

No better than the slums? What went wrong with Brazil's social housing

A social housing scheme aims to help poor people from the favelas and into secure homes, but after five years of mixed success some residents are returning to the slums



Infrastructure investment, as well as building, is needed to properly house Brazil's poorest.

Photograph: VICTOR R. CAIVANO/AP

By Ruban Selvanayagam

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"Look, I can pull the window off my house – is this the level of security we have?" asked Ênio Oliveira.

Oliveira was talking to Brazilian television about what it's like to live in Brazil's government-backed social housing scheme, Minha Casa, Minha Vida (my house, my life).

The programme was launched five years ago as a bid to tackle decades of mediocre attempts to eliminate a shortage of 5.24m homes. Its aim was to get millions of Brazil's poorest citizens, such as Oliveira, out of poor living conditions in the country's favelas and slums.

The Brazilian president, Dilma Rousseff, has been in charge since 2010 and has clearly focused on the poorest families earning less than R\$1,600 (£410) a month. Working directly with private construction companies, the homes in the Minha Casa, Minha Vida scheme are passed back to the state bank under lease-to-own agreements. The poorest families contribute as little as 5% of their monthly income.

At face value, much has been achieved. In February, for instance, the government announced that 7,000 homes had been delivered in 11 days, while last November the cities minister, Aguinaldo Ribeiro, reported that 7,620 households gave an average satisfaction score of 8.8 out of 10 for the homes in the scheme.

Demand for homes in the scheme remains high. About 6,000 people recently piled into a sports hall in Balsas, Maranhão, in the hope of being awarded one of 2,400 homes yet to be built, and reports have emerged of how low-income families have, quite literally, been fighting to be selected for the scheme.

The Institute of Applied Economic Research has acknowledged that the scheme has helped to reduce the housing shortage, leading some to conclude that Brazil's social housing shortage has finally been cracked.

However, it is not that straightforward. For a start, while the gap may be closing, the figures are often questionable. Accurately counting the number of families who live in favelas is just one of a number of challenges in producing reliable statistics on which to judge the scheme's progress.

More worryingly, evidence published by *Veja* magazine found that in December 2013, 20% of beneficiaries were behind with their rent payments. The state bank contested the research – although without convincing evidence to the contrary.

An obvious question here is why there is such a high rate of arrears when the payments themselves are so low? The answer is that the only viable plots of land for social housing projects tend to be in isolated places, with little or poor access to essential public services and infrastructure – most notably health, education and transport. So although the homes may be a physical improvement on the favelas, some families are beginning to feel short-changed, and an overall sense of frustration has led some people to return to more informal living arrangements, where they do not have outgoings such as monthly rent, service charges and so on. Unregistered homes, illegal tapping into utilities and even drug dealing are all on the rise, according to reports.

Despite massive waiting lists, construction work under the scheme for the poorest families has virtually come to a standstill. According to one report, only 15% of contractions were allocated to such projects, in contrast to 75% for the high-income brackets, where demand is weaker.

Even when they have lower construction costs, developers are less willing to work in a sector where the only way to achieve a reasonable margin is to compromise on quality standards. It is not worth risking the potentially heavy penalties that exist for failing to comply with strict engineering and social regulations.

It would be premature to disregard the impact of *Minha Casa, Minha Vida* for Brazil's lowest-income groups, but a certain pessimism hangs over its future. These projects are worthy of merit, but there are real challenges, and the answers being proposed at the moment, such as complaints hotlines and community-based building, will only scratch the surface.

The biggest problem lies not in the way the programme was put together, but in a prevalent attitude that says the poor should only get poor solutions. Instead, housing should be seen as just one part of creating healthy and sustainable places to live. We are talking about much more here than simply building houses.

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