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State-led housing development in Brazil and India: a machinery for enabling strategy?

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ABSTRACT
Housing has been one of the defining issues of our times. Enabling strategies were implemented to address the housing challenges over the past decade with limited success. In recent years, there has been a resurgence of government-led large-scale programmes to provide low-income housing. New networks of collaborations have created new rules and shifted boundaries to achieve scale. In India, *Pradhanmantri Awas Yojana* (PMAY) aims to build 20 million new units by 2022. Likewise in Brazil, *Minha Casa Minha Vida* (MCMV) was launched to deliver millions of affordable homes. This paper argues that the emergence of state-led housing means the value of enabling has not been supplanted but supplemented, as the shift does not herald the end of enabling strategy but a renewed commitment to the expansion of enabling principles where the state is an active agent. The state-led housing development is creating and formalising new areas of market engagement, and is far less radical and transformative than is assumed. State housing programmes such as MCMV and PMAY are inevitability highly profitable transactions, advantageous to the economy and housing markets and come at a point when profiteering and resource-extracting neoliberalism is at its zenith.

KEYWORDS State-led housing; housing policy; enabling strategy; Brazil; India

Introduction

The housing crisis is one of the defining challenges of our generation. The need to scale up housing production by all possible means is accepted and acknowledged by all scholars and commentators in the field. One in eight people in the world live in slums today equating to over one billion population, and this figure is likely to double by the year 2030 (UN-Habitat, 2016). In spite of great progress in improving slums and preventing their formation – represented by a decrease in the urban slum population from 39% in

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2000 to 30% in 2014 – absolute numbers continue to grow and housing remains a critical factor and cause for the persistence of poverty. Brazil and India, two seemingly large countries in their respective regions, have 22% and 25% of their population classified as living in slums (UN-Habitat, 2014). Simultaneously, they have also been a testbed for wide-ranging housing policies and programmes where implementation of an enabling paradigm stands out.

The enabling paradigm in housing, propagated by the United Nations Human Settlements Programme (UN-Habitat) and the World Bank, has a strong emphasis on market mechanisms and is an integral component of the neoliberal agenda. The underlying philosophy was that the government should withdraw from the direct production of housing or dispense subsidies for the production of low-income housing, and let the private sector supply housing for all, including low-income households. The policy has been adopted formally by the Global Strategies for Shelter to the year 2000[1] and has been consistently reiterated in several UN and World Bank reports (UN-Habitat, 2001, 2003, 2006, 2016; World Bank, 1993). Over time, countries such as Brazil and India adopted a variety of enabling strategies with a strong 'urban'(read formal) focus, to establish key market-based frameworks to attract private local and foreign capital in housing. The outcome, however, has been rather underwhelming, if not outright counterproductive. Enabling strategies may have worked well particularly in boosting the housing market but concomitantly triggered sharp income and housing inequality (Yap, 2015). Most importantly, there has been a lower overall production of housing units for those living in slums or slum-like conditions, meaning that Mike Davis's metaphorical expression 'planet of slums' became a global reality creating a 'moral crisis in our history'. According to Cities Alliance (2017) there are 44 million people living with inadequate urban housing or utilities in Brazil, and in India, twice as many people (93 million) live in slums and the figure is rapidly growing. High levels of housing inequality are likely to cause increased strain on the public spending and economic growth of each country.

In recent years, there has been a resurgence of government engagement in housing through large-scale state-led housing programmes to provide low-income housing (Buckley, Achilles, & Wainer, 2016; Chen, Yang, & Wang, 2014; Huchzermeyer & Misselwitz, 2016; Klink & Denaldi, 2014; Sengupta, Murtagh, D'Ottaviano, & Pasternak, 2018). A new network of collaboration is taking place between government and the private sector, setting new rules and shifting boundaries to achieve scale through mass-housing production. In India, Prime Minister Narendra Modi's *Pradhanmantri Awas Yojana* (PMAY) aims to build 20 million new units by 2022. Likewise in Brazil, President Lula da Silva initiated *Minha Casa, Minha Vida* (MCMV) in 2009 to deliver millions of affordable homes echoing somewhat similar ambitions. Colombia has taken this further by introducing a radical housing policy to provide 100,000 free homes every year to respond to the country's endemic housing problems (Gilbert, 2016). Even the authoritarian Angolan government delivered housing of unprecedented scale allocating 3.2% of the annual state budget to housing between 2004 and 2014 (Croese & Pitcher, 2017). In China, the social housing programme has been expanding at a dazzling speed marked by a target of building 10 million social housing units every year (Chen et al., 2014; Wang & Shao, 2014). Under state-designed and privately-delivered schemes such as the Economic and Comfortable Housing Programme *(Jingji Shiyong Fang*), low-income households are provided housing units at 50%–70% of the market value.

As a broad generalisation, there is a shift in housing policy in the global south. Large-scale, centralised housing schemes have risen dramatically across Asia, Africa or Latin America. Whether the expansion of state housing programmes is part of governments' populist agendas (Croese & Pitcher, 2017; Gilbert, 2016), or a 'corrective measure to overcome market failure' (Wang & Shao, 2014; Magalhães, 2016), or whether it simply reflects what Buckley et al. (2016, p. 207) contend is a 'growing concern with housing affordability' with echoes of the earlier provider era, is a moot point. This paper argues that the emergence of state-led housing means the value of enabling has not been supplanted but supplemented, as the shift does not herald the end of enabling strategies but a renewed commitment to the expansion of enabling principles where the state is an active agent. The approach appears to have a predisposition towards earlier provider strategies of state-led large-scale housing programmes. The state-led housing development and related assertions are creating and formalising new areas of market engagement, and are far less radical and transformative than is assumed. State housing programmes such as MCMV and PMAY are inevitability highly profitable transactions, advantageous to the economy and housing markets and come at a point when profiteering and resource-extracting neoliberalism is at its zenith.

For analytical purpose, the paper focuses on the trajectory of national housing policies in Brazil and India by looking at their flagship programmes. Great differences exist between Brazil and India in terms of physical size, geographic context, social, economic and political history and level of development and urbanisation.[2] Whilst being distinctive, they face similar housing challenges making this south-south comparison useful to develop a better understanding of the emerging trends in international housing policy discourse. The next section presents a critical reflection on the origin and spread of different phases of enabling housing paradigms coupled with emerging signs of state-led housing programmes as a new variant.

This is followed by a brief overview of government housing programmes in Brazil and India in the third section. Some key attributes are discussed in the concluding sections to articulate a more comprehensive, nuanced and persuasive understanding of state-led housing trends in Southern cities.

The emergence and sustenance of enabling housing paradigms: a continuing legacy of neoliberal orthodoxies?

With the advent of neo-liberalism in the mid-1970s, housing was recognised by the western economies as a vehicle for economic growth, job creation and for attracting private investment. Subsequently, international agencies such as UN-Habitat and World Bank became the expert purveyors of neoliberalism in the global south. *Enabling Housing Markets to Work* (World Bank, 1993) outlined a wide range of operational focuses with emphasis on mortgage market expansion, deregulation of the construction sector and private housing development. Unlike the regulated capitalism by which it was preceded, the new approach centred on relocating the power from the state to the market and labour to the capital. The idea was compelling to countries struggling with debts and dwindling public finance amidst a growing welfare burden. Hence, despite the big gulf between those countries with a strong financial and political institutional base and those without, the adoption of enabling principles became widespread. The intrinsic link of an enabling paradigm with neoliberal orthodoxies ensured its expansion and survival in the following decades.

Looking back at the last three decades of growth and global expansion of economic activity there has been a rising chorus of opposition on the performance of enabling housing. By unleashing unprecedented opportunities for capital accumulation, enabling housing placed inordinate emphasis on the market model, leading to the expansion of the mortgage markets, speculative housing prices and schizophrenic housing markets (Bradlow, Bolnick, & Shearing, 2011; Gunter, 2013; Huchzermeyer, 2003; Rolnik, 2013; Sengupta et al., 2018; Yap, 2015). The contrasting effects of an enabling paradigm on different segments of the population are quite clearly the most problematic outcomes of its implementation and its neoliberal thrust. Indisputably the approach considers the production of middle-class housing as a means for capital accumulation (Gunter, 2013; Huchzermeyer, 2003; Yap, 2015), bolstered by growth in real incomes. These initiatives made profits possible for private developers and parastatal agencies. Government subsidies to private agencies became central to the systemic political/economic arrangement for neoliberal interest to thrive. Mortgage market expansion became the key driver for housing, which in turn, influenced urban development, leaving out the poor in the process. It should be less surprising that the whole approach failed to balance the development hyperbole with pro-poor policies (Rolnik, 2013). In India, housing development and the behaviour of house prices not only determined the development of the private real estate market but also had the strongest possible influences on the growing inequality. The metaphorical expression that India is 'shining' holds true for a few but not for all Indians. While the incomes of the bottom 50% of the adult population (over 20 years of age) grew by 89% over the period of 1980–2014, those of the middle 40% (individuals above the median income and below the top 10% earners) grew by 93% and those of the top 10% grew by 394% ("Monstrous Indian Income Inequality", 2017). Clearly, the enabling housing market did not put everyone on the housing ladder and, in UN-Habitat's own words, resulted in 'enabling for some and disabling for many' (UN-Habitat, 2016).

The question remains why enabling strategies had limited success and what is their conceptual relevance and applicability in the global south? To explore the answer it is pertinent perhaps to unravel the history of the enabling housing strategy, which could be categorised into three conceptual phases (Table 1) spanning a period of 40 years. Each phase is riddled with constraints and institutional context specific to that period. The 1970s saw the recognition of housing as a key economic driver in the north, to stimulate private investment and resolve large housing backlogs. What followed were the bold and visible steps to transpose the policies from the global north to the global south. The concept was quickly endorsed at the Habitat 1 Conference in 1976, encouraging states to intervene in improving informal settlements, leading to upgrading becoming a key plank of new housing provision in the global south. The Enabling Phase 1 thus lasted approximately a decade subject to the underperformance of public finance, prior to entering a period of rapid restructuring of state machinery that consolidated the influence of neoliberalism. The Enabling Phase 2, which effectively dominated the 1990s, saw states actively seeking withdrawal of direct provision of housing to embrace fully market-oriented approaches such as public-private partnerships, mortgage market expansion and the creation of satellite townships, boosted by *Enabling Housing Markets to Work* (World Bank, 1993) with a wide range of operational focuses in which housing finance stands out. The efforts concentrated on middle- and high-income households as a target market commodifying both production and consumption of housing by linking them to a wider economic circuit of profit. However, these efforts failed to reach out to the urban poor. The Enabling Phase 3 is marked by state-led large-scale housing accompanied by state-oriented mortgage promotion through private sector inducements (with subsidies). Countries such as Brazil, Mexico, Chile and India saw the rise in microfinance and the World Bank entering this growing sector. The

Table 1. Different phases of enabling housing policy implementation.

Phases	Period	Theme	Defining characteristics	Countries
Enabling phase 1	Habitat 1, 1976 – mid-late 1980s	Public housing	Slum upgrading; site and services; (state intervention to upgrade informal settlements); Public Housing; public finance	Nigeria, Bangladesh, Indonesia, Philippines, Thailand, Kenya, Malaysia, Iraq, Jordan, India, Pakistan, Brazil and Egypt
Enabling phase 2	Mid-nineties - 2000	Enabling housing	Deregulation; Private finance; Private housing; Land and housing reform; Government as facilitator; Decentralisation	Chile; Thailand; Sri Lanka; Costa Rica, Pakistan; Namibia; India
Enabling phase 3	2000–2010	Comprehensive slum upgrading and Rise of national Housing Programmes	Combine a variety of infrastructure and social components (Community-driven; National housing programs; Slum prevention: preventive planning and availability of new sites; Private finance; Land reforms)	Brazil; Colombia; Argentina; El Salvador; Nicaragua
	2010 onwards	Return to large subsidised low-income housing construction at scale	Mass social housing; mortgage promotion; Peripheral, subsidised; home ownership; Political sloganism	Angola, Argentina, Brazil, Colombia, Ethiopia, India and Mexico

Source: Author.

World Bank's efforts are seen rolling back to target low-income people through microfinance as it saw a huge potential there both as an investment and as a means of welfare provision. One aspect of such deliberation involves recognition of the huge market for housing microfinance, for instance, in countries such as India with nearly a quarter of the world's poor. Notwithstanding varying nuances of meanings, each of these phases reflects broadly similar developments consequent on broader patterns of enablement development.

Firstly, an enabling paradigm is context-neutral, as it assumes there is a single domain of socio-economic and political order. The fundamental characteristics of the global south (with a large number of low-income population, large inequalities in living standards, life expectancy, and access to resources) and its distinctive housing need are largely ignored in this equation. This is an important point to consider given that enabling policy (read privatisation) was successfully implemented in the global north with contrasting baseline conditions and institutional regimes. In the global north, the development of social housing over a sustained period created the institutions and building blocks necessary for its eventual transition to enabling market mechanisms. For instance, local government in the UK has been in its current form for over half a century, and infrastructure and institutions were already in place, even though more investments were needed to improve the quality of housing for the poor. In Asia, China had a robust system of welfare housing delivered by a network of work-units (Chen et al., 2014). However, in many parts of the global south, such institutional bases were either missing or were inadequate when marketisation was introduced. In India, the system of poor finance and banking stands out along with the complete absence of any welfare provision for housing services. According to the 2011 Census, 557 million individuals are not part of the banking network – the largest unbanked population in the world. It lacks any institutional, banking or financial infrastructure that would have been critical when liberalisation was introduced in 1991. Likewise in Brazil, an institutional vacuum existed between 1986 and 2003 (Valença & Bonates, 2009). The BNH (later Siestema Financeiro da Habitaco), which was set up by the military government in 1966 and produced over 5 million housing, was closed in 1986. Until the establishment of the Ministry of Cities in 2003, there was practically no such institution to replace the BNH. As a result, many countries in Latin America have suffered from longstanding housing shortages and low rates of construction, resulting in higher rate of informal housing formation (Murray & Clapham, 2015). In one of its most candid statements, UN-Habitat (2016, p. 47) admits that a widespread failure to promote adequate and affordable housing marked the enabling era and raises a question on 'whether the speed of the reform and its sequencing, and whether liberalisation, and especially privatisation, should have waited until adequate legal and institutional frameworks were in place'.

Secondly, enabling housing promoted home ownership regardless of citizens' needs, completely ignoring other housing tenures such as cooperative housing and rental housing. In India, 'housing for all' became the main mantra of the National Urban Housing and Habitat Policy, 2007 between 2007 and 2015 under the 'affordability' banner. The lure of affordability was so pervasive that even many higher-end schemes costing over a *crore* (INR10 million) were advertised as being of an affordable category. This thrust has now received a renewed commitment from PMAY with a new slogan 'Housing for all by 2022'. In Latin America, a similar emphasis has been noted. Brazil, Mexico and Colombia have recently launched ambitious social housing programmes to promote the private production of affordable housing (Gilbert, 2016; Monkkonen, 2012; Murray & Clapham, 2015) with the specific focus on ownership. Cheap credit growth and an increase in the volume of mortgage finance yielded financial benefits to the providers. In Brazil, the share of mortgage finance grew from 2% in 2002 to 9.14% in 2015.[3] In India, mortgage finance has been consistent at 7.8% since 2008 but is set to rise. The focus on ownership has been criticised as a short-term economic stimulus rather than a framework for a holistic housing policy (Ferguson, Smets, & Mason, 2014, p. 44). As part of the wider package of measures home ownership accelerated the financialisation of housing. The enabling paradigm, at its core, can therefore be articulated as a form a soft-neoliberalism that allows key housing agencies (from national to municipal level) to come together to create an 'institutional arrangement' committed to enabling the private sector, encouraging a housing-for-profit approach, no matter how deeply the state is committed to the urban poor and how much funding goes to the housing subsidy programme (Bradlow et al., 2011; Yap, 2015).

In the last decade which can be defined as Enabling Phase 3, there has been a surge of state-administered large-scale housing programmes in countries in the global south including Brazil and India, disbursing sophisticated subsidy packages (Buckley et al., 2016; Rolnik, 2013; Sengupta et al., 2018; UN-Habitat, 2016; Wang & Shao, 2010). The scale of this surge has been unprecedented as between 2007 and 2013 over 200 billion worth of housing investments were announced across the BRICS countries (Buckley et al., 2016). These programmes are underpinned by their own distinctive forms of partnerships, housing typologies, new brands of housing governance and new populist slogans. In tandem with the large demographic and economic shifts stemming from globalisation (such as middle-class expansion), these initiatives have blurred the boundaries of finance and microfinance, welfare, and profit, local and federal. The conventional demarcation between the market and sovereign state has altered to become far more entangled, with multi-level interactions between enterprising local governments, developers, and civic communities. Interestingly, the Enabling Phase 3, whilst showing signs of reversion to a provider approach to housing, did not directly originate from the international agencies, albeit these agencies have recognised that previous policies and planning interventions require rectification to resolve housing affordability concerns (Buckley et al., 2016) The World Bank's (2010) Urban Strategy lends support to an 'inclusive growth' agenda for which more 'targeted' interventions through measures such as land adjustment, a return to sites and services including greater subsidies to the poor, are recommended. Likewise, the 'New Urban Agenda' from Habitat 3, shows a shift of concern from poverty alone to 'poverty and inequality' and emphasises inclusionary development (Watson, 2016). The specific emergence of Sustainable Development Goal 11 recognises the value of a stronger state, however, it has less emphasis on deregulation and the enabling environment that dominated the enabling phase 2 (Table 1).

The resurgence of state programmes links back to the specific ways states are transiting to and from enabling strategies. Looking back, neoliberalism (read enablement) did not just produce a lasting vision for nations but also re-kindled the production of localised responses to economic opportunities. The growing entrenchment of neoliberalism in local and national government has resulted in the mutated adaptation of enabling principles and methodologies in local policies and practices. New forms of collaborations across government, private developers and societies and new coalitions across the network of government levels – federal, regional and local – have produced unique spatial representations. These representations have so far remained ambiguous and fractured, often unable or unwilling to disrupt the enabling institutional bases carefully created and choreographed over the past few decades. The pervasive nature of private delivery of state housing programmes (through state-oriented mortgage promotion and a large share of public subsidy diverting to the private sector) across Africa, Asia, and Latin America demonstrates how Phase 3 of the enabling market continues the legacy of Enabling Phase 2. To put this in perspective, public dollars have historically always subsidised some profit-making providers. Even in mature economies, the primacy of enabling principles features strongly in state housing programmes. Haughton, Allmendinger, and Oosterlynck (2013) claim that one of the important dimensions of the proliferation of state-led housing development has been to treat low-income housing markets as tools for enforcing enabling traditions. Our view thus contrasts with Buckley et al. (2016), who see state housing as being predominantly public-finance driven and hence deeply flawed. However, we argue state-led housing is a way of trying to adapt social welfare programmes to the needs of the private sector and low-income households. Despite challenges (as discussed in the next two sections) in areas of balanced delivery and redistribution, the approach holds transformative powers.

Brazil

Favelas in Brazil have a long history of existence, expansion and unbridled growth amidst varied policy interventions. Early interventions (up until the 1990s), especially in the cities such as Rio and São Paulo, were marked by a highly centralised clearance policy,[4] relocating squatters to housing centres at the outskirts of the city. Programmes such as PRÓ-LUZ, PROFAVELA and PROMORAR were initiated to improve urban infrastructure and to construct new houses through direct government subsidy. The 1990s saw the rapid withdrawal of the national government from housing in tandem with the transfer of social housing obligation to the local government. Two broad aspects of government plans and policies stand out: return to squatter upgrading and the back-to-the-city movement. The former intended to build self-managed and community-built homes as a way to reduce costs and reinforce citizenship.[5] The latter was an ideological response to vacant buildings in the city centre mainly from the social democratic and left-leaning parties. The argument was that even poor people have the right to the city. In 2000, the country had nearly a million empty homes, half of which were in Sao Paulo alone (see Sengupta et al., 2018). Empty buildings provided a viable opportunity to house the urban poor supported by amendments to legislation and the constitution to ensure all properties have some social purpose. This way the government created new social welfare programmes, housing opportunity for the poor and investment opportunity for the developers. Local municipalities such as Diadema proactively identified vacant properties and allocated them for the construction of HIS (Habitação de Interesse Social/Social Interest Housing) through Special Areas of Social Interest (ZEIS) I and II in their master plans. However, despite its intellectual and inclusive origin, this was a classic top-down approach with the government cherry-picking projects based on political doctrine.

The ensuing institutional landscape saw the promulgation of 'Statute of the City 2001' which enabled the creation of the Ministry of Cities and the National Council of Cities bringing the focus back into municipalities. Between 2001 and 2004 the Workers Party took over the administration of Sao Paulo once again, reigniting the discourse on the revitalisation of empty buildings and the participation of the population as a way of building citizenship. Programmes such as PRI (Programmea de Recuperação Integrada/Integrated Recovery Programme) defined areas for urban interventions through the demarcation of ZEIS. Some of the interventions were also made by the state government through the PAC[6] (Programmea de Atendimento aos Cortiços/Service Programme for Slums), in part supported by the federal government through a comprehensive Home Lease Plan – PAR (Plano de Arrendamento Residencial). As a result of these initiatives, the number of takeovers of vacant buildings in the inner city increased. The municipal administration used the Bairro Legal (Cool Neighbourhood) Programme as a tool to implement a set of integrated actions in run-down neighbourhoods occupied predominantly by a low-income population[7] in order to improve access to public services, greenery, and amenities. It differs from the programmes of the previous administrations due to its strong emphasis on integrated action among different municipal agencies and stakeholders including non-governmental organisations and civil society. This bottom-up approach enabled low-income people to an extent. As of April 2002, there were approximately 2866 projects recorded running nation-wide. Upgrading projects were geared toward basic sanitation but had difficulties in matching the urban standards of the formal city, whereas resettlement into the city centre was criticised for being fragmentary and inhibitory to both participation and investment among dwellers, thus generating new debts whilst the deregularised finance system rarely reached the poor. Especially with the dismantling of the BNH system in 1986 some state and municipal housing initiatives gained visibility, but with the exception of Sao Paulo state – which set up a housing fund based on a 1% increase in value-added tax (ICMS – Imposto Sobre Circulação de Mercadorias e Serviços) – most other schemes were short-lived and targeted at urgent housing situations (Valença & Bonates, 2009). The enabling housing approach was not capable of achieving a rebalancing of the housing order or achieving the necessary scale. According to the 2010 census, the housing shortage in Brazil stood at 5.45 million and a further 11.4 million people lived in favelas.

MCMV marks a milestone in the history of Brazilian housing by conceptualising the emphatic return to the direct provision of social housing for the urban poor. Launched by President Lula da Silva in 2009, the programme aimed to build millions of homes for low-income Brazilians, making it effectively an affordable housing scheme of national scale based on home ownership. Administered by the Ministry of Cities, the programme stimulates partnerships between federal, state and local governments as well as with social movements and the private sector. Originally showcased with a federal subsidy of R$34 billion (US$14.9 billion) and a plan of building one million low-cost units throughout the country by 2014 (which was increased to 2 million homes by President Dilma Rousseff in 2011) MCMV currently has a budget of R$125.7 billion (US $55 billion), with 58% to be handed out as grants and 42% as low-interest loans. The programme responds to a larger shortage of adequate housing for low-income families, estimated at a deficit of 5.5 million units in 2009. The federal government expects more than 25 million people to be covered by the programme by 2019.

The potential beneficiaries of the programme are divided into three income groups evenly spread out across households with income from 0 to 10 minimum wages[8] effectively encapsulating low- and middle-income groups. The benefit packages differ in terms of levels of subsidy. The poorest group receives significant subsidies on a non-repayable basis and is tax and interest rate exempt. Housing modalities and benefit packages that serve the other two groups have a combination of subsidies that include tax reductions and special interest rates of a modest degree. Mainly, for all these groups, the private sector builds homes with different degrees of intervention from the local and federal governments. The distribution of housing units to be built takes account of the level of housing shortage, prioritising quantum deficit across Groups 1 and 2. The first phase of the programme aggressively attempted to enforce this rule by allocating 40% for Group 1 and 40% for Group 2.

Neither the ideological underpinnings of the government intervention nor the level of subsidies was questioned despite that MCMV was launched during the financial crisis of 2008. Justified as government correction to market failure (Magalhães, 2018), its initial impetus sprang at least as directly from the need to keep Brazil's economy, employment, and wages stable during the recession. However, the programme remained quintessentially neoliberal despite the expectation of the proverbial return to the state-run public housing of the previous era. There were also criticisms related to the steering of the subsidy away from the beneficiaries to developers, isolating low-income people to peripheral areas unconnected to existing transport or employment opportunities and intensification of land speculation. Valença and Bonates (2009) claim that projects under MCMV are almost entirely (97%) in the hands of private promoters (housing construction companies), a measure justified to speed up the process, avoiding the endless procedures adopted by government institutions. Since financing limits are pre-established, the values for calculating profits and sales revolve around: (i) land value, which is lower in peripheral neighbourhoods; (ii) lower cost of design achieved using standardised and repetitive designs, in addition to promoting large complexes, in order to maximise economies of scale; and (iii) production costs, minimised by using second-rate materials. This resulted in rather small (of around 32 m^2), poor quality housing units at peripheral locations, missing the critical link between affordability, design, access, and mobility. In Rio for example, 53% of MCMV units delivered before 2013 were located in the remote Far West Zone (up to four hours from the city and the employment opportunities). As such, appropriate land supply relies on integration with city masterplans, considering issues such as location and access. This may be a challenge for smaller municipalities due to resource issues: reflected in the housing output from different regions (2002) (Table 2).

Despite operational challenges in delivering MCMV, the emerging trend in Brazil shows an increasing and demonstrable dependence on public finance and new units constrained by locational challenges (discussed in the section below). Given the persistent housing shortage and the

Table 2. Regional housing delivery in Brazil under MCMV.

Macro regions	States	Housing production by Faixa (income bracket)			Total
		Faixa 1	Faixa 2	Faixa 3	
Midwest	Golas, Mato Grosso, Mato Grosso do Sul, Distrito Federal	150,023	298,703	53,441	502,167
Northeast	Alagoas, Bahia, Maranhao, Paraiba, Pernambuco, Piaui, Rio Grande do Norte, Sergipe	702,749	459,287	89,307	1,251,343
North	Acre, Amapa, Amazonas, Para, Rondonia, Roaima, Tocantins	209,829	53,191	24,658	297,678
Southeast	Espirito Santo, Minas Gerais, Rio de Generio, Sao Paulo	489,706	801,255	290,505	1,581,466
South	Parana', Rio Grande do Sul, Santa Catarina	196,503	524,678	80,853	802,034
Total		**1,758,810**	**2,137,114**	**538,764**	**4,434,688**

Source: Ministerio das Cidades (2017).

'precarious living conditions and violence during the dismantling of housing welfare system' (Rolnik, 2013, p. 1061), public MCMV is perceived as a necessary tool to drive the new growth agenda.

India

Indian urbanisation has been largely an un-oriented and uncontrolled process with varying levels of government intervention in slum improvements in the pre-reform era. The 1990s decade witnessed the emergence of decentralisation and liberalisation as the two pillars of governance architecture in housing. Consistent with global trends of democratisation, the dramatic declaration in the ninth plan 'Housing is a State [Government] subject' (Government of India, 1997) was abandoned with the 74th Constitutional amendment, which made Urban Local Bodies (ULBs) responsible for housing and services. This marks a major departure from the provider regime, which predominantly consisted of hierarchical relations. The devolved responsibility led to the emergence of a particular kind of housing scheme for the poorer section, which was designed by Central Government but required matching funds from the state and local governments. The resultant decentralisation manifested followed the Brazil model, where stronger municipalities and megacities such as Mumbai, Kolkata and Delhi, pursued stronger intervention[9] by actively inviting the private sector to play a greater role that appeared like a scaled-down version of the Central Government's plans and programmes. The public-private partnership, regulatory reforms coupled with a deregulated finance sector firmly established the government's role as an enabler of housing, with a focus on middle-class housing. Given the sagging economy in the post-1991 period, the private sector and government increasingly viewed the housing market as an aid to economic growth which was explicitly recognised by the National Housing Policy 1994. Around 25 new housing finance institutions (HFIs) were set up between 1990 and 2000 (Sahu, Zachariah, & Sandipan, 2009) to boost lending and construction activities targeted at middle and high-income households. By 2005, 100% Foreign Direct Investment (FDI) was allowed in various integrated townships. According to the Department of Industrial Policy and Promotion, FDI accounted for up to 10% of the investment in real estate in the housing and construction sector; however, its relationship with low-income homes is indisputably non-existent. While private capital dominated the housing market, including some Slum Rehabilitation Programmes in cities such as Mumbai, the slum population continued to soar in both absolute and relative terms. By 2012 the urban housing shortage stood at 18.78 million units nationally. Indeed, the failure of the market to assure even a minimum standard of living for all has contributed to the growth of a new series of state interventions, including Jawaharlal Nehru Urban Renewal Mission (JNNURM) and PMAY discussed below.

Perhaps the first major and conceptually important intervention in housing was the JNNURM, launched in 2005. This was an integrated programme based on three strands of policy; alignment of urban housing, infrastructure and services; developing urban governance through decentralisation; and development of new models of low-income housing in 65 major cities.[10] Despite putting its right foot forward, the JNNURM buckled under the weight of its own targets and the several mandatory and optional reform agendas (e.g., revision of building bye-laws, earmarking 25% developed land in all housing for economically weaker groups) required to be fulfilled by the state government and the ULBs in order to access public funds. Taken to its logical extremes, an environment characterised by the aggressive pursuit of reforms can bring counterproductive results. The JNNURM, arguably the most significant programme, injecting more money into the urban sector during its lifetime of 10 years than had been invested during the whole of the previous years since independence, remained constrained by limited participation from the states and ULBs ultimately resulting its achieving just 22% of the housing production target. In 2013, the programme was substituted by the even more ambitious Rajiv Awas Yojana (RAY), which set a goal to 'create slum-free cities'. The specific aim was to redevelop slums occupying prime urban land through assignment of property rights to slum dwellers. This also created opportunities for large profits to be made by the private sector. Quintessentially a slum rehabilitation scheme with a neoliberal twist, RAY suffered a premature demise due to operational difficulties (mainly in creating a true record for slum dwellers) and reluctance of the state governments to engage for fear of political fallout from the programme.

Narendra Modi, upon assuming power in 2015, announced a new flagship programme, Pradhan Mantri Awas Yojana (PMAY) dubbed 'Housing for All by 2022'. The programme is significant as it represents a holistic effort to address both rural and urban housing problems through PMAY *Gramin* and PMAY urban. The government has pledged to construct up to 20 million houses by the year 2022 with a financial outlay of around INR 39 trillion (US$582 billion) spread over the next seven years. So the changing auspices did not mean less government spending. The total budget under PMAY marks a nearly 400% increase against INR 10 trillion (US$149 billion) under JNNURM. The central assistance released to states under PMAY was INR 11 trillion (US$164 billion) versus JNNURM's INR2.2 trillion (US$30 billion), an increase of almost 500%. It could be envisaged that this new government spending will create new public housing programme along with new markets and investment opportunities for private developers. The Modi administration is hoping to lower the programme costs and has thus advocated greater competition among states, municipalities and service providers; and more cost-sharing among consumers. The modality follows a similar approach to those taken by its predecessors which included central assistance to the ULBs and interest rate subsidies on loans[11] to economically weaker section (EWS) and low income group (LIG) consumers. The scheme is being rolled out to middle income group (MIG) 1, MIG 2, LIG and EWS populations with annual household incomes between INR300, 000 (US$4,478) and INR1.8 million[12] (US$26,865). The benefits packages differ in terms of the level of subsidy distributed. The EWS group with income ceilings of INR 600,000 (US$8,955) per annum receive an interest rate subsidy of 6.5%, which is four percentage points lower than the lowest rate (at 10.5%) points on a principal component of INR 600,000 (US$8,955) irrespective of their total loan amount. Under PMAY until October 2017 around 117 banks and finance companies have signed up to provide loans, including some of the major public sector banks. Housing benefit packages vary from tax reductions and special interest rates to LIG and MIG groups in tapering order. Those below the National Housing Bank and HUDCO are the nodal agencies to implement the home loan subsidy schemes. In 2017, the loan contract was extended to 20 years from 15 years. Regions benefitting from PMAY in India are mostly affluent regions with a political proclivity to the central government. The top three progressive states (Maharashtra, Tamil Nadu and Gujrat) with a GDP share of 30% are responsible for over 75% output through PMAY.

The programme is going through constant transformation, opening up the possibility of finding a 'best fit' situation within the wider context of housing delivery. In 2017, several changes were introduced that altered the landscape of PMAY especially in overcoming demand-side challenges. The interest rate subvention was lowered to 3% and the eligible loan amount increased to INR1.2 million (US$17,910). Notwithstanding new perks to energise the housing market, its delivery remains questionable due to supply-side difficulties. The availability of land is a major challenge. It is estimated that the 10 million houses estimated for EWS will require a minimum of 57,000 acres of urban land (roughly 50% of the total land in Mumbai). India thus needs a vast amount of land to increase the output tenfold in the next 7–8 years to fulfil the objectives of PMAY.

Land supply constraint and lack of regulatory reforms have manifested in slow output from PMAY. As of March 2017, a little over 40 thousand units had been completed (0.2% of the target) and a further 1.2 million homes sanctioned, together making up 8.3% of the total target figure. At this pace, to achieve the target set by the Prime Minister, India will have to build 3.6 million homes every year until 2022, more than twice the numbers currently sanctioned. The capacity of the construction and building material industry in India remains poorly equipped to deliver this, given housing output in the last five years has not exceeded one million. More crucially, the programme is designed in collaboration with private partners – especially banks and civil society – in order to disburse loans and provide guarantees and so forth as part of cost sharing. However, both partners are under-prepared to administer this process. Against the budget allocation of INR 4 trillion (US$597 billion) for 2015–2017, the expenditure was only INR 1.2 trillion (US$179 billion), which is too small to have any major impact. On balance, despite being replete with welfare rhetoric, PMAY suffers from the same institutional incapacity and a variety of political manoeuvres to which such projects appear subject (underfunding, careful political appointments, lack of quality control). While creating opportunities for the private sector, states and their municipalities must follow a strict timeline and code of ethics so that these units are delivered on time to the right beneficiaries. This is critical given the abysmally low construction rate relative to the number of units sanctioned (Table 3) which compares unfavourably to Modi's lofty goals of building 20 million homes by 2022.

Dialectical readings of state actions and their implications

The emergence of state-led housing programmes in cities of the global south has brought a profound policy shift to the national and international housing policy discourse. Increased public investment accompanied by wide-ranging fiscal incentives has energised (affordable housing)

Table 3. State-wise housing delivery under JNNURM, RAY and PMAY(U) in India.

	JNNURM		RAY		PMAY (U)	
State/UT	Sanctioned	Constructed	Sanctioned	Constructed	Sanctioned	Constructed
A&N Island (UT)	–	–	–	–	–	–
Andhra Pradesh	79,382	66,768	1617	21	1,93,405	1670
Arunachal Pradesh	1172	420	1536	–	70	–
Assam	6583	3476	–	–	24,353	13
Bihar	24,425	18,307	11,276	2310	76,978	99
Chandigarh (UT)	17,696	17,696	–	–	5	5
Chhattisgarh	28,642	23,596	300	96	29,644	1404
D&N Haveli (UT)	144	96	–	–	828	25
Daman & Diu (UT)	14	14	–	–	48	–
Delhi (UT)	55,424	31,424	–	–	200	113
Goa	–	–	–	–	10	10
Gujarat	1,31,454	1,26,122	30,494	11,919	1,12,202	13,954
Haryana	13,223	12,827	3226	584	995	236
Himachal Pradesh	2130	848	300	–	4585	15
Jammu & Kashmir	14,208	6910	369	62	5867	10
Jharkhand	10,103	9025	3931	1699	60,624	961
Karnataka	45,162	45,093	23,125	9326	1,23,341	4925
Kerala	42,163	35,241	2118	98	26,119	183
Lakshadweep (UT)	–	–	–	–	–	–
Madhya Pradesh	38,363	36,710	8123	1296	200,913	1370
Maharashtra	1,75,032	1,38,665	–	–	1,24,619	5506
Manipur	4079	4072	–	–	9748	23
Meghalaya	1232	872	–	–	48	16
Mizoram	3046	3028	142	38	10,314	28
Nagaland	6265	4849	1054	455	12,506	1
Orissa	14,823	12,362	11,235	1356	37,610	106
Puducherry (UT)	1542	1390	–	–	3862	14
Punjab	7037	6191	–	–	42,637	141
Rajasthan	43,146	33,655	21,908	9779	15,709	1026
Sikkim	293	260	–	–	1	1
Tamil Nadu	1,27,435	1,15,637	4880	2599	2,22,820	4398
Telangana	83,678	76,103	1198	–	81,751	496
Tripura	3371	3371	3005	150	42,900	5
Uttar Pradesh	83,417	71,734	8409	3076	12,058	746
Uttarakhand	3915	3001	3130	652	4723	58
West Bengal	1,72,305	1,62,488	472	192	1,43,865	3359
Total	**12,40,904**	**10,72,251**	**1,41,848**	**45,708**	**16,25,358**	**40,917**

Source: Ministry of Housing and Urban Poverty Alleviation, India (Monitoring Division, As on 27 March 2017).

construction and the real estate market whilst providing a framework to overcome the limits of enabling strategies. In Brazil and India, a consistent trend of reversal of subsidy withdrawal marks this broader shift in the housing policy landscape. State-led housing is also initiated and pursued for various other purposes. In Brazil, MCMV was launched dovetailing interests between the Lula administration and the civil construction business – the latter concerned with expanding its business, and the former with increasing the supply of jobs and the level of economic activity (Dias, 2015). This rhymes with other Latin American countries and India, where government efforts have concentrated on reinforcing home ownership to revive the housing market. Gilbert (2016) identifies three principal drivers for the government's strong commitment to housing in Colombia: displacement through violence and natural disaster; ineffectiveness of subsidies and credit and politics. It would not be wrong to say state housing programmes are also political projects where successive governments are seen to announce new targets, taglines with tokenish welfare ideologies to suit their own political agenda.

The drive to provide housing may be based on a variety of motivations but ultimately government would like to meet the housing need and improve conditions in slums and favelas in more positive and permanent ways. However, beyond representing localised response to local (housing) problems, state housing programmes now signify an upscaling of government intervention in housing in order to rebalance and redistribute resources in rapidly developing markets while revalidating old principles and practices in the process. Both MCMV and PMAY support this hypothesis. Quintessentially developer-driven and neoliberal in their approach they display new financial mechanisms, de- and re-regulation, and a greater manoeuvring of economic actors. Table 4 summarises some of the key measures introduced to support MCMV in Brazil and PMAY in India, which shows that incentives to developers have often outnumbered incentives to cooperatives or beneficiary households. Although the effectiveness of the state-led approach in general, and low-income housing in particular, can be traced back to changes in governmental ideology and the subsequent reforms that arose from this, it should be stressed that the underlying factors arising from pre-existing socio-economic and political spheres have an effect upon its success.

The scale of housing production and distribution

The issue of scale is pertinent to both Brazil and India given the high level of housing deficit that is unparalleled elsewhere. The peculiarities of state-led programmes have struggled to reach the scale that they originally

Table 4. Types measures introduced in state housing programs in Brazil and India.

Brazil (MCMV)	India (JNNURM/RAY/PMAY)
State-led	**State-led**
Up-front grant	Up-front grant
Low interest loans	Low interest loans
Solidary Credit Programme to reinforce social-oriented housing provision	No profit basis sale for dwellings constructed by state
Residential Leasing Fund and the Social Development Fund	Slum Rehabilitation ensuring Holistic Slum Development
Amendment n° 140/2010 – procedures reforms on registration, beneficiaries selection, and allocation criteria	Low cost construction to lower housing build cost
In-situ rehabilitation and land acquisition by the State	In-situ rehabilitation and land acquisition by the State
Extending subsidy to construction materials	Creation of land pool for housing the poor
Low cost construction to lower housing build cost	Extending subsidy to construction materials
Security of tenure home ownership	Non-alienable right to ownership to all beneficiaries
Growth Acceleration Programme Slum Upgrading linked with MCMVP	Affordable rates for infrastructure services
Enabling-led	**Enabling-led**
Home ownership	Home ownership
Reduction in property registration	Private Sector first approach
Solidary Credit Programme to reinforce social-oriented housing provision	Financial incentives to private sector such as extra TDR/FAR/FSI and /other concessions
Residential Leasing Fund and the Social Development Fund	Public Private Partnership
Amendment n° 459/2009 – Housing Guarantor Fund; criteria for membership and amortisation rules	Streamline clearance and approval regime
Normative Instruction n° 934/2009 – Special Taxation for Construction	Approval for affordable housing scheme within 60 days
Resolution n° 412/2009 – streamline the environmental licensing process	Concession/incentives for affordable schemes
Amendment n° 326/2009 – release of funds for advance purchase of land and the and procurement reforms	Lower stamp duty for LIG/EWS (some states levy 100%)
A consolidated housing system	State-of the- art technology (IRIS) for maintenance of records
Modernisation of the construction sector	Real Estate (Regulation & Development) Bill, 2011

Source: Author.

intended. In India, JNNURM achieved just 22% whilst PMAY achieved just 0.2% of the total target figures within two years of its launch (see Table 3). The MCMV, on the other hand, has consistently outperformed its targets with 2.6 million homes delivered by 2016 and a further 4.2 million contracted out. So far 10 million people have benefitted from the programme. The scale of its delivery massively pales India's PMAY by a considerable margin.

Thus, for countries with a high deficit and undersupply, reform that supports the principle of economies of scale and low-profit margin, is the obvious starting point. In Brazil, both profit margin and scale have been kept high by compromising the quality of production and location (Martine &

McGranahan, 2013). In India however, the profit margin is dragged down by regulatory constraints and land supply bottlenecks preventing the market from offering the scale. Some progress has been made with the repeal of the Urban Land Ceiling and Regulation Act (ULCRA) and the rent control act but other regulatory barriers remain, including some recently introduced policies that appear counterproductive. For example, in 2017, the size threshold for affordable housing units was extended from 30 m^2 to 60 m^2, which, while making the affordable housing segment attractive to developers (and middle-income households), goes against the grain of 'mass housing' as an increase in unit size also means an increase in public subsidy per unit. In a market where undersupply of housing exists at every level (Sengupta, 2013), the scale of production remains crucial.

Where the housing supply is largely subsidy-driven, how the subsidy is distributed is an important issue. Firstly, subsidy disbursement through state housing programmes is not based on need-based criteria, leading to wide disparity in the distribution of resources across regions. This shortcoming applies equally to both Brazil and India. The resources distribution of MCMV ignores cities and regions with high housing deficits, with the poorer North building much less (see Table 2). Scholars have lamented the regional imbalance as cities with high housing deficits have ended up receiving fewer units (Klink & Denaldi, 2014). Likewise in India, the regional distribution of PMAY allocation suggests that the bulk of the output between 2015 and 2018 has been confined to the four leading states (Maharastra, Gujrat, Karnataka and Tamil Nadu) with the highest share of the country's GDP. Bihar, for instance, the third largest state by population with the second highest share of the population living below the poverty line (42%), constructed fewer than 99 units during the past three years. Likewise, Orissa, another backward state in India has managed to construct a paltry 106 units. In countries riddled with unevenness in terms of deprivation and development, such discrepancies in project allocation and execution are likely to further exacerbate regional imbalance. These measures separate the well-off state from the poor, the more educated from the less educated and more unemployable from the more unskilled. In so doing the distribution of public money effectively reinforces the two-class social welfare context that government intervention has failed to eliminate.

At the household level, the public subsidy appears to be targeted at those groups which are unable to benefit from it. By promoting home ownership, Brazil and India have given greater emphasis to the upper end of the low-income scale, rather than to the poorest urban households or those in greatest need. Homeownership, according to Gilbert (2016, p. 254) is the 'Holy Grail' that offers governments the opportunity to generate economic growth and win elections regardless of whether poor households need complete or finished homes. In promoting home ownership, governments expand investment opportunity for developers whilst attempting to offload the welfare burden arising from the growing demand for low-income housing. Whilst not so much in Brazil, the Indian case with PMAY suggests the overpowering effects of populist slogans taking over rather than tackling housing issues the government has so far failed to address.

Locational preferences and implications

With rapid urbanisation, there has been a rapid ascent in the peripheralisation of the cities. In nearly all major state housing programmes in South Africa, Chile, Brazil and India (Huchzermeyer, 2003; Maricato, 2017; Paquette-Vassalli, 1998) capital subsidy has been directed to the periphery of the city with spatial implications. On one hand, they have resulted in the production of uncontrolled and unsustainable urban sprawl; on the other, they seem to have also risked creating ghettoisation (particularly in Brazil) and ghost towns (in India. In MCMV, most low-income units (Group 1 comprising households with income from 0 to 3 minimum wages) are located at the outskirts, whereas the condominiums for Group 2 and 3 are located relatively closer to the central and intermediate districts. In what can be termed as a desperate attempt to redress the locational anomaly, the federal and some state governments in Brazil offered residents tax incentives to purchase cars. In India, the Modi government's Smart Cities plan (the new avatar of 100 new townships launched in 2001) makes a vain attempt to bring peripheral real estate closer to the city centre, at the expense of destroying rural communities. Efforts at redemption have ignored the realities of the housing needs of the urban poor. The rhetoric of slum-free cities followed policies that work against slum dwellers as they are pushed out to locations with poor connections to economic and social networks that can provide livelihood options. In Delhi, where housing demand has been unprecedented, the reproduction of a 'low-value commodity' in the city's periphery has bred widespread discontent over lack of infrastructure and basic services. Over 12,000 flats constructed in 2014 by Delhi Development Authority remained unoccupied even in traditional locations such as Dwarka, Paschim Vihar, Rohini and Pitampura as basic facilities such as clean water, a power supply or public transport were missing. Likewise, in Kolkata's Rajarhat township, one in three units are lying vacant, both in government and privately supplied housing estates. The township was conceived in 1994 to accommodate about 1 million people; only one-third of the targeted population has moved so far, which underscores the importance of location. In Gujrat, Barnhardt, Field, and Pande (2015) found one-third of households had abandoned the newly acquired government supplied homes to return to their original location. What is ironic is that in a country with a severe shortage of housing, the number of vacant units in Indian cities is rising. According to the census data, 11 million residential units were found vacant in 2011 out of the total 90 million units (comprising 12% of the total urban housing stock).

Paradoxically, to avoid high land premiums, people are moved to locations that are attractive to developers as they yield them higher profits due to lower land prices, easier land acquisition, economies of scale and more flexible municipal laws and regulations (see, Sengupta, 2013) and are rapidly turning into the hubs of a new peripheral consumerism. In MCMV, Klink and Denaldi (2014) assert that the systematic risks of the private sector have been substantially reduced either through almost complete or partial subsidisation or by the active involvement of local governments through the provision of complementary land infrastructure. Consumerism in housing, Huchzermeyer (2003, p. 601) argues has 'significant negative impacts on poverty, benefiting at most the already established formal private sector'. The 'peripheral' housing thus represents a significant shift in priorities for the government that sees greater concerns for housing markets and the construction industry rather than for the poorest urban households or those in greatest need. At the broader level, however, privatisation or placing public tasks in the private sector is one way the state is delivering its welfare goals, and it is likely to stay. Governments must explore how to gain greater control of the process and the projects to ensure that pro-poor objectives, which the public housing of the pre-enabling times had hoped that government intervention in the housing market would achieve, are maintained.

Unfinished institutional reforms

It is clear that state programmes such as MCMV and JNNURM have been set to perform in a decentralised environment. Whilst the concept is unproblematic, without the adequate empowerment of local actors, the process breeds ambivalence and inconsistency engendering grey spaces of operation. For instance in India, many states and cities have been unable to leverage available funds or implement reforms because of lack of capacity and technical reforms (such as property tax regimes, etc). This resulted in 'financial dependency' on the Central Government which in turn manifested in 'political dependency' resulting in the top-down approach with poor participation from the state governments or the ULBs. During the implementation of JNNURM, it was realised that achieving 23 reforms within seven years was an ambitious project in itself despite varied capacity and socio-economic conditions. Most of the smaller ULBs entrusted with implementing housing projects lacked the capacity to prepare a City Development Plan (a pre-condition to releasing grants) and went on to endorse it notionally just to ensure compliance with the fund conditions (Sivaramakrishnan, 2011). Similar challenges were witnessed in Brazil by smaller municipal authorities which had difficulties in preparing Master Plans within the short timeframe imposed by the City Statute and without key reforms to strengthen their capacities. The attempts to formulate local master plans as socio-territorial pacts – covering the whole country – clearly revealed the disengagement of the proposed agenda in relation to the much more diverse social, political and territorial realities (Rolnik, 2013). Whilst City Statute presupposed a combination of socially-oriented regulation and democratic management, by bypassing crucial institutional reforms, the state housing programmes have remained quintessentially top-down. Although nuances and context differ, the powerful legal and bureaucratic apparatuses of both Brazil and India contrast with their fragile operational capacity. An aggregate effect of such anomaly leads to unique state and market relations that are formalised differently across space, sectors, and governance levels. The consequence is a set of ameliorative measures negotiated politically (rather than through the proper processes and reform). This explains the fact that reforms still remain an unfinished agenda in both countries.

Conclusion

The preceding sections discussed the state-led large-scale housing programmes in India and Brazil. The approach, which could be perceived as part of the Enabling Phase 3, is still evolving and perhaps there are more issues and challenges than can be covered in this paper. Broadly speaking, looking at the target group, it could be said that the state is trying to consolidate the low-income housing market, providing homes that can be used as a bankable property of economic value. The new housing provision in Brazil and India shows home ownership remains the underlying concept. Those who are financially disenabled and without access to formal housing finance system cannot benefit from this. The practice of filtering the poor that became the hallmark of Enabling Phase 2 has thus continued in this phase as well. Profit is maximised by locating these housing units in peripheral areas, creating new colonies of peonage bound by housing debt. These low-income suburban communities are exposed to deficient social and physical infrastructure causing concerns about design and quality of life. There are now cities within cities, intensifying the existing inequalities. At a glance, they are reminiscent of the public housing estates of the post-war era in the global north. Moreover, state housing programmes are also set in a decentralised governance structure where local implementing bodies are inadequately empowered to effectively deliver the housing schemes or carry out the reforms on their own An underlying structure of inequality persists across regions, reflecting a historical reluctance to accept these programmes, mostly led by the federal government.

The key difference is how public subsidies are disbursed and the increasing politicisation of the housing market. Throughout the 1990s changes in the housing policy regime meant a greater role for private enterprises in a scaled-down welfare state. In a reversal of the trend, the public sector today channels public funds into private hands to strengthen welfare goals. By adapting social welfare programmes to the needs of private capital, states have proved a continuing adherence to the core principles of an enabling paradigm which is likely to continue for the foreseeable future. Beyond the conceptual contradictions between the enabling and provider approaches, state-led housing holds promise for transformative powers that will set the course for the future if implemented judiciously. This 'path dependency' is likely to continue to influence the post-neoliberal housing provision of the global south.

Notes

1. The Global Strategy for Shelter to the year 2000 was adopted by the General Assembly of the United Nations at its 43rd session in resolution 43/181 on 20 December 1988.
2. For instance, Brazil is more urbanised with over 86% population living in urban areas whereas only 32% of Indian population is 'urban'. Moreover, India has approximately twice the number of urban dwellers (377 m) to that of Brazil (168 m).
3. See http://hofinet.com/countries/index.aspx for figures on mortgage finance share of % GDP.
4. See Pasternak and D'Ottaviano (2014) for details.
5. For instance, in Osasco, COPROMO (Cooperativa Pró Moradia de Osasco/Osasco Pro-housing Cooperative) occupied and negotiated a large area of the city and built a housing project with 2000 units through a community-built housing initiative financed by the São Paulo State Housing and Urban Development Company.
6. The financial resources of the PAC Habitação come from a variety of sources: the private market – SBPE or private savings (39%), a semi-official fund called the Fundo de Garantia por Tempo de Serviço (FGTS) which is a contribution based device to provide workers with unemployment benefits when required (35%), counterpart funds from the states and municipalities (17%) and from the Federal Budget (9%). Source: www.brasil.gov.br/pac
7. The priority areas for intervention were chosen according to a social exclusion criterion (defined as a situation of collective deprivation, which includes poverty, discrimination, subservience, inequity, non-accessibility, lack of public representation). The Bairro Legal was implemented in the first phase in Capão Redondo, Brasilândia, Lajeado, Jardim Ângela and Grajaú since they had a higher percentage of low-income families (15% or more). In phase two, it was extended to districts of Campo Limpo, Guaianazes, Iguatemi and Anhanguera.
8. In Brazil, minimum wage is the measure for income levels. Ten minimum wages denotes earning levels that are 10 times the minimum wages.
9. However it should also be noted that these cities have not always promoted welfare interventions as real priorities for the city, despite the considerable budget at disposal. This reflects their attitudes and approach towards city development. For instance, Delhi's approach has been rather heavy-handed toward low-income housing whilst Mumbai has made great efforts to address the problems by way of integration of transfer of development rights etc.

10. Under the JNNURM, the Central government gives grants covering 50% of the project cost for cities with population between one million and four million. For cities with the population higher than four million, the Central grant is 35% of the project cost. The remaining funding comes from the state's kitty and the urban local bodies or parastatals. At present, there are 523 projects related to urban infrastructure development that is being implemented in 65 cities across the country.

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