

## The “Heliópolis Case” and the political urban dispute in Brazil

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This article uses a case study to analyze the actions of ruling classes and social movement organizations in urban politics. The study observes these groups' disputes and interactions with the state, and how different strategies, actions, and political projects of the subaltern classes have influenced the orientation of urban development. In a broad time-scale approach, the article discusses relations of hegemony, the process of institutionalization of movements, disputes in society and within the state, and the heterogeneity of the political projects that guide the subaltern classes.

**Keywords:** social movements; urban development; public policy.

### O “Caso Heliópolis” e a disputa pela política urbana no Brasil

Este artigo analisa, a partir de um estudo de caso, a atuação das classes dominantes e dos movimentos sociais na política urbana, suas disputas e interações com o Estado, e como diferentes estratégias, ações e projetos políticos das classes subalternas influem na orientação do desenvolvimento urbano. Em uma abordagem de ampla escala temporal, a discussão perpassa as relações de hegemonia, o processo de institucionalização dos movimentos, as disputas na sociedade e no interior do Estado, bem como a heterogeneidade de projetos políticos que orientam as classes subalternas.

**Palavras-chave:** movimentos sociais; desenvolvimento urbano; políticas públicas.

### El “Caso Heliópolis” y la disputa por la política urbana en Brasil

Este artículo analiza, a partir de un estudio de caso, la actuación de las clases dominantes y de los movimientos sociales en la política urbana, sus disputas e interacciones con el Estado, y cómo diferentes estrategias, acciones y proyectos políticos de las clases subalternas influyeron en el desarrollo urbano. En un abordaje de amplia escala temporal, se debate las relaciones de hegemonía, el proceso de institucionalización de los movimientos, las disputas en la sociedad y en el interior del Estado, y la heterogeneidad de proyectos políticos que orientan a las clases subalternas.

**Palabras-clave:** movimientos sociales; desarrollo urbano; políticas públicas.

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## 1. INTRODUCTION

Brazilian cities have undergone profound political, economic, and social transformations in the last 50 years. From the 1970s through the 2010s, we can observe a process of “accumulation by expropriation” in urban spaces made possible by a combination of population displacement resulting from State action and reappropriation of land by capital, through the generation of differential value, real estate production, and speculation (Harvey, 2014). In these decades, there was a (dis)continuous process of expansion of the “real estate circuit” and of the set of economic-financial mechanisms of urban space production. The discontinuities are related to the general expansion-retraction dynamics of the economy and to alterations in the correlation of forces. The continuities point to common-sense action by the “real-estate circuit” over the years: the shaping of multiple interlinkages between the financial and industrial construction sectors, real estate developers, investors, and public authorities (Arretche, 2002; Fix, 2011).

In the 2000s, despite employment generation, a significant increase in public housing spending, and improved social inequality indicators, due to macroeconomic shifts adopted by the Lula (Workers’ Party, PT: 2003-2010) and Dilma Rousseff (PT: 2011-2016) administrations, increased income and wage were “absorbed by the cost of the city”, which led to a “worsening of urban living conditions” (Maricato, 2015:40-41). “The predatory and discriminatory model of the city” continued “in full force, constituting what we can call today an urban crisis” (Rolnik, 2015:266).

However, social movement organizations driven by concepts like “the struggle against ‘real estate speculation’ and the democratization of urban policymaking” (Rolnik, 2015:269) are also part of the historical shaping of the cities. While research on social movements has been consolidated over the decades, the current moment refers to the “outcomes of the movements’ action on the decisions of policymakers and/or on the processes related to the production of and access to public goods”, their repertoires of action, their context and interactions. The question, essentially, is “why and how certain organizational forms and strategies of action are more productive in certain political contexts than in others, given the dynamics of interactions between state and movement” (Tatagiba and Teixeira, 2014:2)? It is important to highlight the “incremental results” of the movements’ action on policies, “given that movement outcomes are highly consequential, the successes or failures in one period of time can influence the movement’s subsequent reputation, development, choices, and efficacy” (Gupta, 2009).

Thus, given the various forms of land use and occupation, its appropriation by capital, and a context in which urban development is conditioned by the interests of the dominant classes, as emphasized by Harvey (2014) and Maricato (2015), this article aims to discuss the problem of *if* and *how* social movement action shapes urban policymaking and cities, thereby conquering territories and influencing programs and urban policy orientations, outcomes that otherwise would not have been achieved, as the organizations represent interests antagonistic to those of capital.

The analytical path follows the insertion of the movements in the urban space and the dynamics of social and political struggle in the city, aiming to analyze the interactions between movements and the state, their disputes with the ruling classes, and how different strategies, political projects, and movement actions affect the orientation of urban development and relations of hegemony. Since the way movements exert influence can vary over time, and focusing on specific moments can lead

to the overvaluation of immediate effects (Andrews, 2001), this article will seek a broad time-scale approach in analyzing both the results achieved by the movements, the changes in the correlation of forces, and their implications to city-related disputes.

## 2. METHODOLOGY

To reach the objectives of this research, a case study was carried out in Heliópolis, the largest *favela*, or slum, in São Paulo City, which is located in an area of 1.2 million m<sup>2</sup> acquired in 1966 by the Institute of Financial Administration of Social Security and Social Assistance (Iapas). In 1971, the City of São Paulo transferred to this area 153 families from Vila Prudente district, where infrastructure works would be carried out. In the vicinity of the "temporary" housing assigned to these families, new residents started building wooden shacks throughout the 1970s and 80s.

In the 1990s and 2000s, the absence of free areas led to verticalization and population concentration. According to the 2010 Census, the population of Heliópolis was 65,000 inhabitants, but the Municipal Health Department files show 140,000 users of health services in the region, a more plausible estimation.

In 2016, the Municipal Housing Department showed that 83% of the households had water supply and 62% had sewage. The average family income per capita was R\$ 479.85, corresponding to 54.52% of a minimum wage. Established in 1987, the main local association is the Union of Centers and Associations of Heliópolis and Region Residents (Unas). In October 2016, Unas was responsible for more than 50 projects, which directly benefited about 9,300 people monthly.

This case study was conducted on the basis of the ethnographic method, here understood as "a way of approaching and apprehending" a given reality. The construction of the empirical material sought to "reorganize data perceived as fragmentary, information still dispersed, loose evidence, in a new arrangement" that makes it possible to grasp a reality that is "more general than the native explanation" and denser "than the initial theoretical scheme of the researcher" (Magnani, 1997).

In the field work, there was participatory observation of meetings and organizational spaces, coordination with and mobilization of research subjects, with registration in a field journal and collection of documentary evidence. The information was used in the construction of a dense description of reality (Geertz, 1978) and based on semi-structured interviews. The subjects' names are kept confidential, with fictitious names being assigned to the participants to facilitate the reading.

In this article, we present part of this empirical material gathered between June and September 2010, when 39 visits were made and 79 people were interviewed, including Unas activists, other local leaders, and public managers. After analysis of this material, new field work was carried out between November 2013 and May 2014, with 57 visits to the community, as entered in the field journal.

Based on the empirical material, it was possible to describe, in dialogue with theoretical references, the historical context wherein the subjects act and to analyze their demands, how to meet them, and their relation with the existing political disputes. An analytical approach was adopted combining structural analysis and phenomenological analysis that assumed compatibility between them, that is, that part of the intelligibility of microsocial practices can be accounted for by the historical context in which they are embedded. The description was based on the relationship between spoken and

observed practices, under the assumption that the practices of local entities and institutions condition and are conditioned by the practices of the subjects that participate in them. From this interaction between significant practices and speeches, it became possible to construct the analysis (Magnani, 1997:138-140).

This article uses the term “popular classes” to refer generically to the Heliópolis population, and advances in its specificity to the category “subaltern classes”, based on the original Gramscian formulation and his emphasis on power relations between social groups. (Gramsci, 2012:129-145) The empirical and theoretical assumptions that which provided the basis for correlating the case with its historical context encompass the pivotal concepts of hegemony and political project, the latter understood herein as a set of “interests, world conceptions, and representations of what life in society must be that guide the political action of the different subjects” (Dagnino et al., 2006:38).

To the concept of the project definitions were added that link it to its expressions in the political scene: the “authoritarian-developmental” project, which combines an industrialization program with a patronizing and authoritarian form of power; the “democratic-popular” project, whose defining elements are the democratization of economic, social, and political relations as a way of promoting the inclusion of the popular classes; and the “neoliberal” project, which argues for the primacy of the market as the organizing axis of relations in society.

These definitions, as well as that of neodevelopmentalism, are addressed in the next topic, which analyzes by urban development disputes in Brazil in the last decades, and underpin the analysis, in the subsequent topic, of the shaping of Heliópolis and the forces acting there. Accordingly, a correlation was established between the case and the context: by focusing on how disputes between the forces acting in society as a whole are expressed in the territory. Again, notions of political project and hegemony acquired centrality in the effort to define the forms of organization of the subaltern classes, their constitution as a social movement, their strategies of struggle, and the political projects around which they mobilize.

The analysis is guided by the conception of hegemony as a result of political disputes between forces operating in the “sphere of complex superstructures”, composed of ideologies, uniqueness of economic and political ends, and “intellectual and moral unity”. Hegemony expresses a form of legitimation of the exercise of power in which the dominant group concretely coordinates, in the state sphere, with the general interests of the subaltern groups, expressing “a continuous formation and overcoming of unstable equilibria (within the scope of the law) between the interests of the fundamental group and the interests of the dominant group”. Hegemony presupposes that “the interests” of the groups on which it will be exercised be considered, thus forming “a certain compromise equilibrium” (Gramsci, 2012:41-49).

In analyzing the performance of “subaltern classes”, therefore, one should study “their active or passive adhesion to dominant political formations”, their attempts to act “to impose their own claims” and the consequences of their action (Gramsci, 2012:140) Thus, the correlation between case and historical context is grounded in the conception that the importance of the case lies in the “breadth of the structural incidents denounced in it”, as well as in the “multiplicity and depth of the interactions that constitute it” (Santos, 1983:12). Through this interaction, the article discusses the social movement’s action, its disputes, and its influence on urban policies.

### 3. URBAN DEVELOPMENT AND POLITICAL DISPUTES IN BRAZIL

The process of development of Brazilian cities expresses different conjunctures of political dispute between local and national forces. The formation of *favelas* goes back to a set of political-economic factors spanning the 1960-1980 period of the military dictatorship, the neoliberal advance in the years 1980-1990, and the neodevelopmentalist shift of the 2000s.

From the 1960s to the 1980s, the model of land exploitation in Brazil was derived from the military governments' authoritarian-developmental project, which had as its structuring element the traditional large landholdings, underexploited and associated with speculative capital, in a system based on "differential land income due to the appreciation of land as a result of inflation" and increased public spending in the surrounding areas. The association between traditional landed property and industrial-financial capitalist property was the "dominant mode of production of urban space" (Santos, 1983:14-15). This is a context in which the negative outcomes of an economic policy that combined suppression of social rights, wage containment, liquidation of subsistence in the countryside, and marginalization in the cities befell the popular classes. These factors, complemented by the housing and urban development policies, explain the formation of the *favelas* and the rapid expansion of the number of slum dwellers.

The urban policy of the military was based on economic stimulus of the "real estate circuit (construction of buildings and heavy construction, materials and components industry, land market)", with housing production focused, above all, on the higher income brackets of society (Arreche, 1990; Fix, 2011). To ensure housing provision, a practice was adopted of hiring private companies through bidding processes while a financing system was established: the National Housing Bank (BNH), the Federal Service of Housing and Urbanism (Serfhou), and the Financial Housing System (SFH).

This set of policies was responsible for great economic expansion: "of an annual growth rate of 1.9% between 1959 and 1965, the subsector rose to a 10.6% rate between 1965 and 1970". The characteristics of the sector, based on low wages and informal labor, further accentuate the housing problem and the "social drama in the metropolitan space". There was an expansion of the housing market to the upper-income class brackets by a policy of overexploitation of labor, which worsens the living conditions of the subaltern classes (Fix, 2011).

Therefore, the urban policy of the authoritarian-developmental, military regime project primarily served the interests of the "real estate circuit" and landowners, and secondarily the middle sectors of the population, whose housing demand had been prioritized. This period expresses the hegemony of political forces whose social base came from different groups of the ruling classes, especially the industrial bourgeoisie. Their way of exercising power was coercive and authoritarian, and their political project combined State intervention designed to diversify the Brazilian industrial park with suppression of rights. The subaltern classes, excluded from the political decision-making process, are expelled from their territories in the countryside and in the city by a process of "accumulation by expropriation": adding to precarious labor conditions, real estate speculation led to the differential value of land, which raised the cost of living and caused socio-spatial segregation. In response, the subaltern classes act by occupying irregular lots in the outskirts of large cities, thus prompting the emergence of Heliópolis and a significant number of *favelas*.

The political situation changes throughout the 1980s, when sectors of the ruling classes, dissatisfied with the economic policies, organized themselves as a political force in defense of the neoliberal

project as a way of overcoming the economic crisis the country was going through. The ideological dimension of the political dispute was expressed by the displacement of the previously hegemonic conception of the State and the consolidation of a political-normative field that culminated in the neoliberal privatization program, public deficit control, financial austerity, and greater opening to foreign capital. In the following decade, these various elements are already “rhetorically articulated in a chain of equivalence” that mobilizes the State in favor of the interests of rent-seekers while making it “minimal” as regards the establishment of rights (Cruz, 1997). The crisis and its solution by the neoliberal project also affected urban development, with the collapse of the housing policy implemented by the military and backed by the construction sector. The financial system collapses during the foreign debt crisis, with the ensuing decline of the real estate circuit. This was made explicit in the 1990s, since the measures adopted by the federal governments were determinant to the underfunding of the housing sector and the institutionalization of new spoliation forms in the urban environment. Central Bank resolutions capping public indebtedness, leading to cuts in housing funds of around 90%, exemplify the situation (Fix, 2011).

There was, therefore, a displacement of forces within the ruling classes that leads to a new hegemony: the industrial bourgeoisie loses space before the advance of the financial forces oriented by the neoliberal project. This will lead, in subsequent years, to new forms of urban development and “accumulation by expropriation” through the adoption of new financial mechanisms. It should be emphasized that the institutional context would also be different on account of the redemocratization process and the relative inclusion of the subaltern classes in the political decision-making process through forms of representative democracy. The contest for active consent among the forces in dispute transforms the relation of the dominant classes toward the subaltern classes, who undergo progressive institutionalization of their political and social participation.

The advancing neoliberal forces taking over urban development are represented by the Itamar (PRN/PMDB: 1992-1994) and FHC (PSDB: 1995-2002) governments, and their adoption of measures recommended by international financial institutions, especially the World Bank (WB) and the Inter-American Development Bank (IDB), which established four modalities guiding urban policy: financial intermediation by private agencies; public-private partnerships (PPPs); raising credit through the issuance of securities and rating quotations; and issuance of district titles (Arantes, 2006:67).

With the absence of policies to promote the sector, self-financing of housing production was presented as a solution, in a return to the contractor pattern of small-scale housing production directed to high-income social segments. In addition, there was a process of ‘de-financing’ of public enterprises, with a dramatic decrease in low-income housing funding, in order to allocate savings funds to finance the public deficit (Fix, 2011; Arretche, 2002).

The coming together of the real estate circuit and the capital market gained momentum with the Real Estate Financing System and the Real Estate Investment Funds (FII), both introduced in 1993. The novelty of the mechanism is the possibility of “pooling resources for investments, without fragmenting property ownership”. This will be advantageous to stimulate the construction of large commercial towers and shopping centers, because it allows each investor to “become the owner of a number of quotas” (Fix, 2011:126).

This macroeconomic situation, coupled with its specificity in the urban and housing sector, affected the demographic dynamics of large cities with yet another increase in the number of shanty dwellings,

which in São Paulo rose by 52% between 1991 and 1996. The hegemony of the neoliberal forces produced a change in the growth pattern of cities, with the gradual replacement of the "allotment/self-construction/housing on the periphery" model with the "acceleration of the intensive real estate standard" model, in a process that "compounded the existing inequalities" (Sampaio and Pereira, 2003).

However, new changes in the correlation of forces would occur in the 2000s owing to the "political rise" of bourgeois fractions dissatisfied with the orthodox neoliberalism of the 1990s. The "large inner bourgeoisie", composed of sectors like the industrial bourgeoisie and land owners, regroup in defense of a "neodevelopmentalist" project hinged on stimulus to economic growth through expanded public investment, minimum wage appreciation, and cash transfer programs, among other characteristics. The term "neodevelopmentalism" expresses the hegemony of these sectors over the bourgeoisie associated with international financial capital (Boito Junior, 2012)

Inasmuch as these forces were dissatisfied with orthodox neoliberalism and could not themselves make sure they would elect their own representative to the presidency, they formed an electoral alliance with a party built to represent the workers' interests. The new hegemony was characterized by active participation of the subaltern classes, who effectively channel their interests in a front unified "around the neodevelopmentalism of the large inner bourgeoisie"; for its success, however, it depended on the workers' organizations and popular movements, which "show dissatisfaction with the limits of this development project" (Boito Junior, 2012:102).

Because of this new correlation of forces, significant urban policy changes were introduced during the PT administrations. The housing policy goes back to the Housing Project, whose proposal was to extend the private market to the middle class and concentrate federal resources on groups with incomes below 5 minimum wages (Maricato, 2005).

The government adopted a set of measures that provided a basis for an unprecedented expansion in the sector, aligned with the interests of the bourgeois fractions that formed the real estate circuit and with the interests of social movements that claimed for popular housing. In 2004, to stimulate the supply of real estate credit, "Fiduciary Alienation" was regulated, a mechanism that "allows the creditor to keep possession of the property until the debtor pays the debt", ensuring greater legal certainty to the creditor. Another milestone was Resolution 460 of the Time of Service Guarantee Fund Management Council, in 2005, which made it possible to increase federal subsidies, nearly doubling the housing budget. That same year, the National Social Interest Housing Fund (FNHIS) was approved, the result of a ballot initiative proposed by the movements.

Furthermore, in response to the economic crisis of 2009, the My Home My Life (MCMV) program was launched, with the purpose of guaranteeing the construction of housing for the low-income demand. In 2009, R\$ 34 billion in subsidies were offered, an "unprecedented event in the history of the country". The program is divided into MCMV Builders, with about 97% of the resources channeled "to the direct supply and production by private constructors", and MCMV Entities, with about 3% of revenues earmarked for "non-profit entities, cooperatives, and social movements" for self-management housing production (Fix, 2011:140).

Paradoxically, when the federal government resumed investments "in housing, sanitation, and transportation", a historical claim of the popular classes, there was also an "intense process of land and real estate speculation". The subsidies provided by the MCMV, which for the first time reached

the lowest income strata of the population, "led to an increase in land price". In São Paulo, between January 2008 and January 2015, real estate prices rose by 218.2%, owing to "precarious state control" over land. In the absence of public control over property, the housing deficit and infrastructure- and services-related costs increased (Maricato, 2015:96).

The new relations of hegemony in the 2000s increased the participation of the subaltern classes in the drafting and implementation of urban public policies, prompting a significant increase in the production and supply of social interest housing. However, the privileged position in government of forces representing sectors of the bourgeoisie, namely the civil construction, materials and components industry, and land market, led to new forms of "accumulation by expropriation" which boosted land prices, expelled populations from their territories, and generated social exclusion.

Thus, over the decades, urban development in Brazil was mainly oriented by the hegemony of different sectors of the ruling classes, and the shifts observed were the result of changes in the correlation of forces within the power bloc, a concept that defines the organization of political power as a composition between different fractions of the ruling classes in dispute for hegemony, in the sense of Boito Junior (2012), based on Poulantzas (1977).

In light of this, it is necessary to analyze the political behavior of the subaltern classes over these years, how they organized themselves, around which political projects they came together, and what effects their actions and disputes produced on the relations of hegemony. This political dynamic observed in Brazil is also present in the Heliópolis reality, in disputes that will be shown and analyzed next.

#### 4. URBAN DISPUTE AND RESISTANCE: THE HELIÓPOLIS CASE

The population that occupied Heliópolis was submitted to the dual nature of the historic shaping of the real estate circuit, a legacy of the hegemony of the authoritarian-developmental forces in the military dictatorship: informality in the labor market, which will worsen living conditions, and occupation of the peripheral region through the self-construction of dwellings in irregular lots. As explained previously, Heliópolis began with the relocation of families by the City. With the progressive growth of the population during the 1970s and '80s, "another type of occupation— *grilagem*, or *squatting*, began to appear". This led to a "violent atmosphere, with continuous disputes between invaders and *grileiros* [squatters]", increasing the struggle for land. This was the moment when the resident population started to get organized (Sampaio, 1990:31-34).

The *grileiros*' action was given by the occupation of new areas, sales of lots, and improper collection of rent. "Several residents paid for a piece of land to those who do not own it. They paid to the *grileiros* [squatters]" (Newsletter published by the slum dwellers in 1984). Tadeu and Lia, residents of Heliópolis since 1979 and currently two of the community leaders, tell that with the help of the "*favela* pastoral group", they became involved "in the struggle for land. Even when we were being expelled from here, through a lot of repression, we were together", says Lia. The contact with the ecclesiastical community contributed to their decision to form an informal Residents Committee; it had to be informal to keep the leadership from being identified, a tactic to make it difficult to hold individuals accountable for collective actions.

With the strengthening of the organizational process, in the mid-1980s the Committee was gathering more than 100 people representing ten *núcleos*, or centers, distributed throughout Heliópolis,

and combined the fight against the *grileiros* with the struggle for improved living conditions, pressing city hall for land regularization and public services. "There was no peaceful negotiation". The Committee clashed with the municipal administrations of Reynaldo de Barros (1979-1983) and Mario Covas (1983-1985), holding community assemblies as a strategy and requiring the residents' relocation to affordable, urbanized lots.

In February 1984, an agreement transferred the Iapas area to BNH for the purpose of a housing program. This resulted from pressure by the Residents' Committee, but subsequent negotiations made little progress, came to a halt, and tensions rose. After constant conflicts, the public administration chose to bureaucratize its services procurement process. The main disagreement was the increasing demand, since the population of occupiers continued to grow, while city hall demanded support from the Committee to fight against "the invasion" (Sampaio, 1990:85-86).

In 1986, during the Jânio Quadros administration (PTB: 1986-1988), the leadership decided to occupy a house in Heliópolis used by the City of São Paulo's Social Assistance to demand housing and infrastructure. That year, the city government required the legalization of the Committee as a condition for further negotiations. "We were forced to found the Unas" (Lia, interview, July 2010). Quadros adopted measures that made it even more difficult to fight for housing, among them establishing a ten-minimum-wage threshold for the provision of public services, thus prioritizing the middle classes. The relationship between Unas and city hall was tense throughout that mayor's term owing to his constant threats of eviction.

In response to this, Unas held assemblies and organized demonstrations in partnership with PT lawmakers and members of the Unified Movement of *Favelas* (MUF), a movement that brought together hundreds of *favelas* in São Paulo in favor of the Concession of Real Right of Use (CDRU) as a way to regularize land tenure. "Residents of *favelas* want the guarantee that they will not be expelled, the right not to pay anything to live there and to be able to build and expand their homes without the risk of losing the investment" (Bonduki, 1987).

The hegemony of the forces organized around the authoritarian-developmental project over the 1960-1980 period formed that territory through different mechanisms of accumulation by expropriation: the aforementioned urban policy conducted according to the interests of the civil construction industry and the real estate market was combined with the local action of the squatters and city hall, actors of the expropriation process in the territory. In contrast, the subaltern classes, submitted to various exploitation mechanisms, managed to organize themselves as a movement. The authoritarian *context* imposed as *strategy* the organization of an informal committee that, as it built its strength, established channels of communication with the city government through pressure, the holding of local assemblies, demonstrations, and occupations of public spaces.

Moreover, the same social group started coordinating with other groups subject to the same conditions in the city to organize a political project to stand up before the government and society. The organizational process involving a partisan instrument and a social movement led to a first repositioning and redefinition of areas of struggle. Brought together by force of different social exclusion mechanisms, the group established objectives that reached beyond the territory, a political force acting not only in the city, but also across the country. The Unas, part of a set of political forces whose social base is the subaltern classes, organized itself around a political project demanding the end of the unequal structure of Brazilian society and state enforcement of rights.

These objectives were part of the so-called popular-democratic project, centered more broadly on the notions of participation, citizenship, and civil society; and more specifically, on urban issues such as the social function of property and the CDRU. This project guided local associative actions and direct confrontation with the *grileiros* and the state. Therefore, in the 1980s the rising neoliberal forces within the power bloc were not only competing with the ruling class groups that hegemonized the political scene in the military period, but also with the subaltern classes organized locally and nationally.

This tug-of-war continued in the 1990s, yet still in a setting that favored the advancing neoliberal project. Contradictorily, at a time when the country was consolidating a platform to reduce state participation in bringing rights into effect, São Paulo elected Luiza Erundina (PT, 1989-1992) to City Hall, a candidate historically committed to the popular-democratic project. Luiza Erundina reversed the previous administration's urban policy by introducing a mutual self-help housing program, the *mutirões*, while Unas began to participate in policy implementation. Social housing became a priority, guided by the principles of housing as a right and of popular participation. For Heliópolis, a Global Plan was drafted, combining reurbanization and mutual self-help, contractor-based, and self-management housing programs. The Plan assisted 613 households through the mutual self-help program, 178 households with contractor-built homes, and 6,000 with urbanization works (Negrelos, 1998).

The following mayoral election, however, brought a neoliberal into office, directly impacting Heliópolis. In the Paulo Maluf administration (PPB: 1993-1996), the housing policy adopted was *Projeto Cingapura*, which proposed standardized housing projects without popular participation. In Heliópolis, the Global Plan was abandoned, and a series of repossessions took place, reversed after much struggling by the social movement. "We held together in all areas, because if we moved from one, they would take all" (Peter, meeting on 2 November 2014).

Not surprisingly, one of the mayor's proposals was to build a mall that would require the removal of part of Heliópolis. The neoliberal forces, antagonistic to the Heliópolis population's interests, were represented by government action and were guided by the interests of the real estate circuit. As previously mentioned, decoupling use from ownership in buildings, in a quota-based system, was an incentive for the construction of buildings such as shopping malls (Fix, 2011:126).

However, the possibility of removal further united the residents of Heliópolis. Despite an unfavorable correlation of forces at the institutional level, the historical process of building political power by a tactic combining 'associativism', social movement organizations in the various social rights fields, and consolidation of partisan centers, among other mechanisms, made it possible for the residents to win and remain in Heliópolis. Taking into account that the historical context of the 1990s was unfavorable, the defeat of dozens of warrants filed by the area's owners shows how successful the resistance was and the subaltern classes' ability to enforce their interests by organizing themselves as a social movement.

The mayor's following proposal, however, would not be defeated: the construction of the *Cingapura* housing project. Still, the overwhelming majority of the Unas board members rejected the proposal. But, as other factors began to influence the residents' position and the threat to land tenure had been addressed, there was a shift in the correlation of forces in the territory in favor of the mayor's office.

The negotiation between Unas and the municipal administration was disrupted by Councilman José Mentor (PT-SP), who "was supposed to stand by us", yet "argued in favor of city hall". Although

the majority had agreed to reject the proposal, the councilman entered into an agreement with the municipal government beforehand and manipulated the process to the City's advantage. "We lost, he [Mentor] did it his own way, it was the first defeat we had here" (Ester, in an interview in July 2010). 600 units were built, part of which were delivered by the following administration, run by Celso Pitta (1997-2000, PPB-SP), Maluf's anointed successor.

Despite the struggles against the Maluf administration, the social movement's institutionalization process initiated with the legalization of the residents' association in the late 1980s was consolidated. In the following decade, the first agreements on urban interventions were established between Unas and Mayor Erundina, leading to the movement's progressive consolidation and professionalization over the years. The rising number of agreements and partnerships between Unas, the government, and the private sector intensified in the 2000s, triggered by a dramatic shift in the cities dynamics that impacted their relationship. Intensification of the 'compromise policy' would gain further traction with the federal government's MCMV Housing Program.

Thus, neoliberal hegemony was expressed by attempted removal, prevented by the organized action of the subaltern classes, as well as by the contractor housing program and extended agreements between the city and the association. Paradoxically, retaining the territory brought new confrontations, also related to the neoliberal hegemony: mounting pressure to drop collective actions and towards an individualistic perspective of participation. The professionalization and institutionalization of the subaltern classes' political activity was part of the neoliberal advance in the formation of a new associative setting in which expressions such as "measurement of results" and "optimization of resources" became central (Dagnino et al., 2006:56). In Gramsci's perspective, this was an "active adhesion" of the subaltern classes to a dominant political formation, in which the former acted as a movement to impose their own demands and to establish "compromise equilibrium", yet in an unequal and dependent condition that implied changes in their organization and performance. It is in this sense that hegemony can be defined by the constant establishment of "unstable equilibrium" between the interests of the dominant classes and those of the subaltern classes.

The contradictions remained in the Marta Suplicy administration (PT: 2001-2004). The City of São Paulo launched the *Programa Lote Legal*, with the objective of regularizing 38,500 lots, benefiting approximately 50,000 families. The democratic-popular forces won their demands, e.g. public policies such as the establishment of the Municipal Housing Council and participatory budgeting. In addition, the administration prioritized, in the area of urban planning legislation, the Strategic Urban Plan, which established the Special Zones of Social Interest (Zeis). Heliópolis, as a slum, was rated Zeis 1. However, land regularization negotiations in Heliópolis were rejected because the City's proposal established payments based on the areas and divided the area against the residents' interests. Breakthroughs included authorization for mutual self-help housing and urbanization programs in three areas, as proposed by the residents.

Neoliberal candidates win the following mayoral elections with José Serra (PSDB, 2005-2006) and Gilberto Kassab (DEM, later PSD: 2006-2012). The urbanization projects approved in the Marta administration were implemented with changes that displeased the residents. According to Unas leaders contrary to the initial proposal, expropriations occurred and dialogue with the population was interrupted. Throughout these administrations, Unas organized meetings with the residents to strengthen resistance against the expropriations. The Kassab administration sought to regularize the

land, yet the proposal was rejected on account of the costs to be borne by the residents. "We wanted the mayor to go there and say, 'This is your land, you fought for it'". For Tadeu, the people of Heliópolis "are developing the region, we added value to the land, not the government. We already paid for it, there was nothing here before". The regularization should not be financially compensated for by the residents, a claim going back to the Real Right of Use (Tadeu, meeting on 29 May 2014).

After two administrations refusing any dialogue, the city elected a Workers' Party mayor, Fernando Haddad (PT-SP, 2013-2016), who was committed to the democratic-popular project. His proposal was to build 55,000 units, while approximately 11,500 would be the responsibility of the movements, pursuant with MCMV-E. "The City buys the land, expropriates it, and passes it on to qualified entities" (Gustavo, meeting on 30 March 2014).

The Unas was included in the demand for an MCMV-E project in the metropolitan region of São Paulo and it was able to appoint about 40 families, out of a total of 800 units. "It's not easy, it takes a lot of struggling and occupying to get there", explains Ester. "We have been struggling for housing and urbanization for 35 years. This program is not easy to access. And we did it with Lula and Dilma. I had my house built by mutual help. You have a contractor" (Esther, meeting on 21 January 2014).

Comparison between the Erundina administration's self-help mutual housing program and today's contractor-based program shows how the people's democratic field evolved in the design of low-income housing policies. The hurdles faced by Unas, such as the absence of land regularization, rising land prices, and the increase in MCMV-E-related house purchases, stemmed from the strengthening of the "neodevelopmentalist front" during the Lula and Dilma governments. This front, representing the interests of the bourgeoisie, brought about real estate speculation, yet also impressive expansion of low-income housing supply, with the participation of the movements, the subaltern classes, albeit in unequal and dependent conditions.

Urban policy disputes in the Lula-Dilma governments led to a search for areas for real estate construction, which, in turn, opposed movements and developers. In addition, disputes and contradictions within the subaltern classes arose as some associations start to "collect payments" to ensure home applicants were included on the list of residents who were to be granted housing units. In this period, many associations that were started were just seeking "to be profitable... In block M there is a woman charging R\$ 2.500 for an associate to get an apartment". In contrast, movements like Unas "see participation and necessity [in order] to grant [house funding]" (Peter, meeting on 29 March 2014).

It is worth emphasizing that leasing, subleasing, and squatting continue to exist in urban territories, practices that in recent years have found in neighborhood associations a form of spoliation. This makes explicit the difference between antagonistic political forces acting to influence housing policy. "Democratic-popular" forces as Unas establish participation in meetings, rallies, and occupations, plus social vulnerability, as criteria for deciding the family to be granted a home through a particular housing policy, pursuant with the criteria established by the government. Historically, Unas built the PT as a political partisan tool.

The forces opposing the PT, besides the business associations and churches, include neighborhood associations that extract income from land purchase, sale, and speculation and establish monetary relations as criterion for selecting the beneficiaries of the housing policies. These neoliberal-guided political forces also grew in the 2000s, represented by "many people with [residents'] associations out

there”, and in Heliópolis they laid the local foundations of other political parties, such as PSD, PP, PSDB, and MDB. The neodevelopmental advance over housing policies, as well as MCMV-E mechanisms designed to organize the housing demand by the movements, prompted the accumulation of forces by antagonistic associations within the subaltern classes and their fighting for the orientation of urban development. This expresses not only the heterogeneity of the subjects making up the social movements (Dagnino et al., 2006), but also the different political projects guiding the action of subaltern classes as antagonistic and contending forces.

Contradictorily, parties aligned with a neoliberal agenda for the cities had occupied high offices in the Haddad administration’s Housing Department and in the Ministry of Cities, in the Lula and Dilma administrations. This is the paradoxical situation that characterizes the correlation of political forces representing the subaltern classes within the neodevelopmentalist front: they were made up of social groups in constant dispute in society and within the government. The element that united them as a front that lent political support to the Lula and Dilma governments was the dispute for the State’s redistributing of resources. Real estate market sectors and the social movements both benefited from the housing and urban development budget reallocation and from specific programs like the MCMV. In other words, these forces came together against fiscal policies and the interests of the rent-seeking sectors that sided with the orthodox neoliberal project, hegemonic in the 1990s. However, within the neodevelopmentalist front, there were splits opposing the representatives of bourgeois fractions pushing for a neoliberal urban development policy that would benefit the expansion of the real estate circuit, on one side, and the representatives of the subaltern classes advocating for a participatory program regarding allocation of public resources for the expansion of access to rights that would be more beneficial to the social movements, on the other. The first group, bringing together the neoliberals, managed to hegemonize urban politics in the 2000s and developed new forms of “accumulation by expropriation” in urban spaces.

Paradoxically, the macroeconomic shift, which went against the interests of the neoliberal forces by allocating resources in productive sectors and social development, merely replicated, as regards housing and urban development policies, the neoliberal rationale of transferring state resources to private companies for policy implementation.

The neoliberal forces express their hegemony twofold: by securing housing production resources for contractors and by capturing and/or setting up associations to confront the movements linked to the democratic-popular forces. Thus, the presence of the subaltern classes inside the neodevelopmentalist front took place under unequal and dependent conditions given their unequal access to the centers of power, which were occupied mostly by representatives of the ruling classes, and their dependence on the government to advance their process of self-organization. As part of this context, the Lula and Dilma federal administrations, while carrying in them the contradictions discussed above, enabled the subaltern class to further self-organize, so that, even under unequal and dependent conditions, the social movements were able to stand up for their political project.

The Heliópolis experience over the decades shows that the top-down transfer of resources by the state to social movements was the main driver for the subaltern classes organizational process, which was further reinforced in the PT administrations by programs like MCMV. However, social movements seek to mediate social policies and political struggles, in opposition to the conception that winning rights comes as a gift. The subaltern classes difficulties in self-organizing, stemming from forms of

domination that deny the organization of the working classes as a possibility of social change, were a constant reality for movements like Unas. The expansion of Unas activities and advocacy in the PT governments shows the importance of opening up interlocution channels with the State.

For 35 years, Unas, as a social movement whose mission was to organize the subaltern classes of Heliópolis, managed to make accomplishments and contributed to effect rights. The relations of hegemony imposed conditions and constraints that varied according to the political-institutional context and to the disputes in society and in the State opposing different ruling class groups. However, hegemony expresses a situation of unstable compromise equilibrium, so that subaltern classes, in the same process, are integrated to the dominant formations, but also lead autonomous actions that affect reality. Herein lies the transformative potential of social movements in the dynamics of urban policies and in the development of cities.

## 5. CONCLUSIONS

Over the decades, the subaltern classes that occupied the territory of Heliópolis as a form of resistance to “accumulation by expropriation” processes succeeded in remaining in the region and fought for public policies in a process of institutional consolidation. The community was transformed not only by the actions of the ruling classes, but also by the struggle and resistance of the subaltern classes, who organized themselves as movement and achieved rights, however constrained these might be by the current hegemonic relations.

Thus, this article reaffirms a central question guiding studies focused on social movement organizations: movements do matter. Broad time-scale analysis reveals that, in different contexts, social movement organization actions produce effects and that urban development does not only result from the interests of capital, although these tend to prevail. Urban policies and the making of cities result from disputes opposing forces that are guided by different projects of State and society.

Moreover, research shows that the context also conditions and structures social movement action, something often neglected by microsocial analysis, which overestimates the identity of the “peripheral subject”. The hegemony of the authoritarian-developmental, neoliberal, and neodevelopmentalist projects in the political scene have produced demographic, social, economic, and political transformations in Heliópolis, in addition to conditioning the forms and strategies of action of the subaltern classes: “we were forced to found the Unas”, in the 1980s; “he [Mentor] did it his own way”, in the housing project in 1990s; professionalization and institutionalization in the 1990s and 2000s; and the prioritizing of the MCMV in the 2010s. Additionally, the Unas main objective—land regularization—has never been accomplished, given that Heliópolis remains under the threat of being removed, a condition that is revealing of how prevalent the interests of the ruling classes are.

However, political partisan relations and achievements neither paralyze nor neutralize movements. Despite the constant risk of leadership cooptation and loss of autonomy, the social movement constitutes itself as a force and establishes unstable relations with parties and governments. In analyzing social movements, therefore, it is imperative to observe not only their alliances and the power of the State in modeling their activities, but also the disputes permeating political-institutional relations. Since the 1980s, Unas has been linked to the Workers’ Party (PT), yet conflicts with the PT

administrations or terms of office of lawmakers supported by the movement never ceased; hence, analysis must also examine such unstable dynamics and their outcomes.

The broad time-scale approach also sheds light on the heterogeneity of political projects embraced by the subaltern classes. Hegemony is based on forms of domination also in civil society, as seen in Heliópolis with the squatters' action in the 1970s and 1980s, in the defeat suffered in the 1990s, and in the "many people with associations out there" competing for MCMV resources in the 2000s. A view that merely opposes the State and the social movements, while construing the latter as homogeneous, fails to apprehend conflicts within the State and within society, as well as conflicts in the relations between these spheres.

Historical contexts and disputes over the orientation of urban development have led to the adoption of different strategies by social movement organizations. Unas, even in an adverse context, impacted public policies, as shown by the recognition by the State of its role as a participant in urban production, which historically is conceived of as a sphere of State and real estate circuit actions. Unas has proved its ability over the decades to challenge public policy by "instituting and institutionalized actions", even in a setting where the use and occupation of urban land are largely determined by the interests of capital.

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