

# PARTICIPATORY INSTITUTIONS AND THE HOUSING ISSUE:

## AN EXPLORATORY STUDY INTO THE TYPES OF DEBATE SURROUNDING PARTICIPATION, RESOLUTION AND FUNDING

### INSTITUIÇÕES PARTICIPATIVAS E A QUESTÃO HABITACIONAL:

UM ESTUDO EXPLORATÓRIO DO TIPO DE DEBATE ACERCA DA PARTICIPAÇÃO, DELIBERAÇÃO E FINANCIAMENTO

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**ABSTRACT:** The aim of this paper is to examine the extent to which the organization of the actors involved in public policies may influence decisions within the participatory institutions of which they make part. Two specific contexts were compared from an exploratory perspective – 2009/2010 and 2013/2014 – by analysing the minutes and resolutions issued by the three participatory institutions involved in the Brazilian National Social Housing Plan, namely: the FGTS Trustee Council, the Management Council for the National Social Housing Fund; and the Council of Cities. We have proposed a category called “politically relevant discourses on housing funding” as being able to provide us with a specific overview of the discussion regarding participation and funding. We conclude that the three councils perform distinct roles. The CGFNHIS has become drained politically, the ConCidades sets a broader scope for urban policy, and the CCFGTS seems to be the main institution related to the topic of housing funding.

**KEYWORDS:** ConCidades; resolution; FGTS; social participation; housing policy.

**RESUMO:** *Este trabalho visa entender em que medida a organização dos atores envolvidos em uma política pública influenciam, de forma decisiva, as instituições participativas das quais fazem parte. Com viés exploratório e comparativo entre dois contextos específicos – 2009/2010 e 2013/2014 –, serão analisadas atas e resoluções emitidas pelos três conselhos componentes do Plano Nacional de Habitação, a saber: o Conselho Curador do FGTS; o Conselho Gestor do Fundo Nacional de Habitação de Interesse Social; e o Conselho das Cidades. Propomos a categoria “discursos politicamente relevantes sobre o financiamento habitacional” como aquela capaz de fornecer um panorama específico sobre a discussão dos temas participação e financiamento. Concluímos que os três conselhos ocupam espaços distintos. O CGFNHIS encontra-se esvaziado politicamente, o ConCidades representa escopo mais amplo da política urbana e o CCFGTS parece-nos o principal colegiado relacionado ao tema do financiamento habitacional.*

**PALAVRAS-CHAVE:** *ConCidades; deliberação; FGTS; participação social; política habitacional.*

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## INTRODUCTION

Over recent decades, in Brazil, urban issues have gained both emphasis and bureaucratic and institutional frameworks, as evidenced through different initiatives within the federal executive and legislative branches. In 2003, Luiz Inácio Lula da Silva's government (2003-2010) created the Ministry of Cities (MCid), which was responsible for organizing the governmental bureaucracy of a number of different issues regarding urban policy. This new institutional model contains the following instruments: The National Social Housing Policy (PNH), created in 2004; the operationalization of the National Social Housing System and the National Fund (*Sistema e Fundo Nacional de Habitação de Interesse Social* - SNHIS and FNHIS), and passed by Congress in 2005; formulation of the National Social Housing Plan (PlanHab), between 2007 and 2008; the Growth Acceleration Program (*Programa de Aceleração do Crescimento* – PAC), launched in 2007; and the housing program known as *Minha Casa, Minha Vida* (My House, My Life), launched in 2009.

In order to understand the current process of social participation in funding programs linked to the housing policy created by Lula's government, and retained during the first term of President Dilma Rousseff (2011-2014), this paper aims to compare the institutional participatory instruments adopted by both governments together with the political actors involved in the National Social Housing Plan, namely: the FGTS Trustee Council (*Conselho Curador do FGTS* - CCFGTS), the Management Council for the National Social Housing Fund (*Conselho Gestor do FNHIS* - CGFNHIS); and the Council of Cities (*Conselho das Cidades* - ConCidades). We have adopted the assumption that these three institutions interact and encapsulate the most relevant points regarding urban policies in Brazil. Additionally, they are all of a national scope, which thus allows them to be compared in terms of their range of resolutions and discussions.

In order to compare the manner in which these institutions functioned during Lula's second term as president (2006-2010) and Dilma's first (2011-2014), our methodology has combined discourse analysis and content analysis in order to observe a possible emerging pattern of "politically relevant discourses" by each participatory institution regarding the theme of housing funding. Thus, we aim to gain a deeper understanding of the extent to which the organization of the actors involved in public policies may influence the decisions of the participatory institutions of which they make part.

We have worked from the premise that a housing policy, apart from being considered as a social policy, is also implemented as a policy aimed at economic growth, which signifies that there are two operational logics in Brazilian housing policy: one based on "market logic", through the promotion of private housing production and the civil construction industry; and another linked to "social logic", through proposals for actions aimed at urban planning and providing lower income families with easier access to the social housing policy.

The hypothesis of this paper states that with regard to the housing policy, during periods of economic crisis – such as 2009 and 2013 – the federal government prioritized participatory mechanisms and acted cooperatively with the other political actors involved in the housing policy. However, such circumstances have tended to strengthen the "market logic" of the housing policy which, in the case of Brazil, is re-

flected in the results and promises of the housing program *Minha Casa, Minha Vida*, and have caused the “social logic” of PlanHab to become less expressive.

## **POLITICAL ACTORS AND PARTICIPATORY INSTITUTIONS IN THE HOUSING POLICIES OF LULA AND DILMA**

The new housing policy introduced by Lula’s government may be summarized by two institutional landmarks. The first is an attempt to bring the organization of housing policy back into a centralized decision-making structure, as in previous federal governments (DUTRA, 2013). The ministerial bureaucratic organization induced by the Ministry of Cities not only fulfilled such a strategy, but also provided a positive signal by breaking paradigms in the housing area through integrating it into a broader perspective of urban policy. In practical terms, the new Social Housing Plan was structured into four main areas: (i) a funding and subsidy model, bringing an increase in new sources of revenues; (ii) urban and land tenure policies, with the regulatory approval of legalising land tenure and makeshift settlements; (iii) intergovernmental agreements, with the operationalization of SNHIS; and (iv) a production chain of house construction, with financial and legal support from the government (BRASIL, n/d). PlanHab was implemented in three stages: the first between 2009 and 2011; the second between 2012 and 2015; and the third between 2016 and 2023.

It is also important to highlight attempts to integrate the three levels of government so as to promote a decentralized housing policy (DUTRA, 2013) and the unprecedented power attributed to popular participation regarding decisions on implementing and funding the housing policy. Intergovernmental relations between the three levels of government were established through SNHIS, with financial resources being transferred between funds created at all levels of government (FNHIS and state and municipal housing funds). In the case of popular participation in PlanHab, the three main national stances (ConCidades, CCFGTS and CGFNHIS) as well as state and municipal councils, were all provided for.

However, despite the positive scenario described above, Brazilian housing policy has remained a sensitive issue in two main aspects: a) the degree of influence of the political actors involved; and b) the decision-making power of such actors with regard to funding policies. In the first case, housing is a public policy that works through a private logic, since the main governmental intervention in this field is through the promotion of individual private properties: housing units (ARRETCHE, 1990). Therefore, the role played by the state is situated in the field of public policy that:

[...] is located in a type of “intersectional area” between, on the one hand, analyses regarding economic policies and their implications on the development of a determined productive activity – in this case, the housing sector – and, on the other, analyses regarding the emergence and evolution of state policies, whether social or urban (ARRETCHE, 1990, p. 10, author’s translation).

Throughout this paper, it is of paramount importance to discuss housing policy bearing in mind this peculiarity, since current government programs seem to em-

phasize this logic. As a result, it may be stated that in housing policy there are two lines of action, which are non-complementary and often compete with one another: the “market logic” prioritises the production process of housing units; and the “social logic” highlights the integration of housing into a broader scope of urban policy. In relation to the decision-making power of political actors in terms of funding, there is an area of sensitivity regarding the degree of understanding which participation and deliberation practices this issue should take on, due to the interference of private interests in the field of social policy. Thus, the mobilization processes of the public sector, private agents and civil society have been following different paths.

During Lula’s second term in office (2006-2010), the federal government sought to implement its investment projects and actions under the integration of the so-called Growth Acceleration Program (PAC) which included investments into infra-structure projects in a number of different areas. In addition to this framework, Lula’s government also launched the housing production program called *Minha Casa, Minha Vida* (MCMV), in 2009, in response to the international financial crisis (CARDOSO; ARAGÃO; ARAÚJO, 2011; LOUREIRO; MACÁRIO; GUERRA, 2014). As a result, there was a shift from the previous housing policy logic concerned with urban planning towards one concerned with economic growth, through strengthening the civil construction sector (BONDUKI, 2009; CARDOSO; ARAGÃO; ARAÚJO, 2011; LOUREIRO; MACÁRIO; GUERRA, 2014).

Since then, criticism has been levelled at the role played by ConCidades, which despite being linked to decisions made by the Ministry of Cities, has encountered difficulties in performing its functions related to deliberation on the housing policy (LITWINCZIK, 2013). Furthermore, the role of other instruments within the new Social Housing Policy has also been questioned given the number of projects financed and executed related to *Minha Casa, Minha Vida*.

During Dilma’s first term of office (2011-2014), a new version of PAC was introduced – the so-called PAC 2 – and there was an increase in the number of housing units to be produced by *Minha Casa, Minha Vida* and a consequent stagnation of programs run by SNHIS. It is therefore our belief that within the two contexts, the “social” structure concerned with urban and social policies is covered by SNHIS and FNHIS, and the “market” structure regarding economic growth, is strongly related to *Minha Casa, Minha Vida*. Thus far, this comparative analysis seems to have remained underexplored by the current literature, despite its importance in terms of the degree of participation conceded to civil society, the private sector and subnational governments (state and municipalities) within the housing policy.

## **PARTICIPATORY INSTITUTIONS: IS THERE SPACE FOR DELIBERATION ON FUNDING?**

Given the apparent dichotomy between the “market” and the “social” logics that exist in the housing policy, it is important to briefly reflect on the role of the Participatory Institutions with regard to their ability - or lack thereof - to make decisions on the financial management of a specific public policy. Since we are discussing the organizational issues of the various social actors involved in Brazilian housing policy, we must take a step back and ask ourselves: is there space for deliberation on housing

funding within the participatory institutions? How, in the light of the latest theories on participation and deliberation, may we increase our understanding of this particular point through the debates within these institutions?

The advent of participatory institutions such as those studied herein should be understood as a reference to the Brazilian political post-constitutional context of 1988<sup>1</sup>, during which instances of popular participation have been attributed - notably the Public Policy Councils and Conferences and the various experiences of Participatory Budgeting (PB), among others – to the potential for overcoming traditional relationship patterns between this and civil society<sup>2</sup>. To numerous scholars and researchers, the horizon envisioned by the concrete actions of these channels would indicate the opportunities of achieving social justice through the direct inclusion of citizens in the democratization of the decision-making processes by enabling effective mechanisms along democratic premises for the reconstruction of the political culture of a society structurally authoritarian, hierarchical, violent and economically unequal (AVRITZER; NAVARRO, 2003; BRASIL, 2004; BRASIL, 2011; CUNHA, 2012).

Faced with the challenge of promoting popular participation in the decision-making processes of many public policies and ultimately, in defining the guidelines for governments at various levels, the variable “institutional design” has become of immense importance in understanding participatory experiences conducted in various parts of the world and Brazil. Which public policy designs would encourage public participation? Which characteristics should such designs include in order to become permeable to the contributions of ordinary citizens?

According to Fung and Wright (2003), the design of public policies capable of fostering participation and deliberation should necessarily possess three key features: 1) the “devolution” attribute, leading to the reorganization of the state apparatus in order to delegate to local units substantial decision-making powers over the elements of a policy; 2) the need for supervision and centralized coordination, seeking to prevent the units of public policy or a policy council from becoming atomized entities, which do not communicate with one another, and finally; 3) a recommendation to focus on the state with a non-voluntary character, aiming to “colonize” the state and to subsequently revise its procedures through the central guidance of facilitating and promoting popular participation.

Brazilian urban policy has been markedly participatory since its origin, dating back to the Constitutional Amendment of Urban Reform. Approval of the City Statute (Federal Law number 10.257, in 2001) confirmed this particular characteristic, emphasizing the importance of stakeholder participation in decision-making over the wide range of issues related to national urban policy, including housing policy. Thus, as presented thus far, this may be regarded as being especially in line with the political participation of civil society, since it is composed of three important policy councils, the objects of analysis within this study.

The policy councils have been organized as participatory institutions based on the logic of representation, i.e., they operate on the principle of discussions between individuals who represent organizations. The characteristics expected for institutions of this nature should promote an environment of inclusive decisions, to make them public and to be autonomous in relation to its internal operating structure. Unlike institutions designed for the mass participation of citizens, policy councils are designed to promote face-to-face interaction of the participants involved in a collective

<sup>1</sup> Despite the prior existence of participatory experiences in some municipal administrations in the period immediately before the 1988 Constitution enactment, it is only after this that the “participatory principle” became a structural guideline for formulating public policies (AVRITZER, 2009).

<sup>2</sup> This point was recently addressed by Montambeault (2015), who studies the potential of transformation sparked by participatory institutions, from the clientelistic relationship between government and the social actors in four cities of Mexico and Brazil.

exchange process of public motives. Therefore, they promote the participation of a smaller number of individuals, while supposedly promoting a further deepening of argumentative exchange and a public display of preferences, the deep core of a broader conception of deliberation (CUNHA, 2009; AVELINO, 2012).

It is within these institutional environments that there is a proliferation of discourses related to the broader field of urban policy. Below, we propose an experimental design for an analytical category that allows us to observe in a more reliable manner, the extent to which the social actors who participate on the councils and who are the focus of our analysis, have addressed the issue of housing funding.

### **POLITICALLY RELEVANT DISCOURSES ON HOUSING FUNDING: THE DEFINING ELEMENTS FOR A CATEGORY OF ANALYSIS**

This paper presents as its main category of analysis the concept of “politically relevant discourses,” especially those relating to the participation of civil society in decision-making on the funding of housing policy. With this, our aim is to explore the different sets of discourses of this nature and attempt to understand their expressiveness (or, rather, their insignificance) in the general course of discussions undertaken within the councils analysed herein. In simple terms, “politically relevant discourses” according to Dryzek (1994, p.160) contain the following aspects:

1. An ontology, that is, a set of entities whose existence is recognized or constructed.[...]
2. The assignment of degrees of agency to these entities. Some may be granted subject status [...]; others may be categorized as objects [...].
3. Among those with agency, a recognition of certain motives [...] and a denial of others.
4. Conceptions of what is natural and unnatural in political relationships.

Dryzek believes that, within the “mass” of everyday communication it is possible to select those discourses that have some effect on the actors involved in the process of argumentative exchanges. This category is of particular interest for our study since it will be the lens through which we observe the corpus under analysis so as to bring to light the discussion therein undertaken on the decision-making power of the actors regarding housing funding in participatory institutions.

In seeking a proposal for a methodological tool that corresponds to the aims of our paper, we have proposed a combination of a number of principles from discourse analysis with simple procedures from classical content analysis (KRIPPENDORF, 1989; BAUER; GASKELL, 2002), namely: 1. the theory and practice of classical content analysis reinforce the need for a selection of specific texts to be analysed; 2. The construction of a coding framework is needed in order to guide the analysts when reading, given the myriad of texts they are faced with; 3. The tendency to focus on the frequency of words or arguments can be enhanced with an in-depth analysis of the actual content of the major trends presented. Therefore, it is not only of interest to know that this or that argument was repeated more than others but also, fundamentally, to investigate the content of these arguments and how they interact in the characteristic dialogical context of a participatory forum, as presented herein.

Moreover, we have operationalized the Dryzekean category of “discourse” on three levels, composing three units of analysis: a) a fragment of speech/vocalization (e.g. a sentence within a broader speech, interjections and positive or negative assertions, among similar others); b) a speech/full vocalization (a complete set of sentences made by an individual at any given time); c) a set of speeches (for example, in a debate).

Following this, we examine a set of resolutions from ConCidades and CGFNHIS as well as the minutes of meetings held in CGFGTS during two periods: between 2009 and 2010, and between 2013 and 2014. A total of 51 resolutions were gathered from ConCidades, and 17 resolutions from CGFNHIS. A total of 17 minutes were analysed from CCFGTS.

It should be stressed that using the category proposed herein demands the existence of detailed documents, through which the arguments of those involved may be directly observed. Thus, it is more effective to do so with the minutes of the deliberative sessions, such as the CCFGTS. On the other hand, the resolutions investigated herein are sometimes poor in argumentative terms, which has consequently directed us towards an approach that classifies the broader topics discussed rather than exactly analysing the arguments that support them.

#### **THE COUNCIL OF CITIES (CONCIDADES)**

The Council of Cities is the collegiate body responsible for issuing the broader guidelines of urban policy at a federal level, and is composed of 86 counsellors from among members of: the public sector (16 from a federal level, 9 from a state level and 12 from the municipalities), civil society (a total of 26), and popular movements (a total of 23). This institution embraces different aspects of urban policy such as sanitation, urban mobility and housing, besides establishing specific parameters regarding urban planning instruments, taking part in institutional activities and deliberating over its own composition and internal organization.

Three kinds of resolutions are recorded by the Council: administrative, normative and recommended. For the years 2009 and 2010, there were two administrative resolutions, three normative and 23 recommended, thus totalling 28 in all. For the years 2013 and 2014, there were six administrative resolutions, one normative and 16 recommended, totalling 23 in all. Thus, there is a clear preponderance of recommended resolutions, which allows us to predict in advance the political character adopted by this participatory instance. Chart 1 below presents data related to this research corpus regarding themes covered by the resolutions analysed in the selected period.

During the period in question, the first characteristic that catches our attention is the diversity of themes discussed by the Council that go beyond those concerned with housing (through PlanHab, SNHIS and MCMV), and include sanitation, solid waste, urban mobility and even the World Cup. This result was expected however, considering the range of activities proposed for this particular Council. The two most frequent themes which appeared are related to bureaucratic procedures (the “Council of Cities” theme) and recommendations regarding proposals for both urban and housing policies (the “Legislation” theme), which also refers to the selection criteria for accessing programs funded by the Ministry of Cities. Therefore, it may be stated

that the Council of Cities is a second deliberation source for selection criteria and resource allocation, as foreseen in PlanHab.

Chart 1: Discourse analysis of ConCidades Resolutions, 2009/2010 and 2013/2014

Theme	2009/2010	2013/2014	Total
Council of Cities	6	7	13
Legislation	12	4	16
FIFA World Cup 2014	1	1	2
Urban Mobility	1	2	3
Solid Waste National Plan (PNRS)	-	1	1
Sanitation National Plan (PLANSAB)	2	3	5
Acceleration Growth Program (PAC I)	1	-	1
Acceleration Growth Program (PAC II)	1	-	1
National Social Housing Plan (PlanHab)	1	-	1
National Social Housing System (SNHIS)	1	1	2
<i>Minha Casa, Minha Vida</i> (MCMV)	2	4	6
<b>TOTAL</b>	<b>28</b>	<b>23</b>	<b>51</b>

Source: Produced by the authors from Brazil (2015a).

From among the substantial number of resolutions there were 11 with content relating to the housing theme *strictu sensu*, of which six resolutions were related to *Minha Casa, Minha Vida*, two to SHIS, two to PAC and one resolution regarding PlanHab. It should be stressed that the last item considers procedures of this same instrument, which also seems to be in accordance with the institutional structure initially created by Lula's government as guidelines for the new National Housing Policy. Moreover, the two resolutions regarding PAC recommend the inclusion of criteria so as to prioritise proposals made by subnational governments related to housing. Therefore, housing as a theme represents approximately 20% of the resolutions (11 out of 51).

From the perspective of the Council of Cities, such an aspect is not in itself sufficient data for us to categorically state that *Minha Casa, Minha Vida* is more important than SNHIS and other themes covered by the Council. The importance of ConCidades for the housing issue relies on its influence to recommend guidelines and proposals for the main programs and lines of action as proposed by the federal government for this area of social policy. However, this does not signify that funding occupies a privileged position in this participatory structure. This issue appears more strongly within CCFGTS and, in regards to FNHIS, in the respective Management Council, as demonstrated below.

#### **THE MANAGEMENT COUNCIL OF THE NATIONAL SOCIAL HOUSING FUND (CGFNHIS)**

FNHIS has an important symbolic, political character for the housing context since it is a project of popular initiative presented to the National Congress, and which took more than a decade in order to be passed as a Federal law, in 2005. Beyond its origins, the main difference vested in this fund for the housing policy implemented through SNHIS is the centralization and management of all budge-

tary resources of all programs within this system. The Management Council is the main decision-maker on both the volume and type of budgetary resources to be applied to SNHIS programs. This system is, therefore, the main strategy proposed by the federal government to implement the so called “institutional arrangements” foreseen in PlanHab, primarily in regards to intergovernmental relations between the levels of government

A third characteristic may also be highlighted. In terms of funding, FNHIS is the main financial source for the programs and project proposed by SNHIS, and its main budgetary resource comes from the General Union Budget (Orçamento Geral da União – OGU). Resources are invested in two ways: transfers made to private entities; and decentralized transfers from the national fund to subnational funds, once the states and municipalities have fulfilled certain conditions. In this case, the promotion of SNHIS as an instrument of intergovernmental relations becomes an element of federal bargaining: access to FNHIS is a condition used by the federal government so that subnational governments fulfil certain demands.

The Council is composed of a total of 24 members divided into the following groups: 11 federal government representatives; one representative from the *Caixa Econômica Federal*, also called *Caixa* (a state-owned bank and the “operational agent” for SNHIS); four representatives from social movements; three entrepreneurial representatives; three labour representatives; one professional, academic or research representative; and one from a non-governmental organization. It is important to emphasize the equal division of its members between those from the Executive Power and those from civil society. Moreover, a quarter of its members are reserved for those from social movements. The president of this Council is the Ministry of Cities, and members from civil society are appointed by the Council of Cities.

The main document issued by CGFNHIS is called a resolution, a document published in the *Diário Oficial da União* (DOU), the official journal of the federal government, and is also available on the Ministry of Cities website. For the years 2009 and 2010, the Council approved 14 resolutions (corresponding to those numbered 24 to 37), and for the years 2013 and 2014 three resolutions were approved (corresponding to those numbered 53 to 55). From the 17 published resolutions, as our analysis parameters, we have adopted the identification of its content, selecting only those in which the proposals are related to funding. Therefore, we obtained a total of 15 resolutions in two categories: a) conditions for accessing the fund’s resources; and b) the budgetary management of the fund’s financial resources. The results are summarized in Chart 2, below.

From a total of 17 resolutions, 15 were related to housing funding, and the contents of the resolutions are in line with the competencies predicted in the internal rules of CGFNHIS, which are: to establish guidelines and allocation criteria for FNHIS resources; to promote the adhesion of subnational entities to SNHIS; to deliberate over resource allocation of programs subscribed by the Ministry of Cities; to approve FNHIS legal reports and other budgets. Apart from this formal aspect, it is also important to stress two other important aspects. The first is related to the significant number of resolutions regarding deadlines and conditions for the adhesion of subnational governments to SNHIS: from a total of 14 resolutions approved over the years 2009 and 2010 five are related to the issue of adhesion, and mostly deal with the extension of deadlines. The importance of fulfilling these obligations is simple:

noncompliance implies that FNHIS resources are blocked for state and municipal housing funds. Thus, great attention has been awarded in order to guarantee that SNHIS functions in a decentralized manner between levels of government.

Chart 2: Discourse analysis of CGFNHIS Resolutions related to funding, 2009/2010 and 2013/2014

Theme	2009/2010	2013/2014	Total
FNHIS legal report	2	2	4
Guidelines for execution and selection criteria for proposals and allocation of resources regarding FNHIS programs	2	-	2
Guidelines for financial participation of beneficiaries for the project "Support for social housing production"	1	-	1
Distribution of resources among budgetary actions of FNHIS	1	-	1
Selection process of proposals (FNHIS resources)	1	-	1
Adhesion rules for SNHIS (for subnational governments)	5	1	6
<b>TOTAL</b>	<b>12</b>	<b>03</b>	<b>15</b>

Source: Produced by the authors from Brazil (2015b).

A second aspect clearly highlights the link between FNHIS investments and budgetary resources and PAC guidelines. The resolutions which aimed to change or review FNHIS guidelines as well as the execution or criteria for funding FNHIS programs were adapted in order to accommodate *Minha Casa, Minha Vida*, since the first was created in 2005 whereas the latter was created in 2009. It should be remembered that the main financial source of FNHIS is the OGU, which was also part of the contingency planning for PAC to become the main federal government strategy to overcome weakening economic growth (LOUREIRO; MACÁRIO; GUERRA, 2013).

In the years 2013 and 2014, there was a clear decrease in the number of resolutions approved by CGFNHIS: there were only three, two of which were connected to routine aspects, such as the approval of FNHIS legal reports. The third resolution approved by the Council during this period was also related to SNHIS adhesion deadlines and conditions for the subnational governments. However, its character is substantially different from that of the years 2009 and 2010. Until the year 2012, the Council's main concern was the deadline for meeting the adhesion conditions to SNHIS. The 2014 resolution deals with the accountability of resources related to the project "Social housing production" (the main resolution regarding FNHIS's financial support). The main objective of this project was "to conclude and deliver housing units to beneficiaries contracted by Banco Morada S/A, within the bounds of *Minha Casa, Minha Vida*" (BRASIL, 2015b). Thus, it is not only possible to observe the link between the FNHIS financial activities and *Minha Casa, Minha Vida*, but also an apparent reduction in the need for adhesion to SNHIS.

As a result, we are able to confirm that within the content of the FNHIS Management Council resolutions, there is a preponderance of the theme "rules for adhesion of SNHIS". Bearing in mind that SNHIS is the main instrument designed for intergovernmental relations, there is a huge deficit of subnational entities (state and municipality) in terms of participation and representativeness, since they are the main beneficiaries of the programs and actions supported by SNHIS, and are directly affected by the rules of adhesion. The rules and norms approved for the financial

execution of FNHIS programs, as well as the conditions imposed on the subnational governments have demonstrated consequences in terms of the integration and decentralization strategy as proposed by the Ministry of Cities in running the new housing policy. It is not our objective in this paper to stress the political implications of this scenario, but rather to indicate that the manner in which this participatory instance has been conducted may be one of the factors for the poor institutionalization of SNHIS as a housing program.

#### **THE FGTS TRUSTEE COUNCIL (*CONSELHO CURADOR DO FGTS*)**

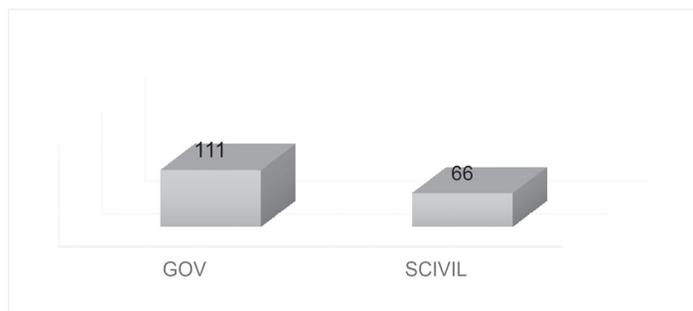
The FGTS Trustee Council is part of the structure of the Ministry of Labour and Employment, and is composed of 21 members organized into three groups of representatives: the federal government (ministries, *Caixa Econômica Federal* and Central Bank of Brazil), with a total of 10 members; the trade unions, with 5 members; and the national confederations of employers, with 6 members.

The documents analysed relating to CCFGTS were the minutes of meetings available on the FGTS website of the state-owned bank *Caixa Econômica Federal* (CEF). In 2009, 11 meetings were held, while in 2013 there were 6. While studying around 266 pages of the meetings held in 2009 and 2013, our chief aim was to determine the existence of politically relevant discourses on housing funding (DPOL) and, even more importantly, the central themes contained therein.

While counting the politically relevant discourses on housing funding, it was perceived that the group, which joins ministries and other federal government bodies that make part of the council, presents a greater number of DPOLs (111), as opposed to the smaller number presented by members of the civil society (66), i.e., there is a preponderance of 62% of the total amount of DPOLs (177). The numbers are shown in the Figure 1 below.

This data, disaggregated to facilitate observation of the politically relevant discourses of each individual organization, reveals some interesting findings. The distribution of politically relevant discourses related to the government sector is presented below in Figure 2.

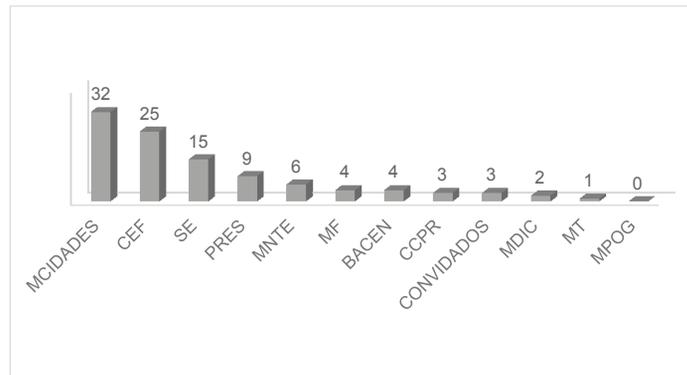
Figure 1: Total amount of politically relevant discourses per segment, 2009 and 2013\*



\*Abbreviations: Government (GOV); Civil Society (SCIVIL)

Source: Produced by the authors from CEF (2015).

Figure 2: Total amount of politically relevant discourses by each governmental agency, 2009 and 2013\*



\*Abbreviations: Ministry of Cities (MCidades); *Caixa Econômica Federal* (CEF); Executive-Secretary (SE); Presidency (PRES); Ministry of Labour and Employment (MTE); Ministry of Economy (MF); Central Bank of Brazil (BACEN); Ministry of Domestic Affairs of the Presidency of Republic (CCPR); Guests (CONV); Ministry of Development, Industry and Trade (MDIC); Ministry of Transport (MT); Ministry of Planning, Budget and Management (MPOG).

Source: Produced by the authors from CEF (2015).

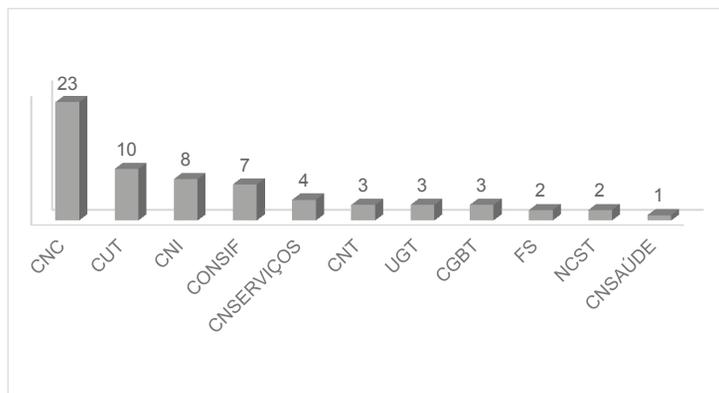
The above figure demonstrates that the Ministry of Cities (MCidades) and the *Caixa Econômica Federal* (CEF) are the government agencies that voiced the greatest number of politically relevant discourses on housing funding, with 32 and 25 discourses, respectively. The fact that both the President (PRES) and the Executive Secretary (SE) of the Council belong to the Ministry of Labour and Employment (MTE) demonstrates its tremendous influence over these debates. It is our belief that this finding would seem to suggest that the MCid asserts its role as the main formulator of housing policy at a federal level, guiding discussions on funding. This, in turn, is then worked upon by the CEF, which contributes to the debate by regulating the technical issues involved.

Finally, given that investments for housing funding are made with the monthly contributions of Brazilian workers (and employers)<sup>3</sup>, it would seem plausible that the MTE, through its representatives, should also have significant participation at the debates within the participatory institutions under examination. When we turn to the disaggregated data on members of civil society, the following scenario may be observed in Figure 3 below:

From among the members of civil society, those with the strongest voices in politically relevant discourses on housing funding in CCFGTS are, firstly, the National Confederation of Commerce (CNC), followed by the Workers Central Union (CUT) and the National Confederation of Industry (CNI), with 23, 10, and 8 discourses, respectively. We assess that the large majority of discourses presented by the CNC representatives relates primarily to its broad commitment to the entire production chain related to housing production, which is reflected in its interest in the Council debates.

<sup>3</sup> In Brazil, there is strict labour legislation that regulates contracts between employers and employees. There is also a compulsory monetary contribution that both employer and employees must make to the Brazilian government, which is a percentage calculated over earnings.

Figure 3: Total amount of politically relevant discourses by each organization of civil society, 2009 and 2013\*



\*Abbreviations: National Confederation of Commerce (CNC); Workers Central Union (CUT); National Confederation of Industry (CNI); National Confederation of Services (CNServiços); National Confederation of Financial System (CONSIF); National Confederation of Transports (CNT); Workers General Union (UGT); Central General Union of Brazilian Workers(CGTB); Unionist Force (FS); Workers New Central Union (NCST); National Confederation of Health Services (CNSaúde).

Source: Produced by the authors from CEF (2015).

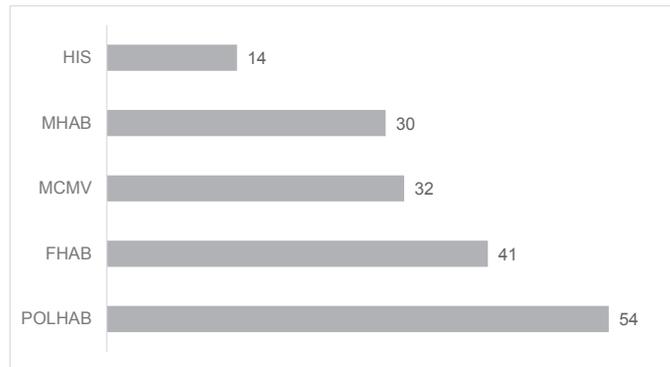
The same may also be said of the CNI, since it includes representatives from the owners of big building contractors, who are directly involved in preparing and implementing housing policies, most notably the *Minha Casa, Minha Vida* Program. Finally, there is also evidence of a low number of discourses made by union representatives, with the exception of CUT. It may be possible that a larger discursive presence by this group could denote greater political maturity and technical appropriation in relation to the debates at CCFGTS.

Finally, it is necessary to examine the content of these politically relevant discourses, seeking to assess the central core of the voices that relate to funding for the housing policy and its related topics. We have classified five categories, namely:

- Housing Funding (FHAB) - related to funding aliquots, price indexation, remuneration for contracted construction work, loan limits imposed by the Fiscal Responsibility Act, the amount available for investment and supply of housing credit, management reports and the like;
- Social Housing (HIS) - in which the housing shortage is discussed, together with the provision of social housing and its definition;
- *Minha Casa, Minha Vida* (PMCMV) – all discourses in which this program was the central issue;
- Housing Market (MHAB) - which included discussion on the participation of private enterprises in housing programs, the purchase of real estate fund shares, and a discussion on the image of FGTS with borrowers from the general public and other related issues; and
- Housing Policy (POLHAB) – which refers to the dispute to reduce or increase tax aliquots and values, divergences in interpreting resolutions, debates on the broader aspects of housing policy, guidelines issued by the various political actors involved in the discussions and assessments of the country's political situation

Figure 4 presents the number of discourses for each identified thematic core:

Figure 4: Thematic core of the politically relevant discourses, 2009 and 2013\*



\*Abbreviations: Social Interest Housing (HIS); Housing Market (MHAB); Minha Casa, Minha Vida (MCMV)/ Housing Funding (FHAB); Housing Policy (POLHAB).

Source: Produced by the authors from CEF (2015).

According to the data presented, it may be inferred that the CGFGTS is also a strong platform for articulating housing policy in general, since the core points of 54 discourses referred to the design of policy goals for conducting policies for housing funding, which, in turn, presented 41 discourses. In our view, it is therefore evident that a strong link exists between political discussion and the technical implementation of proposals through discussion on financial limits, income levels and the indexation of property prices and contracted construction works.

There were 32 discourses presenting *Minha Casa, Minha Vida* as their central theme, thus demonstrating its importance as a structuring policy of the countercyclical macro policy adopted by Lula's government in 2009 to combat the economic crisis of 2008. This data should be observed together with those concerning the housing market (MHAB), which brought together the discourses that addressed the issue of involving the private sector in housing policy.

On the subject of HIS, directly linked to SNHIS, it is worth remembering that the main source of funding for this comes from FNHIS. This fund, in turn, receives substantial resources from the Federal Budget and not from FGTS. All discourses related to this category may be encountered in the minutes for the year 2009, but not for the year 2013, which is consistent with the SNHIS implementation period and the consequent emptying of that agenda, as previously highlighted. The theme and the time element of discourses seem to suggest that the creation of the PMCMV somehow interferes with the progress of SNHIS, strengthening programs related to market policy, namely, those directly related to the dynamics of producing housing units by civil construction companies.

## **CONCLUSIONS: AN ANALYSIS OF “SOCIAL” AND “MARKET” ASPECTS AS TWO LOGICS FOR THE HOUSING POLICY**

The aim of this study was to produce an introductory map of the debate on housing funding in the three Policy Councils, which make part of PlanHab: the ConCidades, the CGFNHIS and CCFGTS. Our goal was to observe an emerging pattern of the politically relevant speeches that each institution presented in relation to the issue of housing funding between 2006 and 2014. We therefore, analysed the resolutions adopted by the first two institutions between 2009/2010 and 2013/2014, as well as the minutes of meetings for the years 2009 and 2013 of the third.

It may be perceived that the institutional structure of the councils brings together actors from similar segments: the government is mainly represented by the Federal Government through ministries and state-owned banks, which act as managers or financial agents for the housing system. The private sector is composed of representatives from business, and the other members present in all institutions are representatives from the trade unions. Academics, non-governmental organizations and social movements are represented only in CGFNHIS and ConCidades. Although this study has not analysed the volume of financial resources, we may nonetheless argue that linking resources related to housing follows the logic as set down by FGTS funding, and this, in turn, is directly linked to policies for generating jobs and income.

Taken separately, the scope of each council herein analysed, focuses on a different set of issues that orbit the broad field of urban policy, in a division of labour that aims to cover all decisions related to investments, legislations and the manner in which public administration involved in the process functions. Given the theme of housing funding in participatory institutions herein analysed, both the CGFNHIS and CCFGTS are defined as being responsible for the management of monetary funds which, even though they are composed of different sources, are intended for housing investment in a broader sense. Thus, it is expected that both councils discuss and put forward proposals in relation to: 1. guidelines for budget execution; 2. defining proposal selection criteria and the allocation of resources for its programs; 3. the distribution of resources among budget actions related to the respective funds; 4. approving investment decisions; 5. approving the balance sheets for the previous year; 6. guidelines for the financial participation of beneficiaries. ConCidades, in turn, presents a more political and intermediary role between the actors involved in housing policy.

Firstly, the analysis of CGFNHIS resolutions presents an agenda heavily focused on issues related to the intergovernmental relations proposed by SNHIS. Given that other government agencies of subnational entities do not participate in SNHIS, there is clearly a political concentration of decision-making at a federal level. The agenda on funding is inconclusive with regards to decisions on investments for housing provision and even for social housing policies. We have indicated the existence of this fact during both periods analysed in this paper. Between 2009 and 2010, the most frequent deliberations were on membership rules for SNHIS. Other issues related to the selection criteria for beneficiaries and budgetary actions were also present. However, for the second period, the few resolutions that were adopted (three in total) met the formal regiment guidelines and did not discuss resource allocation criteria,

since programs managed by resources from this fund were not implemented. Thus, it is clear that the political actors who represented the beneficiaries in this instance had little influence over the general formulation of Brazilian housing policy.

ConCidades, in turn, demonstrated a strong performance over the two periods analysed in giving attention to legislation on urban policy and as a channel for discussing issues related to this subject. Hence, *Minha Casa, Minha Vida* as well as SNHIS and PlanHab all became subjects of discussion, and the theme of housing funding seems to have become just one of the topics under deliberation, and was its main focus. ConCidades therefore assumes a political nature regarding the issue in question, which leads us to believe that the logic of “social” housing appears to have been concentrated within its legal aspect, but still not structured in terms of programs and actions.

The same cannot be said however with regard to the “market” logic of the housing policy. In reference to the analysis of CCFGTS, we would highlight that the government remains the main political mediator of the debate on housing funding, with a large number of politically relevant discourses focused on three main actors, namely, the Ministry of Cities, the state-owned bank *Caixa Econômica Federal* and the Ministry of Labour and Employment. Moreover, the fact that the majority of discourses are related to the architecture of the housing policy *sensu lato* and the forms of financially implementing the decisions it takes we may affirm that the CCFGTS presents the most important illustration of participation when addressing the issue of housing funding in Brazil.

Given the dominance of “market logic”, it is of little surprise that there is a greater number of actors from the construction industry present at this instance of participation. One possible explanatory factor is the historical and institutional role that FGTS has played in creating and consolidating Brazilian housing policy, since its inception in 1966. On the other hand, while the FNHIS represents an “unprecedented” proposal for the housing issue, it does not however include within its structure, the theme of producing housing units through the “market logic” via civil construction. Despite major advances recently promoted by the Lula and Dilma governments, we need to assess the influence of FGTS as a sponsor not only of this policy but also in relation to Brazil’s economic growth as a whole.

It is clear that the general tendency of federal urban policy currently converges with the centralization of investments and political efforts to develop and implement *Minha Casa Minha Vida* regarding decisions related to the funding of social housing policy. In other words, in order to propose an easily understood dichotomy, the Brazilian housing policy - analysed from a funding viewpoint - is guided by a rationale strongly focused towards the private housing market, to the detriment of providing social housing for a wide range of the population which is unable to access the funding proposals of the program.

Finally, we believe that this study is only a first approach to this thought-provoking discussion on participatory institutions in the context of urban policy, with special focus on decisions related to housing funding, one of the strategic sectors of national development over the last fifteen years in Brazil. The research that unfolds from here on will certainly be a stimulating field of political science for years to come.

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