

## **Overcoming Deep Inequality in Brazilian Cities: An Interview with Erminia Maricato**

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This interview was originally conducted in Portuguese, and translated by the author.

Erminia Maricato is one of Brazil's most renowned urban planners. In addition to having published 11 books and contributed nearly 40 book chapters, her lectures, often in public forums and protests, regularly draw large crowds of young people. But she is not merely an academic. Maricato was a key player in four of the most important moments in the last 30 years of Brazilian urban reform.

Maricato was an actor in the movement that created and ratified, through popular petition, articles 182 and 183 of the 1988 Brazilian constitution. These articles declare that the social function of property overrides the profit motive and set guidelines for radical urban reform. From 1989-1992, she served as São Paulo's Secretary of Housing and Urban Development within one of the most progressive big-city governments of all time, working alongside Education Secretary Paulo Freire. In this position, Maricato helped create innovative policies that provided technical support for urban social movements to appropriate abandoned buildings and vacant land and convert the properties to self-managed social housing in accordance with the constitution—policies that were later replicated in hundreds of cities across Brazil. She was active in helping create and ratify the landmark Statute of the City in 2001, which creates guidelines for adherence to constitutional articles 182 and 183 and mandates that every city with a population over 20,000 has to facilitate a regular participatory development plan with full budget transparency. From 2003 to 2005, while serving under former Porto Alegre Mayor Olívio Dutra in the Federal Ministry of Cities, Maricato acted as the technical coordinator of President Luis Inácio “Lula” da Silva's national urban development policy.

In March of this year, a progressive coalition of labor unions, social movements, student groups, and academic and professional associations called the *Frente Brasil Popular* brought over one million people onto the streets in scores of cities across Brazil, protesting illegitimate president Michel Temer's neoliberal pension and labor reforms. These protests were billed by their coordinators as warmups for a national strike that will begin on April 28. At 70 years old, Maricato is coordinating participatory processes to develop the *Frente Brasil Popular's* urban strategy, something she says is for the mid to long term, as “we have some tough times ahead of us.”

I interviewed Maricato in her home in São Paulo's Pinheiros neighborhood on April 7, 2017.

*What was PT's model of urban governance during the time you worked with Mayor Luiza Erundina in São Paulo and how do you think this differs from the strategies used by the government of Fernando Haddad [Mayor of São Paulo, 2012-2016]?*

During the recuperation of democracy after the military dictatorship, the social forces in Brazil, that were academic, labor, professional and social movements, built a proposal that we called “urban reform.” When the Worker's Party took over the São Paulo mayor's office we had a platform that had been collectively built with the social movements. As we recuperated democracy in Brazil, several political parties and labor union federations sprung up as well as the Central de Movimentos Populares (People's Movements Central). We won some mayoral elections together and we started what I call a “virtuous cycle” of urban policy. A large part of it was based on direct democracy. I think the most important program of this period was participatory budgeting. We were living in a period of low investment—there was no money. It was a period of crisis and IMF structural adjustments. We didn't have many resources for public policies, but we deliberated democratically on the allocation of what resources we did have. In addition to participatory budgeting, we created a housing policy that generated a lot of positive results based on technical support from architects, engineers and social workers, so that the social movements could build their own houses. The mayor's office donated the land and provided financing. This was one of our most successful programs and there is a legacy in that it has been continued in cities across Brazil up to this day. We also started a very important strategy of urbanization in precarious areas and favelas.

What exactly does this mean? The working class and poor city is ignored and forgotten by public policy during the usual governments. We looked at this forgotten, informal and illegal city, lacking in urban services and equipment and understood that this was our priority. We used a term to describe our strategy, called 'inversion of priorities.' During part of the 1980's and all of the 1990's, we had mayor's offices with these inverted priorities across Brazil. These mayoral administrations inverted priorities and facilitated participatory processes to deliberate on policy and resource allocation. Lula served two terms and was followed by President Dilma Rousseff. The truth is—and I've written about this—urban policy changed a lot during these times. My main thesis for why it changed is because money appeared. Public resources appeared. It arrived through the PAC, the *Programa de Aceleração de Crescimento* (Growth Acceleration Program) and through *Minha Casa Minha Vida* (the My House, My Life public housing program). So we entered the 21<sup>st</sup> Century with the new concept that the Federal Government had resources and was going to invest in cities. When the resources began to arrive, our virtuous, participatory project lost space. It lost space because Capital began to take over urban policy. It was a change in the power dynamic—this is very important to understand because it's not just a case of condemning political parties or

social movements which, in fact, institutionalized considerably during this period. There was a change in the power relationship that had supported city governments and that were much more democratic and participatory. When resources returned, Capital—the big construction companies and the real estate coalitions—gained space and began to take over urban policy. This is what I show in my last two books. The virtuous cycle entered in decline, although some mayoral administrations continued to urbanize favelas by investing in mobility through construction of express bus corridors (which is a lot cheaper than investing in subways), prioritizing collective transport and housing through technical assistance to social movements. So there were some governments in the 21<sup>st</sup> Century that continued to implement virtuous cycle policies but the fact is that we see that the real estate market and public works were prioritized and was not the most important thing for social needs. We also had the World Cup cycle, which built a lot of stadiums that weren't a priority.

During the Luiza Erundina administration we tried to make a pact with the business community and it had a hard time accepting us- it was even harder for the media. We have a very unequal society in Brazil and we have very high segregation levels in our cities. When you compare the elite part of the city to the part where the workers live you see that the workers are mainly black, have low income levels, low education levels and suffer from high crime, much higher levels of mosquito borne illnesses and much lower life expectancy. We have an extremely strong division between the people's city and the elite city. We had interesting dialogues about this with the Brazilian business community, both before and during the coalition politics era of *Lulismo* but this has now disappeared. The idea that you could invest in areas that do not make up part of this ideological representation of the city, which is a kind of visiting room for white people with money, is very difficult these days and only possible through a very advanced power coalition. Around 30% of the households in Brazilian metropolis are headed by women and the great majority of these families live on the periphery. A large part of these women work in the domestic service sector in this white, middle and upper income city. At the height of our urban reform movement we fought for and built a new federal constitution that is very democratic. We fought for and built a legal framework that was absolutely new, through measures like the Statute of the City, new sanitation and urban mobility legislation and the Statute of the Metropolis. We were able to build an innovative legal framework but it did not end up being implemented in very many places. This is a very Brazilian phenomenon—there are advanced laws but the legislation is applied in a discriminatory fashion. We have a conservative judiciary which treats part of the city as illegal and this is where the poor people live. It is a population that lives in informality in a part of the city that has no urbanization. During PT city governments and some progressive administrations by the PDT or PC do B parties we radically focused on this segregated, excluded part of the population.

When Fernando Haddad was elected in São Paulo (in 2012) this socially constructed virtuous cycle project had been in decline for a long time. . He took over a government that was supported by a coalition of capitalist forces from the infrastructure and construction sector, the corporate real estate sector and real estate financial capital

that had set up a project for the city during the previous administrations of José Serra and Gilberto Kassab. This project was made through PPP's (Public and Private Partnerships) and renovation projects and was called *Arco do Futuro* (arch of the future). These conservative governments opened space for the capitalists to organize and propose their project for the city. However, I think that the innovation that Fernando Haddad brought was to open the city of the wealthy whites—let's call it this—the area that the current mayor of São Paulo [former Brazilian “Apprentice” star João Doria] calls “the beautiful city,” which is a kind of metropolitan closed condominium. Haddad democratized its public spaces by penalizing the circulation of automobiles in favor of pedestrian and bicycle traffic and by favoring collective transport and lowering automobile speed limits. In other words, he innovated in relation to the progressive agenda from the 1980's and 1990's that we built during our fight against the military dictatorship that we wrote into the new constitution. Unfortunately, he sided with the conservatives on housing issues for the first three years of his mandate because of the *Lulismo* coalition and class alliances, and his housing policy only began to flourish with democratic policies during his last year in office. But his participatory master development plan was interesting, especially because it enabled the return of the municipal rural zone and provided great innovation through its food security and nutritional policy. In short, he introduced some new things to our old agenda.

*In 2011, Perry Anderson wrote an article called “Lula's Brazil”<sup>i</sup> which, perhaps inadvertently, influenced some progressives to view President Lula as a traitor to the left<sup>ii</sup>. In this article, Anderson says that when Lula took office, he immediately adapted a neoliberal policy platform and implies that he increased social spending as a political defense strategy after a corruption scandal broke in 2005. Anderson fails to mention that Lula inherited a government in which IMF conditions prohibited increases in health and education spending and that he increased<sup>iii</sup> this immediately after the loans<sup>iv</sup> were liquidated. He also fails to mention the innovative democracy deepening policies that were implemented the first year Lula took office such as the creation of the Ministry of Cities in which a voluntary, democratically-elected delegate and council system with majority representation from the poor and working class gained a significant degree of deliberative power over the federal urban policy budget. You were the Executive Secretary of the Ministry of the Cities during this period. What was the initial goal of the Ministry of the Cities, what changed, and why did it end up losing power by the end of the Dilma Rousseff administration?*

The Ministry of Cities project was born in Lula's think tank, *Instituto Cidadania*, before he was elected. I had left the PT party at the time because I was unhappy with a few things related to historic commitments, but when Lula invited me to create this project I felt that it was important for us to work on a nation-wide proposal. I was very critical of Fernando Henrique Cardoso's policies. There were some interesting people inside of the Urban Development Secretariat but, without any doubt whatsoever, he followed the Washington Consensus. Lula maintained an ambiguous posture between financial sector interests, the traditional interests of the large land owners and the interests of the working class. Lula always bet on a national bourgeoisie that doesn't

exist anymore. This is the national bourgeoisie that suffered setbacks and started to either disappear or internationalize during the Collor and Fernando Henrique Cardoso administrations. Lula bet on a policy of rebuilding Brazilian industry that now, with the Lava Jato<sup>v</sup> investigation and the resurgence of neoliberalism, has started to receive fatal blows. This is because the strong nationalists that you had until recently were the big businessmen, and the petroleum sector which strengthened the shipbuilding industry and the shipyards. Lula bet on ECLAC's<sup>vi</sup> historic proposal for Latin America, which was rooted in Celso Furtado's proposal to strengthen the internal market by increasing salaries. In my opinion, this was the most important thing he did. Lula increased the minimum salary and redistributed income through the Bolsa Familia program. He caused a huge increase in the number of working class and poor students in the university system through the PROUNI program. *Luz para Todos* (light for everyone) got everyone onto the electrical grid. These were important but the fact is that Lula operated ambiguously by not openly opposing financial and landowning elites while, at the same time, favoring the workers. Lula still thinks this way to this day—that there is no solution through confrontation in Brazil. If we consider that we have suffered from a process of deindustrialization for the last 30 years I think that he could have a point but do not agree with this posture of non-confrontation. And I am not the only one who doesn't agree with it. When Perry Anderson wrote that article about Lula, he based it mainly on the works of Francisco Oliveira, a Brazilian author who broke with Lula during the first years of his government and became a very strong critic.

I was invited to create the Ministry of the Cities and I encountered difficulties within the government. This is something I'd already experienced in the past. You are in a coalition and sometimes you have disputes within the same party. Some disputes are out of vanity or egos and some disputes are political. In the beginning of the Lula government there was an internal dispute with the Ministry of the Cities under Olivio Dutra and our exceptional team. It was such a good team that our sanitation department managed to hold a meeting with the IMF and convince them to free up resources that were blocked through the conditionality agreement. The IMF agreed to free up \$3 billion Brazilian Reis, which was a lot in 2003, for investment in sewage treatment. Why? Because this marvelous Ministry of the Cities team convinced the IMF that the application of funds for sanitation is not an expenditure, as the IMF accounting section treated it at the time, but an investment. It is an investment because you lower disease rates, increase the quality of life and improve the populations' health and this decreases public health expenditure. I'll never forget this. But there was a lot of conflict within the government. At that time, even during the Lula Government, the Minister of the Treasury was in favor of the structural adjustments. When we discussed sanitation there were people inside the government arguing in favor of privatization, which we opposed. The moment when the more democratic sectors lost power was during the Mensalão scandal [in 2005]. That is when the power relationship shifted and the government started expanding the alliances that had started with parties from the democratic, progressive left. When the Mensalão scandal broke, the Ministry of the Cities was handed over to an absolutely conservative political party [PP], which was known for a



series of corruption charges. It was a party that was tied to the construction industry. So at that moment I left the PT and returned to teaching. It was clear that the cycle of democratic urban policy with direct democracy and an inversion of priorities which started in the 1980s was ending. But this wasn't yet clear to the social movements because they still believed in the national council we created within the Ministry of the Cities.

The idea was that all of the urban policies would pass through this big council that was made up of councilors who were elected at the National Cities' Conference. The National Cities Conference was a huge national meeting that originated in the municipalities. The municipalities had conferences where delegates were elected to represent them at the state conferences. The state conferences elected delegates who went to the National Cities Conference, and there they elected the National Cities' Councilors. It seemed perfect from the point of view of popular, democratic participation. But more and more I think that these local leaders and social movements also took the path towards institutional space. They abandoned a political strategy that was more based on the ground, on the streets, in the factories, the neighborhoods, the schools, the hospitals, where we started from. We started on the periphery out in the neighborhoods, in the churches together with liberation theology where we talked about public transportation, quality of life, public health and woman's rights and we started pulling away from all of that.

The income distribution and job creation policies in the Lula government were exceptional. There is absolutely no way that they can be belittled. But from the point of view of political action I think that there was a cushioning of the transformative capacity to advance emancipation of the poor. I say this especially about the black population, which is very, very, very discriminated against in Brazil, and especially about women heads of households.

*There is a perception propagated in the international media that what happened last year was not a coup because it was a legal process. What is your opinion on this?*

There is no doubt whatsoever that what happened in Brazil was a coup. Corruption fighting was used as a tool to create what we call a justice party, made up of the judiciary, the supreme court, the media and the public prosecutor's office. Together, they are behaving like a political party that defends the interests of the upper middle class. They began to build this idea that there was never as much corruption as there was during the PT governments. Was there corruption? Yes, without a doubt. Because the coalition—President Dilma mentioned this recently—started with five political parties during Lula's first term. During his second term the size of the coalition increased. During Dilma's first term the number of parties increased. In her second term it increased even further and as the power dynamic changed, they incorporated the parties that now form the base of Temer's corrupt government today. So these corrupt parties that are running Brazil were part of Dilma's government. But now we can all see that corruption was used as an excuse to hold a coup. We are seeing now that corruption

is fully integrated into this new government. This is clear in the accusations coming out from the Lava Jato investigation, which affect every major political party. The problem is that the corruption fighting is prioritizing only one of these parties, the PT. As someone who left the PT years ago and has no party ties, I can clearly affirm that this is persecution. You cannot have justice with persecution against one predetermined political party. Lava Jato could change Brazil and it would be very important if it did. The big construction businesses in Brazil have been corrupt since the days of the Military Dictatorship. We have doctoral dissertations and master's theses that show this. My doctoral dissertation was about the military regime's housing policy. If we could free ourselves from shady cost overruns in public construction projects, it would be a revolution. If we could free ourselves from illegal campaign financing, it would be a revolution in Brazil. But this is not what is happening, unfortunately. What is happening is injustice and political persecution.

*What are you doing to fight against this retrogression in terms of urban reform perpetrated by this coup government?*

When I left the government in 2005, I entered civil society and started working a lot on the idea of re-thinking urban reform. At first, I did this in an isolated fashion but today we are thinking and talking about a new project for Brazil because the developmentalist project cycle that was created by ECLAC based on national industrialization and creation of an internal market has ended. The *Frente Brasil Popular*, which unites sectors of the progressive left, is discussing a new project for Brazil. They invited me to coordinate the urban policy component and we've already started. Professor Karina Leitão and I, together with the National Architects Federation, Engineers Unions, The Brazilian Architecture Institute, and youth groups like *Levante Popular de Juventude (People's Youth Uprising- a social movement)* and the UNE (*União Nacional de Estudantes/National Student's Union*) are discussing a new project for Brazilian cities. This is not a short-term project. I see some very difficult times ahead of us on the short term. I've been traveling around Brazil and hunger, which we haven't seen since Lula was first elected, is returning to the urban peripheries. Unemployment is deepening. Violence is getting worse. The homicide rate is going up. So I think we have to prepare for very hard times in the next few years. But we are building a new project for the country for the mid and long term. Brazil will change. It has a future. It is a very big, rich country from a natural resources standpoint, with 200 million inhabitants. It will definitely recuperate and I think that the earlier we have a proposal together and we are able to open space for this recuperation to happen democratically, the better. This process can definitively break with hundreds of years of slavery, because we haven't fully broken from our past. And this is why we are developing a civil society project now. I'm 70 and I want to dedicate what life I still have to a proposal for social construction—not just construction of a governmental project on paper. I've already done that. I want to work on a program for Brazilian society so that we can overcome this very deep and cruel inequality.

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- <sup>i</sup> <https://www.lrb.co.uk/v33/n07/perry-anderson/lulas-brazil>
- <sup>ii</sup> For example, Dave Zirin cites the article 18 times in chapter 3 of his book “Brazil's Dance with the Devil”.
- <sup>iii</sup> <http://ultimosegundo.ig.com.br/educacao/gastos-com-educacao-e-saude-sao-os-que-mais-fazem-pib-crescer/n1237982148064.html>
- <sup>iv</sup> <http://www.economist.com/node/5327790>
- <sup>v</sup> For more on this see Alex Houchuli's “The End of Lava Jato”: <https://www.jacobinmag.com/2017/04/brazil-lava-jato-corruption-dilma-rousseff-lula-temer-mani-pulite-italy/>
- <sup>vi</sup> The UN's Economic Commission for Latin American and the Caribbean, often called by its Spanish acronym CEPAL