Spatial Justice and the City of São Paulo

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Submitted May 11th 2011
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“We can only learn about our lived times and spaces in increments, never satisfied with existing levels of knowledge but constantly moving on, almost like philosophical nomads, to search for the new, to push the frontiers of knowledge and understandings forward, and hope for the unexpected” (Edward Soja 2010 B: 102).
1. Introduction
Not only time has influence on the formation of societies, but also space. People do not only write history, they also produce spaces. And just like history retroacts on social development processes, space forms society. A socially segregated society is controlled through space. The place of residence of a person already determines a big part of its fixed opportunities and conditions. Also, the living location is already suggested by the social class of a person within a capitalist structured society. Those socio-spatial structures lead to an unjust distribution of all kinds of goods, such as the access to basic living conditions, public services, infrastructure, education and work, and psychologically or socially defined restricted spaces. Injustices therefore can only be cured by changing their spatial manifestations.

As Brazil is one of the economically uprising and promising BRIC countries, its development involves chances and risks. If unjust conditions remain, its long-term advancement is rather unlikely. The changes within the country are especially visible and present in its principal metropolis: São Paulo. In order to analyze its present situation in terms of spatially produced social (in)justices, some questions must be answered:

How is spatial justice produced and by which processes? How are those processes integrated in Brazil’s urbanization development? Which effects does it have on the urban structure of São Paulo? And finally: Which socio-spatial development tendencies do the actual public policies and their realization within the metropolis suggest?

In the following, I will outline a theoretical base of the term spatial justice, the development of Brazil – and in this context the effects on São Paulo’s urbanization – with respect to its economy, politics, society, history, and especially urbanization in order to analyze São Paulo’s socio-spatial development and present situation in a multidimensional context. Applying Henri Lefèbvre’s, David Harvey’s, and Edward Soja’s theories on spatial justice on the public policies of the metropolis since the City Statute of 2001 – a major change in Brazil’s urban politics –, I will look into their conformance with the necessary production conditions of spaces of justice.

2. Concepts of Spatial Justice
Giving a selection of the main literature about spatial justice in capitalist cities, I will introduce Henri Lefèbvre’s rather liberal concept of spatial justice by referring to his works ‘The Right to the City’ (1969; French original: Le droit à la ville 1968) and ‘The Production of Space’ (1991; French original: La production de l’espace 1974), as well as David Harvey’s rather Marxist perspective by especially considering ‘Social Justice and the City’ (1973) and ‘The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change’ (1990),
and finally Edward Soja’s theory, also influenced by Lefèbvre and Harvey, as a representative of contemporary theorists on social justice (‘Postmodern Geographies. The Reassertion of Space in Critical Social Theory’, 1989; ‘After Postmetropolis’, a lecture he gave at the University of São Paulo in São Carlos in 2010; ‘Seeking Spatial Justice’, 2010). Lefèbvre’s urban theory of spatial justice is essential for the works of Harvey and Soja; especially today it has great influence on most of the discussions on urbanization processes.

A just society is an ideal society with freedom, liberty, equality, democracy, and civil right for all – able to join all subjects of justice movements (Soja 2010 B: 20-24). During the urban crisis of the 1960s, increasing violent explosive behavior, caused by an unequal distribution due to the expanding industrial economy, is observed in most of the fast growing metropolises and suburban regions in the world (Soja 2010 B: 80-85). In the past three decades, activist actions broach the issue of a greater understanding of justice than only the (economic) equality concept, framing justice in a material (re-distributive policies) and a non-material (liberty, happiness, opportunity, security, etc.) way. In their definition, they refer to the two principles of justice by John Rawls (1971) of the equal right for all to basic liberties within a liberty ensuring system and of benefiting the least socially and economically advantaged (Bromberg, Morrow, and Pfeiffer 2007: 1). Today, special attention is given to justice in terms of environmental and global justice (Soja 2010 B: 23). Seeking spatial justice means the collective ambition for social and economic justice for all those who are oppressed, exploited, or somehow suffering from unjust geography effects within urban spaces (Soja 2010 B: 24).

Soja points out the urban facets of justice (2010 B: 20):

“Justice and injustice are infused into the multiscalar geographies in which we live, from the intimacies of the household to the uneven development of the global economy; the socialized geographies of (in)justice significantly affect our lives, creating lasting structures of unevenly distributed advantage and disadvantage; these geographies and their effects can be changed through forms of social and political action.”

The socio-spatial dialectic opens up another possible perspective of how to achieve social justice within space. Space and justice

“are socially produced, experienced and contested on constantly shifting social, political, economic, and geographical terrains, means that justice — if it is to be concretely achieved, experienced, and reproduced — must be engaged on spatial as well as social terms” (Bromberg, Morrow, and Pfeiffer 2007: 2).

That a just society can only be achieved by also producing a new space, not only another social concept is one of Lefèbvre’s main insights.
Henri Lefèbvre
In “The Production of Space” (1991 (1974)), Lefèbvre (*16.06.1901; †29.06.1991 France) differentiates between three concepts of space: the spatial practice (physical used and produced space), representations of space (logic and planning), and spaces of representation (produced and transformed space with symbolic character). Space is therefore physically perceived, mentally conceived, and socially lived (Elden 1998) and this way, permanent critical thinking gets included into spatial thinking. Referring to Gotttdiener (1993), social relations are also spatial and cannot be discussed without the other. Lefèbvre also approaches further kinds of spaces, linked to historical and social processes, in “The Production of Space” (1991 (1974)) and discusses them on different levels, such as in arts, architecture, philosophy, politics, economy, and others, and includes different theorists, such as Hegel, Marx, Nietzsche, and Heidegger into his discussion. From a Marxist perspective, things are products of social work and function as exchange goods and have therefore two different values: the value of use - objective or subjective usability of a material good for a certain reason – and exchange value – price as a realized value on the market. Therefore, they represent social relations which actual value at the same time can be hidden easily by turning them into ideological objects, into abstractions in form of symbols, like symbols of money. Lefèbvre applies that logic on social space which in its reality cannot be reduced to just a physical or abstract level, but has an own reality containing abstract and material things (Lefèbvre 1991 (1974): 402). The abstraction of social spaces occurs, when knowledge and power are combined within a profit-oriented hierarchic organization and is used for social domination and control. The ‘Production of Space’ means the dialectic function of space as a mean of social relations and a material product with social influence (Gotttdiener 1993). A society, based on the value of exchange, does not want to give primacy to the value of use. In the end, quantity prevails over quality in a world of private expansion, industrial profitability, and specialization as well as functionalization of spaces. Differences, reduced (forced), or produced (like elite enjoying special life qualities), can still exist. Therefore, it is possible that movements against this kind of system arise that are aware of the unequal conditions and that communicate their social perspective, but still do not necessarily succeed breaking the system, but simply remain within it. Lefèbvre sees the only solution to reintroduce pluralism to the functioning of a centralized state within the challenge of those powers by local powers. Such kinds of resistance often tend to generate independent, territorial unities with partial self-administration structures (Lefèbvre 1991 (1974): 381-382). Capitalist space organizes everyday life, implicates directed consumption, and produces a hierarchic spatial distance (in terms of work, living, etc.). As a monopolist center, it condemns population to passivity and
silence if they don’t rebel by producing alternative spaces, questioning the whole capitalist system (Lefèbvre 1977). While the beginning of industrialization is characterized by the principal of material shortage and spatial surplus, today’s society is overloaded by products, suffering a lack of spatial supply. Economy is based on the strategy of shortage. Since social space is divided into classes as a result of social organization, spatial distribution ends up with quantitatively more or/and a better quality for the rich classes (Elden 1998). This process is produced by the second circle of value added production, such as value abstracting speculations, and is different from the values of the circle of industrial production.

In ‘The Right to the City’ (1969; original ‘Le droit à la ville’ (1968)), Lefèbvre emphasizes the need to reestablish new urban structures seeking justice, democracy, and equal citizen rights for all. He has great influence on student movements in France in May 1968 with his theory of interdependence of the transformation of social relations, socio-spatial changes, and the production of a liberated space (Gottdiener 1993). He discusses the concepts of marginalization and regionalization, causing segregation and discrimination within all urban spaces and the politics of space (because space is political). He argues that capitalism has survived partly due to its flexibility in structuring and restructuring spatial relations within a global economy of space, constituting a global market (Elden 1998). Capitalist space produces an urbanity that is both homogeneous and fragmented. Everything is equivalent, because exchangeable, and of abstract value. Space is also fragmented because of its division into lots and is sold in particles by the real estate speculation market (Lefèbvre 1977). To Lefèbvre, urbanization is the developmental process of a completely urbanized post-industrial society which eventually will lead to the neutralization of the differences between city and country (Elden 1998). His main concepts for citizen rights are nowadays the main theoretical base for the Right to the City Movement, even though the theoretical discourse is not very deep. Though, it should be considered that unjust geographies change over time. Lefèbvre’s ideas refer to Paris during the 1960s whose centralized structure was different from today’s polycentric and globalized structure of city regions or from regional urbanization.

David Harvey
Harvey (*31.10.1935 UK) claimed in his earlier works about territorial justice that the normal functioning of urban development has an intensifying influence on the income distribution by increasing the gap between poor and rich inherently. Those processes cause inequalities, such as the unfair prices for basic goods and services for the poorer, locations of noxious facilities, public and private investments or the preference of expensive freeway construction over effective mass transit favoring the poor, when distributing public funds. Being rather
pessimistic about the possibility of redirecting political, social, and institutional policies and actions to change spatial unjust conditions, Harvey turns to a socialist formulation of his theory. There, the industrial capitalist city functions as a generator of inequality, injustice, and crises. In response to critics and the free neoliberal globalization development, he relativizes his former rigid ideas and turns towards normative and utopian perspectives and new justice generating ideas (2000). Even later, he returns to Lefèbvre by stressing his remark about the means of the survival capitalism: “by occupying space, by producing space”. According to Harvey, capitalism seeks a spatial fix when in a crisis which could possibly include a chance for revolutionary changes (Soja 2010 B: 85-96). He also agrees on the Lefèbvreen quotation “between equal rights, force decides” and claims that neoliberal privatization is the destructive force against justice (Harvey 2003, 941).

‘Social Justice and the City’ by David Harvey (1973) is about the relationship between social justice and space of urban planning and urbanization policies. Spatial, as well as economic, social, and political interrelated processes take part in forming and transforming a metropolis. The book is divided into two parts, demonstrating the ideological changes within his work during that time from a liberal to a Marxist perspective. Harvey assails that socially related processes in literature on urbanization are treated isolated from each other which makes their theoretical statements rather unrealistic. Further, he explains the effects of space on social justice and realizes within that process that the only approvable liberal distribution principle (Pareto optimality) skips all basic distributive questions, making a critical discussion within the system difficult. He put emphasis on the social injustice which produces spatial processes, effecting distribution of income. The accessibility to the job market, resources, and to public services, possible social and psychological barriers, and the proximity as “the effects of being close to something people do not make any direct use of” (Harvey 1973: 57) can both cause costs, influencing the income situation of a household (Harvey 1973: 56-57). They can as well be located in spatial fields of externality effects of benefits or costs (for example an airport with noise and pollution effects, but also with positive effects on the job market) whose locations are deeply influenced by political decisions (Harvey 1973: 60).

Minorities are heavily discriminated in terms of access to infrastructure and services, due to the transformation of American metropolises during that time. Suburbanization produces structural barriers, denying access to certain job opportunities and low-cost housing within those regions. A central decline is perceptible due to a concentration of mortgage capital in the suburbs causing an absence of funds in the center. In fact, all spatial changes happen in favor of economic efficiency, causing redistribution inequalities within the capitalist society.
Harvey 1973: 56-64). He claims that the central decline of contemporary cities (disappearance of middle-class citizens and jobs; wholesale destruction) is caused by the domination of private economic accumulation and economic growth, supporting governmental policies which are withdrawing investments from little profitable areas (Harvey 1973: 112). Ghetto formation is a direct outcome of those processes in the urban ground market. Racial differences lead to an American dual housing market and public interventions contribute indirectly to the formation of use values on the housing market (Harvey 1973: 140, 157-166, 175). Later in the book, Harvey presents his relatively fixed spatial city concept of a ‘built environment’ structure with the main elements of investments, stake and urban ground market, and infrastructure of transport and profit, mainly adjusted to economy. There is a risk of the outdating of those spatial constructions if the economy and its spatial structure demands change (Harvey 1973: 68-69).

In 'The Condition of Postmodernity’ (1989), Harvey introduces his understanding of postmodernism and its historically conditioned formation as a new sensibility and continuity of modernism – similar to Fredric Jameson’s argumentation that postmodernism is “the cultural logic of late-capitalism” (1991) and its crises - which started in 1972 with a ‘sea-change’ in political, economic, and cultural practices. It is initiated through changes in capitalist organization and new forms of time-space experiences (by time space compression with shortest travel times, turning the world into a homogeneous global village). He actually finds both continuities and discontinuities of modern practices in postmodernism, with intensified modern elements and new cultural domination structures. For Harvey, postmodernism also tends to a complexity, otherness, and diversity favoring structure. With the 1973 recession and the "radical shift in the manner in which value gets represented as money” (Harvey 1989: 296), a more complex and flexible economic structure with flexible accumulation (as a consequence of over-accumulation of capital in late-capitalism) arises.

**Edward Soja**

Edward Soja (*1940 USA) comprehends the main difference between Harvey and Lefèbvre in the mainly social forces (for example the accumulation of capital) as the causal power in the production of urban space and the relation between social and spatial processes within Harvey’s concept, while Lefèbvre puts emphasis on a more dialectically balanced causality of the social and the spatial. He sees Lefèbvre and his new categories of socio-spatial relationships as jointly responsible for the emerging of the spatial turn, the trans-disciplinary diffusion of critical spatial thinking across rather unusual and broader fields (Soja 2010 B: 13). In spite of everything, in sciences the discussion of how geography is shaped by social
processes is still more common than discussing how spatial processes shape society. Social, temporal, and spatial qualities influence human existence equally and therefore should be considered equally important in sciences and politics (Soja 2010 B: 67-71).

Soja describes different geographical structures within the production process of spatial injustices. Exogenous geographies are politically organized spaces (administrative convenience, political power, cultural domination, and social control of individuals, groups, and the places they inhabit). Global powers are divided into First, Second, and Third Worlds and internal governmental structures (Soja 2010 B: 32-33), giving colonial and postcolonial geographies, gerrymandering, apartheid, and security-obsessed urbanism as examples. The phenomenon of security-obsessed urbanism describes the production of prisonlike geographic networks of social and spatial control (as in gated communities; Evan McKenzie’s privatopias, 1994) because of the psychological need of protection against real or imagined threats, also called psychogeography of fear. Globalization and amplified migration during the past thirty years pushed the development forward (Davis 1990; Soja 2010 B: 42ff), causing more privatizations and redefinitions of public and semi-public spaces (Soja 2010 B: 44-46). Soja also describes endogenous geographies of spatial discrimination which are developed on the local level of decision making, referring to Harvey’s theses. They are distributional, discriminatory spatial inequalities (of health, consumption, education, protection, sewage system, waste management, transport services, basic needs, and working possibilities), legally justified discrimination, and other segregation inequalities (Soja 2010 B: 47-55).

Regional urbanization is characterized by its polycentric urban regions, the loss of a dominant center, and its network structure formed by numerous urban centers, producing a modern unbound metropolis and emerged from crisis-generated restructuring after 1970 with its highest density around the city center. City center residents move away, ‘hollowing out’ from the center (f. ex. in Detroit). Downtowns are transformed: refilled with transnational migrants and causing growing tension between domestic and immigrant populations. City marketing and star architecture are the major challenges in the redevelopment of those city centers (Soja 2010 A; At this point, I need to make clear that Soja mainly speaks about the urban development of U.S. American cities, especially Los Angeles. Although their city structures are different, there are various parallels between the development of Los Angeles and São Paulo, as described by Caldeira 2000.). Re-qualifying a declining area brings the risk of higher rents because of its increasing value which usually happens during a gentrification process. Poorer residents often have to move, because they can’t afford the higher costs
anymore which leads to a simple relocation of the prior problematic area and not to its melioration (Sassen and Roost 1999: 71).

The geographer Edward Soja sees chances for the development of new socio-spatial structures in recent social and political development. If regional trading blocs, like NAFTA, MERCOSUR; APEC, OPEC, OECD, BRIC (just an informal alliance), keep up taking the EU model as an example for supranational regional and spatial planning under social and economic aspects (Regional Fund serves to reduce inequalities in regions, countries, and in between member states, as in Ireland), they could develop a role in reducing international inequalities (Soja 2010 B: 60-61). New Regionalism, a concept from the 1990s, for example, tries to connect local knowledge and global strategy in order to reduce regional inequalities (Soja 2010 B: 63-66; Orfield 1997; Pastor, Benner, and Matsuoka, 2009).

As the social forms the spatial, so to does the spatial form the social. To break the oppressing structures of capitalist urban spaces, coalitions must be formed to create a new space with just conditions for everyone (Soja 2010 A), like the Global Justice Movements, arising in the 1990s. Seeking spatial justice manifests itself in a continuous spatial re-appropriation effort. Not only the city inhabitants and the ones in transit are influenced by those forces. They are promoted in all regions of the world through the operations of the state and the market. That fact supports Lefèbvre’s statement that the whole world is urban (Soja 2010 B: 96-97). Urban revolution occurs and transforms spaces when urban problematic becomes dominant over economic development and when the disadvantaged try to break social control in space in order to achieve better access to basic need supply. Referring to Soja, Lefèbvre also connects the right to information and the right to difference in the city, whereas the second one refers to “challenging the controlling forces of homogenization, fragmentation, and uneven development imposed by the state, the market, and the bureaucracy working together to foster mass consumerism and heightened social control” (Soja 2010 B: 99). Spatial rights include open and fair participation in urban processes, accessing and taking advantage of the city, especially the centers, avoiding spatial segregation, and equal access to public services, such as health education, and welfare (Soja B 2010 B: 96-100).

3. Urbanization and Socio-Spatial Segregation in Brazil
In this chapter, I will explore the Brazilian urbanization to identify the processes that produce spatial segregation. Spatial segregation is interdependently interconnected with spatial injustice, as it will be explained in the following text. Segregation produces unjust conditions on a socio-spatial basis. The primarily used literature is Santos’ ‘A Urbanização Brasileira’ (1993), Azzoni’s ‘Formação Sócio-espacial Metropolitana: Novas Tendências ou Novas

In ‘A Urbanização Brasileira’ (1993; The Brazilian Urbanization), Milton Santos describes Brazil’s urbanization process from the 16th until the end of the 20th century. He explains the relevance of the different urban development degrees of the northern, northeastern, southern, southeastern, and central-western regions for their further economic role in industrialization, modernization, and ‘de-metropolization’ of Brazil in the context of the military regime. He also refers to the function of the Banco Nacional de Habitação, the Guarantee Fund for Time of Service (FGTS), and the Urban Communities for Accelerated Recuperation (CURA) within the socio-spatial segregation process.

Azzoni analyzes the discussion about a possible de-metropolization process between 1970 and 1991 in Brazil in his article ‘Formação Sócío-espacial Metropolitana: Novas Tendências ou Novas Evidências?’ (1995; metropolitan socio-spatial formation: new tendencies or new evidences?). In fact, the rate of growth and of demography decreases in Brazil during that time, in all its metropolises, and especially in the southeast. Also in the state of São Paulo, a growth of the capitals’ population rate incline is visible, suggesting that a more equable distribution – a de-concentration – takes places. That development is bonded with the partial loss of industrial importance of the metropolis which, nonetheless, is still in decisive power.

The model of the Latin-American ‘com-fuse’ city by Abramo (2009) is basically a combination of the model of a central, compact city with an intensive urban ground use and the model of a peripheral, diffuse city where urban ground is rather used extensively, both produced by the state, the market, and necessity within a stratified society. Both city models are also produced by the formal and the informal market and are - as well as the formal and informal market - interdependent.
Urbanization in Brazil

The colonial urbanization process of Brazil is characterized by politic-administrative organization, rural economies aiming at export and subsistence, social class system, urban commerce, functionalism, and mining industry. Brazil’s urbanization happened quickly, wanting to enjoy the advantages of urbanized areas and to participate at the global market. The general urbanization process of the metropolitan area, such as São Paulo’s, is described as conurbation by Villaça and defined as the fusion of urban areas, associated with its core’s social, economic, and cultural importance. It grows within its identity as a physical and socioeconomic city and its political-administrative part. A growing city, as a consequence of its growth, absorbs and/or creates new urban nucleuses. At a certain point, it does not always grow continuously. Usually, cities become integrated because of their strategic location, starting in São Paulo (and Brazil) in the 1920s, for example with São Caetano which was connected to the railroad leading to Santos. For conurbation, the nucleus of the absorbed city has to be transformed. Referring to the Bureau of the Census (USA) during the 1940s, a central city’s nucleus holds intense socioeconomic interconnections, as through spatial locomotion of people (routines, systematic, etc.) or through telecommunication (Villaça 1998: 49-67).

The urban population in Brazil increases from 5.9 percent in 1872 and 9.4 percent in 1900 to 31.24 percent in 1940. Especially the population related to the service sector (by 60 percent) and the agricultural sector grows (by 130 percent) between 1920 and 1940. In 1920, the state of São Paulo is already Brazil’s leading economic force, a dynamic pole for people from the south up to Minas Gerais and Rio de Janeiro, it has larger capacities, and grows by 43 percent due to its economic movements (coffee production starting in 1850), driving investments in energy, communication, transport (railways), banking, education facilities, and industrialization itself. With the beginning of the commercial degradation of rubber, cities like Belém and Manaus decrease in terms of population and the initiating cacao production in Salvador attracts many migrants. The urban population rate in Brazil keeps rising from 68.86 percent in 1980 to 77.13 percent in 1991 (Santos 1993: 19-36). In 2000, it already reaches 81.2 percent, ten years later with an increase of almost 23 million inhabitants and a total of 190,755,799 inhabitants, it hits 84.4 percent of urban population. São Paulo reaches an urbanization rate of 95.9 percent in 2010 (slightly less than Rio de Janeiro’s with 96.7 percent; IBGE 2011).

Brazil is characterized by a strong regional diversity. Around the end of the Second World War, the center-west region (Minas Gerais, Goiás) and Amazônia are urbanized quickly, thanks to their lack of urban heritage in contrast to the old urbanized northeastern regions.
which, referring to Santos, can restrict them in the velocity of the urbanization process. In the southeast, progressive adaptation is possible due to the later and therefore less inherited urban structures. Its permanent technical renovation also contributes to an accelerated permanent economic and social renovation and is considered a different process than the also quickly evolving introduction of new technology and economy to an empty area (Santos 1993: 64-70).

In the end of the 18\textsuperscript{th} and the 19\textsuperscript{th} century, territory is geographically remodeled through mechanization by technical and scientific means and by continuously distributed information as a social mean. In the 1940s, railway tracks are connected amongst each other and with the main southeastern economic center, new infrastructure investments are made. The new import substitution process reevaluates social relations as financial means (with reference to Marx). With the military putsch of 1964, economic development is to serve an exponential national and international consumption. Brazil becomes a strong exporter of non-traditional products (soya, citrus) and other industrialized products. Coffee, cacao, cotton, and wheat production are increased and serve the national market, especially the expanded middle class as well as a seduced poor class with already restricted consumption opportunities. The number of highway users and cars rises drastically in the 1970s. A territorial fluency of information, values, money, transport, etc. produces an even more concentrated and stricter modern capitalist region (Paraná, Santa Catarina, Rio Grande do Sul, São Paulo, Rio de Janeiro) with a higher density of work division and leads to a better accessibility for the individual. Within this picture, decentralized, diffusely scattered factories and farms arise, forming the areas of later peripheral occupations and are brought forwards by politics, the market, and its investor. Caused by work division, the density of capital and investments, functionalized and socially differentiated territories are formed. Because of the information distribution process, technology is integrated into the social system of values, introducing a modern socio-geographic division between the dictating and the producing participants. While the main part of São Paulo’s immigrants comes from middle and low classes, the middle-sized cities receive the major part of better-educated middle class migrants (Santos 1993: 32-51).

Concentration of production (e. g. in transport) is a main strategy of the dictatorship, giving only few powerful groups influence on the urban development of Brazil, an accretive percentage of international origin (22,6 percent of industrial products in Brazil in 1980 are imported). External domination, control, and corruption form new urban structures, an ideology, and economic dependencies (Fernandes 1973: 18 in Santos 1993: 112). For better circulation and profit maximization, internal and external transport structures are improved. Coevally, public resources are centralized by the Brazilian government. Governmental
expenses for big enterprises are justified by the development ideology of the 1950s and less invested in social issues which are left to the market’s spontaneity. Modernism concentration also effects class production and segregation all over the country. Small and intermediate proprietors who are not able to adapt to modernization and its unifying market, become more vulnerable. Accelerated inflation expounds the problems of the market (Santos 1993: 109-115).

The concept of the corporative city refers to its closed groups of interest which do not include external interests into their activities. In a society with more or less organized diffuse groups of little influence, with partly aggressive and exploited lobbies, the concept works quite well for the upper participants. Egoism and never satisfied consumption needs are stimulated by the system and stimulate the system itself. Corporative urbanization imposes itself on urban life in all areas: spurning parts of the city, formation of groups and segregation, as well as in production, life styles, and behaviors. The creation of the National Bank of Habitation in order to improve living conditions of urban dwellers really serves to adjust cities to the monopolist capitalist system. It is financed by voluntary payments and the Guarantee Fund for Time of Service (FGTS; Santos 1993: 119-123). To push modernization forwards, the authoritarian regime also releases the employers from their financial burden of severance payment and undertakes the responsibility for the employees, leaving it to the FGTS. The remaining means are spent on infrastructure, serving the modern structures and construction of apartments and houses for the middle classes. Only in the beginning of the 1970s, speculations are stimulated by upgraded areas and the poor end up in cheaper peripheral areas with less infrastructure and access to services. Projects of Urban Communities for Accelerated Recuperation (CURA) for central renovation have the purpose of attracting estate speculators. Urban improvements in favor of the poor instantaneously come into conflict with the middle and higher classes – producing spatial injustices and social inequality (Santos 1993: 124-125).

‘De-Metropolization’
Heavier metropolitan decreasing growth rates point out a rather distributed metropolization – or a de-centralization – than a de-metropolization, also referring to a still bigger part of urban (than rural) dwellers living in Brazil’s metropolises. The growth of cities with a population close to the of a metropolis is a sign for the formation of new metropolises which in 1991 still range between 100.001 and a million inhabitants, as for example Campinas, Santos, São José dos Campos, and Sorocaba. The national and global capital participation of the state of São Paulo in the country’s production decreases since the 1960s, of its metropolitan area since
1980, and therefore also its economic importance (not of deciding power!; Azzoni 1995: 289-304). Modern agricultural areas receive more migrants: In terms of urban development, organic components can be replaced easier and cheaper in those areas (e. g. new way of planting, new seeds, etc.) than technical components of the metropolises (e. g. replacing a whole bridge or road for urban improvement). Poor people – limited in their legal options – escape to the cities and create conditions for utilizing the old economic capital in rather informal ways (Santos 1993: 48-61).

Irregular Forms of Compact and Diffuse Habitation

If the formal market is not able or willing to cover all of the population’s needs, another informal instance will arise to satisfy those needs. In case of the Latin American urban ground market, various informal living forms are created, such as cortiços, favelas, or other irregular allotments. Cortiços are rented, high-density, sub-standard shared rooms in high-story buildings or houses. Increasing rents, caused by land speculation and gentrification, have made cortiços even more profitable for landlords. A survey from ten years ago has shown that the rent per square meter was 90 percent higher than the formal rent in the same area. Revitalization programs by the government make it difficult for the poor to stay in the city center where they have easier access to work and infrastructure (UN-HABITAT 2010: 110-111). The urban housing deficit of the Metropolitan Region of São Paulo (MRSP) includes about 611,936 units, about 81, 2 percent of them are made up by families with an income of less than three minimum salaries. In 2007, 619,915 abandoned, habitable housing units in the center are vacant. Activists argue that using them, even though they are reputedly in bad conditions, can contribute to solving the housing deficit. Reasons for the abandonment of many of the buildings are the inability of the owners to pay taxes, ownership disputes, the waiting for a rise of estate prices, high costs for refurbishment, or the lack of market standards (UN-HABITAT 2010: 116). Favelas are unplanned, predominantly un-serviced illegal settlement on public or private ground of provisional auto-constructed homes (UN-HABITAT 2010: 110); irregular allotments are self-constructed homes in rudimentary infrastructural areas (UN-HABITAT 2010: 110). A slum-dweller lacks at least one of the following: access to improved drinking water sources or delivery points, to a not-shared improved sanitation facility, a non-risky located house with an a extreme climate resisting structure, living space of less than four people per room, and effective protection against forced evictions (UN-HABITAT 2010: 108-109).
The Interdependence of the Formal and Informal Market and the ‘Com-Fuse’ City

The neoliberal city is produced by the European urban crisis of fordism and the new urban politics, turning the market into a determining producer of the city - besides the state as already existing producer. In turn, the crisis gives the market the principal power of producing the city, predominantly through privatization processes, caused by the crisis of modernism and of state urban financing. Latin American cities however are produced by the state, the market, and by necessity, leading to the production of ‘popular cities’: formed by the processes of occupying, auto-constructing, auto-urbanizing of space, and eventually consolidation of popular informal settlements (APIs), also described as the ‘informal market of urban ground’. For western modern cities, two conformation models are common: the one of the ‘compact city’ using urban ground intensively and the one of the ‘diffuse city’ using urban ground extensively, while the Latin American real estate market, the formal and informal mutually, produces both models of a city at the same time.

The informal market is formed by the necessity for urban access in a very stratified society and by a fordist regime which exists in almost all Portuguese and Spanish colonized countries. The logic of necessity leads in the beginning of the 20th century to an informal occupation of land and in the 1950s turns to the main form of the poor population for achieving access to urban ground. There are two main kinds of informal urbanization: popular occupation and allotments. The economic crisis in the 1980s causes an amplification of the cycle of occupation and an expansion of the informal urban ground market. In some Latin American countries during the 1950s, for example in Mexico or in Bogota with its ‘pirate urbanization’, this informal urban ground market is the dominant form. The model of the formal modern city produces a provision barrier of norms of living spaces for people with an income of less than three minimum salaries, causing processes of irregular occupation.

The informal market of urban ground use is defined as being irregular, referring to economic and urban ground property law. In order to function, it needs to be institutionalized through relations of confidence and loyalty which means that contractual relations need to be personalized. There is no guarantee that the system will function perfectly – and ruptures can threaten the confidence and loyalty within the personalized contractual relation. When this happens, a local authority – of religious, ethnic, cultural, political, violent or controlling nature - needs to mediate between the parties. The informal market is best understood at the beginnings of its interactions with the formal economy. It is divided into two property-estate sub-markets: The allotment sub-market and the sub-market of APIs – popular informal consolidated settlements. The allotment market is characterized by its price elasticity; whereas the consolidated areas’ prices cannot be increased. The low-cost-oriented allotment sub-
market operates in peripheral areas where only little or no infrastructure or access to services exists because of the cheap urban ground prices. It keeps boosting the extensive expansion in infrastructural poor areas, producing a diffuse informal territory.

The sub-market of APIs is based on the logic of proximity, leading to a compact structure. It is divided into two further sub-markets of commercialization and rentals. In most Latin American countries, the rental sub-market is the dominant one, leading to a mainly intensive utilization and a compact urban structure of central areas with better access to services and infrastructure. Precariousness of the job market and lack of savings support the development of informal renting within the centers. Nevertheless, informal renting is a lot more expensive than the actual formal valuation suggests, intensifying territorial compaction.

Both informal sub-markets reinforce each other: The increasing transport prices due to a growing distance between the diffuse informal occupations and the central areas make dwellers try to move closer to their working places. At the same time, the growing precarious and casual job market force families to return to the center. Belonging to a low income class, their only choice to access the central urban ground market is through the informal API market. But increasing prices in the informal central areas often provoke families to move to the periphery. This reciprocation intensifies the precarious situation of popular habitation and the inefficiency of urban ground use.

The formal com-fuse territory is mainly managed by the real estate market which is regulated through state law and characterized by the immobility of the real estate good, high values, and devaluation on longer terms. Those characteristics cause three problems: Inability to move to another area, debts, and the return of already provided clients to the market due to its degradation. Distribution inequalities are caused by the extremely segmented structure of the market which reduces risks and incertitude for real estate enterprises. It leads to socio-spatial homogenization of the formal areas, producing a hierarchic distinction which is also the actual motivation for the richer families to live there, rejecting heterogeneous urban structures within their own neighborhood. Those distinction processes function as a self-intensifying circle of segregation. Revalorization can fetch back the high earners to the market, producing a secondary market of the earlier fictitiously devaluated market and opening it up to lower income classes. Revalorization means relocating the higher class interest, seeking differentiation of the newly produced goods, and still providing a homogeneous neighborhood at the new location. Hence, those innovations are interconnected with their spatial adjacency to the same neighborhood. Spatial innovations initially represent themselves through an extensification of the formal areas and that way provoke a diffuse structure. The contrary
compaction of the formal city is due to the opportunity of better urban access or social upgrade. Devaluing a certain area does not automatically include a lowering of the prices for the lower classes which are moving to those areas – causing an intensification of the compact city as well. Consequently, the formal urban ground market is determined by a compact and a diffuse city producing process (Abramo 2009).

4. The City of São Paulo
São Paulo is the biggest metropolis of Brazil, capital of the State of São Paulo (with 645 municipalities), belongs to Brazil’s southeast region – with the highest population agglomeration of the country –, and has an overall population of 11.253.503 inhabitants in 2010 (IBGE 2011). The city itself, its form reminds of a distorted cross, consists of five zones – East, South, North, Downtown, and West – and includes a total of 96 districts. It is surrounded by 38 municipalities forming the metropolitan area of São Paulo (RMSP).

By illustrating the different developmental levels of São Paulo, sectioned into historic, economic, political, social, and psychological aspects, I will explain the complexity of the city’s formation. The strong influence of the upper classes on economy and politics and therefore on the urban development of the city and their motives for segregating themselves are further explained in this chapter. It is based on three principal sources: Flávio Villaça’s ‘Espaço Intra-Urbano no Brasil’ (1998), Teresa Pires do Rio Caldeira’s ‘Cidade de Muros. Crime, Segregação e Cidadania em São Paulo’ (2000), and the report of the UN-HABITAT, the United Nation Human Settlement Program, ‘São Paulo: A Tale of Two Cities’ (2010). They all deal with the question of how spatial injustice is produced in São Paulo, each one with a different emphasis. In ‘Espaço Intra-Urbano no Brasil’ (1998/ 2001; intra-urban space in Brazil), Flávio Villaça explains the urban development processes of Brazil’s five metropolises (São Paulo, Belo Horizonte, Porto Alegre, Salvador, and Recife) within their historical context between 1850 and the end of the 20th century. He claims that the higher income classes tend to territorially segregate themselves from the middle and lower classes in one main region of the city which in the case of São Paulo today is the southwest region. The process starts at the city center, moving circularly linear towards the western area and guides the whole urban movement of the market, the other classes, politics, and urban development that way. Two centers are formed; one of them (Brás) for the middle and lower classes who do not have access to the goods and services of the first center. The elite want to control the lower classes through the production of space in order to optimize their own life quality – optimization as the goal of modern capitalism – which in other words is access to consumption products, determined by energy and time. The elite do not only control economy
and politics, but also the ideology as base of the social system. Since the production of space is the work of social classes, space is also social and has influence on society.
Caldeira’s ‘Cidade de Muros’ (2000; city of walls) analyzes the urban segregation process of São Paulo from a rather sociological and psychological perspective, primarily during the period from 1950 until the end of the 1990s. The circle of violence, demographic changes, the economic crisis, and the impoverishment of lower classes contribute to the segregation development. Referring to her, middle and high classes have the desire to control and dominate lower classes, as well as they feel the need for homogenization. Amongst others, the language of crime supports the development of inequalities, expressed in urban space: Locomotion of social classes, changes in daily urban life, and the loss of public spaces. Despite the introduction of democracy in 1988 and the reform of citizen rights, lack of confidence in the reliability of the government, corruption, and an increase of private and illegal security continue and have great influence on urban formation. She also compares the urban development of São Paulo and Los Angeles, in her opinion the most similar metropolis, claiming that Los Angeles is more democratic and urbanized differently (by fragmentation).

‘São Paulo: A Tale of Two Cities’ (2010) is part of the series Cities and Citizens by the UN-HABITAT and an analysis of the recent development of the metropolis, concerning urban inequalities and including the new economic role and power of Brazil, political development, and discussions about the country’s future. Political decisions, such as the ‘plano de avenidas’ (plan of avenues) by Prestes Maia and the rent freeze during the 1940s, the new urban master plan of the military dictatorship in 1971 excluding informal areas, exploitation of poor city dwellers by speculation agents, recession in the 1980s, and continuing migration of poor people in search of a better life in the metropolis are reasons for the production and intensification of urban inequalities.

**Historical, Economic, Political, and Demographic Development**
The city of São Paulo benefits from the gold boom (mines in the state of Minas Gerais), sugar plantations which are later replaced by the industrialization of coffee with the force of slave
workers, and, consciously planned, attracts the first wave of mainly poor European immigrants during the mid-1880s. The ideas of elitism, racism, and exploitation are already implemented by the Portuguese colonizers. Their ‘embranqueamento’ (whitening) strategy of mixing the Brazilian population with African slaves is one of the main reasons for promoting immigration from Asia and Europe. Referring to Richard Morse (1970: 259 in Villaça 2001: 117), the overall distribution of social classes in São Paulo in 1890 is already made up of 5 percent superior, 25 percent middle class, and 70 percent inferior class. In the beginning of the 20th century, São Paulo becomes the richest city and state in Brazil, owing to the coffee boom. But the coffee prices collapse in 1929 and President Getúlio Vargas’ ‘estado Novo’ (new State) is introduced, including a strong industrialization process and the production of goods that are too difficult to import. The intensification of the industrialization process in the beginning of the 1950s and the urbanization process in the city of São Paulo appear to be the city’s never ending destiny (Caldeira 2000: 45). São Paulo’s market becomes stronger and more powerful, also due to the growing car market. Both, domestic and international immigrants are further attracted (during the past three decades, the high immigration rate has diminished) without the necessary construction of urban structures to receive and include them appropriately into the city society. During those times, workers usually live in cortiços or casas de comodo (boarding houses), situated close to factories further away from the central areas, stuffed together into smallest rooms, lacking sanitary supply by voracious landlords, while middle classes mainly rent their homes and the elite live in villas (UN-HABITAT 2010: 13-16).

With the core metallurgy industry, the contribution of the state of São Paulo to the national production rises quickly from 16 percent in 1907 to 58,2 percent in 1970 (Caldeira 2000: 45-46). Under the military regime, the economic progress is based on foreign debts and direct governmental interventions, including restructuring of road and telecommunication nets as well as the expansion of collective social consumption services. The gross domestic product and the minimum salary drop significantly for the first time after a strong increase during the past decades. The 1980s are described as the “lost decade”, marked by an immense drop of growth (inflation, weak economy, and impoverishment) and a frustration that leads to intensification of crime discussions. The distribution of inequality of income worsens and the Plano Cruzado in 1986 and also the Plano Collor in 1990 fail which leads to a general dissatisfaction, especially within the poor classes in metropolitan areas. The peak of city participation in national industry of 1970 drops from 58,2 percent to 41 percent in 1991. The economy in the 1980s is widely restructured. Only the Plano Real of 1994 by the ministry of
the Fazenda Fernando Henrique Cardoso meliorates Brazil’s dilemma by introducing an extreme privatization program of public institutions, a reform of the social welfare, and public deficit control systems. With the new democratic Constitution of 1988, citizens receive equal urban rights. Because of the emergence of equal social rights, higher classes try to find other ways to distinguish themselves from the others – through space (UN-HABITAT 2001: 25). Social movements of peripheral poor districts emerge. During that time, union, social, and minority movements also form the Workers’ Party (PT). An increase of violent crimes in metropolitan areas leads to its intensified discussion. This reaction is a common way of enunciating discontent with the democratic changes of the elite opposition. Reasons for the increase in violent crime are bankruptcy of the juridical system, privatization of justice, abuse through the police, corruption, the growth of the city itself, and the destruction of public spaces; in other words: the still existing contra-democratic structures of the system (Caldeira 2000: 46-56).

Urban Development and Socio-Spatial Segregation

In the end of the 19th century, São Paulo expands in three zones: the east zone which is the hardest to urbanize because of its marsh-river-valley-railway-barrier, the West zone with the smaller valley Anhangabaú, and the already occupied straight and advantaged area bounded by the two rivers and without any urbanization obstacles. The third area is mainly occupied by high income bourgeoisie. Overcoming the smaller obstacle of the Anhangabaú, a slightly wavy, naturally beautiful area becomes available for urbanization (later location of the Avenida Paulista). Alto da Moóca and Tatuapé are partly occupied by the middle class in the 1940s. Until the 1950s, it is still possible to divide the city into two parts: east and west. That division has high influence on the socio-territorial distribution and the formation of commercial and service sub-centers. The two parts differ in distance to the center and in costs, turning the center access side into a more advantaged and therefore faster growing area. The high income agglomeration is originally established next to the city center, leaving the opposed side to the low income classes. On the opposite side of the center, the strategically most advantaged point is turned into a center of communication as the first big sub-center (Brás), supplying the low income population without access to the center with commerce and services (Villaça 2002: 297). With the enormous popular migration wave, the east grows much faster than the advantaged west. In the beginning of the 1950s, an already significant urban development exists in two further zones: the north zone (11 percent of the population) and the ABC zone (Santo André, São Bernardo do Campo, and São Caetano; 8 percent of the population). The major part of the middle class is also situated in the west (Vila Mariana, Vila
Clementino, Ipiranga, Perdizes, Cerqueira César, Agua Branca, Vila Romana, etc.). The aristocracy settles first in the west and later also in the southwest of São Paulo (Campos Elíseos, Higienópolis, and avenida Paulista) which is still visible today, looking at Aldeia da Serra, to where the numerous Alphavilles, Granja Viana, and Itapecerica da Serra have reached (Villaça 2002: 113-118).

*The Sector Movement*

The residential district of the upper classes always moves into the same direction, starting at Campos Elíseos, going on to Higienópolis and Vila Buarque, afterwards to the Avenida Paulista, Jardim América and Alto de Pinheiros, Morumbi, Jardim Leonor, Jardim Guedala, Granja Viana, Alphaville, etc. Starting at the first contact point between the upper and the upper middle classes and the center of a metropolis, the districts expand in a circle direction from one district to another (Higienópolis and Pacaembu). Also the middle class occupies central areas or areas bordering the center, just like the elite: Campos Elíseos, Vila Buarque, and Santa Cecília. With the 1970s, violence takes up the center, destroying the fragile relation between center and middle/ upper middle classes, making them abandon the center (São Puiz, Martins Fontes, Caetano de Campos school grounds) – the process of decadence continues. Even industries seem to move in a radial direction: from Brás and Moóca, to Vila Prudente and Ipiranga, São Caetano, Santo André, and to Mauá. This can be explained by the industries following the railway and later the freeways (Villaça 2002: 153-155).

*The Main Centers*

Around 1875, the elite are scattered around the center just like in a usual small city (Glória, Carmo, Liberdade, Luz, and Santa Efigênia) and spatial segregation is less developed. Towards the end of the century, they start moving beyond-Anhangabaú - starting the segregation process - while the districts Glória, Carmo, and Liberdade are abandoned and occupied by lower income classes. The bisection, and therefore growing segregation, of the center in 1950 is obvious: The formation of the new Centro with high class commerce in the southwest beyond-Anhangabaú region and the old Centro which is left to the popular classes. In the 1960s, the Avenida Paulista and the Augusta street turn into the Novo Centro, abandoning the recent one and leaving it to the lower classes. This new center is characterized by its fragmentation (in contrast to the old compact center), a mixture of residences and specialized areas, and is also called the expanded Centro (Villaça 2001: 261-266, 311).
Sub-centers are agglomerations of diverse and balanced commerce and services which seek to optimize the access for an area, originally provided by the main center for the whole city as a constant pole of attraction. There also exist specialized centers which often supply the whole metropolitan area, but are visited less frequently or by less people. São Paulo’s first sub-center is Brás in 1910 which originates from the discriminated main Italian district, originally having no economic or social access to the center, and remains the commercial center for the whole East zone with its huge middle class until the beginning of the 1940s (Villaça 2001: 293-294 and 297-300). In the beginning of the 1950s, the Brás’ population is influenced by two processes of impoverishment: The general impoverishment of the middle and lower classes in Brazil and the abandonment of the area and its beloved Italian canteens because of the growing distance to the high class regions, moving to the south. Medical practices move back to the center and during the 1970s to the area between the Avenida Paulista and the river Pinheiros. As a consequence, the favored Italian canteens start opening in the southwestern district Bixiga – closer to the upper classes (Villaça 2001: 312-313).

Further Planning of Segregation
During the 1930s, Francisco Prestes Maia introduces the ‘plano de avenidas’ (plan of avenues), giving more space to private cars and buses (replacing cable cars) and upgrading the city in terms of real estate speculation and investment. With the rent freeze of the 1940s (Lei do Inquilinato) between 1942 and 1964, the rental market in the center is stopped and forces further workers to move into self-built houses in peripheral areas. Often being exploited, they end up in illegal settlements lacking infrastructure. A broad center-periphery dichotomy is produced through the 1980s. From the 1960s to the 1980s, urban planning is especially focused on advancing commuter traffic and circulation inside the city. In 1971, during the military dictatorship, a new master plan for São Paulo is made, involving verticalization and densification in non-elite areas, favoring the growing land prices. The informal areas of the city are denied to benefit from public investments because of their lack of urban strategy. Demonstrating their inclusion (with the gain of cheap votes in the back the mind), politicians invest in infrastructure and support some settlements. This ‘clandestine model’ is a cheap solution for the housing problem and works without the improvement of urban and civil rights. Obviously the high income classes chose the direction of their expansion and of all the other classes. Natural attraction and their commercial, service, and working ties with the site, in other words, their powerful influence on the market and politics, enable the elite to produce their own urban structures (Villaça 2001: 318-326). Recession hits the city in the 1980s,
causing higher unemployment and poverty, high inflation, growing income inequalities, a lowering of the minimum wage (by 46 percent), worse living conditions for many paulistanos, and an increase in the production of peripheral favelas. During the 1980s and 1990s, two developments cause changes in the urbanity of the Municipality of São Paulo (MSP). Invasions of precarious public and private spaces in the city lead to a severe increase in favelas. In the meantime, the densification of cortiços continues. The second development is the depopulation of the center – caused by the abandonment through the elite (partially followed by policy makers, real estate developers and middle-class families) and higher costs through gentrification in some central parts. New favela upgrading as well as peripheral land and housing regularizations are followed by peripheral condominium development, luxury businesses and housing in MSP as well as far from the traditional center. Growing proximity and segregation at the same time show the extreme urban inequalities of the metropolis (UN-HABITAT 2010: 16-18).

**Villaça and Urban Segregation as a Mean to Control Time**

Urban space is produced in only one process which is commanded by the forces of consumption interests (living conditions; satisfying their needs) of the highest income class, working towards the optimization of their locomotive conditions – access to the center or what it provides; better: optimizing the consumption of time and energy (which can be recuperated, in contrast to time). Depending on public transport within a society dominated by cars – as it is the case inside the center - determines the center as a bad location. At the same time, the access to a center is the whole organizational reason for a city to be (Villaça 2001: 328-334). The production of space is a way to control time (Villaça 2001: 359). Since space is socially produced, it also acts back upon the social (Villaça 2001: 360). Villaça quotes Martins (1982: 170 in Villaça 2001: 334) in reference to capitalist development, saying that space is only

"the mere territorialization of social relations or an instrument for their organization. Space as a while became both, a product and an instrument for the reproduction of the relations of production."

Space is an instrument of domination and its production is controlled by the highest income class through three mechanisms: Economic nature (linear radial locomotion), controlling the State (through localization of State organs, production of infrastructure – which both follow the market laws –, and the urban legislation which is made for and by the bourgeoisie), and ideology that supports the control of market and the state through the highest class. The organization of the urban space itself (its center and the actual formation of the multisided
center) by siting one main region of high class occupants is necessary in order to control it because of the concentration of streets and the resulting optimization of the use of time (Villaça 2001: 334-343).

“A ideologia é o processo pelo qual a classe dominante representa seu interesse particular como o interesse geral” (Villaça 2001: 343; Ideology is the process by which the dominating class represents its particular interest as general interest).

In that context, Villaça quotes Gramsci (1983 in Villaça 2001: 343):

“The supremacy of a social group manifests itself in two ways, as ‘domination’ and as ‘intellectual and moral leadership’. (...) A social group can, and indeed must, already exercise ‘leadership’ before winning government power (...) it subsequently becomes dominant when it exercises power, but even if it holds it firmly in its grasp, it must continue to lead as well”.

One definition of ideology is the naturalization of social processes, for example the process of ‘deteriorating’ the center which in reality is still a simply ‘vital’ area, but dominated and controlled through space or the idea of ‘decadence’. Social processes which appear natural to the population will not be questioned as easily, because they are said constitutional. Also identifying a certain part of the city as the real ‘city’ by producing prejudices about the other ‘inferior’ regions is a way to introduce a particular ideology. For example: Even though, the Estação da Luz is the most accessible station of the metropolis and geographically central, the area is considered peripheral – because everything that is located far away from the high income classes is considered as far away in general. It is simulated that the city is where the dominating concentration by the ‘investment’ of the state into the ‘city’ is located (Villaça 2001: 343-352). Villaça offers further explanation concepts for segregation. He claims that segregation is a dialectic process, in which segregation processes provoke others and that segregation is also influenced by them. Following Castells (1978: 203-204 in Villaça 2001: 148), segregation is understood as the trend of organizing space in internally homogeneous zones – not just determined by simple difference, but also by hierarchy. Further (Castells 1978: 141 in Villaça 2001: 148), he sees the actual origin of any social problems between two terms, nature and culture, via the dialectic process of the human fighting for life and for the differentiated appropriation of space as its work of transformation (transforming itself and his environment). Villaça describes, in the context of discussing part of the work of Pinçon-Charlot, Preteceille, and Rendu (1986 in Villaça 2001: 150), segregation as a necessary domination process in society, economy, and politics by the means of space. As income commands scarce goods, urban or social process changes can also change an individual’s income (Harvey 1973: 53-54 in Villaça 2001: 151). Restrictions, such as used by exploitation,
of the access to work or living locations produce and maintain segregation (Villaça 2002: 141-155).

**Segregation Today**
The social segregation of the 1970s gives the impression of ‘social peace’ for the middle and higher classes who are living in central, well-developed districts – lots of them in high-rise buildings – while the poor live in peripheral precarious areas and self-constructed houses. The differences in infrastructure between the central and the new eastern districts (like Itaquera) are enormous, concerning the supply of running water, asphalted streets, garbage collection, drainage, electricity, and telecommunication. While the new industries, mainly metallurgy, are localized in the outskirts, commerce and service remain in the central regions of middle and high class population, also concentrated in the southern part of the city (Caldeira 2000: 227-230). At the end of the 20th century, segregation is still present in the city of São Paulo. However, it has reached new ways of influencing urban spaces. The simple picture of the two oppositions, poor periphery and rich center, have changed with the city’s diversification. The drop of fecundity and the emigration process during the 1980s and 1990s cause a transformation process in residential distribution: In some of the originally poor occupied north- and southwestern areas, fortified enclaves are constructed. Also, self-construction housing becomes less feasible because of the infrastructural improvement of peripheral areas and their valorization, achieved by social movements, forcing the poor to move even further away from the city center. Half of the population of all classes is trying to protect its housing spaces because of the rise of crime and violence – leading to more tension and prejudices between different social groups. Fortified enclaves are the new urban strategies of segregation in contemporary cities, separating spaces via walls, grids, security systems etc. and constructing a secure, independent living area providing all kinds of services needed, demonstrating a higher class status. Throughout the past forty years, the form of fortified enclaves has changed in many ways: In the use of public spaces, access to urban service structures, location, and their own internal structure (Caldeira 2000: 231-270). Certainly, the violent outburst in 2006 within the city (attacking the police and their institutions, bars, and banks) and in its prisons for more than a week, caused by the prison-based gang First Command of the Capital (PCC), aggravated those sensations of fear, insecurity, and the lack of confidence in the police (UN-HABITAT 2010: 138).

Strategic security changes of urban spaces also influence and transform the circulation, the use of roads and public transport, daily trajectories, parks, and all kinds of public spaces. Public spaces and life are limited by various adaptations to security and protection: Closed
streets, armed guards, surveillance systems in parks, shopping centers, suspicious and precautious relationships between citizens, so-called dangerous areas, and reactions resulting in prejudices and violence. The centers as spaces of labor are perceived as second class spaces; parks are still democratically used by all classes; squares only little by high classes; and shopping centers are mainly used by the working class (Caldeira 2000: 301-328).

The Language of Crime and Its Urban Power
Privatization of security, the breakup of the state’s monopole power in security, and the isolation of certain social groups because of the fear of heterogeneity, crime, and violence lead to the construction of fortified enclaves with semi-public and collective spaces and further to a new meaning of public spaces. It causes the production of a new urban environment of inequalities, separations, and public non-democratic spaces. Those spaces are characterized by their private, closed, and monitored dimensions and are mostly created for residential, leisure, work, or consumption use (Caldeira 2000: 9-13). Spatial segregation manifests itself in the fear of violence, reproduction of prejudices, right protests, social discrimination, and separation of social groups (Caldeira 2000: 23). Violence and the fear from it increase in São Paulo during the last two decades of the twentieth century. Crime becomes a central topic, changing daily life and the city itself. Experiencing or retelling and discussing a crime produce traumatic reactions and the need to reorganize a stable image of one’s world as well as a new behavior. Pre-crime experiences are idealized by the victims and the crimes and everything connected to them are made responsible for all kinds of negative changes in life. Those narratives become subconsciously interconnected to other important topics or experiences, such as economic crisis, poverty, or bankruptcy of order institutions and are turned into means to express the experienced consequences of the interconnected topics. Increased fear, produced opinions, prejudices, perceptions – often simplified and stereotyped –, and distrust in state order institutions authorize an increase of crimes by establishing own private or illegal security. A growing number of crimes reproduces more narratives which leads to an intensification of the already existing new model of one’s environment (Caldeira 2000: 27-28). Paraisópolis, for example, is ironically called the ‘danger zone’ (and the rest of the noble Morumbi the ‘fear zone’), even though its crime rate is a lot lower than of other favelas and the majority of the elite’s in-house security and service staff lives in the neighboring favela (UN-HABITAT 2010: 120). The involved parties in this vicious circle of violence are public authorities, private companies, as well as citizens. Handling of crimes, the police, and the juridical system are not really democratized during the 1980s. The lack of respect for principles of the state under the rule of law, accountability, and
civil rights – originating from a history of abuses and instability – and the resulting low confidence in institutions of order and their incapability of stopping private actions of revenge cause illegal and private ways of handling security and revenge issues. That way, actions of revenge lose their legal legitimization and cause an increase in conflicts and oppression of the democratic evolvement within the juridical and police sector. In São Paulo, illegal actions and private revenge of the police in order to maintain the so produced space – often with the help of public authorities or citizens – enable the democratic structures of justice and control. Promising politics, such as the Plans of Human Rights and slowing down violence caused by the police in São Paulo, firstly have to overcome the resistance of all parties involved (Caldeira 2000: 204-207). Negative stereotyping of people living in favelas and cortiços are enforced by the media for more than a century. Denying their heterogeneity and accusing them of civil disobedience, the media are presuming favelados and cortiçados guilty until proven innocent (UN-HABITAT 2010: 134). This cultural transformation into criminals dumps the world down to a division of good and evil (Silveira 2009). Ironically, media does not mention that slum dwellers suffer even more under violence because of the absence of the police which gives them no other choice than following the laws of the slum for protection.

Not only that the elite represent a market for drugs distributed by slum gangs, they fear their own employees and service workers (UN-HABITAT 2010: 134).

**Urban Inequalities**

There seem to be three reasons for the fast rise of Brazil: a strong economy (with controlled inflation), an increase in minimum wage, and more effective government-driven pro-poor cash transfer mechanisms (UN-HABITAT 2010: 8). But income inequalities (measured with the Gini coefficient) in Brazil are still amongst the highest in the world and demonstrate the continuation of the distribution disparity. With an economy rising, there is a chance for Brazil...
to aggrandize the middle class and lessen poverty, but if inequality persists, it is likely to stop the growth of the middle class and let more people enter the lower classes. The predicted growth of informality will counter the development of human rights and the economy, making life more difficult for the poor. Even though absolute poverty declined remarkably, the social security of various types of subsidies by the government of the Workers Party is disputable. Relative poverty is still high and the dependence of the pro-poor budgetary policies on the governing party is delicate. Human development in terms of access to health, education, nutrition, and water has improved but still shows the strong differences, dividing the city into socially and economically excluded and privileged residents. While the access to essential state services, such as water, health facilities, education, and sanitation has been improved for the municipality’s population, the differences between informal and formal living areas with access to the sewage, mobility, education and health system, and other services are still in need of strong improvement. Despite urban improvement in peripheral areas in infrastructure, the effectiveness in diminishing segregation levels – for example looking at the investment distribution in education or health services – is criticized. For a sustainable improvement of a city, all citizens need to feel valued and included into its process which is measured by their life choices, opportunities, and personal development. Critics emphasize the persistent influence of the elite on São Paulo’s politics and their will to keep their privileged status which interferes with the conformity of law (implemented in the Constitution 1988 and the City Statute 2001; UN-HABITAT 2010).

5. Public Policies since the Approbation of the City Statute 2001
As the 1980s in Brazil are marked by diverse changes in politics, economy, social movements, and demography, the country seems to reach a dramatic turning point in its history. Re-democratization after the military dictatorship (1964-1985), the Federal Constitution of 1988, social rights movements in the 1970s and 1980s, the reformation of social and urban citizen rights, the ongoing economic crisis together with the worsening of living conditions for Brazil’s majority and of unemployment, and demographic changes have large influence on the country’s development. During the 1970s, urban planning in Brazil is discussed intensely, especially by academics and leads to a revision process of the constitution. Critics are: Planning and regulating urban ground and occupation is only discussed with the formal market, ignoring the popular market; the government is incapable of controlling the expansion of irregular settlement in the periphery and on environmentally fragile grounds; unequal income and opportunity distribution in urban planning amplify the gap between rich and poor. Several documents are published during that time, proving the
influence of several socio-spatial rights movements on the new following policies for urban planning. In 1982, the Federal Law of Urban Development is elaborated by the National Council of Urban Development (CNDU) and the National Confederation of the Bishops of Brazil (CNBB) publicizes the document ‘Urban Soil and Pastoral Action’ (Feldman 2010). The Federal Habitation System is discussed in 1986 and the Popular Amendment of Urban Reform for the Federal Constitution is proposed by the National Movement for Urban Reformation under the participation of numerous urban right movements (Júnior and Uzzo 2009). The majority of those movements originates from grassroots church groups or the Workers’ Party activists and stands in for a ‘substantive’ citizenship that includes not only democratic rights but also the full access to housing, health service, and education. The mobilization of critics by urban rights movements, the fight for an urban reform, leads to the inclusion of a chapter on urban development in the constitution (the second chapter on Urban Politics in the Constitution of 1988, further explained in the following paragraph). This is the first time that urban planning is officially regulated by the law. The Movement of Roofless Workers (MTST) and the Roofless Movement of Central São Paulo (MSTC) fight for those rights by occupying vacant houses since 1997, the only effective strategy, as they say (UN-HABITAT 2010: 130-131). They call for the right to property with a limit to private property and its social function, for the right of the relationship between the state and society, the state as regulator of social relationships, mediator in urban conflicts, controlled by society through its city management participation, and for the privilege of the municipality in political and democratic city management, and the extension of urban and social citizen rights, based on the right to the city (Feldman 2010).

Regulation of Urban Policies by the Constitution in the City Statute 2001
The second chapter of the Federal Constitution of 1988 defines urban policy in Article 182 and 183. In Article 182, public urban development policies are obligated to enact the complete development of the social functions of the city and to guarantee its citizens’ well-being, determined in the Strategic Master Plan. The master plan is generally obligatory for all municipalities with a population above 20,000 inhabitants or which are integrating urban agglomerations until 2006 and was adopted in 2002 in the municipality of São Paulo (Genz n. d.). It includes the definition of the types of City Statute instruments which are used, the integration of various social aspects into urban planning, land use and occupation, such as the establishment of ZEIS, as well as the infrastructural improvement of informal settlement – in other words: A socio-spatial development concept of the municipality (UN-HABITAT 2010: 142). Article 183 defines the acquisition of urban ground (usucapião urbana), similar to
‘adverse possession’, as a regulation instrument (Brasil 1988), through which someone who has continuously squatted on a small piece of private land without property rights for five or more years can gain legal ownership of it (UN-HABITAT 2010: 143; in the process of ‘adverse possession’, a person who has occupied land for a certain period of time and who is not the legal owner can apply for its ownership; Harwood n. d.). Those regulations are passed in 2001 with the federal City Statute (law 10257/01; UN-HABITAT 2010: 88). The tediousness of the approbation process could be explained by its complex content, the participation of various, converse interests, and, amongst others, the development of lawful instruments in order to really control real estate market speculations (Silva 2003: 102). The City Statute supports the right to the city and the creation of an inclusive, less socially segregated city, stressing the social function and use for the common good of urban property (UN-HABITAT 2010: 142). In order to realize those new objections of the City Statute, various instruments were evolved.

The City Statute Instruments
Those instruments include stock revalorization and its redistribution, progressive taxes, regularization of urban ground, and the democratization of territorial planning.

Certificates of Additional Construction Potential (CEPAC) are one form of the instrument of stock revaluation and serve public democratic redistribution (the instrument is called ‘assessable permission’: outorga onerosa), cumulated in a Municipal Fund and spent according to City Statute directives, serving urban ground and expansion regularization, reservation of urban ground, housing of social interest (HIS), urban and community equipment, public spaces, environmental, cultural, historic, and landscape preservation. It produces a separate handling of the right to property and the right to construct (Feldman 2010). Since the right to property is a citizen right equal to everyone, who wants to construct and invest more for economic gain, that person or interest group also needs to participate actively at a more just redistribution of those rights and prevent spatial segregation by building social housing within the same area of investment.

CEPAC basically are building rights that are sold by auction or on the stock market to future private developers with the permission to increase construction possibilities in quantity or density on the urban operation land. The revenues are meant for investment in social housing and infrastructural development, favoring the poor in the same area. Urban operations contracted, including CEPAC, in São Paulo are, for example, Águas Espraiadas and Faria Lima. Urban operations are multidimensional large revitalizations, also established by the City Statute and operated by the government, and are desired to transform, socially improve,
and environmentally valorize urban spaces (UN-HABITAT 2010: 142). The revenues of those two urban operations seem to have brought basically no social or urban use despite the immense amount of money involved. Most of the recent urban investments in the city were used for road work or privileging the individual motorized transport (Bernardini 2010: 160). Experience shows that urban operations mainly benefit the stock sector and less the collective interest (Feldman 2010).

*Taxes* (IPTU), referring to the progressive value of urban ground and stock, are also instruments of the City Statute. Progressive in this context means that the taxes rise relatively to the use, location, and value of the object (Federal Constitution Art. 156, I and II), as well as to its temporal progress to create occupation possibilities of non- or little utilized buildings (Federal Constitution and City Statute Art. 182, 4, II; Feldman 2010).

*Urban ground regularization* includes the special acquisition of urban property (individual and collective, Art. 9 and 14), the right of surface, special social interest zones (ZEIS), and as provisional events (2.220/01) the concession of special use for (individual or collective) living purposes and the use authorization. ZEIS, which in Brazil already partly exists since the 1980s, supports the slum dwellers’ rights for urban inclusion, meaning that even if prices rise in a certain area, social low-cost housing has to be built in the area in accordance with the ZEIS level. Defined in occupied areas (ZEIS 1: favelas and unplanned settlements; destined for regularization), cortiço (ZEIS 3: mainly central areas), and barely used or vast areas (ZEIS 2; destined for habitation of social interest (HIS)). ZEIS also enable special unconditional legalization in those areas (UN-HABITAT 2010: 142). They are occupied with 85 percent by cortiços, mainly peripheral favelas, or irregular settlement, 6 percent are still vast but designated for social housing, 5 percent are central cortiços, and 3 percent environmentally protected areas with the possibility for social housing construction (UN-HABITAT 2010: 91-92). The social function of the city, of urban property, refers to the equal right of citizens for collective spaces of life support – including circulation, spaces of collective use, protected areas, and service supporting territories – and of adequate spaces, supporting especially the low income population in their economic activity and living conditions (Feldman 2010). ZEIS is supposed to avoid the expulsion of them from the centers, but is already intended to be abandoned by some politicians (UN-HABITAT 2010: 122-123), as it already happened in Jardim Elite (UN-HABITAT 2010: 128). There are risks of outgunning the poor by the estate market, middle and high class interest groups in spatial distribution and quality, defined in the ZEIS process, because of growing participation in the democratic processes of the richer classes (UN-HABITAT 2010: 93-95).
Democratization of territorial planning includes dividing territorial decision making and responsibilities, permanent empowering of public and social groups to democratically participate in the planning process, public control and popular inclusion, discussions within the sectors, and the democratization of urban information (Feldman 2010). With the realization of the urban policies through the City Statute, municipalities are also responsible for creating standards for zoning, use of land and occupation, road system, protection of environment, and involving cultural heritage (UN-HABITAT 2010: 88).

The overall question after all is how the public policies are dealing with those spatial injustices in Brazil (as described in the third and fourth chapter). Those unequal urban structures are especially visible and extremely developed in the country’s principal metropolis São Paulo. The realization of new urban laws, guidelines, and instruments are pictures in the following part of this chapter.

Inclusion as a New Goal in Public Policies
One of the main critiques of urban politics is the exclusion of the informal market in urban planning. The first favela upgrading program is introduced by the Luiza Erundina PT government between 1989 and 1992 with large investments (also by the World Bank), slum upgrades near watersheds, infrastructure, water, and sewage service melioration, and networking with other programs. Under Paulo Maluf (PPB, 1993-1996) and Celso Pitta (PPB, 1997-2000), intervention with housing projects (PROVER-Cingapura), little participation of the people concerned, and extensive building projects are implemented. Following one of the main issues of the City Statute – the legalization and formalization of irregular settlement – the program Legal/ Great Neighborhood (Bairro Legal) is developed, including upgrading projects, urban land property legalization, and collaborating with various social programs. Cortiço upgrading policies, although little extensive, are only introduced by the Luiza Erundina government and already interrupted by the following administrations. Only PT starts the Living Close (Morar Perto) program in 2001, special social interest zones (ZEIS) for central integration, renovating, building, and supplying more central housing for the poor, combining funds from municipal up to international levels (Tanaka, Arantes, and Fix 2003: 22-25).

The governmental Habitation and Urban Development Company (CDHU) operates in 96 percent of São Paulo’s state administrative areas in 2008, with strong focus on informal, illegal, and environmentally precarious low-income housing. It is one of the largest housing companies worldwide and a mass consumer of construction material, at the same time providing numerous jobs. Its monopolistic power and policy of constructing (quality) as well
as locating (peripheral) of social housing are subjected to criticism, but its policy seems to have improved throughout the past years (UN-HABITAT 2010: 118-119). The Informal Settlement Integration Program, also called Legal Neighborhood (Bairro Legal), is introduced in 2001 to upgrade and legalize informal housing by constructing 23,000 housing units for low-income citizens and renovating central cortiços in cooperation with the CDHU, benefiting 45,000 families with the right to use municipal land, improving infrastructure, social service supply, preventing new illegal housing, and regularizing more than 42,000 illegal family housings until 2004 (UN-HABITAT 2010: 91). Bairro Legal includes further sub-projects: Low-income housing, land tenure, irregular settlement upgrade, also in combination with environmental protection, legalization, and zoning (ZEIS).

Integrating the informal areas into the formal is the major goal aimed at by the Municipal Secretary of Habitation (SEHAB) and the government of São Paulo. Road and park construction, melioration of sanitation, water and electricity connection, removing at-risk houses, implementing new educational institutions, hospitals, areas for sports, leisure, and as meeting point for the communities are supposed to formalize and support them in finding a new identity (UN-HABITAT 2010: 125). Alejandra Maria Devecchi, director of the Department for Environmental Planning in São Paulo, suggests moving the poor who are living in environmentally fragile areas, like at the Guarapiranga and Billings reservoirs, to central social housing and restoring the ecologic environments as a better solution than ‘SEHAB regularizing and upgrading in all the river areas where the favelas are and where they destroy the environmental balance’ and claims that ‘in the end, upgrading is just more cement — it’s not a real plan’ (UN-HABITAT 2010: 125). Also observed and criticized is the continuation of evictions, now only under the disguise of the right to the city and to adequate housing (UN-HABITAT 2010: 145).
Locating social housing in central areas is also part of the innovative urban plan and supposed to be realized by renovating and constructing central housing, rent subsidies, development of a cortiço policy, and the inclusion of ZEIS areas. Financed housing exists in the form of homeownership, the rental program Social Location (Locação Social), and the emergency subsidy Rental Scholarship (Bolsa Aluguel). Since 2004 and the Lula regime, it has been focused more on land regularization and urbanization of peripheral areas than on central housing, running risk of producing a stronger center-periphery social dichotomy. Nevertheless, governmental financing of social housing has significantly been increased from R$ 200 million in 2004 to R$ 1.2 billion in 2009 (UN-HABITAT 2010: 92). The government is also suspect to stimulate gentrification in the center, for example by revitalizing the Luz district (CDHU-project ‘Nova Luz’), leaving only few living options for poor people within the region. Nova Luz is a project advertised by the prefecture of the municipality of São Paulo and carried out by a joint venture (Concremat Engenharia, Cia.City, AECOM Technology Corporation, and Fundação Getúlio Vargas; Espaço Projeto Nova Luz n. d.). The group’s urban revitalization project for the area was approved on April 25th 2011 by the Justice Tribunal of São Paulo. Main critics are the lack of dialog with the 11.000 inhabitants and of transparency while numerous demolitions and expropriations are included into the urban program (Redação da Rede Brasil Atual 2011).

The program Papel Passado helps citizens to obtain citizenship documents in order to regularize the identification of favelados (UN-HABITAT 2010: 90). Continued in 2001 by SABESP (the water supply company for the state of São Paulo), the Metropolitan Water Source Program is responsible for upgrading informal housing and protection of the watershed environment supplying the metropolitan area of the city. The implementation of various multi-purpose Unified Educational Centers (CEUs) in favelas is supposed to serve social inclusion of favelados (UN-HABITAT 2010: 91-92). 21 expensively designed CEUs are especially constructed for peripheral, most deprived areas of São Paulo and include...
education for different age levels, cultural and leisure offers, such as cinemas, theatres, sports areas, day care, libraries, cafeterias, swimming pools, and tele-centers with access to internet and other digital technologies. Also planned as social center of contact and communication, each CEU shall help to develop an own identity of the community, and strengthen urban citizenship and integration (UN-HABITAT 2010: 136).

Referring to the World Bank, Brazil’s reduction in income inequalities is attributable to five factors which are all interconnected with the production of urban space: A more stable macroeconomic environment which refers to job protection and which is connected to organizing and planning living conditions on longer terms; good education and social assistance must be offered within an adequate radius; income convergence between rural and urban spaces; the reduction of racial discrimination which is also a product of spatial segregation and formation of preconception (UN-HABITAT 2010: 8).

“There is much evidence to indicate that São Paulo is still in the early stages of implementing its social policy” (UN-HABITAT 2010: 87). The professor of architecture and urbanism in São Paulo, Erminia Maricato, stated that slum upgrading is ‘not sustainable’. Even though, infrastructure, housing, and education possibilities have been meliorated, the daily struggle for survival goes on (UN-HABITAT 2010: 121). While carrying out large eviction has become more difficult due to new laws, it still happens that favela or cortiço dwellers have to leave their homes, only being given the choice to accept state money, the so-called Goodbye-cheque of R$ 5.000 (UN-HABITAT 2001: 83). It is just enough to return to their original cities or to move to an even more distant favela. Sometimes, they wait years for a promised new housing unit by the state. Some get paid a small rent while waiting; others do not want to give up their homes – as being located close to school and work – and have to stay home all day to prevent the government from tearing down their houses.

Also criticized are unnecessary infrastructure investments, like the prestigious Ponte Octavio Frias de Oliveira, special efforts within the central already well-organized favela Paraisópolis only because of its function as a show-piece, and a lack of quality in peripheral provided services and facilities, even of educational, health, and transport services. The professor and
author João Whitaker Ferreira describes participation as a ‘myth’ which represents the opinion of the majority of São Paulo’s citizens who is also questioning the government system’s reliability. Reasons for the insufficient implementation of Brazil’s laws are weak coalition deals, the financially vulnerable political system, as through corruption and campaign finance, but also the continuing strong influence of corporations, real estate, and the elite (UN-HABITAT 2010: 93-95).

“Urban and social inclusion is a policy strategy expressly embraced by São Paulo municipal authorities as well as Brazil as a whole. Even so, UN-HABITAT’s policy analysis found that while an overwhelming majority of experts surveyed in São Paulo believe the municipal authorities promote human rights, they also believe that the process of civic participation in new city plans and proposals is not adequately participatory and that the urban rich are the main beneficiaries of new plans and policies. All of the experts surveyed in São Paulo feel that it is by no means guaranteed that all marginalized groups are considered in policy-making processes, and half of those questioned feel there are issues of corruption at the political and bureaucratic levels” (UN-HABITAT 2010: 23).

**Housing Support Policies: HIS and PMCMV**

With the objective of reasonably narrowing the complex content of this part of the chapter on public policies to fit the unfortunately limited scale of the bachelor’s thesis, I will only refer to some of the public housing support programs for poor families in the context of the approbation of the City Statute in 2001. A Brazilian family is officially considered ‘poor’ and qualified for benefits, subsidies, and cash transfer systems with an income of less than three minimum salaries (UN-HABITAT 2010: 110). As an example: In the fourth biggest Latin American favela Paraisópolis in Morumbi, a highly valorized region in the central area of São Paulo, poverty has increased with 70-75 percent of its residents earning between one and three minimum salaries (UN-HABITAT 2010: 120).

Well-known are the programs Habitation of Social Interest (HIS) and My House, My Life (PMCMV), whereas HIS is supposed to offer housing opportunities for citizens with up to three minimum salaries and PMCMV for households with up to ten minimum salaries. There exist more programs besides HIS under the responsibility of the Department of Urbanization of Precarious Settlement (DUAP): Urbanization, Regularization, and Integration of Precarious Settlements; Priority Projects of Investments – PPI Interventions in Favelas; Habitation Attendance beyond Public Power PRO-MORADIA; and Programs Integrated into Multiple Urban Sectors (PMI; Ministério das Cidades n. d. A).
HIS provides access to adequate residence for families with an income up to three minimum salaries in urban and rural areas and is operated with funds of the National Fund of Habitation of Social Interest which in turn is financed by the General Budget of the Union (OGU). Its field of activity includes the production or acquisition of habitation units – including their legal definition, with access to at least a public road, and the appropriate access to water, sewage, and electricity – and urban requalification – implementing legally defined parcels conform with urban planning directives of access to road system and with an appropriate access to water, sewage, and electricity (CAIXA n. d. A). But only families whose situation meets certain conditions are benefited (by the way, most of DUAP programs’ participants need to meet those conditions or similar). The intervention area must be occupied by at least 60 percent with an income of less than R$ 1.050 an additionally be occupied for more than five years or localized in a risky, salubrious, or legally prohibited for living use area. Attended families are obligated to participate amongst others in every step of the project (individually or associated) and the maintenance of the patrimony (Ministério das Cidades n. d. B).

PMCMV offers financial loan programs of different qualities provided by state institutions for three income groups: 0-3, 4-6, and 6-10 minimum salaries (Bischof, Klintowitz, and Reis 2010: 22). Referring to the CAIXA, a public company the principal agent of federal public politics, the program is mainly destined for families with a pre-tax income of R$ 1.395, less than three minimum salaries (m. s. in 2011 rose to R$ 545). The program includes building housing units (houses or apartments) in condominums or allotments with at most 500 units per undertaking with the same minimum supply as in the HIS program. It is financed by the Fund of Residential Rental (FAR). The minimum type of house has two rooms, a living room, kitchen, bathroom, and service area with a minimum area of use of 32 square meters (the minimum apartment type has 37 square meters). Participants are selected by the CAIXA (CAIXA n. d. B). They need to pay at least 10 percent of their monthly salary (at least R$ 50) for a period of ten years, starting with their move-in (Bischof, Klintowitz, and Reis 2010: 26-28).

The New Instruments of the State System of Habitation
With the executive power authorizing law (n° 12.801/08 and its regulation through the decree n° 53.823) of 2008, three new instruments of habitation politics for the state of São Paulo were introduced: the State Councilor of Habitation (CEH), the Fund Paulista of Social Interest in Habitation (FPHIS; subsidizing households with up to three minimum salaries and installed for better investment management, especially the FNHIS), and the Habitation Guarantee Fund (FGH; inter alia guaranteeing credit urban operations and their risks). They were developed to
better organize the institutional and financial structure of the state habitation sector. The CEH was created in order to delimitate an institutional space for democratic discussions with the parties involved within a certain sector (Secretária da Habitação n. d.). Those instruments are part of the development plan of the state of São Paulo, the Perennial Plan (PPA) of 2008-2011, with the aim of establishing directives, objects, and goals for public administration of long-term programs, such as the urbanization of the Pantanal, urbanizing the paulistana favela Paraisópolis, the favela resettlement of the Operation Águas Espraiadas, and various other reorganized, already existing programs (as for example of the CDHU; Secretaria de Estado da Habitação n. d.). That already shows that the City Statute instruments, the financial and democratic participation structures are still in the process of development in terms of organization, practical application, need of refinement and additives and that therefore the majority of habitation programs is still in the need of being properly tackled.

6. Conclusion
Lefèbvre’s theory of the abstracted value of social spaces, produced by a profit-oriented hierarchic organized society in order to be dominated and controlled by the elite, was already implemented into Brazil’s political organization and is still a present process in its development. Since space as a social product obviously has influence on society itself, society can only change its urban spaces of social inequalities if it has the will to change its social hierarchic structures. As capitalist spaces naturally produce hierarchies, an according organization of daily life, a fragmentation and segregation in space, abstraction of social relationships and values, and weakens the ability of criticism and protest, a new space which is not based on the strategy of shortage and without the division of private and public spaces needs to be produced in order to create a just society.

Lefèbvre and Harvey see the necessity of a socio-spatial revolution in order to change the existing unjust structures of segregation and the unequal distribution of access and opportunities. Soja places the moment of this revolution at the point where the problematic needs will dominate the economic development. Has that really happened during Brazil’s re-democratization or is it just a step to an even more unjust society, pretending to create a just society with more rights, but still based on its old hierarchic structures, actually still manipulating its population and this way giving it even less opportunities to rebel? The unjust living conditions produced by different levels of accessibility and proximity – as described by Harvey – in the suburbanization process are still very obvious in the city of São Paulo, where a favela dweller needs 2-3 hours to get to work by making use of public transport while one of the numerous millionaires takes a helicopter to work every day. Changing one’s low life
standard is extremely difficult in a hierarchic, profit-oriented society (It still needs to be considered that the income of the lowest classes in Brazil keeps raising and the overall well-being of the population meliorated.). The psychological need for protection against real or imagined threats exists strongly in Brazil, especially in its metropolises, and has led to the development of a security-obsessed urbanism and to other endogenous omnipresent geographies.

Returning to Lefebvre, Harvey, and Soja, analyzing the democratizing revolutionary changes in Brazil, they do not necessarily include spatial changes or the production of new spaces based on another ideology. Indeed, the segregation process is still extremely present, as well in urban space as in the population’s mind. The partially new urban space producing concept of the Constitution, realized through the City Statute in 2001 and the justice movements, could help to create new spaces of more just conditions, for example by the CEUs. But if those changes eventually only function as placebos, maintaining the strong incorporated hierarchic structures, Brazil will not attain the production of real just spaces. The fact, that many socio-spatial instruments, mainly originating from the Constitution and the City Statute, have only recently been implanted or are still in the process of regularizing the new system of urban planning (as seen in the last chapter on public policies since the City Statute 2001), makes it difficult to predict the real profoundness of structural changes and therefore the effectiveness of those socio-spatial habitation programs. The persisting process of creating, implanting, and applying new laws, decrees, institutions, and instruments can imply a drastic internal system alteration process which eventually will lead to a more just socio-spatial distribution or the obscuration of still existing hierarchic structures with the aid of bureaucracy.

In this context, another consideration must be made, referring to the presence of spatial injustice producing exogenous geographies in São Paulo and Brazil. Even though not further discussed in this work, international politics and hierarchic structured global economy certainly have a big influence on the production of spatial injustices in Brazil. Is it even possible to change São Paulo’s or Brazil’s unjust structures without revolutionizing the whole urban world – the global village?
## Abbreviations

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<thead>
<tr>
<th>Portuguese Term</th>
<th>English Translation</th>
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<tr>
<td>ABC zone</td>
<td>The zone including Santo André, São Bernardo do Campo, São Caetano</td>
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<td>APEC</td>
<td>Asian-Pacific Economic Cooperation</td>
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<td>API</td>
<td>Popular Informal Settlements</td>
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<tr>
<td>BRIC</td>
<td>Brazil, Russia, India, and China</td>
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<td>CDHU</td>
<td>Habitation and Urban Development Company</td>
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<td>CEH</td>
<td>State Councilor of Habitation</td>
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<td>CEPAC</td>
<td>Certificates of Additional Construction Potential</td>
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<td>CEU</td>
<td>Unified Educational Center</td>
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<tr>
<td>CNBB</td>
<td>National Confederation of the Bishops of Brazil</td>
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<td>CNDU</td>
<td>National Council of Urban Development</td>
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<td>CURA</td>
<td>Urban Communities for Accelerated Recovery</td>
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<td>DUAP</td>
<td>Department of Urbanization of Precarious Settlement</td>
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<tr>
<td>FAR</td>
<td>Fund of Residential Rental</td>
</tr>
<tr>
<td>FGH</td>
<td>Habitation Guarantee Fund</td>
</tr>
<tr>
<td>FGTS</td>
<td>Guarantee Fund for Time of Service</td>
</tr>
<tr>
<td>FNHIS</td>
<td>National Fund of Habitation of Social Interest</td>
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<tr>
<td>FPHIS</td>
<td>Paulista Fund of Social Interest in Habitation</td>
</tr>
<tr>
<td>HIS</td>
<td>Habitation of Social Interest</td>
</tr>
<tr>
<td>IPTU</td>
<td>Urban Predial and Territorial Imposts</td>
</tr>
<tr>
<td>MERCOSUL</td>
<td>Common Market of the South</td>
</tr>
<tr>
<td>MSP</td>
<td>Municipality of São Paulo</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>MSTC</td>
<td>Movimento Sem-Teto do Centro</td>
</tr>
<tr>
<td>MTST</td>
<td>Movimento dos Trabalhadores e Trabalhadoras Sem-Teto</td>
</tr>
<tr>
<td>NAFTA</td>
<td>Tratado Norte-Americano de Livre Comércio</td>
</tr>
<tr>
<td>OECD</td>
<td>Organização de Cooperação e de Desenvolvimento Económico</td>
</tr>
<tr>
<td>OGU</td>
<td>Orçamento Geral da União</td>
</tr>
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<td>OPEC</td>
<td>Organização dos Países Exportadores de Petróleo</td>
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<tr>
<td>PCC</td>
<td>O Primeiro Comando da Capital</td>
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<td>PMCMV</td>
<td>Programa Minha Casa, Minha Vida</td>
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<td>PMI</td>
<td>Programas Multissetoriais Integrados Urbanos</td>
</tr>
<tr>
<td>PPA</td>
<td>Plano Plurianual</td>
</tr>
<tr>
<td>PT</td>
<td>Partido dos Trabalhadores</td>
</tr>
<tr>
<td>RMSP</td>
<td>Região Metropolitana de São Paulo</td>
</tr>
<tr>
<td>SEHAB</td>
<td>Secretaria Municipal de Habitação</td>
</tr>
<tr>
<td>ZEIS</td>
<td>Zonas Especiais de Interesse Social</td>
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IMAGES

**Image 1:** Demographic density of Brazil (Source: Instituto Brasileiro de Geografia e Estatística [IBGE] (org., 2011): Sinopse do Censo Demográfico 2010. Rio de Janeiro, Mapa 1.)

**Image 2:** The municipality of São Paulo (left); Brazil in the Latin American continent (top right); Brazil and the southeast location of the state of São Paulo (mid right); São Paulo’s location within the state of São Paulo (bottom right) (Source: São Paulo Turismo S/A (org., n. d.): City Map. URL: <http://www.cidadedesaopaulo.com/sp/images/stories/artigos/mapa_sp.gif> (viewed: 04.05.2011).

**Image 3:** The Paraisópolis ‘danger zone’ with the skyscrapers of Morumbi ‘fear zone’ in the background (Source: Author 2011).

**Image 4:** The favela Vera Cruz right next to the dam Guarapiringa (Source: Author 2011).

**Image 5:** The building ground for four future closed condominiums Luzes da Moóca in the eastern district Moóca. In the back the remains of irregular settlement, followed by already constructed vertical condominiums (Source: Author 2011).

**Image 6:** The Bridge Octavio Frias de Oliveira (Source: Author 2011).