URBAN ENTREPRENEURSHIP IN FACE OF SOCIAL HOUSING POLICY: AN ANALYSIS OF THE BRAZILIAN HOUSING PROGRAM "MINHA CASA MINHA VIDA" IN RIO DE JANEIRO STATE

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Abstract

Despite the centrality of housing in urban policies, Brazil would have had only a housing policy as of 1964. Nevertheless, public resources use for this matter only started occurring in 2009 through the Minha Casa Minha Vida program (MCMVP). Its focus was the subsidized construction of new housing using public resources or via less expensive financing rules. At that moment, the federal government's strategy implied a convergence of the social demands with the alternative of facing the 2008 crisis by adopting countercyclical measures, with civil construction playing a prominent role in this dynamic. In order to understand the size of MCMVP, by October 2018, about $115 billion dollars had already been invested in the program, with Rio de Janeiro being the sixth State that received the most resources. In the course of its implementation, the discourse used was that the social housing provision would be justified as a viable alternative that supposedly would dialogue with the various dimensions associated with the right to housing. However, despite the promises of the federal government, MCMVP contributed to the cities' horizontal growth, as a rule, towards urban centers' peripheries and poorer areas, a dynamic that has been widely observed in the country since the beginning of the urbanization process intensification. Considering this scenario, the present work aims to analyze the program's implementation, giving special attention to the State of Rio de Janeiro and its capital, based on data requested to federal government at the end of 2018. Such data include the number of housing units contracted, as well as the amounts involved, and consider both the time variable (per year), as the economic (by income range served by the projects) and territorial (for states, cities, state capitals and planning area of the capital of Rio de Janeiro). In the analytical model developed, in addition to the total amounts invested in the country, only data referring to the 10 most representative states (in number of contracted units and resources spent) were analyzed. With regard to Brazilian municipalities, only the states' capitals and those above 100 thousand inhabitants were selected - where there is greater demand for housing. These, in turn, were categorized considering whether or not they belonged to a particular metropolitan area. Finally, the analysis of the State capital of Rio de Janeiro was made based on the planning areas defined by the municipal executive. The observation of the MCMVP from this data set has two main objectives. First, to explicit the limits of the social dimension of public housing policy based on its verified results, especially in regard to the promotion of the right to the city. Secondly, to illustrate to what extent the program has helped to intensify the horizontal growth of the capital towards its peripheral and poor regions. Regarding the first, the study indicated that, in the case of Rio de Janeiro, MCMVP was mainly used in response to the removals made under the discourse of the city's preparation for sports mega events (e.g., Olympics and FIFA World Cup), limiting its incidence under pre-existing demand for social housing. On the second, the location of social housing in the west and north of the capital reiterates the assertions that the program would have stimulated the growth of the capital's poor peripheries. However, it was possible to observe some efforts of the municipal executive to limit the incidence of MCMVP, authorizing new housing projects only in regions with some urban infrastructure. The results reaffirm the strength of entrepreneurship against a narrative of social urbanism, i.e. a trap of urban planning which has not yet been possible to pull away in Brazil.

Key words: housing policy; social rights; urban growth management; Rio de Janeiro

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1. Introduction

Despite the centrality of housing in urban policies, Brazil would have had only a housing policy as of 1964. Nevertheless, public resources use for social housing production only occurred in 2009 through the Minha Casa Minha Vida program (MCMVP)[2]. It also established less expensive financing rules. At that moment, federal government's strategy implied a convergence of the social demands with the alternative of facing the 2008 crisis by adopting a countercyclical measure, with civil construction playing a prominent role in this dynamic. In order to understand MCMVP's size, by October 2018, about $115 billion dollars were invested, with Rio de Janeiro being the sixth State that most received resources.

Even with this mass investment in new houses, habitation deficit grew over 2009-2015[3]. Given this, it is discussed to what extent the MCMVP can be understood as part of the development of the social right to housing, taking as reference the experience in the State of Rio de Janeiro. In this case, it is also necessary to consider the relationship of the housing production with the mega sporting events - e.g., Military Games (2011), Confederations Cup (2013), FIFA Football Cup (2014) and Olympic Games (2016) - and with the public discourse, which claimed that the occupied areas were life-threatening. This discourse, although feasible in certain situations, was repeatedly employed to justify most of the removals conducted by the local government.

This article is organized into four sessions. The first is this introduction. The second, presents a summary of MCMVP academic criticism based on empirical studies. In the third, the focus is the program implementation analysis since its creation, in 2009, until the last available data, in 2018. For this study, cities were distributed among state capitals and municipalities with a population of over 100,000 inhabitants, which were further divided into those located inside or outside metropolitan areas. In the fourth our conclusions are presented.

2. MCMVP: A summary of the Program criticism

Because of its importance, which in recent governments (Dilma, 2011-2016, and Temer, 2016-2018) corresponded to most of the public investments, MCMVP, instituted in 2009, has been arousing analysis and criticism since its formulation. A dense academic production was formed, with numerous approaches. Among them, we highlight two analytical objects that, despite their apparent material and conceptual distance, can be perceived as complementary: the social dimension of the right to housing and the dynamics of its inter-federative relations.

The main hypothesis is that MCMVP is more identifiable with investments aimed at the economic dynamics than at the social dimension. As argued by Loureiro (et al., 2013), in the first Lula government (2003-2006) it was possible to perceive the emergence of the national housing policy basis with the establishment of the National Social Housing System (SNHIS), the National Social Housing Fund (FNHIS) and the elaboration of the National Housing Plan (PlanHab).

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[2] Households built are divided on the basis of family income brackets: (i) band 1: for households with incomes between 0 and 2 minimum wages, approx. (up to USD 500.00); (ii) band 1.5: for those between 2 and 3 minimum wages, approx. (USD 500.00 to USD 750.00); (iii) band 2: for those between 3 and 4 minimum wages, approx. (USD 750.00 to USD 1,000.00); (iv) band 3: for those between 4 and 9 minimum wages, approx. (USD 1,000.00 to USD 2,250.00).
[3] http://fjp.mg.gov.br/index.php/produtos-e-servicos1/2742-deficit-habitacional-no-brasil-3l (accessed on 08.14.2019)

However, the economic scenario (influenced by 2008 crisis) and changes in strategic government positions led to a detachment between the aforementioned orientation and what was actually implemented. Loureiro (et al., 2013) claimed that MCMVP characterization as a response to the economic crisis overlapped the goal of reducing housing deficit for vulnerable families. This change represented a subordination of the social perspective to the private sector demands, but placed the theme on government's priority agenda.

Importantly, MCMVP was not included in SNHIS, that is, it was detached from financing mechanisms and obligations that reinforce inter-federative articulations and social participation (Balbim, et al., 2015; Krause, et al., 2013). Instead, MCMVP's privileged areas of interest for the real estate market and eased housing production regulation rather than assessing different realities. Thus, the program did not help to change Brazilian urbanization trajectory - characterized by settling poorest families in the peripheries that, as a rule, are more precarious areas.

Although MCMVP considers housing deficit for its goal setting and resource allocation, program external evaluations question its results. Both Balbim (et al., 2015) and Neto (et al., 2015) conclude that there is a low adherence between MCMVP housing production and its deficit. Moreira (et al., 2015) further describes that the lack of social habitation was not met in proportion to the demand, that the option to concentrate on the production of new units inhibited other solutions and, finally, that there was recurrence in the construction of new housing for families allocated to bands 2 and 3 - in detriment of band 1, for poorer families.

These studies also highlight that even some governmental agencies have already been suggesting the need to implement alternatives (e.g., housing production by local associations and social rental service). By remaining limited to the mass housing production, MCMVP missed the opportunity to distance itself from other policies designed to combat the housing shortage that, since the 1960s, have adopted private property as a paradigm (Santos et al., 2016).

The inter-federative dimension of MCMVP is a less addressed subject, however, it is possible to identify some critical positions, such as from Balbim (et al., 2015). The author argues that the non-insertion of MCMVP in SNHIS and PlanHab has set a milestone in this matter. This is because, removed from the referred normative and institutional structure, MCMVP gained its own configuration, which stood out from the proposals that were being built during 2003-2006.

Specifically, on the inter-federative joints, they appear briefly in MCMVP regulation. On the other hand, SNHIS determined the participation of states, federal district and municipalities in the form of councils, and defined that it was state governments duty to integrate municipal and regional plans, to coordinate intermunicipal actions, and to provide support and subsidies. Additionally, in PlanHab, federative entities had to collaborate financially to the public policy.

It is evident that the content and structure of SNHIS and PlanHab are much closer to the planning standards that had been developed in other public policies (e.g., sanitation, climate change, solid waste, urban mobility etc.), named in a previous research as "a new age of plans" (Santos & Vasques, 2016). An important difference in the case of SNHIS is that - unlike the other policies cited, in which the relationship to obtain funds was directly between Union and Municipalities - state participation in housing policy management was more robust and, to some extent, indispensable to ensure the proposed objectives achievement.

When analyzing MCMVP from its implementation, there is a distancing between the mentioned planning model and the concern to make the mass production of housing compatible with local and regional urban development plans. On the contrary, what appears to have occurred was a simplification of decision-making criteria to accelerate resource transfer and construction.

In addition to more general analysis, local/regional studies contribute to highlight that the diversity and political-institutional inequality in Brazilian municipalities has given its own frame to the public policy. While peculiarities may reinforce broader assessments, the observation of other significant and unique elements highlights the need for individualized studies[4].

In view of the above, we believe that MCMVP in Rio de Janeiro State is also characterized by a number of peculiarities that distinguish it from general analysis, although it is possible to identify a plurality of common elements. Thus, going beyond the approaches that perceive MCMVP exclusively as an economic instrument, or only as a social policy, we understand that regional analysis tends to explain the nuances that would allow a critical evaluation on various aspects, such as federative cooperation and the social dimension of the public policy.

3. The experience of MCMVP in Rio de Janeiro State

Criticism of MCMVP has been widespread, but its institutional design, as it involves the municipalities as responsible for its execution, must be uniquely evaluated. In this chapter, the objective is to focus on the State of Rio de Janeiro municipalities. The first subsection provides an indicators' synthesis of the considered municipalities, while the second presents MCMVP data in these municipalities, placing them in perspective with Brazilian municipalities average.

3.1   The profile of Rio de Janeiro State municipalities

Through Table 1 we present a brief socioeconomic profile of Rio de Janeiro municipalities with population of over 100,000 inhabitants, in which a housing program is most impactful. Rio de Janeiro State has 92 municipalities, but its population and economic activity is strongly concentrated in its metropolitan area, especially in the capital. From the cut of 100,000 inhabitants, 25 municipalities are identified. Besides the capital, 14 are also located in the metropolitan area and 11 are in the other regions.

Table 1. **Socioeconomic profile of Rio de Janeiro municipalities with population over 100,000 inhabitants distributed among capital, metropolitan and non-metropolitan**

Municipality	Population in 2010	GDP per capita in 2016 (R$)	Average monthly salary of formal workers in 2016 (*)	Percentage of population under ½ MW per capita	Population growth rate 2010/2000 (%)
State capital					
Rio de Janeiro	6,320,446	50,690.82	4.1	31.4	0.77
Metropolitan					
Belford Roxo	469,261	16,764.54	2.3	39.3	0.77
Duque de Caxias	855,048	44,939.65	2.7	37.8	0.98
Itaboraí	218,008	18,864.13	2.2	37.7	1.52
Itaguaí	109,091	65,107.78	3.3	37.1	2.90

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[4] On this issue: Duarte (2011), Soares, et al. (2013), Pequeno & Rosa (2016), Moura (2014), Marques & Rodrigues (2013), Rolnik et al. (2015).

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Magé	227,322	15,607.47	1.8	38.2	1.03
Maricá	127,461	39,078.14	2.0	33.8	5.21
Mesquita	168,376	13,396.88	2.1	36.5	0.14
Nilópolis	157,425	16,045.55	1.8	33.8	0.24
Niterói	487,562	46,202.31	3.0	29.5	0.59
Nova Iguaçu	796,257	20,625.93	2.0	38.7	-1.45 (**)
Petrópolis	295,917	42,564.57	2.4	30.6	0.33
Queimados	137,962	32,314.25	2.3	39.1	1.24
São Gonçalo	999,728	16,216.45	2.1	34.5	1.16
São João de Meriti	458,673	20,434.26	1.9	35.4	0.22
Non-metropolitan					
Angra dos Reis	169,511	47,636.40	3.5	34.9	3.57
Araruama	112,008	19,748.08	1.7	36.1	1.44
Barra Mansa	177,813	26,346.46	2.2	34.5	0.41
Cabo Frio	186,227	33,969.57	1.8	34.5	3.92
Campos	463,731	35,475.94	2.5	37.7	1.31
Macaé	206,728	73,412.55	6.6	31.5	4.55
Nova Friburgo	182,082	25,979.30	1.8	25.8	0.49
Resende	119,769	50,234.49	3.0	32.4	1.37
Rio das Ostras	105,676	35,788.00	3.6	32.5	11.25
Teresópolis	163,746	29,997.09	2.1	32.3	1.72
Volta Redonda	257,803	39,679.43	2.4	32.7	0.64

Source: Prepared based on data from Cidades: IBGE, 2017

* In minimum wage (MW) (currently, in Brazil: USD 250.00)

** Nova Iguaçu suffered dismemberment with the emancipation of three districts, without the territorial adjustment to compare the two census years, the result is an apparent population loss.

Rio de Janeiro Metropolitan Area (RJMA) is the second largest Brazilian urban agglomeration in demographic and economic terms, just after São Paulo. Consisting of 22 municipalities, it forms a continuous territory nucleated by the state capital, Rio de Janeiro. RJMA participates with 74% of the state population (16,72 million inhabitants) and its weight in the state GDP (USD 164,784 billion, approx.) is 71.6%. Rio de Janeiro municipality has 51% of the population of RJMA and 68% of the metropolis' GDP, all data related to 2015 (CEPERJ, 2017).

In RJMA, Niterói and the capital have the best socioeconomic indicators, and their population grows below the average of the selected municipalities. These two forms a subgroup called "two capitals", since Niterói was the state capital until 1975, when the city of Rio de Janeiro took over the position. Due to this, both benefited from infrastructure investments, reflecting on the better living conditions of their population compared to other RJMA municipalities.

Other municipalities are above the RJMA average, albeit below the "two capitals". In GDP per capita, we highlight Maricá, Itaguaí, Duque de Caxias and Queimados, but only in Itaguaí and Duque de Caxias, the average monthly salary of formal workers was higher than the regional average. In both cases, these municipalities benefit from industry and logistics, although the percentage of their population with less than ½ minimum wages per capita was over 37%. In the other RJMA municipalities, a worse socioeconomic situation prevails, with low GDP per capita, low salaries and high poverty incidence (e.g., Japeri, Queimados, Nova Iguaçu and Tanguá).

Table 1 shows a strong heterogeneity among RJMA municipalities, but this is also the case amid other municipalities with more than 100,000 inhabitants. These 11 municipalities aggregate population (2,1 million) does not reach even half of the 14 RJMA municipalities (5,5 million). But

in both groups, population growth has been most intense in cities affected by the oil economy. And such activity makes Macaé stand out in terms of GDP and average salary. Angra dos Reis, Resende and Volta Redonda also stood out for their high GDP, but these last do not rely on oil exploration resources, but on other industrial activities, experiencing population stability. In these localities, living conditions are more stable and access to housing brings less challenges to housing policies. Rio das Ostras stood out for its strong demographic growth, due to its location near Macaé, a strategic municipality for the oil economy (Santos, 2010). The strong demographic pressure had a negative impact due to the rising of land cost coupled with the increased vulnerability of the migrant population that settled in the municipality.

Table 2 below shows the evolution of the number of housing units contracted over 2009-2018 (until October) in Rio de Janeiro municipalities with more than 100,000 inhabitants.

Table 2. **Housing units contracted per year in Rio de Janeiro municipalities with population over 100,000 distributed among capital, metropolitan and non-metropolitan**

Municipality	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
State capital										
Rio de Janeiro	12837	19820	13710	13257	10255	7945	4485	3964	12425	6470
Metropolitan	*6363*	*8434*	*16326*	*17925*	*30370*	*10536*	*5864*	*5156*	*8597*	*8687*
Belford Roxo	1455	664	4264	2295	3226	330	451	299	547	1036
Duque de Caxias	1189	876	2707	1635	3263	1136	454	77	94	250
Itaboraí	66	403	882	274	6406	187	513	723	823	1572
Itaguaí	6	60	51	1148	422	59	62	50	58	500
Magé	3	26	2035	863	125	138	145	114	69	58
Maricá	143	816	791	2693	1350	129	179	259	246	324
Mesquita	51	87	43	199	14	14	47	55	319	609
Nilópolis	226	50	88	245	105	41	53	46	16	26
Niterói	9	708	616	192	1671	1516	8	9	18	2
Nova Iguaçu	440	2177	485	3626	8759	2821	1445	844	1968	948
Petrópolis	0	1	1	58	962	1	288	505	303	227
Queimados	1737	450	88	1817	1099	1258	117	346	335	75
São Gonçalo	1030	1297	4260	1897	2923	2860	2088	1801	3788	3021
São João de Meriti	8	819	15	983	45	46	14	28	13	39
Non-metropolitan	*972*	*2547*	*4005*	*8979*	*9050*	*3702*	*1159*	*1729*	*6613*	*3249*
Angra dos Reis	0	0	6	1	1265	240	0	1	3	8
Araruama	2	70	68	560	66	50	35	36	57	61
Barra Mansa	66	163	14	313	132	145	26	170	216	710
Cabo Frio	0	9	27	31	37	1827	0	4	7	173
Campos dos Goytacazes	750	581	848	2121	2460	455	499	962	3955	1019
Macaé	3	409	2150	2586	1241	308	0	98	729	283
Nova Friburgo	73	253	236	1023	1448	68	57	44	62	58
Resende	63	222	287	1647	311	80	128	88	857	278
Rio das Ostras	7	466	65	443	109	521	17	76	210	191
Teresópolis	8	374	304	254	1981	8	397	250	517	468

Source: Prepared based on data from the Ministry of Cities

According to Table 2, 2013 had the contracted units peak, mainly among metropolitan cities. In the first two years, the capital contracted the largest number, but from 2011 the metropolitan cities were the biggest contractors. These include the most populous (Duque de Caxias, Nova Iguaçu and São Gonçalo), where poverty incidence is high. Itaboraí also stands out, with 6,4 thousand units hired in 2013. This result should be associated with the large investment in the Rio de Janeiro Petrochemical Complex, paralyzed due both to the economic and Petrobras crisis. The relatively poor performance of non-metropolitan cities is noteworthy. Among these, the municipality with the most hires was Campos dos Goytacazes, whose population grows at a weak pace compared to this cities group average. Macaé and Rio das Ostras, with much greater demographic dynamism, underperformed, although better than some other cities.

In Table 3, contracted units are divided into income brackets, which allows to evaluate the performance of band 1, the one intended for poorest families.

Table 3. **Housing units contracted by band in Rio de Janeiro municipalities with population over 100,000 inhabitants distributed among capital, metropolitan and non-metropolitan**

Municipality	Band 1	Band 1,5	Band 2	Band 3
State capital				
Rio de Janeiro	35,454	6,777	32,883	30,054
Metropolitan municipalities	*58,939*	*8,992*	*33,163*	*16,434*
Belford Roxo	8,881	720	3,817	1,149
Duque de Caxias	7,372	0	1,934	2,375
Itaboraí	3,000	4,272	3,488	1,089
Itaguaí	1,011	448	669	288
Magé	2,420	0	740	416
Maricá	2,932	0	2,797	1,201
Mesquita	0	380	702	356
Nilópolis	0	0	361	535
Niterói	3,007	0	750	992
Nova Iguaçu	12,740	424	7,550	2,799
Petrópolis	846	0	816	684
Queimados	6,112	240	798	172
São Gonçalo	8,850	2,508	9,288	4,319
São João de Meriti	1,768	0	183	59
Non-metropolitan municipalities	*14,278*	*2,910*	*20,384*	*4,433*
Angra dos Reis	1,500	0	16	8
Araruama	480	0	403	122
Barra Mansa	680	128	990	157
Cabo Frio	1,800	80	208	27
Campos dos Goytacazes	2,268	2,176	7,106	2,100
Macaé	2,338	434	4,731	304
Nova Friburgo	2,276	0	831	215
Resende	856	0	2,849	256
Rio das Ostras	480	0	1,310	315
Teresópolis	1,600	92	1,940	929

Source: Prepared based on data from the Ministry of Cities

In the capital, there is a balance between units in bands 1, 2 and 3, but amid metropolitan cities, band 1 prevails, which is in line with the most vulnerable population profile of these municipalities. Among non-metropolitan cities, however, band 2 was the most frequent, especially in Campos dos Goytacazes and Macaé. These two municipalities also stood out, along with Resende, in the

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number of band 1 units contracted, and Macaé and Resende have a lower percentage of poor households than the average of this cities group.

In the next section, it is analyzed whether this performance among the three cities groups compares with the Brazilian average.

3.2   Analyzing MCMVP with focus on Rio de Janeiro

The following 5 figures are presented. Its content starts from a general assessment, based on the most representative states in the number of housing units contracted, then analyzes capitals and municipalities with more than 100,000 inhabitants - located inside and outside of metropolitan areas - and finally, evaluates the performance of the program at the municipal level (Rio de Janeiro city). Data used range from 2009 to October 2018 (latest available). The adopted analytical path reiterates certain points highlighted by literature analyses. This is, on the one hand, a high limitation of the program impacts on the housing deficit and, on the other, a plurality of local dynamics that characterize MCMVP implementation, given the high diversity and inequality of Brazilian municipalities.

Figure 1. **Number of housing units contracted per year in the 10 most representative states**
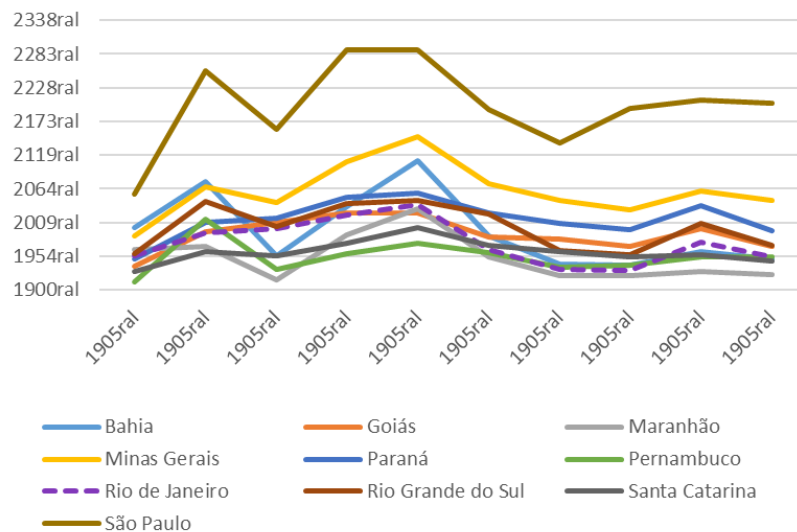
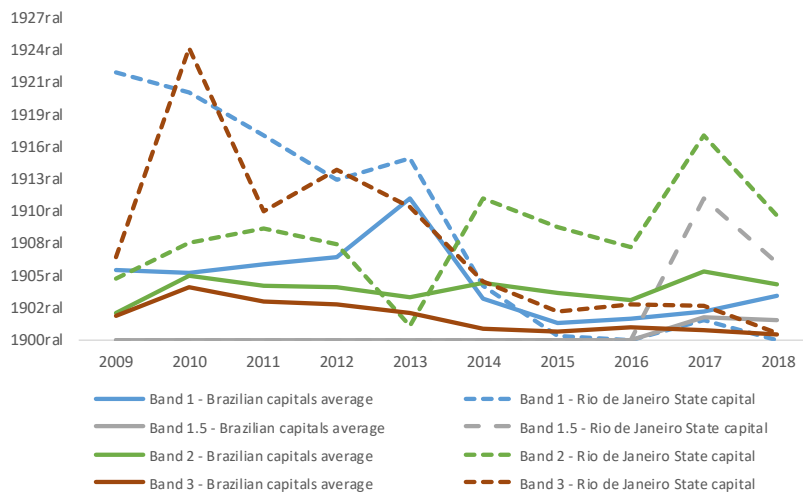Source: Prepared based on data from the Ministry of Cities

In the case of Figure 1, we highlighted the 10 states with the largest participation in MCMVP considering the number of contracted units per year. São Paulo is the first, followed by Minas Gerais and Paraná, with Rio de Janeiro occupying the seventh position. Interestingly, the numbers identified in the time series (2007-2015) on housing deficit puts other states ahead of Paraná in terms of housing precariousness[5]. Moreover, in 2011 there is a unit drop projection in almost all states - Rio de Janeiro being an exception, as it was prioritized by the federal government under the compliance discourse with international commitments.

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[5] http://fjp.mg.gov.br/index.php/produtos-e-servicos1/2742-deficit-habitacional-no-brasil-3 (accessed on 02.12.2019)

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Despite growth and stability between 2012 and 2013, for most states, numbers dropped sharply in the next three years. These are largely associated with the political-financial crisis in 2014. For MCMVP, this scenario represented a significant reduction in Union subsidies. Thus, there is a substantial drop in social housing (band 1) construction and the recovery observed in 2017 is followed by a seemingly negative oscillation for most states in 2018. This dynamic explains uncertainties associated with both the political scenario and the national economy, especially in the face of a new government born under a highly polarized climate. Regarding Rio de Janeiro, the general approach favored by Figure 1 indicates that the MCMVP dynamics are close to what was observed in most other states - except for 2011, as previously highlighted.

Figure 2 presents a very different dynamic from the general picture. In the case of band 1, what is observed between 2009 and 2012 for the average of the capitals and for Rio de Janeiro is practically the opposite. While the social housing has its peak in Rio de Janeiro capital in 2009, declining in the following years, in other cities there was a slight growth that is accentuated in 2013, when there is an approximation of both dynamics. These only differ again from 2016, producing opposite movements. Band 1 data not only reinforces that the Union subsidies withdrawal has significantly weakened MCMVP social dimension, but also reaffirms the hypothesis that in Rio de Janeiro city band 1 was linked to removals associated to mega events.

Figure 2. **Average number of housing units contracted in Brazilian capitals and Rio de Janeiro Municipality by year and income bracket**

Still on Figure 2, band 2 data indicate that Rio de Janeiro capital results are well above the average of other capitals (except for 2013), showing wide variations. It is important to note that, in most of its trajectory, band 2 dynamics in Rio de Janeiro are opposed to those observed for band 1. In the case of band 1.5 - implemented from 2016 - its amount in Rio de Janeiro is much higher than the average of national capitals, following a similar flow to band 2.

Finally, although the state capital also stands out for the high volume of units in relation to the average of other capitals, band 3 movement resembles what was observed in other Brazilian capitals. That is, a decline in 2011 and an apparent recovery in 2012 are followed by sequential falls that are halted in 2016 and 2017 and resumed in the following year.

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Figure 3. **Average number of housing units contracted in Brazilian and Rio de Janeiro metropolitan cities with more than 100,000 inhabitants per year and income bracket**
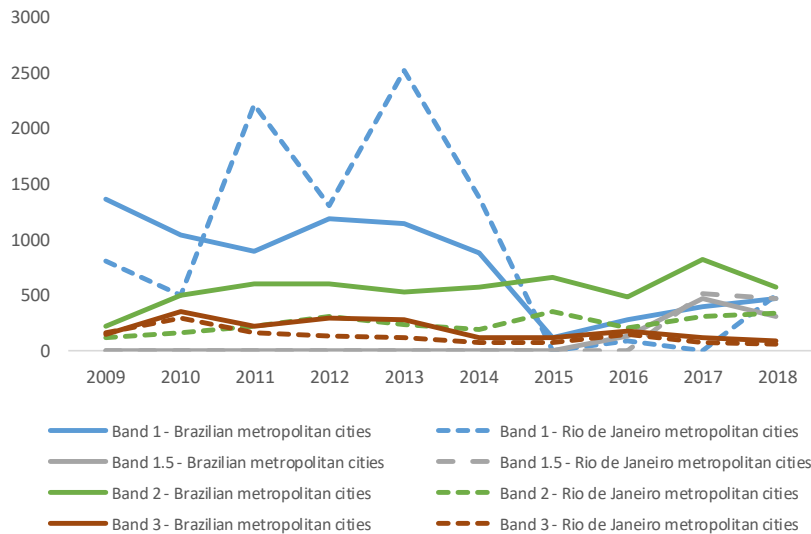
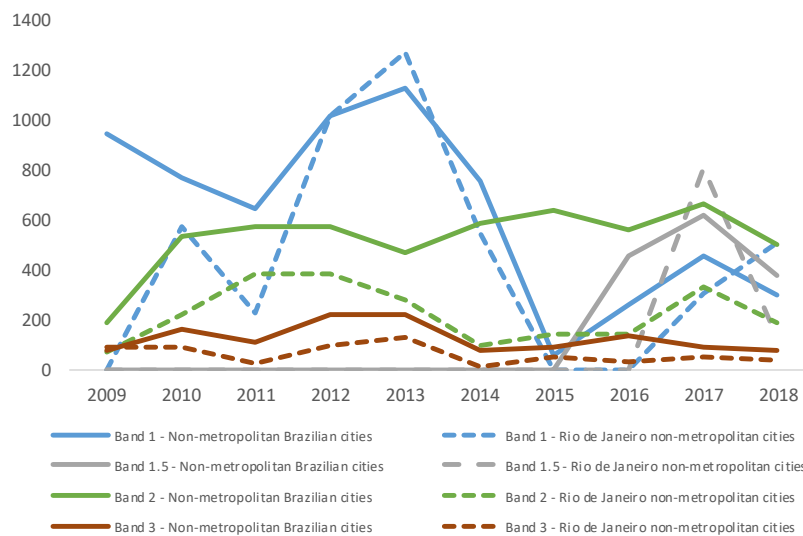Source: Prepared based on data from the Ministry of Cities

For Figure 3, it was calculated the contracted housing units' average number in Brazilian and Rio de Janeiro metropolitan cities with over 100,000 inhabitants per year and range. Again, a different dynamic is observed compared to the first ones. Looking at band 1 for metropolitan cities, there is some resemblance to Figure 1, as there is also a decline in 2011, and, at least until 2014, some distancing from Figure 2, since its peak is at the beginning of the program (2009) not in 2013. By observing band 1 in Rio de Janeiro metropolitan municipalities, its movement follows both the peak in 2013 and the decline from 2014. However, their results in 2011 oppose what was recorded in the other analyzes. Such positive balances are estimated to be related to rising land prices in Rio de Janeiro capital, producing a spreading movement to neighboring municipalities. It is noteworthy that, in the same period, City Hall issued a regulation that restricted the possible areas for MCMVP projects in the West Zone to areas that already had urban infrastructure, contributing to the horizontal expansion in RJMA.

In the case of band 2, the national average experiences some stability – similar to what was observed for Brazilian capitals – standing out for the increases (in 2011 and 2015) that occurred one year behind the observed in the capitals, which were already falling in those years (2011 and 2015). In Rio de Janeiro State, there is also a relative stability similar to the national average. However, for the first time its average is lower than that one found for the other Brazilian municipalities – same result is also seen in band 3. Even in band 1.5, there is still a significant approximation with the national average. These results, especially in bands 2 and 3, suggest that - despite the high housing demand - there was low interest of the private sector to invest in MCMVP outside the capital and without public subsidies.

The average number of contracted units in non-metropolitan cities and in Rio de Janeiro State with more than 100,000 inhabitants is shown in Figure 4 per year and income brackets. It is noticed that, except for specific moments in bands 1 (in 2013), and 1.5 (in 2017 – followed by a decline in 2018), cities far from RMJA are below the national average, reinforcing private enterprise lack of interest in investing in these territories. Analyzing only band 1, there is little data

divergence from the Rio de Janeiro State in relation to the national movement, showing a clear detachment to what was happening in the capital, as in RJMA. In band 2, observed results in Rio de Janeiro State follow to some extent the national dynamics, except between 2014 and 2016, at which time there is a decline in real estate investments, widening the distance from the Brazilian average. Finally, band 3 in the territory of Rio de Janeiro presents a similar trajectory to the national one, with minor divergences (e.g., 2010 and 2016).

Figure 4. **Average number of housing units contracted in non-metropolitan cities of Brazil and Rio de Janeiro with more than 100,000 inhabitants per year and income bracket**
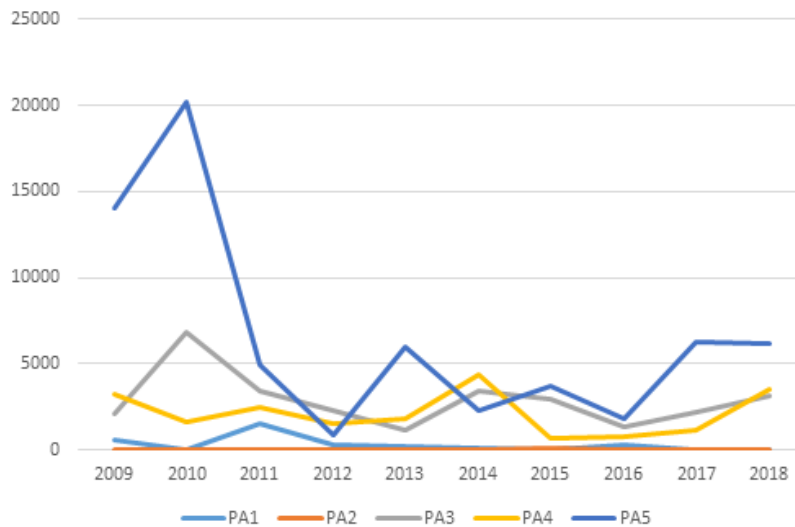

Source: Prepared based on data from the Ministry of Cities

The Figure 5 illustrates residential units' total number in the capital per year and planning area (PA). From the beginning we observe the predominance of MCMVP in the PA5 – city's West Zone - especially in the first two years. After declining in 2012, there are oscillations, maintaining PA5 hegemony, except in 2014.

These results reinforce the hypothesis that a significant part of social housing was built from the demand generated by the removals performed by the local government (Azevedo & Faulhaber, 2015), mainly under the justification that they were in risk areas, or that their spaces were necessary for the mega-events. This movement was in line with the city hall's interest in guiding urban expansion towards the West Zone, a region that had been receiving public investments in urban infrastructure.

Analysis of Figures 2, 3 and 5 makes it possible to defend the hypothesis that the horizontal expansion occurred in the metropolitan municipalities neighboring the capital with MCMVP project's migration. This statement becomes even more relevant since the aforementioned dynamics were accentuated both by the inflow of private resources in the real estate sector in the capital, and by the implementation of the new normative guidelines by the local government in the West Zone (Santos & Cruz, 2018). From the regulatory perspective, we observed that this unilateral decision apparently did not consider its impacts on real estate dynamics, nor it was articulated with neighboring municipalities.

Figure 5. **Total of residential units implemented in Rio de Janeiro Municipality per year and Planning Area**

Source: Prepared based on data obtained from Rio de Janeiro's City Hall

The two other planning areas that presented a significant number of units built are PA4 - also in the West Zone - and PA3 - a part of the North Zone. Numbers related to these areas fluctuate somewhat over the years, highlighting different growth moments, not necessarily reflecting the general dynamics of MCMVP in Brazil or in the State. The last two years have registered a growth trend - including in PA5 - although it cannot be said that it will exceed previous years' average. Finally, both PA2 – South Zone – and PA1 – Downtown – have residual numbers due to the limited availability of free areas and due to land high value.

4. Conclusions

MCMVP has been taking place in an institutional context marked by the Federal Constitution of 1988, in which municipalities concentrates a significant amount of responsibilities. However, this expansion was not accompanied by a wide distribution of resources, which are highly concentrated in the federal government. Santos & Vasques (2016) argue that during 2003-2016, part of the strategy adopted by the Union to redistribute resources was to establish communications directly with municipalities – leaving the states aside.

There was a rupture of this model in MCMVP. While electing the private sector as its main interlocutor, it relegated states and municipalities (and society) to a secondary role and limited its direct interventions. In other words, the federal government relinquishes the quasi-tutelary role observed in the previous model, leaving for municipalities most of the responsibility to alone manage the private sector in their territories. Such movement was part of the federal government's strategy to use MCMVP as a countercyclical measure, moving away from the social housing policy developed in the first Lula government (2003-2006). This path made it possible to accelerate resources distribution and gave broad freedom of action to the private sector, although significantly limited the social dimension of MCMVP.

The previous statement becomes even more prominent when we observe changes in the Union's behavior from 2014, when the national political-economic crisis aggravates. Until that year, at

least for capitals and municipalities with more than 100,000 inhabitants, federal government had been standing out as the main promoter of social housing. After this period, there has been a drastic reduction in federal resources, significantly limiting the production of band 1 housing. Without federal subsidies, the possibility of giving a social dimension to the MCMVP has become scarce. In the other bands, the oscillations do not seem to be associated with the reduction of the Union's participation, resembling market dynamics.

In the case of Rio de Janeiro State, there was a convergence between federal, state and municipal governments that supported MCMVP use as a response to the large number of removals promoted by the local administration, justified by the mega events. This dynamic underpinned the high number of MCMVP hires in the state until 2011 - especially in band 1, a movement almost contrary to the national scenario. The financial crisis intensification in Rio de Janeiro and the rearrangement of the Union's role both in the national scenario (due to 2014 crisis) and in the state territory (after the federal intervention in public security and the loan made to the state) have made it even more difficult for any social dimension to emerge.

The capital's study offered other elements to analyze metropolitan municipalities. Results suggest that, even for cities with more than 100,000 inhabitants, isolated solutions contributed very little to the strengthening of the social dimension of the MCMVP. On the contrary, horizontal growth towards neighboring metropolitan municipalities reinforces the importance to address this issue in an integrated manner. It is clear that, in addition to stimulating the real estate market, MCMVP operated marginally in developing inter-federative integration strategies. Instead of inducing municipalities to act cooperatively, it has placed them in a dispute situation in which public managers must act as entrepreneurs for their territories.

For municipalities with more than 100,000 inhabitants outside RJMA, identified dynamic resembles the national average for this municipalities' category. This result reinforces MCMVP limitation to stimulate the private sector in these territories. Moreover, it explains that such regions in Rio de Janeiro State did not follow the speculative dynamics experienced in the capital and surrounding areas, which raised land price and influenced location and volume of the projects. On the other hand, by identifying a below average amount, it is also possible to perceive that, in this federative competition scenario, Rio de Janeiro State municipalities demonstrated a lower capacity to dispute resources and benefits associated with MCMVP.

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