities) has been presented in the VI National Conference of Social Welfare that took place in December 2007, analyzing responses of public managers of a total of 3.207 municipalities representing 58% of the 5.564 Brazilian municipalities).

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The Right to the City: Strategic Response to Social Exclusion and Spatial Segregation

NELSON SAULE JÚNIOR[*]

BRIEF OVERVIEW OF SOCIAL AND SPATIAL INEQUALITIES IN LATIN AMERICAN AND CARIBBEAN CITIES

Latin America and the Caribbean contain an elevated degree of social inequality, not only in what's referred to as income distribution, but also in aspects relative to education, health care, housing, public services, employment, police treatment, judicial treatment, and political participation.[11] Historically, no one isolated factor contributed so much to this inequality as the unequal distribution of land.[12] The greater part of Latin American countries still possess high rates of property concentration, this being a key factor in the marginalization of vulnerable segments of the population, such as indigenous peoples, afro-descendants, and women.[13]

In 2001, it was estimated that 180 million people were living in poverty, which represents 36% of the population of Latin America. Of this total, 78 million live in conditions of extreme poverty, without the means of ensuring even basic daily diet requirements (HABITAT, 2001:7). With relation to urban poverty, the data demonstrates that by the end of the 1990s, 6 out of every 10 poor people in Latin America lived in urban areas.[14]

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In Latin America and the Caribbean are the highest rates of urbanization in the world: in the year 2000, 79% of the population lived in cities. It is forecast that by 2030, 83% of the population of Latin America and the Caribbean will be living in urban areas.[15] Within the region, South America has the highest percentage of urban population, at 92%. In Central America, the urban population is 71%, and in the Caribbean, the percentage is 65%.

The elevated growth of urban populations comes from a process of demographic explosion and from the rural exodus, resulting from a lack of consistent agrarian reform policies. In general, the legislation and public policies created to restrict cities' growth possess exclusionary and discriminatory content, which contributed to a generation of more poverty, marginalization, and environmental degradation.[16]

On the other hand, the State of the World Population 2007 – resulting in the Unleashing the Potential of Urban Growth — offers an important observation as to the world's urban population growth. According to the Report, the poor will represent a large share of future urban growth, since the greatest part of current urban growth results from natural growth and not from migration. To ignore this basic reality will make it impossible to plan the growth of cities or utilize the urban dynamic to help reduce poverty.

Urban growth also amplified the demand for housing, and aggravated the lack of essential services: at least 25 million residences do not possess potable water and a third of the urban field has no sewage system (CLICHEVSKY, 2000:12). According to data provided by ECLAD, the housing deficit reached the mark of 17 million dwellings, being that the total deficit increased to 21 million, if buildings in precarious conditions are considered. In Latin America, only 60% of families possess adequate housing, while 22% live in houses requiring improvements and 18% need new houses.[17]

The average unemployment rate in Latin America reached 8.5% in 1999, the highest in 15 years. Even amongst those who possess jobs, a considerable proportion work in informal arrangements – 30% in Chile, 35% in Argentina, 39% in Colombia, and between 60 and 75% in Guatemala, El Salvador, Honduras, Costa Rica, Nicaragua, and Peru.

The formal markets exhibit characteristics that impede access for the great majority of the urban population (CLICHEVSKY, 2002). In the majority of Latin American cities, land has been incorporated via demarcation of interspersed plot-divisions, maintaining empty spaces unoccupied for real estate speculation.[18] This is one of the reasons that a broad range of large empty spaces is commonly encountered in metropolitan areas.

Furthermore, when public authorities construct roads and provide public transportation and public services infrastructure to serve poorer neighborhoods on the outskirts of the city, this public investment passes these unoccupied spaces, raises their value, thus exclusively benefiting the speculator.

Urbanization in Latin America was based on massive investments in infrastructure in order to execute aesthetic and hygienic reforms. As a result, the poorest populations were obliged to live in outlying areas. Latin American governments concentrated their investments on infrastructure capable of attracting industries: roads and transportation systems became central elements for the maintenance of economic growth and for the growing flow of merchandise and people. Workers came to live in the suburbs, since they couldn't afford to buy or rent in more central areas of the cities. The State did not provide any kind of infrastructure in these suburban areas, further reinforcing the formation of informal, clandestine, and precarious settlements. (SOUZA, 2003)

The lack of adequate housing for the poor is related to the patterns of urbanization and with the methods of developments in the cities, whose disorderly growth was intensified starting in the second half of the 20th century, resulting from the growing process of industrialization that attracted more and more people from rural areas. Other social and economic factors also contributed to expansion of informal settlements,[19] including the high levels of unemployment and the low salaries paid to immigrant workers; macroeconomic adjustments imposed by the international financial institutions that resulted in governmental austerity policies; restricting the part of the State in planning and implementation of public policies,[20] and valid urban regulations for some areas, but not others (that is, the informal areas), contributing to price differences. The result was a landscape divided between a formal city, with its buildings and construction in accordance with approved norms, and an informal city, that of the poors' houses, deprived of equal rights in the use of resources, opportunities, and city services. Urban illegality, therefore, is a byproduct of traditional regulation and of violence infringed on the rights to land and to housing.

Some characteristics are common to all informal settlements: the absence of basic services (access to water and sewage); inadequate constructions not in attendance with the minimum standards necessary for quality of life; occupations and houses constructed in insecure and/or unhealthy places; lack of secure tenure; parcels smaller than permitted by legislation; social exclusion for being situated on the periphery of the cities; a extreme poverty.[21]

Studies indicate that informal inhabitation in Latin America grew significantly in recent years getting to the point in which, currently, the demographic growth of informal settlements is almost two times the population growth of the respective city. However, no national or regional statistics exist as to the number of inhabitants of informal settlements. (ECLAD *et al* 2001: 17)

One of the major global challenges of the new millennium is the growth of urban poverty among women. It is estimated that 25% of all homes are headed by women and are located in urban areas-especially in Latin America. Globally the homes headed by women typically represent a high proportion of the homes in informal settlements and, among these, the houses headed by women are among the poorest[22].

A BRIEF PANORAMA OF URBAN SOCIAL AND TERRITORIAL INEQUALITIES IN BRAZIL

The high degree of urbanization in Brazilian society that occurred in a short period of time was based on processes that produced urban spaces, cities with an elevated degree of social inequality among their inhabitants. Such processes contributed to the deepening of problems, segregation, and existent conflicts in the metropolises and regional centers of the country. The process of urbanization brought negative results with relation to the economic and social conditions of city inhabitants who comprise more than 80% of the Brazilian population. In recent decades the nonexistence of effective public policies in the areas of planning and territorial management, housing, environmental sanitation and mobility and urban transportation resulted in the worsening of socio-environmental conditions in cities.

According to official data (IBGE,[23] PNAD[24]), the shortage of housing[25] is 7.9 million dwellings, with 96.3% of this shortage concentrated in the population earning up to 5 minimum wages.[26] The total housing shortage in the southern region is 11%, in the central-western region 6.8%, in the northern region 10.8%, in the southeastern region is 36.7%, and in the northeastern region is 34.7%. Relating to the quantitative shortage of housing, in the nine metropolitan regions that are also state capitals, it is 2,285,462 households. For households in slums, the figure is 1,469,831.

The panorama of social and territorial inequality also expresses itself in the elevated number of people living in inadequate houses that are found, supposedly, on

irregular plots of land: they constitute more than 12 million units corresponding to 30% of the households in the country. This total of inadequate households constitutes part of the socio-territorial deficit inherited from the period of accelerated urbanization that occurred in earlier decades. These deal with households implanted in locations deprived of basic social rights such as health, education, and social assistance, such as slums. Of the total of inadequate housing, almost 2 million households are situated in slums. Of these households situated in slums, by region 4.5% are in the South, 12% in the Central-West, 14.4% in the North, 19.8% in the Northeast, and 60.2% are concentrated in the Southeast.

In the environmental sanitation sector, the water supply in 2000 served practically 80% of the Brazilian population. In the meantime there is still an enormous gap in the sewage system which, this same year, served around 50% of the national population. This lack of services and sewage collection becomes more serious when one considers that only 4% of domestic effluents receive some type of treatment, and the rest are directly released into the environment, *in natura*, contaminating principally superficial and subterranean bodies of water.

Of the shortage in environmental sanitation, 52% is concentrated in municipalities with more than one million inhabitants and metropolitan regions, 12% is concentrated in municipalities with 200,000 to 1 million inhabitants, 15% in municipalities that have 50,000 to 200,000 inhabitants, and the remaining 21% is concentrated in municipalities with up to 50,000 inhabitants.

In the urban mobility and transportation sector, the priority granted to individual transport over collective transport is one of the principal factors that hurt the functioning of cities and deteriorate the quality of life of their inhabitants. Traffic accidents are the principal cause of deaths provoked by external factors. The use of fossil fuels in automotive vehicles causes the emission of tons of pollutants into the air, principally greenhouse gases. Social and territorial inequality were also generated by the country's heritage of titles, since colonization, with the concentration of lands in large state and settled with economic development models that gradually excluded an increasing contingent of the urban population from the formal jobs market and from the benefits of the economic and cultural riches generated in the cities.

Population growth of cities in segregated territories such as slums is associated as well in some regions with an increase in urban violence, having youths as its principal victims.

VALIDATION OF THE RIGHT TO THE CITY FOR THE CONSTRUCTION OF JUST, HUMANE, DEMOCRATIC, AND SUSTAINABLE CITIES

THE PROCESS OF INTERNATIONALIZATION OF THE RIGHT TO THE CITY

The new millennium points to worldwide growth in the population living in cities, considering that half the global population lives in urban conglomerations. According to the United Nations statistics, the degree of urbanization has already passed the threshold of 50%. In 2005 the population living in cities was already 3.2 billion, with another 3.2 billion living in rural areas. It is estimated that, in 2050, the rate of urbanization in the world will reach 65%, being that around 50% of these city-dwellers will live in poverty. Cities will be responsible for all future population growth and 95% of this will occur in urban areas of peripheral countries, whose population will double to almost 4 billion. Half of this explosion will be due to informal communities. The population living in slums will be 1.36 billion in 2015, and 2 billion in 2030 or 2040, with the number of poor and miserable greater than the remaining rural population.[27]

To democratically govern cities, as territories of great wealth and economic, environmental, political, and cultural diversity, in such a way that inhabitants' rights are respected, is a challenge for humanity in the new millennium.

Our experiences in cities, in search of creating the conditions necessary for us to live in harmony, peace, and happiness, have combated the societal models with elevated patterns of concentration of wealth and power, made use of by a reduced number of people and economic conglomerations. And we have faced the accelerated processes of urbanization, which contribute to the depredation of the environment and to the privatization of public space, generated impoverishment, exclusion, and social and spatial segregation.

Cities as social spaces that offer fair conditions and opportunities to their inhabitants, to live with dignity independently of social, cultural, ethnic, gender, and age characteristics, fortunately continue to be an objective of many individuals, social groups, societal organizations, popular movements, religious institutions, political parties, public agents, local and national governments committed to reaching a better life, of happiness, peace, harmony, and solidarity for people.

In Latin America and the Caribbean, there have been many experiences and practices developed by national and local governments, civil organizations and communities, to modify the modes of governing, planning, and developing cities, so that their

inhabitants appropriate and make use of the wealth, as much in the economic aspect as also in the production of knowledge and culture that can be translated as development initiatives of the Right to the City.

Faced with the commitments already confirmed in the earlier Assemblies of the MINURVI[28] and of the Ibero-American Forums to promote social and spatial equality in Latin and Caribbean cities, a strong engagement in the appraisal of the Right to the City as a paradigm of national policies of urban development is necessary.

In order for there to be just, humane, healthy, and democratic cities, a step to be followed is the institutional recognition of the Right to the City as paradigm in the field of city governance, so that the forms of management and the public policies have as effective results the elimination of social inequalities, of discriminatory practices, and of all forms of segregation of individuals, social groups and communities, resulting from the type of dwelling and locale of the settlements they reside in.

The journey of the Right to the City with this perspective comes from the theoretic reflections of the 1960s formulated by Henri Lefevbre in France, to the construction of political agendas of urban reform by segments of civil society in Latin American countries in the 1980s, such as occurred for example in Brazil and Colombia.

The journey follows the dialogs held in the 1990s, among human rights activists, environmentalists and non-governmental organizations and urban popular movements, local and national authorities and international organisms, in the Global Conferences of the United Nations such as that of the Earth Summit in 1992, in the city of Rio de Janeiro, and that of Human Settlements – Habitat II, in 1996, in the city of Istanbul. These conferences introduce to Agenda 21 and the Habitat Agenda components of the Right to the City, dealing with adequate conditions that should be achieved in for life in human settlements.

In the beginning of this century, the process has continued with the debates and dialogs promoted by the networks and Global Forums that deal with urban themes, especially the World Social Forum and the World Urban Forum. Passing into the new millennium, these two world Forums became a privileged stage for debates, dialogs, and exchanges of experiences about the Right to the City.

The World Social Forum highlighted the process that resulted in the World Charter on the Right to the City, which had as its reference the European Charter on Human Rights in the City, elaborated by the Local Authorities Forum, in Saint Dennis, in May of 2000.

The resulting process at the World Social Forum, of constructing the World Charter on the Right to the City, has as its objective the dissemination of the concept of the Right to the City as a new human right, based on a platform of urban reform implemented by countries, aiming to modify the global urban reality by means of the construction of fair, humane, democratic, and sustainable cities. It also has the objective of institutional recognition of the Right to the City as a new human right, in the entities of the United Nations (such as the UN-Habitat agency, UNDP, Human Rights Commission), as well as in regional entities (like the Organization of American States). This action aims to influence the forms of governance of urban policies at the global, regional, and national level, so they can be democratic, and reverse the social inequalities found in cities.

COMPONENTS FROM THE WORLD CHARTER ON THE RIGHT TO THE CITY

COMPREHENSION OF THE RIGHT TO THE CITY

The Global Charter on the Right to the City initially contains the comprehension of the Right to the City, defines what is understood as city and citizens of the city. Following this, it establishes the principles of the Right to the City. The Charter contains topics that deal with rights linked to city management, civil and political rights of the city, and economic, social, and cultural rights.[29]

In the final part of the Charter, it establishes measures to implement and supervise the Right to the City as well as the commitments necessary from networks and social organizations, national and local governments, and international agencies, for its implementation.

The conception of the Right to the City present in the Charter is of recognition of an emerging right of people who live in cities. Taking into consideration the evolution of human rights in reference to so-called historic rights of the third or fourth generation, such as the right to the environment and the right to humanity's cultural heritage, the Charter introduces a conception of collective and diffuse human rights in reference to the Right to the City and not individual rights. Clearly distinguished is a differentiated conception of the traditional view of individual human rights present, for example, in the European Charter of Human Rights in the City, which affirms rights that ought to be assured to the city's inhabitants.

The World Charter on the Right to the City introduces the notion of fair cities without discrimination, as a collective right. The 1st Article contemplates the value of equality in dealing with discrimination in cities. By this article, all people must have the right to a city without discrimination by gender, age, race, health condition, income, nationality, ethnicity, migratory condition, political, religious, or sexual orientation, as well as preserving cultural memory and identity. This means that the existence of discriminatory practices and actions that generate racism and prejudice in cities results in a violation of the right to the city of all its inhabitants, and not only that of the victims directly affected by the practice of racism, for example.

The Charter defines the Right to the City as the equitable use and enjoyment of cities within the principles of sustainability, democracy, equality, and social justice. From the understanding of the city as a collective space culturally rich and diversified that belongs to all its inhabitants, the Right to the City is understood as a collective right of the inhabitants of cities, especially vulnerable and unfavored groups, which confers them legitimacy of action and organization, based on their uses and customs, with the objective to reach the full exercise of the right to free self-determination and an adequate living standard.

The Charter adopts the fundamental principles of international human rights, affirming that the Right to the City is interdependent on all the internationally recognized human rights, wholly conceived, and includes therefore that the Right to the City interfaces with all civil, political, economic, social, cultural, and environment rights that are already regulated in international treaties of human rights. Based on the principles of international human rights, the measures that should be taken by national authorities for the promotion of the Right to the City are previewed.

In agreement with the Charter, cities, in co-responsibility with national authorities, should adopt all the measures necessary, within the resources available, to progressively reach, by all appropriate means and with the adoption of legislative and normative measures, the full effectiveness of economic, social, cultural, and environmental rights. Thus cities, through the adjustment of their legislative framework with international treaties, must dictate the legislative dispositions in another way to make the civil and political rights anticipated in this Charter effective.

The Charter demarcates the territory of cities and their rural surroundings as space in which rights must be exercised and respected, so as to thus assure their equitable,

universal, just, democratic, and sustainable distribution and enjoyment of resources, wealth, services, goods, and opportunities that cities offer.

The Charter contains two components for demarcation of a space as a city. As for its physical character, the city is any metropolis, city, town, or village that is institutionally organized as a local unit of government of municipal or metropolitan character. It includes the urban space as well as the rural or semi-rural surroundings that form part of its territory.

As a political space, the Charter understands the city as the collection of institutions and actors that intervene in its management, such as governmental, legislative, or judiciary authorities, instances of institutionalized social participation, movements and social organizations, and the community in general.

The Charter also presents a definition of citizens for recognition of the Right to the City for people. Citizens are considered to be all people who inhabit cities, in permanent or transitory form.

THE PRINCIPLES OF THE RIGHT TO THE CITY IN THE WORLD CHARTER

The Charter establishes the following principles of the Right to the City:
1. Democratic Management of the City
2. Social Function of the City
3. Social Function of Property
4. Full Exercise of Citizenship
5. Equality, No Discrimination
6. Special Protection of Vulnerable Groups and Persons
7. Social Commitment of the Private Sector
8. Promotion of the Solidary Economy and Progressive Taxation Policies

The Charter, in adopting as a principle of the Right to the City the principle of democratic management of the city, reinforces the understanding of this right as a collective and diffuse right of the inhabitants of the city, due to the understanding of cities being a space for realization of all human rights and fundamental liberties, assuring the collective dignity and well-being of all people, in conditions of equality, equity, and justice, as well as the full respect for the social production of habitat.

By the principle of democratic management of the city, all people have the right to find in cities the conditions necessary for their political, economic, cultural, social, and ecological realization, assuming the duty of solidarity.

The respect for this principle of the Right to the City means, according to the Charter, that all people that live in the city have the right to participate through direct and representative forms in the elaboration, definition, implementation, and inspection of public policy and the municipal budget of cities, to strengthen the transparency, efficacy, and autonomy of local public administrations and popular organizations. The lack of mechanisms and entities that assure the inhabitants' participation in the management of the city implies a clear violation of the Right to the City.

The Charter considers as a principle of the Right to the City the social function of the city, as indicated by the fair distribution of wealth and culture among inhabitants of the city. According to the Charter, the city exercises a social function when it guarantees its inhabitants full enjoyment of the resources it offers them. As a form of exercising its social function, the city should realize projects and investments for the benefit of the urban community in its entirety, within distributive equity criteria, economic complementarity, cultural respect, and ecological sustainability to guarantee the well-being of all inhabitants, in harmony with nature, for today and for future generations. Therefore, the spaces and public and private resources of the city and citizens should be utilized prioritizing the social, cultural, and environmental interest.

About the principle of the social function of property, the Charter recognizes that all citizens have the right to participate on urban territory property within democratic parameters of social justice and sustainable environmental conditions. The Charter makes clear the part of urban policies to promote the socially fair and environmentally balanced use of urban space and soil, in secure conditions and gender equity.

To observe this principle of the Right to the City, the Charter targets as a measure to be enacted in cities the application of legislation containing mechanisms and sanctions destined to guarantee the full use of urban soil and public and private properties without buildings, not utilized, under-utilized, or unoccupied.

As a means to attending to the social function of property in the formulation and implementation of urban policies the social collective cultural interest must prevail over the individual right of property and over speculative interests.

The Charter establishes as a forms of inhibiting real-estate speculation, the adoption of urban norms for a fair distribution of obligation and benefits generated by the process of urbanization and the adequacy of all instruments of economic, tax, and financial policy and of public expenditures on equitable and sustainable urban development objectives. The extraordinary profits (surplus values) generated by public investment – currently obtained by real estate companies and by private investors – should be managed in favor of social programs that guarantee the right to housing and dignity to the sectors in precarious conditions and at risk.

With relation to the principle of equality and no discrimination, the Right to the City should be guaranteed to all people who inhabit cities permanently or transitionally without any discrimination. The Charter highlights the commitments that should be assumed by cities for the fulfillment of this principle, such as the implementation of public policies that guarantee equality of opportunity for women in cities, expressed in the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and in the Conferences of the Environment (1992), Beijing (1995), and Habitat II (1996), among others. For that, the necessary resources must be set aside in government budgets to put these policies in practice and to establish mechanisms and qualitative and quantitative indicators to monitor their fulfillment over time.

About the Right to the City's principle of special protection for vulnerable groups and people, the Charter considers as vulnerable the people and groups in situations of poverty, in environmental risk (threatened by natural disaster), victims of violence, the impaired, forced migrants, refugees and any group that, according to the reality of each city, is in a disadvantaged situation relative to rest of other inhabitants. In these groups, meanwhile, prioritized will be attention to the elderly, women, especially heads of family, and children. The Charter affirms that these vulnerable groups and people in the city have the right to special measures including protection and integration, resource distribution, access to essential services, and non-discrimination. According to the Charter, cities, through affirmative action policies for vulnerable groups, should overcome the obstacles of the political, economic, social, and cultural order that limit the liberty, equity, and equality of citizens and impede the full development of the human person and their effective political, economic, cultural, and social participation.

ELEMENTS OF THE RIGHT TO THE CITY

The following are considered rights relative to the management of the city: equitable and sustainable urban development, participation in the city budget, transparency in city management and right to information. In the Charter, cities must commit themselves to regulating and controlling urban development, through policies that prioritize the production of habitat of social, cultural, and environmental collective interest, over individuals. Therefore, cities are responsible for adopting measures of urban development, especially rehabilitation of degraded and marginal structures, which foster an integrated and equitable city.

About the right of participation in the city budget, the signatory cities must commit themselves to guarantee a system of direct, equitable, and deliberative participation in the definition of policy and municipal budgets, in institutional channels, open to all citizens, of community organizations sectoral and regional councils and commissions.

About transparency in management, cities, in accordance with the principle of transparency, commit themselves to organize their administrative structures in a way that guarantees the effective responsibility of their functionaries in relation to their citizens, as well as the responsibility of the municipal administration in relation to other levels of government, complementing democratic management.

In reference to civil and political rights, it previews the right to political participation, to justice and public security, and to peaceful, solidary, and multicultural coexistence.

About the right of political participation, cities must guarantee the right to free and democratic elections of local representatives, the realization of plebiscites and popular legislative initiatives, and the equitable access to debates and public audiences, about themes relative to the Right of the City.

About the right to justice, cities are obliged to guarantee access to the justice system, establishing special policies in favor of the population's poorest groups, and strengthening free public defense systems.

About the right to public security and peaceful, solidary, and multicultural coexistence, cities are committed to creating conditions for peaceful coexistence, collective development, and the exercise of solidarity; therefore they will guarantee the full use and enjoyment of the city, respecting diversity and preserving the memory and cultural identity of all citizens, without discrimination.

The Charter deals with Economic, Social, Cultural, and Environmental Rights of Cities, which are the following: access to domestic and urban public services, public transportation and urban mobility, housing, education, work, culture and leisure, health, and environment.

STRATEGIES FOR THE IMPLEMENTATION OF THE WORLD CHARTER ON THE RIGHT TO THE CITY

The Charter establishes measures for the implementation of the Right to the City, such as: utilize the maximum of available resources to fulfill the legal obligations established in this charter, provide capacity-building and education in human rights to all public agents related to the implementation of the Right to the City, establishment of evaluation mechanisms, and monitoring of urban development and social inclusion policies.

The Charter establishes the situations that injure the Right of the City in reference to actions and omissions that result in the obstruction, refusal, difficulty, and impossibility of realization of the rights established in the Charter, such as: collective political participation of inhabitants and women and social groups in the management of the city; fulfillment of the decisions and priorities defined in the participative processes that integrate city management; maintenance of cultural identities, peaceful forms of coexistence, and production of social habitat.

Lastly, the commitments for the implementation of the Charter are established. For the networks and social organizations, it establishes the construction of accountability platforms for the Right of the City, to document and disseminate national and local experiences that demonstrate the construction of this right. National and local governments should have as commitments to elaborate and promote institutional norms that consecrate the Right to the City and build common interest platforms, with ample participation of civil society, to promote sustainable development in the cities. International organizations should dedicate themselves to all efforts to sensitize, stimulate, and support governments to take up the Charter's commitments, and monitor and promote the application of human rights agreements and other international instruments that contribute to the construction of the Right to the City.

DECLARATIONS AND CHARTERS ON THE RIGHT TO THE CITY ON THE INTERNATIONAL AGENDA

On the international urban agenda, different global events had the initiative to compose declarations and charters about the theme of the Right to the City with the purpose of articulating legally and politically based instruments that give occasion to inaugurate a local dimension of economic, social, cultural, and political rights on a worldwide sphere, which have the city as a locality of rights, a space of guarantee, affirmation, and realization of human rights. These documents translate an idea that confers value and political meaning to the organized and cultural heritage accumulated in the local sphere and in cities. Starting with the articulation of these initiatives, the paths to international recognition of the Right to the City as a human right will be closer and closer.

On this international agenda, it is fitting to highlight the following documents:
- World Charter on the Right to the City – 5th World Social Forum, Porto Alegre, 2005.
- Declaration of the European Coalition of Cities Against Racism, 4th European Conference of Cities for Human Rights, Nuremberg, December 10th, 2004.
- Declaration of United Cities and Local Governments, Paris, May 5th, 2004 – arising from the creation of the United Cities and Local Governments (UCLG).
- Declaration of Santa Cruz da la Sierra, April 2004 – First Latin American Congress of Cities and Local Governments – Initiative of the Latin American Federation of Cities, Municipalities, and Associations of Local Governments.
- European Charter for the Safeguarding of Human Rights in the City – Charter of Saint Denis, May 18th, 2000.
- European Charter for Women in the City, European Commission, 1995.
- World-wide Declaration of Local Self Government – UIAL Council, Toronto, June 1993.
- Agenda 21 for Culture, 4th Forum of Local Authorities for Social Inclusion of Porto Alegre at the Universal Forum of Cultures, Barcelona, May 7th and 8th, 2004.
- Latin American Municipal Agenda – Latin American Federation of Cities and Municipalities – FLACMA (in its Spanish initials), 2001.
- Declaration of Bogota about the City from the perspective of human rights – Latin American Seminar About the Right to the City and Human Rights, Bogota, May 2006.

It is also worth highlighting two initiatives meant to spread the experiences and actions directed at promoting the Right of the City. The first is from the Observatório Internacional do Direito à Cidade (International Observatory of the Right to the City), that was conceived through the ABONG (Associação Brasileira de Organizações Não-Governamentais – Brazilian Association of Non-Governmental Organizations) Cooperation Program – Coordination SUD, between the civil society organizations of France and Brazil. The International Observatory of the Right to the City – OIDC, was conceived through a collective and democratic process among the organizations that participated in the program activities.

The OIDC has as its mission to promote the observance and the recording of social practices of implementing or claiming the right to the city through popular movements, organizations, forums, and networks such as: access to housing, regularization of urban occupations of social groups, democratic city management, protection of cultural rights, among others.[30]

With relation to the World Urban Forum organized by the United Nations, it is fitting to highlight the UNESCO and UN-Habitat initiative that develops international research about urban policy and the Right of the City, having encouraged seminars, dialogs, and discussion groups about the experiences implementing policies meant to promote the Right of the City whose conclusions will be presented at the 4th World Urban Forum in the city of Beijing in 2008.[31]

Facing diverse challenges that the countries of Latin America and the Caribbean are confronting to create fair, humane, democratic, and sustainable cities, one of the next steps is to develop actions for recognizing and promoting the Right of the City as the base of urban development policies as a response to combat social inequality and spatial segregation present in Latin American and Caribbean cities.

VALIDATION OF THE RIGHT TO THE CITY AS A STRATEGIC RESPONSE TO URBAN SOCIAL AND TERRITORIAL INEQUALITIES IN BRAZIL

THE POLITICAL PROCESS OF CONSTRUCTING THE RIGHT TO THE CITY IN BRAZIL

The desire to introduce the Right to the City as an inherent, fundamental right for all people that live in cities was revealed as a popular aspiration in the process of the National Constituent Assembly that elaborated the Brazilian Constitution in 1988, with

the presentation of the popular amendment of urban reform. This initiative taken by a grouping of civil society entities and popular movements had the objective to reverse the social inequalities based on a *new social ethic* that brought an important dimension to the politicization of the urban question, understood as an element fundamental to the process of democratization of Brazilian society.

This new social ethic politicizes the discussion about the city and formulates a discourse and a political platform of urban social movements, in which access to the city must be a right of all inhabitants, and not restricted to only some, or to the richest. The flag of urban reform inaugurates in the country a project which claims a new city and proposes to break the privileges of access to spaces in cities.

The popular amendment proposal was aimed at including in the constitutional text a collection of principles, rules, and instruments dedicated to the recognition and institutionalization of rights for the people who live in cities, attribute competency to public power, especially to the municipal, to apply urbanistic and legal instruments intended to regulate urban property to have a social function, as well as the promotion of public policies focused on the fulfillment of these rights.[32]

The popular amendment of urban reform introduced into the political process of democratization of the Brazilian state the notion of the Right to the City through the following propositions:

> *Every citizen has the right to dignified conditions of urban life and social justice, the State being obliged to assure:*
> *I – access to housing, public transportation, sanitation, electricity, public illumination, communication, education, health, leisure, and safety, as well as the preservation of the environmental and cultural heritage.*
> *II – democratic management of the city*
> *The right to dignified conditions of urban life makes the exercise of the right to property conditional on the social interest in the use of urban properties and subordinates to the principle of state of necessity.*

Starting with this notion of its construction, the Right to the City has as elements the inherent rights of people who live in cities to have dignified conditions of life, fully exercise their citizenship and human rights (civic, political, economic, social, cultural,

and environmental), participate in city management, and live in an ecologically balanced and sustainable environments.

The Right to the City defends the construction of an urban ethic founded on social justice and citizenship, affirming the predominance of urban rights, mentioning the precepts, instruments, and procedures to make feasible the transformations necessary for the city to exercise its social function. The Right to the City arises as a response to the panorama of social inequality, considering the duality experienced in the same city: the city of the rich and the city of the poor; the legal city and the illegal city, as well as the exclusion of the majority of the city's inhabitants determined by the logic of spatial segregation; by the commodity city; by the mercantilization of urban soil and real-estate appraisal; by the private appropriation of public investments in housing, in public transportation, in urban equipment, and in public services in general.

The proposal of popular amendment for urban reform resulted politically in the introduction of the urban policy chapter in the Brazilian constitution of 1988. Through this chapter, it recognized and appraised the principles of the city's social functions and urban property as markers of urban development policy, strengthened the part of municipalities as the principal federalist entity for promoting these policies having as their principal instrument the master plan. It also recognized the right to housing for the low income population in informal settlements that have demonstrable tenure of urban areas up to 250 square meters for at least five years.

Based on these precepts of the Brazilian Constitution, the Right to the City is starting to be conceived as a collective right by the democratic and participative management of cities; by the fulfillment of the social function of the city; by the guarantee of social justice and dignified conditions for all city inhabitants; by the subordination of property to the social prerogative; and by the sanctions on property owners in cases of non-fulfillment of the social prerogative.

About the agrarian question it is also important to highlight the success of black populations in the Brazilian Constitution, with recognition of the rights of remaining communities of Quilombos (former slave refuges) to their traditional lands, and guaranteed the right to protection of their culture. The Brazilian state must protect the cultural manifestations and forms of expressions of the different formative groups of Brazilian society, which are considered cultural heritage. The Brazilian state declared

specific rights with the objective of protecting the physical and cultural integrity of these communities and, at the same time, recognize the important of the Quilombos in the formation of Brazilian society.

The political and cultural notion of the Right to the City as the centerpiece of urban reform, through the process of elaborating the Brazilian Constitution, came to be a reference point as much for the urban social struggles of communities, organizations, and popular movements to have their territories and historic and cultural identities recognized and protected, and the right to participate in city management, as for authorities, local administrators, Congress members, and political parties to experience the construction of urban legislation, politics, and urban development programs, plans directed to combat social and territorial inequality in Brazilian cities.

The appraisal of the Right to the City in the political and institutional arena is occurring gradually, since the 1990s, due to the social struggles of popular movements and forums for the defense of the Right to the City and urban reform and from the experiences of municipal governments that constitute instruments and organisms of social participation and democratic management, such as the Participative Budget. The appraisal of the Right to the City as paradigm for the promotion of urban policies intended to promote social and territorial inclusion, came to demand for cities to meet their social functions a group of actions and measures among which include:

– Constitute processes and public spaces for democratic and participative city management, so that the interests, conflicts, and disputes for the use and occupation of territory in cities by diverse segments of society are faced through public processes of mediation and settlement that make social and territorial pacts in the city possible;
– Combat practices of social and racial discrimination, of prejudice and violence, especially against social groups and communities that live in dangerous informal settlements such as slums;
– Utilize public and private spaces and resources of the city and its inhabitants to meet the socio-environmental and cultural interest of the city;
– Preserve the historic and cultural heritage to assure the identity and memory of the different formative groups of local communities;
– Amplify the supply of adequate housing and urban equipment and services for all inhabitants of the city;

– Transform informal settlements such as slums into neighborhoods with adequate living standards through actions of urbanization and title regularization with the participation of communities;
– Adopt for people and groups in vulnerable situations special measures of protection and integration, resource distribution, access to essential services, and no discrimination;
– Establish instruments of urban policy that induce private sector participation and support for housing actions and programs of social interest, environmental protection, historic and cultural heritage preservation, amplification of cultural and leisure spaces, and principally, job and income creation.

A relevant political initiative taken by urban organizations and popular movements to strengthen the Right to the City as a strategic component of the urban reform platform for Brazilian cities was the popular initiative law project for constitution of the Fundo Nacional de Moradia Popular (National Fund for Popular Housing).

The objective of the initiative law project was to guarantee an institutional tool for making feasible the public resources necessary for the implementation of a housing policy for the portion of the population excluded from the formal production of housing.

The popular initiative law project of the Fundo Nacional de Habitação de Interesse Social (National Fund for Social Interest Housing) was presented to Congress on 11/19/1991 by urban popular movements and organizations affiliated with the National Urban Reform Forum, among them: CONAM – Confederação Nacional de Associações de Moradores (National Confederation of Inhabitants Associations), CMP – Central de Movimentos Populares (Popular Movement Center), UNMP – União Nacional por Moradia Popular (National Union for Popular Housing), and MNLM – Movimento Nacional de Luta por Moradia (National Movement for Housing Struggle).

The popular initiative law project was signed with more than one million signatures. In the opening of the First National Conference of Cities, in October of 2003, then President Lula highlighted the need to approve the PLC, having been urged to attend by popular movements. In this sense, the need to approve a decisive instrument for the application of a Housing Policy for the low income population, still inexistent at this moment, was reinforced.

After 13 years of many discussions and social mobilizations in the Brazilian Congress, the popular initiative law project was approved in 2005. Besides creating a public fund for social interest housing, it instituted the National System of Social Interest Housing.

The country now has, beginning with this law, a National System of Social Interest Housing, a key piece for the implementation of an effective national housing policy, with the objective of giving the low income population a housing system and combating territorial exclusion, major questions for the promotion of the Right to the City.

INSTITUTIONAL AND LEGAL RECOGNITION
OF THE RIGHT TO THE CITY IN THE STATUTE OF THE CITY

An outstanding result in the appraisal of the Right to the City in the institutional arena was the approval, in 2001, of the national urban development law designated the Statute of the City. There were 12 years of social struggle for the approval of the Statute of the City in the Brazilian Congress, particularly in the House of Representatives. There were difficult clashes with conservative parties, economic group interests present in the real-estate market and in civil construction, and with the traditional technocrats of urban management planning. There was much resistance and many obstacles for the existence of a national law meant to politically strengthen municipalities and civil society in the arrangement of urban territory, demand social use of property, and plan the city under social control and popular participation.

With the Statute of the City occurs a profound impact on the Right to the City, which is no longer a right recognized only in the political arena, but instead becomes a right recognized by law. With the Statute of the City, the Right to the City transforms itself in a new fundamental right in Brazilian law, integrating the category of collective and individual rights.

The Statute of the City protects the desire of the popular will expressed since the National Constituent Assembly of the Right to the City to be incorporated in Brazilian law as a right, inherent to all city inhabitants, to have a dignified urban life. The Statute of the City placed in the Brazilian legal order the Right to the City as a political and cultural notion built over more than a decade, by public administrators, Congress members, city planners, jurists, social and religious leaders, non-governmental organization professionals, and institutions active in public policy.

The Right to the City adopted by Brazilian law is put on the same level as the other rights of defense of collective and individual interests, such as, for example, the right of the consumer, the environment, historic and cultural heritage, children and

adolescents, and popular economy. This Brazilian experience is innovative for the juridical recognition of the legal protection of the Right to the City in the internal legal order of a country. The traditional means of seeking protection of the rights of city inhabitants in legal systems always brings the conception of protection of an individual right, so as to provide protection of the human person's rights in the city. The conception of the Right to the City in Brazilian law comes to be instituted with its own objectives and elements, configuring itself as a new human right and, in the technical legal language, as a fundamental right.

The Statute of the City defines the Right to sustainable Cities as *the right to urban land, to housing, to environmental sanitation, to urban infrastructure, to transportation, and to public services, to work, and to leisure, for present and future generations, and democratic management through participation of the population and representative associations from various segments of the community in the formulation, execution, and accompaniment of plans, programs, and urban development projects.*

This legal definition of the Right to the City contains a characteristic similar to the right to the environment, by establishing that its components, like the right to housing, must be assured for present and future generations. This definition portrays the Right to the City as a collective or individual right of city inhabitants. For example, in the case of there being in a city a traditional community that is threatened their memory or identity, any inhabitant of this city will be able to demand protection of the rights of this community based on the Right of the City defined in the Stature of the City.

Per this legal definition, the following are subjects that have legal protection based on the Right to the City, for example:
– groups of inhabitants and the communities who have formed the identity and historic and cultural memory of the city;
– social groups and communities that live in consolidated urban informal settlements that can demand from the public power, actions and urbanization projects and title regularization in the social interest.

In relation to the democratic management component of the city, the exercise of the Right to the City signifies the exercise of collective political and citizenship rights of all city inhabitants. The Right to the City will be respected fully when marginalized and

excluded social groups have access to the political and economic life of the city. This right, in order to be exercised, presupposes the political qualification of these social groups.

Democratic management of the city as a component results in the recognition of the legitimacy of action in the administrative and legal sphere of vulnerable social groups – and their forms of organization – that live in popular neighborhoods, plot-divisions, housing conjuncts and informal and irregular settlements.

The fulfillment of the Right to the City is extensive to the development of democratic urban planning processes, which have as fundamental pieces the multi-year plan, the budgetary guidelines law, and the municipal budget and master plan in the municipalities where required.

They act together, the community and the State in the management and inspection of the public matter. Democratic management presupposes the organization of civil society, to take part in the political process in the name of social demands through the exercise of citizenship. Thus, the instruments of participative democracy need to be utilized as a form of guarantee of the Right to Sustainable Cities.

THE RIGHT TO THE CITY AND THE SOCIAL FUNCTIONS OF THE CITY

The Right to the City is the paradigm for the observance of the city's social functions, which will have been respected when public policies are directed to assure, to the people who live in cities, access to urban land, housing, environmental sanitation, urban infrastructure, transportation and public services, work, and leisure for present and future generations. The social functions of the city, as a governing constitutional principle of urban policy, were introduced in the Brazilian Constitution by the caput of article 182 in a way linked to the guarantee of well-being of their inhabitants. With this linking of objectives, the interest in which the social functions of the city are fully developed is the city inhabitants', which includes any person and any social group. With this, there is no establishment of categories among citizens according to the economic factor, including all inhabitants as citizens, independently of social origin, economic condition, race, color, sex, or age.

The development of the city's social functions, being an interest of all the city's inhabitants, fits in the category of individual rights, since all inhabitants are affected by the activities and functions performed in cities: property owners, inhabitants, workers, merchants,

and migrants as a contingency inhabit and use the same territorial space. Thus, the relationship that is established between the subjects is with the city, which is a diffuse life right.

To assure the full development of social functions as a diffuse interest of all inhabitants of the city, the legitimacy of action in the administrative and legal sphere is conferred to any inhabitant, group of inhabitants, vulnerable social groups (such as poor female heads of households in outlying neighborhoods), popular organizations, community associations, and non-governmental organizations, to act not only in defense of the Right to the City of a determined social grouping, but also in the defense of this right in the interest of all inhabitants of the city.

The full development of the city's social functions must be understood as a diffuse interest of its inhabitants to protect and promote the Right of the City. The city inhabitants as lawful subjects will be able to, facing public and judicial powers, demand the fulfillment of the Right to the City, in situations in which the performance of activities and functions exercised in the city results in urban conflicts of interest of intense litigiousness and complexity – such as the installation of a penitentiary, amplification and opening of roads and avenues, destination of areas for landfills and trash treatment plants in residential neighborhoods, areas occupied for housing by poor and marginalized populations in areas considered environmentally protected (areas with springs and swamps), as well as the implantation of luxury condominiums, horizontal and vertical – without regard to the legislation parceling urban soil.

For the peaceful resolution of these conflicts, the social functions principle of the city must be applied, together with the other principles directed at resolving litigation and controversies, such as the principles of peace, equality, and reasonableness. The social functions principle of the city must be applied, therefore, to the resolution of litigious and complex urban conflicts that have to do with the Right to the City, as occurs in the case of occupations, for housing, by the low income population, in areas considered environmentally protected, such as springs and swamps.

PERSPECTIVES ON THE RIGHT TO THE CITY

The institutional and legal recognition of the Right to the City as a precept that ought to designate urban policy to sustainable development aims for the construction of a new urban ethic, in which the values of peace, social justice, citizenship, and human

rights predominate in the performance of the activities and functions of the city, so that they are destined to the construction of a fairer and more humane city.

Respect for the Right to the City is the principal indicator to verify the period at which Brazilian cities' social functions are being developed. The larger the period of equality, social justice, peace, democracy, harmony with the environment, and solidarity among inhabitants of the city, the larger the degree of protection and implementation of the Right to the City.

CHALLENGES AND INITIATIVES IN THE IMPLEMENTATION OF THE RIGHT TO THE CITY AS A RESPONSE TO URBAN SOCIAL EXCLUSION AND SPATIAL SEGREGATION IN BRAZIL

The democratic management mechanisms of the National Policy for Urban Development in the process of constructing a National System of Democratic Urban Development were met since the government of Luis Inácio Lula da Silva.

With the objective of reversing the status of social and territorial inequality in Brazilian cities, some important steps were taken such as the very own creation of the Ministry of Cities in 2003, the organ responsible for the institutional centralization of urban development, housing, environmental sanitation, mobility, and transportation policies. The creation of this ministry was also one of the historic achievements of the Movement and of the National Forum for Urban Reform.

To assure public participation, social control and democratic processes of formation and implementation of actions, programs and policies of national urban policies, the National Conferences of Cities were held, and the Council of Cities was institutionalized. All these were strategic measures for the promotion of the Right to the City.

THE PART OF THE CONFERENCES OF CITIES

The beginning of the democratization process of national urban policy management occurred in 2003 with the realization of the first National Conference of Cities. Two thousand five hundred delegates from 27 Brazilian states participated.

The works were developed from the motto, *City for All*, and the theme, *Constructing an integrated, democratic policy for cities*. Of around 5,560 municipalities existent in Brazil, 3,457 participated in the preparatory conferences, with 1,430 undertaking municipal

conferences and 2,027 municipalities participating through 150 regional meetings. Besides these, there were 26 state conferences and one in the Federal District. The entire process mobilized more than 350 thousand people.

In this first Conference were elected the first counselors of the Council of Cities, which includes counselors representative of the federal, state, and municipal governments, business and labor unions, urban popular movements, non-governmental organizations, professional associations and academic and research institutions.

The first National Conference of Cities established the principles and guidelines for the National Policy for Urban Development:

– promotion of the Right to the City;
– application of the principles of fulfilling the social functions of the city and of property;
– integration of urban policies;
– combat discrimination of social and ethnic-racial groups;
– social inclusion and inequality reduction;
– combat socio-spatial segregation;
– universal access to dignified housing, basic sanitation, public transportation and accessibility;
– financial and environmental sustainability of urban policies;
– decentralized and democratic management, access to information, social participation in the formation, decision, and implementation and evaluation of the national policy for urban development.

In the year 2005 the second National Conference of Cities was held, with the intention of defining strategic actions for national and regional urban development policies. The issues dealt with in this Conference were social control and participation, the federative issue, metropolitan, regional, and urban development, and urban development financing. In this conference, guidelines were established for the creation of the National System of Urban Development to be structured in all entities of the federation through instances of representation of the public and civil society, decentralized, permanent, aiming at the articulation of policies and actions in urban development sectoral areas.

In this year in the period from 25 to 29 of November of 2007, the 3rd National Conference of Cities was held with the motto "Urban development with popular participation and social justice" and the theme "Advancing in the democratic management of cities."

The central preoccupation of the 3rd Conference was to continue with the construction of national policy for urban development for the country, without failing to approach central themes related to the daily life of management in the three branches of government.

In this 3rd Conference, the debate around the theme looks to promote reflection about how policies and investments in the three levels of government in the urban policy area are contributing to reverse the logic of inequality and territorial exclusion, as well as reverse the logic of fragmentation and lack of articulation of inter-governmental and sectoral interventions. This discussion calls attention, overall, to the importance of the integration of sectoral policies and government actions in the urban development area, to confront the problems that are attacking Brazilian cities.

In bringing the discussion to the lens of local realities, the proposal also glimpses the reflection about the capacities of government management, that is, a debate about the capacity of planning city development and their interventions in an integrated way, with social participation. This focus on social participation will be deepened through debate on the construction of the National System of Urban Development, understood as the principal mechanism to make democratic management of national urban development policies feasible.

ON THE PART AND ACTION OF THE COUNCIL OF CITIES

The Council of Cities is composed of 87 titular members and 87 substitutes. Of this total, 50 members are elected by segments of civil society and another 37 by public managers and administrators. The Council also has 9 observers representing state government that possess State Councils of the City.

The Council of Cities is a collegiate organ of deliberative and consultative nature integrated in the structure of the Ministry of Cities, which has as its goal to propose the guidelines for the formation and implementation of national urban development policy,[33] especially policies of urban land management, housing, environmental sanitation, mobility and urban transportation, enunciate suggestions and recommendations about the application of the Statute of the City.

The Council of Cities as a public, democratic sphere has increasingly confronted challenges for the construction of a national urban development policy. An action of the Council of Cities fitting to highlight is that of the National Campaign of Participative Master Plans.

The Brazilian state contains 5,564[34] municipalities. Based on the legal obligation pronounced in the Brazilian constitution and the Statute of the City, for municipalities with more than 20 thousand inhabitants or situated in metropolitan regions or urban agglomerations to elaborate or review their master plans, the number of municipalities that have this obligation is 1,682. The legal period for these municipalities to institute their master plans ended in the month of October, 2006. By the Statute of the City, in the municipalities the process of master plan elaboration must be participative, so that they abide by the democratic city management that is one of the components of the Right to the City.

The Council of Cities created in 2004 the National Campaign "Participative Master Plans: City for All"[35] which has the objective of the implementation of the Master Plans, in light of the Statute of the City, to guarantee the construction of cities with territorial exclusion and socio-spatial segregation.

The Campaign's principles are the Right to the City, territorial inclusion, and democratic management of the city. Highlighted as guidelines of the Campaign are the curative dimension of title regularization and urbanization of informal settlements, and the preventative dimension of actions that make access to urbanized land for low income populations feasible. The master plan is understood as the urban policy instrument that should promote the socio-territorial pact cities have between their various political and social actors.

For the Campaign's development were organized state nuclei in twenty-five states of the Brazilian federation, with the participation of entities from diverse segments of society. The Campaign promoted financial support to 550 municipalities to institute their master plans, formed 3 thousand multipliers, trained and equipped around 21,300 people from 1,349 municipalities from all Brazilian states, organized an electronic Network of the Master Plan with more than 22,000 members, organized a Bank of Experiences of Participative Master Plans, organized the website www.cidades.gov.br/planodiretorparticipativo, and edited technical and curricular materials.[36]

We can consider positive the results from this Campaign of Participative Master Plan, seeing that 93% of the municipalities took initiatives to fulfill the obligation of instituting this urban policy instrument. One of the challenges resulting from this Campaign is identifying and evaluating whether the municipalities respected the guidelines and adopted the instruments of the Statute of the City meant to combat the situation of social and territo-

rial inequality. Another challenge resulting from the Campaign to giving support to the municipalities for the implementation of the participative master plans.

Another action of the Council of Cities worth highlighting is its articulation and integration with the National System of Social Interest Housing – SNHIS together with the Ministry of Cities, central organ of the SNHIS; the Administrative Council of the FNHIS; and the State, Federal District, and municipal councils, with specific attributes relative to urban and housing issues.

It is up to the Ministry of Cities to establish, having heard from the Council of Cities, the guidelines, priorities, strategies, and instruments for the implementation of the National Policy of Social Interest Housing and the Programs of Social Interest Housing; the National Plan of Social Interest Housing, in compliance with the urban development guidelines and in articulation with the state, regional, and municipal housing plans.

The Administrative Council of the National Fund for Social Interest Housing is an organ of deliberative character and will be composed with parity from organs and entities of the executive branch and from representatives of civil society, who are obliged to be members of the Council of Cities.

The Administrative Council of the National Fund for Social Interest Housing has in its composition twelve entities from civil society integrated with the Council of Cities in the following way: four representatives from the area of popular movements; three representatives of business entities; three representatives of workers entities, one representative of professional, academic, or research entities; and one representative of a non-governmental organization.

The Administrative Council of the National Fund for Social Interest Housing is competent to establish guidelines and criteria for FNHIS resource allocation, observing the arrangement, the Policy and the National Plan for Housing established by the Ministry of Cities and the Council of Cities guidelines.

The Council of Cities since the constitution of the Administrative Council of the National Fund for Social Interest Housing has put forth resolutions defining guidelines for resource allocation from this Fund. The Council of Cities has performed an important role of urban development policy articulation with housing policy as an institutional space responsible for ratifying the decisions made in the Administrative Council of the National Fund for Social Interest Housing.

THE LEVEL OF RECOGNITION OF THE RIGHT TO THE CITY BY THE POPULATIONS OF INFORMAL SETTLEMENTS

THE IMPLEMENTATION OF THE NATIONAL SYSTEM OF SOCIAL INTEREST HOUSING

To confront the housing shortage, the housing policy actions coordinated by the National Secretary of Housing linked to the Ministry of Cities are concentrated on the production of new dwellings for the low-income population and on urbanization and title regularization of informal settlements, such as slums, that have a lack of services and infrastructure. For the development of these actions there are a group of housing programs and public and private funds that make possible the financing and transfer of resources to states and municipalities, as well as individuals, civil associations, and businesses. Apart from this, subsidies are guaranteed for the low-income population of up to 5 minimum wages.

There are various public and private funds that can direct resources to housing programs especially the Workers Guarantee Fund (a private fund) – FGTS in its Portuguese initials, and the National Fund for Social Interest Housing (a public fund).

As a fruit of the popular initiative law project for the creation of a National Fund for Popular Housing, the approval of the National System of Social Interest Housing (Brazilian Federal Law n°. 11.124/2005) was a strategic step toward the implementation of the Right to the City for populations that live in precarious housing conditions in Brazilian cities. This system is composed of the National Fund for Social Interest Housing and the application of its resources is defined by the administrative council formed by representatives of the Council of Cities.

The National System of Social Interest Housing has the objectives of making feasible for the lower income population the access to urbanized land and dignified and sustainable housing; implementing investment and subsidy policies and programs, promoting and making feasible the access to housing for the lower-income population. Considered promotional agents are the relevant organs of the union, the states, municipalities, and the federal district, foundations, community associations, housing cooperatives and private entities that perform housing area activities.

The principle of decentralization guides the National System of Social Interest Housing. For the states and municipalities to be able to integrate the System, it necessary to attend some requisites such as: constituting administrative councils for housing

policy with representation from segments of society that could be the councils of cities or urban development, constituting Public Funds of Social Interest Housing, instituting and implementing housing plans, needing to be, in the case of municipalities, compatible with the participative master plans.

The informal settlement situation in Brazilian cities is very complex regarding the different situations present, such as: slums, irregular or illegal popular plot-divisions, irregular housing conjuncts, appropriations, collective occupations of lands or properties and unused or abandoned buildings in central areas.

Having as reference point the Right to the City to confront the informal settlement situation, the Brazilian government constituted, in 2003, the *Papel Passado* Program, linked to the Ministry of Cities, coordinated by the National Secretary of Urban Programs – SNPU in its Portuguese initials. The objective of this program is to support states, municipalities, the federal district, entities of indirect public administration, non-profit civil associations, and public defenders in the promotion of title regularization of precarious settlements.

Title regularization in the social interest of informal urban settlements has the goal of supplying the Right to the City in collective form to the inhabitants of these settlements and supplying the individual human right of housing to the same, fulfilling the security of tenure[38] as one of the components of the right to housing that should be assured to all, with equality and without discrimination.[39]

The *Papel Passado* Program contains the following lines of action: destination of resources of the federal government to title regularization actions, articulation with organs and entities of the federal government aiming for title regularization on lands and properties under the dominion of the union, removal of legal and procedural obstacles and urban title conflict intermediation, diffusion and qualification actions of public, private, and social agents that promote title regularization.

The implementation of the *Papel Passado* Program since the year 2003 up to the first semester of this year made possible a collection of title regularization actions of social interest in 300 municipalities. In these municipalities there are 2,231 informal settlements with regularization processes underway aiming to benefit 1,374,410 families. Of this total, 317,469 titles were granted, being that 97,902 titles were registered at the registry.

One important initiative is the process underway in the Brazilian Congress of legislative revision of land division with the objective of establishing special norms about title regularization of social interest aiming to form specific instruments and procedures of title regularization like, for example, urbanistic demarcation and legitimacy of tenure.

One reality present in Brazilian cities that results in violations of the Right to the City that has begun to be confronted as a component of urban policy are urban title conflicts. Because of the necessity of building a national policy to deal with urban title conflicts, in 2006 the Council of Cities instituted a Work Group on Urban Title Conflicts,[40] with the following objectives: a) subsidize the construction of a National Policy of Urban Conflict Prevention and Mediation; b) strengthen preventative actions through title regularization and housing programs of social interest; c) construct a methodology of mediation, mapping, and identification of typologies from urban title conflict cases.

This Work Group elaborated a Proposal of National Policy of Urban Conflict Prevention and Mediation that is the object of discussion and analysis of the 3rd National Conference of Cities, to be realized in November 2008. In the proposal formulated this policy is directed toward the Brazilian state's protection of the Right to the City and the right to housing in situations of urban title conflicts.[41]

BALANCE AND CHALLENGES

Important steps have been taken for the recognition of the Right to the City for urban inhabitants of informal settlements through national policies of title regularization. Keep in mind that there are 1.96 million households in slums in Brazilian cities, one challenge is the articulation of this national policy with the municipality's urban policies that contemplate actions and instruments to make access to adequate housing in urban areas possible for the low-income population, containing the components of the Right to the sustainable City established in the Statute of the City, infrastructure, public services, spaces for culture and leisure and economic activities. The perspective is to not only transform the current informal urban settlements into urban areas with all the components of adequate housing and life through combined actions of urbanization and title regularization, but also that these urban policies can avoid the growth and proliferation of precarious informal settlements in cities.

The national environmental sanitation policy is strategic to reverse the shortage of basic sanitation in Brazilian cities earlier mentioned, especially in northern cities and metropolitan regions. The approval of the federal legislation (Brazilian federal law nº. 11.445/07) institutes the guidelines, the policy instruments, and regulatory mark of basic sanitation, defining the responsibilities of the government and businesses providing these services (public and private), the social control mechanisms and the planning instruments especially the Basic Sanitation Plans. Municipalities should institute the basic sanitation plans in dialog with the municipal participative master plans. As instruments of this policy, it's worth noting the following environmental sanitation programs: the social action in sanitation program (PASS/IADB), the urbanization, regularization, and integration of precarious settlements program – known as PAT PROSANEAR.

Social Action in Sanitation Program (PASS/IADB): looks to universalize water storage and sanitary sewage services in urban areas with the largest concentration of poverty, improving the population's health outlook and the environmental conditions of the localities benefited. This program supports small and medium sized municipalities with the largest shortages of these services.

Urbanization, Regularization, and Integration of Precarious Settlements Program – PAT PROSANEAR in its Portuguese initials: intended to support the states, Federal District and municipalities to promote the improvement of housing conditions of precarious human settlements, through urbanization and title regularization actions of these settlements.

The materialization of the Right to the City in Brazilian cities contains policies and actions to transform precarious and informal urban settlements (slums) into nuclei, villas, and neighborhoods with adequate housing and living standards. With the objective of serving one of the components of the Right to the City of current and future generations which is adequate housing, one policy measure taken by the Brazilian Government this year in the arena of urban development policy for social and territorial inclusion of the urban population in informal settlements (slums) was the creation of the Growth Acceleration Program – (PAC in its Portuguese initials).

The Growth Acceleration Program is the main investment program of the Brazilian Government for the implantation of infrastructure projects that serve the needs to improve economic and social development of the country in the period from 2007 to 2010. The Growth Acceleration Program's projects have as general guidelines: projects with strong potential to generate social economic returns, synergy between projects, recuperation of existent infrastructure, and the conclusion of projects underway. The PAC is intended to support logistical infrastructure projects (road, rail, port, waterway, and airport); energy infrastructure (generation and transmission of electric energy, petroleum, natural gas, and renewable energy resources); and social and urban infrastructure (sanitation, housing, public transportation, water resources).

For the period of 2007 to 2010, logistical infrastructure projects were granted 58.3 billion reais, energetic infrastructure, 274.8 billion reais, and social and urban infrastructure, 127.2 billion reais.

In relation to the social and urban infrastructure, the investments are articulated to be directed for states and municipalities to undergo projects for water storage and sewage sanitation, and the urbanization and title regularization of slums. For the year 2007, 43.6 billion reais are allocated. The investments are destined to the 27 federal states and 394 municipalities. 11 metropolitan regions were defined, the capitals and the cities with more than 150,000 inhabitants as the priority areas to receive these investments.

The investments allocated in the PAC for housing and sanitation, especially for urbanization and title regularization of informal settlements such as slums, is, without a doubt, a response and an innovative step of large impact destined to reverse the situation of social and territorial inequality, in a way that makes the Right to the City effective for the inhabitants of these settlements in Brazilian cities.

On the other hand the many undertakings financed by the PAC in the logistics and energy areas will be able to have impacts in cities that provoke changes in the economic forms and values of the use and occupation of urban soil, and in the population dynamic with the growth of the population in cities with large infrastructure projects. In this sense, it is strategic to combine PAC investments to supply urban services and infrastructure in the cities that will receive investments for logistics and energy infrastructure.

To confront the challenges and assure that the impacts of infrastructure projects that will be developed through PAC investments in the cities will be to reverse the trend of social and territorial inequality, and promote and respect the Right to sustainable Cities,

some steps and measures are fundamental for the articulation and integration of national, regional, and urban sectoral policies, and the strengthening and consolidation of the processes, instruments, and organisms of democratic management and social control.

CHALLENGES TO THE PROMOTION OF THE RIGHT TO THE CITY AS A TRATEGIC RESPONSE TO SOCIAL EXCLUSION AND SPATIAL SEGREGATION IN BRAZIL

One fundamental step is to constitute a National System of Urban Development, aimed at articulation, integration, and cooperation among federal entities with social control, through the Conferences of Cities, Administrative Councils of Urban Policy composed of representatives of government and the various segments of society active in urban issues, and Public Funds of Urban Development that make financial support for investment programs in the city feasible.

The National Policy of Urban Development should be articulated with the public policies of economic, environmental, and social promotion development, keeping in view the diversity of social groups that live in cities, such as: female heads of household, people with deficiencies and reduced mobility, the elderly, traditional communities such as Quilombo, fisherman, and riverside communities, and indigenous populations that live in cities in the Amazon region. To amplify and strengthen the social control in cities over resources of the Growth Acceleration Program – PAC, destined to investments in urban infrastructure, housing, and environmental sanitation, with the implementation and consolidation of institutional spaces of democratic management of cities by the municipalities that are the Administrative Councils of Urban Policy and the Conferences of Cities. In this sense we can conclude that the essential steps for promoting the Right to the City as a strategic response to social exclusion and spatial segregation in Brazil are the following:

– Constitute a National System of Urban Development, aimed at articulation, integration, and cooperation among federal entities with social control, through the Conferences of Cities, Administrative Councils of Urban Policy composed of representatives of government and the various segments of society active in urban issues, and Public Funds of Urban Development that make financial support for investment programs in the city feasible.

- Elaborate and execute the national and regional plans for ordering territory that consider the reality, the socio-environmental and cultural diversity, and the regional inequalities of the country, the concentration of the urban population in metropolitan regions, as strategic planning instruments for the National Policy of Urban Development aimed at reversing social and territorial exclusion.
- Develop the National Policy of Urban Development in articulation with the public policies of economic, environmental, and social promotion development, keeping in view the diversity of social groups that live in cities, such as: female heads of household, people with deficiencies and reduced mobility, the elderly, traditional communities such as Quilombo, fisherman, and riverside communities, and indigenous populations that live in cities in the Amazon region.
- Elaborate and implement in cohesive fashion the national plans for housing and environmental sanitations that ought to orient the destination of federal resources especially from the Growth Acceleration Program – PAC for urban infrastructure, housing, and environmental sanitation, considering socio-environmental and cultural diversity, regional inequalities, and the concentration of the urban population in metropolitan regions.
- Direct resources from the Growth Acceleration Program – PAC to urban infrastructure, housing, and environmental sanitation to serve the urban investments defined by municipalities as priorities through their participative master plans and the municipal housing and environmental sanitation plans. For this, municipalities must elaborate and implement their municipal housing and environmental sanitation plans in a democratic and participative way and must consider the determinations of the participative master plans related to these policies.
- Approve in the Brazilian Congress the new law about the division of urban soil (law of territorial responsibility) with measures and instruments that make access to urban land possible for the low-income population, and simplify the procedures and eliminate the legal and administrative and registry obstacles to title regularization of social interest in informal settlements.
- Amplify and strengthen the social control in cities over resources of the Growth Acceleration Program – PAC, destined for investments in urban infrastructure, housing, and environmental sanitation, with the implementation and consolidation of those institutional spaces for democratic city management by the munici-

palities, which are the Administrative Councils of Urban Policy and the Conferences of Cities.

– Direct resources of the Growth Acceleration Program – PAC for municipalities to implement, based in the new urban legal order advocated in the Statute of the City, participative master plans that contain effective measures and instruments to reduce the levels of social and territorial exclusion like the identification and definition of uses that meet the needs of the urban population for urban properties that do not fulfill their social function, prioritized investments in urban mobility for the use of collective public transportation, demarcation of informal settlements for urbanization and title regularization of social interest, as well as the definition of urban areas already containing infrastructure and services considered underutilized or with potential for use for the development of housing projects of social interest through the instrument of special zones of social interest.

– For the union and states to act in an integrated way in relation to the definition of investments, urban infrastructure projects and economic development programs in the implementation of urban development policies in metropolitan regions.

– For the Brazilian state to adopt as a strategic action in housing policy the destination of resources for the development of economic development projects that generate employment and income for the population benefiting from housing actions and programs of social interest, whether they are the actions and programs of urbanization and title regularization of social interest of precarious informal settlements, or as in the actions and programs of housing production of social interest.

– Apply the new federal legislation (Law nº 11.481 of 31st May 2007) about title regularization of all union lands, for the destination of properties and public lots not utilized for housing projects of social interest, especially the properties of the extinct Federal Rail Network (estimated at 52 thousand properties) and of the National Institute of Social Security that will be able to be developed by community and cooperative housing associations, for the title regularization of social interest in the informal settlements situated on federal public lots and properties.

– Establish and implement a National Policy of Urban Title Conflict Prevention and Mediation directed at defining a methodology of mediation, mapping, and typology identification of cases of urban title conflict aiming at the protection of the Right to the City and the housing of city inhabitants affected by conflicts.

- Prioritize, in the implementation of the recent national law over national environmental sanitation policy (Law nº 11.445/07), investments from the Growth Acceleration Program – PAC for actions integrated between states and municipalities in metropolitan regions through the constitution of public consortia for the offer of basic sanitation services.
- Approve, in the area of mobility and urban transportation, the law that constitutes a national regulatory landmark for this sector, that defines parameters for the lowering of fares, and for the quality of collective transportation, as well as establishes a subsidy policy for public transportation services.
- Amplify investments and resources in the area of city planning and management in the process of constructing a National System of Urban Development to support the planning and management capacity of municipalities through existent national programs of urban policy qualification for social sectors, and support research programs of evaluation of these policies in the national, regional, local, and sectoral levels, to meet the challenges of city management being democratic and participative and of urban policies resulting in effective results of social and territorial inclusion, giving concreteness to the Right to the City of their inhabitants.
- Amplify the forms for dialog, exchange, and experience sharing with the countries of Latin America and the Caribbean about the actions that are being developed in the urban policy arena at national and local levels directed and reducing the levels of social and territorial inequality in Latin and Caribbean cities, through Regional Urban Forums, similar to the World Urban Forum organized by the United Nations.

NOTES

11. This panorama counted on the collaboration of Letícia Marques Osório, who coordinated the Right to the Land and Gender in Latin America research, for the Land and Possession Sector of the United Nations Program for Human Settlements – UN Habitat. This research counted on the collaboration of Marina Comandulli Eugenia Zamora, Felicia Ramirez, and Carla Morales and had the supervision of Marjolein Benschop.

12. For example, in the Latin American countries where land concentration was high, such as Colombia and Costa Rica, the coffee boom in the 19th century worsened inequalities, while in countries with lower concentrations, such as, for example, Guatemala and El Salvador, this same boom contributed to the growth of the small producer/ proprietor. (WORLD BANK, 2003)

13. It is estimated that there are 150 million people of african ancestry in the region, residing principally in Brazil (50%), Colombia (20%), Venezuela (10%), and the Caribbean region (16%). (BELLO *et al*, 2002)

14. Eclad (2000:21).

15. Source: State of World Population 2007. Population Fund of the United Nations (UNFPA).

16. Benasaya, G. *et al*. (1992: 276).

17. UN-HABITAT (2001: 197).

18. According to Ward, P. (1998) the land market segmented and not separated, however it can be considered segmented in terms of access, manners of development and acquisition, cost and possibility of purchase.

19. The process of rural modernization started in some countries in the 1940s, but the results could only be observed starting in the 1970s when the urban population quantitatively surpassed the rural population.

20. Public housing projects for the low-income population were poorly constructed, economically inaccessible, and poorly provided with public services and infrastructure. In the same way they were built in outlying areas of larger cities, far from employment. When finally public infrastructure was extended in the directions of these new suburbs, this process increased the value of empty lands around the new settlements, benefiting real-estate speculators, but penalizing the neighboring population and the contributors, who, in the end, paid for the works.

21. According to Milton Santos, the spatial separation between rich and poor in Latin America is spontaneous (and not voluntary as in Africa) and is the result of the interaction of a series of factors that tend to concentrate the rich in one part of the city and the poor in another. SANTOS, Milton. *Essays on Latin American urbanization*, São Paulo: Hucitec, 1982, p. 46. In the meantime, though the separation occurs in a spontaneous way, Latin American governments frequently promote the removal of irregular settlements to distant outskirts of cities.

22.   UN-HABITAT (2001: 28).

23.   Translator's Note: IBGE – Instituto Brasileiro de Geografia e Estatistica (The Brazilian Institute of Geography and Statistics) .

24.   Translator's Note: PNAD – Pesquisa Nacional por Amostra de Domicílios (National Household Sample Survey).

25.   The Brazilian Housing Shortage in a study realized by the João Pinheiro Foundation with data from the National Household Sample Research (PNAD) of 2005, developed by the IBGE.

26.   The minimum wage is US$246.

27.   Special Material Slum Planet, Carta Capital in School, june-july edition 2006, page 37.

28.   It is the entity of intergovernmental coordination and cooperation of Latin American and Caribbean countries, in the sustainable development and human settlements area.

29.   The latest version of the World Charter for the Right to the City is available on the page of the International Observatory of the Right to the City www.oidc.org.br.

30.   As an instrument of communication, the site of the OIDC was organized at the address www.oidc. org.br with the design of making available and disseminating initiatives, experiences, studies, and research about themes related to the Right to the City.

31.   For further information: UNESCO Specialist Program, Social Sciences Research and Policy Brigtte Colin email: b.colin@unesco.org. UN Habitat Director of UN Habitat Liaison Office with EU and Belgium. Paul Tailor. Shipra Narang email: shipra.narang@unhabitat.org.

32.   The popular proposal of amendment to the project of the Constitution, amendment about urban reform, signed by 131 thousand voters, was presented by the National Articulation of Urban Soil – ANSUR, Movement for the Defense of Slum Dwellers – MDF, National Federation of Architects – FNA, National Federation of Engineers – FNE, National Coordination of Borrowers and Institute of Architects of Brazil – IAB. Source: Constituent Annals, Federal Senate, 1988.

33.   See Provisional Measure nº 2220/2001 and Decree nº. 5.790 of 25 May 2006.

34.   Including the Federal District and State District of Fernando de Noronha.

35.   Resolution 15 of CONCIDADES, from 3 September 2004.

36.   During the Campaign thirty thousand exemplars were distributed of the "Participative Master Plan Guide" and twelve thousand City Kits.

37.   Translator's Note: Papel Passado is a Brazilian expression referring to title ownership.

38.   The United Nations Campaign for the Security of Tenure declares "the security of tenure derives from the fact that the right of access to and use of the land and property is underwritten by a known set of rules, and that this right is justifiable. The tenure can be affected in a variety of ways, depending on

constitutional and legal framework, social norms, cultural values and, to some extent, individual preference. In summary, a person or household can be said to have secure tenure when they are protected from involuntary removal from their land or residence by the State, except in exceptional circumstances, and then only by means of a known and agreed legal procedure, which must itself be objective, equally applicable, contestable and independent. Such exceptional circumstances might include situations where physical safety of life and property is threatened, or where the persons to be evicted have themselves taken occupation of the property by force or intimidation. (UNCHS, 1999a)

39.   In accordance with Article 2(2) of the PIDESC.

40.   Administrative Resolution nº 01 of the Council of Cities approved on the 30th of August, 2006.

41.   In the proposal urban title conflicts are understood as the collective dispute for tenure or urban real-estate property, involving low-income families that demand protection of the state in the guarantee of the right to housing and to the city.

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Urban Land and Social Housing in Brazil: the Issue of Land in Participatory Master Plans[42]

RAQUEL ROLNIK*, RENATO CYMBALISTA** AND KAZUO NAKANO

There seems to be a consensus between the academics and formulators of housing policies in Brazil, and in the international sphere, that urban land should be one of the essential components of housing policy and that its availability in quantity and adequate conditions for the promotion of housing programs and projects is a fundamental condition for its success. However, urban property policies created to support housing promotion programs rarely escape from the dispossession/ peripheral location, mostly through conversion operations of rural into urban land. In the Brazilian experience, since the financial arrangements made in the 1960s in the sphere of the Financial Housing System (SFH), the "land" component – conditioning for the location of enterprises, their insertion in the city grid and the access to equipments and services – was delegated to the municipalities and to the housing complex promoter agents.

During the ten years in which the National Housing Bank (BNH) implemented an urban property policy (1976-1986), it focused on the acquisition of land through specific financing for the creation of land banks by the SFH agents and direct purchasing by the BNH. This policy did not directly impact in the location or insertion of the housing complexes in the cities. In the early 80s, however, when the BNH Land Department was

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created, the stock provided almost 50% of the total land used by social interest housing projects, and in some situations, a larger part of the production took place in plots bought by self-financing. In 1985, a qualitative evaluation by the BNH of the urban insertion of the plots revealed that less than 10% of the land acquired for the construction of housing complexes was situated within the city grid or immediately adjacent to it, with access and transport and at least water and electricity services supplied (SERPA, 1998:99). On the other hand, control over of the costs of production by the financing agents, allied to the limitations of the financing ceiling for low-income housing programs, as well as to policies directed towards acquiring individual properties, transformed the price of the land properties in the principal element of super profit for the system housing promoters. This is also reflected in the price increase of the urban properties due to the increase of demands provoked by the official policy.

In the formulation of the federal government's urban development financial model that created the BNH, in 1964, the *locus* of definitions for urban territorial ordering should be the municipal Master Plans. In the model proposed the BNH would be linked to Federal Urbanism and Housing Service (SERFHAU), which would be in charge of defining the regulatory framework and financing the elaboration of the municipal Master Plans using the banks's own resources through a Finance for Planning Fund. This proposal recovers the proposals from the National Housing and Urban Reform Seminar, held in 1963 in the context of the debates on social and national reforms: agriculture, health, education, and culture among others. However, the national political context would change radically between the seminar in 1963, and 1964, when with a *coup d´etat*, a military government came into power. (MARICATO, 2001)

The proposed model – The promotion of a system of local planning that would support interventions in the field of urban investments – opposed itself directly to the entire planning system and budget execution set up in the country, based on the concentration of resources in the hands of the federal government, after the tax reform of 1966/67 (MONTEMOR, 2006), limiting the possibilities of advancing in the capacity of managing and financing of local governments. It is also at this time that the BNH takes over the management of resources from the FGTS, becoming the largest second line bank in the country, in charge of fund raising, and in turn, transferring the resources to private intermediary agents, becoming the locus of urban development and housing policies.

In the early seventies, in the heart of the elaboration process of the Second National Development Plan (PND), a chapter of the Plan was dedicated to the Politics of Urban

Development. In that moment, according to one of the organizers involved in the task, the clash between the two conceptions became evident: *one of them attempted to deal with the Brazilian space as a totality manifested in the territory, and the other with a fragmented vision of the urban, understood as the sum of housing, transport, basic sanitation, public administration, and finances. A vision that provided an immediate action over urban policies that differed from that of the interest groups in each of these sectors. The sectorial vision was the winner, and the globalist vision, and therefore geographical, was defeated.* (SOUZA, 1999)

In 1974, the SERFHAU was extinct and the federal government's planning activity in the field of urban development would consubstantiate the sectorial planning, through the National Popular Housing Plan (PLANHAP) and the National Sanitation Plan (PLANASA),[43] which became the referential framework for action by the BNH, with quantitative goals of production in the spheres of housing and sanitation.

The perverse combination of a fragile local management, the enormous concentration of resources in a Bank, whose actions followed a sectorial view and whose establishment was the responsibility of intermediary agents, transformed a large part of the Urban Development Plans in support documents that justified sectorial investments, parallel and external to the local administration, defined and negotiated in spheres and circuits that had little or nothing to do with it.

In addition to this, the economic and political power of urban properties owners, and the actors whose economic activities were directly related to the real estate market, both its production as well as its financing and asset of management: real estate entrepreneurs, public urban development construction contractors and service providers, in permanent dialogue with the executive and legislative municipal powers, exerted pressure and influence over them. The combination of these conditions led to the absence of land redistribution policies, and the near impossibility to find well-located land for popular housing.

This scenario was significantly altered in the 1980s, with the economic crisis, the bankruptcy of the BNH and the reduction of investments in the housing sector. In the 80s and 90s, investments were extremely limited due to the structural adjustments that limited public management and the debt. No territorial strategy was formulated for the country at this time, limiting the debate about the territory to the theme of regional inequalities and large infrastructure and logistics projects.

If at the national level a proposal for a territorial ordering as support to a development project for the country did not gain space in the economic growth strategies,

at the municipal level, the immediacy and pragmatism of the administration meant a majority of practices focused on immediate results, that answered both pressures and demands. This way, municipal management ended up reproducing the town planning cultural models inherited from the authoritarian period, a model that does not take into consideration the needs of the larger population, that segregates and differentiates those "included" in the formal urban setting and those that are excluded from it, with disregard to the social-environmental impacts to the city as a whole. The a model is based on a horizontal expansion and on growth as a permanent increase of boarders, in the sub utilization of infrastructure, already installed, and with mobility centered in the logic of the private automobile. At the epicenter of this model – and its interface with the issue of housing – is the issue of urban land.

New Instruments of Urban Land Regulation: The Trajectory of Urban Land Reform.

In the midst of the country's redemocratization process, a moment of maturation of an innovative discourse on urban policies took place in the 1980s, and became known as the National Movement for Urban Reform. This movement was articulated around the newborn social movements that fought for housing, part of the new political actors that emerged in the country at that time, pressuring the State for reforms in several areas. The new social movements were fundamental actors in the process of Brazilian redemocratization in the following years and were a fundamental factor for the creation of a political tone for negotiation and posterior approval of a series of institutional changes.

Several technical sectors of various areas, such as lawyers, architects and city planners, engineers, employees from the city halls and segments of the University, were articulated with the new social movements. The articulation of these actors potentialized the discussion of new themes, such as the politicization of the debate on the town planning legality and the need to open urban management to new social actors, under a participatory framework, configuring a discourse for urban reform that sought to intervene in the formulation of new, inclusive, public policy at the local level. (ROLNIK, 1997)

The critique to the *status quo* of urban planning and the town planning regulation was also taking place in the bosom of the municipal administrations committed to reviewing the paradigms of urban policy construction, initially in a timid manner, and always more articulated after the mid 1980s.

There was a double trench in the dispute: on the one hand, on the national sphere, the Movement for Urban Reform fought for the creation of a new regulatory frame-

work for urban policy, as will be discussed ahead. (ROLNIK and CYMBALISTA, 2000; RIBEIRO and SANTOS Jr, 1997; BONDUKI, 1996)

The groups that grasped the flag for Urban Reform proposed, at the local level, instruments that would overcome the idea of legislation as a purely technical object, exploring its multiple alliances with social inequalities and elaborating town planning instruments that put the weight of the State and the regulation in favor – and not against, as usual – of the democratization of urban spaces. The land policy theme was particularly important in this debate. The issue of access to urban land for lower income populations had already been formulated since the popular amend by the urban reform in two strands: the recognition of the rights to ownership and integration to the city by those that constituted slums and occupations, and the fight against speculative retention of properties. At the local level, experiences such as the Program for Regulation of the Special Zones of Social Interest (PREZEIS) in Recife, the Profavela (pro slum) in Belo Horizonte, the Special Areas of Social Interest (AEIS) in Diadema, all initiated in the 1980s or in the beginning of the 1990s, are among the first practical implementations of this new approach. [44]

The potentialities of this new arrangement of political forces became evident in the immense social mobilization before the Constitution of 1988, that achieved the insertion in the constitutional text marked by human rights and citizenship. Specifically in the area of urban policies, the mobilization resulted in a proposal for reformulation of the legislation through an Urban Reform Popular Amend, sent to the constituent Congress in 1988 by the National Movement for Urban Reform, that resulted in a chapter on Urban Policies in the Constitution (articles 182 and 183). In it were proposals that attempted to facilitate new town planning instruments of control over the use and occupation of land, in order to, among other objectives, facilitate the access to land, democratizing the urban land.

After the approval of the Constitution of 1988, the struggle for the renovation of the instruments for town planning regulation, urban policies and territorial planning continued to take place in the local and national spheres. Several sectors – especially those surrounding the National Forum for Urban Reform – remained in the struggle for the conclusion of the process, in other words, for the regulation of the urban policies' chapter in the Constitution. In the federal sphere, the Law Project 5.788/90 emerges in 1990, partially using earlier formulations of the Urban Reform from the 1960s. The Law Project was processed for over a decade in the Congress, having been intensely discussed and altered, resulting later in the City Statute, to which we refer to next.[45]

In the years following the Constitution, the municipal sphere presented the greatest advances in the problematization of the offer of land for housing. In the same year of the approval of the Constitution, municipal elections took place and resulted in the election of a series of mayors committed to the implementation of the principles of the Constitution in respect to the urban policies, which involved local technical administration staff involved in the struggle for urban reform. In 1990, two meetings were organized between the municipal management technicians that hoped for the democratization of urban policies, in Angra – RJ and Santos – SP, where the issue of land availability for the poor in more central and infrastructured areas was debated, as well as instruments for regulating the real estate market, without the need for the municipal government endure the expensive and time consuming dispossessions.[46] These meetings supported the construction process of the Master Plans, initiated by several municipalities, that sought to explore the possibilities opened by the Constitution of 1988 and guaranteed the social use of the city and the property.

Using as the starting point the ZEIS from Recife, during moments of collective debate, a new town planning instrument was conceived. This instrument was destined to guarantee – upon zoning rules – the use of unoccupied lands for the promotion of social interest housing, as an alternative to the dispossessions and the promotion of public housing, having been incorporated into some Master Plan proposals of that period. The case of the law project of the São Paulo Master Plan – sent to the municipal legislative chamber in 1992, but that was not voted on in plenary – that contained two categories of reurbanization; and the ZEIS of unoccupied areas situated in central areas provided with infrastructure, that could only be used for social interest housing, constituting a guarantee of housing provision for the poorest in central regions. The new conceptions of the Master Plan were debated in a series of meetings and seminars in several municipalities, long after the acceptance of the Constitution. In these occasions, the idea of the ZEIS was disseminated in the unoccupied areas as a real estate market intervention instrument, alternative to the dispossessions or land purchases by the government.[47]

In this sense, Diadema, in the São Paulo Metropolitan Region, was possibly one of the most interesting experiences in the 1990s, where the correlation of progressive forces allowed for the implementation of a housing policy articulated with a land policy based on the instrument of Special Areas of Social Interest (AEIS), that reserved a significant part of the unoccupied lands in the municipality for construction of Social Interest Housing.

The first years of the 21st century marked a new moment in the progressive construction movement of an urban policy institutionalization in the country. In 2001, the Urban Development Law Project that was processing since 1990 in the Congress was finally approved, resulting in Law nº 10.257, of July 10, 2001, known as the City Statute, instituting the directives and instruments for fulfillment of the social function of the city and urban property, the right to the city and democratic management of the cities (ROLNIK 2002:21-22). The technical production around the Statute was bubbling, in the judicial field as much as in the field of urban planning. [48]

With the Constitution, and especially the City Statute, the function of the municipal Master Plan was redefined, determining that it be mandatory for cities with over 20.000 inhabitants, as well as those integrating metropolitan regions and urban conglomerates to develop a Master Plan. Previously used as an instrument to determine the necessary or desirable sectoral investments for the municipalities, the City Plans became a fundamental item of municipal urban policy, responsible for defining the criteria for the fulfillment of the social function of property. In practice, the Master Plan acquired a mission to establish the content for defining property rights in the municipality, as well as the sanctions for its non-fulfillment.

In 2003, during Lula's government, the Ministry of Cities was created. This was an ancient demand by the articulation for the urban reform, with the promise of retaking a national urban policy agenda that integrated the housing sectors, environmental sanitation and transport in the same instrument. The first directive group in the Ministry chose to formulate this policy in a federative and participative form, mobilizing the three levels of government and the distinct segments of civil society to this end.[49] In the same year the first National Conference of the Cities took place, and resulted in the election of the first National Cities' Council. Over 2.500 delegates, elected through conferences in over 3.000 municipalities in all States, were present. This first Conference approved, among other principles that should guide the construction of urban policies, the promotion of the right to the city, the integration of urban policies and their implementation as a means of fighting social and territorial inequalities.[50]

An evaluation of the impact of the Ministry of Cities' action in the urban development policies in the country between 2003 and 2006 still needs to be undertaken. Here, the proposal is to advance in the systemization of information about one of the streams of action by the Ministry in this period: a National Campaign for Participatory Master

Plans, specifically in the stream that intends to align the housing policy, the theme of urban property and urban development policies.

THE MINISTRY OF CITIES AND THE NATIONAL PARTICIPATORY MASTER PLAN CAMPAIGN

Even though the Federal Constitution contained a model of territorial planning that would serve as a starting point for a National Territorial Order Plan, and its unraveling regional plans, these were not elaborated and the issues of territorial ordering ended up being treated, through a municipal bias, through the Participatory Master Plans, required for every city with over 20.000 inhabitants and for municipalities integrating metropolitan regions.

The principal regulatory framework for the implementation of the campaign was already available, as the City Statute determined that the municipalities with population over 20.000 inhabitants and those integrating metropolitan regions should develop their Master Plans by October 2006.

In addition to this, there were some complementary regulations submitted by the National Council of Cities, whose support was fundamental to the construction of the campaign. In September 2004, the National Council of Cities approved a resolution for the implementation of a National Campaign for Participative Master Plans (PMP), destined to sensitize, support and capacitate technical teams from the city halls and civil society sectors involved so as to promote the development of 1683 Participative Master Plans in Brazilian municipalities that were obliged to do so by October 2006.

The strategy adopted by the Ministry was, on the one hand, to support the municipalities financially in the elaboration of their PMP, and, on the other, disseminate through the various diffusion and qualification mechanisms, a new conception of Master Plan and its process of elaboration focusing on the construction of social-territorial pacts between the different interests present in the city, around the definition of the social function of the different areas of the municipality, urban or rural, private or public.

In order to develop a background reference material for the PMP, a national seminar was held in partnership with the Chamber of Deputies, through the Urban Development Commission, promoting the debate and deepening the controversial themes of the planning process by means of work groups with representatives of technical areas, such as academia, municipal managers, popular movements and professional entities.

The result was processed and systematized in the publication "Participative Master Plan: A Guide for Elaboration by Municipalities and Citizens" that, along with videos, flyers, posters and folders constituted a "Kit for Participative Master Plan" that served as support material to the municipal technical staff and other social segments in the elaboration processes of their PMP. A Campaign was structured by a National Coordination made up of institutions from the National Council of Cities and by State Nuclei constituted by national professional entities representatives, such as the Regional Engineering, Architecture and Agronomy Council (CREA), the National Federation of Engineers, the National Federation of Architects, the four social movement federations for the struggle of housing and community associations (UNLM, MNLM, CMP and CONAM), secretariats and state bodies, Universities, local representations of the Federal bank Caixa Economica (CEF), among others, with a significant variation in composition within every State.

The federal government allocated financial resources, coming from various ministries, to support approximately 550 municipalities directly, approximately 30% of the total municipalities "obliged" to develop a Master Plan. These resources added to the financial support from State level government, in particular the states of Paraná, Goiás, Bahia, Mato Grosso, Espírito Santo and Pernambuco. Other than this, resources were invested in qualification and sensitization activities in all regions of the country. These activities used the educational material from the "Kit for Participative Master Plan," and held over 250 presential workshops that reached over 15.000 people in 1600 municipalities. The program also offered scholarships for university teams, in partnership with the National Research Council (CNPq) for technical assistant projects to the municipalities; graduated and disseminated a registration list of professionals in every region of the country with experiences in qualification or in the elaboration of PMP, as well as the implementation of the City Statute; created the City Planning Network on the Internet, which reached over 20 thousand e-mail addresses all over the country, spaces of information, reflection and critique that became a channel of discussion and exchange of experiences; in March 2006 launched the Bank of PMP Experiences in the Ministry of Cities website, with the goal of registering the solutions, actions and strategies used in each step of the elaboration process of the PMP. This way – even though the PMP were far from being a top priority for the Federal Government – it was possible to support, directly or indirectly, the universe of municipalities "required"

to produce a Master Plan, in particular by disseminating and fomenting the conceptual and methodological renovation of the PMP from the City Statute.

The National PMP Campaign's content was structured on three pillars: *Territorial inclusion* (assuring the poor had access to well located urban property, as well as guaranteeing ownership to the low-income population who lived in irregularly occupied areas); *Social justice* (more egalitarian distribution of the costs and benefits of urban development); and *democratic management* (effective participation of the population in urban policies). The theme of urban property, and especially the territorial insertion of the poor in the city was a theme present in the entire sensitization and qualification strategy adopted by the Campaign, assuming for the first time these issues in the federal sphere.

At the municipal level, beyond the Federal Government's support in discourse, a few opportunities were created by the PMP, so that the inclusion of vulnerable segments of the population could be achieved in the discussion processes on the analyses and proposals; the land regulation election and the offer of infrastructured urban land for the poorest pillars of the PMP; a regulation of democratization instruments, such as the access to land as well as the Special Zones of Social Interest (ZEIS), Payment by Installments, Building or Compulsory Use, and the IPTU[51] that is Progressive overtime, by the City Statute.

The participation and joining of organized movements of the struggle for housing and related segments to the urban reform was intense in the different stages of the PMP elaboration processes. At the federal level, the housing movements integrated the coordination of the PMP campaign, and led the construction of the resolutions that guided the municipalities regarding the final deadline for PMP elaboration,[52] that defined the criteria for participation on the Plan[53] and its minimum content.[54] The official support material for the PMP Campaign was distributed nationally, and highlighted the need for integration between urban and housing policies.[55] The support material as well as the dozens of qualification workshops held all over the country by the Ministry of Cities put the issue of housing at the forefront as a challenge that needed to be confronted by the PMP. From the point of view of the articulations of civil society, the Campaign constituted one of the action fronts of the housing movements in the whole country, with the clear goal of facilitating popular housing in well located areas.

The social actors in the struggle for housing were also present in a great part of the State Nuclei and in many management nuclei of the municipal Plans where organized housing movements existed. In Fortaleza-CE, the housing movements, articulated

in a wide front, were able to obstruct the Judiciary in processing a Master Plan developed without popular participation and with no redistributive content, and pressured the City Hall to initiate a new Plan, more in line with the urban reform content and arranging for answers of an articulation between urban and housing policies (LOUREIRO, 2006). In São Paulo, the struggle for housing movements were a fundamental component of the so-called "Popular Front for the Master Plan," that fought for the democratization of the access to land during the processing of the Master Plan in the Municipal Legislative Chamber (BONDUKI, 2007). The housing movements were fundamental in participative moments of consolidation of Master Plan proposals. An example of this took place in the Santo André-SP City Congress in 2003, and counted with an expressive participation of popular movements, resulting in the insertion of relevant content to the housing policy as we will see further ahead (SOUZA, 2007). In Mariana-MG, after participating in the Master Plan construction process, representatives from all popular neighborhoods in the city held a solemn march to deliver the Plan law project to the president of the Municipal Legislative Chamber, as a means of symbolically expressing their support to that specific version of the Plan, and against eventual abusive amends. As such, the Plan was approved by the Chamber without any alterations. (CYMBALISTA and CARDOSO, 2008)

Among the wagers on the PMP, the Special Zones for Social Interest (ZEIS) of unoccupied areas stand out. The ZEIS marked the perimeter of the zoning of the city that should be prioritized for low-income housing occupation.[56] The Diadema Master Plan gave continuity to an older articulation between the urban and housing policies that had been initiated in the first half of the 1990s, constituting the oldest ZEIS experience in unoccupied areas in the country (called AEIS within the municipality), and one of the few that was systematized and analyzed. The studies revealed that the instrument, articulated with an efficient and progressive housing policy succeeded in lowering the price of land in the first moment and significantly facilitated the number of housing units, also having a positive impact in the protected water spring areas that less pressured by the demand of the poorest, remained relatively preserved after the implementation of the AEIS (HEREDA *et all*, 1997; TSUKUMO, 2002). The democratic administrative instance of the AEIS urban policy instrument was not an urban development council, but rather a housing council, a FUMAPIS council, composed in an egalitarian way with 50% of representatives from the housing movements, and 50% of government representatives (CYMBALISTA, 2000). On the other hand, the studies also revealed the difficulties related to

the implementation of the instrument: in some years, the lack of land area and the lack of experience of the real estate actors allowed the property prices to increase; a series of entrepreneurships in AEIS showed low quality town planning, and little differentiated the neighborhoods around them (TSUKUMO, 2002). In the Diadema case, the City Hall used the construction process of the new Master Plan in 2001-2002, to problematize the issue of exhaustion of free urban lands, partly due to the success in the implementation of the AEIS over unoccupied properties, and the search for new alternatives for social interest housing – which was only partially successful, seeing as the regional housing policy articulation needed to be developed, as the essentially municipal character of the current generation of PMP did not facilitate regional action within the São Paulo ABC region.

In other municipalities where the unoccupied area ZEIS had already been proposed, such as Santo André-SP, the Master Plan reiterated the instrument, inserting it in a wider urban policy logic of the city as a whole. The most reoccurring movement happened in a large number of municipalities with no tradition in the implementation of unoccupied ZEIS areas, in which the Master Plan was the entry framework of this municipal town planning regulation instrument.

In São Paulo, the housing movements, articulated within the Popular Front for City Planning, were responsible for mapping thousands of square meters of inbuilt land and unoccupied buildings, that were delimited as ZEIS in the Master Plan (even though the use and implementation of these ZEIS is still an open issue). [57]

The Santo André Master Plan (Law nº 8.696 of December 17th, 2004) also regulated the ZEIS over inbuilt areas, besides defining criteria for the application of the instruments of fulfillment of the social function of the property as per article number 182 of the Constitution (Compulsory Building, property taxes IPTU progressive overtime, appropriation with payment in bonds). Since 2006, the City Hall started notifying property owners considered to be subutilizing their properties according to the Master Plan – including properties listed as ZEIS – becoming one of the pioneer municipalities in this sense, with an experience worth studying more closely, considering that the success of notifying the owners and the application of these instruments was vital for the implementation of the City Statute. (DENALDI and BRUNO, 2007)

In Araraquara-SP, the Master Plan elaboration process came from the logic of integration between urban and housing policies. The goal of the Plan was to guarantee unoccupied properties to social interest housing in an attempt to answer the current

demand, in addition to answering the housing demand for the next 10 years following the implementation of the Plan, which was initiated in 2001. The housing demands for the period were calculated by adding the data of the families living in inadequate housing conditions (slums and irregular occupations), the families that composed the housing demands that were listed in the municipal housing registration system, as well as a housing demand projection for the next 10 years. The estimated number reached approximately 2.700.000 m² of land to be set aside for low-income housing in the city, which was guaranteed with the proposal of unoccupied properties in sizes similar to the ZEIS categories proposed by the Plan (MOURA, 2006). The same methodology and elaboration process, as well as demarcation process happened in Vinhedo, municipality in the Metropolitan Region of Campinas-SP.

The diversity of town planning situations in Brazil not always points to the need of implementing specific perimeters for social interest housing. In Aparecida-GO (as in many other municipalities of the Central-West region) the city's problem was not the lack of, but rather the excess of unoccupied land plots, produced by permissive plot subdivision practices, reaching up to 68% of the properties in the city, or 158 thousand unoccupied plots for a population of 336 thousand inhabitants. A large part of the plots were privately owned, and the town planning and infrastructure quality of most of the plots was low. In this municipality, the Master Plan was approved in December 2001, and aimed to increase the government's capacity to manage this stock of unoccupied plots and determine its offer for the housing policy in the municipality. The Master Plan defined a specific zoning that differentiated the city among the areas that should be more intensely used and those where the occupation should be discouraged, and articulated specific land taxing strategies for each zone: discounts for the areas that should not be densely populated, and property taxes IPTU that are progressive overtime for the zones of intensive occupation. In addition, the Master Plan instituted Plot Banks, stocks of unoccupied plots of public ownership, to be used in the municipal housing policy. Owners could contribute to a plot bank in many ways, among them, by giving up their plots to the City Hall as a means of debt payment, or as a compensation of the acquisition of the expensive right to build. (SANTANA, 2006)

Even though there are several examples of changes promoted by the PMP municipal land policies, it's necessary to go beyond the specific cases and start analyzing, in a generalized way, the impact of the process as a whole. The fact that we are dealing

with a very recent process prevents us from making more definitive evaluations of the impact of the new PMP. On the other hand, it is already possible to identify a few analytical movements that should be followed up on in the upcoming years. This text initiates a debate in this sense, attempting to demonstrate in which ways the issue of housing appears in the PMP, thus helping to build a follow-up agenda of these processes in the future. In the next section, we analyzed from a qualitative perspective, the database of a research implemented by the Ministry of Cities in partnership with the Federal Council of Engineering, Architecture and Agronomy (CONFEA).

THE ISSUES OF LAND AND HOUSING IN THE PARTICIPATORY MASTER PLAN: A PANORAMIC VISION

The Ministry of Cities established an agreement with the CONFEA to undertake a research between November 2006 and February 2007, with the municipalities that were required to have their PMP approved by October 2006, in an attempt to establish a quantitative evaluation of the processes and contents of the Participatory Master Plans. The data collection registered the processes implemented in the 1.553 municipalities, corresponding to 92,39% of the 1683 municipalities "obliged," as shown in Table I.

Table I

BRAZIL: DISTRIBUTION OF MUNICIPALITIES OBLIGATED
TO ELABORATE MASTER PLANS BY OCTOBER 2006

State/Region	Total of municipalities	Nº of obligated municipalities	Percentage
Acre	22	5	22,70%
Amazonas	62	28	45,20%
Amapá	16	3	18,80%
Pará	143	85	59,40%
Rondônia	52	17	32,70%
Roraima	15	1	6,70%
Tocantins	139	10	7,20%
Total – North	**449**	**149**	**33,20%**

Alagoas	102	44	43,10%
Bahia	417	164	39,30%
Ceará	184	88	47,80%
Maranhão	217	76	35,00%
Paraíba	223	30	13,50%
Pernambuco	185	97	52,40%
Piauí	223	29	13,00%
Rio Grande do Norte	167	23	13,80%
Sergipe	75	20	26,70%
Total – Northeast	**1793**	**571**	**31,80%**
Federal District	1	1	100,00%
Goiás	246	58	23,60%
Mato Grosso do Sul	78	21	26,90%
Mato Grosso	141	21	14,90%
Total – Central-West	**466**	**101**	**21,70%**
Espírito Santo	78	32	41,00%
Minas Gerais	853	185	21,70%
Rio de Janeiro	92	59	64,10%
São Paulo	645	250	38,80%
Total – Southeast	**1668**	**526**	**31,50%**
Paraná	399	102	25,60%
Rio Grande do Sul	496	121	24,40%
Santa Catarina	293	113	38,60%
Total – South	**1188**	**336**	**28,30%**
Total in Brazil	**5.564**	**1.683**	**30,20%**

Source: IBGE and the Ministry of Cities, 2006.

Table II shows that, until February 2007, 44,62% of the municipalities researched had already approved their Participatory Master Plans in the Municipal Legislative Chambers.[58] If we add these Plans, sanctioned as laws by the municipality, that at the moment of the research were developing their PMP and those that had already sent their PMP to the Municipal Legislative Chambers, we can see that the process was really employed in 86,93% of the 1.553 researched municipalities.

Table II

BRAZIL: PERCENTAGE OF APPROVED MASTER PLANS (ELABORATED AND REVISED) AND IN DEVELOPMENT (ELABORATION AND REVISION) − 2007

States and Macro-regions	% of researched municipalities (a)*	% of municipalities with approved MP after 1996 (b)**	% of municipalities with MP approved after 1996 and in development (b) ***
Acre	80,00	75,00	100,00
Amapá	100,00	66,67	100,00
Amazonas	96,43	44,44	70,37
Pará	81,18	78,26	91,30
Rondônia	100,00	47,06	94,12
Roraima	100,00	0,00	0,00
Tocantins	90,00	33,33	77,78
Total – North	**87,25**	**63,08**	**86,15**
Alagoas	97,73	48,84	81,40
Bahia	99,39	36,20	70,55
Ceará	100,00	45,45	72,73
Maranhão	96,05	56,16	83,56
Paraíba	100,00	63,33	93,33
Pernambuco	98,96	33,68	93,68
Piauí	58,62	23,53	70,59
Rio Grande do Norte	82,61	31,58	84,21

Sergipe	100,00	30,00	80,00
Total – Northeast	**96,14**	**41,61**	**79,56**
Federal District	100,00	100,00	100,00
Goiás	105,36	28,81	86,44
Mato Grosso	100,00	47,62	90,48
Mato Grosso do Sul	76,19	75,00	93,75
Total – Central-West	**97,98**	**41,24**	**88,66**
Espírito Santo	100,00	40,63	96,88
Minas Gerais	81,62	55,63	92,05
Rio de Janeiro	96,67	70,69	91,38
São Paulo	82,87	25,48	94,23
Total – Southeast	**85,04**	**42,54**	**93,32**
Paraná	100,00	49,50	93,07
Rio Grande do Sul	105,31	62,18	94,12
Santa Catarina	90,08	25,69	83,49
Total – South	**98,21**	**46,20**	**90,27**
Total – Brazil	**92,39**	**44,62**	**86,93**

The North and South regions presented higher percentages than the national municipal rate with already approved PMP in the Municipal Legislative Chambers: 63,08% and 46,20%, respectively. Considering the municipalities whose Plans were under development or in the process of approval, we can see that the percentages are higher than the national rate in the macro-regions of the Central-West, Southeast and South: 88,66%, 93,32% and 90,27%, respectively.

One of the questions of the research referred to the specific studies made by the municipalities to subsidize the elaboration of the Plan. Table III shows that 46,30% of the researched municipalities undertook these studies. In the Northeast and South, where the municipalities show great housing deficits, this percentage was below the national rate: 37,39% and 35,69%, respectively. However in some States of the North Region, such as Acre, Pará and Roraima, these percentages are higher than 60%. The same happens with the Central-West States, where the implementation of 67% of the Plans included the elaboration of previous studies on the issue of housing. Rio de Janeiro (58%) and São Paulo (70%) both stand out, the latter with one of the highest percentages in the country.

Considering the generalized dissemination of land and housing problems related to existing illegal and irregular plot subdivisions, possibly, in practically all municipalities researched, there is a low perceptual of studies on these specific themes: only 36,15% of the researched municipalities elaborated studies on illegal plot subdivisions and 41,19% undertook studies on irregular plot subdivisions. In the Northeast, these percentages fell below 30%, 25% and 28,21%, respectively. In the North, where land irregularities are generalized in the urban space, these percentages reached 41,96% and 43,75%, respectively. With the exception of Roraima, where only the capital city of Boa Vista was obliged to approve its PMP, and the Federal District, no other State registered more than 70% of municipalities to undertake studies on illegal and irregular plot subdivisions.

Table III

BRAZIL: PERCENTAGE OF MASTER PLANS THAT ELABORATED SPECIFIC STUDIES RELATED TO THE ISSUE OF HOUSING — 2007

States and Macro-regions	% of MP according to specific studies(c)				
	Study on Housing	Study on illegal plot subdivision	Study on irregular plot subdivision	Study on the real estate market	Study on irregular low-income occupations
Acre	50,00	25,00	25,00	0,00	0,00
Amapá	0,00	0,00	0,00	0,00	0,00
Amazonas	47,37	47,37	47,37	31,58	47,37
Pará	66,67	50,79	52,38	23,81	52,38
Rondônia	12,50	18,75	25,00	6,25	18,75

Roraima	100,00	100,00	100,00	100,00	100,00
Tocantins	14,29	14,29	14,29	14,29	14,29
Total – North	**50,89**	**41,96**	**43,75**	**21,43**	**41,96**
Alagoas	77,14	51,43	62,86	14,29	51,43
Bahia	25,22	9,57	6,09	0,87	2,61
Ceará	17,19	6,25	6,25	7,81	12,50
Maranhão	32,79	22,95	29,51	22,95	34,43
Paraíba	60,71	46,43	53,57	50,00	67,86
Pernambuco	39,33	32,58	37,08	22,47	34,83
Piauí	83,33	50,00	66,67	33,33	83,33
Rio Grande do Norte	43,75	50,00	56,25	56,25	68,75
Sergipe	43,75	37,50	43,75	43,75	43,75
Total – Northeast	**37,39**	**25,00**	**28,21**	**18,12**	**29,36**
Federal District	100,00	100,00	100,00	100,00	100,00
Goiás	64,71	49,02	58,82	35,29	54,90
Mato Grosso	68,42	57,89	63,16	47,37	52,63
Mato Grosso do Sul	73,33	40,00	60,00	46,67	53,33
Total – Central-West	**67,44**	**50,00**	**60,47**	**40,70**	**54,65**
Espírito Santo	38,71	41,94	45,16	29,03	35,48
Minas Gerais	42,45	36,69	38,85	23,02	31,65
Rio de Janeiro	58,49	58,49	64,15	49,06	60,38
São Paulo	70,92	51,02	60,71	43,37	57,65
Total – Southeast	**57,52**	**46,54**	**52,74**	**36,28**	**47,73**
Paraná	39,36	26,60	38,30	28,72	32,98
Rio Grande do Sul	38,39	36,61	40,18	22,32	35,71
Santa Catarina	28,57	30,77	32,97	16,48	26,37
Total – South	**35,69**	**31,65**	**37,37**	**22,56**	**31,99**
Total – Brazil	**46,30**	**36,15**	**41,19**	**26,44**	**38,30**

Source: Ministry of Cities and CONFEA, 2007.
(c) Percentage over the total of municipalities with approved (elaborated and revised) Master Plans or in development (elaboration and revision).

In relation to the percentages of municipalities that elaborated studies on irregular land occupations by low-income population, we also find relatively low values considering the centrality and generalization of this issue in the Brazilian urban universe. In total, only 38,30% of municipalities undertook studies on these land occupations that should have been one of the principal themes in the Participatory Master Plans. The highest percentages are found in the Amazonas and Pará States (around 50%) and in the Central-West region (around 53%) and Rio de Janeiro and São Paulo (60% and 58% respectively).

According to the qualification and sensitization materials produced by the Ministry of Cities, *structural pillars* are the elements that guide the principal objectives in municipal urban policies. The PMP that adopted the land offers for new houses with the structural pillar of the Plan represent 16,44% of the total, in particular the North region that structured 25% of its PMP around this theme.

Those that held back from taking action regarding the empty urban spaces corresponded to 20,15%, in particular for the Central-West where 44,19% of the PMP attempted to face this issue common to several cities of the region, and that places itself as a front of urban expansion and population growth in the country. In the South and Southeast, 21,5% and 2,24% of the PMP were based on this action in empty urban spaces.

The PMP that were structured from issues related to land reform composed 27,19% of the total. In the North, where irregularity generates several conflicts on ownership and urban land property rights, 54,46% of the PMP were structured from proposals and strategies for land reform. The Central-West, where this percentage reaches 36,05%, appears in sequence.

In some States, we had more than 50% of the PMP structured around the pillar of land reform. The States are: Amapá, Pará, Rondônia, Roraima, Piauí, Mato Grosso and Rio de Janeiro.

Table IV

BRAZIL: PERCENTAGE OF PARTICIPATORY MASTER PLANS THAT ADDRESSED
STRUCTURAL ISSUES RELATED TO THE ACCESS OF LAND FOR HOUSING – 2007

States and Macro-regions	% of MP based on structural issues addressed (c)		
	Availability of land for new houses	Action over empty urban spaces	Land Reform
Acre	25,00	25,00	50,00
Amapá	0,00	0,00	100,00
Amazonas	15,79	10,53	47,37
Pará	31,75	23,81	52,38
Rondônia	18,75	18,75	81,25
Roraima	0,00	0,00	100,00
Tocantins	14,29	0,00	0,00
Total – North	**25,00**	**18,75**	**54,46**
Alagoas	28,57	2,86	11,43
Bahia	33,91	13,91	30,43
Ceará	4,69	4,69	12,50
Maranhão	0,00	27,87	13,11
Paraíba	10,71	7,14	25,00
Pernambuco	19,10	13,48	10,11
Piauí	25,00	16,67	58,33
Rio Grande do Norte	0,00	18,75	37,50
Sergipe	12,50	25,00	31,25
Total – Northeast	**17,66**	**13,76**	**20,41**
Federal District	0,00	0,00	100,00
Goiás	9,80	39,22	29,41
Mato Grosso	21,05	36,84	63,16
Mato Grosso do Sul	26,67	73,33	20,00
Total – Central-West	**15,12**	**44,19**	**36,05**
Espírito Santo	22,58	25,81	45,16
Minas Gerais	12,23	16,55	20,14

Rio de Janeiro	24,53	92,45	60,38
São Paulo	6,12	4,59	7,65
Total – Southeast	**11,69**	**21,24**	**21,24**
Paraná	20,21	21,28	23,40
Rio Grande do Sul	14,29	26,79	47,32
Santa Catarina	21,98	15,38	24,18
Total – South	**18,52**	**21,55**	**32,66**
Total – Brazil	**16,44**	**20,15**	**27,19**

Source: Ministry of Cities and CONFEA, 2007.
(c) Percentage over the total of municipalities with approved (elaborated and revised) Master Plans or in development (elaboration and revision).

From these percentages we can note the existence of a great universe of PMP that dealt with the issues of housing in the perspective of land, and access to urban land. For now, the characterization, analysis and problematization of this universe is in the quantitative field. The qualitative studies about this universe are still a largely open field. Next, a preliminary diagnosis is made about some approved and recently implemented PMP. It is possible to note interesting innovations that insert themselves in this national effort to implement the principles and directives of the City Statute.

Confirming the information that comes from the case studies, the global analysis reveals that the ZEIS tool was widely disseminated. Table V shows that 70,19% of the total municipalities researched included this tool in their PMP. In the Central-West this perceptual was 76,74% in the North 75%, and in the South 70,37%. In the Southeast region – where there is no data for the State of São Paulo – 68,16% of the municipalities included ZEIS in the PMP, approaching the Northeastern rate at 68,58%. It is certain that the mode of inclusion of the ZEIS in the PMP needs to be better analyzed: these could only have been mentioned among the urban policy instruments for posterior regulation by means of a specific law. The implementation of this instrument may mean an improvement in the housing conditions, speaking to the need of urban land provision for social interest housing, but only with a more detailed analysis and a follow-up over time can these questions be answered. With the information available from the research undertaken, it is impossible to know if the marked areas are occupied or not, if they are located in well infrastructured areas or if they are located in the periphery in disqualified areas.

Table V

BRAZIL: PERCENTAGE OF MASTER PLANS AND SPECIFIC LAWS THAT
ADDRESS SPECIAL ZONES FOR SOCIAL INTEREST (ZEIS) – 2007

States and Macro-regions	% of CP with ZEIS (c)			
	In the Master Plan	In a specific law	In the Master Plan and in a specific law	Is not applicable to the reality of the municipality
Acre	50,00	25,00	0,00	0,00
Amapá	100,00	0,00	0,00	0,00
Amazonas	78,95	5,26	21,05	0,00
Pará	71,43	11,11	7,94	0,00
Rondônia	87,50	6,25	6,25	0,00
Roraima	0,00	0,00	100,00	0,00
Tocantins	71,43	0,00	0,00	0,00
Total – North	**75,00**	**8,93**	**9,82**	**0,00**
Alagoas	77,14	0,00	0,00	2,86
Bahia	81,74	0,87	9,57	3,48
Ceará	32,81	1,56	6,25	0,00
Maranhão	49,18	8,20	22,95	0,00
Paraíba	75,00	3,57	3,57	0,00
Pernambuco	76,40	0,00	10,11	1,12
Piauí	58,33	8,33	0,00	0,00
Rio Grande do Norte	100,00	0,00	0,00	0,00
Sergipe	93,75	0,00	6,25	0,00
Total – Northeast	**68,58**	**2,06**	**9,17**	**1,38**
Federal District	100,00	0,00	0,00	0,00
Goiás	76,47	1,96	3,92	1,96
Mato Grosso	89,47	5,26	0,00	0,00
Mato Grosso do Sul	60,00	6,67	6,67	0,00
Total – Central-West	**76,74**	**3,49**	**3,49**	**1,16**
Espírito Santo	83,87	3,23	3,23	0,00
Minas Gerais	64,75	9,35	11,51	0,00

Rio de Janeiro	67,92	5,66	15,09	0,00
São Paulo	Nd	Nd	nd	Nd
Total – Southeast	**68,16***	**7,62***	**11,21***	**0,00***
Paraná	63,83	11,70	3,19	0,00
Rio Grande do Sul	53,57	4,46	8,93	2,68
Santa Catarina	97,80	3,30	5,49	2,20
Total – South	**70,37**	**6,40**	**6,06**	**1,68**
Total – Brazil	**70,19***	**5,03***	**8,41***	**1,04***

Source: Ministry of Cities and CONFEA, 2007.

(c) Percentage over the total of municipalities with approved (elaborated and revised) Master Plans or in development (elaboration and revision).

* The calculation of this perceptual does not take into consideration municipalities within the State of São Paulo with approved (elaborated and revised) Participatory Master Plans or in development (elaboration and revision).

It is worth nothing that only 0,89% of the municipalities with Master Plans said that the ZEIS do not apply to their local realities. The land regularization instruments and the expansion of the access to urban land may be considered as common needs to practically all municipalities researched.

The Sub-division, Building or Compulsory Use, combined with Property taxes IPTU that are progressive over time, and with Appropriation with Payments in bonds as instruments foreseen in the Article 182 of the Federal Constitution and sanctioned by the City Statute, whose implementation should be seen, mandatorily, in the law of PMP. It deals with penalties applicable to land owners who hold, speculatively, urban real estate, in an attempt to induce the fulfillment of the social function of the urban property. The main goal of these instruments is not to penalize the owners or increase the municipal property tax collection with the charging of the IPTU that is progressive overtime, but to achieve better ways of using the urban land and the various types of public and private investments made in specific areas of the city.

Although the interpolated proposition I of the Article 42 of the City Statute includes Sub-division, Building and Compulsory use as the minimum content of the PMP, the implementation of these instruments, accompanied by the property taxes IPTU that are Progressive overtime, and the dispossessions for the purposes of land reform, were not disseminated in the totality of the researched municipalities.

A little more than half the PMP included these instruments in their content. In regional terms, the South and Central-West stand out, registering percentage rates of 65,32% and 60,47%, respectively. The institution of these instruments by means of a specific law occurred in 11,01% of the municipalities with approved PMP in development. The percentage of those that chose to include these instruments in a specific law as well as in a PMP corresponds to 7,33%. Among these municipalities, only 1,33% said that the Sub-division, Building and Compulsory use and the property taxes IPTU that are Progressive overtime, do not apply to their local reality.

In the same way as what happened with the ZEIS data, the Southeast has in the State of São Paulo a gap provoked by the lack of data that was not registered until the moment of the writing of this article. The percentages calculated for this region and for the national total does not consider the São Paulo PMP, in order to avoid distortions. It is worth noting that, in several States, more than 65% of the PMP included instruments to confront speculative retention of urban real estate: Alagoas, Bahia, Piauí, Rio Grande do Norte, Sergipe, Mato Grosso, Mato Grosso do Sul, Rio Grande do Sul and Santa Catarina. Rio Grande do Norte, Mato Grosso and Rio Grande do Sul stand out because they registered over 70% of the PMP researched with the instrument of urban land management.

It is necessary to verify the way these instruments were formulated in the PMP content. Using the ZEIS example, they may have only been mentioned among other instruments, with few guidelines or criteria for self-implementation, or they could be based on territorial definitions of followed implementation by basic norms of implementation and straight forward criteria to identify the properties subject to foreseen penalties. According to the correlation of the political forces in the process of the PMP elaboration, there may be a higher or lower probability for self-implementation of these instruments.

Table VI

States and Macro-regions	% of MP with compulsory building and payments by installments and progressive overtime IPTU (c)			
	In the Master Plans	In a specific law	In the Master Plans and in a specific law	Not applicable to the municipal reality
Acre	25,00	25,00	0,00	0,00
Amapá	100,00	0,00	0,00	0,00
Amazonas	52,63	5,26	21,05	0,00
Pará	60,32	7,94	12,70	0,00
Rondônia	50,00	12,50	18,75	6,25
Roraima	100,00	0,00	0,00	0,00
Tocantins	42,86	0,00	0,00	0,00
Total – North	**57,14**	**8,04**	**13,39**	**0,89**
Alagoas	65,71	2,86	0,00	5,71
Bahia	65,22	4,35	6,09	0,00
Ceará	17,19	7,81	3,13	0,00
Maranhão	32,79	8,20	14,75	1,64
Paraíba	35,71	3,57	7,14	7,14
Pernambuco	51,69	4,49	7,87	2,25
Piauí	66,67	8,33	0,00	8,33
Rio Grande do Norte	87,50	0,00	0,00	0,00
Sergipe	68,75	6,25	12,50	0,00
Total – Northeast	**50,00**	**5,28**	**6,65**	**1,83**
Federal District	100,00	0,00	0,00	0,00
Goiás	52,94	7,84	11,76	1,96
Mato Grosso	73,68	0,00	15,79	0,00
Mato Grosso do Sul	66,67	6,67	13,33	0,00
Total – Central-West	**60,47**	**5,81**	**12,79**	**1,16**
Espírito Santo	64,52	12,90	3,23	3,23

Minas Gerais	35,97	33,09	10,79	0,00
Rio de Janeiro	33,96	24,53	11,32	5,66
São Paulo	nd	nd	nd	nd
Total – Southeast	**39,46***	**28,25***	**9,87***	**1,79***
Paraná	52,13	12,77	6,38	0,00
Rio Grande do Sul	75,89	6,25	4,46	1,79
Santa Catarina	65,93	8,79	12,09	2,20
Total – South	**65,32**	**9,09**	**7,41**	**1,35**
Total – Brazil	**53,38***	**11,01***	**8,58***	**1,56***

Source: Ministry of Cities and CONFEA, 2007.
(c) Percentage over the total of municipalities with approved (elaborated and revised) Master Plans or in development (elaboration and revision).
* The calculation of this perceptual does not take into consideration municipalities within the State of São Paulo with approved (elaborated and revised) Participatory Master Plans or in development (elaboration and revision).

The combination of the ZEIS marked in idle properties with these induction instruments of fulfillment of the social function of urban property strengthens the pressure over the property owner to destine these areas to social interest housing provision. This combination may reduce the price of urban land, reducing the cost of production of housing. This result, generated by the intense regulation of private property, elevates the level of conflict between the public and the private interests. These conflicts represent the dimensions of the challenges of reversing the logic of social interest housing provision in the interior of the city, in adequate places, equipped and infractructured, not segregated in distant peripheries, repleat with environmental risk and social vulnerability areas. The research did not, however, collect data on the combination of different instruments.

FINAL REMARKS

In the different phases of action by the BNH and the Financial Housing System, the housing alternatives promoted or financed by the public sector largely took place in the fringes or outside the cities, in situations very near to the informal sector of production. Other than distant and precarious, the opening of these fronts of urban expansion on rural land has been one of the biggest indicators of the real estate markets in the cities, promoting a price increase as the transformation from rural to urban takes place and there

is an increased value added by the real estate market (SMOLKA, 2003:122). Thought this paper the ability of the municipalities to establish planning and management of their territory has been limited. This happens in light of their low political capacity to impose limits to urban occupation and attract real estate added value due to public investments.

The Brazilian Constitution and the Cities Statute wagered on the implementation of a land policy that, based on the local participative planning processes, could increase the access to well-located urban real estate for housing, breaking with the extensive and exculpatory model of promotion of new peripheries.

In a large number of PMP elaborated by the municipalities, the themes of housing, urban real estate and land policy instruments are present. It is necessary to identify the limitations and fragilities of these local planning processes. In the first place, the PMP were elaborated in their great majority without any regional, or national, references and planning indicators. This issue is especially problematic in the case of metropolitan regions or in the relationship of local planning with hydrographic basins that transcend municipal boarders. This is a limitation of the exclusive action focused on the municipality, fruit of the contingencies of the moment – the deadline of 2006 was determined by the City Statute, and a non-facilitation by the Federal Government, of answers and challenges – more than of a decision in favor of a radical municipalization of the territorial policy.

For a number of municipalities, the elaboration of the Plans represented a collective process of territorial recognition, of its limits and physical and environmental vulnerabilities, as well as of the conflicting interests acting over it. Evidently, in many cases, the participatory processes reduced themselves to bureaucratic play to "fulfill the law," with no political investments by the government or the civil society. In the same way, it will be necessary to verify in which cases the norms and devices that appear in the PMP reflected in the process that effectively sought to align the urban and housing policies, interfere in the offer of lands to the poorest, and in which cases the instruments present in the Plans only appear to fulfill the obligations set out in the Constitution, the City Statute and the resolutions of the National Council of Cities.

The ZEIS, in particular, can open possibilities for land regulation and the improvement of the town planning and housing conditions in slums, irregular or illegal plots sub-divisions and popular housing complexes that exist in Brazilian cities. The struggle against empty urban real estate and unoccupied buildings, by means of the Plot Subdivision, Building or Compulsory Use and, property taxes IPTU that are Progressive

Over-time and dispossession sanctions, can also create possibilities to incorporate the conglomerates, plots and unoccupied buildings for the production of popular housing.

The implementation of these land policy instruments that intertwine the housing policy with the land policy is a challenge so great, or greater than the elaboration of the Participative Master Plans and their approval in the Municipal Legislative Chamber. To this effect, the municipalities will face a series of obstacles: the fragility and low management capacity of the secretariats and responsible bodies; the resistance to changing work procedures; the constant pressures of private interests linked to the process of added value of urban real estate over the legislative chamber and the city hall, to the political culture of the negotiated agreement of the public sphere. A sectoral vision of the policies is also a strong obstacle to be overcome: territorial action in the municipality remains divided in different components – housing, sanitation, mobility – that build their planning and management processes independently, and in most part of the municipalities, the Participative Master Plans were built in this same logic, similar to a "sectoral" Plan of the urbanism or planning secretariat of the municipality, and not as a Plan articulated between sectors.

Such difficulties become more severe when taking into consideration the perspectives of the use of resources from the Housing for Social Interest Fund (FNHIS),[59] that will demand the institution of Housing Councils and Municipal and State level Housing Plans, and the investments in housing and sanitation foreseen by the Program for Accelerated Growth (PAC) in several cities of the country.[60] If the implementation of these resources takes place without the land policy, mechanisms of social control or without an increase in the capacity of territorial management, we will be able to see the repetition of scenarios already lived by our cities when the real estate credit is abundant and sources of urban development financing, combined with the low control capacity of the use and occupation of land, produced a model characterized by segregation, social and territorial exclusion, and urban and environmental precariousness.

All these limits and challenges do not mean, however, that this text should be seen to be pessimistic. On the contrary: it is exactly because we now have, on the one hand, an abundance of credits and subsidies that these will reach lower-income populations and, on the other hand, the existing social political processes established a base for territorial management that allows policies of access to urban land for the majority of the population in many Brazilian cities. If, and where, these attempts will result in new more egalitarian and inclusive cities, is something to be observed and studied in the upcoming years.

NOTES

42.   The Master Plan is the basic instrument of urban development and expansion policy. It is a means to establish order for the city, assuring the needs of citizens concerning quality of life, social justice and development of economic activities, respecting the rights established in the City Statute. (City Statute 13:2007)

43.   The goal of the PLANHAP was the extinction of the so-called "housing deficit", with the construction of 2 million houses for families with income up to 3 minimum salaries.

44.   A balance of these first experiences can be found in MOURAD (2001), which looks closely at the Diadema case. On the Recife experience, see MIRANDA (s/d) and ARAÚJO (1994).

45.   OSÓRIO (2002); DALLARI and FERRAZ (2002); ROLNIK (2002).

46.   We highlight the Intermunicipal Democratic Management and Master Plan Seminar. Angra dos Reis, August 1990, that resulted in the "Carta de Angra", a document that determined a series of interventions.

47.   Examples of this series of meetings are: the seminar Master Plan: a propositive or repressive instrument, promoted by the IAB – Department of Rio Grande do Sul, Porto Alegre-RS (September 1989); the seminar Urban Reform and Master Plan, held by CECOPES and FASE, Vitória-ES (1990); Urban Reform and Master Plan Seminar: the fight for citizenship, held by the Pólis Institute, Cajamar Institute, FSE and ANSUR (August-September 1990); State Seminar Popular Movements and Master Plan, held by the Federation of the Associations of Inhabitants of Angra dos Reis-RJ (October 1990); Recife Seminar: Master Plan in debate, held by the IAB, CREA, OAB, Economics Council, Citizenship Support Group, Josué de Castro Center, Recife-PE (March 1991); Salvador and the Master Plan Seminar, held by the Municipal Planning Center, Salvador-BA (April 1991); Master Plan Symposium, held by the Municipal General and Planning Administration Secretariat – SEMPLA, Institute of Urban Planning of Natal – IPLANAT, Natal-RN (May 1991).

48.   In this sense we highlight: DALLARI and FERRAZ (2002), OSÓRIO (2002) and RIBEIRO and CARDOSO (2003).

49.   The first to exert the position in the Ministry of Cities was Olívio Dutra, who had previously been the mayor of Porto Alegre, and whose government implemented the first experience of municipal participatory budgeting. The concept of construction and social control of urban policies was then also applied to the construction of national policies.

50.   Final document from the first National Cities Conference, Brasília, November 2003.

51.   IPTU are taxes on built property on urban land, ie, property taxes.

52. "Resolution nº 09 of the National Council of Cities, June 8th, 2006, that recommends and advises the municipalities about the requirement of the approval of master plans within the legal deadline of October 10th, 2006."

53. "Resolution nº 25 of the National Council of Cities, March 18th, 2006: guidelines to the form of elaboration, implementation and execution of the municipal master plans, as well as the conditions of requirement of elaboration by the municipalities."

54. "Resolution nº 34 of the National Council of Cities, July 1st, 2006: guidelines and recommendations regarding the minimum content of the Master Plans."

55. These contents are made explicit in the "Participatory Master Plan Toolkit," distributed by the Ministry of Cities all around Brazil.

56. Another variant of the same tool are the ZEIS marked on areas already occupied with slums, illegal or irregular plot divisions, that facilitate posterior work of regularization and urbanization, tools that will be dealt with shortly.

57. The challenges related to the implementation of the ZEIS in the central areas of São Paulo are studied by TSUKUMO (2007).

58. The research only considered the Plans that were approved after 1996, taking into account that the City Statute determined 10 years as the maximum period of validity for the Plans.

59. Paragraph on FNHIS, is not explained in the text. Refer to Nelson Saule Jr.'s text.

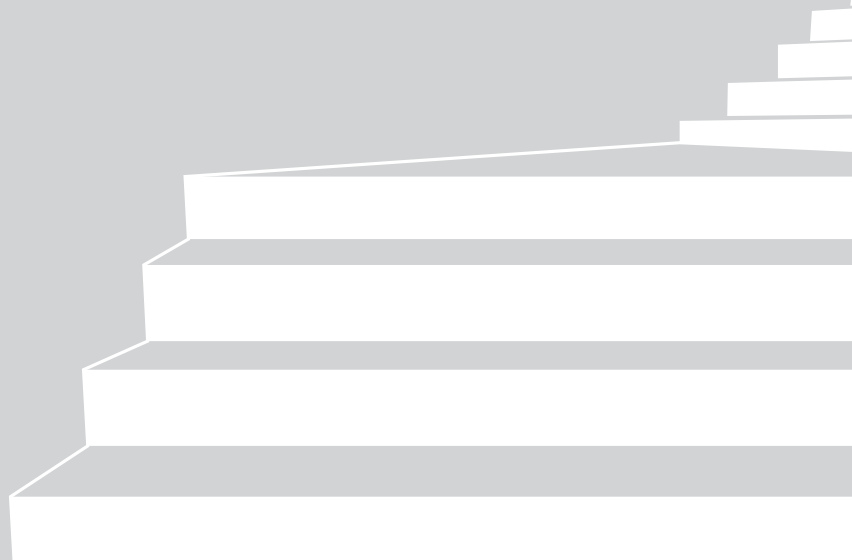60. Ibid. Paragraph on PAC. Refer to Nelson Saule Jr.'s text.

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Property Rights and Real Estate Markets in São Paulo

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URBANIZATION, LAND REGULATION AND REAL ESTATE MARKETS IN SÃO PAULO

It is necessary to understand a few of the multiple ways in which a highly unequal society comes up with "private solutions to public problems" in the context of property rights and land ownership. Given that the state's role in this issue is primarily that of land regulation, which means less visible intervention at first sight, the subject can be quite complex: urban peripheries and informal settlements that seem to be simply abandoned by public authorities and may in fact hide intense political (healthy or perverse) relations with the state. On the other hand, important land developments in the wealthier areas of the city, that one would assume are privately funded, may in fact be heavily subsidized by the municipality. Concerning property rights, and taking into account the state's regulatory role and the political behavior of the different social actors, this text shows that it is impossible to consider an entirely "private solution" in the context of São Paulo, even when the public sphere seems to be entirely absent.

The country's legal framework, as well as urban illegality and its management by the state, social inequality, the real estate markets, the distribution of infra-structure investments, and local land regulation are some of the factors that determine the context of property rights in Brazilian cities. These factors inter-act in a specific way in São Paulo, which is the focus of this paper.

Since the end of 19th Century, the wealthier residential, retail and business areas have been located in the city center and in the southwestern zone of the city, occupying the better-quality areas. Towards the northern, eastern and southeastern areas of the city center, there are lowlands and riverbanks, vulnerable to floods. Almost everything considered undesirable was relegated to the riverbanks of the eastern and southeastern quarters: slaughter houses, polluting factories, asylums for the insane and leprous, quarantine hospitals, and a gas distribution plant. Between the official bourgeois city and the forsaken river banks were the worker's housing developments, cheap hostels for immigrants, and the city's *cortiços*: filthy and crowded tenement houses, which housed the workers of the new industries based on the accumulation of wealth from the coffee plantations in São Paulo's hinterland. This division has remained over the decades: the southwestern part of the city still concentrates most of the city's wealth, in contrast to its overall poverty.

Real estate developers have mostly sought to develop the central and richer parts of the city, where land ownership and urban regulations are better established. Development has primarily included the building of vertical housing and commercial real estate. This has produced a city that is primarily horizontal, with regions of intense vertical development in its south western region.

The interests of real estate developers are not the only factors to be taken into account when considering intense vertical development. Urban regulation has been extremely conservative in regard to the real estate market, reinforcing trends and limiting the rights to build vertically. In Brazil, municipalities are responsible for building and real estate ownership regulations. In São Paulo, vertical building – and property rights as a whole – are mainly regulated by city zoning, the primary instrument for urban regulation. Enacted in 1972,[61] the zoning system divides the city into different zones and establishes use categories and building ratio indexes for each zone. The zoning law is still in force, and has been amended hundreds of times by successive administrations through supplementary laws and decrees.

Zoning is intimately linked to land price as it defines which regions can or cannot be built up vertically. The city's Zone 3 (Z3), Zone 4 (Z4) and Zone 5 (Z5), account-

ing for less than 10% of city territory, are those zones where vertical development is allowed. This tends to attract market interest – resulting in an increase of land value. This "gift" by public authorities to a few privileged landowners does not necessarily co-incide with city geography or the capacity of the area to support high-rise development. Rather, it is related to the real estate market interests. Small wonder the vast majority of Z3, Z4 and Z5 are located in the south western region. This region also concentrates a completely distinct variety of zoning in the existing zoning system: Zone 1 (Z1), with very restrictive building regulations, meaning, in spatial terms, low density residential quarters that are typically very exclusive. Z1 restricts density, prohibits buildings over two stories, establishes a pattern of one family plots, and at the same time establishes large minimum plot sizes, frontages and set-backs. This leads to the creation of very pleasant neighborhoods for the wealthy. In these regions, although intensive land use is forbidden, land prices are high due to the value that comes with living in areas that are well located and well served by urban infra-structure. (ROLNIK, 1997: 187)

The intertwining of highly profitable Z3 and Z4 and highly restrictive Z1 makes the south west region highly regulated. Using the zoning map it is possible to see that this part of the city is carefully divided into different zones and sub-zones, reflecting market interest and wealthier neighborhoods struggling to protect their quality of life.

Often, real estate developers will prevail and another modification will be added to the hundreds of amendments of existing zoning laws. Meanwhile, since the 80s another restrictive and segregationist trend has occurred: high income gated communities are expanding on the edges of the city and into neighboring municipalities. These communities have started to change the city's layout, interfering with traffic organization, water supply and sewage and increasing the demand for sophisticated infrastructure in distant areas.[62]

The zoning system covers the whole city, but it has a very different impact outside the wealthier districts of the south west zone. In contrast to this over-regulated area, other regions have much less detailed zoning regulations, consisting mostly of Z2 – pre-dominantly residential, with a low-density occupation ratio. These areas include what was more or less "ignored" by both the real estate market and by wealthy inhabitants. The zones where industry is allowed – Zone 6 (Z6) and Zone 7 (Z7) – are farther from the affluent south west, and closer to low-income areas of the city.

The daily struggles of the residents of these regions are not for zoning, floor area ratio limitation and occupation rates, but for basic urban infrastructure and for the regu-

larization of home ownership, since most of the city's northern, eastern and south eastern regions are irregularly urbanized. In 2002, there were about 3,100 irregular settlements in the city of São Paulo, housing approximately 2.5 million people.

Infra-structure, public facilities and home regularization don't come to poor neighborhoods as a matter of course: they depend on arduous negotiations between citizens and the state, involving clientelistic relationships with the municipality and city councilors. Citizens often are led to vote for candidates in order to receive needed investments.

Since most of the poor regions of the city have been illegally urbanized, it is all too easy for the municipality to avoid or to postpone investment in infrastructure, hiding behind legal arguments. Nevertheless, illegality has never completely obstructed real estate trade: the city has a powerful market for illegal property, although illegality or insecure tenure usually mean lower land prices.

Infrastructure is extremely relevant to land value. The few areas that are urbanized and served by adequate infrastructure are highly attractive to investors, and prices go up (the only exception being the old historic center of the city, which has faced a process of decay over the last 30 years and is now undergoing "revitalization"). Those areas with no or little infrastructure are cheaper, but residents are exposed to an extremely perverse dynamic: after struggling for the installment of infrastructure, often achieved through client patron relationships with politicians or public authorities, real estate prices often sky rocket and force people to relocate even farther from the city center.

When land vaporisation occurs, rental property residents are evicted almost as a matter of course, despite laws that protect tenants. However, property owners can also be forced out, although in a much more subtle way. In situations of prolonged unemployment, the only option for an impoverished family is to sell their property and squat or invade public land or buy land in the periphery (in installments and often from land dealers that are not the legal owners of the plot).

Eviction can also happen over an extended time span, affecting different generations. Families that move to areas in the periphery that receive public investment in infrastructure may not be able to keep all family members together when prices go up due to appreciation. Unless the family income increases along with the appreciation of land in a given region, their children may not be able to buy property in the same area. Land appreciation and impoverishment seem to be the main reasons why the city's central neighborhoods are loosing population, while at the same time the population in the periphery is increasing much faster than the city's population growth rate.

Property rights have played a key role in the construction of a highly unequal and segregated city, where a minority is assured property rights and can play the "property game" under formal rules, and a majority must play according to very different and often informal and/or illegal rules. Behind official disregard, legalism and "client patron" relationships with public authorities, is the commitment of the state to the maintenance of the social and economic *status quo* and the continuation of perverse political relationships.

The general background described above is not just past history: it deals with relationships and interactions of a distorted nature that reproduce themselves and help define the city's overall structure, its real estate market and property rights up to the present. Over this economic, social, legal, institutional and political basis, some new elements came into play in the 90s that have influenced real estate and property rights to a certain extent. We will focus here on two of these elements: new instruments of urban regulation and the municipal policy towards illegal settlements.

In Brazil, the framework for property rights is highly unique, due to a colonial history based on slave labor; a patrimony-based culture; and a high degree of informality and illegality resulting in various degrees of urban land ownership.

Much of the inequality inherent in property has its origin in the slave-based mode of capital accumulation: slaves and Amerindians – once the majority of the population – were not allowed to own property, meaning that land property was concentrated in the hands of the white elite. Not to mention the fact that slaves themselves were considered property.

On the other hand, private land property was not clearly regulated until 1850, when the Land Tenure Law was enacted, turning royal concessions and white farmer's squatted land into legal property. In the cities, the Catholic Church had the power to regulate most land concessions. However, the 1850 law bestowed this power to the State. The second half of the 19th Century was a period of enormous change: the basis for measuring affluence went from being the number of slaves owned to the amount of land owned.

This had a clear political explanation. Only property and asset owners were able to vote and to be elected to city councils. That meant that property ownership – and not any other kind of economic activity – was the issue defining who belonged to the ruling class, thus establishing a *status quo* based on property ownership.

When slaves were freed almost 40 years after the regulation of land ownership, they found themselves completely destitute of property rights, thus beginning a massive migration towards urban centres and the birth of many informal settlements.

URBAN REGULATION IN THE 1990S: NEW ACTORS AND INSTRUMENTS FOR LAND MANAGEMENT AND THE SURVIVAL OF OLD INEQUALITIES

The most intense debate regarding the regulation of urban land concerned the zoning system, an instrument questioned and criticized by many actors. On one hand were the real estate investors, who sought to overturn zoning limitations and build over the floor area ratio allowed by the existing zoning law. On the other hand, zoning laws were questioned by civil society organizations, including those demanding decent housing.

Both sides contested the zoning laws that unconditionally tie property rights to building rights, thus entering into the debate on the separation of the right to property and the potential for building on urban land.

INTERCONNECTED OPERATIONS: SELLING EXCEPTIONS TO CITY ZONING

The first instrument to allow for the possibility of acquiring 'extra' building rights over the existing city zoning system was the *operação interligada* (interconnected operation), enacted in 1986 and first implemented in 1988. Conservative mayor Jânio Quadros (1985-1988) faced a cash shortage and the new instrument made possible the building of social housing without spending public money.

According to Municipal Law n° 10.209 of 1986, owners of urban land illegally occupied by slums could apply for changes in the building parameters established by the Zoning Law in order to recover part of the value that had been lost due to illegal occupation. This was as long as they built and donated a certain number of social housing units to the municipality elsewhere in the city. The instrument was overseen by the Zoning Commission, which contained representatives from the municipality and from developers.[63] The official idea was to replace slums by appropriate social housing without significant public expenditure. Nevertheless, the law suited the mayor's desire to gentrify central areas through the removal of slums from elegant neighborhoods.

Landowners and the real estate market soon understood the benefits of the new law, but putting it into practice was made difficult by various restrictions in place for building on land occupied by slums. Mayor Jânio Quadros soon solved this problem. Municipal Decree n° 26.913 of Sept. 16th 1988 allowed any developer to apply to an interconnected operation. Having a project approved within the frame of an interconnected operation, developers would have to pay a monetary compensation to a municipal fund for social housing. The

municipality would then use the money from the fund to build social housing and infrastructure. The decree also established that the compensation to be paid by the developer would never be less than 50% of the benefit he would infer from the interconnected operation.[64]

From 1988 to 1998, 328 interconnected operations were carried out. Several irregularities were revealed and the instrument itself was considered illegal by public attorneys who felt that the municipality was negotiating exemptions to the existing Zoning Law, when such exemptions could only be legally granted by the municipal council. Out of 328 interconnected operations, 11 were thoroughly analyzed by the institution in charge of regulating the city budget, which found that financial compensations paid by developers were underestimated by approximately US$ 11,000,000.[65]

In addition, an investigation by city councilors revealed that housing units built by developers were often of poor quality, less than had been agreed, and at times delivered unfinished. Out of US$ 122,498,608.84 received as compensation by the municipality from developers, only around US$ 22,000,000 was spent on social housing.[66]

From a city planner point of view, this urban instrument increased the already enormous gap between rich and poor in the city. While most of the interconnected operations were carried out in the wealthy south western area of the city (some of them evicting thousands of people in slum removals), social housing was mostly built where land prices were cheap – in the distant periphery. The poor were forced even further away from health services and schools, and forced to pay more for public transportation (WILDERODE,1997:47-48). This long list of irregularities led to the revocation of the instrument in 1998.

URBAN OPERATIONS: NEW URBAN LAWS

Although "interconnected operations" were attractive to individual real estate developers, they were unable to promote larger structural transformations in the city. In order to carry out more ambitious urban projects, another instrument was envisaged: the *operações urbanas* (urban operations).

The "urban operations" function in a similar way as the "interconnected operations", giving developers the possibility of acquiring extra building rights from the municipality so that they may build above the floor area ratio limitation imposed by zoning regulations. However, there are some important differences: in the urban operation, an area for intervention is outlined and a certain amount of extraordinary building rights

(expressed in square meters) is made available to real estate developers. The funds raised with the selling of extraordinary building rights must be spent in the perimeter of the urban operation itself, in order to finance structural investments in the area. Therefore, funds raised in an urban operation must be used in its previously defined perimeter, so that in fact, real estate developers are paying for infrastructure they will use themselves.

Another important difference consists in the fact that each proposed urban operation must be regulated and defined by its own municipal law, which has to be approved by the City Council. The law establishes the amount of available extraordinary building rights, the norms for their acquisition, and a project for the application of the earnings obtained with the operation. Once the new parameters and rules are made into a law, they cannot be easily disputed, providing investors with a sturdy legal ground – therefore, from a legal point of view, it is a much stronger instrument than the "interconnected operation".

In 1991, this new instrument was tested in São Paulo. The "Urban Operation Anhangabaú" was supposed to last for a period of four years. A perimeter in the city center was circumscribed, and extraordinary building rights were offered to real estate developers. The revenue issued from the selling of building rights was to be used to improve public space in the area. However, the instrument had a significant limitation: real estate developers were not interested in investing in the city center. On the contrary, the center had a surplus of empty office space and the area had undergone few new developments in past decades. In the four years of existence of the "Urban Operation Anhangabaú", only one actor acquired extraordinary building rights, and not to construct a new building but rather to regularize a São Paulo's Stock Market Exchange building that had been built over zoning limitations.[67]

In 1995, the city's council approved two other urban operations: "Urban Operation Faria Lima" [68] and "Urban Operation Água Branca", [69] which targeted a former industrial region close to the city center. It was to be transformed into an area housing new offices and real estate developments, but raised little market interest. "Urban Operation Faria Lima", on the other hand, was within an area in the core of the city's most dynamic real estate market and there has been significant interest in the acquisition of extraordinary building rights in this case (the operation is still underway).

Looking closely at the region where the urban development Faria Lima is located reveals some of the most important aspects of the city's recent history concerning property, land prices and public investment in infrastructure.

The historical concentration of real estate development in the city's central and south western zones has a logic of its own. Real state investments tend to migrate and seek new areas for development, with the development of some regions sometimes meaning the decay of others.

During the 90s, Avenues Faria Lima and Luiz Carlos Berrini, along Pinheiros River in the south west region of the city, became the focus of real estate investment. Companies sought the area's gleaming "post-modern" buildings, all of which advertised "international standards" and "intelligent management". Prices went up as public investments also started to pour in, including a tunnel under River Pinheiros that connected the elegant residential districts of Cidade Jardim and Morumbi to the new real estate developments. Later, a series of tunnels connecting these districts to newly opened avenues Juscelino Kubistchek and Helio Pellegrino further spiked market interest.

Development was further spurred by the extension of Avenue Faria Lima, almost 30 years after the original project had been called off. This demanded an enormous amount of public funding in order to pay for the expropriation of land to make way for the expansion. Part of the funds were to be recovered by the municipality through the "Urban Operation *Faria Lima*", which in turn increased private investors interest in the area since they would be allowed to build beyond the limitations of existing zoning in exchange for financial compensation, as explained above.

Behind what many considered "progress" lies a perverse logic. The migration of dynamic industries and wealthier inhabitants to the western areas of the city is significant: since most city dwellers are poor, part of the city's elite has sought to settle in segregated areas, far from the city's contradictions. (VILLAÇA,1998)

Real estate developers profit most from this trend, even creating new trends and new, sought-after areas (FERREIRA, 2003). They were especially interested in developing new concentrations of residential and commercial usage as the land prices on and around the more centrally located banking center of Paulista Avenue were already very high, especially when compared to those areas where development was taking place. Land prices on Avenida Luiz Carlos Berrini went up from US$ 100 to US$ 2,000 from the mid-80s to the 90s (FIX, 2001:29-31). Appreciation happened largely due to the huge demand for land, spurred by public investment in infrastructure. Over 300 commercial buildings were built along the Pinheiros River between 1984 and 1999, accounting for

almost 5 million square meters of built area, or around 10% of the commercial property ever built in the city. (WILDERODE, 2000:6)

Figures from some of these developments are eloquent. The Brazilian World Trade Center (one of the over 200 franchising units of the WTC around the world) is composed of a 26-stored office tower, a five-star hotel with 300 apartments and a shopping mall with 200 stores. Total investment reached US$250 million, and included 175,000 square meters of built area (FIX, 2001:19). The region's largest development is the *Centro Empresarial Nações Unidas*, composed of three towers, the highest one reaching 36 stories, and accounting for 305,000 square meters of built area. (WHITAKER, 2003: 42)

On the other side of River Pinheiros, lies one of the most exclusive residential neighborhoods of the city: *Panamby*, a recent development on land extending for about 715,000 square meters which, when fully developed, is expected to raise over one billion dollars in profits. The region has several shopping malls, international flagship hotels, global banks regional headquarters and headquarters for large multinational enterprises.

Although development along the Pinheiros River has led to a landscape of 'modernity' and internationalization, it does not mean that the real estate market has been truly internationalized. Most developers relied on national funds in order to carry on their projects. Overall, globalization remains a very abstract concept in regard to the real estate market, despite the deceptive facade of a sparkling "global" neighborhood.

International investors are not really taking risks in real estate development, which coincides with a typical attribute of globalization: the non-attachment of investments to immobile assets allowing high mobility of cross border investments. This is illustrated by the fact that most international company headquarters are actually rented from Brazilian investment funds. One of the few exceptions seems to have been Argentinean multinational Bunge, which has invested heavily in the Panamby real estate development. However, it abandoned its real estate market ambitions and sold all its shares to Sol Invest, a Brazilian owned real estate developer, for approximately US$ 14.98 million.[70]

Since international capital does not seem to have much interest in investing in land ownership in São Paulo's newest center, a large player has become active in the region in the 90s, financing many of the most important developments: Brazilian Retirement Funds, asset management companies that collect funds at regular intervals from working subscribers from public and private companies and manage the funds for a fixed term.[71] At the end of the term they buy annuities from annuity-providers for regular retirement distribution to the re-

tired subscribers until their death. In Brazil, they are responsible for complimentary social security and retirement funds. Retirement funds control billions of dollars, and were extremely important players in financial and real estate markets in the country during the 90s.

Table I

EVOLUTION OF RETIREMENT FUNDS INVESTMENT IN REAL ESTATE AND TOTAL
PATRIMONIAL ASSETS (IN US$ MILLION, BY THE END OF EACH YEAR)

	1980	1981	1982	1983	1984	1985	1986	1987
Real Estate	170	403	600	551	517	579	821	1243
Total patrimony	1469	2157	3211	3749	4008	5728	6084	7670

	1988	1989	1990	1991	1992	1993	1994	1995
Real Estate	1499	2270	2703	3470	4677	5213	7929	8785
Total patrimony	10484	14836	12120	17989	23026	32568	55081	59055

	1996	1997	1998
Real Estate	8879	8142	8237
Total patrimony	68982	78253	75631

Source: WILDERODE, D. J. p. 200, *apud* Abrapp, Consolidated Statistic Information, 2000.

Estimates are that retirement funds accounted for 80 percent of investments in commercial building development and 15 percent to 20 percent of shopping mall development during the 90s (WILDERODE, 2000:202). In the municipality of São Paulo, retirement funds accounted for 57 percent of commercial building development from 1981 to 1998.

However, profits from real estate development has been feeble in comparison to the stock exchange market (see table I), although slightly better than the federal bonds and fixed interest bonds offered by the market. This has drawn investors (retirement funds included) increasingly towards the financial market. Such movement was accentuated after the 1997 Asian financial crises and the 1998 Brazilian currency exchange crisis.

Recently, retirement funds have downsized their investment in real estate because extraordinarily high basic interest rates defined by the Brazilian Central Bank have made real estate investment unattractive in comparison to the gains that might be obtained in the financial market.

Graphics below shows a steady decrease in rent and sale prices for housing after the Brazilian currency exchange crisis of 1998, following the 1997 Asian financial crisis. High interest rates were in order to control inflation and reassure international investors (complying with IMF recommendations) and slowed down investment as a whole, with the real estate market particularly affected.

ILLEGAL SETTLEMENT POLICIES:
CHALLENGES OF LAND REGULARIZATION

In addition to the city's hyperactive real estate market in the south west region, a completely different kind of urbanization occurs on the outskirts of the city and in those areas forgotten by the formal market. Around 70 percent of the city was built up without concern for urban regulation. In order to regularize land and building status, residents are often forced to enter into client patron relationships. Since the 1930s, the municipality has passed several "amnesty" laws that regularize the ownership of both buildings and land, which is generally regarded as a "favor" from the municipality to the people (ROLNIK, 1997:145). Each time amnesties are issued the municipality promises that it will control the growth of illegal settlements. Nevertheless, the municipality contributes to irregular land use by using land as a tool for entering into give-and-take relationships with the public.

After decades of successive amnesties, nearly 20% of the territory of the municipality of São Paulo is occupied by irregular settlements. These are distributed over more than 3,000 allotments, with nearly three million inhabitants, one third of whom live in regions that are considered preserved areas. Illegal allotments present a number of legal and urban problems that range from the occupation of uninhabitable slopes and land vulnerable to floods, the irregular parceling of land or the irregular layout of streets. At times, settlements totally lack any form of organized land-parceling and land for public facilities. (RESOLO, 2003)

Another 20% of the population dwells in over 2,000 slums scattered over the city's territory. These are normally very dense settlements, located on highly inadequate land plots

– steep slopes, stream embankments, contaminated soil, around high-voltage towers or inside public land which is meant for use as squares, parks or public facilities. (see, map 4)

It is estimated that another 600,000 São Paulo residents live in the city's cortiços, crowded tenement houses mostly located in the city's central districts.[72] Cortiço dwellers sublet their rooms, and whole families live in unhealthy conditions and are vulnerable to eviction and abusive rents due to the lack of laws regulating rent.

Policies towards irregular urban settlements have been determined by the municipality (and not at the state and federal levels). Since the late 80s, the municipality of São Paulo has undergone a shift in regard to how it deals with illegal settlements. The political commitments of consecutive mayors have always defined the municipality's attitude towards illegal settlements. There has been a general shift in public opinion regarding the acceptance of irregular settlements during the 90s, hand in hand with the growing legitimacy of the struggle for fair housing and the recognition of housing rights for all in the 1988 Constitution.

The policies of the administration of Jânio Quadros regarding illegal settlements have already been mentioned: the eviction of favela dwellers from the wealthiest parts of the city, carried out within the framework of the operações interligadas (interconnected operations). That policy confirmed a long tradition of evicting poor inhabitants from the wealthier areas of the city, leading to the wealthy south western region as being the one with the fewest slums.

Mayor Luiza Erundina's (1988-1992) policy towards illegal settlements was entirely different. Coming from a left-wing background and with strong ties to local social movements, Erundina's term meant a hiatus in unjustified evictions. Her administration sought to assure housing rights for the residents of irregular settlements and to design housing policies that sought to improve informal communities. Between 1989 and 1992, 22 slums were urbanized and another 69 underwent improvements. At the end of the Erudina administration in 1992, there were 74 slums undergoing improvements. (AMARAL, 2002:25)

Specific policies were designed to stimulate socially-oriented housing in the city center, as a means of benefiting *cortiço* dwellers. This was carried out either through land acquisition, the expropriation of vacant buildings in order to create new housing units, or through self-management of the *cortiços* by residents (BONDUKI, 2000:79). Due to institutional obstructions, results were slow in coming: in 1992, when the mayor's term

ended, only two projects had been completed and nine buildings were under renovation. (BONDUKI, 2000:115)

Where irregular allotments are concerned, policies sought to regularize land. At last, the "clandestine city" was institutionally recognized as such, and a new department was created to deal with its complex nature: RESOLO – *Departamento de Regularização de Parcelamento do Solo* (Department for the Regularization of Land Parcels).

It is worth mentioning yet another policy developed in the 90's that sought to deal with illegal settlements: the Guarapiranga Program. In 1991, during Mayor Erundina's administration, the municipality began to design the program and applied for a World Bank loan. The program aimed to improve the quality of water in the Guarapiranga reservoir, from where the city draws a large share of its potable water. The reservoir is currently surrounded by slums and illegal allotments. In 1993, the World Bank, the São Paulo State Government and the Municipality of São Paulo signed a contract for a US$ 262 million loan to finance a number of projects over five years (later postponed until 2000). A loan of US$ 71 million was to improve both water and sanitation systems, and another US$ 113,9 million was earmarked for improvements to precarious settlements. Between 1992 and 2000, 43,000 houses were connected to the sewage system, 105 slums were upgraded and 1,561 housing units were built. (FRANÇA, 2000:27-29)

The improvements made to informal settlements were not tied to a land regularization program – which is very common in Brazil due to the enormous legal obstacles involved in regularizing land in areas of preservation.

The administration of Paulo Maluf (1993-1996) had entirely different policy priorities than Erundina's administration. He privatized enormous investment in the road system, mainly in the wealthy south western region of the city. It was under Maluf that "Urban Operation Faria Lima" was approved (1995), not without major opposition from neighborhood associations from the areas to be deeply affected by the new show-case project.

Maluf's main housing project (named Cingapura after a similar experience in Singapore) was focused on the removal of shacks in slums and the building of five to six-stored apartment blocks. Although the verticalization of slums was not entirely new in the city – this solution had already been instituted by Luiza Erundina (BONDUKI, 2000:113) – *Cingapura* had a very particular approach to social housing. The building work was carried out by large building companies, which had traditionally benefited from major public contracts, especially under military rule (when, incidentally, Maluf was appointed

governor of the state of São Paulo). This resulted in smaller but more expensive housing units than the ones produced by previous administrations. (AMARAL, 2002:31)

Most Cingapura housing units where built over irregular land allotments. Buildings were erected on the site of the destroyed slums, which had been illegal settlements. Very little attention was given to the regularization of land property (many of the allotments belonged to the municipality, but legal tools for the transference of ownership were ignored). Generally, there was no attempt to integrate the new buildings and the old parts of the favela which remained standing, since Cingapura developments lacked urbanization projects for the settlement as a whole. Cingapura represented a major shift from previous social housing projects, where vertical building was a radical – due to cost – solution used only when other possibilities were ruled out. (BONDUKI, 2000: 113) The policies of the next mayor, Celso Pitta (1997-2000), were in line with those of Maluf (particularly the Cingapura project), but also a continuation of the Guarapiranga Project. Nevertheless, he also launched his own land regularization program: the Lote Legal (a pun meaning both "Legal [Land] Parcel" and "Cool [Land] Parcel").

 Mayor Marta Suplicy, in office from 2001 until 2004, turned the *Lote Legal* program into a top priority for the city's public housing program. So far, it has meant the regularization of illegal land parcels in 69 areas in São Paulo's northern and eastern areas (more than 6.5 million square meters), benefiting more than 30,000 plots inhabited by approximately 50,000 families. (RESOLO, 2003:34)

As the program includes both urban and legal regularization, it is both slow and expensive: the 69 areas legalized until now account for little more than 2% of the irregular allotments in the city. These figures reflect the limitations of a land regularization program that relies mainly on city resources. As a response– a problem that is by no means unique to São Paulo – the newly created *Ministério das Cidades* (Ministry for Cities) has established the National Program to Support Sustainable Land Regularization.

The program discards previous attempts for dealing with land ownership, which saw ownership titles as offering a magic solution to Third World poverty, as they supposedly bring an incredible amount of wealth, once "immobilized", into the formal economy. (DE SOTO, 1986, 2002)

In opposition to a model that simply delivers land titles – what, cut-off from other improvements, does not seem to improve deprived people's conditions – the Brazilian National Program for Land Regularization includes a much more complex approach.

According to Program Coordinator, lawyer and urban planner Edésio Fernandes: "New tenure policies need to integrate four main factors: legal instruments that create effective rights; socially oriented urban planning laws; political-institutional agencies and mechanisms for democratic urban management; and inclusive macro socio-economic policies. The search for innovative legal-political solutions includes the incorporation of long-neglected gender issues and a clear attempt to minimize the impacts such policies have on the land market" (FERNANDES, 2002). This approach to land regularization is quite complex, and it is still uncertain if it will overcome institutional and legal challenges.

Another important pressure group is active far from the illegal allotments of the periphery. The city's estimated 600,000 *cortiço* residents are organized into various fair housing organizations since the early 1990s. These organizations demand housing and policies for public housing in the inner city perimeter, an area with developed infra-structure, public facilities and good public transportation and, most importantly, close to work. This is a main factor in the search for housing, as the cost of transportation accounts for a large portion of individual income.

In 1994, the *Forum dos Cortiços*, (Cortiço Forum) was created in order to stimulate the organized squatting of both public and private vacant buildings in the city center. The takeover of numerous buildings forced the state to create a specific policy for social housing in central areas, and since then, movements are negotiating to regulate building take-overs and the renovation of occupied buildings, using public funds.

FINAL REMARKS

We have focused on several of the key issues regarding the real estate market in the city of São Paulo. For the authors, the dynamic of real estate in São Paulo is mostly determined by local factors. Global investors, when active, operate in a mostly peripheral manner, involved in low-risk and low-investment activities. These activities (incorporation, rent management and sales) may give the impression of a "global image", but most of the capital involved remains Brazilian. There is no significant shift in the direction of foreign-owned property.

If local actors (including the State) are responsible for most of the real estate market in São Paulo – they are undoubtedly the ones who are investing money – they can be considered at least partially responsible for the problems concerning urban land: segregation, concentration of investments in infra-structure, disparities between the city's different re-

gions, illegality, and real estate sub-utilization. These are all by-products of local circum-
stances and restrictions, even if they are sometimes conditioned by external factors.

Recent developments regarding property rights in São Paulo point in different direc-
tions. On the one hand are the prosperous real estate developments in the south western
region of the city, which are of high value and may involve foreign investment, while at
the same time the municipality attempts to recover part of the appreciation of land and
real estate prices through new urban management tools. One the other hand are the
disadvantaged areas of the city: illegal and forgotten by real estate markets. There, local
government is using various instruments in order to regularize land ownership and to
increase social housing. However, results are slow given the enormous challenges. The
90s saw the gap between the two cities increase: rich dwellers enclosed themselves in the
city's shopping malls and gated condominiums, tied in to the global economy, while the
poor remained on the outside.

NOTES

61.   Municipal Law nº 7805, of 1972.

62.   The total population of Santana do Parnaíba, the municipality where Alphaville is located, was 57,299 in 2000, according to the Brazilian Institute of Geography and Statistics (out of a total population of approximately 17 million in the São Paulo Metropolitan Area). Alphaville has an even smaller number of residents than the municipality itself.

63.   Municipal Law nº 10.209, Dec. 9th, 1986.

64.   Municipal Decree nº 26.913. Sept. 16th, 1988.

65.   Final Report, Special Parliamentary Commission to the Interconnected Operations, CMSP, CPI Interligadas, Câmara Municipal de São Paulo, 2002 (CD Rom).

66.   Final Report, Special Parliamentary Commission to the Interconnected Operations, CMSP, CPI Interligadas, Câmara Municipal de São Paulo, 2002 (CD Rom).

67.   BRASIL. Estatuto da cidade: Lei nº 10.257, de 10 de julho de 2001. Brasília: Câmara dos Deputados, Coordenação de Publicações, 2001, p. 87.

68.   Municipal Law n° 11.723/95.

69.   Municipal Law n° 11.774/95.

70.   Isto é Dinheiro, São Paulo, 10/23/2002

71.   In Portuguese: Fundos de Pensão or Entidades Fechadas de Previdência Privada (EFPPs): Private Retirement Fund Closed Entities.

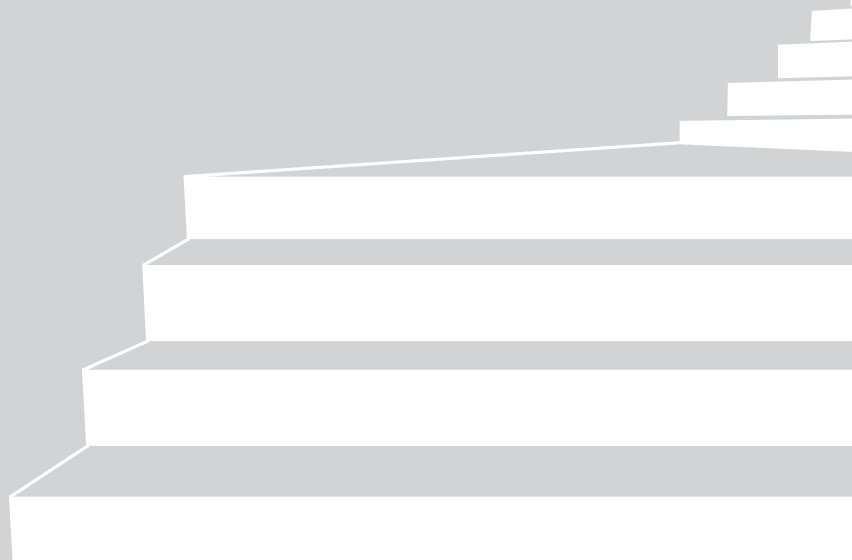72.   Folha de S. Paulo, 06/04/2000.

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Public policies for Downtown São Paulo: Social Auditing the Inter-American Development Bank funding to the São Paulo City Hall

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NATASHA MENEGON,** MARKUS BROSE***

THE HISTORY OF THE "DOWNTOWN SÃO PAULO RENEWAL" PROGRAM FUNDED BY IDB

The history of IDB funding for Downtown São Paulo renewal is related to a consensus that came up around the need for an intervention on the downtown area, which became more acute in the 1990s and turns around the ideas of the region's "degradation" and "emptying". Downtown region's "degradation" or "deterioration" has been attributed to physical interventions – mainly streets – on the structure of the area, and to the removal of high and medium class dwellers to the city's southwest vector; this would have created the economical and functional decadence of Downtown. (VILLAÇA, 2001)

Such processes have actually impacted on the region, causing certain areas to get devalued (like Avenue São João, next to Minhocão tunnel or D. Pedro II Park area, cut through by viaducts) and the increase of real estate vacancy. Nevertheless, it is believed that the main process the central region was submitted to from the 1970s on is the area vulgarization – both in terms of its dwellers and the workers and consumers there. Such vulgarization is related to other posses besides the ones we mentioned: the priority assigned to and confluence of collective transportation systems to Downtown, to people of low income coming to travel and consume there, and to the use of Downtown as a space for survival, income generation and work by the poorer population during a period of economical crisis – which could be seen from the presence of street peddlers, homeless people and recyclable material collectors. Therefore, the establishment of the idea of "degradation" that propelled the intervention proposals is related to the vulgarization of downtown area from the 1970s on.

> *During the 70s, downtown area was already characterized as a popular territory, whether as place for dwelling or consumption. Since that time there are also talks and some endeavors toward recovering it.* (LABHAB, 2006:34)

Another idea that has fueled the formulation of intervention proposals for downtown area is that of "emptying" – both population and real estate one. Censuses of 1980, 1990 and 2000 showed downtown area's trend toward population loss, particularly in the 1990s. At the same time, an increase in the number of empty and idle properties was detected; this brought up the issue on the need for improving the use of dwelling spaces and for a better use of the infrastructure in place. The number of empty homes is greater in downtown neighborhoods than in the city proper, where vacancy rate is 11.8%. Neighborhoods of Brás (24%), República (22.7%), Pari (21%) and Liberdade (18%) are the ones with the largest vacancy rates. (SILVA, 2007)

Such processes and their interpretations have been yielding different approaches to the Downtown problem. This, in its turn, has created different and conflicting proposals and claims for urban intervention – both from the public power and the civil society. The proposals run from a defense of social housing and letting popular uses and low income dwellers stay Downtown, through an improvement and embellishment of public spaces, to attracting new investments in order to up real estate prices and create new economic and social dynamics.

The public power has been intervening Downtown, especially from the 1990s on by drawing up programs and carrying out endeavors of several kinds. In that process, Luiza Erundina's town administration (1989-1992) stands out as a pioneer: during it, Vale do Anhangabaú neighborhood was reclaimed, City Hall seat was moved to D. Pedro II Park and there were localized actions involving the reclamation of slum tenements.

In its turn, São Paulo State government has been making several investments in large cultural fixtures in historical buildings, especially in the area of Luz neighborhood: Sala São Paulo (1999); the reclamation of São Pedro Theater (2002); the reclamation of the State Art Gallery (1998).

At the same time it was placed in the public power's agenda, Downtown became the target of claims by the civil society. In 1991, parallel to the actions carried out by the City Hall, Associação Viva o Centro (Hail Downtown Association – AVC) was created. AVC included real estate owners, traders and businesspeople[73] that fought to raise the area's value for the economical use of middle and high classes by exploring its architectural, urbanistic and symbolic potential. The association's major sponsor was Bank Boston (until it was sold to Itaú bank in 2006), at whose facilities the organization's headquarters was located. Historically, AVC was in favor of the embellishment of public spaces, the installation of large cultural fixtures, of using Downtown mainly for cultural and business tourism, of visible police patrolling and urban cleaning services, of intensified administrative actions and greater access to automobiles. According to information at AVC's website, the entity aims at "developing São Paulo Downtown in its urbanistic, cultural, functional, social and economical aspects so as to change it into a great, strong and efficient Metropolitan Downtown capable of efficiently contributing to the economical and social balance of the Metropolis and to the full access to citizenship and well-being for the whole population". (Associação Viva o Centro Website, 2007)

Housing movements came up and became stronger in downtown during the 1980s and 1990s. From joint-management experiences to create homes and reclaim and improve slum tenements, the idea that movements should struggle not only for housing units, but also to have them built at appropriate locations within the city started to mature. In 1988 Unificação das Lutas de Cortiços (Slum Tenement Struggle Union – ULC) came about. This is an organization that has increasingly struggled for the creation of a housing policy for the city downtown. In 1997 some ULC mem-

bers left the union and founded another movement, the Slum Tenement Forum. The next year, more ULC members left and created Movimento de Moradia do Centro (Downtown Housing Movement – MMC). In 2000 Movimento dos Sem Teto do Centro [Downtown Homeless Movement – MSTC] was born from Slum Tenement Forum. Since then, mover smaller movements have come about to struggle for the right to worthy housing in Downtown São Paulo. Starting 1997 these movements begun fostering organized occupancy of publicly – and privately-owned vacant buildings Downtown. Such occupancy has decisively influenced the designing of housing programs focused on that city area[74].

At the end of the 1990s entities and people connected to universities, popular housing movements, non-governmental organizations, students and popular leaderships, among others, decided to create Fórum Centro Vivo (Living Downtown Forum – FCV) as a venue for meetings and discussions between these players. Together with groups focused on housing, FCV includes solid waste collectors, sex professionals and peddlers. FCV fights for downtown socio-economic and spatial inclusion: the right of low income population of settling in the area and staying there with access to housing, jobs, infrastructure and quality utilities. The Forum has worked in raising issues on public policies to downtown, as well as complaints against trespassing on vulnerable population's human rights.

Such is the context of Downtown São Paulo that frames negotiations and decisions around the project partly funded by IDB. These are movements that point many ways and are in constant friction: on one side, there are proposals seeking to recover Downtown for cultural and middle-class use; on the other, increasingly-organized players seeking to realize popular, inclusive and impartial usage of Downtown São Paulo, as pointed out by surveys ran by the Housing Laboratory of USP Architecture College (LABHAB):

> *Downtown renewal proposals take two different views on what takes place in the area, and both have certainly some subtle differences between them:*
> *The first one emphasizes conditions of "degradation", real estate devaluation, underground economy scattered along the public space and the lack of dwellers and visitors from the middle class. It proposes a Downtown (basically comprehending Sé and República neighborhoods) quite different from today, one that would regain*

its central position lost along the decades, causing radical change in its activity and visitor patterns.

The second view acknowledges bad environmental conditions and infrastructure problems, but emphasizes downtown's economic vitality (popular and regional commerce). It proposes a renewed downtown that would reinforce traditional functions by improving environmental conditions and reinforcing the housing function, with special care to social housing. (LABHAB, 2006:18)

It is very important to pinpoint these tensions that come up in a scattered manner and with varied stresses on proposals for downtown; it is also very important to understand discussions surrounding negotiations, the several diagnosis and projects, as well as actions carried out within the scope of IDB's funding to PMSP.

CONSIDERATIONS ON THE DESIGN AND DEVELOPMENT OF IDB'S FUNDING TO PMSP FROM 2004 TO 2007 FROM THE HISTORICAL RESTRUCTURING
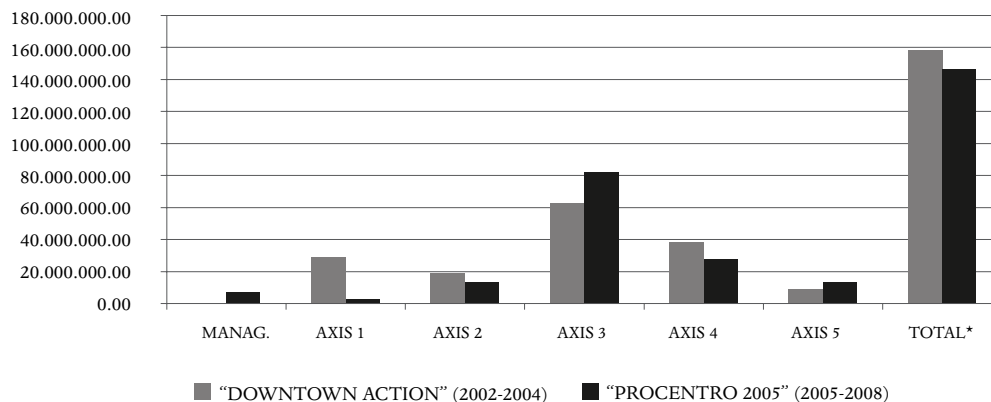
Proposal structure, budget by axis and intervention kind: Downtown Action X Procentro-2005.

As pointed out in the historical recomposition, the IDB-funded Program underwent significant changes from the proposal signed in 2004 (the "Downtown Action" program) down to the execution proposal that begun in 2005 ("Procentro-2005" program). These changes reflected in budgetary distribution along the "Axes" or "Intervention components", which group together "projects according each specific Program objective". (São Paulo [municipality]. "Downtown Action Program. Operational Bylaws – Review 1/2004", 2004)

Chart I compares budgets by the two proposals' intervention Axis. We can see that **Axis 1 (Reversal of real estate devaluation and recovery of the housing function)**, which contained social housing actions, had a significant decrease in resources: it was practically dropped off. On the other hand, **Axis 3 (Recovery of the urban environment)**, that focuses public space reclamation actions, had an increase in budgetary forecast. These changes in resource placement show that general objectives of the project signed in 2004 were changed. "Downtown Action" aimed at improving general value of downtown, but it included actions to decrease impacts on low income population living there. The 2005 proposal kept and enlarged the goal of increasing value and dropped off actions to protect the poorer population.

Chart I

Source: SÃO PAULO (Municipality). Downton Action Program. 2004 Action plan. São Paulo: PMSP; IDB, 2004; São Paulo (Municipality). EMURB. Table Actions by Sub-Component, July 2007. PMSP, 2007. (Drawn up by project staff) Fonte: EMURB, August 2007.

Analysis of both programs from the rating of actions as to their kind (and not as to Axis they are formally inserted in) reinforces that conclusion. From the sorting of actions into subgroups proposed by Daniela Motisuke in her analysis of "Downtown Action" we can see that the amount of resources for social housing dropped from 15% to just 1% of the total. At the same time, resources for urban environment improvement actions increased from 46% to 57% of the total.

Chart II

"AÇÃO CENTRO" [DOWNTOWN ACTION] (2002-2004):

RESOURCE AMOUNT BY ANALYSIS SUB-GROUP (%)

Administration/ management
5%

Transportation
and circulation
19%

Social Housing
1%

Vulnerable groups
8%

Institutional
strengthening
10%

Private companies'
interface
1%

Urban environment
improvement
56%
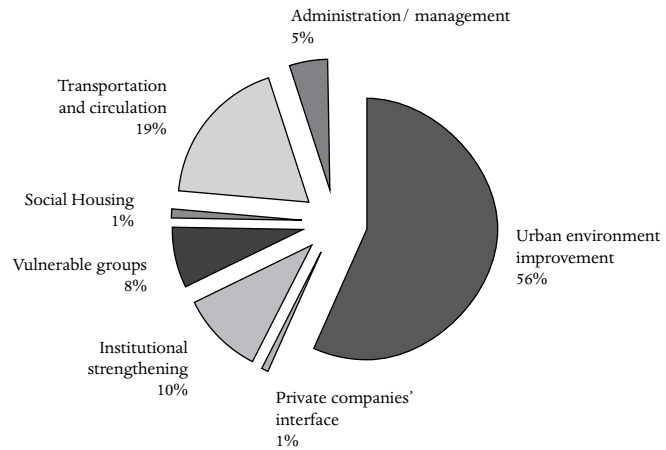
Source: MOTISUKE, 2008.

Chart III

"PROCENTRO − 2005" (2005-2008):

RESOURCE AMOUNT BY ANALYSIS SUB-GROUP (%)

Administration/ management
5%

Transportation
and circulation
16%

Social Housing
15%

Vulnerable groups
9%

Institutional
strengthening
7%

Private companies'
interface
2%

Urban environment
improvement
46%
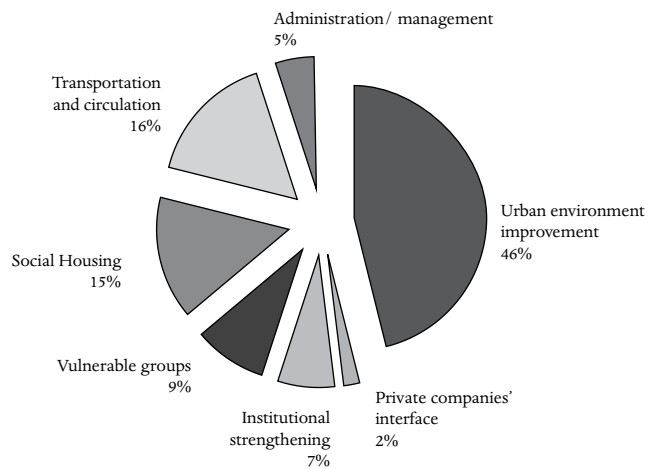
Source: Drawn up by project staff from an analysis proposed by MOTISUKE (2008).

Despite the Program formal structure having not been changed form the "Down-town Action" "version" to that of "Procentro-2005" there was a significant change in the kind of actions and the amount of resources by axis and action kind. This shows that each axis directives are general ones, that is, they are not clear as to final intended objectives and include actions of several kinds, including contradictory and equivocal ones. As pointed out by Daniela Motisuke, criteria to define each intervention Axis both include conflicting actions and distribute interventions with similar objectives along different axes:

> *(...) we noticed that actions and interventions with similar objectives - matching the same intervention and urban management model - were allotted to different components, or even that, the same component included subprograms whose objectives dissented. (...) the "Reversal of Real Estate Devaluation and Recovery of the Housing Function" component (...) had as many mechanisms added to that intended to attract private investments (...) and therefore ad value to real estates as the social interest housing programs, which depended on public control on land and real estate values. Even though these actions matched the same intention of reversing downtown emptying, they were guided by diverging urbanistic principles, had diverging objectives and (...) represented different models of urban development.* (MOTISUKE, 2008:35)

It is believed this structure gives allows for constant change in actions along Program implementation; it also does not make technical and ideological standings on funding objectives and strategies for Downtown development clear. This is once more clear if we look at the social housing issue. Despite "Downtown Action" having 15% of resources scheduled for social housing, this was not formally a Program strategic axis. By not making clear – by making an axis official – that one of its main objectives was to keep and foster social housing in the area, the structure of "Downtown Action" opened the way for the exclusion of all actions of that kind after changes in priorities of the local administration.

The Program drawing up process is related to these contradictions and fragilities in its final design. IDB and its consultants have a direct part in defining actions and components.

> *Through the project team or its representative in Brazil the bank helps and assists the borrower, during the Credit Operation stage, in defining components and preparing the Initial Operation Plan.* (IDB, Borrower's Guide: 12)

In practice the Bank supports projects built based on "good practices" and directly interferes in the assignment of priorities and the budget for each component.

> *Banks act (...) by offering "good practice" dossiers and technical support (...). One of the purposes is to help in the adoption of "successful" methodologies and alternative technologies in order to decrease costs and potentialize results. Bank teams that follow projects up also state themselves in favor or against certain aspects, define what is "eligible" or not to obtain resources (even within local matches) and what will be the value formation for each project sector.* (ARANTES, 2004:137)

As we saw, Bank and City Hall standings are not always attuned. In the case of São Paulo Downtown funding, as reported in historical backtracking, insertion of social housing projects was the reason for the clash between the City Hall and the Bank. In São Paulo, however, City Hall technicians have managed to maintain several projects, as Nádia Somekh explained:

> *(...) we tried to ensure things. So, almost 20% went to [the area of] housing. It was not easy to ensure that, because transportation and infrastructure are also important. As I see it, we should have invested more in the social area, but it was not possible.* (Nádia Somekh, interview)

It is believed, however, that assurance that the local power agenda actions would be in the project – as was the case of social interest housing projects – was only possible thanks to a balanced debate between IDB and City Hall technicians. If it were a smaller-sized municipality with little-trained technical staff this clash might have tended towards a stronger attuning to the Bank's agenda, which might result in it having greater influence on the project.

FINANCIAL RETURN OF THE PROJECT

According to Arantes (2004) IDB defines as fundable those projects that have proven conditions of obtaining return rates and ensure or maintain profitability of public or private companies (which is often a contract requirement). This directive was defined both in the Logical Framework result indicators during the design of the project that

resulted in Downtown São Paulo funding and in the products from consulting companies hired during the study phase. The same author lists risks for this kind of guidelines, such as increase in exclusion and gentrification.

Some elements make up question, however, whether this financial return is really a priority for the City Hall or even for IDB itself. One of these factors is the delay in carrying out actions, which holds the process back and goes against that reasoning. Besides that, some projects involved will not bring a clear increase in revenues. This seems to be the case of "New Luz", based on tax exemption (IPTU, ISS and ICMS) in order to attract the private sector, which goes against the goal of increasing collection in the medium run scheduled in the studies hired. This standing is clear form the State Government decree that opened the change of selling ICMS credits to entrepreneurs that would invest in the Project area. In the documentation found, the Bank never made clear its standing on these issues. We have identified here some divergences between IDB's discourse, which insists on a financial return for the project, and its practice, since after project contracting it no longer seemed to monitor its results. As it seems, in the case of IDB's loan to Downtown São Paulo, the element that has been defining action profile is the choices and priorities of the local administration, regardless of involved return rates.

FOSTERING OF ECONOMIC ACTIVITIES AND IDB AS THE ONE TO LEGITIMATE INTERVENTIONS

Analysis of urban policy strategies for Downtown renewal and its relationships with the decision for funding makes it clear that one of the main objectives pursued by all administrations (but less intensely in the "Rebuilding Downtown" project) was the creation by the public power of an environment favorable to private businesses. On the other hand, we have found that for managers involved in the project at its several stages this favorable environment is not merely the result of carrying out the proposed actions, but of the legitimacy effect that IDB's presence would impart the project. A supposed image of the Bank's *credibility* would help building a positive atmosphere for downtown and thus attract investments and create expectations in private players for an increase in Downtown value. The use of the "IDB brand" seems an important factor in the decision of contracting the loan and carrying it on.

In general, we can find a considerable distance between Bank policies and rules and the actual development of projects. The several phases of public policy emphasized by IDB (preparation, approval, execution and termination/assessment) merge, overlap and are not always carried out according to the bank's methodology.

Interference in management changes on Program development stands out, since it introduces an intermittent planning process – suspension, assessment and priority review. IDB not only accepted the several changes, but also a time when whether actions would be carried on or not was not clear (2005-2006), and considered the project as "ongoing" even when the City Hall could not make up its mind.

From a total of R$ 105.3 million there was a major investment expenditure (54.6%) in 2004. Pledges grew again in 2006, one year after administration changed, but at a very low amount when compared to 2004.

Chart IV

GRAND TOTAL OF PLEDGES OF THE IDB — FUNDED PROGRAM

FROM 2004 TO 2007 (IN R$)
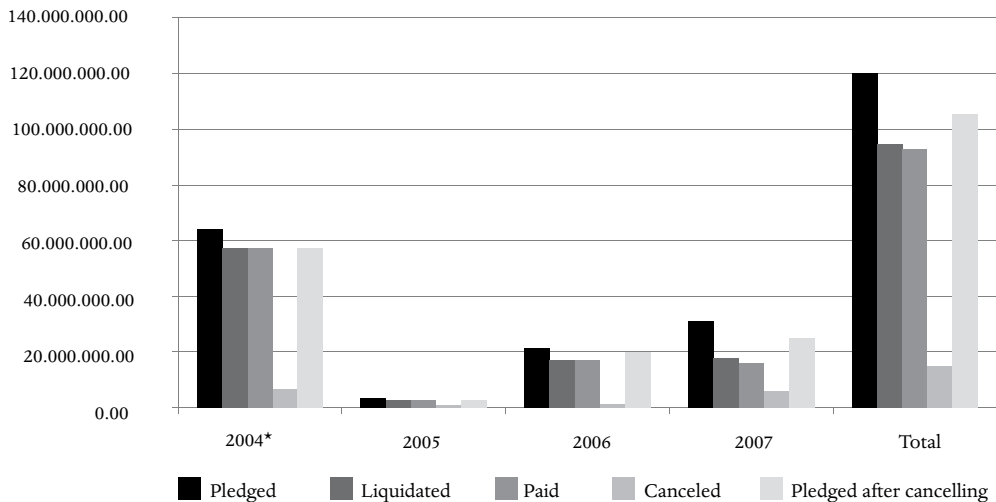
Source: NOVO SEO System/ SEHAB 2004/ Forecast of Rotary Fund Use until December 2004 (IDB/PMSP, July 2004).
* During 2004 fiscal year rotary fund use was also taken into account. We did not have Access to these data from the other years. (Drawn up by project staff)

Besides problems from changes in management, survey results make it clear that everyday difficulties to make a IDB-funded program operational, since they require a series of managerial procedures that go beyond the standards demanded by Brazilian legislation (from action planning to accounting and approval by the funding body). Such procedures lead to a delay in actions and often have no effect, since accounts are frequently not acknowledged by the Bank. This partly explains the low performance of IDB resources against the significant contribution from City Hall treasury that were provided as funding match. Until 2007 Bank resources accounted for just 30% the total of realized pledges. These data make us question the advantages of a IDB funding for urban projects, since they point out to a great difficulty in pledging resources from that funding institution despite debt interests being already in force.

Chart V

TOTAL OF PLEDGES AFTER CANCELING PER
INCOME SOURCE FROM 2004 TO 2007 (IN R$)

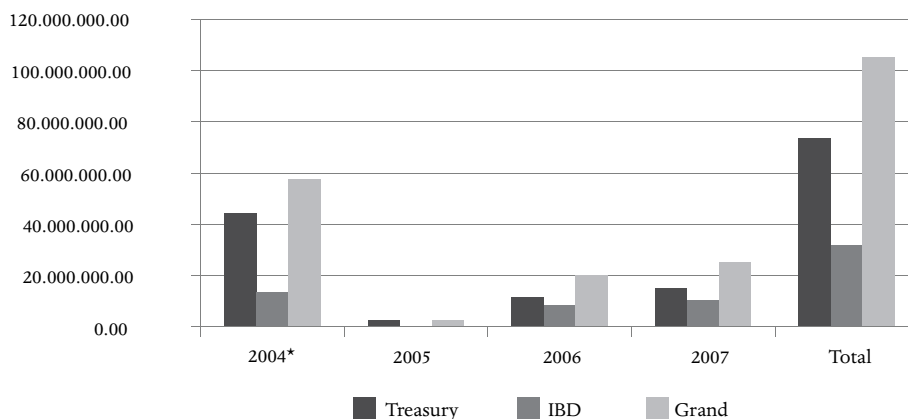Source: NovoSEO System/SEHAB 2004/Forecast of Rotary Fund Use until December 2004 (IDB/PMSP, July 2004).
* During 2004 fiscal year roatary fund use was also taken into account. We did not have Access to these data from the other years. (Drawn up by project staff)

It should be pointed out that resources from IDB in 2004 amount to the Rotary Fund having been put into play – US$5 million, amounting to R$15.45 million at the time. It is known that part of this resource – R$13.33 million – was pledged and liquidated

for Parque do Gato and Olarias Social Rental enterprises, which resulted in a balance of about R$2.1 million becoming available in 2005.

SOCIAL AUDITING CONDITIONS FOR IDB FUNDING TO THE SÃO PAULO CITY HALL

We have considered that urban policy social auditing is one of the several possibilities for social participation, which may be carried out in a restricted our enlarged way. The first instance, as has been said, includes following up on the execution of policies and the budget, as well as checking up on the legality of actions and, if any law is broken, the punishment of the managers responsible for that. In the second instance, besides following up on how actions and of budget are carried out the objective is to ensure collective interests by means of social participation in the definition and development of public policies.

The concept of social auditing adopted was the widest one, since we have considered it is the result of autonomous and qualified operation of civil society organizations; it goes beyond checking the legality of Executive power actions and focuses on wider issues. It is important to point out that access to information and transparency of public management are vital conditions for social auditing – whether restricted or enlarged.

That is why, for the case of IDB funding to PMSP we have analyzed conditions of social auditing considering access to information, possibilities of a systematic follow up of actions and social participation in defining and developing them. In order to do that analysis we have tried to oppose practical control conditions fund to Brazilian legislation legal assurances, we well as to provisions in the funding contract and IDB's corporate policy.

We based ourselves on the analysis of transparency conditions and access to information and made deductions on the availability of public documents, data on the Program and access to managers. We made a brief assessment on assurances and sections defined by the law for transparency and information access both for the municipal administration and the official IDB policy.

Then, we assessed monitoring conditions – systematic follow up and the possibility of sanction in case of irregularities – in budged and execution of actions. This assessment was carried out from the point of view of the organized civil society. But we have also decided that it was important to draw considerations on those legally in charge of monitoring policies: The Municipal Audit Office and the City Council, but

keeping in mind that, in both instances, monitoring conditions depend on the qualify of available information and the technical capacity to process it.

Finally, we analyzed social participation in drawing up and developing IDB funding by checking up on the legal management structure and listing the players involved. The investigation was carried out focusing on the decision-making power sharing level between the civil society and the public power on defining public policies.

We have considered here that social auditing should comprise all these activities, since they are interdependent. This way, readiness of information interferes in the possibility of monitoring, and both have an impact in participation, in a feedback process.

IDB's information access policy

In a document from 2006 called "Information access policy", IDB explains its policies and criteria to have access to the body's administrative data and documents on projects and loans.

According to that document, information should be accessible to all Bank member countries and be disclosed so as to increase transparency and improve quality of the work. At the same time, the document points out that final decision on what information will be released to the public is up to IDB.

In its "Consultation and participation" web page, IDB points out that:

> *(...) information related to the Bank's operational activities must be made available to the public <u>if there is no reason to keep them secret.</u> The policy is based on the assumption that:*
> *— efficacy of Bank-supported projects will be strengthened by public access to information and consultation to affected populations; and*
> *— a wide public availability of information in Bank projects would increase understanding and support for the Bank's mission , as well as transparency and accountability.* (IDB, Consultation and Participation, Internet website; our highlight)

That is, the Bank acknowledges the importance of transparency and considers it a principle in its official policy. Nevertheless, it imposes restrictions and exceptions in carrying it out:

Some restrictions to public disclosure if IDB information are required in order to ensure its efficient information and prevent <u>relevant damage to its clients activities and competitive interests</u>.

(...) Information that may <u>negatively affect relationships between member countries and IDB or between private sector clients and IDB</u> if they are disclosed, and that are in any of the documents found in this Policy will not be put at the public's disposal. Also the following operational documents should not be revealed to the public view if the respective member country is opposed to such a disclosure: sectorial and country analytical studies, <u>factual technical information relating to project documents, installment release documents</u>, assessment of the country's program and sectorial policy charters. (IDB, Information Access Policy, 2006: July 11; highlights are ours)

In practice, we have found that information on ongoing projects at the Bank's website are limited and given a shortened way; also, in the case of Procentro, it is outdated.

Besides that, we have found that, in practice, restriction to availability on project and loan data is there not only to preserve the relationship with private sector clients, but also part of the official policy. Documents on IDB funding to PMSP are made available by the Bank only with authorization by the City Hall – a client institution of a public nature.

According to IDB representatives Aderbal Curvello (IDB expert in charge of the "Downtown São Paulo Renewal" program since 2005) and Guilherme Almeida (IDB/Brazil civil society and citizen security advisor) the bond to make a given funding official documents available is always the executor body's since, by exposing the data, IDB would be risking the contract with its client. The quotations below were taken from interviews with the representatives:

— You have to get administrative documents with the City Hall. They are public documents. But we can't show them.

(...) I believe the project's financial progress is not a public matter.

The Bank belongs to governments. But, as a rule, the ones to provide project information are our borrowers. We provide the funding, but they own the information, they produce it.

(...) we understand it isn't very ethical to disclose a piece of information they don't want to see disclosed. (Aderbal Curvello, interview)

— The obligation is the São Paulo City Hall's. Strictly speaking the Bank doesn't own any projects. It funds projects, helps design them and, at a certain point, it gains executors. That is the case of Procentro. you are monitoring Procentro. The Bank is the Program's funder. It's the executor that should provide this information. If it doesn't, it's not up to the Bank to meet the executor's obligation. You have to take the proper measures toward the executor. The Bank will provide any piece of information it may by contract. We will not refuse to provide any piece of information. But in that case you have to ask the executor. And if it doesn't provide the information you have to take the proper steps. But it not meeting its obligations doesn't mean the we will meet ones that are not the Bank's. As an international organization, it is vital that we should abide by contract rules. If, at a given time, we start meeting obligations the executor did not meet for it, we will loose credibility to carry out any other project. Because one thing that gives credibility to the Bank is that it's unbiased. You have to strongly demand that from the executor. (Guilherme Almeida, interview)

Also in the document on information disclosure, we found the following statement:

(...) information relating to a IDB-supported project or program may only be placed for public view after its conclusion and with the assent of the Borrower or Beneficiary. (IDB, Ditto: 14)

Such a policy limits the possibilities for social monitoring and control during the execution of programs funded by the Bank; it makes society uninformed on project development and the financial progress of credit operations.

For Fabrina Furtado, a member of Rede Brasil NGO, despite the Bank taking policy design and disclosure to the heart, IDB information access policy is a matter of discourse only:

— We cannot say IDB has policies, for they have more than other similar banks, but they don't abide by them, nevertheless.
(...) The history of these banks is one of lack of transparency, of "having to fight" to get information. The funding process, what the Bank actually demanded to carry them on, never comes up. Rede Brasil got access to "Country Documents" with the support

of the National Congress. This sort of document was not accessible before. Despite being theoretically public documents, IDB always insisted in arguing its information policy allows it to leave data out in order to protect its relationship with the client and/ or that it is up to the client to provide project information. The pressure required to get information usually has to come from the Congress or the Federal Prosecutor's Office. (Fabrina Furtado, interview)

In Brazil – and more specifically in São Paulo – due to the difficulty of accessing documents with the executor – PMSP, in that case – another way would be the Special Secretariat of International Affairs, connected to the Ministry of Planning:

– The Ministry of Planning also follows it up in a more remote way. We usually send them the Memory Help of the most important missions and projects. In the annual portfolio reviews we report on each ongoing project. (Aderbal Curvello, interview)

The Commission for External Funding (COFIEX) also has the role of following the execution up, but only during specific consultations, as when the City Hall required a contract alteration in 2005:

– COFIEX is a commission from several federal government agencies. It is called upon when the borrower demands it. It gives its opinion when the consultation letter is presented, before the contract is signed, and when there is any contract alteration. By the way, they have already been heard on Procentro contract alteration and approved it. (Aderbal Curvello, interview)

However, these federal bodies are even more remote from the common citizen, and are very hard to access.

ACCESS TO OFFICIAL DOCUMENTS

Access to documents from IDB funding to PMSP was not easy. The first attempts to access official data were made over the Internet – a supposedly more direct way to access and obtain documents in digital format. In the network survey we were able to access several official documents and information published at the City Hall's and IDB's

websites. These documents, however, are rather shallow and not detailed enough to assess the progress of a Program like Procentro in its several versions. Also, information was not systematically updated and is scattered in the web pages of the several municipal bodies involved in the Program. Because of that, we point out that an official Program web page would be vital to allow its progress to be monitored.

Likewise, official disclosure materials – such as books and CD-ROMs – would deeply help following the Program up. The Marta Suplicy administration stands out for having published the "Downtown Action" CD-ROM containing official Program documents – the contract, standards, etc. – as well as information on its progress during 2004, data on sectorial policies and articles about Downtown (which make up the printed book "Caminhos para o Centro" [Ways to Downtown]). This CD includes an Excel table with the list of all actions by axis, subcomponent and resource forecast. This, however, is the only Program disclosure official material, and it is doesn't allow the more recent execution to be followed up.

Another survey front included public bodies, were documents produced by the City Hall and IDB within the Program scope were looked up. The attempt was made at EMURB's library, but consultation was restricted. first, you have to book a visit through a letter describing the subject of your research. You cannot freely consult the collection, the research is restricted to the subject in the notice letter. Also, only 10% of each document found may be copied, which should be done within EMURB's facilities at a steep price per copied page.

During the second project phase (started August 2007) that project team used the Popular Housing Superintendency's (HABI-PMSP) library, that provides much better research conditions in relation to the other venues tried: it is open to the public from Monday to Friday, there being no need of an appointment; you can look the collection up and have free access to materials; it is possible to take the material with you to copy outside the premises. Such conditions are considered as vital for the working of a public library. Unfortunately, HABI library had few documents referring to the Program.

Considering these conditions, we have sought for documents in the hands of public managers or former managers, and tried to informally interview researchers and key players.

Only after five months of efforts (at mid-August) did we have access to official documents from the Serra / Kassab administration, provided by the current Program coordinator Rubens Chammas. We were given a slide presentation containing general informa-

tion on current proposals for the funding and an Excel spreadsheet with the 2004 Action Plan review, where we can find all new actions broken down by axis, their executive body and the amount of scheduled resources.

Despite IDB demanding the executor should produce follow up, control and accounting documents – which would theoretically improve conditions for social auditing – you cannot access such documents. Most access to Mission Memory Helps were provided extra-officially by people having some sort of involvement with the funding, and their number was insufficient. And we had not access to Progress Reports.

We would like to point out that formal social participation venues depend directly from access conditions to official data. Projects should be presented and discussed through these venues; even if they did not have deliberation power, it would be easier to access decisions and technical justifications and policies for them. For that, we are reminded that the IDB Program formal venue until 2004 was the Downtown Development Forum; it was extinguished by the Serra/Kassab administration (2005-2008), and currently there is no participation venue to discuss municipal policies and actions for São Paulo downtown area.

From September 2007 on we started to ask for documents by registered letters addressed to PMSP bodies. All document requests were internally sent to EMURB, the body in charge of funding coordination. The body answered our requests with the possibility of consulting documents under the supervision of a manager, which did not take place because its was too difficult to get an appointment for that. Besides that, we were informed that part of the requested documents was still being prepared and was not possible to consult them.

We also sent and official request for documents on the loan balance sheet to the Municipal Audit Office, but we did not get any answer.

From the forty-six detected documents, we had access just to twenty-four, eighteen of which were produced during the Marta Suplicy (2001-2004) administration and six during the Serra/Kassab (2005-2008) administration. We would also like to point out only eight of the consulted documents were available at the IDB website.

It is also outstanding that, during the research, we had access to undisclosed documents internal PMSP ones which we cannot be sure about their origin and conclusion stage. That is why these documents were not included in the list below: since they do not contain reliable information, they are effective for public policy social auditing.

Attempts to have access to public workers were made by phone, surveys on the City Hall website, by secretariat or body or through recommendations from acquaintances. In most instances we managed to easily book an interview, especially with former employees of the Marta Suplicy administration. We cannot forget that what contributed to it was the fact that technicians were acquainted with people from Pólis/Care institutions.

After the first interviews, however, contact became very difficult and in some cases they started to require written documents requesting the interview and explaining its contents beforehand. This happened when we tried to gain access to EMURB employees connected to the current municipal administration (Serra/Kassab). We believe that difficulties to access players involved in the Program were due to the fact that the IDB funding issue was much covered by the media and issues were constantly raised against it by popular movements and the academic community.

But this difficult decreased after the team went to Brasília and met with IDB members in July 2007. This contact helped booking interviews with current project managers at PMSP.

We would like to point out difficult to gain access to managers is increased by the lack of formal venues and spaces of participation and exchange of information on ongoing Downtown policies. Such venues have the important role of bringing society and manager closer and helping the exchange of information. The lack of these venues makes surveyors depend on the good will of public managers and former managers to grant interviews and provide data and information.

From September 2007 we started requesting interviews through registered letters, letters with delivery notices and/or electronic mail, and all contact attempts were recorded. We believed such procedure would be effective for, if we could not get to talk with the players, at least we would have a record of the attempts and the justifications used by them to deny the interviews – which would be later published in our reports and might lead managers to have a more transparent attitude. We did not get this result, but we adopted the recording as a work methodology and went on documenting frustrated attempts of carrying out interviews and talks with public managers and former managers involved with IDB funding to PMSP.

Next we have a list of interviewed players, and then the result of the documenting of contact attempts during the last few months. It can be seen how difficult it was to get answers in that two-month period.

Table I

Players	Time frame	Entity they belonged to at the time	Current entity	documented contact attempts	interview date	Cassette tape recording	Review of quotes by the interviewee
Helena Barreto	Marta	Sehab	LABHAB - FAUUSP	no	29/3/07	yes	no
Heloísa Proença	Serra/Kassab	EMURB	Private architecture office	no	3/4/07	yes	no
Rose Carmona	Serra/Kassab	Live Downtown	Sé Sub-prefecture	no	3/4/07	no	no
Rovena Negreiros	Serra/Kassab	EMURB	EMURB	no	2/4/07	yes	no
Sanderley Fiusa	Pitta	ProCentro	Brazilinvest / Neonet	no	5/4/07	yes	no
Sérgio Torrecillas	Marta	Region Administration Sub-prefecture from Sé	Municipal Secretariat of Transporations from Campinas	no	29/3/07	yes	no
Nadia Somekh	Marta	EMURB	Mackenzie	no	16/8/07	yes	yes
Marco de Almeida	Pitta/Marta/ Serra/Kassab		Live Downtown	no		yes	
Aderbal Curvello	Serra/Kassab		IDB	no	2/7/07	yes	no
Guilherme Almeida	Serra/Kassab		IDB	no	2/7/07	yes	no
Clara Ant	Marta	Sé Regional Administration	Federal Government	no	2/7/07	yes	no
Ursula Peres	Marta	EMURB	CSN	no	5/7/07	yes	no
Fabrina Futado			Rede Brazil	no	3/7/07	yes	no
Silvana Zioni	Pitta/Marta	SPTrans	Mackenzie	no	17/7/07	yes	no
Viviane Delgado	Pitta/Marta/ Serra/Kassab	SAS	SMADS	no	18/7/07	yes	no
Renata Milanesi	Marta/ Serra/Kassab	COHAB	COHAB	no	1/8/07	no	no
Rosana de Freitas	Marta	Labor Secretariat	DIEESE	no	31/7/07	no	no
Rubens Chamas	Serra/Kassab		EMURB	no	1/8/07	yes	no
Elizabete França	Serra/Kassab		HABI	yes	11/10/07	yes	no

Table II

Player to interview	Andrea Matarazzo	Geraldo Biasoto	Elizabete França	Tracy Betts
Agency they belonged to (2007)	SMSP	FUNDAP	SEHAB-HABI	IDB
Date and way it was sent	9/20/2008 (delivered in person)	9/21/2008 (mail/e-mail)	9/20/2008 (delivered in person)	9/25/2008 (e-mail)
Registration nº	1898880		601460111	

	Player to interview	Andrea Matarazzo	Geraldo Biasoto	Elizabete França	Tracy Betts
1st attempt	Date and manner of contact	09/24 (contact by phone)	09/24 (contact by phone)	5/10	no response
	Answer	await new answer	not possible to contact	Interview scheduled for 10/11	
2nd attempt	Date and manner of contact	10/24 (contact by email and phone – asked to call again)	09/25 (contact by email and phone – asked to call again)		
	Answer	Personal interview denied for lack of time. Asked questions were sent by email.	no response		
3rd attempt	Date and manner of contact	11/08 (contact by email – questions sent)	09/27 (contact by phone – wait response)		
	Answer	no response	no response		
4th attempt	Date and manner of contact	11/21 (contact by phone and email – asked to call again to schedule interview by email)	10/24 (contact by phone and email – asked to call again)		
	Answer	no response	no response		

Source: (Drawn up by project staff)

ACCESS TO BUDGETARY EXECUTION DATA

The municipal budget survey aimed at monitoring resources intended for the "Downtown Action" program makes more clear information on what actions were being carried out, under the reasonability of which body, using what resource and how services, projects or works were contracted.

Procedures carried out and conditions of access to budgetary data are important indicators of the possibility of social auditing of public policies, especially those funded by international bodies. That is why it has been considered important to describe procedures used to access budget data, as well as the conditions to analyze them.

First, we carried out an Internet survey seeking for information on the budget and disbursements by the Program and realized that common citizens have much change of accessing the public budget of São Paulo municipality. However, information available at the Network are either difficult to understand or incomplete for a more tailed analysis of a given Executive action.

Data at the City Hall website (www.prefeitura.sp.gov.br) are available according to body (Secretariats) and actions (project or activity) in the form of general reports on PDF. It is possible to access important reports since, according to the legislation in force, the City Hall is obliged to make quarterly reports on revenues and expenses and the quarterly health and education expenditure report (by mandate of the Fiscal Accountability Law), as well as monthly reports for revenues and expenses (by mandate of Annual Budgetary Law). Also the budgetary balance for former fiscal years is available, as well as the revenue and expense bulletins, the tax management reports and others. However, in none of these documents is it possible to view details of pledges made – we only know how much was pledged but not for which company / entity nor the kind of service carried out or goods purchases.

In the case of "Downtown Action" we know that a large part of pledges was made through EMURB. At the Company web page, however, we cannot see any relevant information (for that, we would have to contact the person in charge of EMURB finances and book an appointment).

The most efficient way of accessing budget data, therefore, is through the City Council, preferably by contacting the parliamentary advisors. This is the best way but it requires a good relationship with the Finance Commission and some councilors that would give their permission for the use of the NovoSEO system (São Paulo City Hall budgetary execution System).

Councilors' advisors should theoretically cooperate with citizens coming to them to request information on the public budget, but the relationship is always a personal one and may cause some embarrassment. Not all councilors manage to make the "point" (a computer connected to the São Paulo Municipality Technology and Communications Company – PRODAM network) available that allows one to access NovoSEO), whether because they do not have the time or a technician capable of handling the system.

Therefore, the surveyor has to be familiar with the way the specific budgetary data handling programs work for, in some instances, the cabinet does not have a technician that knows about or is able to follow the survey. And even if the surveyor knows the system, the time available for access is short (from one to two hours) and insufficient to carry on all operations required.

Once NovoSEO is accessed and the obstacles mentioned are overcome, a whole new series of problems comes up. In order to do any system data analysis you have to reorganize the data using a proper software package (like Excel) for the view provided by NovoSEO makes it hard to compile information.

To put an analytical report together, you have to know all actions (projects and activities) and generate the following documents:

– Action abstracts (from which you can get the number of pledges carried out for these actions);

– Pledge abstracts (using all pledge numbers that showed up on the prior report).

Only with these data in hand can we put together a table with the required information – contract number, pledge data, company name, possible cancellations, liquidation, payment, etc. What is what we tried to do: gather all action and pledge balances and systematize data in order to pinpoint actualized actions and the amount employed.

Difficulties of gaining access on information on the IDB-funded program Program remained for this second work stage. The attempt to communicate with TCM technicians did not work due to the Tribunal suspending its activities in the month of July, thus impairing contact through official channels.

At the City Council contact of the Pólis/CARE Brasil team with aides from Councilman Paulo Fiorilo (PT) and the Permanent Finance and Budget Commission allowed us to update the pledge table down to June 2007. The aids from Councilman Paulo Fiorilo contacted the commission room and requested a survey on all information referring to the "Downtown Action – IDB" program from 2005 to June 2007 fiscal years, which may be required by any permanent commission. But we did not get any answer on this attempt by the time the current book was finished.

Through a survey on the City Council Public Budget we obtained pledges for the "Downtown Action – IDB" program for the 2004 to 2007 period. Only from 2004 on have we found a resource entry under the "2.1.2.3.99.01 – PROCENTRO – IDB" heading. That year's entry amounted to R$ 33,254,617. However, we know that IDB resources also came from the funding Rotary Fund, a resource that cannot be taken apart from the others in the 2004 budget as part of the credit operation.

By accessing an EMURB internal document (reimbursement request form) we found an amount of 5% the funding value (that is, US$5 million) was drawn from the Fund in 2004 and that these resources were used in the "Social Rental" program to build Parque do Gato and Olarias Enterprises. In analyzing the 2004 budget we noticed there is an action labeled as FMH – Reabilitação do Centro [Downtown Renewal] (action 1262 with a pledge of R$ 16,754,543) and that corresponds to the pledged amount to build the said enterprises. Contrary to other actions described in 2004, this one is not listed as part of the Program; all other actions are labeled as "Downtown Action – IDB" in their descriptions.

This fact shows there are gaps in the identification of the application of resources from IDB in actions carried out by PMSP. As we did not get other internal documents pointing out the Rotary Fund was called upon from 2005 on, we do not know whether this did happen or not, whether there is a balance in the Fund account or more resources form it were applied in PMSP actions Downtown.

Another problem found was the fact that in 2004 and 2005 budgets the amounts in the actions are not the same was the total amount for the "Downtown Action - IDB" program. This probably happened due to the permission of including expenses already realized up to one year before the loan contract was signed for those expenses from IDB resources and up to eighteen months for those with treasury resources – match.

However, finding these discrepancies is not an easy task: we have to pinpoint actions that entered retroactively in the funding and were not associated to it in the 2004 and 2003 budgetary schedule. Because, when the municipality's budgetary execution was analyzed, reports available on the Internet showed only the action (project or activity) and to which body it was related to.

Reading the data also requires knowledge on vocabulary and concepts used in budgetary execution. That is, you need a surveyor who is an expert in the subject. In order to help other surveyors to understand the matter, stages and concepts were organized in the table below.

Pledge reserve	Law nº 4.320/64 pledge reserve is made in order to ensure budgetary resource for a given action. For instance: Depending on the bid stage the Executive power already knows how much it will have to set apart from its budget in order to ensure that pledge; then an (accounting) reserve is made so that the action will have a budgetary resource when the bid is actualized.
Budgetary Allotment	Monetary values authorized at the Annual Budget Law (LOA) to meet expenses with projects or activities. Through the budgetary breakdown we can understand how the body's (municipality, state or union) public structure works. It contains the following classifications: institutional (which defines body and unit), program functional (which states resource distribution by major area and sub-areas - in functional classification) and the priority structure of the current administration (the programs are defined in the Multi-annual Plan and are valid from 2nd year of an administration's term of office to the 1st of the next administration's).
BID	Law nº 8.666/93. There are several forms of bid, all defined in the law. The best known are: Public bid – for amounts above R$ 800 thousand for services and R$ 1.5 million for works. Price survey – or amounts from R$ 80 thousand to R$ 800 thousand for services and R$ 150 thousand to R$ 1.5 million for works Invitation – from R$ R$ 8 thousand to R$80 thousand for services and R$ 15 thousand to R$ 150 thousand to works.
Pledge	The expense pledge is the administrative act through which the public power commits the provisioned budgetary credit to the execution of an intended expense; that is, it is the assurance a given resource will be used only for a given action.
Pledge Cancellation	Partial or total pledge cancellation, the amount being returned to the corresponding allotment.
Liquidation	Article 62/63 Law nº 4.320/64. It is at this point the Executive power takes on responsibility for the service provided or the part of the works carried out. A pledge is only liquidated after an employee of the Executive power receives an invoice and testifies the service was properly carried out.
Payment	Article 64/65 Law nº 4.320/64 – it is the actualization of the liquidation; payment is made after the City Hall's accounting department processes all invoices and realizes its payment schedule. Payment may be made by check or deposit to the supplier's bank account.
Source source	Budgetary classification defining whence resources are liked from. (E.g.: in the municipality of São Paulo source 00 shows the resource source is the Municipal Treasury, that is, it comes directly from the City Hall's treasury; the 01 source shows the resource comes from Credit Operations).
Credit operation	Resources from commitments taken over with creditors located in Brazil (internal operations) or abroad (external operations); they involve all and any liability from funding or loans, including commercial lease, granting of any pledges, issuance of debentures or assumption of liabilities – with characteristics defined by the law – by entities controlled by the states, the Federal District and the municipalities and that do not carry on any production activity or do not have their own income sources, and with the objective of funding their enterprises.

Source: Federal Law nº 4.320/64 and Federal Law nº 8.666/93 and changes to it. In: "De olho no orçamento criança – Atuando para priorizar a criança e o adolescente no orçamento público", Fundação Abrinq, Inesc, Unicef, Oct/05.

Budgetary analysis is also made difficult by the way the NovoSEO system reports show information. Significant information were obtained, but most pledges do not include a history that would allow us to find what is their actual content, as in the case of expropriations. Detailed information are in the contracts and a physical survey on the contract is required to locate the data.

That is why, after the obtained the pledge balance, the action was not not always found listed there in a clear way. For instance, pledge number 26.254 from 2007 – "Complem. Desapr. sede GCM" – Desapropriações" [Expropriations]. At first, we couldn't find were exactly these expropriations would be made. Only through general survey results and field observations have we concluded that such expropriations are related to the New Luz project, and we pinpointed the specific blocks that were demolished and were pointed out as areas where the new GCM headquarters would be built. The information available in the pledge abstract does not provide any detailing on the action, just the proceeding number (City Hall administrative proceeding) in order to consult on the progress over the Internet[75]. However, there seldom is a reasonable description of the proceeding that would allow us to precisely understand what the pledge is about. That is, pledge survey results are not clear and made it difficult to follow up actions, and not only for IDB resources. Difficulty in finding information goes against supervision and control of public resources by the civil society and makes it clear how fragile public action transparency is.

ACCESS TO BID DATA

We run Internet searches seeking for information on bids for actions scheduled in the "Downtown Action" program. At the "e-negocios" (http://e-negocioscidadesp. prefeitura.sp.gov.br/) website, developed in a partnership with São Paulo State Government through SP State Official Press (IMESP) – which is in charge of publishing Executive, Legislative and Judiciary powers' acts – it was possible to search only for purchases and bids run by São Paulo City Hall since December 1st, 2005, when the website became operational; there was no information on bids run before that time.

According to the City Hall, the website is intended for suppliers that may be interested in taking part in bid processes and municipalities in general. BID's available at e-negocioscidadesp are received through the PUBnet (On line Publishing System). Data transmission security is made by means of digital certification, which ensures information integrity and digitally identifies system users. Contacts between citizen/supplier

and City Hall are secured by asymmetric cryptography or public key. Using search criteria, you can find information on bids, as well as bid calls and abstracts from business contracts used by the City Hall and published in São Paulo City Official Gazette.

In order to consult the website, the user needs to register; all you have to do is provide your email (however, this worked only after several attempts, since the site repeatedly exhibited errors). In order to do the survey, you should cross the following search criteria:

− Bidding body: you can choose the body from a list;
− Kind: common services, works, materials and equipment, human resources, engineering services or real estates;
− Bidding mode: tender, open competition, public consultation, invitation, dismissal, unenforceability, auction, e-dealing floor, dealing floor or price survey;
− Place: municipalities from the State of São Paulo (this option is apparently unnecessary, since it is only possible to search the Official Gazette of the São Paulo Municipality) ;
− Status: to be run, ongoing, concluded;
− Time frame: you have to provide a date interval.

Results returned are registered on a step-by-step basis and you can copy from opening calls, result affirmation, possible impeachments down to their due conclusions. Nevertheless, the intention to understand how public resources are used in the "Downtown Action" program by following them up through the e-governo website is not simple and was not fully satisfactory.

The reason for that is that you can only search for Program bids by providing the name of the bidding body; that is, the site user needs to know beforehand what sub-executor body carried the bid out. For instance, you cannot search for "Downtown Action" to get a result grouping Program bids together.

Besides that, bid search does not refer to the municipal public budget, which would make the search easier if the user knew the budgetary allotment number. You can deduct the bidding body and the kind of expense from the budgetary allotment number, but not the Program number as stated in the Multi-annual Plan – for example, the "Downtown Action" program.

Next we will describe one of the searches run as an example:

We searched for already closed "bids" 76 posed by EMURB and we got six results in a consultation made in August 2007. From these, two refer to "Downtown Action" bids:

– Selection and contracting of pre-qualified consulting companies for Procentro program management support and supervision; and

– Execution of services and works from Mário de Andrade Library Integrated Modernizing and Reclamation Plan.

Execution of services and works in the Mário de Andrade Library is part of the "Downtown Action" program, although this information is not a part of the object description that shows up in the search results. You have to access this bid call to find it refers to the "Downtown São Paulo Renewal" program funded by IDB, since, in some instances, check/confirmation that a bid is part of "Downtown Action" can only be made using the allotment number in the call of the found bid.

In the case of "Downtown Action" we know that EMURB is in charge of some pledges, but most of them is up to the other sub-executors. In order to find all bids, you have to cross data of each of the 21 sub-executors by situation (there are three of them) for each bid mode (there are nine in the e-negocios site). Then you have to identify from among the results returned what bids are part of the "Downtown Action".

Therefore, the surveyor needs some knowledge on "Downtown Action", such as which are the Program's sub-executors, in order to find the bids. Once the search results have been returned, another string of problems comes up since, as has been said, sometimes you have to know the scheduled action allotment numbers to find which are part of the Program.

During these searches we found the common citizen has a change of gaining access to São Paulo municipality bids. It is not easy to find them, however, due to the vast research field and the need for very specific information, such as the action allotment numbers.

MONITORING AND SANCTION
IDB MONITORING MECHANISMS

IDB has on its website several mechanisms to monitor projects and the respective internal bodies in charge of them, such as audit systems, committees, etc. It was not possible to find whether such mechanisms and bodies are actually operating and what is their performance quality. In fact, in the case of the "Downtown São Paulo Renewal Program" we did not have access to most mechanisms mentioned in the text or learned about the presence of some of those bodies. So, we have summed up below what the Bank shows up as being its monitoring mechanisms without appraising their workings.

The Bank highlights its project "Supervision and Audit System" that is supposed to work during all development phases and includes financial, administrative and environmental and social impact supervision (IDB, Supervision and Audit, Internet website, 2007). During the project preparation state internal management committees would in charge of these activities. but it was not possible to find how such committees operate.

As the projects progress along the project cycle, they produce documents that are "placed at the disposal of the public by the Bank's Public Information Center" (IDB, ditto). As stated before documents available are not enough and they are not often updated at the Bank's website.

During preparation and implementation stages IDB mentions an "environmental and social safeguard" mechanism – mandates set in project documents aimed at mitigating environmental and social impacts from Bank-funded operations. Such safeguards are the responsibility of the Environment and Social Impact Committee (CESI), which "analyzes environmental and social-cultural feasibility of Bank operations and ensures that proper preventive and corrective measures are added to them whenever required" (ditto). According to the Bank, the Committee examines the following issues: adequacy to protection, mitigation and improvement environmental and social-cultural measures; environmental and social regulating and managing framework; development of native populations, afro-descendants and vulnerable groups, as well as communal issues; involuntary re-settling; consultation and participation; genre issues; and occupational safety and health. Nevertheless, it was not possible to locate this committee's action for the São Paulo funding.

During the project implementation stage, the Bank mentions External Audits as supervision mechanisms. These are audits on financial statements the Bank's Office for Disbursements and External Audit is in charge of; they are presented to the executor entities during the whole execution period (until all resources are disbursed). According to information on the Bank site, enforceability of audits for a given program and/or entity may be kept indefinitely, even after it is concluded. This requirement is at the Bank's team discretion. Audits aim at:

> (...) confirming that resources were received from several sources (Bank resources, local match and other funding); that such resources were properly applied according to the accounts spreadsheet approved by the Bank for project execution; that the project

> *executor body met contract financial provisions; and that all required internal control*
> *mechanisms were actually employed. (ditto)*

Also during the implementation phase IDB mentions an Acquisition Committee, which would be in charge of analyzing acquisition policies on an ongoing basis and decide on problems related to the larger-sized ones[77]: "instances of exception to the internal bid system; deviations from acquisition standards set in loan contracts; granting of contracts to bidders whose proposals were not assessed as the lowest-priced ones; and all other claims raised by bidders during the acquisition process". (ditto, 2007)

There is also the so-called Independent Investigation Mechanism (MII), the only among those mentioned so far that yielded information on the actual working and documents on cases investigated through the IDB website. According to the Bank, the Independent Investigation Mechanism is a program that looks into formally-presented claims relating to Bank operations. It was created by the Executive Board in order to look into claims of non-compliance of operation policy standards during preparation, analysis or implementation phases of funding operations. In the IDB website search we found four cases of investigation: (1) "Proyecto Programa de Emergencia por Inundaciones" [Flood emergency Program Project] (Argentina, 2004), whose investigation was denied in 2006; (2) Projeto Hidrelétrica Cana Brava [Cana Brava Hydroelectric Plant Project] (Brazil, 2003) – investigation was approved, but full final report was not disclosed; (3) "Proyecto Hidroeléctrico Yacyretá" [Yacyretá Hydroelectric Plant Project] (Argentina/Paraguay) – which was reported in 1997 (the first the Mechanism ever got) and in 2003; both were looked into and then, the final report was published; (4) "Termoeléctrica del Golfo" [Gulf Thermoelectric Plant] (México, 2003) – the investigation process was approved, but full final report was not published. (IDB, Independent Investigation Mechanism. Notices and information, Internet Website, 2007) [78]

In order to have the Mechanism in place a formal claim must have been placed with the Bank Administration and have not resulted in a solution for the stated problems. In that case, the Mechanism Coordination gets an investigation request, and then appoints a Bank advisor to consider the request. Once the request is deferred, an Independent Investigation Committee made up of Bank-appointed professionals is put together.

Fabrina Furtado reported an instance the mechanism was employed in the Cana Brava hydroelectric plant (GO), where IDB made a loan to private companies:

— There was that Cana Brava hydroelectric plant case. Claim placed in 2002 by the Movimento dos Atingidos por Barragens (MAB – Movement of Dam Victims) and the IDB report was finished in 2006. However, the report was not fully disclosed because IDB stated that its information policy does not allow it to disclose information that may harm relationships between Bank-affiliated countries or between the Bank and its clients, including the private sector.

This report pointed to several mistakes made by the company that contracted the loan and by IDB itself. But after paying the loan, the contracting company was no longer IDB's client and the Bank said it was not up to it to take any measures. (Fabrina Furtado, interview)

Difficulties in accessing information and the consequence fragility of the mechanism reported by Furtado are supported by the policy on the Independent Investigation Mechanism as provided at the Bank's website. Thus, as in the case of its information availability policy, IDB states that will disclose results from investigations, but points out that there may be exceptions that might prevent this:

The report on a panel related to an investigation request and IDB's answer will be placed at the disposal of the public. Attachments to the report containing information considered as confidential according to IDB policies will not be disclosed.

(…) If there are any confidentiality issues relating to the document, a summary of it will be prepared for public disclosure. If the confidentiality issues are settled, the whole report will be released. (IDB, Supervision and Audit, Internet website, 2007)

In the Cana Brava case the following explanation of why final report disclosure was not possible can be found:

(…) IDB Administration examined the Panel Report and the Bank Administration Answer in order to find confidential and sensitive information. The examination found several parts of the text containing information considered as confidential and sensitive that had to be suppressed (…). The Cana Brava Project borrower, Meridional Power Company, was consulted on the sensitive and confidential information issue.

> *IDB Administration concluded the information considered as confidential and sensitive or that might harm relationships with the Bank were so extensive that disclosure of a suppressed version of the Panel Report and the Bank Administration Answer text was not feasible.* In compliance with OP-102 assumption that favors information disclosure, IDB Administration decided to publish the current Summary of conclusions and recommendations included in the Panel Report and the Bank Administration Answer (IDB, Independent Investigation Mechanism: Cana Brava Hydroelectric Plant Project. Summary of IDB's Panel Report and the Bank Administration Answer, 2006: 01; highlights are ours).

This abstract shows how fragile the mechanism is and that the Bank is incapable of acting in a transparent way, since content of information "considered as confidential and sensitive" was not made clear – ironically "so extensive" they made final process report disclosure impossible.

As for the fight against frauds and corruption, the Bank mentioned there is an "Institutional Integrity Office" (OII), "a central unit in charge (...) [of] receiving and investigating claims of fraud and corruption or anti-ethical behavior relating to activities funded by the Bank or Bank employees" (IDB, SUPERVISION AND AUDIT, 2007). The office reports investigation results by three internal committees: Supervision Committee against Fraud and Corruption (issues of internal fraud and corruption involving projects), Ethics Committee (personal ethical behavior issues), Behavior Review Committee (harassment and profiling issues). There is also "(...) the Ombudsman Office, the Conciliation Committee and the Administrative Court [that] deal with complaints and claims posed by employees". (IDB, Supervision and Audit, Internet website, 2007)

There is a specific committee – the Sanction Committee – for instances of claims of fraud or corruption by companies, entities or individuals taking part in bids or Bank-funded projects. It imposes and discloses sanctions when there are proven abnormalities.

Finally, IDB mentions mechanisms to assess funded projects that should be used during their development and after they are concluded. There are annual reports for each borrower country containing ongoing project status and information relating to disbursements for each operation.

At the end of each loan operation to the public sector, results are examined and the operation assessed; this yields a "Project Conclusion Report – PCR". These reports "will

be placed at the public's disposal after they are approved by the respective Operation Regional Department". (IDB, Information Access Policy, 2006: 07)

The body in charge of final assessment is the "Office of Evaluation and Oversight – OVE", which is directly under board control. Besides assessing already-concluded operations in a given country ("Country Program Evaluation"), the Office also produces evaluations on a sector or subject ("Strategic Evaluations") or on the implementation of specific policies or loan instruments ("Policy and Instrument Evaluation"). According to IDB reports produced by OVE are placed at the public's disposal after the Board finishes their analysis.

MECHANISMS AND PROVISIONS IN THE CONTRACT BETWEEN IDB AND PMSP

In the IDB contract of loan to IDB to PMSP we found some Program monitoring and development control devices. We did not looking into the use of such devices for the case being studied, but we considered it interesting to list what might be required from City Hall on contracting the loan.

First, in Provision 4.02 IDB demands works/projects funded by it receive maintenance:

> The Borrower commits itself to: (...) provide the Bank for the next five (5) years after conclusion of the first Program works - and within the first quarter every year - a report on the state of these works and equipment and the annual maintenance plan (...). If, based on inspections made by the Bank or on received reports, it is proven that maintenance carried out is below agreed upon standards, the Borrower shall adopt, or have adopted, the required measures to correct the shortcomings (IDB; PMSP. Loan Contract nº 1479/OC-BR, 2004).

There is also an interesting part where the Bank demands any change in the Program Operational Bylaws be authorized in writing (Provision 4.03):

(...) contracting parties agree the Bank's written agreement will be required in order for any change in the Program Operational Bylaws and the Covenants with Sub-Executors to be made (ditto).

It is known, however, that this is not a mechanism that ensures the actions will be carried through, since the Program was chanted without formal alterations in the Operational Bylaws and the Logical Framework.

In Provision 4.06 the Bank demands Progress and Assessment Reports:

> *In order to be accepted the Borrower will deliver the Bank, through the Executor Body, the following:*
> *(i) The Program execution Report (…) to be delivered on June 15 or December 15 every year starting 2004; it should include, but not limit itself to, information relating to carried out actions and activities, accomplished products and achieved goals, as well as the main limitations found and solutions proposed to overcome them. Besides that, resources should be pointed out by Sub-component, and those actually applied in the Program should be analyzed against what was scheduled (…).*
> *(ii) On December 15 every year starting 2004 the Program Assessment Report, prepared by an external independent institution. This assessment will especially analyzed the impact of the Program according to the methodology agreed with the Bank based on follow up studies, indicators set in the Program's Logical Framework and agreed upon in advance with the Bank and other instruments that may be decided upon. In order to carry out this assessment, after three (3) months counted from the date this Loan Contract enters in effect, the Borrower – through the Executor Body – shall deliver for the Bank's approval the baseline to be used in the Program annual assessment.*
> *Within at most three (3) years counted from the date this Contract enters in effect, or when 50% of the Program resources have been committed, whichever comes first, the parties shall make an intermediate Program assessment (ditto).*

Such demands have been met, but they do not make Program monitoring by civil society easier, since the documents produced are not available to the public. When the Program is finished and the ex-post Assessment Report demanded in provision 4.07 do of Contract has been produced, it is decided that:

> *The Borrower – through the Executor Body – shall deliver the Bank, for its approval, an ex post assessment report on the Program impacts twelve (12) months after the date of the last Funding disbursement (ditto).*

As for financial control and audits, IDB also demands periodic reports (contract provisions 5.01 and 5.02):

(...) during the Program execution time, the Executor Body's and the Program's financial statements will be annually provided, dully audited by an independent auditor company accepted by the Bank.

(...) During the Program execution time, the Borrower – through the Executor Body – shall also deliver to the Bank, within the sixty (60) days after each semester end, a semi-annual report on the Program operational and financial audit including a specific report on the exam of disbursement requests presented to the Bank (ditto).

We had no access to the information on such reports and audits, so we cannot know whether they were carried out or if the products from those efforts can be accessed.

THE EXPERIENCE OF MONITORING IDB FUNDING TO PMSP

Monitoring of local public policies involves in the first place access to quality information. Then, it requires the capacity to access and process information on a systematic basis, as well as the chance of checking for irregularities and carrying out sanctions.

We saw there are legal devices on transparency and access to information from public programs and policies, as well as bodies in charge of monitoring the Executive in Brazil. This project's main aim was not checking how such bodies and mandates work in practice, nor whether they performed in the specific instance of IDB's funding to PMSP. What was sought was to have the "Downtown São Paulo Renewal Program" monitored by the civil society by building the methodology for such and assessing conditions found.

We assumed a local Program funded by IDB would be easier to monitor, since it involves the largest city hall in Brazil and an international body that, as we saw from the items above, has an information access policy and several monitoring and sanction mechanisms imposed upon borrowers. We noticed that principles of Brazilian transparency, information access and social participation legislation are not actually followed; we also found out the several IDB mechanisms that are supposed to favor monitoring of local policies not funded by the agency did not come up in the case under study.

In practice, monitoring of "Downtown São Paulo Renewal" program by a technical team put together for that purpose for a year with both financial and institutional support was neither easy or successful.

Access to information showed as the main obstacle to monitoring: it was very difficult to gain access to Program reports and documents. Despite IDB stating transparency as a

principle, its policy includes situations of exception in order to deny making project documents available. During the research we found such situations become the rule in the end, not the exception, since it was not possible to gain access to any Program implementation control document – mission reports, progress reports – through contacts with the Bank.

Therefore, we depended on the "good will" of local managers; a factor contributing to that was that legislation for sanctions against managers that deny citizens' access to information and documents not being regulated as yet.

Likewise, in the IDB contract with PMSP there are no sanctions against managers that deny information and documents and do not foster transparency and social participation for the Bank-funded programs.

SOCIAL PARTICIPATION

IDB'S SOCIAL PARTICIPATION POLICY

Understanding of the IDB participation concept is based on the precept that participating does not mean deciding, but having the chance of influencing decisions that will be made by the authority venues defined for each case (IDB. Strategy to foster citizen participation in activities from Inter-American Bank of Development. Washington, 2004). According to the Bank document on strategies to foster participation, there are four spheres for its activities where citizen participation can be incorporated in a systematic way: definition of countries' development agendas, plans and policies; designing of sectorial strategies and the country strategy; project preparation and execution; and assessment of activities carried out.

The Bank has recently created Civil Society Advisory Committees (CASC), on which it points out:

In borrower countries the local Bank office consult the Civil Society Advisory Committees (CASC). IDB often puts together events including the participation of civil society representatives, both on a local and a regional level (IDB, Consultation and Participation, Internet website).

Pólis Institute is a part of CASC – together with other non-governmental entities – was also created in Brazil. Despite being an important endeavor, it has been meeting only once a year. It will be up to associated entities to work to have CASC have a more significant role in project policies and social auditing by influencing the Bank.

In the scope of this project policies of participation in the preparation and execution of projects and assessment of carried out activities should stand out. Despite it being placed as a strategy, the Bank points out creation of consultation and participation venues are more liable to be created in projects with a strong environmental and social impacts.

The process to create a participatory venue both for a project preparation and execution is not that simple, as we can see from the Bank's explanation:

> *In that order, at a operation preparation preliminary state (project profile I or conceptual document), and since not all projects can be submitted to a consultation process, the Manager of the respective Regional Operations Department or Department Manager from the Private Sector, whatever the case might be, in consultation with the corresponding government as formerly defined in this document, will decide whether a specific project should have a consultation or participation plan, whether in its preparation or execution process. In these instances, the Managerial Review Committee (CRG) and the Loan Committee, by consulting with the Environment and Social Impact Committee (CESI) whenever required, will be charged with checking whether that plan where Bank Representations in the countries will have a relevant operation role is being dully carried. (IDB. Strategy to foster citizen participation in activities from Inter-American Bank of Development. Washington, 2004)*
>
> *That is, in order for a project to be considerable eligible for a consultation and participation plan it must go through a series of managers and committees, especially from the government in charge. The Bank points out primary responsibility for channeling participation in projects belongs to borrower government and executor venues and the Bank's role is to stimulate and foster the adoption of these participation processes by dully including them in operations design (ditto).*

In the case of "Downtown São Paulo Renewal Program" the contract includes a provision ordering the creation of the Program Consultation Council, but there are not sanctions in place if the provision is not met:

> *PROVISION 4.08. <u>Downtown Action Executive Council</u>. Within the twelve (12) months counted from the date this Contract enters in effect, the Borrower – through the Executor Body – shall deliver the Bank, as previously agreed upon by the parties, the*

proof of the Downtown Action Executive Council having been created at EMURB and being operational. (IDB; PMSP. Loan Contract nº 1479/OC-BR, June 02, 2004)

We know the Council was created as per this provision. With change in administration in 2005, however, it was terminated and replaced by a managing committee with no participation from the civil society, without any interference from the Bank. In an interview given in July 2002 Aderbal Curvello said he did not know about the Council termination and restated the important social participation has for the Bank:

> *This is news to me. I didn't know. We'll talk to the borrower and find out what's happening" (...). We wish and hope things will go this way, with participation. We believe that building together and with transparency is the best solution for any problem. We expect this will go on happening for Procentro. We are in an adjustment time, but it's not over yet. And when it is, we understand that social participation will go on, along with everything else included in the Program.* (Aderbal Curvello, interview)

Despite that, carrying out a program without participation is not a breach of contract nor is it subject to sanctions by the Bank – such as adjournment of disbursements or halting the works.

> *There are contract reasons for adjournment of disbursements and this is not among them. There is not instance of adjourning disbursements or canceling the loan by a social auditing failure. What we do is we sit together and see what is going on and how can we have the control scheduled in the contract back into place. The issue of social auditing is important for us, as is the environmental issue. That is why we discuss these issues as soon as possible. But this doesn't have to be a reason to adjourn the contract.* (Aderbal Curvello, interview)

Finally, due to the new Bank proposals on participation, we sought for information on recent progresses of policies being practiced. According with participation promotion strategies an Annual Report on Citizen Participation relating to Bank activities should be produced. The Interdepartmental Group for Work on Participation and the Civil Society (GIPSC) should be in charge of that. It was not possible, however, to find this document in information made available by the Bank on the Internet.

The analysis of the funding management institutional/legal structure was made based on a survey of decrees published by the four municipal administrations involved in the Program. These decrees provided the funding management basis from the creation of the body and the Procentro Commission during the Maluf administration (1993-1996). This commission's function was to follow up on Procentro activities – an agency connected to the Secretariat of Housing with the goal of coordinating renewal policies for downtown São Paulo.

It was from that agency and commission that the first negotiations and studies to contract the IDB funding for Downtown started. Of course such venues' function was not just to coordinate funding, which was circumscribed to a wider set of actions related to Downtown.

Changes in City Hall administration led to changes in this structure and in the very funding proposal, as stated in the historical reconstitution in this book. Among them, changes and/or repeals of the first decrees prepared during the Maluf administration. The table below emphasizes this process and highlights characteristics of attribution, composition, participating agencies and entities, number of public power and civil society members and total number of participation and management venues in charge of Downtown programs as defined by each municipal administration.

From these venues' characteristics and operation – surveyed and described in the Program history – we tried to pinpoint characteristics of each venue at each given time by ascribing positive and negative operation indicators as to whether they facilitate or hinder citizen participation, it being understood participation may show several levels with different possibilities of access to information, quality of debate and capacity of intervening in and guiding policies and programs.

To arrive at these indicators we weighted objective participation conditions legally provided by each venue – such, for instance, as the possibility of a civil society majority in polls – and operation issues detected during the historical survey and in interviews with players that took part in those venues.

For positive aspects the following conditions were point out: the possibility of discussion; the involvement of technical training and popular education processes; fostering of public debate; the supplying of information on the Program; regularity of the venue's operation; the possibility of access to managers and parity of representation at the venue. Among the negative aspects the following stand out: restricted number of representatives; difficulty of access by the "common citizen" (establishment of privileged venues); little representativeness of Downtown social fabric; unequal representativeness; the ven-

ue's merely advisory and punctual operation. Also observations about deliberation and representation conditions of such venues were highlighted, based on criteria mentioned by Arnstein (1969). The author's work is a significant effort in defining participation experiences in local North-American urban programs/policies she took part in. Despite having been written almost four decades ago and relating to a social and economic context very diverse from our own, we consider it poses recurring questions and situations we detected in our more recent participation experiences.

The analysis of indicators and her observations show the different situations provided by the participation and management venues, which we divided into "restricted participation" and "enlarged participation". We consider restricted participation allows policies or programs to be followed up, but not interference from society in the decision-making process. And the enlarged participation allows both the follow-up and the interference on these policies in a representative and qualified way directed at public interests.

Indicators created contribute to help us better viewing and categorizing participation processes involving IDB's funding to Downtown São Paulo, or their lack. Of course issues are not all covered and some exceptions should be made, which made clear in our final analysis on social participation in control in the Program. In spite of that, these are significant indicators and we believe they may be adapted and used for similar analysis involving other local public policies.

It should be pointed out that this work did not aim at a more detailed assessment of processes involving the operation of participation venues. This task has proven quite complex, since it required a minute historical retrieval of processes with players that took part in these venues along fourteen years (from 1993 to 2007). Likewise, we did not assess other existing venues or formal participation means, like the several municipal councils within the scope of which actions from IDB's funding to PMSP might have been discussed, since we included only those directly relating to the funding during the following administrations:
–   The Procentro Commission in the Maluf/Pitta administrations (1993-2000);
–   The Procentro Commission, the Downtown Action Executive Coordination Office, the Downtown Development Forum and the Technical Group from Downtown Development Agency, in the Marta Suplicy administration (2001-2004);
–   The Special Executive Commission, the Manager Committee (Gcentro) and the Executive Commission in the Serra/Kassab administration (2005-2008).

This analysis resulted in Table III – Social Participation and Institutional/legal structure to manage IDB's funding to PMSP, which is supplemented by players' description in Table IV.

Table III

SOCIAL PARTICIPATION AND INSTITUTIONAL / LEGAL MANAGEMENT STRUCTURE OF IDB FUNDING TO PMSP

Administration – Maluf/Pitta (1993-2000)

Decree / Assignment	Participants (1)			Composition				Working indicators			Classification of participation venue (3)
	Assignment	Public Power	Civil Society	Public Power	Civil Society	Total	Position	POSITIVE	NEGATIVE	Notes	
33.390/ 1993	Creates Procentro Comission (2)	SEHAB, SMC, SEMPLA, SAR, CET, EMURB;	AVC, SEPEX.	6 repres.	2 repres.	8 memb.	Consultation, proposition and deliberation	There was deliberation; Information on Program Provided; Regular working	Numerically restrict; Little access to "common citizens", no parity; no technical training and popular education; little representative of Downtown social fabric.	there are deliberation venues but no participation of excluded groups. No possibility of majority in polls.	Restricted participation
34.526/ 1994	Changes the Procentro Commission	All the above, added of: ANHEMBI, GCM, SMT, CMTC, AR, Sé;	AVC, SEPEX and CASA.	11 repres.	3 repres.	14 memb.	Consultation, proposition and deliberation	There was deliberation; Information on Program Provided; Regular working	Little access to "common citizens", no parity; no technical training and popular education; little representative of Downtown social fabric.	there are deliberation venues but no participation of excluded groups. No possibility of majority in polls.	Restricted participation
35.455/ 1995	Changes the Procentro Commission	All the above, added of: DEATUR, GEPAC;	All the above, added of: Inst. Eng., IAB, SECOVI.	13 repres.	6 repres.	19 memb.	Consultation, proposition and deliberation	There was deliberation; Information on Program Provided; Regular working	Little access to "common citizens", no parity; no technical training and popular education; little representative of Downtown social fabric.	there are deliberation venues but no participation of excluded groups. No possibility of majority in polls.	Restricted participation

(1) Check acronym list
(2) Commission housed at SEHAB
(3) According to survey on how the Instance works in practice

Administration – Marta Suplicy (2001-2004)

Decree / Assignment	Assignment	Participants		Composition			Position	Working indicators		Notes	Classification of participation venue
		Public Power	Civil Society	Public Power	Civil Society	Total		POSITIVE	NEGATIVE		
40.753/ 2001 (41.397/ 2001 and 41.961/ 2002)	Creates Downtown Renewal Program - PROCENTRO (4); Creates an Executive Management Group and the PROCENTRO Commission	PROCENTRO Commission: All the above, added of: SIS, SAS, SMMA, SIURB, SF, SJ, SEMAB, SEME, EMURB, COHAB, CONDEPHAAT, CEF	PROCENTRO Commission: All the above, added of: OAB, SASP, SINDUSCON, Ass. Com. SP, UMM, Gaspar Garcia, Proj. Travessia, União de Mulheres.	18 repres.	13 repres.	31 memb.	Consultation, proposition and deliberation (partly)	Fostering of public debate; provided information on the Program; access to managers; regular working; represents Downtown social fabric	There is no parity; there is no technical training and popular education	- there is the possibility of participating in deliberation venues, but no possibility of a major vote in polls; - technicians carry out the actual planning, the citizen being left with the fringe functions of controlling and, at the end, approving the plan.	Restricted participation
		Management Executive Group: on Coordinator (SEHAB Office); Public servants from other municipal agencies, as requested by the coordination.	Management Executive Group: there is no civil society representatives	Unlimited number	there is none	Unlimited number	Execution and Disclosure.	–	Numerically restrict; Little access to "common citizens", no parity; no technical training and popular education; little representative of Downtown social fabric.	The Group's function is policy coordination and execution - it is an internal PMSP management body.	There is no participation

(4) Coordination Office housed at SEHAB, its influence scope corresponding to that of Sé Regional Management

Administration – Marta Suplicy (2001-2004)

Decree / Assignment	Assignment	Participants		Composition			Position	Working indicators			Classification of participation venue
		Public Power	Civil Society	Public Power	Civil Society	Total		POSITIVE	NEGATIVE	Notes	
	Established the Economic and Social Development Forum, Downtown Action	Executive Coordination: - 1 EMURB representative, 1 from Sub Sé and 4 representatives from municipal secretariats related to the program;	Executive Coordination; 2 representatives of each: AVC, Fórum Centro Vivo, UMM, União de Mulheres, SEPEX and Consórcio SP Minha Cidade.	6 repres.	12 repres.	18 memb.	Consultation, proposition and monitoring	Parity; representative of Downtown social fabric; Access to managers; Supply of information on the Program; Fostering of public debate; Involvement of technical training processes and popular education	There was only the consulting venue	They design forums, committees and councils, but duties and rights of the several members of these venues are not clear; - Citizens participate exhaustively, but do not manage to interfere in policies; - technicians carry out the actual planning, the citizen being left with the fringe functions of controlling and, at the end, approving the plan. (4)	Restricted participation
44.089/ 2003	Executive Coordination (at EMURB)and the Tecyhnical Group of Downtoiwno Development Agency	Development Forum: Made up of the 31 representatives from the former PROCENTRO Comission, representatives of the Downtown UO Executive Commission, members of Program Councils for selective incentives, from the Sé participative budget Council, the Housing Council and the Urban Policy Council.		Unlimited number	Unlimited number	No limit to total number of participants.	Consultation and proposition	Parity; representative of Downtown social fabric; Access to managers; Supply of information on the Program; Fostering of public debate; Involvement of technical training processes and popular education	There was only the consulting venue	Creation of forums that have neither function nor legitimated power; - Venues used only to prove popular involvement in programs/ policies that were not built up through participation; - Programs/policies presented in a superficial way at meetings.	Restricted participation
	Tecyhnical Group of Downtown Development Agency	Tecyhnical Group of Downtown Development Agency; located at EMURB Development Board	Tecyhnical Group of Downtown Development Agency; there is no civil society representatives	Not discovered	there is none	there is none	Consultation and proposition / Execution and Disclosure.	Supply of information on the Program	Numerically restrict; Little access to "common citizens"; no parity; no technical training and popular education; little representative of Downtown social fabric.	The Group's function is policy coordination and execution - it is an internal PMSP management body.	There is no participation;

Administration – Serra/Kassab (2005-actual)

Decree / Assignment	Assignment	Participants		Composition				Working indicators			Classification of participation venue
		Public Power	Civil Society	Public Power	Civil Society	Total	Position	POSITIVE	NEGATIVE	Notes	
45.832/2005	Revokes creation of the Executive Secretariat, the Development Forum and GT – Agency. Establishes an Special Executive Commissionto approve tax incentive granting projects. Indicates the Commission is a provisional one until the definitive Executive Commission is instated.	Special Executive Commission: Sé Sub-prefect, SEHAB Secretary, SEMPLA Secretary and EMURB President.	Special Executive Commission: there is no civil society representatives	4 repres.	there is none	4 members	Deliberation	–	Numerically restrict; Little access to "common citizens", no parity; no technical training and popular education; little representative of Downtown social fabric.	Despite the term of office of the Commission created in 2003 not having yet expired, the decree terminated it and did not create a new one to step into the functions the former one carried out. According to that decree the Commission function was just approving tax exemption from the facade law. – The Commission's function is policy execution, it is an internal PMSP management body.	There is no participation
46.303/2005	It establishes a Managing Committee for PROCENTRO and defines its functions	Managing Committee (Gcentro): – Sé Sub-prefect, SEHAB Secretary, SEMPLA Secretary, Culture Secretary, SIURB Sedretary and EMURB President.	Managing Committee: there is no civil society representatives	6 repres.	there is none	6 members	Proposition and deliberation	–	Numerically restrict; Little access to "common citizens", no parity; no technical training and popular education; little representative of Downtown social fabric.	Committee attributes cover supervision, follow up and deliberations on PROCENTRO actions, projects and studies. The Committee is a PMSP management internal body.	There is no participation
46.780/2005	It decrees that SEMPLA will take over the Managing Committee Executive Committee.	Executive Commission (ordinance SEMPLA n15/2006): – the Commission will be made up of the New Luz Work Technical Group; Executive Secretary, 2 rep. EMURB, 2 rep. SEMPLA, 1 rep. from Sub-Sé, SEHAB, SIURB, SF, SME and COHAB	Executive Commission: there is no civil society representatives	11 repres.	there is none	11 members	Proposition and deliberation	–	Numerically restrict; Little access to "common citizens", no parity; no technical training and popular education; little representative of Downtown social fabric.	The Work Group has attributed in the New Luz Project design and in PROCENTRO-related projects. The Committee is a PMSP management internal body.	There is no participation

Source: (drawn up by project staff).

LIST OF ACRONYMS

ANHEMBI – Turismo e Eventos da Cidade de São Paulo S/A [Tourism and Envents in the City of São Paulo Company]

AR. Sé – Administração Regional da Sé [Sé Regional Management]

ASS. COM. SP – Associação Comercial de São Paulo [São Paulo Commerce Association]

AVC – Associação Viva o Centro [Hail Downtown Association]

CASA – Centro de Apoio Social e Atendimento do Município de São Paulo [Center for Social Suppport and Service to the Municipality of São Paulo]

CEF – Caixa Econômica Federal [Federal Savings Bank]

CET– Companhia de Engenharia de Tráfego [Traffic Engineering Company]

CMTC – Companhia Metropolitana de Transportes Coletivos [Popular Transporation Metropolitan Company]

COHAB – Companhia Metropolitana de Habitação de [São Paulo Metropolitan Housing Company]

CONDEPHAAT – Conselho de Defesa do Patromônio Histórico, Arquitetônico, Arqueológico e Turístico do Estado de São Paulo [Council for the Defense of the Historical, Architectural and Touristic Heritage of the State of São Paulo]

DEATUR – Secretaria Especializada de Atendimento ao Turista [Expert Secretary in Servicing Tourists]

EMURB – Empresa Municipal de Urbanização [Municipal Urbanization Company]

FCV – Fórum Centro Vivo [Living Downtown Forum]

GASPAR GARCIA – Centro Gaspar Garcia de Direitos Humanos [Gaspar Garcia Center for Human Rights]

GCM – Guarda Civil Municipal [Municipal Civil Guard]

GEPAC – Grupo de Habitação e Embelezamento da Cidade [City Housing and Embelishment Group]

IAB – Insituto dos Arquitetos do Brasil [Brazilian Architects' Institute]

IE – Instituto de Engenharia de São Paulo [São Paulo Engineering Institute]

OAB – Ordem dos Advogados do Brasil [Order of Brazil Attorneys]

OU CENTRO – Operação Urbana Centro [Downtown Urban Operation]

PROJ. TRAVESSIA – Fundação Projeto Travessia [Travessia Project Foundation]

SAR – Secretaria das Administrações Regionais [Regional Administration Secretary]

SAS – Secretaria Municipal de Assistência Social [Social Assistance Municipal Secretary]

SASP – Sindicato dos Arquitetos do Estado de SP [SP State Architeccts' Union]

SECOVI – Sindicato das Empresas de Compra, Venda, Locação e Administração de Imóveis Residenciais e Comerciais de São Paulo [São Paulo Housing and Commercial Real Estate Purchase, Sale, Rental and Management Companies' Union]

SEHAB – Secretaria de Habitação e Desenvolvimento Urbano [Housing and Urban Development Secretariat]

SEMAB – Secretaria Municipal de Abastecimento [Supply Municipal Secretariat]

SEME – Secretaria Municipal de Esportes, Lazer e Recreação [Sports, Leisure and Recreation Municipal Secretariat]

SEMPLA – Secretaria Municipal de Planejamento [Planning Municipal Secretariat]

SEPEX – Sindicato das Empresas de Publicidade Exterior do Estado de SP [SP State Foreign Publicty Companies' Union]

SF – Secretaria de Finanças e Desenvolvimento Econômico [Finance and Economic Development Secretariat]

SINDUSCON – Sindicato da Indústria da Construção Civil do Estado de SP [SP State Civil Construction Industry Union]

SIS – Secretaria de Implementação das Subprefeituras [Secretariat for the Implementaton of Subprefectures]

SIURB – Secretaria de Infra-estrutura Urbana [Urban Infrastructure Secretariat]

SJ – Secretaria de Negócios Jurídicos [Legal Business Secretariat]

SMC – Secretaria Municipal de Cultura [Municipal Secretariat of Culture]

SME – Secretaria Municipal de Educação [Municipal Secretariat of Education]

SMMA – Secretaria Municipal de Meio Ambiente [Municipal Secretariat of the Environmentl]

SMT – Secretaria Municipal de Transportes [Municipal Secretariat of Transportation]

SUB SÉ – Subprefeitura Sé [Sé Subprefecture]

UMM – União dos Movimentos de Moradia [Housing Movement Union]

UNIÃO DE MULHERES – Associação União das Mulheres [Women's Union Association]

Table IV

Acronym	Name	Category	Foundation	Objectives*	Participation in management venues
Ass. Com. SP	Associação Comercial de São Paulo	Non-profit civil society	1984	Bring the business sectors together and fight for free enterprise; represent and express the legitimate and independent opinion of São Paulo businesspersons in an attempt to find the best ways for development.	Maluf/Pitta (1993-2000); Marta (2001-2004);
AVC	Associação Viva o Centro	ONG	1991	Develop downtown urbanistic, cultural, functional, social and economic aspects; seek an economic and social balance for the metropolis, for full access to citizenship and the wellbeing of the whole population.	Maluf/Pitta (1993-2000); Marta (2001-2004);
CASA **	Social Support and Service Center of São Paulo Municipality (terminated)	Non-profit civil society	2000	Foster social assistance actions for children and teenagers	Maluf/Pitta (1993-2000)
SP Minha Cidade	SP Minha Cidade Consortium (terminated)	ONG	2003	Create interface between companies and civil organizations to renew Downtown.	Marta (2001-2004)
FCV	Centro Vivo Forum	Organized civil society	2000	Interface with all people that fight for the right of staying Downtown and making it a better and more democratic place, thus opposing the urban renewal and urban exclusion process.	Marta (2001-2004)
Gaspar Garcia	Gaspar Garcia Center for Human Rights	ONG	1988	Contribute for the integration and social inclusion of people living in slums, precarious houses, homeless people and recyclable material collectors.	Marta (2001-2004)
IE	São Paulo Engineering Institute	Non-profit civil society	1916	Foster the country's scientific and technological development, and the professional and cultural improvement of its members; fight for professional rights of the professionals and try to have professional ethics adhered to; fight for the public interest in issues connected to Engineering.	Maluf/Pitta (1993-2000)

OAB	Brazilian Bar Association	Professional entity	1930	Fight for the Constitution, a legal order of the Constitutional State, human rights, social justice and for the good application of laws, quick ministering of justice and the improvement of legal culture and institutions; foster representation, defense, selection and discipline for Brazil's attorneys.	Maluf/Pitta (1993-2000)
Proj. Travessia	Fundação Projeto Travessia	Non-profit civil society	1995	Ensure rights for children and teenagers in a personal and/or social risk situation.	Marta (2001-2004)
SASP	SP State Architects' Union	Union	1971	Represent the set of professional architects now working in the State of São Paulo, either those members of the entity or not. Carry out its activities in the following fields: Professionals' remuneration; legal counseling; professional training and complementary education; participation in Urban Housing and Development Public Policies and in the Urban Renewal National Forum.	Marta (2001-2004)
SEPEX	Union of Foreign Publicity Companies from the State of SP	Union	1989	Organizing the Foreign Media sector as a professional category in order to ensure businesspeople and workers from the State of São Paulo an interface with the Government Agencies and the Society.	Maluf/Pitta (1993-2000); Marta (2001-2004)
SINDUSCON	Union of Civil Construction Industry from the State of SP	Union	1934	Study, information, coordination, protection and legal representation of the Civil Construction Industry economic category in the State of São Paulo in order to cooperate with the public powers and other associations for social solidarity, its subordination to national interests and to foster the industry's production capacity.	Maluf/Pitta (1993-2000); Marta (2001-2004);
UMM	Housing Movement Union	Movement	1987	Building popular base movements with internal democracy, horizontal organization and autonomy to fight for the right to housing and the city, for public policies with popular participation and self-management as tool to build citizenship.	Marta (2001-2004)
União de Mulheres	Associação União das Mulheres	ONG	1981	Foster participation of women in fighting for their rights, seeking social justice and equality and consolidating democracy; training professionals in the area of health, public security and education to promote women's access to justice and human rights; offer counseling to women victims of violence; offer workshops and experience groups; foster partnerships with NGOs and government agencies to ensure support and increased services, create networks and design public policies to fight violence.	Marta (2001-2004)

Source: (drawn up by project staff).

* According to the entity's institutional material

** Municipal government body created by former Mayor Maluf in 1993 and irregularly changed into Civil Society Association in 2000. Shut down the same year for operating irregularly

Results from preparation of these tables are interesting, since they show participation conditions at the several administrations are similar, despite obvious differences between participation venues set by them and despite the participating players being quite different from one management to another.

Both during the Maluf/Pitta (1993-2000) and the Marta Suplicy (2001-2004) administration venues provided restricted participation. In the first case, despite the possibility of deliberation, small civil society representativeness and especially a lack of excluded groups' representatives shows restricted, little representative and unequal access for Downtown social fabric.

During the Marta Suplicy administration (2001-2004) there was significant improvement in equality and representativeness for downtown area players. However, when there was a change for deliberation and grater representativeness for groups formerly excluded from the process there was no equality and, therefore, it was impossible for the civil society to obtain majority in polls. Only in 2007 was there any change in Executive Coordination and a group was established in an equal way. Despite greater weight from civil society, there was no deliberation, only consultation. These participation formats did not allow society to interfere and guide the policy under discussion, that is, they are restricted participation venues.

We point out other civil society participation processes may have taken place both in the formal and informal spaces or scattered along other spaces to interfere in policy planning and implementation at municipal secretariats to which we could not access.

When the Serra/Kassab administration (2005-2008) came into power the possibility of participating in the Program's buildup and following it up became more restricted. Existing venues at least allowed access to Program information, managers, proposals and its progress. They were all terminated and gave way to venues limited to project coordination, with few representatives of the public power and no possibility of civil society participation. This means that, since 2005 there was no formal possibility of the civil society participating in the "Downtown São Paulo Renewal" program.

SOCIAL AUDITING

That In the above items we have analyzed conditions of social auditing for the Program, considering access to information, possibilities of a systematic follow up of actions and social participation in defining and developing them. In this item we will assess the possibilities of social auditing by jointly analyzing already-assessed items and grouping them together by Program development stage and municipal management.

Social auditing indicators in the format of questions and answers were prepared based on the IDB-funded program phases that were determined by the Bank (often mentioned in its institutional documents, although not always actually being carried out) that usually match the stages of a local public policy. In each of these states there are documents produced that are not always made public, which makes it difficult to follow the process up. Procedures to acquire IDB funding require four stages, which we will now describe in short:

– Preparation/planning: In this stage project scope and its components, costs and demands are established, and environmental impact and engineering studies are ordered from consulting companies. In this stage the Bank offers support and runs several support and follow up missions.

– Approval: The Bank makes the last demands for closing the deals. The project Logical Framework is produced, containing actions and their follow up and result indicators. In the case of Brazil, you need previous Senate approval in order to sign the contract.

– Execution: The project starts to be implemented. The borrower is responsible for execution and the Bank supervises procedures and accounting. They have two missions a year to follow project progress up; these analyze each action indicators.

– Conclusion and assessment: It takes place only when the loan is fully realized. A project conclusion and assessment document is produced. As yet, this stage is relatively recent at the Bank and should be used to improve new contracts.

What could be noticed in this study of the Downtown São Paulo loan is that, despite these stages following a chronological line in theory – when a stage begins, the other is officially over – this does not happen in practice. This can be clearly seen when, after the contract is signed, the borrower decides to change scheduled actions. In order to change proposals you require studies and analyses that are characteristics of the planning phase. This way, any ongoing project that has actions changed has to redo diagnosis procedures, impact studies and proposals. This happens mainly when there is a change in management or the need to review budgets and priorities.

The reference milestone designed for this project interprets the Program according to its management cycle, that is, according to stages a program including an external loan should follow. We tried to pinpoint in this cycle what are the opportunities for social auditing and analyze whether these opportunities actually exist.

For the São Paulo case we prepared questions making clear this possibility for social auditing at each public policy stage, which yielded three analysis groups: (A) Planning; (B) Execution and (C) Assessment.

The **Planning** group was divided into three sub-groups:

A1) Institutional structure – for proposal designing/redesigning:

This item seeks to relate venues created both to manage and to follow the public policy design process up and monitor it In the case of São Paulo, discussion and proposal venues selected for the analysis were created to discuss polices for Downtown São Paulo even before the funding was put into practice. It was within the scope of these venues that studies and proposals to acquire funding for interventions downtown were carried out. In this item we also sought to assess whether the first contracts with the Bank were disclosed and the progress of negotiations.

A2) Diagnosis:

Diagnosis consists in a preparation phase to draw up proposals that includes studies and analyses relating problems and potentialities on the analysis subject. It is done whenever there is any discussion on new studies and proposals.

A3) Proposal designing/redesigning:

The proposal designing process is usually preceded by the diagnosis. Social auditing during this stage is related to the possibility of accessing information, feasibility of discussion and proposals and the power of decision and influence over the final proposal.

The second analysis group (group B) tries to relate possibilities for social auditing during the Program's **Execution** period**.** In that stage, the proposal scope is already concluded and follow up consists in checking Program progress, its disbursements and implementation priorities. The last group (C) tries to check whether Program **Assessment** is carried out, both within the funding Bank and the City Hall controlling scopes. It should be kept in mind that, together with monitoring, this is a stage that is spread out along all the others from the execution start, and that it should be carried out by measuring indicators in the Program Logical Framework. We know this monitoring has been annually carried out by FIPE consulting. We, however, did not have any access to reports.

SOCIAL AUDITING INDICATORS FOR IDB FUNDING
TO THE SÃO PAULO CITY HALL

A) PLANNING

A1) INSTITUTIONAL STRUCTURE — TO DRAW UP / REDESIGN THE PROPOSAL

Questions Indicators	Maluf/Pitta (1993/2000) (beginning of negotiations)	Marta (2001/2004) (proposal consolidation and contract signature)	Serra/Kassab (2005/2008) (suspension and action review)
1. Was there a coordination agent for the whole process?	Yes, Procentro.	Yes, Central Area Program Coordination Office.	Yes, GCentro.
2. Was there a participatory agent to follow the process up?	Yes, the Procentro Commission, made up of both the public power and the civil society.	Yes. At first, the Procentro Commission (until 2003), then the Downtown Development Forum and Executive Coordination for the Downtown Action Program.	No.
3. How was the intention of the City Hall in making a loan disclosed?	No information. No sort of official disclosure was found.	There was no specific disclosure about the negotiations being taken over again.	Does not apply.
4. Was there any public discussion about Project costs? Was the loan questioned (financial issue / loan costs)?	No. At no time was there a public discussion about funding costs.	No question was raised on the relevance of moving head with the loan or not.	Does not apply.

A2) DIAGNOSIS

Questions Indicators	Maluf/Pitta (1993/2000) (start of negotiations)	Marta (2001/2004) (proposal consolidation and contract signature)	Serra/Kassab (2005/2008) (suspension and action review)
5. Were there any diagnosis/ analysis made to base the proposal on?	Yes.	Yes.	Yes, a document from 2007 that covers part of downtown area79.
6. What public power agencies were involved in the diagnosis?	SEHAB, SMC, SEMPLA, SAR, CET, EMURB, Anhembi, GCM, SMT, CMTC, AR. Sé, DEATUR and GEPAC.	SIS, SEHAB, SEMPLA, SMC, SAS, SMT, SMMA, SURB, SF, SJ, SEMAB, SEME, EMURB, COHAB, CET, ANHEMBI, CONDEPHAAT and CEF.	Sub-Sé, SEHAB, SEMPLA, SMC, SIURB and EMURB.

Questions Indicators			
7. Were any advisors called up to run the diagnosis? Which ones?	SOM (Skidmore, Owings & Merril)FIPE and PROMOM Engenharia.	Sarah Feldman, FIPE andCEBRAP.	LUME (Laboratório de Urbanismo da Metrópole), Jaime Leirner.
8. Were any external advisors called up to run the diagnosis? Which ones?	SOM.	No information.	No information.
9. Was the diagnosis consolidated into a document?	Yes. 1998 Consultation Letter.	Yes. In the Consultation Letter review, in the "Rebuilding Downtownn" publication and in the "Loan Proposal" document.	Yes, a 2007 document covering part of downtown.
10. Was the document published/made available? Through what media?	No.	Yes. In an institutional publication and at IDB's website (Loan Proposal)	It was not made available. (informally acquired)
11. Was this document made available for public debate, criticism and interventions?	No.	No. There was a public presentation of "Rebuilding Downtown," but the document was already finished.	No.

A3) PROPOSAL DESIGNING/REDESIGNING

Questions Indicators	Maluf/Pitta (1993/2000) (start of negotiations)	Marta (2001/2004) (proposal consolidation and contract signature)	Serra/Kassab (2005/2008) (suspension and action review)
12. After the diagnosis was there any public debate to base the proposal design on?	No.	No.	No.
13. If there were any debates, did these result in proposal changes?	No.	No.	No.
14. Were technical or business segments consulted or called to meetings?	No information.	No information.	No information.
15. Was there a document put together including preliminary performance axes/ preliminary proposals for public discussion?	No.	No.	No.
16. Was there a public process for final deliberation on the proposal put together (congress/conference/forum)?	No.	No.	No.
17. Was the final proposal arranged into a document?	Yes. Consultation Letter.	Yes. Consultation Letter, "Rebuilding Downtown" and "Loan Proposal".	No information.
18. Was the document published? Through what media?	No.	Yes. In the "RebuildingDowntown" publication and, in the case of "Downtown Action", in a CD-ROM at at IDB's website.	No.
19. Was there any information disclosure or participation during final proposal processing and approval stages at COFIEX/ IDB/Senate?	No.	No.	No.
20. Was there participation in building project indicators?	No.	No.	No.

B) PROGRAM EXECUTION

Questions Indicators	Marta (2001/2004)(proposal consolidation and contract signature)	Serra/Kassab (2005/2008) (suspension and action review)
21. Was the signed contract made public?	Yes, at the end of the administration in a CD-ROM. (Ação Centro. São Paulo, EMURB, 2004)	Does not apply.
22. Did the City Hall disclose the actions?	Yes, at the end of the administration in a CD-ROM.	Information on the City Hall website, but not connected to the Program (E.g.: República Square).
23. Was an action schedule disclosed?	No.	No.
24. Was there a project execution follow up venue put established?	Yes. The Executive Coordination and the Development Forum.	No. It was terminated.
25. Was Program execution followed up in existing participation venues (councils, participative budget)? Did these venues provide any possibility of interfering in the actions?	It was followed up in a mixed way at municipal councils. There was no possibility of changing actions. Proposals were already finished and coordination decisions took place with the scope of the Executive Commission and the Government Secretariat.	No.
26. Is there a possibility of following up project-related bids?	It can be followed through the official gazette. However, you have to search the newspaper on a daily basis.	It can be followed through the Official Gazette. However, you have to search the newspaper on a daily basis.
27. Is there a possibility of controlling public disbursements?	Yes. Through the City Council. However, this access is limited and depends on access to councilmen offices and the work of experts capable of codifying data available at the NovoSEO system.	Yes. Through the City Council. However, this access is limited and depends on access to councilmen offices and the work of experts capable of codifying data available at the NovoSEO system.
28. Did the City Council and the municipal Audit Office supervise and monitor the project?	No information.	The project financial balance was required. (The Executive stated it delivered it to the Council and the Legislative states they did not receive it).
29. How did these institutions made monitoring result public?	You can access proceedings at the Audit Office but you have to know their number.	You can access proceedings at the Audit Office but you have to know their number.
30. The Program has semiannual follow up reports. How are they made available?	Reports are not systematically made available either by IDB or PMSP. According to the Bank such reports should be made available by the executor agency, which is EMURB. We, however, did not have any access to these documents.	Reports are not systematically made available either by IDB or PMSP. According to the Bank such reports should be made available by the executor agency, which is EMURB. We, however, did not have any access to these documents.
31. IDB missions are recorded into "helps/memory". Are these made available?	Like the quarterly reports, Memory Helps are not systematically made available either by IDB or PMSP. We had informal access to some of these documents through public managers.	Like the quarterly reports, Memory Helps are not systematically made available either by IDB or PMSP. We had informal access to some of these documents through public managers.

32. Is there a venue for claims against ongoing projects that diverge from the original proposal/budget?	It would be possible by means of complaints to MP, the city council and TCM. IDB has an independent investigation mechanism that, historically, was little called upon.	It would be possible by means of complaints to MP, the City Council and TCM. IDB has an independent investigation mechanism that, historically, was little called upon.
33. What are IDB's procedures when it receives a claim?	The claim must be made to Bank administration. If no solution is presented, you can go to the Independent Investigation Mechanism coordinator, who will proceed to an investigation if the claim is considered valid by a Bank-appointed advisor.	The claim must be made to Bank administration. If no solution is presented, you can go to the Independent Investigation Mechanism coordinator, who will proceed to an investigation if the claim is considered valid by a Bank-appointed advisor.

C) ASSESSMENT

Questions/Indicators	Answers
34. Does IDB have partial and final assessment mechanism?	IDB's main assessment mechanism is monitoring using indicators defined at the Logical Framework.
35. Is each concluded action submitted to assessment? Which agency is in charge?	There is only a financial assessment. The agency in charge is EMURB. Final approval is made by IDB.
36. Is this assessment made available? Can you obtain it?	No.
37. Are these assessments used to adjust the Program as it is carried out?	In the case of IDB's funding to PMSP assessments did not cause any Program adjustment.
38. How are indicators measured (responsible or hired agency)?	FIPE was hired to prepare indicators and monitor them once a year.
39. Is this monitoring through indicators made available to the public?	No. Measurement results contained in the FIPE report to PMSP are not available to the public.

In preparing the above instrument we gave preference to social auditing qualitative assessment, at the same time pinpointing the chances of access to information, monitoring, participation and interference in the progress of the IDB-funded program since its inception phase. The proposed systematic allowed us to organize surveyed information during historical reconstitution and confirmed how fragile social auditing is along the whole Program designing and implementation process.

It was clear that it is a non-linear process, involving stages that do not happen in a self-contained way. This process included slight variations in control conditions by the several municipal administrations during the stages, and IDB did only little interfere in that.

Most questions asked – thought up based on ideal situations and mechanisms to favor social auditing – had negative answers as to information access, monitoring and social participation, or else could not be answered due to lack of information on that respect – which also points out to the fragility of social auditing in the studied case.

RECOMMENDATIONS TO WIDEN SOCIAL AUDITING ON LOCAL PUBLIC POLICIES

The main results and lessons learned by testing the participation mechanisms in the Downtown-São-Paulo-focused Program have left us with a feeling of disappointment. The fact that, thirty years after Brazil's re-democratization process started it is not possible for the common citizen to obtain basic data to follow up and monitor a public policy within the scope of largest, wealthiest and more professionalized city hall in Brazil is disappointing. At the same time, the research stimulated us to repeat the number and quality of such learning projects.[80]

The team made up of Pólis Institute and CARE Brazil representatives decided to test and use some of the main legitimate and ethically accepted venues for active participation in a public policy:

1. Systematic media news gathering and assessment;
2. Direct contact with public servants;
3. Direct contact with public managers;
4. Direct contact with public leaderships;
5. Direct contact with the sectorial managing council;
6. Gathering and codifying of official documents;
7. Access to public accounts through web;
8. Direct contact with the main Program funder;
9. Direct contact with the Legislative and the Municipality Audit Office;
10. Meetings and special events, both technical and open to the public ones;
11. Interfacing with other civil society organizations;
12. Hiring of a consulting company.

And even after using all these venues, either in greater or lesser degree, we could not get a complete and detailed picture of a special three-year, geographically limited program with very clear-cut and defined objectives. The three transparency and accountability dimensions of the State were tested, and none of them yielded a satisfactory answer, whether by the São Paulo City Hall or by the Brasília IDB office:

(i) Accountability for the public budget;

(ii) Accountability for decision-making processes; and

(iii) Accountability for results and generated impacts.

What seemed a technical detail – Program execution, not through a direct administration agency, but through a public company (EMURB) – made practically impossible to access budgetary data as provisioned not only in the Federal Constitution but also in the Fiscal Accountability Law and the Towns' Bylaws. This lack of transparency is not limited to budgetary data, but extends also to access to public managers. EMURB sent as their representatives for debates at meetings and seminars put together by that project[81] members of the Program management subcontractor, thus limiting the possibility of a direct dialogue.

It was also disappointing to find that the IDB-funded Program for Downtown São Paulo Renewal technically also fell behind expectations, such as the application of project management tools: not only their implementation is very much behind schedule – which should cause urgent corrective actions and managerial changes to occur, which we could not detect – but this delay is mostly due to the Program being constantly adjourned by its own managers; that is, this is a public power governance issue.

These results also go against good project management practices. Of a like nature is the myth published by IDB that several years dedicated to former diagnoses, ex-ante studies, baseline and econometric calculations run before the Program started contributed to improve its efficacy and widen its impact. After all this Program is managed like any other City Hall public policy: it is subject to political-party convenience of the current administration, the usual discontinuity during election times, managed without any external controls or impact assessments available to taxpayers.

Besides that, one of the main gaps detected in the Program managerial system was the lack of a clear-cut cost/benefit analysis strategy. None of the managers interviewed for this paper could precisely say:

(i) How much does this public policy cost, all expenses included;

(ii) Financial-economic feasibility reasons according to which it would be better to get a foreign debt loan to fund this Program;

(iii) What positive impacts will the Program bring for the Municipal Treasury and that will allow the City Hall to pay for this debt until the contract deadline of 2034.

As pointed out by Lisandra Guerra from the project expert consulting agency:

> *Since many of conceiving agents, promoters, executors and supervisors of general urban recovery programs (whether urban designers, architects, politicians, sociologists, journalists, and others) were trained and perform in knowledge areas with small relation to financial management, they tend to detach the analysis of an urban recovery program from its nature as a financial operation; at the same time they downplay concerns with a resource application financial efficacy they create myths around the convenience of getting international funding.* (Guerra, 2007)

Based on available data on Procentro, it was possible to project debt services based on the contract, which includes a six year grace period (counted from 2003) and 25 years for redemption (from 2010 to 2034). By using the forecast made by the City Hall that stated Downtown São Paulo renewal would increase ISS [Municipal Service Tax] and IPTU [Municipal Real Estate Tax] by US$ 13.4 million a year[82], numbers show Procentro will only start bringing benefits to the Municipal Treasury thirty years after the contract was signed.

In in 2024 will balance become slightly positive, and accrued balance will only move from the negative zone in 2034. Until then, the City Hall will have to draw resources from other sources to pay the debt installments. On this issue the critical analysis about Procentro validates former assessments made by IPEA[83] on the high end cost of public policies funded by foreign loans and the fragile control on their economic-financial feasibility[84].

RECOMMENDATIONS

We will seek here to sketch some recommendations to improve conditions for social auditing over a municipal public policy by highlighting specifics and possibilities inherent to a foreign funding.

1) **Recommendations to the reader and all involved** - We are entitled to access to information! You should reproduce projects of this kind, with room for test and learning at your municipality, and disclose results in order to improve quality of debate on urban policy social auditing. After all, as important as attending Participative Budget or Master Plan meetings is attending – with a critical eye – accounting meetings!

2) Recommendations to the City Hall

Practice an active electronic transparency policy – the City Hall should proactive work to make integrated information on its public policies available, having the Internet as the preferred venue due to its easy of access, but also having PDF files with quality data and information for the expert reader.

Qualify the e-governo action – data contained in spreadsheets presented to the Municipal Audit Office have to undergo two kinds of qualification before being accessible to taxpayers over the Internet: on one side, georeferencing so that citizens may locate investments and expenditures made in the territory they are interested in (by neighborhood or district); on the other, grouping together of specific public policies – in the current case study, within Downtown renewal policies, the "Procentro" program.

To allow sectorial libraries with public access – planning, monitoring and public policy evaluation documents should be available at the collection of the respective agencies' libraries; they should be accessible to taxpayers without obstacles or artificial bureaucratic impediments that, in practice, prevent people from exerting their citizenship.

Democratize "Procentro" management – the Program managing council should be established again and include venues for discussing City Hall actions for downtown, and especially as coordinator of the efforts to evaluate this Program's final results and impacts.

3) Recommendations to organizations interest in social auditing praxis

Follow social players up – public policies are not carried out a vacuum: they are the result of a political balance between several social players directly involved in planning, implementation, funding and evaluating them; thus, uncovering and following up on these players motivations and discourses with the passing of time is as relevant as following budgetary execution up.

With with a process focus – public policies are an ongoing construction process: from their beginning and along their whole implementation they provide several opportunities and limitations to participation; they are not a closed and linear system. Thus, uncovering variations on participation level along time is an analysis-enriching activity.

Create own expertise – beyond ideological clashes, community organizations or NGOs should start training their members to understand: (i) the public budget cycle, (ii) the project management cycle, (iii) the public accountability mechanisms. This way, they will be able to call upon Justice operators, especially the Federal Prosecutors' Office, in order to help them exert their right to annual access to City Hall accounts.

4) Recommendations to the City Council and the Municipal Audit Office

Increase information on legality of disbursements – São Paulo Municipal Chamber professionalized and trained experts on analyzing City Hall accounts by creating the municipal Audit Office, which should actively inform public opinion, establish regular mechanisms to interact and communicate with the civil society and train information that provide information to councilmen offices on the execution of specific public policies.

Assess cost/benefit ratio – the City Council should ensure – through specific legislation – that foreign funding contracts signed by the City Hall should undergo a cost/benefit ratio analysis to appraise their economic-financial feasibility; it should be carried out by an external audit company together with COFIEX, and its results projected into future Municipal Multi-annual Plans.

Disclose impact assessment – the Executive performance analysis should go beyond the current focus on the legality of expenditures and include assessment on results and impacts from public policies selected by annual lottery; it should be carried out by municipal Audit Office technicians or by public universities having agreements with the City Hall.

Test new tools – like civil society has been for decades now introducing and testing innovative tools to increase popular participation and social auditing, the City Council and the Municipal Audit Office might innovate in testing instruments to evaluate the Executive and its greater involvement with civil society organizations on the issue of public policy performance evaluation.

5) Recommendations to IDB

Implement sanction mechanisms in contracts – funding contracts signed by the Bank should contain a clause specifying sanctions to its employees and representatives that hid from taxpayers and the public opinion basic documents about a funding (baseline; project strategy; advisory reports; annual execution reports; external evaluations).

Foster a speedy execution – the almost two-year delay in a project with a six-year execution deadline is a serious breach in good project managerial practices, especially considering it is a loan that contributes to increase foreign debt and involves charging of fees and fines. Thus, the Bank should have on its website a page dedicated to transparency of funding together with an execution schedule that would allow for quick and easy checking on the progress of disbursements and costs involved in the project; also, the

Bank's management Brazilian ruling agency should get special reports on financial risks to Brazil from projects including such a delay in being carried out.

Review the Logical Framework usage – the Logical Framework has not been effectively used as a planning and communication tool by the said Program's management. So, if the Logical Framework is only one more form in the internal bureaucracy, it should be abolished, since it increases Program management costs and make it more difficult. However, if that instrument is an effective management tool, it should be widely disclosed to players involved and updated as the Program progresses, especially the indicators that are the basis for result and impact evaluation.

Qualify dialogue with civil society – IDB's Civil Society Advisor Committee (CASC) has served rather as a political and consultation venue in the Bank structure in Brasília; it did not, however, allow for a technical debate on problem loans like the one analyzed in this project and should be qualified in its analysis capacity, as well as strengthened in its capacity to produce recommendations to Bank operations.

Strengthen the role of the Bank governor in Brazil – the Bank's Brazil governor office is a two-way communication venue: on one side it represents the Brazilian government's interests, especially those of the Planning, Budget and Management Ministry; at the same time, it is a part of the Bank's organizational structure and should have a room for consultations every two years with civil society players about Bank-funded operations in Brazil.

We will seek to sketch some recommendations to improve conditions for social auditing over a municipal public policy by highlighting specifics and possibilities inherent to a IDB-funded Program. In order to do that, we will adopt the same structure analysis for the rest of the work that cover the three axis approached: transparency and access to information, monitoring and sanction; and social participation.

FINAL REMARKS

We have concluded that the work of monitoring public policies requires a two-front effort that will allow us to identify correlations of forces involved in building a public program: the historical reconstitution of the public policy and assessment of conditions for social auditing during policy designing, implementation and evaluation stages.

The work carried out for the IDB's funding to PMSP case showed through the instruments built that the chances for social auditing have been fragile – if not nonexistent – dur-

ing practically all process stages, which have been marked by ruptures and retaking due to changes in municipal administrations. Thus, historical reconstitution becomes quite relevant, since it unravels the actual ways of planning and carrying out the Program.

The situation the Program was in at the beginning of 2007 made it more difficult to exert social auditing as planned – a minute and detailed follow up on all its stages, from the execution stage to the impacts it generated. Access to information is a basic requirement for social auditing; however, data acquired were scarce and accessed in a little institutionalized way. The information obtained had to be processed, which requires expert technicians, time and resources. This makes monitoring by society more difficult

Besides that, the lack of participation venues where it would be possible to discuss Program progress makes it even harder to access data and managers. All this factors hamper monitoring.

In spite of difficulties, the results of our monitoring attempt allowed us to get to the following conclusions on the Program:

– The Program suffered from long delays and discontinuity, which much contributed to the current situation of low action and investment execution;
– Managers involved in the process – including IDB technicians – interpret objectives and strategies on several ways. This also contributed for a recurrent action review phase.

Such issues show the Program is characterized by ongoing conflicts on the access to resources – which opens the door to temporary participation by certain players, at the same time it alternately closes it to others. Besides that, the Program does not follow a logical, rational and objective execution rhythm; its costs are not transparent and there are doubts as to financial advantages of the credit operation. The funding historical reconstitution made these conclusions clear.

Considering this picture, the work front to building assessment instruments for the social auditing of public policies gained in strength. We sought to build an assessment methodology of conditions for social auditing in local public policies, by highlighting three vital issues mentioned: access to information, possibilities for monitoring and sanction and social participation in defining and implementing public policies.

In order to do that, we have always divided analysis into two blocks: (a) what is there in terms of legal, institutional and contract apparatus, together with the discourse on the possibilities for social auditing; (b) how the control attempt took place, highlighting the difficult and easy points in this process.

We realized there is a large discrepancy between laws and facts, and the real possibility for social auditing is extremely fragile. Results of our experience confirm those of the historical analysis of the IDB's funding to PMSP: along the whole process there was little transparency and availability of information, difficult monitoring conditions and fragile social participation processes. Therefore, our experience matches the process as a whole, which was marked by terrible conditions for social auditing.

Finally, we point out that our initial hypothesis - that it would be easier to monitor an IDB-funded Program – was not verified; actually, we found there is need for the local public power, the Bank and civil society to work together to improve conditions for social auditing of public policies. In order to contribute to that, we have provided a series of recommendations at the end of our book.

NOTES

73. Among members connected to the employer and managerial sector, we may mention institutions of considerable importance to city, the state and Brazil's economy, such as: Federação Brasileira de Bancos (Brazilian Bank Federation – FEBRABAN), Federação das Indústrias do Estado de São Paulo (São Paulo State Industry Federation – FIESP), Federação de Hotéis, Restaurantes, Bares e Similares do Estado de São Paulo [São Paulo State Hotel, Restaurant and Suchlike Federation], Federação do Comércio do Estado de São Paulo (São Paulo State Commerce Federation – FECOMÉRCIO), Federação Interestadual das Instituições de Crédito, Financiamento e Investimento (Interstate Federation of Credit, Funding and Investment Institutions – FENACREFI). Also Associação Nacional das Corretoras de Valores, Câmbio e Mercadorias (National Association of Jobbers – ExANCOR), Associação Nacional das Instituições de Crédito, Financiamento e Investimento (National Association of Credit, Funding and Investment Institutions – ACREFI) contributed to that effort. Several São Paulo State Government subscribe to AVC, such as: São Paulo State Fire Brigade, Empresa Metropolitana de Planejamento da Grande São Paulo (Greater São Paulo Metropolitan Planning Company - EMPLASA), Empresa Metropolitana de Transportes Urbanos de São Paulo (São Paulo Urban Transportation Metropolitan Company – EMTU), São Paulo State School, São Paulo State Civil Police (DEATUR), São Paulo State Military Police (7th BPM-M) State Secretariat of Education, State Secretariat of Justice and Citizenship Defense, State Secretariat of Metropolitan Transportation and São Paulo Court of Justice.

74. A list of occupied buildings can be found in "Observatório do uso do solo e da gestão fundiária do Centro de São Paulo" (Watcher of soil and land management use in Downtown São Paulo – survey report). v LABHAB/LILP, 2006, p. 271.

75. SÃO PAULO (Municipality). São Paulo City Hall Website. Available at: http://portal.prefeitura.sp.gov.br/secretarias/gestaopublica/processos/0009. Accessed on: July 15th, 2007.

76. The "tender" bid modality is required to contract more expensive actions, above R$ 1.5 million for works and engineering and above R$ 800 thousand for services, according to Federal Law nº 8.666/93 and changes in it.

77. In Provision 4.01 of the contract for a loan FROM IDB TO PMSP the following conditions to carry bids out were established: "when the estimated assets and related service amount is equal to or above an amount equivalent to US$ 350,000 (three hundred fifty thousand dollars) or when the value of works is equal to or above an amount equivalent to US$ 5,000,000 (five million dollars), and whenever the Executor Body or entity in charge of carrying bids out belongs to the public sector international public bid will be used as the method to acquire the goods or contract related works and services, as stated in [the contracts] Annex B" (IDB/PMSP. Loan Contract nº 1479/OC-BR, June 02, 2004).

78. IDB. Independent Investigation Mechanism. Notices and information. Available at: http://www.iadb.org/aboutus/iii/independent_invest/notices.cfm?language=spanish. Accessed on: 20 March 2007 and IDB.

79. MEYER and GROSTEIN (org.). Estudo Urbano e Urbanístico do Vetor Leste do Centro. LUME, São Paulo, March, 2007.

80. For related experiences, see for instance BARROS, F. (Org.) (2001) Banco Mundial, participação, transparência e responsabilização: a experiência brasileira com o Painel de Inspeção. Brasília: Rede Brazil.

81 A technical meeting that took place in 12.14.07 and a seminar on 03.17.08, dates for which EMURB had confirmed its attendance in advance.

82. For an introduction to potentials and limits to actualize this kind of goal, see the World Bank study "Impact Evaluation Report: Building Institutions and Financing Local Development, Lessons from Brazil and the Philippines" Report nº 18727 from 1998).

83. See the papers of the same author, Ricardo Soares: "Avaliação do financiamento do Banco Mundial ao Programa de Apoio ao Pequeno Produtor Rural no Nordeste" Brasília: IPEA – Revista Planejamento e Políticas Públicas Nº 15, pages 131-161, June 1997 and also "Dívida pública externa: empréstimos do BIRD ao Brasil" Brasília: IPEA – Revista Planejamento e Políticas Públicas Nº 21, pages 103-150, June 2000; available at the Website www.ipea.gov.br.

84. A related program that preceded Procentro and shows similar cost/benefit ratio problems is the "Cingapura" program, funded by IDB during the Maluf Administration and today has serious land regulation problems and vast additional costs not originally included in the loan contract.

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