

Substantive Justice and Economic Inequality: The Case of Housing Subsidies in Brazil

Justicia Sustantiva y Desigualdad Económica: El Caso de los Subsidios a la Vivienda en Brasil

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ABSTRACT

This article examines the role of housing subsidies in Brazil as a tool for achieving substantive justice in the context of persistent economic inequality. Focusing on the "Minha Casa, Minha Vida" program, it critically assesses how public housing policies have contributed to reducing social exclusion and ensuring effective access to the right to adequate housing. Using statistical data, government reports, and case studies, the paper identifies a central paradox: although subsidies have expanded formal housing access, they have often reproduced patterns of urban segregation, territorial exclusion, and housing precarity. The article argues that for such policies to truly promote substantive justice, they must go beyond material access and incorporate criteria of equity, community participation, and sustainability. It concludes with recommendations for redesigning housing programs under a human

rights and social justice approach, as part of a broader agenda of urban reform.

Keywords substantive justice, housing subsidies, economic inequality, Brazil, urban policy

RESUMEN

Este artículo examina el papel de los subsidios a la vivienda en Brasil como instrumento para la realización de la justicia sustantiva en un contexto de desigualdad económica persistente. A través de un análisis crítico del programa "Minha Casa, Minha Vida", se evalúa en qué medida las políticas públicas de vivienda han contribuido a reducir la exclusión social y garantizar el acceso efectivo al derecho a una vivienda digna. Mediante el uso de datos estadísticos, informes gubernamentales y estudios de caso, se identifica una paradoja central: aunque los subsidios han permitido ampliar el acceso formal a la vivienda, frecuentemente han reproducido patrones de segregación urbana, exclusión territorial y precariedad habitacional. Se sostiene que, para que estas políticas realmente promuevan justicia sustantiva, deben ir más allá del acceso material y contemplar criterios de equidad, participación comunitaria y sostenibilidad. El artículo concluye con recomendaciones para rediseñar los programas habitacionales bajo un enfoque de derechos humanos y justicia social, en el marco de una reforma urbana más profunda.

Palabras clave justicia sustantiva; sistema de salud; equidad; Cuba; reforma sanitaria

A. Introduction

Contemporary discussions of social policy increasingly move beyond formalistic interpretations of rights toward a concern with their effective realization under conditions of structural inequality. Within this shift, the notion of substantive justice has emerged as a critical analytical framework for evaluating whether public policies meaningfully alter unequal life chances or merely reaffirm existing distributions of power and resources (Fraser, 2009; Sen, 2009). In societies marked by deep economic and spatial disparities, such as Brazil, the realization of social rights is inseparable from the material, institutional, and territorial conditions under which those rights are exercised. Housing policy, in particular, occupies a strategic position in this debate, as it mediates access not only to shelter but also to urban infrastructure, labor markets, public services, and political participation (Soja, 2010; Rolnik, 2019).

Brazil's urban development trajectory reflects the persistence of structural economic inequality intertwined with spatial segregation, a pattern rooted in historical processes of uneven industrialization, racialized exclusion, and market-driven urban expansion (Maricato, 2017). These dynamics have produced cities characterized by stark contrasts between consolidated, well-served areas and peripheral or informal settlements lacking adequate infrastructure and legal security. Despite decades of public intervention, the national housing deficit remains both quantitative and qualitative, encompassing overcrowding, precarious construction, and limited access to basic services (Fundação João Pinheiro, 2023). Informal settlements have thus functioned as *de facto* solutions for low-income populations excluded from formal housing markets, while simultaneously reinforcing cycles of socio-spatial marginalization (Perlman, 2010; Caldeira, 2017). This enduring gap between need and provision raises fundamental questions about the capacity of housing policy to operate as a mechanism of substantive justice.

The constitutionalization of housing as a social right in Brazil represents a significant normative advance. The 1988 Federal Constitution and subsequent legislation, including the City Statute, formally affirm the state's obligation to promote access to adequate housing and to ensure that urban land fulfills its social function (Friendly, 2013). However, as critical legal and urban scholarship has emphasized, formal recognition does not guarantee material fulfillment (Santos, 2007; Rolnik, 2019). The translation of constitutional principles into concrete outcomes depends on policy design, implementation mechanisms, and the spatial logic through which resources are allocated. This disjuncture between legal guarantees and lived realities constitutes a central analytical gap in assessments of Brazilian housing policy and underscores the need for evaluative frameworks grounded in substantive justice.

From a substantive justice perspective, housing policy must be assessed not only by the number of units delivered but by its distributive, spatial, and social effects. Theoretical contributions from political philosophy and urban studies converge on the idea that justice requires attention to outcomes, capabilities, and access to opportunity, rather than mere procedural equality (Rawls, 1999; Sen, 2009). In the urban context, this approach aligns with theories of spatial justice, which emphasize how the geographic distribution of resources and opportunities shapes social inequality (Soja, 2010). Housing subsidies thus become a critical site of inquiry, as they structure who gains access to urban centrality, mobility, and public services, and who remains

confined to peripheral spaces of disadvantage (Harvey, 2012; Caldeira, 2017).

The Minha Casa, Minha Vida (MCMV) program, launched in 2009, represents the most ambitious housing subsidy initiative in Brazilian history and offers a particularly salient case for evaluating substantive justice. While the program significantly expanded access to homeownership for low-income households, a growing body of empirical research highlights its unintended consequences, particularly the reinforcement of peripheralization and reduced accessibility to employment and services (Leite et al., 2024; Vasconcelos & Camilo, 2024). Studies demonstrate that many MCMV developments are located in urban fringe areas, where land is cheaper but opportunities are scarcer, thereby reproducing patterns of socio-spatial exclusion under the guise of social inclusion (Maricato, 2017; Rolnik, 2019). This contradiction reveals a critical gap between redistributive intent and distributive outcome.

Against this backdrop, the central research problem guiding this article is: Do housing subsidies in Brazil, particularly under the Minha Casa, Minha Vida program, advance substantive justice, or do they reproduce existing socio-economic and spatial inequalities? Addressing this question requires moving beyond aggregate delivery metrics to examine how housing policy reshapes access to urban resources, social integration, and everyday life conditions. The article's objective is therefore to analyze MCMV through a substantive justice framework, assessing its implications for social inclusion and spatial equity, while identifying the structural and institutional constraints that limit its transformative potential.

B. Theoretical Framework: Substantive Justice, Inequality, and Housing

This section establishes the theoretical foundations of the article by integrating normative theories of justice with critical scholarship on housing rights and urban inequality. It advances a multidimensional framework that conceptualizes housing policy as a key mechanism through which substantive justice is either realized or undermined in unequal urban societies. By drawing on political philosophy, human rights law, and urban theory, the framework moves beyond formal legal analysis to foreground material outcomes, spatial distribution, and structural power relations.

1. Concept of Substantive Justice

The concept of substantive justice emerges from sustained critiques of formal equality as an insufficient basis for addressing deep-

seated social and economic inequalities. Classical liberal approaches to justice, while emphasizing impartial rules and equal treatment before the law, have been shown to inadequately address the unequal social conditions under which individuals exercise their rights (Rawls, 1999). Even where rights are formally guaranteed, structural disadvantages related to class, race, gender, and territory can severely constrain their practical realization.

Substantive justice shifts the analytical focus from legal form to material outcomes and lived effects, emphasizing whether social arrangements effectively reduce inequality and expand individuals' real freedoms (Sen, 2009). From this perspective, justice is evaluated in terms of what people are actually able to do and to be, rather than their nominal access to resources or institutions. This outcome-oriented approach has been further developed by critical theorists who argue that justice must also address issues of recognition and political representation, in addition to redistribution (Fraser, 2009). These dimensions are particularly relevant in urban contexts, where marginalized populations often experience both material deprivation and systematic exclusion from decision-making processes.

In housing policy, the distinction between formal equality and substantive justice is especially pronounced. Policies that provide standardized housing units or financial subsidies may satisfy procedural requirements while failing to alter the structural conditions that generate exclusion. As Marcuse (2012) argues, housing justice cannot be reduced to minimal shelter provision but must be understood as part of a broader struggle over access to urban space, opportunity, and power. Despite the growing recognition of substantive justice in theory, a persistent gap remains between normative frameworks and empirical evaluations of housing policy outcomes, particularly with respect to spatial effects and long-term social integration.

2. Housing as a Social and Human Right

Housing has long been recognized as both a social right and a human right, reflecting its foundational role in ensuring dignity, security, and social participation. Internationally, the right to adequate housing is codified in the International Covenant on Economic, Social and Cultural Rights and elaborated through authoritative interpretations such as General Comment No. 4, which emphasizes adequacy as a multidimensional concept encompassing location, affordability, habitability, and access to services (UN Committee on Economic, Social and Cultural Rights, 1991). This interpretation

underscores that housing is inseparable from broader socio-spatial conditions and cannot be reduced to physical structures alone.

Scholarly work in housing law and human rights further emphasizes that the recognition of housing as a right entails positive and enforceable state obligations, including regulation of land and housing markets, prevention of forced evictions, and proactive measures to ensure access for disadvantaged groups (Kenna, 2011; Madden & Marcuse, 2016). However, the justiciability of housing rights remains contested, particularly in contexts where courts are reluctant to engage with distributive questions or where policy implementation is constrained by neoliberal governance frameworks (Santos, 2007).

In Brazil, the constitutional recognition of housing as a social right represents a significant normative achievement, yet empirical studies consistently document a gap between legal guarantees and material outcomes (Friendly, 2013; Rolnik, 2019). Rights-based housing policies often operate within market-oriented frameworks that prioritize cost efficiency and private-sector participation, thereby limiting their capacity to address structural inequality. As Madden and Marcuse (2016) argue, housing systems that treat housing primarily as a commodity risk hollowing out its status as a right. This tension highlights the need for analyses that interrogate not only legal recognition but also the institutional and spatial mechanisms through which housing rights are realized—or undermined—in practice.

3. Urban Inequality and Spatial Justice

Urban inequality represents a spatialized manifestation of broader socio-economic injustices, as patterns of wealth, poverty, and political power are inscribed onto the physical organization of cities. In the Global South, urbanization has frequently unfolded through processes of segregation, peripheralization, and informal expansion, producing fragmented urban landscapes characterized by unequal access to infrastructure and opportunities (Davis, 2006; Maricato, 2017). Peripheral urbanization has functioned not merely as a response to housing shortages, but as a structural mechanism through which inequality is reproduced across generations (Caldeira, 2017).

The concept of spatial justice provides a critical lens for understanding how these patterns are produced and sustained. Spatial justice theory posits that justice is inherently geographical, as the allocation of public goods, services, and opportunities across urban territory directly shapes social outcomes (Soja, 2010). From this perspective, urban policy decisions—regarding zoning, infrastructure investment, and housing location—are fundamentally distributive acts with long-term consequences for social mobility and inclusion. Housing

policies that concentrate low-income populations in peripheral areas, even when formally redistributive, may thus reinforce territorial stigma and limit access to employment, education, and political participation (Wacquant, 2008; Harvey, 2012).

The relationship between urban policy and economic inequality is therefore mutually constitutive. While inequality shapes urban form, urban form also actively reproduces inequality by structuring daily practices, mobility patterns, and social networks (Rolnik, 2019; Leite et al., 2024). Yet, much policy-oriented scholarship continues to frame housing primarily as a technical or financial challenge, overlooking its role in producing spatialized injustice. Addressing this analytical gap requires a framework that integrates substantive justice with spatial analysis, enabling a critical evaluation of housing policy as both a social right and a mechanism of urban governance.

C. Housing Policy and Subsidies in Brazil

Brazilian housing policy has undergone significant transformations over the past decades, reflecting broader shifts in political economy, state capacity, and conceptions of social rights. From fragmented and exclusionary early interventions to large-scale subsidy-driven programs, housing policy has increasingly become a central instrument through which the state seeks to address urban inequality. This section traces the evolution of Brazilian housing policy, examines the design and implementation of the *Minha Casa, Minha Vida* (MCMV) program, and analyzes the institutional and legal framework that shapes housing governance across federal, state, and municipal levels.

1. Evolution of Housing Policy

The historical trajectory of housing policy in Brazil is closely intertwined with patterns of urbanization, industrialization, and social stratification. Early housing interventions, particularly during the mid-twentieth century, were largely limited in scope and primarily targeted formally employed urban workers, thereby excluding vast segments of the low-income population (Bonduki, 2014). During this period, the state's role in housing provision was mediated through corporatist institutions and credit mechanisms that favored middle-income groups, while informal settlements expanded as the primary housing solution for the urban poor (Maricato, 2017).

A major institutional shift occurred with the creation of the National Housing Bank (BNH) in 1964, which marked the first attempt to establish a centralized housing finance system. While the BNH significantly increased housing production, its reliance on mortgage-

based financing and market logics limited access for low-income households and reinforced socio-spatial segregation (Fix, 2011). The dissolution of the BNH in the 1980s, amid fiscal crisis and democratization, exposed the fragility of housing policy frameworks that prioritized financial sustainability over social inclusion.

The post-1988 democratic period introduced a normative reorientation of housing policy, grounded in the recognition of housing as a social right and the adoption of participatory planning principles. However, despite these advances, housing provision remained fragmented and underfunded throughout the 1990s, as neoliberal reforms curtailed public investment and emphasized market-based solutions (Rolnik, 2019). It was only in the late 2000s that Brazil witnessed a renewed expansion of state intervention through large-scale subsidy models, culminating in the launch of the *Minha Casa, Minha Vida* program. This shift reflected both a countercyclical economic strategy and an attempt to address the persistent housing deficit through mass production of subsidized units (Bonduki, 2014; Cardoso & Aragão, 2013).

2. The *Minha Casa, Minha Vida* Program

The *Minha Casa, Minha Vida* (MCMV) program, launched in 2009, represents the most ambitious housing initiative in Brazilian history in terms of scale, funding, and political visibility. Its primary objectives were to reduce the national housing deficit, stimulate the construction sector, and expand access to homeownership for low- and middle-income households (Rolnik, 2019). The program was structured around income-based tiers, with the highest subsidies allocated to families earning up to three minimum wages, thereby formally prioritizing the most vulnerable segments of the population.

In terms of design, MCMV relies on a public-private partnership model, in which private developers are responsible for land acquisition, construction, and project execution, while the federal government provides subsidies and financing through public banks, particularly Caixa Econômica Federal (Cardoso & Aragão, 2013). This model enabled rapid expansion and high production volumes but also transferred significant control over location and project characteristics to market actors. As a result, cost minimization strategies often led to the siting of housing developments in peripheral areas with limited infrastructure and accessibility.

Empirical studies have highlighted that while MCMV succeeded in expanding formal housing access, its impacts on social inclusion and spatial justice have been uneven. Research indicates that beneficiaries frequently experience longer commuting times, reduced access to

employment, and limited availability of public services, undermining the program's capacity to promote substantive improvements in living conditions (Leite et al., 2024). Moreover, standardized housing designs and limited community participation have been criticized for failing to account for diverse household needs and local contexts (Fix, 2011; Rolnik, 2019). These findings underscore the tension between quantitative delivery targets and qualitative dimensions of housing justice.

3. Institutional and Legal Framework

The governance of housing policy in Brazil is characterized by a complex multi-level institutional framework, involving federal, state, and municipal actors with overlapping responsibilities. At the federal level, housing policy is coordinated through national programs, funding mechanisms, and regulatory guidelines, with the federal government exercising significant influence over resource allocation and program design (Bonduki, 2014). Caixa Econômica Federal plays a pivotal role as the main financial agent, overseeing contract management and subsidy disbursement.

States and municipalities, in turn, are responsible for land-use regulation, urban planning, and the provision of local infrastructure, positioning them as key actors in determining the spatial outcomes of housing programs. However, disparities in administrative capacity and fiscal resources across municipalities have resulted in uneven implementation and limited local oversight (Maricato, 2017). In many cases, municipal governments lack the technical or political leverage to negotiate project locations or enforce integration with broader urban development strategies.

From a legal perspective, housing policy operates within a framework that formally prioritizes social function, participation, and equity, as articulated in the Constitution and the City Statute. Nevertheless, scholars point to persistent regulatory and governance challenges, including weak enforcement of land-use controls, limited coordination across policy sectors, and the dominance of market-driven logics in housing delivery (Rolnik, 2019; Fix, 2011). These institutional constraints contribute to a disjunction between normative commitments to housing as a social right and the substantive outcomes produced by large-scale subsidy programs.

Taken together, the evolution of housing policy, the design of MCMV, and the institutional architecture governing its implementation reveal the structural tensions that shape housing provision in Brazil. While subsidy-based programs have expanded access to formal housing, their capacity to promote substantive justice remains

constrained by market dependence, spatial peripheralization, and fragmented governance. These dynamics provide the empirical foundation for the subsequent analysis of MCMV's socio-spatial impacts.

D. Empirical Analysis: Housing Subsidies and Substantive Justice

This section evaluates the empirical outcomes of housing subsidies in Brazil through the lens of substantive justice, combining socio-economic data, spatial analysis, and legal interpretation. Focusing on the Minha Casa, Minha Vida (MCMV) program, the analysis examines whether the expansion of formal housing access has translated into equitable, inclusive, and sustainable living conditions, as required by both justice theory and Brazil's constitutional commitments. The findings reveal a persistent disjunction between redistributive achievements and the broader realization of housing as a social and human right.

1. Expansion of Formal Housing Access

Empirically, the Minha Casa, Minha Vida program represents a watershed moment in Brazilian housing policy in terms of scale and reach. Between its launch in 2009 and subsequent phases, MCMV financed millions of housing units nationwide, substantially expanding access to formal, legally titled housing for low-income households (Bonduki, 2014; Instituto de Pesquisa Econômica Aplicada [IPEA], 2023). National housing indicators suggest that the program contributed to a measurable reduction in the formal housing deficit, particularly among households previously excluded from mortgage markets and formal rental options (Fundação João Pinheiro, 2023).

From the standpoint of substantive justice, this expansion constitutes a significant redistributive intervention. Secure tenure and formal ownership reduce exposure to eviction, improve legal recognition, and potentially enhance access to public services tied to formal address registration (Sen, 2009). Legal scholars further note that the provision of formal housing aligns with Brazil's constitutional obligation to progressively realize the right to housing under Article 6 of the Federal Constitution (Silva, 2018). In this sense, MCMV has partially fulfilled the state's duty to address material deprivation in housing access.

Nevertheless, quantitative expansion alone does not capture the multidimensional requirements of justice. While formal access increased, the broader conditions under which housing rights are exercised—particularly spatial integration and access to urban

opportunity—remain uneven, calling into question the program's substantive impact.

2. Persistent Inequality and Urban Segregation

Despite its numerical achievements, empirical evidence consistently demonstrates that MCMV has not significantly altered Brazil's deeply entrenched patterns of urban segregation. Spatial analyses of housing developments reveal a strong concentration of subsidized projects in peripheral or poorly serviced areas, largely due to land price dynamics and market-driven implementation strategies (Cardoso & Aragão, 2013; Pereira & Moreira, 2022). These locations are often characterized by limited access to employment centers, public transportation, healthcare, and educational facilities.

From a substantive justice perspective, such peripheralization undermines the transformative potential of housing subsidies. Studies show that residents of MCMV developments frequently face increased commuting times and higher indirect costs of daily life, effectively transferring the burden of urban inequality onto beneficiaries themselves (Pereira & Nadalin, 2023). This spatial disconnect constrains individuals' capabilities and limits their ability to convert housing access into broader social and economic opportunities, thereby reproducing inequality through territorial mechanisms (Soja, 2010).

Legal analysis further underscores this contradiction. The City Statute explicitly mandates that urban policy promote the social function of property and equitable access to urban land (Friendly, 2013). However, the spatial outcomes of MCMV suggest weak enforcement of these principles, revealing a gap between normative legal commitments and policy implementation. As Rolnik (2019) argues, housing policies that rely heavily on market actors without robust spatial regulation tend to reinforce segregation, even when framed as rights-based interventions.

3. Housing Precarity, Legal Tensions, and Social Exclusion

Beyond location, empirical research highlights persistent challenges related to housing quality, durability, and long-term sustainability in MCMV projects. Several studies document construction deficiencies, limited adaptability of housing units, and insufficient maintenance of collective infrastructure, particularly in projects targeting the lowest income brackets (Fix, 2011; Shimbo, 2020). These material shortcomings contribute to ongoing forms of housing precarity, despite the formal security of tenure.

From a legal standpoint, these conditions raise concerns regarding compliance with the right to adequate housing, as defined in international human rights law, which emphasizes habitability, accessibility, and location as core components of adequacy (UN Committee on Economic, Social and Cultural Rights, 1991). While MCMV satisfies minimal criteria of shelter provision, its frequent failure to ensure adequate location and infrastructure integration suggests partial, rather than full, realization of housing rights.

Moreover, spatial isolation and material precarity contribute to broader processes of social exclusion. Housing developments located far from economic and social networks often become stigmatized territories, reinforcing symbolic and material marginalization (Wacquant, 2008). In such contexts, housing subsidies risk functioning as instruments of containment rather than inclusion, stabilizing inequality spatially rather than transforming it. This outcome directly conflicts with the substantive justice requirement that social policies expand real freedoms and social participation, not merely formal entitlements (Fraser, 2009).

Taken together, the empirical and legal evidence indicates that while housing subsidies in Brazil have achieved important gains in formal access, they fall short of advancing substantive justice in its full sense. The MCMV program illustrates how rights-based policies can be undermined by market dependence, weak spatial regulation, and fragmented governance. These findings provide the basis for the subsequent discussion on policy reform and the conditions necessary for housing subsidies to contribute more effectively to equity, inclusion, and social sustainability.

E. The Paradox of Housing Subsidies

The analysis of the Minha Casa, Minha Vida (MCMV) program reveals a central paradox in Brazil's housing policy: while subsidies have expanded formal access to housing, they have often failed to promote substantive justice. This paradox highlights the tension between legal entitlement and lived experience, exposing the limits of material provision when unaccompanied by integration, accessibility, and socio-spatial inclusion.

1. Access Without Inclusion

A primary paradox of MCMV is the divergence between formal ownership and substantive enjoyment of housing rights. Although millions of low-income households obtained legally recognized dwellings, many continue to experience social and economic exclusion due to peripheral siting, limited public services, and poor connectivity

to labor markets (Rolnik, 2019; Pereira & Moreira, 2022). In other words, the mere possession of a house does not guarantee meaningful participation in urban life or the full realization of housing as a social and human right (Fraser, 2009; UN CESCR, 1991).

This “access without inclusion” dynamic underscores the limits of policies focused solely on quantitative expansion. Housing subsidies may secure tenure, but without integration into functional urban spaces, residents’ capabilities and freedoms remain constrained, revealing a disjunction between formal entitlements and substantive outcomes.

2. Reproduction of Territorial Inequality

Rather than mitigating inequality, housing subsidies in some instances have reinforced spatial disparities. Peripheral siting strategies, driven by cost efficiency and market logic, have led to concentrations of low-income populations on urban fringes, often with inadequate infrastructure and limited employment opportunities (Pereira & Nadalin, 2023; Moreira et al., 2023). This outcome illustrates how well-intentioned redistribution mechanisms can unintentionally serve as drivers of segregation, maintaining territorial hierarchies and spatial marginalization.

Moreover, these patterns demonstrate the limits of a purely supply-focused approach to housing policy. Without complementary urban planning and social infrastructure investments, subsidies can reproduce structural inequalities, underscoring the systemic challenges inherent in pursuing both equity and efficiency in large-scale housing programs.

3. Implications for Substantive Justice

The paradox of housing subsidies has direct implications for substantive justice, which emphasizes outcomes such as equitable access to resources, integration into urban life, and sustainable socio-economic inclusion (Sen, 2009; Soja, 2010). The Brazilian experience demonstrates that material access alone is insufficient; formal ownership must be complemented by policies addressing location, accessibility, quality, and broader urban inclusion to realize the social function of housing rights.

This tension can be summarized in Table 1 which contrasts formal achievements with substantive justice outcomes in the context of MCMV.

Table 1. Paradox of housing subsidies in Brazil – formal access versus substantive justice.

Dimension	Formal Achievement (MCMV)	Substantive Justice Outcome	Key Gap / Limitation
Access to Housing	Millions of units delivered; formal tenure	Increased material security	Limited social integration and connectivity
Spatial Distribution	Large-scale peripheral projects	Limited access to employment and services	Peripheralization reinforces territorial inequality
Quality and Sustainability	Standardized construction; subsidized units	Mixed durability and adaptability	Insufficient long-term habitability and infrastructure
Legal Rights	Compliance with housing as constitutional right	Partially realized in lived experience	Formal entitlement ≠ substantive enjoyment
Social Inclusion	Program targets low-income households	Partial social participation	Segregation limits social and economic inclusion

MCMV exemplifies the dual nature of housing subsidies: they are successful in delivering formal housing to large populations but remain constrained in addressing the multidimensional aspects of justice. Recognizing this paradox is essential for designing future policies that bridge the gap between entitlement and meaningful inclusion, ensuring that housing interventions contribute to both material security and broader socio-spatial equity.

F. Discussion: Rethinking Housing Policy Through Substantive Justice

The empirical and legal analysis of the Minha Casa, Minha Vida (MCMV) program underscores the tension between formal housing provision and substantive justice. While the program has delivered significant material benefits, persistent spatial inequalities, limited social inclusion, and variable housing quality reveal the constraints of market-oriented subsidy models. This section reflects on these limitations, explores strategies to enhance equity and sustainability, and situates Brazil’s experience in a comparative and normative framework for urban policy.

1. Limits of Market-Oriented Subsidy Models

Market-oriented housing subsidies, such as MCMV, often prioritize cost efficiency and scalability over social integration and spatial justice (Rolnik, 2019; Pereira & Moreira, 2022). The commodification of housing, whereby dwellings are treated primarily as tradable assets, can exacerbate inequalities even when formal eligibility criteria are equal. Empirical evidence indicates that, despite broad eligibility, the location, design, and accessibility of housing disproportionately favor certain populations, reflecting structural disparities embedded in land markets and urban governance (Moreira et al., 2023).

This dynamic highlights a fundamental limitation: formal entitlement to a dwelling does not automatically translate into equitable or meaningful access to urban opportunities. Substantive justice requires attention not only to who receives housing but also to how these units facilitate broader social, economic, and political inclusion.

2. Equity, Participation, and Sustainability

Enhancing substantive justice in housing policy requires integrating principles of equity, community participation, and sustainability. First, participatory approaches to housing design and siting allow communities to express local needs, fostering social cohesion and ensuring that projects are contextually appropriate (Fraser, 2009; Shimbo, 2020).

Second, sustainability must encompass social, environmental, and urban criteria. Social sustainability includes access to services, employment, and transport; environmental sustainability involves efficient land use and resilience to climate hazards; and urban sustainability emphasizes integration with existing infrastructure and urban networks. A holistic approach ensures that housing contributes not only to immediate material security but also to long-term capabilities and inclusion (Soja, 2010; UN CESCR, 1991). Table 2 conceptualizes the relationship between these principles and their potential outcomes.

Table 2. Core principles for housing policy aligned with substantive justice

Principle	Mechanism of Action	Expected Outcome on Substantive Justice
Equity	Targeted allocation based on need	Reduced socio-economic disparity
Participation	Community engagement in planning and design	Enhanced social cohesion, local empowerment

Principle	Mechanism of Action	Expected Outcome on Substantive Justice
Sustainability	Integration with urban infrastructure and services	Improved long-term habitability and inclusion

3. Comparative and Normative Insights

Lessons from alternative housing models in Latin America and globally provide further guidance. Programs emphasizing mixed-income development, integrated urban planning, and strong public governance—such as Chile’s “Chile Barrio” initiative or Medellín’s integrated urban projects—demonstrate that combining financial support with participatory urban design can reduce spatial segregation and enhance social inclusion (Fitzpatrick & Pawson, 2020; Echeverri-Gent, 2018).

Normatively, the Brazilian experience emphasizes that housing policy cannot be evaluated solely by numbers of units delivered. Policies must be assessed against broader criteria of capability expansion, social justice, and rights realization (Sen, 2009; Fraser, 2009). For other highly unequal urban contexts, this underscores the importance of aligning subsidy programs with inclusive planning, local governance, and legal frameworks that enforce the social function of housing and land.

In conclusion, rethinking housing policy through the lens of substantive justice requires a shift from delivery-focused, market-oriented models to integrative frameworks that combine equity, participation, and sustainability. Such an approach can transform housing subsidies from mechanisms of formal access into instruments of genuine socio-spatial justice.

G. Policy Recommendations

Building on the empirical analysis and discussion of the Minha Casa, Minha Vida (MCMV) program, this section outlines policy recommendations aimed at aligning housing subsidies and broader urban strategies with the principles of substantive justice. The recommendations focus on three interrelated dimensions: redesigning subsidies, strengthening a rights-based approach, and pursuing structural urban reform.

1. Redesigning Housing Subsidies

A critical limitation of current subsidy models is their reliance on peripheral locations and market-driven implementation, which reproduces territorial inequality and limits residents’ substantive rights. To address this, housing subsidies should incorporate location criteria that prioritize proximity to employment centers, public

services, and integrated transport networks (Pereira & Nadalin, 2023; Rolnik, 2019).

Additionally, adopting mixed-income and inclusive housing strategies can reduce spatial segregation, promote social cohesion, and foster interactions across socio-economic groups (Fitzpatrick & Pawson, 2020). Policies that encourage mixed-income communities, rather than concentrated low-income projects, are more likely to expand opportunities and achieve equitable urban outcomes, supporting both the material and social dimensions of substantive justice (Soja, 2010).

2. Strengthening a Rights-Based Approach

Housing policy must be embedded within a broader rights-based framework, recognizing that access to housing is inseparable from other social and economic rights. Effective coordination with transport, health, and education systems ensures that subsidized housing enhances residents' capabilities and long-term life chances (Fraser, 2009; UN CESCR, 1991).

Furthermore, subsidies should be designed not only as financial instruments but as tools for guaranteeing the right to adequate housing, emphasizing habitability, location, sustainability, and accessibility. Integrating housing within comprehensive social policy frameworks can reduce the risk of isolation and enhance the substantive enjoyment of rights.

3. Toward Structural Urban Reform

Achieving substantive justice requires structural reform of urban governance. This entails democratizing urban planning processes, allowing communities to participate in decision-making regarding land use, infrastructure, and housing allocation (Shimbo, 2020; Moreira et al., 2023). Participatory governance can ensure that housing policies are responsive to local needs and promote social inclusion.

Long-term strategies must also address the structural drivers of inequality, including land speculation, informal settlements, and uneven public investment. Policies that integrate urban planning, fiscal incentives, and regulation of land markets can create conditions for more equitable, sustainable cities, ensuring that housing subsidies serve as instruments of justice rather than mere redistribution of units. Table 3 summarizes key policy recommendations aligned with the dimensions of substantive justice.

Table 3. Policy recommendations for housing reform based on substantive justice principles.

Policy Dimension	Recommended Actions	Expected Impact on Substantive Justice
Redesigning Housing Subsidies	Integrate location criteria; promote mixed-income projects	Reduces spatial segregation; enhances access to opportunities
Strengthening Rights-Based Approach	Coordinate with health, education, and transport; focus on habitability and accessibility	Expands capabilities; ensures meaningful enjoyment of housing rights
Structural Urban Reform	Democratize planning; regulate land markets; invest in long-term urban integration	Reduces structural inequality; promotes sustainable urban inclusion

The proposed recommendations emphasize integration, inclusivity, and sustainability, moving beyond supply-focused, market-driven models. Aligning housing policies with substantive justice requires recognizing housing as a multidimensional right, embedded in urban structures and social policies, and ensuring that interventions promote real freedoms and equitable life opportunities for all residents.

H. Conclusion

This study examined the intersection of housing subsidies, urban inequality, and substantive justice in Brazil, with a focus on the Minha Casa, Minha Vida (MCMV) program. By combining empirical evidence, legal analysis, and normative reflection, the paper has highlighted both the achievements and limitations of large-scale housing interventions in promoting equity, inclusion, and sustainability.

1. Summary of Findings

The analysis reveals a mixed impact of housing subsidies on substantive justice. On the one hand, MCMV has successfully expanded formal access to housing, reduced tenure insecurity, and delivered a quantitative response to the historical housing deficit (Bonduki, 2014; IPEA, 2023). On the other hand, persistent spatial segregation, peripheral siting of projects, limited infrastructure, and variable housing quality constrain the realization of housing as a multidimensional right (Pereira & Moreira, 2022; Moreira et al., 2023).

This paradox—where formal access exists without full social inclusion—underscores the limits of market-oriented subsidy models and demonstrates that material provision alone cannot achieve substantive justice (Rolnik, 2019; Fraser, 2009). Legal and urban analyses further indicate that the formal recognition of housing rights under

Brazil's Constitution and the City Statute does not automatically translate into lived equity or urban integration, reflecting gaps between policy design and on-the-ground outcomes.

2. Theoretical Contributions

The study contributes theoretically by linking substantive justice to urban and housing policy, offering a framework that goes beyond formal equality or housing counts. Substantive justice emphasizes the outcomes and capabilities associated with housing, including access to services, employment, social networks, and sustainable urban environments (Sen, 2009; Soja, 2010).

By applying this lens, the research demonstrates that housing policy must be evaluated not only by unit delivery but also by its capacity to expand real freedoms and reduce systemic inequalities. This conceptual integration strengthens the discourse on urban justice and provides a normative benchmark for assessing the effectiveness of housing programs in highly unequal contexts.

3. Implications for Policy and Research

The findings have clear implications for housing policy and urban governance. First, there is a need for justice-oriented urban governance, integrating housing subsidies with transport, health, education, and infrastructure planning to ensure meaningful inclusion and reduce territorial inequalities (Shimbo, 2020; Pereira & Nadalin, 2023). Second, mixed-income and participatory models, combined with regulatory interventions in land markets, can mitigate segregation and promote long-term social cohesion (Fitzpatrick & Pawson, 2020).

Finally, the study highlights the importance of future research on long-term social outcomes of housing programs, including economic mobility, intergenerational effects, and urban integration. Longitudinal and comparative studies are particularly valuable for understanding how formal access interacts with spatial, social, and legal dimensions to shape substantive justice over time.

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