

Rent as management of housing insecurity: possibilities of the securitization of the right to housing

O aluguel como gestão da insegurança habitacional:
possibilidades de securitização do direito à moradia

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Abstract

The paper seeks to understand new real estate rental dynamics in informal territories in São Paulo in light of the macro-structural transformations that consolidated the predominance of reproduction of fictitious capital – which shifted wage relations, mechanisms of income extraction, and draw new outlines for the role of the state. The hypothesis is that, with the increment in “shapeless” wage relations at the margins of capitalism, the role of popular rent gains in relevance as it forms of a new way of life marked by permanent housing insecurity. This dynamic is motivated and regulated by right to housing public policies that are producing and connecting this insecurity to the possibility of financial gains, resulting in a favorable environment for private land management regimes.

Keywords: popular rent; securitization; informality; housing insecurity; rent aid.

Resumo

Este artigo busca compreender novas dinâmicas imobiliárias locatícias nos territórios populares em São Paulo à luz das transformações macroestruturais que consolidaram a predominância da reprodução de capital fictício – que alteraram relações de trabalho, mecanismos de extração de renda e dão novos contornos ao papel estatal. A hipótese é a de que, com o incremento das relações de trabalho “sem forma” na periferia do capitalismo, ganha relevância o papel do aluguel popular na conformação de um modo de vida marcado pela permanente insegurança habitacional. Tal dinâmica é incentivada e regulada por políticas públicas de direito à moradia que estão produzindo e vinculando tal insegurança à possibilidade de remuneração financeira, gerando ambiente propício à atuação de regimes privados de gestão territorial.

Palavras-chave: aluguel popular; securitização; informalidade; insegurança habitacional; auxílio aluguel.



Introduction

The reflection about the relationship between local urban development in Brazil and its place in the global economic system has faced, in the 1970s, the difficult challenge of understanding the specific contradictions of a dependent economy (Marini, 2005; Frank, 1967), in which the consolidation of popular¹ territories was understood as a structural part of the process of configuration of wage relations fostered by value transfer in the context of world labor division. The kind of value transfer in question relies on a specific type of social reproduction, by which workers are submitted to a way of life that is cost-reduced relative to income. This interpretation has given us elements to understand the dynamic of land occupation – and, in more recent history, of idle buildings – in Brazilian cities as part of a specific social model, which includes off-market, self-promoted access to housing and urban production.

Even following this analysis, it feels necessary to update it according to the production of and access to housing in popular territories as they relate to recent economic dynamics, while trying to identify how the social model specific to the predominance of accumulation of fictitious capital has been modulating the reproduction of life for ever-increasing masses of population, as well as the territories they occupy. The alterations in wage relations that, at the center of capitalism, follow a “flexibilization of labor regulations”, in our case, seem more and more like the consolidation of a normalized arena of “shapeless labor” (Oliveira, 2003), which “ends up imploding the distinctions between

labor time and non-labor time, between employment and unemployment”, rendering “inoperative the differences between formal and informal” (Telles, 2006, p. 174) (our translation).

Thus, the context that was described in the 1970s as one of predominance of the salaried laborer and landlord (or possessor by appropriation, which is indifferent for the purpose of the argument) of a self-built house was gradually replaced by precarious *employment*,² “side hustles” and popular entrepreneurship especially in the 2000s – the so-called *viração* (Telles, 2006) (meaning something like “the scramble”) – associated to access to housing via the popular market. As such, while in the first period mentioned, industrial predominance and salaried work were founded on the relative housing stability allowed by self-promotion of housing, in the more recent period – especially the 2010s – we observed that the accelerating increase – also *induced* by the state – in land and housing property access on medium-low or low income strata was part of a process of increased dispossession and submission of swaths of population to the complete instability of the real estate market, mainly rentals. What we are seeing in this process can perhaps be understood as a new adaptation phase, in which a kind of *management* of despoilment is important, with other layers of subsumption.

In this paper, we seek to understand how, over the last decade, in the municipality of São Paulo, the rise of new modes of popular rent transformed the self-built marginal areas (what we call “peripheries”), historically linked to salaried work and now trying to adapt to flexible accumulation. Following those changes, we will look at how municipal public

policies participate in this process, also shifting the locus of social rights – such as the right to housing –, previously linked to the notion of *citizenship*,³ now in the process of redirection to the formation of a consumer-citizen (Dardot and Laval, 2016). In these terms, we will see how the politics of social rent in this metropolitan center has transformed into a politics of housing insecurity based on popular rent that is at the brink of being captured and influenced by the dynamics of financial and real estate markets. We will seek to show that this process, as it needs centralized and controlled population flows across the territory, has been configuring, in São Paulo, new private regimes of population management, altering the prior community relationships linked to self-build housing and the formation of a salaried working class. The increment of *management* in the relations between State, private market and lower income society dynamics benefits, in the terms presented here, from a new historicity regime,⁴ in which the expectation of social rights such as housing, which is never fulfilled, finds urgent ways to materialize those rights in the present, however poorly, through remuneration and several kinds of local and State-level violence.

The hypotheses that are formulated here derive from bibliography review, data collection, semi-structured individual and collective interviews with beneficiaries, market agents and governmental actors, in addition to some fieldwork in popular areas in the municipality of São Paulo affected by the public policies of temporary rent. Both the location and identity of the interviewees will be protected to avoid retaliation, through the omission of their names or use of fictitious names, depending on the case.

From self-build housing to “*viração*”: the popular territory under financial dominance

The discussion sustained by Cebrap (Brazilian Center for Analysis and Planning) and FAU-USP (Faculty of Architecture and Urban Design of the University of São Paulo) since the 1970s portrays working class residential areas in São Paulo as horizontal extensions, often near areas with high concentration of workplaces (manufacturing plants in the ABC region or large construction sites, for instance), with self-built houses intended mainly for the residence of the family that built them. There was a predominance of immediate basic needs met by solidarity networks in the construction of the home as well as scalar use of the official urban infrastructure, with varied levels of illegality. This context of production of space also built the subjectivation and social figuration of the *worker* (Feltran, 2011), who depends on their creativity to transform reality around them, as well as solidarity, *stability* and the accumulation of collective labor – by the community or family – as a reference and as social mediation.

The analyses of those authors linked to Cebrap and FAU-USP in the 1970s – particularly Lúcio Kowarick, Francisco de Oliveira and Ermínia Maricato – had the merit of overcoming the understanding of a prior “dualistic” school of thought, for which those settlements were the expression of a regression in the country that was to be extinguished by the growing industrialization. The cited authors identified, in their critique of this dualistic view, a close connection

between the specificities of national development and the lack of conditions of reproduction of the life of those workers. This process is better described as urban spoliation (Kowarick, 1979), a dynamic by which the self-promotion of conditions of survival represents important transfers of value for the accumulation fund of the local industrial capital (Oliveira, 2003).

Francisco de Oliveira (2003), in his classic study that served as basis for the better part of the reflection about Brazilian urban design and planning after the 1970s, builds on the apparently contradictory datum observed in the field according to which the residents of those peripheral areas declared themselves, for the most part, owners of their self-built homes, even though they did not possess deeds. According to him, the common self-driven practices for reproduction of life – contemplating healthcare, food, clothing, and, above all, self-build housing – would withdraw capital costs, becoming their permanent accumulation fund, based on structural low wages that fail to cover the workers' basic needs. As such, those widespread practices, a formative factor in Brazilian cities, would be one of the motivators of wage depreciation and the historic and social foundations of the exploration of the workforce.

This notion espoused by Oliveira of self-build housing as an autonomous and private response to the need for their own home by the family who does the construction⁵ seems very questionable, considering that both renting and real estate transactions of these types of housing were already present in the analyses of the time (Bonduki and Rolnik, 1982). Presently, however, the product

aspect of self-build housing is inescapable and increasingly predominant in popular territories. Research conducted over the last decade (Meyer et al., 2017; Abramo, 2009) demonstrates that the production of popular territories has been increasingly marked by the dynamic of the popular real estate market (with significant presence of rent negotiations), rendering even the notions of “informality”, “precarity”, and “illegality” insufficient. As a result, they become inoperative aspects in this scenario. All of this is marked by the transformation of a “society of low wages” into a society that is no longer organized hegemonically according to wage tiers, a fact that objectively and subjectively alters the notion of “worker” (Feltran, 2011).

Vera Telles (2006) also reflected about the permeability of those categories when analyzing the changes in the work arena and the accompanying popular urban practices, which are locally specific, highlighting the ambivalences produced by intermittence and multiplicity as found in the process called *viração*. Here, it is necessary to observe that types of *viração* in the work arena are accompanied by similar changes in the ways of living and using the land and the buildings present on popular territories. Where once, in Oliveira's thesis, the illegal possession of self-build housing was part of the transfers of value internal to the dynamic of wage-based society, it is now necessary to look at rent – in its most diverse forms – as one of the mechanisms that operate the *viração* of the urban sphere, characterized by a state of “permanent transience” as a result of an institutionalized context of housing insecurity based on evictions (Rolnik, 2019).

Popular rent as a replacement of social rent

The hypothesis of national capitalist development backed by the fund for the reproduction of the worker establishes a local specificity that differs from the scenario in Europe, in which, according to Oliveira (1988), the public fund is the one who, for the most part, plays the role of creator of the fund of accumulation of capital in the form of “indirect wages”, by means of public policies that fulfill social rights.⁶ Aiming at this form of development, the defense of Brazilian democracy builds momentum in the mid-1980s, with social rights being championed by progressive sectors as a way of “re-aligning” with development, with the State – through direct investment in the public fund – providing, by means of public services, everything that was self-promoted by the workers, altering the country’s development cycle.

The fulfillment of housing as a social right can come to fruition in many ways, but, among them, its transformation into a *service* by means of rent in public constructed areas, as the one implemented in the European Welfare State, was always part of the defense cases stated by urbanists – the so-called *social rent*, which would free workers’ wages for consuming goods and services, with housing stability. In the Brazilian case, could the implementation of these public policies have had the same role as they did in Europe, collaborating toward a shift in the development pattern away from the logic of spoliation based in the illegal possession of land by the workers? Would turning

residence into an indirect salary by means of rent collaborate toward the construction of sought-after institutional controls? The affirmative answer to those questions made the subject grow in importance in the 2000s, and the Program of Social Tenancy (*Programa de Locação Social*) (with its own construction area) was implemented in the municipality of São Paulo during Marta Suplicy’s term (PT, 2001-2004), which, albeit small, brought the subject of rent into municipal housing politics, an increasingly recaptured subject that gained prominence with the Municipal Housing Plan⁷ (*Plano Municipal de Habitação – PMH*) of 2016, through a series of other modalities.

In practice, however, what took place was the implementation, over the same period, of a much more flexible program of social rent: a monthly financial complement for private residence renting, granted by the municipalities to families evicted due to construction work, as well as disaster victims and occupants of at-risk or extremely vulnerable areas – what is now called Rent Aid (*Auxílio Aluguel*).⁸ There is no control by the public sphere over the final residence rented by the beneficiaries, who, in field observation and the accounts of public managers, befalls solely on the popular market: squats, at-risk areas, non-legalized areas, often without urban infrastructure, with few rooms for the family’s needs, often badly constructed or in flood-prone areas, with restrictions to children and animals, without contractual legal guarantees and with a variety of deposit requirements, not to mention the kinds of expenses with water and electricity that did not exist before in self-build housing (none of which the public program meets

with the benefit of BRL 400, which hardly even covers rent for insalubrious shacks at the margins of outer peripheries, like some visited for this research).

That program grew to quite a relevant size, especially after 2011, with around 27 thousand benefits at present⁹ (having reached the 30 thousand mark in 2016), including currently registered families waiting for permanent homes since 2008. This is much more expressive than the 900 or so residential units owned by the municipality being leased under social rent through the Social Tenancy Program. Here we can see that *social rent*, under the perspective described above of *social rights*, ended up in fact materializing a dynamic of “indirect wage” connected to *popular rent*. Unlike the stability projected by access to social rights, the public policy of which Rent Aid is part creates a scenario of *housing insecurity*, linked to *permanently transitional* (Rolnik, 2019) ways of life: it is used as an eviction device associated to the submission to the popular real estate market, which induces, often violently, an inversion of the families’ priorities – from food to rent and providers of public services. This is exemplified in as account¹⁰ that relativizes the improvements in housing conditions after eviction and Rent Aid:

Improvement is relative... it’s better here because it’s brick. But I miss it there. I miss it there because here you have to make something from nothing, you have to top the rent up. Like last month, even, we had to scramble to save up for rent. Cause BRL 400 doesn’t pay rent. Cause there isn’t any house for BRL 400 anymore. Most of them go for 500, 600, 700. Where we were, I

prefer it a thousand times. A thousand times happier, we were there. We wouldn’t have been scrambling like this. *We take from money for beans to put it on rent.* (...) Here it’s safe because it’s brick and when it rains we don’t have to go through all that, that we used to deal with, but honestly, I’d rather be there.

We can see, then, that there is a change in the formation of the salaried working class in a dependent country, which was based on the relative stability afforded by self-build housing, and aimed at public production of housing with the relevant participation of *social rent*. The present picture is different: the formation of the new working class, made for *viração*, is based on the housing insecurity triggered by the public policies that evicts them and casts them on the arena of *popular rent*.

So, the era of public policies, at least in São Paulo, has demonstrated that the access to public funds, instead of altering the cycle of development based on spoliation by inserting elements of what could be a form of “indirect salary”, in fact ended up subsuming to the market ways of life that were previously possible through what Oliveira called “non-product” (the self-built house, for instance). And, by doing so, it failed to create something like the classic salaried working class, as the goods and services to which it has access continue to be those of the *popular* market, with several levels of informality, illegality and sociopolitical barriers of the most varied sorts. The working class had to resign themselves to an increase in social insecurity instead of a decline, which happened in the European case. It does not seem to be a change of direction, a failed project, but rather the adjustment of

the dependent development to a new stage, in which the access to the market mediated by public policies goes from the shaping of and dependence from legality to the hybridism of popular dynamics – and not the opposite, as perhaps was thought possible.

Housing market in popular territories

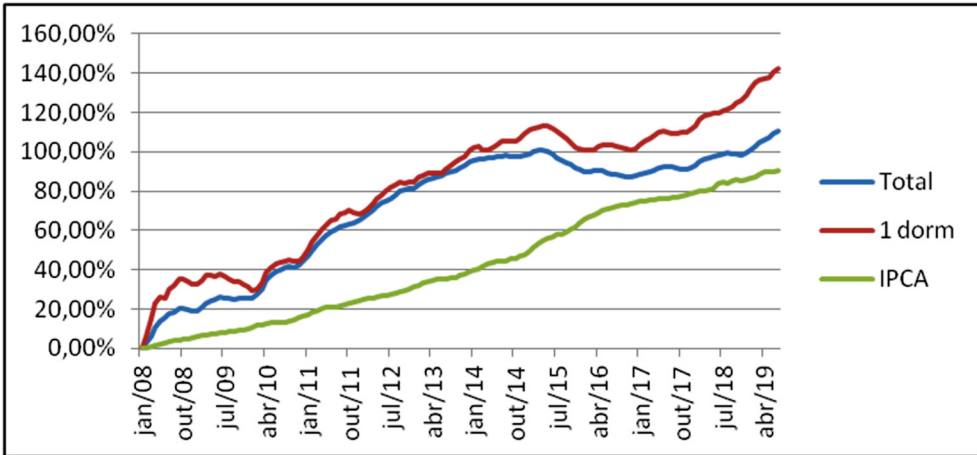
Data from “PNAD Contínua” promoted by IBGE¹¹ show that the percentage of rented residences in the Metropolitan Region of São Paulo (RMSP) in 2001 was of 16% and it grew, in 2018, to 23%, a 7% raise in participation, corresponding to a 43% growth ratio in the period. Those percentages do not show relevant variation in different income strata, unlike in the 1970s. This scenario is accompanied by raises in rent by a variation that is above and disconnected from the dynamic of inflation between 2010 and 2015, a movement that is even more accentuated and extended in one-bedroom residences, which, at present, have an appreciation rate that is higher than inflation and other real estate categories (Chart 1). This certainly was a factor in a change of profile of housing deficit in the RMSP in the same period (Chart 2), in which the excess rent burden took a relevant leap above other factors. Data by Labcidade (FAU-USP)¹² show that over the last five years, around 140 thousand eviction processes were executed relative to rent in the RMSP (with granted decisions).

Such data and field research show us that there was a shift in the popular real estate dynamic over the last 10 years in the RMSP,

more and more similar to that of the typical market, independently of the legal status of the property. In more consolidated popular territories, the generational and financial development of the families, with the addition of the scarcity of available public urban lands, years of public investments and new social dynamics related to land management lead to a new verticalization phenomenon.¹³

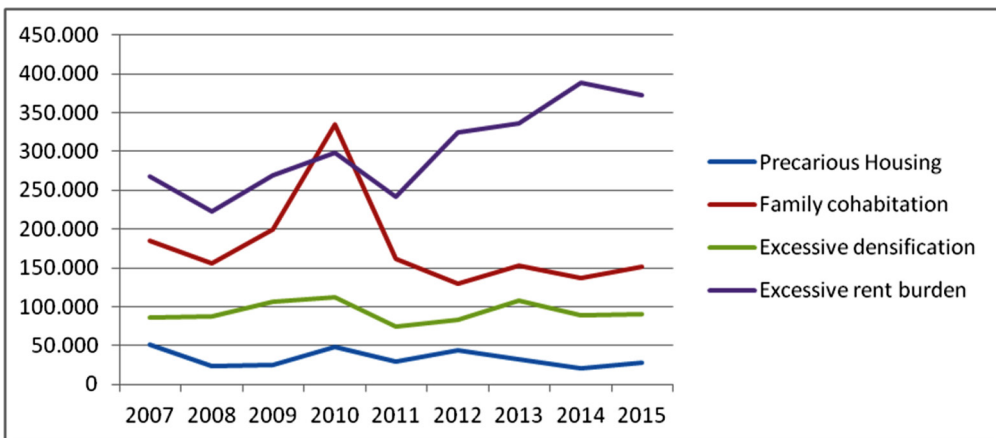
In 2017, a research conducted at FAU-USP entitled “Residential real estate market in Paraisópolis: What changed over the last ten years?”,¹⁴ points to a few important characteristics of this process. Although it deals with only one territory (one of the largest slum of São Paulo, with around 17 thousand residences), it is very relevant for the general context of Metropolitan Regions in Brazil, considering the inclusion of the research in a larger group of cities and researchers who, in 2006, did a survey of the informal market in 8 regions of the country.¹⁵ One of the most relevant pieces of data surveyed was precisely this verticalization aspect, which, in ten years, went from 4% to 31% of the residences in the territory. More than the dynamic of family growth, the researchers detected a hefty production of housing geared toward selling and rent, with most of its promoters (54%) being residents of the same territory and owning more than one property. The typologies meant for the rent market, in comparison to the survey that was done 10 years prior, saw a reduction in area built and number of rooms, with the majority (70%) being one-room residences (such as studios). In addition to that, the market was evaluated as very profitable in comparison with the legal real estate sector and showed an appreciation of over 300% in the value

Chart 1 – Monthly percentage change in the Fipezap Index for Residential Rent (Municipality of São Paulo) and IPCA (inflation)



Source: elaborated by the author with real estate data for residential rent in São Paulo by Fipe and inflation data from IBGE (IPCA - Índice Nacional de Preços ao Consumidor Amplo).

Chart 2 – RMSP Housing Deficit Profile



Source: elaborated by the author with data from the João Pinheiro Foundation (2007-2015).

of the land in the period; as well as a higher “rental yield”¹⁶ by almost 200% over the formal market.¹⁷

Beyond those numbers, the research detected a change in the dynamic of agents and real estate strategies. More than half of the properties put on the market were mediated by realtors, who looked for greater contractual formality – even if this did not relate to the regularity of the property, therefore not entailing interference of judicial powers over the territory, since they have their own regulatory processes, as we will see. Another new player was added to the roster, the *incorporation*: low-occupancy plots were being purchased for demolition of the original building and implementation of new vertical constructions designed for rent. Generally speaking, there was a more centralized control over tracts of land that were still empty or in litigation, especially in at-risk areas: the researchers account for the presence of local regulatory agents with powers of negotiation over the areas against the City Hall and new occupants, a market metric involving resources both private (money or goods) and public, such as Rent Aid – reflected in the relationship between the eviction of families and the local real estate market. This dynamic, disseminated in the popular territories of the metropolis, can be observed in this account (by a resident of another area):¹⁸

I live in Itapecerica, really far from everything. Because it was too far from all jobs, I found this shack and I said ‘well, I’m going to living in the shack.’ I had gotten a sound system, the guy was eyeing it. He said: ‘you give me the system, I give you the shack.’ So I swapped it for the shack. It was around

the time when it ‘hit’,¹⁹ I got²⁰ BRL 8K. 8K wasn’t good for anything. So what did I do? ‘It hit’ the plot I had, so I bought in a city plot.²¹ I paid the guy BRL 4K. ‘It’s 4K, if you want it’. Here people are [now] selling shacks for up to BRL 10K. [Is that because of the plot? How does it work?] I build my shack and sell it to you. *For outside people, to just come to the community and build a shack is hard. You have to be ‘in the know’. This is how it works: ‘This is mine and that’s that. You wanna live here? Then you’re paying. You have to pay. [For the plot, right?] Yeah, the plot that isn’t yours or the other guy’s. But you have to pay to live there, to build [the shack]. So I paid 4K, lived there for a year, that was when the city people came in and took it away. That was in 2009, and I began getting the [Rent] Aid.*

Such phenomena cannot be understood, therefore, without the interference of public policies: the referred Paraisópolis research surveyed investments in construction and urbanization and gave particular relevance to the Rent Aid instrument granted to families who hail from that territory, representing about 26% of residences. The high percentage of this benefit may have driven the increase in rental offers as well as their numbers: while the median rent rate there is of BRL 550, Rent Aid pays only BRL 400, defining a minimum limit for this market. This dynamic, in fact, can be extrapolated from this particular territory: data from “PNAD Contínua” show that, after 2011, the year when this policy gets more expressive, rent rates for income brackets of up to 3 minimum wages in all of the RMSP are majorly pushed over this minimum (exactly between BRL 500 and 600),

reaching up to more than what the family can take on (over 30% of the family income, when they start entering the ranks of housing deficit for excessive rent burden, aside from expenses brought on by legality such as water and electricity.

The new landowning dynamic that was installed seems to originate in the fact that lands became more and more scarce, and, with the *Minha Casa Minha Vida* program (which starts handing over units exactly in 2011), even the worst and most distant homes began to drive prices like never before, by the increase in ways of drawing income from the land (Guerreiro, 2017). There was an intensification of land use in all of the RMSP, which drove up the occurrence of and tension in new occupations, especially in at-risk or environmentally protected areas. With the increased values and extension of pricing of lands, the dynamic of domain over them was also altered, in tandem with the consolidation of private local regimes of land management that implemented access restrictions which, in practice, extinguished the old popular practice of arriving somewhere and self-building autonomously. In order to do that, at present, one has to submit to the installed territorial regime, access to which may be granted through financial exchange, support networks, political exchange, etc. In practice, the access to housing came to be increasingly fulfilled by the market – whether by buying and selling, or through rentals, regardless of whether the land is legally owned or not. Even the organized occupations (squats) of idle lands and buildings acquired new dynamics over the last period, while also being part of this context modulated by the combination of private territorial regimes and their political

legitimacy being in the hands of certain hegemonic public policies that shaped to right to housing after its private, individual model – as is the case of the cited Rent Aid.

This public policy is based in the existence of informal rent in the private popular market, using it as a response to the right to housing of mainly families removed from self-build housing areas – the solution found by workers whose housing cost is not covered by their income. A daily reality of eviction was thus facilitated and made possible, as it was mediated by Rent Aid, which gave legal support and an alternative form of housing to those who were evicted – even though the concrete solution is informal and precarious, the *contract* (for the welfare benefit) is formal, creating a gray area in the legal framework of the right to housing. In addition to that, this process that was installed in São Paulo over the last decade put in motion a process of conforming the way of life of the families within the large-scale popular real estate market. This reality is present in the testimonies of some of the interviewees, as seen in this account:²²

Ah, that's a normal thing, everyone has to pay someday, right? (...) I even caught wind of this other squat area, but I didn't really want to go. I preferred staying here. [You didn't want to go through all that again?] Oh no, not again! You mad? To see all that destruction again, that ugliness... no! I can take it easy here. You mad... that stuff was horrible. I'm cool, I don't wanna go through that again in my life. If I must pay here... well then Rent Aid helps. But if not, if that is cut,²³ then I'll just have to find some hustles out there right? You gotta pay rent.

What can be gleaned is that there is, then, a conformation of the popular way of live that was previously shaped by self-build housing in land occupations into a different dynamic, adapted to the rent market made possible by public policies – which removes and inserts families in private rent relations, partially conforming the need for “permanent side hustles”. It is in this sense that we understand this dynamic as particular to a management of populations (Foucault, 2010) that involved the need for consolidation of a specific circumstance of housing insecurity, which can be financially captured by public-private relations.

Public-private popular partnership by means of rent

A more robust step toward turning rent into a *population management* mechanism must necessarily involve partnership between the State and the market with some centralization of capital – instead of private agents with almost individual dispersion, which is what happens in the popular market. One possibility that has been gaining traction in discussions in the State of São Paulo is the intermediation of real estate agencies registered, after selection through public bids, with the City Hall for subsidized rentals in private lands (like what happens with Rent Aid at present), which would generate more formality, habitability conditions and management control, also collaborating toward decelerating the cycle of occupations. The Rent Aid benefit sum could be passed on directly to the real estate agency, which would collaborate with the management of the program alongside the

beneficiary, who, in their turn, would enter a more secure deal.

The model under analysis is the one developed at present by start-up “Alpop”,²⁴ a digital-platform real estate agency specializing in popular rent (with rent rates of up to BRL 1,700). The business owners are a partnership between “do-tank” Urbem,²⁵ tech business Caiena²⁶ e and law firm Arap Nishi & Uyeda.²⁷ Alpop does not require a guarantor, nor a security deposit or proof of income, and it does not consult the Serasa debtors’ database, using instead a simple social security-based research that generates a separate score for risk assessment in this income bracket, which can have many other market applications. The start-up guarantees the monthly payment of rent to the proprietor even if the tenant misses it. They also take responsibility for eventual evictions and charge symbolic fees for building maintenance.

The property capture system goes through a “agile management method” called *Scrum* involving the articulation between search for information in the field (from neighborhood to neighborhood) and constituting *relationships with locals* with data processing directed toward building software. The goal is to create managerial capacities geared toward the low-income population by means of artificial intelligence integrated to “actions of social impact”. The credit score is built in this manner but is powered by its articulation with the uses of the city (ways of life in the city), with geo-referenced information connected to the popular market with a view to reach value and pricing criteria for presently non-institutional real estate. It is a relationship between “experiences” and analytical data extraction. According to Lilian Veltman, coordinator at Alpop:

Everything is experience-based. Everything is monitored. So every 20 days we try an experience and identify what happens. [What is an “experience”?] Experience is what we call ‘real estate pointer’: the people that live around the area are the ones who will tip out a property for the platform. So we have hired people – who aren’t realtors – who will liaise. They can liaise with doormen, the guy in the bakery store, in the building materials store (a lot, we did the building materials thing a lot). (...) And what we realized was that there are neighborhoods with a more traditional population in which this works – the experiences worked, and we had more results with this in-person contact through *an agent that mobilized it*.²⁸

In this sense, Caiena appears as the majority partner in the business, creator of the Caju Social Impact Fund, which funds Alpop. The Social Impact Funds are composed usually by means of Participation Investment Funds (*Fundos de Investimento em Participações* – FIPs), regulated by the Committee of Real Estate Value (*Comissão de Valores Imobiliários* – CVM), normally involving high initial investments and a long turnover period (around 10 years). The so-called “positive impact” is a business strategy that comes with the advancement of entrepreneurship, by which those funds are used for the development of start-ups with social justifications. They are widely used in the fields of education and small businesses, but have been expanding toward all spheres of social rights, creating a new form of management that also configures a new form of State, where the lines between public and private get blurred.

Although it is still small in Brazil, the Social Impact market has been gaining terrain abroad²⁹ mainly through *Social Impact Bonds*, or SIBs, which can be debentures (debt bonds) or Certificates of Receivables, tied to social causes. They are fundraising sources in the financial market used by businesses and governments – in the latter case, with a much greater volume of resources and guarantees. This drives businesses to constitute social justification, in fact, as a way to become viable for offering public services, raising public funds for the financial market. In Brazil, in the housing sphere, we are aware of two active projects: Vivenda Program and the Bem Viver Centro Project. The former was structured by the start-up Artemisia alongside manager Dín4mo and one of the largest securitizers in the country, Grupo Gaia, who promoted renovations in popular residences using “kits”. As for the latter, the company Magik JC is behind it, as it undergoes a process of transformation from construction business to “BCorp” (Benefit Corporation) – a certification connected to the Social Impact market –, with the target of building for social rent in the central area of São Paulo. None of those businesses is presently partnered with state agencies, although the connection would have the potential of driving their growth immensely – which makes them articulate around legislative change, as we will see next.

Alpop was used here as an example as we believe that their business model is the one that is most aligned to the financial potential of Rent Aid. It is, at present, only a virtual-platform real estate agency, whose business has no relation with public policies, only with the popular market. However, it bases its business in the premise of affording some

formality to this market – by means of a rent contract, and not through the regularization of land. As such, it meets the goal of the public sector, whose policy of temporary uncontrolled rent for the same population has been reaching a certain limit in the cost-benefit equation. One side does not depend on the other, at present, but a meeting between the two could boost possibilities that are still merely potential, both of financial gains and managerial capacity in the production of space by the public sector. This possible convergence – which is more probable now, as we will see – leads to a way of capturing Rent Aid by the market that points to other questions related to the potential found in the institutionalization of the real estate practices of popular housing, whose social capillarity is much greater than the possibilities of the formal real estate sector, *and demand direct relations with its leaders, managers or local powers* – as seen in the testimonial by the Alpop coordinator above.

The intermediation between State and dispossessed population conducted by intermediaries linked to the Social Impact market allows for new forms of public policy – whose reach we still cannot reckon – based in the paradigm of *housing insecurity management*, and not in the fulfillment of the right by means of the materialization of the house as a product, or of rent in public areas. It is a transitional fulfillment, whose solution by means of “piecemeal” popular market may seem precarious, but, in truth, can put in motion institutionalized processes for contractual management, which can engender monetary appreciation as they operationalize devices of centralization of dispersed incomes – through local agents, legal instruments,

financial input and Information Technology – and can secure those rights through the public fund, as we will show next.

More effectively, there is a Bill in motion at the São Paulo City Council (PL 258/2016) that fosters those possibilities and others regarding the relations between the public sector and the market by means of social housing rent. It was approved and a Law was decreed recently (December 19, 2019), but it was soon vetoed³⁰ in its entirety by Mayor Bruno Covas (PSDB) – a fact that shows how those transformations are in contention, yet to come to a clear conclusion. The Bill creates a Management and Guarantee Fund linked to the Housing Office, but managed by a private agent, who would be the tenant in the rent contracts with public demand in the private market (which largely includes the popular market). This device uses the direct payment to the beneficiary of the present Rent Aid and turns it into a voucher that is given to the landlord – who can build real estate for social rent with incentives (tax, fiscal and urban planning incentives) or get credentials for their own portfolio (as is the case of real estate agencies such as Alpop). The landlord, according to the Bill, will be able to issue bonds for the market by means of Real Estate Funds or Certificates of Real Estate Receivables (*Certificado de Recebíveis Imobiliários* – CRI), backed by the rent receivables of the Management Fund.

This would be a possible relationship, for instance, between real estate agencies like Alpop or the construction company Magik JC and the public housing policy, which wants to avoid the old need to provide housing in public areas. According to the former Secretary of Housing Fernando Chucré, when asked about Alpop:

What we proposed to them [Alpop] was doing a partnership with the Housing Office to offer the families getting Rent Aid the possibility of entering the formal market. [So would the management of that be more controlled?] Yes, much more controlled. It goes into the discussion about deficit in general: if I don't have the funds to build the property for 'selling' (let's call it that), or to meet the needs of low-income population, then what makes me think I'll have it for social rent? Because the resources for you to create the property are basically the same – and we created many different tools with the participation of private investment – but, in theory, if you think like this, here you have to create or acquire a property, if it is in the public model, in order to give or transfer the property or keep it with the State and operate as Social Rent. The difference is that there is an entirely different package here that that I don't have to expropriate! Someone comes up and says 'I'll provide the property'.³¹

Tangle: the private regimes of land management

On Friday there was a flood: I only spent one day in the shack! When the water came down the only thing upright were the timber posts, because the flood took it all. It took it all. It was all over, but I didn't get defeated. I went to Telhanorte, bought some other boards and put it all back up on the shack. I'm staying here! So the other day the woman from City Hall came by and she was all cross with me, she called me

names, all the names, I call her names too, so she picked up and talked to Ednei. Ednei said to her: 'you either give Cleide Rent Aid or everyone goes back to the riverside.' So they gave it to me and I was happy, it's not much but we get by. I put in just 200 more and squeeze for the rest, right? And so we go, until God has other plans.³²

Cleide's trajectory presents a typical example of the processes we are analyzing. From *viração* to subsidized rent, an urban disaster in an at-risk area, eviction and self-construction up to the management of instability "until God has other plans" mediated by the partnership between the public sector and the social forces of local private management. In the interviews conducted in evicted communities, what stands out is that a majority of the families who receive the Rent Aid benefit gain access for the first time in their lives to the rent market by means of public policy, and, without it, they would not be able to remain in this market – which is more closely subjected to the local power regimes, because of the resulting instability.

Ednei (fictitious name), in this case, is the community leader, whose social and political status in the community was built through the entanglement of his activities in several levels: internal community organization, external negotiation with the surrounding rich neighborhoods, negotiations with the public sector, articulation of networks of solidarity and work in the third sector in the community, regulation of legal and illegal commerce, land regulation, among many other practices where limits of legality and stability of definition are of no use in order to understand them. "Ednei" – or the new face of community

leadership³³ – is used as an instrument, as a means, for the public policy to make popular real estate markets functionable in their favor. He is entangled in all relationships, from the ones that seem more individual up to negotiations with the public sector (as we saw in Cleide’s account): he is a management agent for this population. He is the one with whom the City Hall talks in order to summon the Rent Aid beneficiaries under his wing for meetings about the motions of the process of getting definitive residences, or re-registering in the program.

The Aid as a link with the public sector, therefore, is an important element of a social-territorial dynamic in which the rent relationship becomes central, while this social mode amplifies populational management capacities in time and space, as long as it can be *centralized* and conducted by intermediary agents. The status of this position becomes clear, seeing as businesses (like the case of Alpop, but not limited to that) or the State and other institutions gain access to a universe that was previously closed off by the dispersive popular dynamic – acquiring, therefore, a managerial capacity. It is important here to underscore the transformational tendency of the political character of the community that is predominant in the re-democratization phase of Brazilian history – based in the conflict with the established social order that maintained, and still maintains, the exploration of the community – into this entrepreneurial side. Not that it had not been present before, but it seems to be acquiring a different character and a greater relevance than before as the dynamics of accumulation and its links to the State are re-structured.

Cleide’s *viração* for securing a residence, therefore, takes place in the entanglements between the induction and mediation of the public sector and submission to the local power relationships, which are actually only tangentially similar to community organization. They are, in practice, a private and centralized management of territory, grounded in the dominance of the real estate market dynamic (Alves, 2019). Cleide, in particular, is now renting a room built for this end, as an “entrepreneurial” move. This is a relevant practice in popular territories, especially in communities that had removals and were massively contemplated by Rent Aid – and there were even reported cases, in the interviews, of the program card being retained in lieu of a security deposit, one of the subjection practices we mentioned. As we can see, it is not possible to build without mediation in popular territories – something that becomes explicit in her account of when she tried to self-build in an at-risk area. In São Paulo, we still have no evidence of militia practices such as those in Rio de Janeiro,³⁴ however, there are many elements found in the field that indicate some very particular similarities in the popular territories of São Paulo, marked by control, through violence, of the land market. The generalization of rent in the popular market, in these terms, activates a deeper dynamic in population management that, crossing paths with Rent Aid as a device for removal and local real estate regulation, also involves the public sector. It is one stage ahead of simple land grabbing. We can also see this in the following account from a Rent Aid beneficiary from the same community as Cleide:

After that they built three or four times [a shack in the stream] and the City Hall said they wouldn't pay Rent Aid anymore. People from the outside and the inside, who were 15 at the time and are now 23 and there's nothing else they can do. They don't do it to get the Aid, they do it because of necessity. Now people don't build anymore but not because they know they're not getting anything. The people in the community are the ones that don't want anyone in the stream. The other thing is the 'family', right? Ednei just goes and says that you can't, that if you build, all that mess is gonna start over. You don't even have to take it down, because you don't put in the first stake. We won't let it, because there's too many outside people coming in wanting to sell shacks here. That's not how 'crime' works... there's this whole 'debate', it's a 'we'll see, who do I speak to?'. Each community has its leader, and he respects what the community wants.

His speech shows the confrontation between popular entrepreneurship, the land reserve being done by the community's administration and the often veiled mediations with the public sector: the new "no building" situation also comes from a negotiation undertaken between the Housing Office and the leaders. In an interview with the former Secretary Fernando Chucre,³⁵ he reports having told the leaders of areas with repeated eviction that he would no longer give Rent Aid to new occupations, something that came to fruition with the recent alteration in Ordinance Sehab 131/2015, defining criteria for provisional housing assistance. It becomes clear, then, that what entrepreneurial efforts

and "what the community wants" are not all that autonomous initiatives, as they cross paths with a specific, centralized management that also involves the public fund. This is the hidden face of entrepreneurship, which appears to be the realm of freedom, autonomy and community creation, but can increase in scale if this centralization is entangled with investment funds, as seen above.

The regimes of private land management enter this arrangement, which can be even more enforced if this so-called housing *viração* can be productive for capital. This is the promise of the transformation of the place of rent in public policies, mediated by the interests of a popular rent market connected to investment funds. Those digital platform real estate agencies can put in motion, in the housing sphere, what Ludmila Costhek Abílio (2017) called the "real subsumption of *viração*" for so-called "uberized" work practices, which, by centralizing the management of a precarious but "landowning" workforce – in this case, of real estate for popular rent – make them productive for the financial accumulation circuits.

A new role of the State

Rent Aid in the municipality of São Paulo is paradigmatic for the understanding of the new forms of capture in the popular housing dynamics by the financial and real estate market in a near future, with mediation by the public sector, as seen above. When analyzing this reality, it looks like the *viração* in the labor market induced by macro-structural changes not only influences transformations in the modes of living and territorial dynamics, but

also leans on them. The way of life of the social subject forged for *viração*, after all, needs to be in permanent instability for them to be available for subjection to the degree of violence in the proposed work relations – and housing insecurity is a fundamental part of this. What is interesting for the purveyors of this arrangement is for those work relations to be regulated by the State much like housing insecurity also must be institutionally built and managed, in a reconfiguration of the role of the State. This reconfiguration involves an alteration in the shape of social rights, which once presupposed material responses for concrete needs – hospitals for sickness, schools for the youth, house for the homeless – and is now geared toward the management of demands that can be remunerated in the private market, preferably with financialization. The social right to definitive housing no longer seems to fit with the needs of financial capital in marginalized areas. It needs to adapt, abstracting the qualitative concrete materialization of its effectiveness – the house.

Going by the understanding of this new scenario, it seems relevant, beyond the mechanisms of circulation of capital involved, to try to shed light into the social processes that are its structure. This involves understanding the new subjectivations and forms of social and political organization that are no longer the relations between salaried society and private property. Those relations configured a *worker* who was collectively organized in political parties, unions and social movements dedicated, in the housing sphere, to the *collective production* of urban space and modes of living specific to the pre-figurations of transformation of that society.

The ascension of *rent* nowadays cannot be understood here, then, in the same terms of the social rent of salaried society, based on the public property of an *intervening* State, which invests the public funds directly into the *construction* of new units. There are different terms when this State positions itself as the *protector* of abstract rights which, in this case, means despoiling the idea of housing from its material, subjective, cultural, social and political wonts – causing a trans-substantiation of its character of response to a human life need into *amount of remunerated abstract time* (the payment of a monthly sum).

The terms of the debate about rent in a context of structural dismantling of wage relations in a global level need to include, then, the understanding of the role of the State as a *public* regulator of *private* rights – be it right to work, or right to housing. Looking at this relationship with the public fund, historically, we see that, while in the developmentalist period (1970s) those rights were guaranteed by the direct creation of employment (by public businesses and services) or housing (BNH),³⁶ during what was called “neo-developmentalism” (by PT federal government offices), they were *induced*³⁷ – already altering the prior prerogative of the public interest on the private (in the housing sphere, exemplified by the *Minha Casa Minha Vida* Program).

Such interpretation of this period, however, obscures the specificity of the advancements and transformations in the neoliberal logic of peripheral countries, which, in a diffuse manner over the second half of the 2000s, but strongly over the following decade, have been gaining traction in State affairs: the place of private rights is amplified over public rights (privatization processes)³⁸

in the same measure as the advances in the economic dynamics between the public and finance sectors. This privatization process, therefore, has a different historical specificity from that of the 1990s (in which there was a transfer of properties from state assets to the private sector), now relating to forms of securitization – of assets, services, and rights, generating more of a revenue flow than a static transfer of assets. In this logic, the public dimension of social rights (a political dispute arena) loses ground and what prevails is the notion of liberal law, in which the private *contractual* mediation takes on the role of social mediation.³⁹

We are referring here to the rationale particular to Public-Private Partnerships, but not limited to that, as there are other forms of public-private arrangements that follow the same rationale – such as other types of concessions of public services or specific partnerships,⁴⁰ which can include the Social Impact market cited above. They are complementary dynamics of a mode of financialization of social services that the State acquires tendentially, according to which, concerning housing:

While SIBs are still at the experimental stage, in terms of the marketization/ privatization of social services, from a public policy perspective they represent a radical fissure. Traditional privatisation initiatives simply offer private investors the chance to provide services to the state in return for a guaranteed payment (...) SIBs are in practice a series of payment-by-results contracts in which named homeless people are the targets of various performance outcome metrics. In effect, homeless people become

commodities, in that they themselves carry the potential to produce future cash flows for investors. (Cooper et al., 2015, p. 3)

If this is the case in central countries, where the process of financialization is more advanced, in the case of the peripheral countries, these means of guaranteeing rights seem to be in dispute with the notion of “social right” (dear to the re-democratization era of the 1980s and 1990s) *without prescindning from them*: because the public fund can *abstractly guarantee without materially effecting* the right. This means that the concrete needs of the population – and the public sector’s responsibility of ensuring those needs with an end that is no longer public (in this case, it would be the material effecting of dignified housing) – are being used as tools or a means to an end. And if this end is, in reality, the permanent flow of capital (as revenue), this material effecting tends to become abstract and, in its limits, even fictitious (in the case of housing, it may or may not materialize as an actual house). The public fund ended up, in fact, being more evidently (at least in the urban space) vied for the institution of investment funds, so-called “protector funds” or even “funds for the securitization of receivables” of an array of public-private relationships that can enable the transformation of public services into profitable sectors for agents of capital that draw financial gains from the high risk represented by assistance to popular classes.

In this new model that has been contending for State reform, social rights are understood as the property of each citizen, carrying the potential of being necessarily fulfilled by law. This concrete fulfillment can be undertaken in a private and diffuse manner, but

it must be secured by the state monopoly. This can be turned into management of securitizing funds (like the proposal on Bill 258/2016), ensuring the fulfillment of the right, therefore, in an abstract manner, without commitments to its qualitative mode of materialization. The state monopoly of guarantee of rights management is linked to the private dispersion of the materialization of those rights, which outlines a model that, on one hand, intensifies those private, diffuse materializations, and, on the other, centralizes their remuneration – as the public fund securitizes the risk of individual payments. Rent as a model for that “right fulfillment” is ripe for this system, as it allows for a disentanglement between the immediate materialization of things (their quality) and the management of its fruition: it does not mean fewer properties, but rather the monopoly of the management and targeting of revenue from many properties, which, together, put in motion a cluster of higher value than what would be achieved with just one owner – the logic that is particular to monetary funds. After all, the workforce that drives this revenue (by building rooms for rent in popular territories) is also dispersed along with the housing itself, which decreases the idle time involved in centralized production. Therefore, what is created is a configuration of the fulfillment of the right – as individual property, a private subjective right – that is intermittent, on demand, whose metrics are not the need for housing, but for the fluctuating remuneration of the interest associated with the risks of the effecting, in the present, of services securitized in the future by the public fund.

From this perspective – by securitizing –, one is securing rights rather as management of demand by means of remuneration of a private

and dispersed popular market (with varied levels of formality) than for their potential to meet material needs. This *management*, therefore, is predominant over *production*, and inserts new social and political elements into the popular territory.

Securitization of the right to housing in popular territories

They were ten years of the hardest – I’ll tell you this – hardest times. No expectations, no answers as to when you get to have a place to live. You can’t buy anything for your house, you can’t plan for anything. In fact you can’t do anything! Even for the City Hall to have the goodwill of saying: in 2000 and something it’ll come out, here’s the key to your house. But they were 10 years of hardship, 3 rentals, I had to go from one to the next. And so it goes. We just push forward like this.⁴¹

The wait also changed, it basically ceased to be a horizon. It became, on the contrary, a kind of discipline. (...) This kind of *waiting discipline* would be inherent to the historicity regime that characterized the present moment of globalized accumulation. (Arantes, 2014, p. 166. Original emphasis)

Based on those statements, we can now go back to the initial impetus of the text, where we remembered that Francisco de Oliveira’s thesis about Brazilian development in the 1970s was developed after the observation of the centrality of self-build housing and land ownership for the reproduction of the country’s workforce, in a context of

consolidation of wage relations. Following the same path, it is necessary to think about the transformations in the country's social and political situation stemming from the dismantling of wage relations, in which the *social mode of rent* acquires a central position: in housing and in the work sphere, what is at stake is the productivity of intermittence, of insecurity, of the capture of a future time that must be lived in the present, of the flexibilization and relativization of rights, of the generalized dispute in search of differential factors (of location or employability) – seen as privileges –, of the entrepreneurship that dismantles class solidarity, of life by a thread in an “era of decreasing expectations” (Arantes, 2014), here thoroughly expressed by the remunerated “housing queue”, but, above all, managed by Rent Aid. After all, rather than providing housing, its place is that of producing an entanglement between the “viração” for a living space and the permanent possibility of institutionalized punishment – violently implemented through abrupt “cuts”.⁴² It is imperative to note that this experience, according to Paulo Arantes, is already a process of subjectivation, in which

Making [one] wait and punishing not only rhyme in the universe of the disciplines rediscovered by Foucault but above all making [one] wait is already punishing, in the exact measure that the punishment is no longer meant to correct a deviation, but to exacerbate an undefined state of expiation and containment. (Arantes, 2014, p. 150. Original emphases)

This punishment, as seen above, is connected to the necessary configuration of housing insecurity required by the

financial markets, altering the form of social rights. What we are seeing in regard to the possibilities of securitization connected to Rent Aid seems to be part of a perverse process of intensification – not denial – of the legitimacy of the social right: by not fulfilling that right in the present, it appears as a social “debt”, making it so that the State, in its protector role, will go on to “secure it”,⁴³ paying interest under the guise of rent – which means housing “in installments” based not in the amortization of past investment (such as renting public areas), but on interests over (private) advanced capital. This form of relationship between public and private seems to be a new historical configuration, which appears through all social rights. This excerpt by Carolina Catini, although discussing education, seems useful to think about housing in the terms discussed above:

This hypothesis captures the notion that social rights are historic forms and change according to their origins, which consists of the way the workforce comes to fruition and the social reproduction of workers. In a historical moment that corresponded to the consolidation of public rights in a welfare State which, as we know, never fully came to be in peripheral countries, the dissolution of the industrial and salaried society and the changes in the forms of exploration and workforce contracts change the form of social rights even further. However, *the privatization of social rights does not happen to the detriment of the State or makes it weaker, but rather makes it stronger as the protector of private individual rights*. It does not look like we are dealing with a Minimal State, but a vast State that conducts social management

in partnership with private companies and banks – which, in their turn, are not fighting the State for control of education, but rather fighting among themselves, while the State becomes the inducer and guarantor of these new contracts of supply of social services. *The hybridization of public and private resources for the upkeep of social services indicates this symbiosis between what belongs to the State and what is private, but they lose the public character that had been assumed in a specific moment in history.* (Catini, 2019, s/p. Added emphases)

In this new managerial configuration of State, the material fulfillment in the present of the right to housing is not limited, therefore, to a “loss of rights”. It is about the reconfiguration of its social form, turning it into a device to activate new relationships between public and private, capturing the popular sphere. In the case of housing, we see that the democratic defense of the right to housing is only mobilized as activation of the public policy as a tool for the management of a population that will *not have access* to a house – or will only do so intermittently, without altering the general conditions of public policies, which will go on maintaining the instability conditions of other families, always replacing them: the prospect is that of a mass of population permanently kept under managed wait for a house. As such, the so-called *discipline of waiting* – a mark of the financialized subjectivation, as aptly put by Paulo Arantes – is the expression of the institutionalized management of *viração*, a day-to-day social punishment practice.

The right to housing *to be fulfilled* in the future is something that appears in the present as an abstract amount – the BRL 400

that are the expression of a roof, but cannot be it (and in essence are not). This issue is a consequence of the fact that the instrument operates a kind of *transubstantiation* of the materiality of the residence (which existed before eviction) into a monthly abstract *amount* that does not carry any links to material reality (whether territorial, residential or even of the value of existing rent), only to an indefinite *wait* time. Space is taken away and replaced with remunerated time with the prospect of the *future* materiality of housing – which in the present is perpetual *viração*, that is, it is fated to a *fictitious future* that presents itself as nothing but submission to the popular markets.

When the municipality bases its actions in the conscious ignorance of how residence materializes qualitatively, transforming it in an abstract amount, it also abstains from *securing its stable materiality*. On one hand, it gains an “absolute” capacity of expansion of the institutionalized state, acquiring extensive territory by removing their concrete occupation, which is transformed in wait time without materiality. On the other, it changes the very character of its public function of “protector” of social rights: it is effected through an abstract legal subject (Pachukanis, 1988) instead of the notion of citizenship, that is, it loses its link to the satisfaction of immediate needs and with the collective dimension of universal rights. But the point is that social rights are still being mobilized. They are not refused; on the contrary, they seem to be the instrument by which it is possible to effect this “transubstantiation”, which generates a new dynamic no longer based on the effecting of the materiality of the right, but on the maintenance of its impossibility as

a *management of expectations*. It is a shift in the notion of security, which moves on from the stable environment of wage relations (which can be planned) to that of *population management*, in which the instability of competitive edges – taken to its limits, social war – is the generator of the differentials necessary to enable accumulation.

Thus, we want to look at Rent Aid and its probable new future institutional forms as an expression of a new State, one that needs to *secure rights without materially fulfilling them* – except intermittently – for a mass of dispossessed citizens taken as abstract subjects. This passage happens by means of the abstract quality of Rent Aid as a subjective “secured” right in the present, whose social form is parallel to that of “securitization” as it is a third (private) player who advances actual housing in a transitional and remunerated fashion. The mechanism that seems to operate here is a kind of *securitization of rights*, which, if institutionally effected, launches an advanced phase in social rights (not a denial), which can be thought of as their real subsumption (Marx, 1978) to the social form of fictitious capital. It is not about privatization, from the perspective of transformation of rights into pure interchangeable goods, as the neoliberal ideology of the 1990s defended, with a view toward the shrinking of the State – which would be a regression. It is, in fact, a development of that model, in which there is a *de jure* expansion of the State as a *protector* using mechanisms that are specific to the logic of interest-driven capital. Thus, housing turned into service by means of rent gains the ability to enter a space that is at once closer to social rights than to pure private rights (of

access to property), but, precisely because of this, is also closer to the forefront of present-day capital accumulation in peripheral countries.

The access to certain goods and services is no longer considered the kind of status that opens doors for rights, but rather the result of a transaction between a subsidy and an expected behavior or a direct cost to the user. The figure of the ‘citizen’ invested with collective responsibility disappears gradually and is replaced by the entrepreneur. This is not just the ‘sovereign consumer’ of the neoliberal rhetoric, but the subject to whom society owes nothing, the one that ‘must strive to get what they want’ and ‘work more to earn more’, to use some of the clichés of this new form of government. The reference to public action is no longer the subject of rights, but rather a self-entrepreneurial actor that enters the most varied private contracts with other self-entrepreneurial actors. As such, the modes of transaction negotiated in a case by case basis to ‘solve problems’ tend to replace the rules of public rights and the processes of political decision legitimized by universal vote. Far from being ‘neutral’, the managerial reform of public action is a direct assault on the democratic logic of social citizenship; reinforcing social inequality in the distribution of aid and access to resources regarding employment, health and education, it reinforces the social logics of exclusion that yield a growing number of ‘sub-citizens’ and ‘non-citizens’. (Dardot and Laval, 2016, pp. 380-381)

In the case of housing in a peripheral country, the *management of housing insecurity* – as we may call this “securitization” of rights – takes place necessarily through the flexibilization of the housing real estate market directed to this “surplus population”. It needs to get rid of solid modes of property and enter the diffuse field of popular practices related to housing, whose instability – managed by local private regimes – supports the need for mobilization of public or private securitization funds, as we have seen. The

rent mode is ripe for this dynamic, as it disconnects *use* and *property*, configuring a possible instrument of connection between the popular ways of living and the sphere of circulation of real estate capital. What was lacking in this equation was the possibility of centralization of targeting revenues, which can soon be effected by means of public policies, as we have seen. And thus begins a regime of rights connected to “usability” instead of “habitability”, which used to be the banner of the right to housing.

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Notes

- (1) Terminology note: *Popular*, a cognate in Portuguese, is used in the Social Sciences as a near-synonym of *informal*. However, it does not necessarily denote informality, as the paper will make clear, but rather anything associated with self-driven production of life in society, usually by lower-income citizens, to meet needs the government and society at large fail to cover. As such, the terms “popular territories”, “popular rent” and others refer to this kind of self-promoted reality of underserved strata of society. We chose to use *popular* in English as well in order to denote this specific phenomenon, as *informal* is inaccurate in this particular scenario.
- (2) It is important to differentiate the notion of labor as a creative activity, connected to the qualitative transformation of the world, “work in general”, or even labor that is “formally subsumed” to capital, from the notion of “abstract work truly subsumed to capital”, to which the notion of *employment* (as in labor force) may be closer (cf. Marx, 1978).
- (3) Another terminology note: in Portuguese, the word “*cidadania*” – citizenship – is used not just to denote the state of being a citizen of a particular country, but also has a more abstract meaning: it denotes the state of enjoying the full extent of civic and social rights and duties as a citizen, that is, when rights are met in their entirety, and all duties are exercised for collective and individual well-being at the same time.

- (4) The fact is that the spatial and temporal orientation of capitalism shifted course and entered another dimension of the experience in history, or a new *historicity regime*, as some historians prefer to call it – not for nothing, those who identify as historians of the present –, where this new regime of social experience through time is characterized by this unprecedented, if it can be deemed as such, *omnipresence of the present* (Hartog, 2003), which is generically being called Presentism, sliding, in any case, through the axis of acceleration and urgency. (Arantes, 2014, p. 165. Author’s italics; our translation)
- (5) And then we get to the paradox: there is no creation of a real estate market. Real estate market is something that only exists in Brazil for middle class and above. There is no such thing for the lower classes. Its existence is impossible, because you don’t actually own something that isn’t a product. The house cannot be traded, it doesn’t have business value, it only has usage value, because its purpose is to be inhabited. (Oliveira, 2006, p. 72) (our translation)
- (6) Social right, here, can be understood as that which surpasses public and private rights horizontally (Batista, 2013), seeking the satisfaction of the needs of the subject of rights (subjective, private rights) through the effecting of basic needs services as public policies (which can be effected by the private sector). The character of subjective right subjacent to social rights has the particularity of having the State (public right) as a guarantor – the one that must have those rights be met by means of the service, using public funds to that end.
- (7) Available at: <[https://www.prefeitura.sp.gov.br/cidade/secretarias/upload/PMH_2016\(1\).pdf](https://www.prefeitura.sp.gov.br/cidade/secretarias/upload/PMH_2016(1).pdf)>, access on: February 13, 2020. PMH has yet to be approved at the present date.
- (8) The program went through several regulations, beginning as Rent Bursary in Marta Suplicy’s office in 2004. The present Rent Aid is part of the Housing Actions Program (*Ações de Habitação*) (Decree n. 51.653, of July 22, 2010), regulated by Sehab Ordinance 131/2015. Alterations in this ordinance have withdrawn, in 2019, the program’s assistance to extreme vulnerability.
- (9) The data fluctuate month to month, but it has kept to this level since 2017. The update listing of beneficiaries can be consulted at <<http://www.habitasampa.inf.br/atendimento/consulta-de-atendimentos-em-andamento-ou-encerrados/atendimento-provisorio-auxilio-aluguel/>>. Access on: February 17, 2020.
- (10) Interview conducted on February 8, 2020 with beneficiaries of Rent Aid evicted from an at-risk area.
- (11) The Geographic and Statistic Brazilian Institute.
- (12) <http://www.labcidade.fau.usp.br/crise-habitacional-em-sp-estamos-diante-de-uma-maquina-de-despejos-e-remocoes/>. Access on: September 17, 2019.
- (13) See <<https://www1.folha.uol.com.br/cotidiano/2019/09/hiperverticalizacao-chega-a-favelas-de-sao-paulo-onde-lajes-se-sobrepoem.shtml?loggedpaywall>>. Access on: September 17, 2019.
- (14) The research was conducted in partnership by the Quapá Laboratories and NAPPLAC, and the people in charge were João F. P. Meyer, Emilio Haddad, Maria de L. Zuquim, Caio S. A. de Carvalho, Ângela L. Barbon, Ariadne P. Silva, Gustavo M. dos Santos and Rodrigo Minoru. Funded by the Lincoln Institute of Land Policy.
- (15) Research “Favela e Mercado Informal: a nova porta de entrada dos pobres nas cidades brasileiras” (Shantytowns and Informal Markets: the new entryway for the poor in Brazilian cities) (Abramo, 2009). Infosolo Network: UFRJ, USP, UFBA, UFRGS, UFPA, UFSC, UFPE, UNB. Research funded by FINEP, coordinated by Prof. Pedro Abramo (UFRJ).

- (16) Profitability of rent relative to property value.
- (17) While in Paraisópolis a profitability of 1,32% was achieved for the lease of 1 bedroom apartments, in São Paulo the average was 0,46% in the same period (2016).
- (18) Interview conducted in June 20, 2019 with Rent Aid beneficiaries of over 10 years.
- (19) “It hit” means that there was eviction from the area.
- (20) “I got it” means that he got a benefit from the City Hall to leave the area in the form of a fixed amount, what is colloquially known as the “eviction check”.
- (21) The area had a double registration, as private and public property.
- (22) Interview conducted in February 8, 2020 with Rent Aid beneficiaries evicted from at-risk areas.
- (23) Referring to the possibility of interruption of the Rent Aid benefit.
- (24) See < <https://www.alpop.com.br/> >; access on February 22, 2020.
- (25) The Urbem Institute has been acting on large urban projects, particularly those involving public-private relations. Some highlights of their work are: a major part of the modeling of the Public-Private Partnership (PPP) *Casa Paulista*, geared toward housing; modeling of the urban restructuring project of *Arco-Tietê* (São Paulo); Urban Intervention Project (PIU) Vila Leopoldina/ Villa-Lobos (São Paulo). Source: <<https://www.urbem.org.br/>>. Access on: August 23, 2019.
- (26) Caiena is a technology design business working with big data and citizenship interface software using new concepts such as Design Thinking and Metadesign. Source: <<https://www.caiena.net/#home>>. Access on: August 23, 2019.
- (27) Arap Nishi & Uyeda Advogados specializes in “Modeling of projects of infrastructure, administrative law, public budget law, regulation law in the areas of transportation, sanitation, energy, gas and oil, telecommunications and mining” but also “Consultancy in societal operations (mergers and acquisitions, private equity transactions, incorporations, foreign investment, society reorganizations, joint ventures), legal auditing, corporate governance, compliance”, “Bank funding for infrastructure projects, real estate operations, project and corporate finance, structuring of investment funds” and “Structuring of real estate operations, projects of land regularization and implementation of infrastructure projects”. Source: <<http://arapnishi.com.br/>>. Access on: August 23, 2019 (our translation).
- (28) Interview conducted on May 14, 2019.
- (29) According to João Chiavone, whose research is a resource for information about Social Impact, in the world, the “volume of emissions of Social Bonds grew immensely over the last few years, going from US\$2.8 billion em 2016 to US\$14 billion in 2018 (an increase of 71%)” (Chiavone, 2020, p. 12).
- (30) The project was vetoed under the justification, among others, that there was a lack of delimitation of the category Social Interest Housing, in addition to the creation of excessive burden to the public coffers – without mentioning problems related to the insertion of the finance-real estate dynamic in the program.
- (31) Interview conducted on April 3, 2019.
- (32) Cleide (fictitious name), in an interview conducted on June 20, 2019 with beneficiaries with over 10 years of Rent Aid.

- (33) We found other leaders with similar functions in the communities where we conducted interviews: it was through them that we got to the beneficiaries of Rent Aid that were interviewed (something that would be inviable through the public record, as they have no information about the place of rented residence and protects the identities of the beneficiaries), which already sufficiently demonstrates his role as a link between the popular dynamic and the institutions (in our case, the university).
- (34) According to sociologist José Cláudio Souza Alves (2019), the Rio de Janeiro militia are groups that articulate the use of violence in the territory to the deployment of State agents, dominating the markets of communities from land transactions to urban services, including the production of space.
- (35) Interview conducted on April 3, 2019.
- (36) The National Housing Bank.
- (37) While, for the old developmentalism, the State should also be a producer, as the private sector did not have the capacity to invest, nowadays, in the new developmentalism framework in a country that has effected its capitalist revolution, the role of the State in the economic field *must only be strategic or as an inducer* (Bresser-Pereira, 2011). Added emphasis.
- (38) The increase of these guarantees would be intimately connected to increased confidence in private sector participation and the funding of projects of national infrastructure. As we see it, this necessary increased confidence in private sector participation includes the withdrawal of decisions about projects of urban transformation from the sphere of decisions negotiated in the political stage. This represents one of the important dimensions of the ongoing State reform that is privatization, not just of public assets, but also of managerial competencies, including decision processes that were once exclusive of the State, affording greater control by the private sector over the implementation of urban projects to the detriment of public and democratic processes” (Nascimento et al., 2018, p. 16).
- (39) For further understanding of the legal device that assumes the right subsumed to capital, see Pachukanis, 1988.
- (40) The Urban Intervention Projects (PIU), approved in the scope of the Strategic Master Plan of São Paulo, are examples of this model. There are also cases in other areas, such as education, social welfare and healthcare, especially alongside Social Organizations.
- (41) Interview conducted on June 20, 2019 with beneficiaries with over 10 years of Rent Aid.
- (42) Recently, the Housing Office of São Paulo cut, without proof of inadequacy and without prior notice, around 5 thousand benefits (an action that was later barred in court).
- (43) The financial and legal process of “securitization” by which a debt becomes a financial bond is based in the social relation of “securing” your future payment through a transfer of interest instalments over this capital to a third party, which pays off the property in the present.

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