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## Housing Policies



# Editorial

*Staatlicher Wohnungsbaupolitik kommt weltweit wieder größere Bedeutung zu. Dabei geht es nicht mehr um das vom Staat selbst oder in seinem Auftrag Gebaute – wie etwa beim Bau der Großsiedlungen der 70er und 80er Jahre. Staatliche Wohnungsbaupolitik zielt heute meistens auf die Beeinflussung der Bautätigkeit anderer Akteure – seien es nun private Unternehmen oder die „Selbstbauer“.*

*Vorgegebenes Ziel staatlicher Wohnungsbaupolitik ist in der Regel eine Verbesserung der Situation einkommensschwacher Bevölkerungsgruppen und die Minderung – oft willkürlich berechneter – Versorgungsdefizite. Wohnbauförderung wird jedoch auch als Motor zur Ankurbelung des Wirtschaftswachstums begriffen, zur Stärkung der Baukonjunktur, die von Subventionszahlungen profitiert. Schließlich wird Wohnungsbau ebenso häufig als politisches Instrument benutzt, um unzufriedene Bevölkerungsteile einzubinden.*

*Diese Ausgabe von TRIALOG vereinigt Erfahrungen mit staatlicher Wohnbaupolitik aus Asien und Lateinamerika. Staatliche Wohnungsprogramme kamen hier in früheren Zeiten meist den Staatsangestellten, den Mittelschichten und vereinzelt auch den Industriearbeitern zugute. Sie erreichten aber nur selten die breite Masse der Armen. Dort wo in größerem Umfang die Ärmsten erreicht und Slums durch Neubauten ersetzt werden konnten, wie etwa in Chile, sind die Ergebnisse fast immer unbefriedigend und werden heute als bedürfnisfern kritisiert oder als Schaffung neuer sozialer Brennpunkte. Am bedürfnisgerechtesten funktionieren dem Anschein nach kooperative, selbstverwaltete Bauprojekte oder aber die sukzessiven Eigenbauprozesse auf informell erworbenen Grundstücken, die überall auf der Welt auch ohne jede staatliche Förderung – trotz all ihrer Mängel – den elementaren Wohnraumbedarf der Massen bedienen können.*

*Angesichts der Erfolglosigkeit staatlicher Wohnbauprogramme und der immer eindringlicheren Realität ausgedehnter Slums und Selbstbausiedlungen entwickelten sich staatliche Förderlinien zur Unterstützung dieses Selbsthilfewohnbaus – sei er nun organisiert oder individuell betrieben. Bei ständig wechselnden Vorgaben und Leitlinien der internationalen Berater und entwicklungspolitischen Akteure entstand hier eine bunte Palette unterschiedlicher Ansätze, jedoch mit meist geringer Breitenwirksamkeit. Grundlegende Mängel fast aller dieser Förderlinien sind die fehlenden Bestimmungen für einen legalen Zugang zu stadtnahem Bauland, das meist völlige Ignorieren der Realität von Mietverhältnissen und eine klare Überschätzung der Wirksamkeit nachträglich erteilter Eigentumstitel.*

*In seiner Analyse der Wohnbaupolitik der letzten 50 Jahre in den Ländern Lateinamerikas weist Alan Gilbert auf diese Mängel hin und auf den letztlich doch geringen Einfluss der wechselnden Ratschläge großer Geldgeberinstitutionen. Enrique Ortíz zeichnet ein düsteres Bild der neoliberalen Umorientierung der mexikanischen Wohnbaupolitik seit 1992 mit dem kleinen Lichtblick einer neuen Förderlinie für selbsthilfeorientierte Ansätze. Daphne Frank präsentiert das CODI-Programm in Thailand, eine beispielhafte staatliche Unterstützung basisorientierten Wohnbaus. Gu Guowei beschreibt den staatlichen Sozialwohnungsbau in China, der vor allem wegen Bauboom-bedingter Baulandverknappung in den großen Städten weit hinter den Erwartungen zurückbleibt. Von ähnlichen Problemen weiß María Carla Rodríguez aus Argentinien zu berichten, wo mehrere staatliche Wohnbauprogramme dennoch zur Überwindung der tiefen politischen Krise der Jahrtausendwende dienten. Christina Liesegang und Christina Pachaly betonen die Bedeutung einer sozialen Begleitung armenorientierten Wohnungsbaus, was sie am Beispiel des Projekts Elemental aus Chile veranschaulichen. Schließlich erinnert uns Shirish B. Patel an die für alle Bauprojekte elementaren städtebaulichen Fragestellungen und an die Notwendigkeit, Möglichkeiten sowie Grenzen einer städtischen Verdichtung.*

*PS: Im November 2007 konnte der TRIALOG-Förderverein sein 100. Mitglied und damit Ehrenmitglied begrüßen: Juanita Cardenas. Sie wird sich in einem der nächsten Hefte den TRIALOG-Leser/innen vorstellen.*

Public housing policies are regaining importance throughout the world, though not in the form of state housing production as it did in the 70s and 80s with the high-rise suburban structures. Public housing policy today usually aims to influence the building activities of other actors, be they private building companies or those involved in self-help housing.

The proclaimed goals of public housing policies are the improvement of the living standards of the low-income segments of the population and the reduction of (often arbitrarily calculated) housing shortfalls. Housing policies, in turn, are also often seen as an impetus for the stimulation of the economy, which profits from the effects of the housing subsidies. Ultimately, housing policies are likewise often instrumentalised as a political tool to pacify dissatisfied population segments.

This issue of TRIALOG presents a collection of experiences with public housing policies in Asia and Latin America. Public housing policies in these regions were primarily beneficial to public servants and the middle classes, and on occasion to industrial workers. The measures seldom reached the broad masses of the poor. In the areas where the poor were finally given attention and the slums were replaced by new structures—as in Chile, for example—the results were virtually always dissatisfying and are today criticised as being inappropriate or as manufactured new social exclusion. The measures that best meet requirements have apparently proven to be cooperative, self-managed building projects or successive self-help construction processes on informally acquired land. Such projects, with or without state support—and despite their deficiencies—meet the basic housing needs of the poorer masses across the globe.

Faced by the lack of success of public housing policies and the ever-present reality of large-scale slums and squatter settlements, new housing policies are emerging which support such self-help projects—be they collectively or individually organised. As the guidelines and requirements of the international consultants and development agencies are in continual flux, a broad range of varied approaches has developed—most with but a narrow scope of effectiveness. Basic deficits in all such assistance measures are the lack of provisions regarding legal access to inner-city land, the almost total disregard of the realities of tenancies, and an obvious overestimation of the efficiency of retroactively deeded property titles.

In his analysis of the Latin American housing policies of the past 50 years, Alan Gilbert refers to these deficiencies as well as the limited influence of the continually changing suggestions of the big international development agencies. Enrique Ortíz paints a rather gloomy image of the neoliberal reorientation of the Mexican housing policies since 1992, offering a tiny ray of hope with a new policy supporting self-managed housing production. Daphne Frank presents the CODI Programme of Thailand, an exemplary state-supported process for community-based housing. Gu Guowei describes the state social housing production of China, where expectations have not been attained due to the urban construction boom and resultant competition for development space. María Carla Rodríguez addresses similar problems as faced in Argentina, where a variety of state housing programmes nonetheless served to surmount the greatest political crisis at the turn of the millennium. Using their experience at the Project Elemental in Chile, Christina Liesegang and Christina Pachaly emphasise the importance of social work and involvement in housing projects for the poor. Lastly, from Mumbai Shirish B. Patel reminds us of the elementary issues in urban planning that must be considered in all building projects as well as the necessity, potentialities and limitations of urban densification.

Daphne Frank / Klaus Teschner / Antje Wemhöner

PS: In November, 2007, the TRIALOG Association welcomed its 100<sup>th</sup> and thus honorary member: Juanita Cardenas. She will introduce herself to TRIALOG readers in one of the future issues of the publication.

## Housing Policies

Volume Editors: Daphne Frank, Klaus Teschner, Antje Wemhöner

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# Shelter and the Development Agencies in Latin America: Changing Policies for Changing Times or a Case of Papering over the Cracks?

Alan Gilbert

## **Wohnungsbau und Entwicklungsinstitutionen in Lateinamerika – geänderte Politik für sich ändernde Zeiten oder eine Übertünchung der Brüche?**

Die Interamerikanische Entwicklungsbank, USAID und die Weltbank wurden in Lateinamerika seit den 50er Jahren zu wichtigen Beratern für die jeweilige staatliche Wohnungsbaupolitik. Über die finanzielle Unterstützung von Regierungsmaßnahmen richtete sich der politische Einfluß dieser Organisationen insbesondere auf die Definition der Rolle des Staates bei der Wohnraumerstellung. Weit dominantere Einflüsse auf die realen Wohnungsbauaktivitäten hatten jedoch einerseits die Selbsthilfe-Wohnungsbauer und andererseits die Lobby der Bauindustrie, der Finanzsektor sowie die Bodenhändler, die die Verteilung des Baulandes bestimmten. In den vergangenen 50 Jahren unterlag die Wohnungsbaupolitik der Entwicklungsinstitutionen häufigen Richtungswechseln. In manchen Ländern wurden die Ratschläge der internationalen Berater mit Enthusiasmus befolgt, in vielen Fällen jedoch wurden sie völlig ignoriert. Der Artikel beleuchtet die Abfolge verschiedener Phasen: vom öffentlichen Mietwohnungsbau über eine Förderung von Selbsthilfe und *site and service*, hin zur neoliberalen Marktausrichtung und massiven Landtitelvergabe und schließlich zur Dezentralisierungspolitik mit stärkerer Bürgerbeteiligung. Der Autor weist auf Gefahren und Leerstellen jeder bis heute praktizierten Politik hin: die stets ungeklärte Regelung des legalen Zugangs zu Bauland für Arme, die überschätzte Bedeutung der Vergabe von Landtiteln, von Mikrokrediten oder Deregulierungsmaßnahmen und schließlich das Eigentumsdogma und die damit ausgeklammerte Wohnraumpolitik für Mieter. Die meiste Schuld an miserablen Wohnverhältnissen trifft jedoch nicht diejenigen, die staatliche Wohnungsbaupolitiken vorgeben, sondern die, welche die wirtschaftlichen Rahmenbedingungen definieren.

Since international development agencies became important policy advisers in the 1950s, the role of the state has always been at the heart of discussion about housing policy. After all, most of the aid and lending from the Inter-American Development Bank, USAID and the World Bank has always gone to governments, and until comparatively recently, national governments. Insofar as advice on policy has been concerned these have been the main institutions to have had a significant effect in Latin America. It is only comparatively recently that UNDP and UN-HABITAT have increased their influence and then often in alliance with developmental Washington. The most important influences on shelter policy in Latin America have come from the building lobby, the financial sector, the self-help builders and the various agents who have manipulated the subdivision of land. Governments have had some impact but have mostly tinkered at the edges of the problem.

Over the past fifty years or so, thinking about housing and shelter policy has changed frequently, not least in the development agencies (Buckley and Kalarickal, 2005; Cohen, 2001; Jenkins et al., 2006; Pugh, 1994a; Rojas, 1999; World Bank, 1980;

1991; 1999; Zanetta, 2003). Fortunately or unfortunately, the extent to which any kind of advice has been up has varied considerably. Some governments have taken up certain approaches enthusiastically while others have ignored them totally. In this paper, I will attempt to evaluate the impact of the different phases, suggest what has been missing from the suggested policies and make an evaluation of the influence of the agencies on housing policy in Latin America. Of course, this is far too ambitious a task given my word limits.

## **What Role Should the State Play in the Housing Sector?**

There has long been a major ideological debate about the appropriate role of the state in social and economic policy. From the 1950s to the middle 1970s, market failure was seen as the principal cause of underdevelopment in Latin America and led to the semi-protectionist phase known as import-substitution. During the stabilisation and adjustment policies of the 1980s, it was the multiple failures of government that were principally to blame. With the arrival of the post-Washington consensus,

discussion became a little more balanced with most actors accepting that both the market and the state have important roles (Iglesias, 1992). However, we have possibly now entered a more polemical phase given the left-ward orientation of governments in Bolivia, Ecuador and Venezuela (and more debatably Argentina and Brazil) and the more right-wing stance of Chile, Colombia, Mexico and Peru. The history of housing policy has to be read in terms of those ideological shifts.

**Pre-history: Regulating rental housing:** Public housing intervention before the 1950s consisted of two broad approaches. The first was to regulate and control rents, which at the time was the principal housing tenure in most cities of the world. This was ostensibly to protect the urban poor from exploitative landlords and, during and immediately after the Second World War, to protect the economy from inflationary tendencies (UN, 1979).

**Public housing:** Most Latin American governments slowly began to imitate policy in many rich countries and some built large numbers of houses for rent. Public housing estates were the architectural parallel to Keynesian economic thinking and the development of the welfare state. During the interwar years, many public agencies began to construct houses for the poor or at least for the more powerful unionised groups among them (the military, police, dockers, and power workers). The Banco Obrero began operations in Venezuela in 1928 and the Institute for Territorial Credit was set up in Colombia in 1939. By the 1950s, few Latin American countries lacked at least one public housing agency and many had a number of specialised housing institutes. Such agencies were particularly important during the period of the Alliance for Progress, when USAID and the Inter-American Development Bank poured money into the region, a substantial chunk of it for housing. Many Latin American cities bear the strong mark of government building programmes and especially the new 'planned' cities such as Brasília and Ciudad Guayana. Some of this housing was sensitively designed and constructed, although the quality generally deteriorated as the years went on.

However, a key problem soon emerged: few governments were effective social landlords (UNCHS, 1989; Gilbert and Varley, 1991). Rents were set too low and never kept up with prices. Maintenance of the estates was poor and too many soon turned into new kinds of slum. Many tenants did not even pay their rent, and since few were ever evicted, most public housing agencies ran into severe financial

problems. In the light of this problem, virtually every Latin American government decided to sell the existing rental housing stock to the inhabitants and resolved in future only to build public housing for sale.

This shift to public housing for sale did not resolve many problems. As public housing was still ostensibly aimed at the poor, the homes were highly subsidised and the housing institutions soon ran into major financial problems. Public contracting and building polices were less than efficient and as a result too little housing was produced efficiently, in sufficient quantity or at an acceptable standard of construction. When governments tried to reduce the cost of building, both to increase the supply and to make it more affordable to the poor, the quality of construction suffered. Many public housing agencies were accused of building official slums. Nonetheless, because of the imbalance between housing demand and supply, long queues developed and official allocation systems were often bypassed or corrupted. As a result, few really poor people obtained subsidised units (Klak, 1992a; Mayo, 1999). It was not long before development agencies ceased to lend money to these housing agencies and eventually, many were closed down.

Figure 1  
Central tenements in Puebla, Mexico: The homes of former residents who left for the suburbs often became rental tenements subject to rent control and gradual deterioration. *Wohnungen im Zentrum von Puebla, Mexiko: die Häuser derer, die in die Vororte zogen, wurden oft zu Mietwohnungen mit Mietkontrolle und schrittweisem Verfall.* (Photo: Alan Gilbert)



**Self-help housing and sites-and-services:** Both Latin American governments and most development agencies disliked the kind of shelter solution that was increasingly housing most of the urban poor – self-help housing. Official disapproval, however, was not matched by governmental practice and self-help suburbs spread rapidly as politicians and officials encouraged land invasions or turned a blind eye to illegal subdivisions. Whatever their reservations, there was no obvious alternative and it did provide attractive opportunities for political patronage.

When architects and planners began to discover that self-help housing was an architecture that worked,

►  
 Figure 2  
 Self-help housing working  
 in Guadalajara, Mexico:  
 Not very stylish but nice  
 plants.  
*Selbsthilfewohnbau in  
 Guadalajara, Mexiko: nicht  
 sehr stilvoll, aber schöne  
 Pflanzen.*  
 (Photo: Alan Gilbert)



►  
 Figure 3  
 Improved self-help homes  
 in Medellín, Colombia:  
 But what will the building  
 inspector say?  
*In Selbsthilfe verbes-  
 serte Häuser in Medellín,  
 Kolumbien: was wird wohl  
 die Bauaufsicht sagen?*  
 (Photo: Alan Gilbert)



thinking began to change (Abrams, 1964; Harris, 1998; Turner, 1967; 1968; Ward, 1976). Most ordinary people, they suggested, understood their shelter needs much better than officialdom or professional architects ever could. Horrific experiences like the removal of slum-dwellers from the hillsides of Caracas to the modern, clean superblocks of '23 de enero' suggested that modernist housing alternatives were counter-productive. Governments should help poor people by providing services and infrastructure rather than by destroying shanty towns and building new homes. This would improve the housing conditions of many poor people than existing policies ever could. Official support for slum upgrading commenced.

In addition, it was obvious that informal land developers often sub-divided land that was expensive to service and was sometimes located in very dangerous places. The answer that gradually emerged was that self-help areas should be laid out by governments and basic services installed provided before the self-help builders arrived (World Bank, 1974; 1980). The 'sites and services' approach was accepted by many development agencies during the 1970s, a natural corollary to slum upgrading.

In an imperfect world, the logic underlying a 'sites and services' approach was impeccable. Unfortunately, the approach was never adopted on a large scale in Latin America, particularly in the largest cities (Skinner et al., 1987; Van der Linden, 1986; 1994). The main defect of the approach, an irony given the logic of the argument, was that the unit cost of the schemes nearly always proved too expensive. Costs were high for two reasons. First, neither governments nor the funding agencies were prepared to reduce minimum standards sufficiently to keep costs down. Inter American Development Bank projects, for example, typically insisted that all beneficiaries should have full legal title to their property and that a full range of infrastructure and services be provided before occupancy. Most sites-and-services projects in Latin America offered the poor "too much security" at a price they could not afford (Johnson, 1987). Illegal developments continued to be more popular because they offered poor families an inferior product but one that matched their budget. Second, costs were high because land in suitable locations was expensive. Werlin (1999: 1523) blames "the problem of finding relatively unoccupied land suitable for self-help building" for the limited impact of the "World Bank's sites and services projects", something that the Bank had recognised some years earlier (World Bank 1992a).

Few politicians regretted that sites and service projects were thin on the ground. Who wanted to inaugurate a project that looked like an open field with lights? Such projects did not offer the decent homes that many constitutions in Latin America decreed as the right of every family and which forced poor people to live in unacceptable living conditions for a number of years. The building industry, which wanted to build houses, pointed out that self-help construction was inefficient; unlike the formal sector there was little opportunity to take advantage of economies of scale. If there was any doubt about the demise of sites and service projects, the debt crisis and the death of outside funding during the 1980s ended it.

**The market approach:** In 1973, Chile's president, Salvador Allende, was removed from power in a military coup. That coup ended a democratic socialist experiment and ushered in a new era of neo-liberal thinking. Led intellectually by graduates of the University of Chicago's Faculty of Economics, Pinochet's government attempted to roll back the state and introduce market forces into most aspects of Chilean life (Valdés, 1995). In housing, the new approach was diametrically opposed to the 'socialist' policies

of his predecessor, who had attempted to build public housing in massive quantities through state companies (Kusnetzoff, 1990). Pinochet was also anxious to halt the wave of land invasions that had swept through Chile during the late 1960s and early 1970s. Despite its neo-liberal economic agenda, the government was prepared to continue the Chilean tradition of offering subsidies to the poor. However, the new housing system would be market led and would be embedded in much more competitive economic and financial systems (Arellano, 1982).

On the supply side, public housing would no longer be contracted by the state but would be built by the private sector responding to market signals. Instead of builders producing what the public sector asked for, they would have to compete to produce what consumers wanted. Private enterprise would produce cheaper units than under the public contracting system and provide a choice of housing for the poor.

On the demand side, subsidies would be given to poor families who would use the subsidy to buy housing on the market. The allocation system devised to allocate the subsidies would guarantee that the recipients were both poor and prepared to help themselves. The test of the latter was their preparedness to accumulate savings; the longer their savings record and the higher their savings, the more likely they were to get a subsidy. Because the rules for allocating subsidies would be manifestly open and transparent, opportunities for corruption and political favouritism would be erased.

From 1977, with numerous modifications to its structure, the new demand-side subsidy mechanism was consolidated into Chilean practice. It was by no means an immediate success and ironically its best results were achieved under the democratic governments of the 1990s. *Concertación* administrations began to boast that Chile was the only Latin American country that was managing to cut its housing deficit.

After initial doubts, Washington embraced the Chilean model because it fitted the World Bank's new housing goal, the need to completely reorganise how housing in poor countries was financed and administered. Social housing projects were doomed to failure unless the right economic and housing environment was present (World Bank, 1993: 53). In order to facilitate private sector engagement, governments needed to work on "property rights development, mortgage finance, targeted subsidies, infrastructure for urban land development, regulatory reform, or-

ganization of the building industry, and institutional development" (ibid.: 62). The Chilean model embraced three elements that were highly approved in the new approach to development: explicit targeting of the poor, transparency and private market provision (ibid: 126). Subsidies were fine providing they were limited in number, aimed at the poor and would help to stimulate demand.

By 1993 the Chilean model had become acknowledged 'best practice' and the World Bank, the Inter-American Development Bank and USAID encouraged its diffusion to other parts of Latin America (Gilbert, 2002; Kimm, 1993). Costa Rica, Colombia, Ecuador, Panama all adopted subsidy models strongly influenced by Chilean practice (Held, 2000; Pérez-Iñigo González, 1999) and there was considerable interest in Guatemala, Paraguay, Uruguay and Venezuela. In practice, only Chile, Costa Rica and Colombia ever adopted the scheme on a major scale and there are major question marks about the success of those experiences (Gilbert, 2004; Giraldo, 1994; 1997; Ducci, 1997; Rojas and Greene, 1995). Perhaps, the scheme's main virtue was that its results were never as bad as those produced by earlier housing policies.

#### Housing under the post-Washington consensus:

Latin America's economic growth record improved in the 1990s, but in most countries the New Economic Model failed to produce rates of growth as high as those characteristic of the period from 1950 to 1980 (UNECLAC, 1998). When it became clear how poverty and inequality was increasing, hard line Washington Consensus policies were gradually softened and more money was spent on establishing social safety nets. Housing policies reflected this trend and led to the re-emergence of public housing agencies, at least at a municipal level, in numerous slum-upgrading programmes. By the late 1990s, the Inter-American Development Bank's operational guidelines for housing even allowed government to "set up special programs for the provision of low-cost serviced

Figure 4  
Barrio in Caracas, Venezuela: Areas subject to landslides are an inappropriate place to encourage settlement. *Erdrutschgefährdete Gebiete sind nicht dazu geeignet, Ansiedlung zu ermutigen* (Photo: Alan Gilbert)



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lots to facilitate access to serviced land by low-income households when it is demonstrated that the private sector cannot be persuaded to supply this market" (Inter-American Development Bank, 1999b: 8).

The new consensus retained the conviction that the public sector should limit itself to a facilitating role. Given the limits of government resources and the extent of the shelter problem, the main responsibility for solving the housing problems of Latin America had to lie with the private sector and with civil society. The new softening merely recognised that government intervention of some form or another was essential. The key according to the World Bank was to generate an "enabling approach to housing, in which the primary policy goal is to create a 'well-functioning housing sector' that serves the needs of all key stakeholder groups" (Mayo, 1999: 39).

**Slum upgrading:** There is now broad agreement that in-situ upgrading schemes are far superior to slum removal projects. First, upgrading maintains existing social and economic networks. Second, upgrading is relatively cheap and government spending undoubtedly reaches the poor. And, although some writers have expressed fears that the market mechanisms unleashed by this approach may lead to displacement (Harms, 1982; Durand-Lasserve, 1997; Payne, 1989), in practice, that concern seems to have been exaggerated (Baken et al., 1991; Gilbert, 1999). If there is a genuine fear about the effects of upgrading on mobility, it relates less to the impact on owners than to that on tenants.

The Inter American Development Bank and the World Bank have financed upgrading programmes for a number of years and the success of projects like Favela-Bairro seem to have convinced officials that such an approach is worthwhile. Insofar as they have reservations about the approach it has nothing to do with its potential to improve people's lives. The problem is more to do with cost recovery and its corollary, how to replicate these projects at a large scale (IADB, 1998; Imperato and Ruster, 2003; Mayo, 1999; Werlin, 1999;).

**Property titles and finance:** Integral to Washington's thinking about upgrading and the need for private sector involvement is the question of property titles. Hernando de Soto's Institute of Liberty and Development in Peru has been highly successful in arguing that massive titling programmes are essential because they encourage housing improvement, enhance the value of the informal housing stock, and provide collateral for bank loans (de Soto, 1989; 2000). The World Bank

was supporting this approach as early as 1993: "the registration of property rights in squatter settlements is... important in making land and house transactions possible and giving occupants legal protection." Numerous Latin American governments have agreed with this advice and have been distributing titles over the last two decades or more (Calderón, 1998).

Key to the titling argument is the desire to increase the amount of credit reaching the poor. The poor will be able to improve their homes more rapidly if they have access to easier and cheaper credit. In practice, the case is unproven (Gilbert, 2000; Razzaz, 1993). A major problem is that few commercial banks have been very effective at reaching poor families and most official and private lending programmes have favoured either the middle classes or specially favoured labour groups (Datta and Jones, 1998; Siembada and López, 1998). Banks find lending to the poor to be un-remunerative, they have problems verifying informal workers' incomes and some do not trust the poor to pay back the loans (Ferguson, 1999: 187; UNCHS, 1996: 370). Micro-lending has only occasionally been more successful (Danieri, 1999; Ferguson and Haider, 2000), although the Inter-American Bank is now going into this field in a big way (IADB, 2007a, 2007b).

A potential difficulty is that many poor families are less than enthusiastic about borrowing from formal lending agencies or indeed from anyone else. They trust banks and mortgage companies as little as those institutions trust the poor. Given their unstable economic circumstances, many families worry about getting into debt; they are prepared to take out loans only as an action of last resort. Most poor families seem happier to finance construction from their personal savings and obtain additional funds from informal sources (Gilbert, 2000), even if "the overall result is that much of the built environment in cities improves unevenly and slowly" (Ferguson, 1999).

The financial benefits of borrowing are also to be questioned insofar as there appears to be little in the way of a secondary housing market developing in consolidated self-help areas. People seem to build their own home and then stay in it. Possession of a property title is little help if potential buyers lack the credit with which to buy a two-storey, serviced self-help home (Gilbert, 1999). Capital accumulation is poorly served if no one will buy your house from you.

**Decentralisation and better urban governance:** The latest line of thinking among the development agencies is to improve shelter policy through sup-

porting more effective urban governance, particularly at a local level. This approach warmly embraces decentralisation as an antidote to excessive central government interference (Campbell, 2003; World Bank, 1999; Zanetta, 2003). Local governments need to raise more of their own income and will then be able to respond more flexibly to local circumstances. Positive experiences in cities like Curitiba, Porto Alegre and now Bogotá have convinced policy makers that this is the true path to deliverance. They do not seem to be aware of how few local governments in Latin America are competent and how decentralisation often merely reinforces local political fiefdoms. At its best, decentralisation helps, but it should be remembered that it was local incompetence in the past that explains much of Latin America's centralisation.

### **Conclusion: Key Issues in Helping the Poor through Housing**

Current thinking in the development banks is realistic in the sense that it recognises that there are no quick fixes to housing improvement. The quantitative and qualitative shelter deficit is so great in Latin America that it will take at best generations to remedy. The belief that investment in servicing should be a higher priority than building houses is also welcome, and even Chilean-style subsidy programmes are better than what most old-style public housing agencies achieved. Similarly, the acceptance that in-situ housing improvement through upgrading is thoroughly welcome; nothing is achieved by removing people from self-help homes unless they happen to be located in particularly dangerous places.

However, there are still some dangerous biases and some important gaps in development agency thinking.

First, there is too little recognition that the construction of housing of any kind needs access to serviced land. Current development thinking is strong on servicing but remarkably silent about remedying distortions in Latin American land markets. The development agencies dislike land banks, one of the World Bank's definite 'don'ts' in its housing enabling strategy was "to nationalise land" (World Bank, 1993: 46). Nor do they greatly approve of urban planning. Unfortunately, they avoid discussing the kind of land speculation that makes housing for the poor unaffordable in so many cities. In an ideal world, the development banks would finance schemes that directed housing developments towards areas that are easy to service, establish patterns of urban development that would generate fewer external diseconomies (like urban

sprawl and some forms of ribbon development) and respond to reasonable demands for infrastructure and services ahead of low-income settlement. The task for the authorities in Latin American cities is two-fold: to remedy the problems caused by past failures and to anticipate future demands to prevent past failings occurring again. In my opinion, the development agencies are not helping them much in the second task.

Second, there is far too much reliance on property titling and deregulation. Neither is intrinsically dangerous but equally neither will do a great deal to improve shelter conditions. A more efficient system of land transactions would help poor families because it would allow them to buy and sell property more easily and cheaply and help them borrow money on the basis of their property title. It is in few people's interest that land is difficult and expensive to buy or sell. At the same time, one of the key problems in Latin America stems from land speculation. In this respect market forces tend not to help. In Chile, the authorities removed strict land-use controls on the urban periphery of Santiago in 1979; the intention being to create a free market in land, releasing the private sector from state controls and thereby allowing competition to lower the price of development land. Unfortunately, many consider the experience to be a failure because land prices continued to rise very rapidly (Smolka and Sabatini, 2000). One explanation of this paradox is that a few private companies had established a monopoly over the limited amount of serviced land available in the city. In the absence of sufficient infrastructure and services, companies holding land were able to raise the price of serviced plots (Trivelli, 1987). Elsewhere, land prices are being fuelled by the amount of vacant land that is being held for speculative purposes. Even where the authorities manage to distinguish between vacant and developed land in their tax systems, as in Buenos Aires and Quito, owners of vacant land are protected from higher taxes "through a series of loopholes and 'exceptions'" (Clichevsky, 1999: 2). It would seem imperative that higher property taxes be levied on vacant land to discourage speculation.

Third, the development agencies are too interested in encouraging the expansion of mortgage credit and micro-finance. The IDB is planning to increase the volume of microfinance in the region from \$5 billion to \$15 billion by 2011 (Inter-American Development Bank, 2006). And, while it is true that a shortage of credit makes it extremely difficult for ex-

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isting poor owners to sell property, reducing residential mobility and the opportunity for poor people to make capital gains from their property, more credit is likely to fuel housing speculation and maybe risk. Current levels of default in the US sub-prime mortgage market are surely a stark warning of the dangers?

Fourth, the development agencies continue to ignore housing tenures other than ownership. Millions of families in Latin American cities live in rental housing most of which has been created in older, consolidated self-help housing areas. Most self-help occupiers eventually let out rooms to supplement the family income (Gilbert, 1983; Kumar, 1996; Rakodi, 1995b; UN-HABITAT, 2003). But no development agency, with the partial exception of UN-HABITAT, has a rental housing strategy beyond denouncing rent controls (Malpezzi and Ball, 1991; Urban Edge, 1988). Amazingly, even most upgrading programmes seem to be ignorant of landlords and tenants (Ruster and Inverato, 2003). Ways need to be found which will stimulate the production and improvement of rental housing (UNCHS, 1989; 1993; UN-HABITAT, 2003). Since the household incomes of most landlords and landladies differ little from those of their tenants, equity is not a significant issue. Since rental housing tends to offer tenants better location, services and infrastructure than does self-help housing, support for rental housing promises to improve the quality of shelter in most cities. Rental housing is a cost-effective shelter strategy and one that helps slow urban sprawl.

### **How Much Impact Have the Development Agencies Had on Government Policy and on the Real World?**

Many have criticised the development agencies for their housing policies (Bond, 2000; 2003; Matthey, 1992; Pugh, 1991; 1994b; Ramsamy, 2006; Ward, 1982; Skinner and Rodell, 1983). Clearly, the agencies are prone to excess and too often follow unquestioningly the latest fashion. The agencies are also influenced excessively by the United States government and by financial considerations. For this reason they have never had much to say about land speculation and have never been prepared to lend money for governments to buy land. The current obsession with credit can be explained in the same way. Nonetheless, in comparison with most of the housing policies introduced by Latin American governments, much of the policy advice that has emerged from the IADB, UN-HABITAT, USAID and World Bank has been relatively sound. If more governments had followed that advice, then shelter pol-

icies would have been much better than they were and much less money would have been wasted.

In any case, the development agencies have caused little damage for a very simple reason. The amount of money they have spent on housing has been extremely small. In this sense the development agencies have been like most Latin American governments, which typically spend less than two per cent of their budgets on this item (Cominetti and Ruiz, 1998). Because so little money has been provided in aid and concessional loans, development agencies have had little real impact on shelter policy. And, when they have tried to influence policy, the different agencies have sometimes been in conflict, sometimes competing for influence, sometimes financing programmes that another agency disliked. As a result, it has usually been easy for clever officials and politicians to sidestep the advice or to pretend that they had actually followed it. My study of developmental Washington's efforts to influence either Chilean or South African subsidy policy and to diffuse Chile's strategy in the rest of Latin America shows how ineffectual the supposed monoliths have usually been in practice (Gilbert, 2002a, 2000b; 2004).

In any case, most of the investment that has gone into 'shelter' in Latin America has gone in through investments in water, drainage and electricity, and more recently through education and health policies. And, while mistakes have been undoubtedly made, the advice has only been partially responsible. Perhaps excessive lending contributed to the debt crisis but the water and power generated by the investment allowed the large cities of Latin America to survive their rapid expansion.

Insofar as the development agencies have been guilty of damaging the interests of the Latin American poor it has been through their undifferentiated lending conditions and influence over macro-economic policy. Of course, housing advice often followed the logic of neo-liberalism, particularly from the middle of the 1980s into the 1990s. But the real problems for the poor of Latin America came not from urban policy generally but macro-economic changes. It was not housing policy but the instability of capital flows, changes in interest and exchange rates, and the excessively speedy lowering of trade tariffs that have most impacted on the poor. Had macro-economic conditions been more propitious shelter conditions would have improved more rapidly. In short, don't blame the housing monkeys when the real villains are the financial organ grinders.

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▲  
Figure 5  
Servicing a settlement in Bogotá, Colombia: People need governments to do what they cannot do. *Bau von Leitungsnetzen in einer Armensiedlung von Bogota, Kolumbien: die Leute brauchen von der Regierung das, was sie selbst nicht tun können.* (Photo: Noriko Hataya)

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# Housing Policies in Mexico Impacts and Perspectives (1992-2007)

Enrique Ortíz Flores

## Wirkungen und Perspektiven der staatlichen Wohnungsbaupolitik in Mexiko 1992-2007

Vorgaben des *Washington Consensus* von Weltbank, IWF und dem US-Kongress prägten nach 1992 die Wohnungsbaupolitik Mexikos. Marktorientierung, Steuersenkung und Privatisierungen bewirkten eine Verschärfung der Ungleichheit und Armut und beeinflussten sowohl die räumliche Entwicklung als auch den Wohnungsbau. Der staatliche Wohnbau wurde eingestellt, Budgetmittel für Wohnbauförderung zusammengestrichen. Zinsen für Baukredite sollten sich zunehmend an Marktniveaus anpassen und auch der Zugang zu Bauland sollte „marktgerechten“ Verfahren folgen. Baufirmen erstellten mit staatlichen Zuschüssen Billigwohnlösungen in Massenbauweise. Bislang mit Selbsthilfe und Gruppenkrediten operierende Projekte städtischer Basisorganisationen erhielten jetzt individuelle Kredite und von Firmen erstellte Standardhäuser. Hohe Kreditzinsen bei sinkenden Einkommen führten jedoch oft zur Zahlungsunfähigkeit der Nutzer. Während sich soziale Baufonds entkapitalisierten, erzielten die mit staatlicher Förderung operierenden Baufirmen gewaltig steigende Gewinne, auch an der Börse. Politisches Ziel war die Aktivierung der Bauindustrie als Schlüssel für den wirtschaftlichen Aufschwung. Erreicht wurde eine sich ständig steigende Massenproduktion von Wohnungen - zuletzt jährlich über 560.000 Einheiten – meist ohne Rücksicht auf Qualität, Bedarfsgerechtigkeit, Lage oder städtebauliche Kriterien. Die ärmere Hälfte der Gesellschaft hat dazu jedoch fast keinen Zugang und deren Selbsthilfebauten stößt zunehmend an Grenzen. Dies führte zur Diskussion über eine Änderung der Richtlinien – wobei auch Menschenrechtsaspekte eine große Rolle spielten - und mündete in ein jetzt verabschiedetes neues Wohnbaugesetz, welches der Förderung selbsthilfeorientierter Ansätze wieder größeren Rang einräumt.

### The Neo-liberal “Miracle” and Its Consequences

The Washington Consensus pushed by the multilateral financial institutions in the 1990s is a set of economic policies conceived to facilitate the global expansion of large corporations. The said policies were “sold” to developing countries as the path to follow to guarantee growth. The Consensus is not a document signed by the affected countries, it is rather a list of policies that the multilateral institutions (IMF, WB), the United States Congress, and other entities and experts headquartered in Washington agree should be promoted throughout the planet.

The unquestioned application of the neo-liberal policies by multiple governments has resulted in the worldwide exacerbation of social inequality as well as increased poverty and societal exclusion. The Mexican case is a good example.

In short, the Washington Consensus pushes the following ten commandments: fiscal discipline, reorganisation of public expenditure, tax reform, liberalisation of interest rates, competitive exchange rates,

liberalisation of international trade, opening to direct foreign investment, privatisation, deregulation, and property rights. The whole and synergetic effect of these policies has profoundly impacted the economy and lives of our peoples and has also affected territorial, urban, and housing issues.

Regarding housing, the list’s first three items resulted in cancellation of public production programmes and reduced fiscal housing funds. They also contributed to the fracture of social policies by narrowing the focus of their application to the poorest sectors and leaving the rest of society to the whims of the free market. In the case of housing, the resulting impact was double, given that the market was incapable of addressing more than half the population which is located under the poverty line, and the focus on the poorest sectors through compensatory and poverty alleviation programmes was not applied to housing.

In fact, the focus was narrowed in the opposite sense, with market housing supply directed toward sectors with incomes between 5 and 10 times the minimum wage. Possibilities to channel fiscal re-

sources to support the most underprivileged were further diminished by another contradictory recommendation made in 1994 by the World Bank (to heavily-indebted, moderately-developed countries such as Mexico) to reduce budget transfers to the housing sector in favour of expanding investments in urban infrastructure.

Regarding interest rates, the goal was that they be determined by the free play of the market and that they remain above inflation to avoid de-capitalisation of housing funds. This - coupled with decreased subsidies, free market management of land and other inputs - and the policy - also imposed by the same neo-liberal prescriptions - to control wage increases in a downward direction generated a perverse circle which affected both the recovery of adjustable-rate loans established in high inflation times and the possibilities of low-income sectors to access market-produced housing.

In that sense, the scheme of Mexico's National Popular Housing Fund Trust (*Fideicomiso Fondo Nacional de Habitaciones Populares: FONHAPO*), which granted loans in terms of minimum-wage multiples in times characterised by inflation and low wages, was modified by World Bank pressures with incorporation of an additional interest rate designed to avoid de-capitalisation of the Fund. Under these conditions, the loan recipients, many of whom were social organisations, after a time could no longer meet their loan payments, leaving the Fund facing the paradox of a considerably reduced recovery rate. The explanation given was that the people organised to not pay their loans, and not that - faced with the loss of purchasing power of their income which had been controlled downward - it was very difficult for the population to maintain payments of inflation-adjusted loans.

This also led to political decisions leading toward extreme individualisation of the country's housing policy to the benefit (of course) of the large private-sector social-interest housing developers and promoters. Subsidies diminished, the credit line for land purchase was eliminated, and the collective loans allocated by FONHAPO to social organisations were progressively cancelled, leaving the social organisations to devolve from social promoters and producers to mere organisers and managers of the demand for housing produced by the private sector.

The policies on currency exchange, trade liberalisation, and market opening to direct foreign investment favoured entry to the housing market of transnational financial capital, material components, and even complete housing projects, which also produced a parallel transfer of the multiplying effect of the construction industry beyond national borders. Those most affected have been professionals and part of the national production plant, in particular that made up by small and medium producers. It would appear that the neo-liberal governments would conform to renting the land and that the advance in technological development itself was of little concern to them.

The privatisation policy, eighth on the Washington Consensus list, reinforced the commodification of land and the subordination of the human right to housing to large financial and real estate interests. It also contributed to discourage and even halt the initiatives of organised social producers by imposing the individualisation of problems, solutions, and processes of land and housing management and appropriation.

The ninth point of the Consensus commandments, which calls for deregulation, assumes that the market will take charge of resolving everything once nor-

Figure 1  
Privately produced massive housing complex San Buenaventura, Ixtapaluca, Mexico.  
*Privat erstellter Massenwohnungsbaus am Rand von Mexiko-Stadt.*  
(Photo: Isadora Hastings)

Figure 2  
Colonia Golondrinas in Mexico City, a case of low-income settlement in high risk areas.  
*Colonia Golondrinas in Mexiko-Stadt, eine Armensiedlung in starker Risikolage*  
(Photo: Isadora Hastings)



1  
The World Bank, 1993.  
Housing: Enabling Markets  
to Work. Washington, D.C.

mative barriers and state controls which distort the market are eliminated. This proposal led to reduce the role of public bodies to allocation of long-term loans and to convert said bodies into second-floor financial entities incapable of intervening in regulation of housing quality and its linkage with increasingly debilitated urban planning and development policies. Said entities could now even less address very necessary social and administrative aspects to support and regulate the participative processes of habitat production and the improvement and social coexistence in the large complexes of individual houses now being produced.

Firmly established property rights, recommended in the final point of the Consensus, have been broadly stimulated through adoption of policies and procedures such as those proposed by the Peruvian economist Hernando de Soto: legalisation of individual property, modernisation of cadastres and public property registries, strengthening of the mortgage system, simplification of eviction trials in cases of incompliance with mortgage payments, and re-discount of mortgage packages in the international secondary market. De Soto thus sells the idea that - with no need for profound structural changes - the poor will cease to be poor simply by acquiring liquid capital to strengthen their economic activities, thanks to the possibility to mortgage their assets.

In reality, de Soto is betting on inserting the resources and scarce surpluses of the poor into the international financial capital circuit, placing them in an even more vulnerable situation and outside of all consideration surrounding the social function of property. Application of this model in his own

country has irrefutably demonstrated that neither do banks want to lend to the poor, even if their properties are regularised, nor do the poor want to recur to the banks. A recent study demonstrates that the policy has had no impact in increased loans to the "beneficiaries" of the programme or in improvement of their economic situation. The policy has, however, had an impact in terms of processes of individualisation and in discouragement and combat of collective initiatives.

Obedient application of the Consensus list, later complemented by other measures and the imposition of structural adjustments by the multilateral financial institutions, has had a strong impact on the form of housing production and on conformation of urban space in the Latin American context.

### Commercial Housing as a Motor of "Development" and Source of Exclusion

The Washington Consensus is behind several documents produced by the World Bank in the first half of the 1990s. These documents were followed to the letter in many countries including Mexico ever since in 1992 when President Salinas unveiled his housing promotion and deregulation policy, the occasion which constitutes a true turning point in the country's housing policies. I refer to documents such as "Housing: Enabling Markets to Work," published in English in 1993<sup>1</sup> and in Spanish in 1994 as "*Vivienda, un entorno propicio para el mercado habitacional.*"

It is surprising to discover that the objectives and primary strategies contained in the 2001-2006 Housing Sector Program, published by the govern-

Table 1  
Strategies of Mexican housing policy 2001-2006 versus World Bank recommendations 1994  
*Strategien der mexikanischen Wohnbaupolitik 2001-2006 und Empfehlungen der Weltbank 2004*

	<b>Housing Sector Programme Mexico 2001-2006</b>	<b>World Bank 1994</b> Housing: Enabling markets to work, BIRF 1994
<b>Objectives</b>	<ul style="list-style-type: none"> <li>■ Consolidate housing market</li> <li>■ Promote sector development and competitiveness</li> <li>■ Reactivate the development bank</li> </ul>	<ul style="list-style-type: none"> <li>■ Implant housing industry coherent with market economy</li> </ul>
<b>Primary Strategies</b>	<ul style="list-style-type: none"> <li>■ Legal consolidation of population's patrimony (<i>Strategy 3</i>)</li> </ul>	<ul style="list-style-type: none"> <li>■ Develop property rights</li> </ul>
	<ul style="list-style-type: none"> <li>■ Development of integrated mortgage system (<i>Strategy 2</i>)</li> </ul>	<ul style="list-style-type: none"> <li>■ Promote mortgage finance</li> </ul>
	<ul style="list-style-type: none"> <li>■ Social support to the most needy population Focalised subsidy (<i>Strategy 3</i>)</li> </ul>	<ul style="list-style-type: none"> <li>■ Rationalise subsidies</li> </ul>
	<ul style="list-style-type: none"> <li>■ Supply of land suitable for housing with infrastructure and services (<i>Strategy 5</i>)</li> </ul>	<ul style="list-style-type: none"> <li>■ Supply infrastructure for housing land development</li> </ul>
	<ul style="list-style-type: none"> <li>■ Tax reduction, deregulation and normative framework (<i>Strategy 4</i>)</li> </ul>	<ul style="list-style-type: none"> <li>■ Deregulation, land and housing development</li> </ul>
	<ul style="list-style-type: none"> <li>■ Competitive supply, inputs, normalisation and certification for production growth (<i>Strategy 6</i>)</li> </ul>	<ul style="list-style-type: none"> <li>■ Organisation of the construction industry</li> </ul>
	<ul style="list-style-type: none"> <li>■ Institutional activation and sectoral strengthening (<i>Strategy 1</i>)</li> </ul>	<ul style="list-style-type: none"> <li>■ Institutional framework development</li> </ul>

ment of Vicente Fox in November 2001, were, as illustrated in Table 1, an almost exact copy of the primary strategies recommended in said document.<sup>2</sup>

These policies give enormous weight to the macroeconomic role of housing production, given that it activates 37 economic branches, generates employment, consumes national inputs (in fact increasingly less) and activates the financial sector. In the social aspect, in contrast, the policies are limited to consolidation of family patrimony and improvement of living conditions of beneficiaries (element which, given the housing's size and quality and its distant locations, is increasingly in doubt).

They are housing policies which emphasise their role as motor of economic development, centred on market production of housing by the private sector, and that limit the social element to the individual and family sphere. Said policies ignore the macro-social and microeconomic roles which should also form part of an inclusive and socially meaningful housing policy (see Table 2).

Transformation of the state's role from provider and regulator to facilitator is consolidated in the case of housing, with which public production is eliminated and all governmental support is centred on reinforcement of commercial production of housing by private developers. As of December 1st, 2005, 1,200 private developers participated in the market, nine of whom accounted for 25% of the total production. Six are traded in the Mexican Stock Market, and according to data from the magazine *Obras*<sup>3</sup>, the HABITA (IH) Index which integrates them produced a yield of 1,118% between the year 2000 and March 2007, far above the construction sector (447%), the price index (370%), and total yield index (414%). In 2004 they represented 4.69% of the shareholders market, and in the first trimester of 2007, 7.17%.<sup>4</sup>

This fact alone has strong repercussions on housing production in Mexico in that it imposes an accelerated expansion logic given the demands of profitability of investors increasingly linked to trans-national corporate interests. It is referred to as a „housing train“ which, in the end, is unstoppable and which proposes to reach progressively larger and larger portions of the market. Under this logic, what is important is to massively produce and sell houses with little regard to size and adequacy according to the needs of the demand, much less to location and linkage with the urban fabric, employment sources, and accessibility to facilities.

	Economic Development	Social Development
Macro Level	HOUSING Motor of economic development	HOUSING Generator of aware, productive, responsible citizenship
	<ul style="list-style-type: none"> <li>■ Activates 37 economic branches</li> <li>■ Generates employment</li> <li>■ Consumes national inputs</li> <li>■ Activates financial sector</li> </ul>	<ul style="list-style-type: none"> <li>■ (Re)builds social fabric</li> <li>■ Organises</li> <li>■ Trains and educates</li> <li>■ Raises management capacity of popular sectors</li> </ul>
Micro Level	HOUSING Realises potential of popular economy	HOUSING Indicator of social well-being
	<ul style="list-style-type: none"> <li>■ Strengthens productive capacity of popular sectors</li> <li>■ Strengthens popular circuits of the market</li> </ul>	<ul style="list-style-type: none"> <li>■ Consolidates family patrimony</li> <li>■ Improves quality of life</li> <li>■ Attends basic needs</li> </ul>

Market production of housing in Mexico was able to benefit from authorisation of more than 3 million mortgages during the government of President Vicente Fox (2000-2006), allocated by the institutions that channel resources from the private-sector workers' housing fund (INFONAVIT), the state workers' fund (FOVISSSTE), and social savings, via various private mortgage entities (primarily banks and limited-object financial societies, known as sofoles) and with the backing of the Federal Mortgage Society (SHF).

The celerity of the "housing train" and the intention that it tap sufficient credit resources so that "each family may purchase housing in the coming years" have led the Federal Mortgage Society to estimate that the mortgage portfolio of banks and sofoles should be increased from 78,734 billion US dollars in 2006 to 335 billion in 2020. These estimates would render insufficient all the savings captured by the commercial bank system, situation which has led to the proposal of alternative mechanisms, in particular making mortgages subject to trading on the stock exchange, market open to the participation of diverse types of institutional, national and foreign investors.

These enormous challenges, posed from market logic of housing production, have implied the design and consolidation of a highly sophisticated system of instruments among which are found the development of a primary and secondary market of mortgage-backed bonds, guarantee schemes for cases of incompliance, timely payment, and systemic risk, and, following the recommendations of de Soto, an efficient scheme for debt collection and recovery of guarantees, modernisation of public registries of property and standardised registry of developers and supply.

▲  
Table 2  
Support system for social production of habitat  
*System zur Förderung des sozialen Wohnbaus und Siedlungsbaus in Selbsthilfe*

**2**  
Ibid. Technical Supplement 2: Enabling the Housing Sector to Work. pp. 113-144.

**3**  
Revista Obras Número 413, May 2007. p. 40.

**4**  
Six of the sector's primary shareholders also appear within the ranking of Mexico's 100 most important businesspeople published by the magazine *Expansión* in May 2006. p. 69.



▲  
Figure 3  
Low-income neighbourhood in Mexico City: Spontaneous social production.  
*Armensiedlung in Mexiko-Stadt: spontaner Selbsthilfe-wohnbau*  
(Photo: Isadora Hastings)

▲  
Figure 4  
Housing cooperative using a vacant plot in the centre of Mexico City – organised social production with participative design.  
*Wohnungsbaukooperative auf leerem Grundstück im Zentrum von Mexiko-Stadt – organisierter Selbsthilfe-wohnbau mit partizipativer Bauplanung.*  
(Photo: K.Teschner)

To this is added a whole series of fiscal and urban administrative facilities which integrate a broad support-tools system to this production form, further reinforced in 2007 with the authorisation of close to 550 million dollars for allocation of 243,000 CONAVI and FONHAPO<sup>5</sup> subsidies. This allowed market housing production to increase over the course of just a few years until reaching a total of 560,000 housing units produced in one year. Despite, or perhaps as a consequence of this housing policy focus, approximately half of the Mexican population - the poor half - was excluded due to its inability to access this market.

This, coupled with the closure or modification of the few institutional mechanisms which existed to support these sectors' production initiatives and efforts, and even the criminalisation of these efforts, have produced serious problems of overcrowding and deterioration of popular habitat and, paradoxically, new land occupations and irregular land divisions and acquisitions in inadequate and vulnerable areas. Despite this panorama, multiple modalities persist of individual self-production and organised social production, which demand new approaches and instruments.

## Large Contradictions, New Perspectives

The Fox government inherited this policy negotiated with the multilateral institutions and the private sector and took a series of institutional measures to advance it. The National Housing Promotion Commission (*Comisión Nacional de Fomento a la Vivienda*) was created and placed in charge of driving the policy and facilitating the participation of the diverse actors in the same. The same objective was also behind creation of the National Housing Board (*Consejo Nacional de Vivienda*) as consultative body to which were invited public sector and, very significantly, private sector representatives. The Board also integrated a more limited number of academic and organised civil society representatives (the architecture and engineering guilds, and an entity from organised civil society, Habitat International Coalition).

As has been occurring in various Latin American countries, the need was posed to elaborate a new housing law (the previous law dated back to 1983) to provide a consistent legal framework to the new policies. This initiative and the enormous contradictions that the new policies had generated over the almost ten years since their implementation provoked broad social pressures and internal debates in the recently created National Housing Board, which led to incorporation of a roundtable, not included in the Board's original creation decree, to reflect on issues related to the housing designated to sectors located below the poverty line and on social production of housing.

It is important to recognise the democratic opening by the authorities responsible to direct the policies, evidenced in the creation of this space and in their decision to facilitate the participation of diverse sectors interested in the debates, which led up to approval of the new Housing Law in 2006. Such participation also took place within the Housing Commission of the national Chamber of Representatives.

Organised civil society focused its primary concerns and contributions to the various legislative proposals circulated between 2003 and 2006 on efforts to assure that the legislation adequately incorporated and reflected the principles and contents of the human right to housing, and to incorporate social production of housing.

Both themes were in fact conceived in articulated form considering that social production of housing is defended as a right by those excluded from the

housing market and other social sectors interested in actively participating in both determination of the characteristics of and the production itself of their habitat.

Social production of housing and other habitat components has not only allowed the realisation of the human right to housing for close to two-thirds of Mexico's population, but furthermore, in its more structured and technified modalities, implies the conjunction of other rights: the right to be informed, to organise, and to participate in decisions regarding their habitat; the right to a healthy environment, water and other services, and even the right to land, although the latter is a right still under debate.

In this perspective, proposals were formulated to explicitly include in the law the themes contained in General Comment N° 4 of the United Nations Committee on Economic, Social and Cultural Rights.

In this regard, a problem emerged given that the wording of the right to housing contained in Article Four of the Mexican Constitution is exclusionary, limiting said right to families:

*"Toda familia tiene derecho a una vivienda digna y decorosa (...)"*

"All family has the right to a dignified and decent house (...)"

Given that human rights are universal, some congressional members argued that a Constitutional reform was needed to make said contents explicit in the law.

Finally, and albeit with limitations and the absence of some elements such as affordability and cultural adequacy, the primary aspects which internationally define the human right to housing were included in articles two and three: security of tenure, of the location, and of the housing itself; availability of infrastructure, services and facilities; habitability and accessibility; the principle of non-discrimination, and even the universal character of the right to housing.

"The provisions of this Law shall be applied under principles of equity and social inclusion such that all persons, regardless of ethnic or national origin, gender, age, different capacities, social or economic condition, health conditions, or religion, opinions, preferences, or marriage status, may exercise his or her constitutional right to housing." (Art. 3)

Social production of housing, absent in the first schemes, received broad and apt treatment throughout the Law, with a specific title and two chapters dedicated to the theme.

The Law's definition of social production of housing is precise and leaves no ambiguity:

"That carried out under the control of self-producers and self-builders who operate without profit motives and which is oriented primarily to address the housing needs of the low-income sectors, includes that carried out through self-managed and solidary procedures which prioritise the value of the use of housing over the commercial definition, combining resources, building procedures and technologies, based on their own needs and their management and decision-making capacity." (Art. 4)

The Law also clearly distinguishes the difference between self-production and self-construction and defines the social housing producer "as the physical or moral person who in individual or collective form produces housing without profit purposes." Article 85 of the Law establishes that "the Federal Government shall support social production of housing through the development of legal, programmatic, financial, administrative, and promotional tools."



**5**  
The National Housing Commission established a collaborative commitment with the Federal Mortgage Society for operation and distribution of a little more than 350 million dollars. The rest will be applied by the FONHAPO, recently restricted by law to allocation of subsidies to progressive housing and housing improvement programmes oriented to the population earning under 3.5 times the minimum wage, residing in rural and urban areas.

◀  
Figure 5  
Palo Alto cooperative, Mexico City: Organised social production and collective property, paradigmatic case of struggle for the Right to the City. *Kooperative Palo Alto, Mexiko-Stadt: organisierter Selbsthilfwohnbau mit Gemeinschaftseigentum – ein Paradebeispiel des Kampfs um das Recht auf Stadt* (Photo: E. Ortiz Flores)

## Characteristics of Housing Finance in Mexico

### For Persons Subject to Credit Above the Poverty Line

Commercial production of housing in Mexico now has an integrated system of support instruments which has allowed rapid growth in the past six years, reaching 2.3% of the Gross Domestic Product in 2006. Most noteworthy are the financial instruments and the adaptation of the public entities to the production logic of private-sector developers.

Mortgage interest rates have dropped from 30.3% in 2000 to an average of 13% in 2006, reaching minimums below 12%. Down payments have been reduced from 30% or 35% in 2000 to 20% and sometimes less in 2006. Mortgage pay-off periods have expanded to as long as 30 years.

All the public housing entities ceased to be direct housing promoters and transformed into second-floor financial entities, and the number and type of financial intermediaries subsequently expanded. They compete within the market and apply varying finance schemes and conditions.

Banks and limited-object financial societies (known as SOFOLES) participate as the primary mortgage operators. The workers' housing fund (INFONAVIT) and that of the state employees (FOVISSSTE) participate as public entities which allocate credit support and operate co-finance schemes with banks and SOFOLES. The so-called "sub-account" (contributions in the name of the workers) is applied to the down-payment or as guarantee. The Federal Mortgage Society (SHF) funds the SOFOLES and other financial intermediaries and allocates guarantees.

The SHF has also developed complex security schemes which have allowed diversification of the financial sources of the private intermediaries through emission of stock-exchange bonds backed by mortgages. INFONAVIT, for its part, also emits housing certificates (CEDEVIS) which are acquired by insurers, pension funds, and other investors. The next step of opening these instruments to the international secondary market is currently under study.

The majority of mortgages have been allocated to persons with incomes above five times the minimum wage, which as quickly lead to a saturation of this sector. It also leaves approximately 50% of the population with no access to the market supply.

### For Low-income and Self-production Sectors

To address this sector, private developers are pressing for increased state subsidies while organised civil society proposes and lobbies for profound modifications to finance and subsidy schemes in order to realise the right of all persons to housing.

The National Popular Housing Fund (FONHAPO), created in 1981 to address the non-wage-earning population and low-income social producers, ceased allocating credits and as of 2007 now focuses on channelling subsidies to urban and rural inhabitants with incomes below three times the minimum wage.

The National Housing Commission, responsible for establishing and steering the country's housing policy, this year began to allocate, through the Federal Mortgage Society and various financial intermediaries, subsidies linked to savings and loan schemes also oriented to these sectors.

Table 3 synthesises the characteristics and modalities it covers.

The modalities of improvement, self-construction (self-production) and sites and services are applicable to Social Production of Housing, but they demand the participation of financial intermediaries who operate micro-credits, know the housing field, and apply accessible conditions.

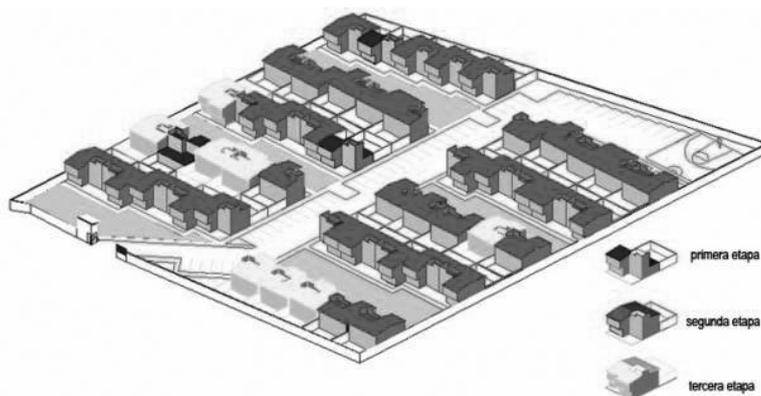
The largest and most profitable are already recognised but they operate with annual interest rates between 48% and 120%, impeding attention to non-profit producers.

The savings and loan cooperatives and popular savings funds, which would be those most indicated to work with low-income sectors given their lower interest rates (between 20% and 27% annually), are not yet recognised as financial intermediaries, with only a few exceptions. This leaves the majority of the neediest population outside of credits and state financial supports, and again opens the field to appropriation of subsidies by the private developers and financial entities which operate with high profit levels.

Characteristics / Modalities	Maximum Housing Worth	Maximum Loan	Subsidy	Prior Savings (Down Payment)	Minimum Loan Payment Period
New Housing Purchase	225,000	120,500	40,000	4%	20 years
		180,500	30,000	5%	
Used Housing Purchase	225,000	120,000	43,000	4%	20 years
		180,000	33,000	5%	
Improvement	35,000	17,000	12,000	4%	2 to 3 years
Self-construction	110,000	51,000	36,000	4%	7 to 10 years
Sites and Services	85,000	41,000	30,000	4%	4 to 7 years

Table 3  
Characteristics and modalities of subsidies linked to savings and loan schemes, National Housing Commission, Mexico  
*Konditionierung von Wohnbauzuschüssen im Verhältnis zu Sparleistungen und Wohnbaukrediten, Nationale Wohnbaukommission, Mexiko*

Figures are in Mexican pesos. One Euro=14.50 pesos; one US Dollar=11 pesos.



◀  
 Figure 4  
 Alepetlalli cooperative, El Molino, Mexico City: Organised social production. *Kooperative Alepetlalli, El Molino, Mexiko-Stadt: organisierter Selbsthilfe-wohnbau.*  
 (Photo: E. Ortíz Flores)



These and other more specific contents of the Law oriented to instrument SPH, to promote and support its processes and modalities, and to generate available land, financial schemes, subsidies, research, technical assistance, adequate technologies, training, and other supports, provide definitive and precise support to work in the integration of a social housing production system in Mexico and a necessary integral system of support tools which guarantee the viability and broad social impact of SPH.

SPH is not an alternative production system to commercial production, but rather a complementary and convergent system capable of inserting a new dynamic within the national housing system and generating new options which contribute to realise the right of all persons to adequate housing. With legal recognition in place of the right of all persons to housing and to social production of housing, it is now fundamental to move on to its precise instrumentation and to the design of programmes and procedures which facilitate their realisation.

This objective, in addition to political will, demands specific instruments, credit and subsidy resources, access to land with services, and the training of diverse actors who intervene in the processes of habitat production and social management. We must now promote, not pilot or demonstrative projects

(which we have done for 40 years), but rather an integrated and dynamic production system with large-scale social impact. It is also a complex system, given that it is not limited to produce houses but rather to build active and responsible citizenship, to strengthen the popular economy, and to build city and do so within criteria of sustainability and equity.

This is a task which cannot be left in the hands of technocrats and "experts", but rather implies creativity and concerted intervention by the diverse actors involved in the various modalities included in social production of habitat. The new role of facilitator assigned to the State implies new and broader social responsibilities which demand full exercise of recognised human rights and collective conformation of new rights. One of the most important is to influence the formulation, direction, follow-up and evaluation of public policies in a co-responsible and active manner.

The recognition - not without problems - of this right by the authorities and its defence and promotion, based on concrete proposals from active sectors of organised civil society, have opened spaces of dialogue from which we hope will soon emerge the design of programmes and instruments which will place said system into march.

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—  
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# Community-driven Housing Processes with Governmental Support - the CODI Programme in Thailand

Daphne Frank

## Basisorientierte Wohnungsbauprozesse mit Regierungsunterstützung - das CODI-Programm in Thailand

Der Artikel basiert auf der Doktorarbeit der Autorin und verweist anhand des Beispiels des Regierungsprogramms 'Community Organizations Development Institute' (CODI) in Thailand auf die Charakteristika der dadurch geförderten gemeinwesenorientierten Programme. Die Stärke der von CODI unterstützten basisorientierten Programme liegt darin, dass sie ihren Fokus nicht nur auf den Wohnungsbau richten, sondern primär Gemeinschaften und soziale Netzwerke der Bewohner mit ihren informellen Spargruppen stärken. Dies unterscheidet sie von herkömmlichen Wohnungsbauprogrammen. Nachteilig ist jedoch, dass meist nur eine geringere Anzahl von Wohnungen auf diese Weise erstellt wird. Daher ist hierfür in der Regel auch nur wenig politische Unterstützung zu gewinnen; der Fall Thailand mit dem CODI-Programm ist eine Ausnahme. Meistens müssen externe Zuschüsse internationaler Entwicklungsinstitutionen akquiriert werden, um solche Prozesse zu realisieren.

### 1

The article is based on my PhD. In the dissertation I define "Community Driven Programmes" and also distinguish between "Market Driven Programmes" and "Hybrid Programmes" (Frank 2007).

### 2

Between 1992 and 2002 the calculation varied: US\$ 1 was equivalent from 25 to 47 baht.

Government supported community-driven programmes<sup>1</sup> address housing needs by strengthening communities and social networks. Here, housing is not seen as a product but as a social process. In contrast, conventional housing policies concentrate on the production of housing and the reduction of housing deficits. This article presents a positive example of a community-driven programme – the Community Organisations Development Institute (CODI) in Thailand – and analyses the strengths and weaknesses of community-driven programmes in general.

## Background

Despite the fast economic growth Thailand has had since the mid-80s, poverty there has increased. The booming economy has resulted in increased urban populations and has raised land prices. The high profit that landowners can achieve by selling houses and land has led to widespread evictions in poor neighbourhoods. Relocation programmes have not improved the situation.

In 1992 the programme Urban Community Development Office (UCDO) was officially established within the National Housing Authority. Also, the Urban Poor Development Fund was created as a revolving fund with a capital base of US\$ 50 million (1,250 million baht) supplied by the government.<sup>2</sup> Certain frame conditions were favourable to the programme. The good economic situation and public support enabled the establishment of such a fund. The political aim was that part of the wealth generated by economic growth should be distributed to lower-income families. The inhabitants were interested in collaborating with the government and ongoing decentralisation processes enabled a higher level of local participation. At last sufficient government funds were available.

The UCDO became the Community Organisations Development Institute (CODI) in 2000 and, since then, has also included a rural development fund. The responsible public department is also called CODI and is a legally independent entity situated within the Ministry of Social Development (Interview Usavagovitwong 17–12–2004). In 2000 the original UCDO fund was transferred to CODI and increased to 1,700 million baht. CODI currently works with a total fund of 3.3 billion baht which comes from a range of different sources and is used for a variety of project proposals. The programme has the advantage of having a direct link to the government's budget, even though the lack of long-term funding is seen as a problem (Boonya-

Figure 1  
Multifamily buildings of  
CODI  
*Geschosswohnungsbauten  
von CODI*  
(Photo: N. Usavagovitwong,  
2006)



bancha 2004). The revolving fund is calculated in local currency which, due to annual inflation, could decrease at a greater rate over time than when calculated in a strong currency.<sup>3</sup>

### How the CODI Programme Works

Generally, the programme aims to improve the living conditions of low-income families. It gives a high priority to supporting community self-organisation. The community is the "owner of the process" (Boonyabancha 2004: 29). In the Thai language the term "community group" has the same meaning as the word "neighbourhood." Neither, however, are equivalent to the administrative city structure (Interview Usavagovitwong 05-08-2005).

A key characteristic of the programme is the establishment and support of vertical and horizontal networks. Vertical means that communities involve different kinds of actors; for example, they deal with public institutions in order to solve their specific problems. These networks can exist at city level, dealing with municipalities, as well as at provincial level with the participation of provincial governments. Several community networks exist, agglomerate organisations with similar problems (e.g. those who have tenure insecurities). Horizontal networks refer to mutual support among the savings groups<sup>4</sup> and communities themselves at the local level. As a consequence, self-determined community processes and community savings groups are established and supported. The philosophy: "No single community can achieve its housing development process without support. Each community needs allies from which to learn and gain strength in order to negotiate with government authorities" (Boonyabancha 2004: 48).

The whole process is based on the savings of the groups which are, in turn, supported by the CODI community. The formation of savings groups can have different purposes and the programme is able to support a variety of projects. The loans can be invested in new housing, housing improvement and income generating projects (see table 1). The fund also allows opting for better security of tenure as communities often have to deal with the problem of eviction and involuntary resettlements.

The financial support of CODI is evidenced in state-subsidised credit given to community groups which, in turn, decide the type of investment and lend the sum further to their savings group members.<sup>5</sup> The loans can also be distributed to com-

munity network groups, which then lend funds to their member organisations. But the credit has to be repaid with interest to CODI. The network is seen as advantageous for the uncomplicated delivery of huge sums of money by reducing administration costs as the community itself organises the procedures. Greater flexibility can also be expected as social organisations can be pressured and controlled by their members.

Different types of loans are offered with specific interest rates and repayment periods (see table 1). Conditions may also be placed on the use of the loans. The interest rate for new housing is highly subsidised by CODI and is generally lower than the interest rate for housing improvement; this is because new houses are usually only constructed in situations of need (i.e. when squatters are expelled). The Miyazawa is a special fund for savings schemes which suffered during the national economic crisis. Those have also been used to repay loans from private moneylenders normally at an interest rate of 10% to 20% (Boonyabancha 2004/2005); thereby helping to avoid an increase in debt.

Type of Loan	Annual Interest Rate (%)*	Maximum Term (Years)
Income generation	8	5
Community enterprise	4	7
Housing improvement	8 - 10	5 - 15
Housing project	3 - 8	15
Network revolving funds	4	5
Miyazawa - to reduce community crises and debt	1	5
Guarantee	Fixed rate + 2	Flexible

\* Note: In most cases, the community will add a margin of about 5% to the rate charged by CODI (UCDO). Source: Extract of table quoted in Boonyabancha 2004: 31

The loans for housing projects (including new housing, land and infrastructure) in table I can be divided into four project groups (see table 2):

- Groups buying land on which they already live or land which is close to former locations.
- Groups buying land due to the need to relocate; generally this land is located on the periphery.
- Groups constructing houses on leased land which is owned by the National Housing Authority or another authority.
- Additional financial support given to infrastructure-improvement projects.

**3** Normally revolving funds for housing tend to de-capitalise over time due to inflation or repayment losses. But no detailed available data could verify this.

**4** The short term "savings groups" will be used instead of informal savings and credit groups.

**5** Generally, in housing finance programmes a subsidy is either a grant or a subsidised interest rate.

▲  
Table 1  
CODI (UCDO) Loans  
Available in 2000  
*Im Jahr 2000 bestehende  
Kreditlinien von CODI  
(UCDO): Zweck, jährliche  
Zinssätze und Laufzeiten  
(Jahre)*

►  
Table 2  
The Different Kinds of  
CODI (UCDO) – Sup-  
ported Housing Projects  
*Verschiedene Projektarten,  
die von CODI (UCDO)  
unterstützt werden*

Type of Project	Number of Projects	Number of Communities	Families Number	Families Percent	Loans Million Baht	Loans Percent
Buying existing land close to former locations	8	7	229	7.3	43,176	12.6
Relocation	20	45	2713	87.0	257,153	74.9
Housing construction on leased land or NHA land	5	5	240	7.7	27,544	8.0
Infrastructure improvement	4	-	-	-	15,456	4.5
Total	<b>37</b>	<b>57</b>	<b>3182</b>	<b>100</b>	<b>343,239</b>	<b>100</b>

Source: Quoted in Boonyabanha 2004: 44

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Subsidised interest rates for the different projects vary between 1% and 10% (see table I). CODI calculates repayments with an average annual interest rate of 7%. The charged interest rates have to be compared to an annual inflation rate of 3.9% (between 1990 and 2001) and 2.7% in 2004 (Fischer Weltalmanach 2005). So, assuming full repayment plus 7% interest rate and no inflation, full cost recovery should be achieved with the following ideal cost calculation (Boonyabanha 2004):

- a) Management costs (4%)
- b) Bad debt (1%)
- c) Special community activities (1%)
- d) Reinvestment (1%)

In reality, the fund needs balancing by public subsidies to cover inflation deficit and some running costs of the programme. In particular, the cost differences for loans with lower interest rates (1% to 6%) have to be cross-subsidised. Likewise, it has not yet been specified what is included in the management costs – for example, whether the salary of the CODI staff is considered in the calculation. In order to be able to maintain the fund, to date only one third has been given as a loan. So, two-thirds of the CODI funds gains interest at about 7% and therefore it has been possible to cover unexpected costs.

Not only does CODI charge interest rates, but the community organisation also requires a certain amount of interest – between 2% and 10% – which is added to the costs. As a result, management capacities are strengthened among the community members. The margin is used to cover own administrative costs, to collect funds for further community development projects (Boonyabanha 2004), for maintenance in the future, or other pur-

poses (interview Usavagovitwong 05-08-2005). But, more importantly, with these processes inner-community activities are self-determined. The community organisation normally charges an additional reasonable 5%. So, in the case of the housing loan, the sum amounts up to 8%. Some even add more to a maximum 10% rate to be paid by a lending group (Boonyabanha 2004).

If all procedures occur on schedule, the period from application to approval takes approx. one month (Boonyabanha 2004). But the whole procedure, including the formation of the organisation, is difficult to calculate. Ideally, it should take 7 to 8 months, but if internal community conflicts exist it could take as long as 4 years (interview Usavagovitwong 20-09-2006). The formation of savings groups is voluntary; it can be supported but not forced (Usavagovitwong and Posriprasert 2006).

## Institutional Structure of CODI

Graph I shows the institutional structure of the CODI programme. It is divided into three operational levels: national, provincial/regional and local.

Beneficiaries have to belong to community groups in order to participate in programmes. In Thailand, a community group may have a membership of anywhere between 30 to 600 households. A community can have several operating savings groups. The communities are selected by the CODI board. The community organisations have to present a project proposal with a business plan to the national board with the intended loan investment. One condition is that the communities establish savings groups in order to be able to show their financial management capacity (interview Usavagovitwong 05-08-2005).

The **public sector** is the leading institution represented by CODI, but according to the network's philosophy decisions about the type of investment of the funds are made locally (Boonyabancha 2004). The public institution CODI has the role to provide the financial resources, to give advisory services, and to act as moderator between the different actors. It assists in the establishment of the business plan which contains information both about physical aspects and the savings groups. A characteristic of the activists and personal is that they possess a high degree of motivation and knowledge about working with communities. Much of the staff has previous NGOs work experience (interview Usavagovitwong 17-12-2004).

The **private construction sector** is not heavily involved. The community group can decide whether or not to contract a professional construction enterprise or an architect's office. CODI has realized, however, that further support is necessary for a group to be able to negotiate with the private construction sector. Often community members work in the construction sector and have the necessary skills; then it is easier for them to participate as constructor. CODI is currently implementing training programmes to enable the communities to improve their negotiation skills with the construction sector (interview Usavagovitwong 17-12-2004 and 05-08-2005).

Private or public financial institutions are not involved as the programme operates with the government fund and savings groups.

The programme has established different kinds of cooperation with **international donor agencies** which support CODI with funding. Different programmes which do not necessarily address the housing problem have also been implemented.<sup>6</sup>

NGOs play a significant role. At the local level, NGOs establish the first contact with the community and then enter into cooperation with the CODI staff. They help to organise the community, for example, by seeking out a leader where no leader exists (interview Usavagovitwong 05-08-2005).

### Achievements and Problems of the CODI Programme

In 2000, CODI was active in 53 of 75 provinces. About 950 community savings groups had been created within the 2,000 urban communities existing in Thailand and over 100 community networks had been formed. Over 1,000 million baht was paid

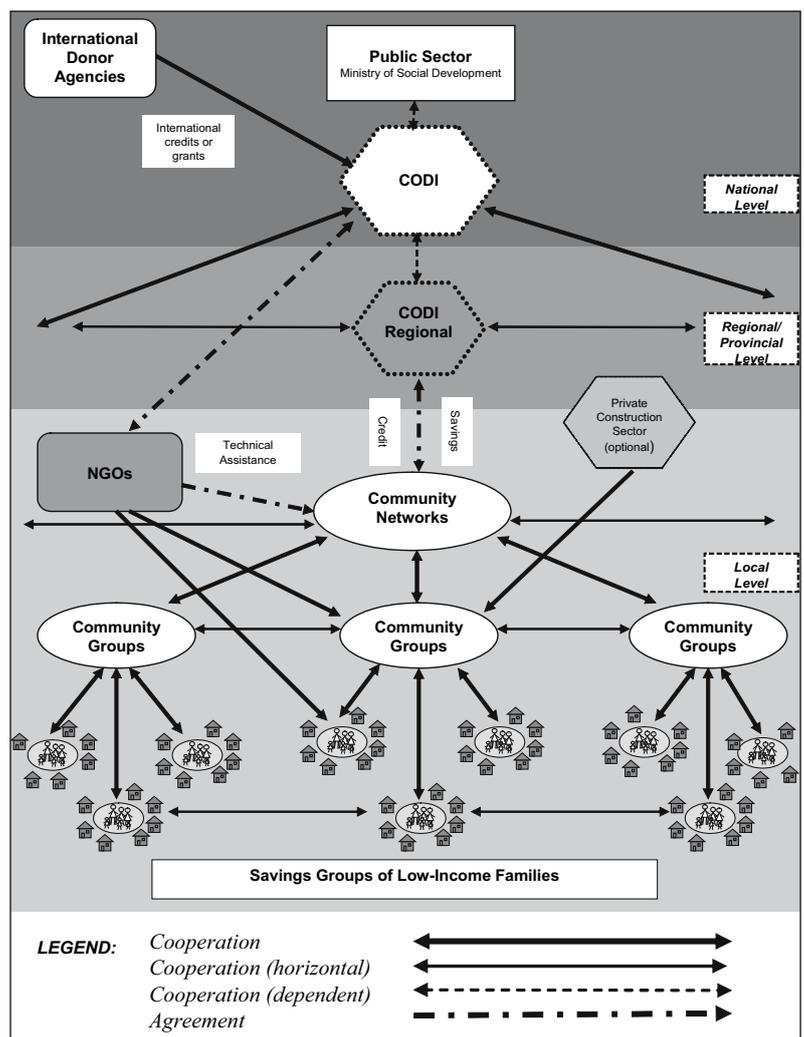
out in loans, of which over 50% were eventually repaid. The contributions of the families probably amount to 2,000 million baht. In regard to housing, over 47 housing projects were carried out to the benefit of 6,400 households. Furthermore, small infrastructure improvements in over 100 communities were built.

When relocations were necessary, new houses were constructed. Due to high land costs the projects were established on the cities' peripheries, nearly one third located between 30 to 40 kilometres from the city centre. For the resettled, the distance between the new settlement area and the job market caused problems. The transportation costs rose and, therefore, some lived with relatives in the city or rented a room closer to their jobs. As a result, the monthly cost of living increased.

The economic crisis from 1997 to 1999 led to difficulties as incomes declined and many people lost their jobs. Some families in the housing projects were often close to bankruptcy and some even tried to resell their plots to pay back their loans. Others

**6** For example, in 1998, during the economic crisis, The World Bank created a "social investment fund" with a US\$6 million grant for projects such as education, HIV welfare projects and for income generation (Boonyabancha 2004).

Graph 1  
Organisational Diagram:  
CODI, Thailand (Own  
elaboration)



## Interviews

**Usavagovitwong, Nat-tawut**, project coordinator for CODI, Thailand since 2006, formerly worked at the NGO Chumchonchai foundation in cooperation with CODI, interviews: 17-12-2004 / 08-07-2005 / 05-08-2005, Kassel / interview (telephone calls to Thailand) 20-09-2006 / e-mail communication to Thailand, 19-09-2006.

## 7

Different kinds of cooperation bonds are distinguished into strong - plus - and weak - minus - connections. Strong connection means that the interaction and cooperation among the actors is dominant; they influence the result of the programme deeply. A weak connection means that those actors have a minor influence in the design and operation of the programme. It has to be mentioned that the strong connections can, but do not necessarily, represent the flow of subsidies.

returned to their former sites or moved elsewhere. It was not possible to help them within the savings group. At the time, the non-repayment rate rose to between 7% and 8% (1997 to 1999), compared to 1% to 2% in 1995.

Nowadays, relocation is avoided if possible and more emphasis is given to local tenure solutions. In order to mitigate effects of national economic crisis, a horizontal support system between different community and savings groups has been established. These groups should be able to support each other when economic difficulties emerge and thus reduce the risk of failure (Boonyabanha 2004/2005).



Figure 2  
Multifamily house built by private construction sector  
*Von privaten Baufirmen erstelltes Mehrfamilienhaus*  
(Photo: N. Usavagovitwong, 2006)



Figure 3  
New buildings on the periphery  
*Neue Wohnhäuser am Stadtrand*  
(Photo: N. Usavagovitwong, 2006)

## Characteristics of Community-driven Programmes

Some strengths and weaknesses of CODI, which are generally based on the institutional organisation, can be generalised for community-driven programmes. Graph 2 shows the kinds of institutions that are involved and that are in direct contact with the low-income groups in community-driven programmes.<sup>7</sup> NGOs play an important role by giving technical assistance or even building houses. The private construction sector has a weak position and the role of financial institutions has been taken over by savings

groups. International donor agencies are necessary for initiating and maintaining the programme, as political support in the country itself is weak due to the low numbers of houses built.

In community-driven programmes only community groups – not single families – are favoured and their active participation is even a condition. This is advantageous, as it might be easier for the better-off and poor to help each other than for the poor to help the poor. In fact, diversity in incomes could be beneficial to the programme. But sometimes communities have to deal with internal conflicts which can disturb procedures and often need a long time to solve. Furthermore, participation processes need time and money. Targeting groups can be successful, but it can also fail to reach the very poor. Even here subsidies can be diverted e.g. when community leaders, who are often not elected, do not operate in favour of the community. Group mechanisms are only viable for participants who want to operate in groups. They are not viable for individuals who prefer an individual approach.

Community-driven programmes support social networks and therefore create sustainable solutions.<sup>8</sup> The programmes give priority to the communities. They not only produce housing, they also strengthen social networks. The beneficiaries are the managers. As social networks are favoured, a range of problems associated with poverty are tackled. It is fundamental that social networks can enable incremental building and consolidation processes even after the end of the support. So, a sustainable and self-sustaining solution is created. In general, strengthening self-management and learning processes are regarded as a solution for dealing with private as well as national economic and political crisis. If savings groups are promoted, even income-generating loans can be taken out in order to increase incomes and, in a second step, enable the improvement of housing.

The financing is based on the communities. They are the primary financier. Community-driven programmes work with self-help building schemes and/or with savings groups. In the case of savings groups, the payment is given directly to the poor in the form of subsidised loans which have to be repaid in full; it is not given as a non-repayable grant as in other programmes. So a greater effort and sense of responsibility is required, but it ensures that the money reaches the families directly. As a result, these programmes depend less on visible subsidies and the

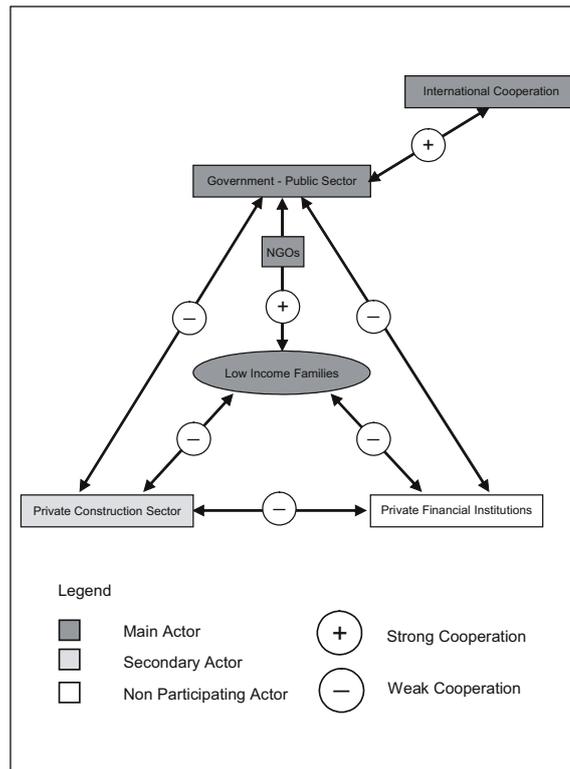
side effect is the strengthening of the community. Furthermore savings groups can assure high repayment rates. They operate informally and possess their own group pressure mechanisms.

NGOs play an important role in giving technical assistance and even act as house builders. They can work closer with the community by strengthening their community building process. But, the fundamental disadvantage is that NGOs depend on grants from external donors, so their support can end according to changed objectives or reduced funding. In general, technical assistance is fundamental for the functioning of these programmes. Therefore it has to be accepted that a programme which integrates specialised advisory services focused on the poor needs this additional "hidden" financing.

### Challenges of Community-driven Programmes

Despite of the many positive effects of community-driven programmes, there is still room for improvement. Generally, community-driven programmes possess one fundamental problem: the number of houses produced is low. Today they are not able to reduce the housing deficit. So, the great challenge is how to scale up community-driven programmes.<sup>9</sup> But scaling up could result in the reproduction of the negative effects of mass-housing programmes. Thus, a scaling up should increase the number of small community-managed housing projects in several territories and not the number of housing solutions in one place. Success would bring greater support from the government since a higher number of produced houses can be sold politically. But, a further challenge is that the government would have to agree to transfer certain powers of decision-making to a higher amount of community groups. This is of course the key issue which is not at all easy to achieve.

Generally, both construction and land costs are rising. The land costs are one of the essential problems which can influence any programme deeply. New settlements are primarily constructed on the outskirts where undeveloped land is cheap. Experience has shown that sometimes settlers have to return to their previous locations as they cannot afford the new formal housing costs and the often excessive transport expenses. This phenomenon already happened in conventional public housing programmes. As of yet, community-driven programmes have not solved this problem. The involvement of land-management strategies on city level and a greater focus on solutions for existing settlements is therefore necessary.



Graph 2 Institutional model for community-driven programmes  
Akteursbeziehungen bei basisorientierten Programmen (Own elaboration)

8 Sustainability is defined as durable and institutionally self-sustained.

9 Another CODI project called 'Baan Mankong' and focusing on upgrading measures, was started in 2003. It is also based on the existent community networks. It has tried to scale up the network idea. The programme is mainly directed to supporting the provision of infrastructures and the improvement of housing. The target is to provide 300,000 households in 2,000 communities in 200 cities with secure tenure and the improvement of housing in 5 years. But currently the numbers of houses built do not yet meet the predicted results (Boonyabanha 2005).

The quality of construction can be a problem as well. One reason is that the participation of the private building sector is optional. Some community-driven programmes work with self-help building schemes. NGOs, which often lack of professional building expertise, can also hinder quality. Therefore, the involvement of small building enterprises or building experts is necessary. The creation of stronger cooperation bonds between the private construction sector and NGOs may help to secure adequate building.

To sum up, a distinctive characteristic of community-driven programmes is that the management procedures are taken over mainly by the community which, in turn, can possess a high level of decision power. The process of empowerment and not a product is being supported. Those processes have the advantage of being closer to the needs of the low-income groups and possess a long-term perspective. Furthermore they are supported by technical assistance. But, in most cases they depend on external funds and on political will. Ideally, more governments should to give more decision-making power to community groups. Thailand is a positive example where this has been achieved.

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# Analysis of Government Policies for Solving Urban Housing Problems of Poor Families in China

Gu Guowei

## Analyse der Regierungspolitik zu Wohnproblemen armer Familien in China

In den letzten Jahrzehnten durchlief China fundamentale Veränderungen. Die Einführung der Marktökonomie und eine Wohnbaureform führten zu einem Boom privaten Wohnungsbaus. Die Wohnmöglichkeiten der städtischen Bevölkerung verbesserten sich dadurch erheblich. Dies ging jedoch einher mit stark steigenden Baupreisen, vor allem in den großen Städten, so daß sich die Mehrzahl der Familien einen Wohnungskauf zu Marktbedingungen nicht mehr leisten kann. Um Abhilfe zu schaffen legte die chinesische Regierung spezielle Wohnbauprogramme auf, insbesondere das ESH Sozialwohnungsprogramm („Kostengünstiges und angemessenes Wohnen“) sowie das Programm zum Bau von Niedrigmietwohnungen (ULRH). Die Umsetzung dieser Programme ist bislang enttäuschend schwach, unter anderem deshalb, weil bei schnell steigenden Baulandpreisen jede Landzuweisung an Sozialwohnprojekte erhebliche Einnahmenverluste für die Stadtverwaltungen bedeutet. Der Autor analysiert diese Probleme und unterbreitet am Ende mehrere Vorschläge: mehr Druck auf Lokalregierungen, damit diese ihrer sozialen Verantwortung verbindlicher nachkommen; eine Konzentration auf das ULRH-Programm, weil es besonders wirksam die Ärmsten erreicht; die Ermöglichung einer Vermietung in ESH-Wohnprojekten sowie eine Lockerung der als zu streng empfundenen Zugangskriterien zu den Programmen.

**1** What the chart exhibits is the changes of the housing price index. The price is the sales price of new housing, excluding old housing and rental prices. The last year's index is 100 (the same for the following price index graph). The data for 2001 is not available.

**2** Due to the availability of information, only the housing price index of Shanghai, the biggest and most important economic and financial centre in China, is displayed.

**3** The ratio of housing prices to household incomes is widely regarded as the criteria to assess the affordability of housing prices. If the ratio is between 3 and 6, it is considered to be reasonable. Over 6 can be regarded as unaffordable.

In recent years we have seen numerous reports which claim that the world has been experiencing on-going, strong housing prosperity. "For a decade world house prices have soared, creating the biggest boom in history. (...) In three years house prices have rocketed in South Africa by 95%, in China by 68%, in Australia by 56%, in Britain by 50%, and in America and Thailand by 29%. The world has never seen a boom of such breadth and scale." (Woods & Smith, 2005) The housing markets in many countries may have been pretty hot before, but the booming market and good returns have attracted even more investors, so now markets are even hotter. This is making some people worried. "Housing gets ugly," the famous American economist Paul Krugman warned in 2006 (Krugman, 2006). Is the world really facing a huge bubble? Many are asking, "When will it burst?" No doubt it will be a big disaster if the bubble gets too big and, worse, suddenly goes bust.

China as a whole has been also enjoying quite a booming housing market since the Asia financial crisis in the late 1990s. Figure 3 demonstrates the increase in housing prices from 1999 to 2004 in the national level.<sup>1</sup> In 2002, 2003 and 2004, the indexes were 104, 105.7 and 109.4 respectively. Given that China is such a vast and disparate country, such increases are extraordinary.

In the so-called "first-tier" big cities like Beijing, Shanghai, Guangzhou and Shenzhen, the housing markets are red-hot. Housing prices have risen steadily in the last five years. Figure 4 shows the movement of the housing price indexes in Shanghai from 1999 to year 2005.<sup>2</sup>

Due to the big negative impact of Asia Financial Crisis on the Chinese property market, the housing prices in Shanghai dropped. But as of 2000 the housing market has recovered quickly and the prices have gone up again. In the subsequent years the housing prices increased significantly, especially from 2002 to 2005; during this period of time the annual increase was over 10% or even 20%.

The booming housing market and ever-increasing housing prices are, of course, good news to home owners, residential investors, mortgage banks, even local governments. But it is definitely disastrous news to those who are poor and desperately in pursuit of buying a living place. After several years of increases, the housing prices have become so high, particularly in the four cities mentioned above, that ordinary citizens are now to some extent excluded from the market. The following charts (Table 1 - 4) illustrate the ratio of housing prices to household incomes (RHPHI) in Shenzhen, Beijing, Shanghai and Guangzhou.<sup>3</sup> In 2004, 2005 and 2006 the average

RHPHIs in the four cities were 8.51, 10.11 and 11.06 respectively<sup>4</sup>, well beyond the scope of 3 – 6 which is perceived to be an affordable ratio. This means that the housing affordability has become a serious problem in the cities. The severity of the problem has prompted the central government to take strong and effective measures to control the situation.

It is recognised that house prices are very high in the above-mentioned four big cities, and it is virtually the same in every other major city. Ordinary city dwellers, let alone the very poor ones, find it very financially difficult to buy the houses that they want. This is the housing problem the society faces. So, how to solve this problem? By concentrating on low-income and poor families, this paper will briefly discuss how the Chinese government has made policies to help those families to work out the housing problem and will succinctly analyse the effectiveness of the policies.

### The Housing System Before the "Open-door" Policy

During the last thirty years China has experienced a huge turn-around. Before the end of 1970s, China was purely a socialist country with an economic system strictly planned and totally controlled by the central government. Under the central planned economic system, all the urban dwellers' houses were built by the government and the government allocated the houses freely to the people (workers and officials) who submitted applications. The dwellers paid a symbolic rent to the government. There was no private housing. There was no housing market.

The old system led to three major problems. The first one was a severe housing shortage; the supply of housing was very much restrained by the old regime. The second was over-demand; the huge demand for housing could not be met by supply. The third was the corruption; the big deficit of the supply and demand gave rise to rampant corruption. Thus housing reform was necessary.

### The Housing Reform

In 1978, the Chinese government adopted the "open-door" policy and introduced the concept of market economy into the Chinese economic system. From then on, the market-oriented economy was gradually established. With the establishment of the market system, housing became an economic commodity and a housing market became established. Housing reform was the embodiment and natural result of the new economic system.

Roughly speaking, the housing reform campaign went through three phases (Liu, 2006):

- The first phase was from 1979 to 1994. This was the preparation period when some measures were taken to prepare for the establishment of a private housing market. The main measures included the permission of selling houses and raising rent.
- The second phase was from 1994 to 1997. In July 1994, the State Council, the highest administrative branch in the country, issued the document "The State Council's Decision to Deepen Urban Housing Reform." This was actually the beginning of the housing reform. The document officially promoted the idea of private housing and the private housing market.
- The third and current phase began in 1998. The milestone document, which was made public by State Council in July 1998, was "The Notification about Further Strengthening of Housing Reform and Facilitating Housing Construction"; it declared the complete cease of free-allocation of housing. This policy paved the way for the erection of the housing market.

In less than thirty years, after passing through three phases, the private housing market was set up. On the one hand, the establishment of the housing market has greatly improved the living conditions of the urban citizens. In many cities the living space

**4**  
The three figures of 8.51, 10.11 and 11.06 are the average value of the four cities in the same year. For example,  $8.51 = (6.52 + 9.11 + 11.48 + 6.91)/4$ .



◀  
Figure 1  
A new residential development  
*Ein neues Luxuswohnprojekt*  
(Photo: Gu Guowei)

►  
Figure 2  
A typical housing project  
*Ein typisches Wohnungs-  
bauprojekt*  
(Photo: Gu Guowei)



**5**  
In China, the principle process of policy-making is that the central government initiates the outline policy and then the local governments make the detailed one. So, basically, the national policy is directive while the local policy is practical. In this paper, only the national policies will be discussed.

**6**  
The construction area includes the living area of each unit and the share of the public area.

**7**  
For any project, the share of two-bedroom flats should be more than 60%. It aims to prevent the building of too many big flats in the project.

**8**  
For example, in a given city, the average area per person would be 30 m<sup>2</sup>. Then, for a three-person poor family, the government will allocate the family an ULRH, which has not more than 48 m<sup>2</sup> (30 x 60% x 3 = 48).

**9**  
The Collective Housing Fund is a governmental supported scheme, which aims to help urban people to buy housing. This programme is not specifically designed for urban poor households.

**10**  
Because the ESH programme has been implemented for a quite longer time than the ULRH, and the problems related to the ULRH are quite analogous to those of the ESH, this paper only analyses the ESH in this section.

per capita has more than doubled in a short period of time. On the other hand, with the abolition of the free-allocation of housing, the housing prices have just skyrocketed and the poor families have been ignored and pushed out of the housing market.

### **The National Housing Policies for Helping Low-Income and Poor Families**

Actually, the Chinese government did pay attention to the problem of housing affordability for the low-income and poor families.<sup>5</sup> Given that the low-income and poor households do not have the abilities to purchase houses in the housing market, as of the mid-1990s the central government has made a series of policies aiming at helping them to possess a basic living space (Nie, 2004). The policies are catalogued into three groups.

#### **1. State Living Settlement Project (SLSP)**

The SLSP was initiated in the middle of 1990s and designed to assist the moderate and low-income families to solve the housing problem, and was concurrently intended to influence the housing market and to reallocate income. The policy which regulates the SLSP is "The Acting Plan for SLSP," which was made and issued by State Council in 1995. The key points of the policy are:

- The SLSP houses will be sold to the moderate and low-income families at a price which equals the housing cost; the homeless and those who are in urgent need have priority in buying the house.

Preference is also given to the retired and teachers who are in poor living conditions. High-income families are excluded from the scheme. The average construction area<sup>6</sup> of every flat should be below 55m<sup>2</sup>, and the percentage of two-bedroom flats should be over 60%.<sup>7</sup>

- The costs should be calculated in accordance with the specific requirements.
- The central government shall make the loan plan and the national planning bureau and central bank are in charge of the loan arrangement. The loan will be issued through the commercial banks.
- On top of the loan provided by the central government, the local government should also provide supporting capital for the SLSP.
- The SLSP began in 1995 and was changed into the Economic & Suitable Housing in 1998 when the housing reform truly commenced.

#### **2. Economic & Suitable Housing (ESH)**

After the termination of the SLSP, ESH became the major programme in housing relief for urban low-income families. Because of the low prices resulting from the indirect subsidy from the government and the good facilities - the facilities of the ESH projects are not very different from that of private projects - the ESH was pretty popular and successful. Four documents are closely related to the management of ESH. The first one is "ESH Management Methods," which came into force on May 20, 2004. The second one is "The Notification of ESH Construction & Management," which took effect on January 1, 2004. The third one is "ESH Price Management Methods," which was put in operation on January 1, 2003. The last one is "The Notification about Further Undertaking the Works of SLSP (ESH) in 1998," which was issued on April 10, 1998. Following are the summary of these documents.

- ESH is the specially constructed ordinary low-price housing which is designed to solve the housing problem of the moderate and low-income families.
- ESH is somewhat like welfare housing and is not totally open to the public.
- The characteristics of ESH are both "economic" and "suitable." The "economic" nature means that, compared with market price, the prices of ESH are acceptable to moderate and low-income households; the "suitable" feature refers to the emphasis on usability in design and construction.
- In order to reduce the costs, the government exempts ESH the land-transfer fee and permits a 50% discount on all other fees which are related with housing development.

- The purchase price, purchaser, flat size and developer's profit in ESH are regulated by the government. The developer's profit is generally lower than 3%. "Economic & Suitable Housing" started in 1998.

The main sources of funding for ESH could be:

- I. Special appropriation and loans for ESH from central and local governments.
- II. Special capital for ESH from housing-reform funds.
- III. The designated capital urban land-transfer fee.
- IV. ESH loan from commercial banks.
- V. Personal mortgage.

### 3. Urban Low-Rent Housing (ULRH)

Before 1998, the only official housing relief scheme was, initially, the SLSP and then ESH. At the end of the 1990s, the government finally realised that the scheme was too narrow and should be expanded. One obvious aspect noticed was that even though the price of the housing of the SLSP or ESH was significantly lower than the market one, it was still beyond the reach of numerous poor families. Therefore, as of 1999, the government began to promote the "Urban Low-Rent Housing Management Methods" in addition to ESH; ULRH was targeted at very deprived families. The policies which are in charge of ULRH are "Urban Lowest-Income Family Low-Rent Housing Management Methods" and "Urban Low-Rent Housing Management Methods." They became effective on March 1, 2004 and May 1, 1999 respectively. The main contents of the documents are as follows.

- ULRH is ordinary housing (low-rise or high-rise buildings) that the government owns and lets, in the form of rent subsidy or low rent, to the extremely poor urban residents and other specially needed families which are financially unable to buy. ULRH is primarily welfare housing and is only for rent, not for sale.
- The principle of providing ULRH for the very poor is that the basic living requirements are met, not that the living conditions are improved. The average space per person of ULRH should usually not be over 60% of that in the local area.<sup>8</sup>
- The ULRH prefers rent subsidy to low rent.
- The local government is totally responsible for providing ULRH.

The prime sources of ULRH funding could be:

- I. Special appropriation from the local government's budget.
- II. ULRH funds from the premium of the Collective Housing Fund.<sup>9</sup>
- III. Endowment from society.

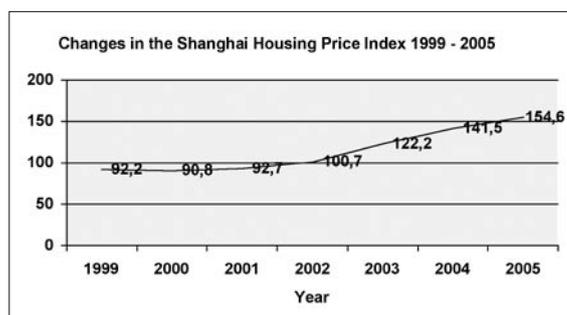
### Analysis of the Implementation of the Policies<sup>10</sup>

Maybe it is always true that the making of policy is one matter, but its execution is another. The execution of the policy is often a very complicated process, especially in China. With regard to the housing policies which this paper deals with, the ultimate purpose of the policies is to help poor families. In reality, however, the results are not satisfactory at all. The main problems are listed below.

### The Severe Shortage of ESH

ESH has clear advantages over that of the market; for example, the price of ESH is notably lower than the market prices<sup>11</sup> and its quality is good. Due to this and other reasons, the demand for ESH is huge. In many places, the shortage of ESH is incredibly serious (Chen X, 2007; Wu, 2003). One report says that more than two thousand people queued under the hot sun for two consecutive days for a flat-number<sup>12</sup> and someone even camped in front of the sales office for two months just to obtain such a number (Ruan, 2005).

The main reason behind the deficiency of ESH might be that local governments and the developers are not enthusiastic about ESH. With commodity housing, local governments can earn enormous financial gains through the land lease,<sup>13</sup> development fees, sales tax and so forth. For ESH, the local governments on the contrary need to provide cheap or even free land and, worse, dole out construction money. Thus, the development of ESH often en-



### 11

There are many articles about the cheap ESH prices. Here I list three examples. The price of ESH in Tongzhou District in Beijing is only half of that of the surrounding dwellings, reported "The Beijing Youth" on January 27, 2007. In Tianjin, one of the four municipalities directly under the central government, the price of ESH is 15% - 23% lower than those of nearby projects (www.tjloupan.com, October 21, 2006). In the city of Xian, the capital of Shanxi Province, the price of ESH is usually 20% - 30% cheaper compared with other dwellings in the same location (www.sxdaily.com.cn/data/jjtdts/20050531\_8683584\_9.htm)

### 12

Because the shortage of ESH is so critical, a simple process was set to put some order to the queuing. People need to queue for a flat number first, and then with the flat number they may be lucky enough to view and select a house.

### 13

As of 2002, most cities lease the land to the developer via a bidding process. Usually the highest bidder gets the land. Because of the special tax structure, the local governments benefit tremendously from the land bidding. In many cities, land income reaches one third of the total income of local authorities. So offering cheap or free land to ESH is a huge loss of money to the local governments.

Figure 3/4  
Changes in the National Housing Price Index 1999 - 2004 / in Shanghai 1999 - 2005, Source: Chinese Statistics Year-Book *Veränderungen des Hauspreisindex der VR China 1999 - 2004 / in Shanghai 1999 - 2005*



▲  
Figure 5  
ESH (Economic & Suitable Housing) project in Beijing  
*ESH Sozialwohnungsprojekt ("Kostengünstiges & angemessenes Wohnen") in Beijing*  
<http://house.focus.cn/photoshow/701/2306626.html>

▲  
Figure 6  
People are queuing for buying ESH (Economic & Suitable Housing)  
*Leute stehen Schlange für den Kauf von ESH-Wohnungen*  
<http://bj.house.sina.com.cn/p/2005-06-14/075079089.html>

▶  
Table 1-4  
Ratio of Housing Prices to Household Incomes (RHPHI) in four big Chinese cities 2004 – 06  
*Verhältnis von Wohnpreisen zu den Durchschnittseinkommen (RHPHI) in vier großen chinesischen Städten 2004 - 06*

**Shenzhen** (Table 1)

Year	Distributable income per capita (1)	Ø Household income p.a. (1) x 3 = (2)	Ø Housing price per m <sup>2</sup> (3)	Housing Price (3) x 90 m <sup>2</sup> = (4)	RHPHI (4)/(2) = (5)
2004	3,450 US\$	10,350 \$	750 \$/m <sup>2</sup>	67,500 \$	6.52
2005	2,687 US\$	8,061 \$	880 \$/m <sup>2</sup>	79,200 \$	9.83
2006 (1-9) projected	(2,130 US\$) 2,840 US\$	(6,390 \$) 8,520 \$	1,119 \$/m <sup>2</sup>	100,710 \$	(15.76) 11.82

**Beijing** (Table 2)

Year	Distributable income per capita (1)	Ø Household income p.a. (1) x 3 = (2)	Ø Housing price per m <sup>2</sup> (3)	Housing Price (3) x 90 m <sup>2</sup> = (4)	RHPHI (4)/(2) = (5)
2004	1,955 US\$	5,865 \$	593 \$/m <sup>2</sup>	53,370 \$	9.11
2005	2,207 US\$	6,621 \$	841 \$/m <sup>2</sup>	75,690 \$	11.43
2006 (1-9) projected	(1,876 US\$) 2,501 US\$	(5,628 \$) 7,504 \$	848 \$/m <sup>2</sup>	76,320 \$	(13.55) 10.17

**Shanghai** (Table 3)

Year	Distributable income per capita (1)	Ø Household income p.a. (1) x 3 = (2)	Ø Housing price per m <sup>2</sup> (3)	Housing Price (3) x 90 m <sup>2</sup> = (4)	RHPHI (4)/(2) = (5)
2004	2,085 US\$	6,255 \$	798 \$/m <sup>2</sup>	71,820 \$	9.11
2005	2,331 US\$	6,993 \$	837 \$/m <sup>2</sup>	75,330 \$	10.77
2006 (1-9) projected	(1,955 US\$) 2,607 US\$	(5,865 \$) 7,820 \$	1.105 \$/m <sup>2</sup>	99,450 \$	(16.96) 12.72

**Guangzhou** (Table 4)

Year	Distributable income per capita (1)	Ø Household income p.a. (1) x 3 = (2)	Ø Housing price per m <sup>2</sup> (3)	Housing Price (3) x 90 m <sup>2</sup> = (4)	RHPHI (4)/(2) = (5)
2004	2,111 US\$	6,333 \$	486 \$/m <sup>2</sup>	43,740 \$	6.91
2005	2,286 US\$	6,858 \$	639 \$/m <sup>2</sup>	57,510 \$	8.39
2006 (1-9) projected	(1,890 US\$) 2,520 US\$	(5,670 \$) 7,560 \$	799 \$/m <sup>2</sup>	71,910 \$	(12.67) 9.51

Notes: All prices are indicated in US\$. Exchange rate: 1US\$ = 8 RMB. The average household consists of three persons, i.e. parents and one child. This is very typical for big Chinese cities. The average house size is calculated with 90m<sup>2</sup>, the medium size in the housing market. Available data for household incomes and prices in 2006 relate to the first three seasons only. Figures for the entire year 2006: own projection. Source: Newspaper China Security, November 23, 2006.

Sources: for Beijing: [http://news.xinhuanet.com/house/2007-02/09/content\\_5718757.htm](http://news.xinhuanet.com/house/2007-02/09/content_5718757.htm). For Shanghai: [http://house.online.sh.cn/gb/content/2007-02/15/content\\_1867559.htm](http://house.online.sh.cn/gb/content/2007-02/15/content_1867559.htm) and Shanghai Year Book 2006. For Guangzhou: <http://news.sz.soufun.com/2007-03-29/996976.htm> and Guangzhou Year Book 2006. Except those indicated otherwise, all the data in the table is up to 2006.

counters so-called "soft-obstacles" such as complex and tedious approval processes or high charges from monopolistic companies like water, electricity companies. (Chen & Deng, 2007) To developers, the regulated profit rate of 3% for ESH projects is very limited. Compared with private housing projects, this is a disappointing figure for developers. One article mentioned that for the housing sector in general the average gross profit rate is 20% and many big public property companies are well over 30% (Shu, 2007).

### The Distortion of the Distribution of ESH

It is pretty clear that ESH is built specifically for middle and low-income households, with priority given to the poor ones. But people have noticed that in some ESH estates, among the many cars parked in the garages there are luxury brands like Mercedes-Benz and BMW (Jiang, 2007). Given that privately owned cars are not as common as in western countries, the owners of cars – let alone the owners of Mercedes – are of course not the deprived. So, how can it be that these deep-pocketed people occupy ESH, rather than those who are really in need?

The answers lie in the management of ESH – specifically speaking, the approval procedure. ESH is in the management scope of the local government. Certainly, the local government totally controls the approval and distribution. Considering that ESH is cheap and has good structural quality, it is attractive to everyone, but if the procedure were open and fair, ESH would then only go to the needy families. It does not in real life. Much of ESH was eventually purchased by the governmentally-well-connected persons who went through the approval process with no trouble. They obtained it for their own living or for sale and earned a fat profit. On the one hand, thousands of people are queuing night after night for just a number; on the other, those rich men get it easily through "back door." This could result in social unrest.

Another aspect of the derailed distribution of ESH is that it is allocated to resettlement residents. In China, in order to improve the city infrastructure, almost all large cities are undertaking influential resettlement programme to clear some areas in the city centres for the construction of showcase roads, overhead highways or similar big projects. Large amounts of original residents must therefore be resettled to other areas. For the local government, the best way to settle these residents might be ESH. But the problem is that many of the resettled peo-

ple are not poor. One professor has complained: "By doing this, the authentic significance of ESH is discounted." (Li, 2007)

### The Unaffordable and Unsuitable ESH

Because ESH is targeted at poor families that have very low purchasing power, on paper it should be low-priced, small-sized and suitably located for the poor. But the reality is quite another matter, if not the contrary. A lot of poor people are grumbling that the sizes of many ESH flats are too big. Although the unit price<sup>14</sup> is relatively cheap, the total price is high due to the big size. This makes ESH still unaffordable to the poor. For example, in Chendu, the capital of Sichuan Province, one investigation which was conducted by a newspaper reporter showed that the sizes of many ESH projects were mostly over 90m<sup>2</sup> which is the biggest area the ESH policies allow (Liu & Zhou, 2005). And the majority of ESH is only for sale, not for rent. On top of that, the locations of ESH are frequently far away from the centre and/or out of the service of public transportations, which results in unbearable traffic time and costs.

City	Total Urban Households (000)	Total ULRH Households (000)	ULRH Coverage (%)
Beijing	3,264	23	0.7
Shanghai	4,256	77	1.8
Guangzhou	1,929	5	0.3
<b>Average Urban Low-Rent Housing (ULRH) Coverage</b>			<b>0.9</b>

### Low coverage of Urban Low-Rent Housing (ULRH)

Up to 2006, on the national level there were about 550 thousand households which benefited from the ULRH programme in China. In 2006 alone, ULRH helped 220 thousand households to earn a suitable living (Huang, 2007). Considering the huge population in the country, these figures are really negligible. According to the official national statistics information, there are 133 millions<sup>15</sup> urban households. Hence, accumulatively, ULRH covers merely 0.4% of the total households of the urban areas. The national Construction Department, which is in charge of ULRH, reported that by the end of 2005, nationally, there were 329 thousand households that were eligible for ULRH and, by January 2006, there were 10 million households that applied for "lowest living benefit."<sup>16</sup> So the ratio is only 3.3%.

**14** In the Chinese residential market, the sale price is always denominated with the unit price, such as \$/m<sup>2</sup>. So the total price of one flat is equivalent to the unit price multiplied by the flat's floor area.

**15** This is an estimated number. It is calculated by dividing the urban population of 458 millions by the average household population of 3.44, both figures coming from the 2000 Census in China.

**16** The "lowest living benefit" is a governmental welfare scheme, which provides extremely poor families with just enough financial aid to survive.

▲ Table 5  
Urban Low-Rent Housing (ULRH) Coverage Rate In Three Cities  
*Anteil Städtischer Niedrigmietwohnungen (ULRH) am Gesamtwohnungsmarkt in drei Städten*

"Double limits & double competitions" means that when developers bid for residential land, the government requires that the size and price of the house be limited and both the land price and house price should be competitive. This programme is the newest housing programme for the poor that the government is promoting. The information about it is quite limited.

Table 5 shows the ULRH coverage of the three cities which this paper pays particular attention.

The three cities above are among the richest ones in China, but they also encounter the most acute housing problems for poor families due to the high housing prices in their markets. Table 5, however, illustrates that the ULRH coverage is shamefully low. The average figure is less than 1%. Of the three, Shanghai occupies the highest level of 1.8%, which is also the biggest rate in the whole country (Zheng, 2007).

### Recommendations

Given that there are many problems in the implementation of the housing policies for the poor, some recommendations should be considered to improve the ESH and ULRH programmes.

- The central government should put more pressure on local governments to strengthen the management of the existing ESH and ULRH, and to launch more new projects to benefit more poor families.
- Local governments should take more responsibilities in establishing sound and sustainable mechanisms for ESH and ULRH and improving the approval processes.
- Relevant laws about the construction of the programmes like ESH and ULRH should be made so that the housing for poor households can be guaranteed by the legislation.
- The ESH should be made both buyable and rentable so that more poor people can benefit from the initiative.
- More resources should be invested in promoting ULRH because it is identified as the more effective way in solving the housing problems of the very poor.
- The requirements for applying for ESH and ULRH should be relaxed so that more people can be included in these programmes.

Housing is not only an economic issue, but also a social one. This is the painful but important lesson the Chinese government learned after a decade of housing reform. Because of the defects of the old housing system, housing reform was affectionately welcomed by all the people when it was introduced in 1990s. After little more than ten years of its practice, society began to re-exam the campaign in a broader and more sensible view. More and more people realised that the reform did not pay enough attention to the poor and they had been to some extent pushed aside.

It is not fair to accuse the governments of completely ignoring the poor. The central and local governments did try to look at the problems and lend a hand. Unfortunately they did not do enough. Now the governments are determined to change and improve the situation. ESH is essentially the programme that promotes home ownership for moderate and poor-income households. But for those poorer households, ESH is still unaffordable. That's why the governments turned to ULRH. Aside from improving the management and expanding the existing ESH and ULRH programmes, especially the latter one, the governments are also encouraging new housing schemes to help the underprivileged. In recent times a new kind of housing relief venture has become all the rage, dubbed "double limits & double competitions."<sup>17</sup> If it is successful, the central government intends to generalise the programme to more places.

Decent living is supposed to be one of the basic rights of human beings. Let's hope in the near future this basic right can be satisfied for everybody in China and elsewhere.

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# Main Trends in Argentinean Housing Policies (1976-2006)

María Carla Rodríguez

## Grundzüge der argentinischen Wohnbaupolitik 1976-2006

Bis zum Jahr 2000 stützte sich der staatliche Sozialwohnungsbau in Argentinien auf den nationalen Wohnbaufonds FONAVI und konzentrierte sich auf den Neubau von Großsiedlungen. Ein zunehmend großer Anteil der Bevölkerung hatte zu diesem System jedoch keinen Zugang und schuf sich selbst seine Wohnlösungen – als immer deutlicher sichtbare „Soziale Habitat-Produktion“ in Slums und auf informellen Baulandteilungen. Punktuell wurde dieses Selbsthilfebauen durch öffentliche Programme unterstützt, vor allem durch Landtitelvergabe und Infrastruktur. Nach der Krise um das Jahr 2000 wurden viele hoch subventionierte Wohnbauprogramme neu geschaffen, als Instrumentarien zur Wiederankurbelung der Wirtschaft und zur politischen Einbindung verarmter Bevölkerungsteile. Viele dieser Programme wiederholten das von FONAVI bekannte Modell einer schlüsselfertigen Erstellung, vor allem das dem Umfang nach dominierende Nationale Wohnbauprogramm. Ein genereller Engpass ist der beschränkte Zugang zu Bauland, der die Projekte an abgelegene und unattraktive Standorte verbannt. Andererseits entstanden Ansätze die es schaffen, Bedürfnisse und Eigeninitiative der verarmten Bevölkerung in den Mittelpunkt zu stellen – unter anderem innerstädtischer Wohnungsbau in kooperativer Selbstverwaltung, unterstützt durch das Gesetz 341 von Buenos Aires, das durch jahrelanges Engagement sozialer Organisationen erkämpft wurde.

## The State, Housing Policy and Production of the City

Habitat production in contemporary capitalist cities presents several modalities characterised by differentiated logics and in accordance to the priorities that guide the productive process – basically profit, needs and the public sphere (Herzer, 1994). State intervention in the housing sector has tended to make possible – under different junctures – the conditions that support capitalist production, aiming at the enlargement of the strip of social sectors that may integrate a solvent demand (Jaramillo, 1982).

As a consequence of the persistent gap between the possibilities and scope of capitalist production and the historically generated social demand for housing and habitat,<sup>1</sup> vast population sectors developed what is known as the social habitat production (SHP)<sup>2</sup> (Ortiz, 2004). These sectors involve a diverse universe where the role played by the spheres of the individual-family and the collectively organised (ranging from settlements that arose from land squatting to cooperative housing developments) are combined in different ways. Because of its massive and structural nature, the state has also progressively established policies and strategies aimed at those sectors.

Housing policy is an aspect of urban policies, and their interrelationship defines the guidelines by which the different social classes appropriate the city – production, consumption and leisure. In other words, housing policies display a set of actions and omissions through which the state intervenes over the localisation of different classes or sectors as well as over meeting the basic housing needs (Oszlak, 1991).<sup>3</sup>

As Rodulfo (2003) points out, two types of processes conditioned the structure of decisions defining the Argentinean housing policy: (i) macro-institutional external elements linked to participation in the international context (such as commitments within the framework of the United Nations and the agreed objectives and action programmes that rule international cooperation and multilateral funding agencies), and (ii) internal factors that arise as a result of the intra-jurisdictional interaction and negotiation within the public sector: of the relations among nation, provinces and municipalities, and those established among them and the economic and social actors involved in the housing situation (either those who control or own the means and resources involved in the configuration of the housing "supply" and those who „demand,“ according to the diagnosis of the political and socio-economic situation and the ways in which the involved actors influence, put pressure on or are part of the political power).

**1**  
The concept of habitat includes the supply of a set of urban services and infrastructures. In the following, to simplify reading, when reference is made to housing, this concept is implicitly incorporated.

**2**  
It refers to different habitat modalities based on the popular sector's productive and organisational abilities.

**3**  
The state exercises an active and central role in the dispute over urban production and appropriation conditions, including regulations and instruments, among which the following can be mentioned: the preservation of private property, the role of financial institutions in the granting of loans, the treatment and direction given to the subsidy, the types of intermediation that are built around access to housing, the actions related to land provision and regulation, public services, infrastructure and equipment, as well as the definition of the beneficiaries – explicit and implicit – of those policies.

►  
Figure 1  
Housing development  
financed by FONAVI in  
the 70s.  
*Wohnblocks des staat-  
lichen Wohnbaufonds  
FONAVI aus den 70er  
Jahren.*  
(Photo: C. Rodriguez)



►  
Table 1  
Public and Private Housing  
Production in Argentina  
1971-1983  
*Öffentlich und privat  
finanzierter Bau von  
Wohnungen in Argentinien  
1971-1983*  
Source: Diagnóstico de  
la situación habitacional  
argentina, 1984, SVOA.

Built Houses	1971-1975	1976-1980	1981-1983
<b>Public Sector</b>	<b>145,245</b> (16.3%)	<b>216,575</b> (31.8%)	<b>113,126</b> (30.9%)
<b>Private Sector</b>	<b>747,461</b> (83.7%)	<b>464,189</b> (68.2%)	<b>252,874</b> (69.1%)
<b>Total Houses Built</b>	<b>892,706</b> (100.0%)	<b>680,764</b> (100.0%)	<b>366,000</b> (100.0%)
<b>Construction Annual Average</b>	<b>178,540</b>	<b>136,153</b>	<b>122,000</b>

**4**  
It began in 1972 and was  
reformulated in 1977.

**5**  
A "driving idea" that still  
persists today.

**6**  
Neo-liberal policies  
deeply branded the social  
structure: the participa-  
tion of popular income in  
the GNP decreased from  
50% in 1974 to 32.5% in  
1998 and 28.2% in 2006.  
During the last interval,  
the income gap between  
the richest 10% and the  
poorest 10% increased  
from 23 to 31 times. In  
1974, 5.8% of households  
that were poor according  
to their income; this in-  
creased to 22.5% in 1988  
and to 39.4 in 2003. There  
are still 12,300,000 poor  
households according to  
estimates in 2006. Seven  
out of 10 children under  
18 are poor. Open unem-  
ployment increased from  
6.3% in 1988 to 16.4% in  
2003. Although it is now  
diminishing, it still is around  
10%. Approximately 40%  
of those jobs are informal  
and/or precarious. Globally,  
society is more unequal.  
Source: studies made by  
IDEF-CTA based on EPH-  
INDEC data.

**7**  
IPVs have not exceeded a  
collection average of 20%  
in the developments built  
before 2000. (Source:  
CONAVI).

Housing policies not only reflect the state's will, but also standpoints; they reflect a certain political philosophy and a conception about the way in which certain social questions must be solved and settled (Oszlak, 1991) within the context of determined unequal power and domination relations.

Within this framework, the analysis of housing policies sheds light on:

- How goods are produced and distributed within a society. In which way policies contribute to a more equitable production, distribution and access.
- How do power-relations, appropriation and possession of resources among different groups, sectors and social classes reach a balance, or not.
- How is the right to the city made effective or not: understood as the access to opportunities of use and leisure – not limited by economic restrictions – that are associated to the localisation of housing in the socially produced city.
- How autonomy processes carried out by the popular sectors are facilitated or not, and their organisation processes fortified (characteristics taken by their participation during the different phases of the cycle in which policies are applied).
- How are housing needs answered, or not, through various procedures.
- What kind of support and insertion to the experiences of popular habitat production and management are provided by policies.

### The 70s and the FONAVI

*The Fondo Nacional de la Vivienda* – FONAVI – (National Housing Fund) was conceived as an expansive political, institutional and financial device: a

continuous fund for financing housing.<sup>4</sup> Its strategy was aimed, on the one hand, at exerting influence on demand through subsidies in order to increase its solvency, and on the other, on supply through carrying out more dynamic private actions.

It was organised around a very centralised management scheme delineated by the National Housing and Town Planning Ministry, that issued regulations, defined funding programmes (operations and particular regulations), established investment priorities, regional quotas, regulations for fund management (centralised collection, drawing of funds and technical controls), as well as general criteria to select beneficiaries (profiles and scoring). On the other hand, the provincial organisations (IPVs) were in charge of the programme's implementation. The beneficiary, the last step of the ladder, did not participate in any action related to the housing process, aside from applying to the IPV and waiting for the corresponding "draw" for an "allocation."

The model was sustained on the idea that the massive production of housing would favour the development of the building industry, would decrease deficit and would benefit the economy in general through the impact on employment and other sectors related to the construction industry.<sup>5</sup> This framework legitimated the existence of a "protected niche" from the "supply" standpoint for the more concentrated capital firms. The sector supplied the land and used a mechanism to "acknowledge larger costs," thus ensuring themselves very advantageous conditions with hardly any entrepreneurial risk.

During the 70s and 80s, the annual resources controlled by FONAVI were around 1% of the GDP (Cuenya, 1997). But, the source of its resources – taxes on wages and salaries and on recoveries – was affected by the progressive and constant fall in the level of salaries and employment.

The social structure began to change very quickly,<sup>6</sup> the levels in the evasion of contributions increased, and the recoveries obtained from the housing scheme beneficiaries – through a strong „assistance-welfare" scheme – never reached significant amounts.<sup>7</sup> On the contrary, expenses evolved together with the rising costs of construction. This imbalance hindered wide coverage and limited its objectives as a revolving fund. Thus, the objective it achieved more efficiently was to give more air and to subsidise the dynamics of some economic groups protected by the neo-liberal changes (Rodriguez, 1998). Table 1 shows that the State, between 1976 and 1980,

increased its production by 71,330 units and, therefore, absorbed 25% of the gross fall in private production. It still seems little and expensive in relation to the budget involved.

The housing developments financed by FONAVI established similar typologies (with very few variations regarding private spaces: flats in tower blocks and/or in two-to-three-storey strips and spaces destined to collective use).<sup>8</sup> In order to reduce costs (this was never achieved due to inflationary processes), the dwellings tended to be progressively smaller and, basically, offered no possibilities for interior modifications. Also, technical standards to measure quality were lowered until they reached critical stages.

In general, peripheral locations with scarce demand for urban levels were chosen (favouring other private land valuation processes in the area, by means of high public investments in the provision of infrastructure). The scoring allocation system (distant and socially perceived as arbitrary) and the dissociation of the dwellers – assigned to “turn key” developments – from their production favoured attitudes that prevented them from taking ownership of their flats, such as lack of payment, inability to solve maintenance of the building, carelessness regarding common use areas, etc.<sup>9</sup>

At the same time, changes in rules on land regulation and use, liberalisation of rents and other policies (such as the construction of motorways in the city of Buenos Aires), narrowed the options of low-income groups to obtain a dwelling (for example, popular land sub-division into lots was no longer a profitable “product”). That is why, since the end of the dictatorship and more widely during democracy, the habitat social production processes have been increasingly pushed by the population itself: settlements established on land occupations in the Greater Buenos Aires and other urban peripheral areas, squatted buildings and resettlements in shanty-towns (Rodríguez, 2005 2).

### The 90s and the “Turn” to Provincial Demand

There were no changes in housing policies during the 80s. The crisis in FONAVI deepened until 1989 when liberal macroeconomic trends were imposed.<sup>10</sup> The main characteristic of the 90s was the democratic imposition of the Washington Consensus: changes in the economy and the role of the state, opening and deregulation of local markets, dismantling of “welfare” public structures and a widespread “anti-political” ideology. In order to reduce public ex-

penditure – as ordered by the Ministry for Economic Affairs – the public sector ceased to reimburse its contributions on wages and salaries that represented 50% of FONAVI’s capital. In order to “keep up” the fund, the origin of its resources was changed; Law 23.966, passed in 1991, established that its capital had to be integrated with revenue arising from taxes on fuel, a flow that lost importance in the course of time and during the following governments.

At the same time, FONAVI became a participant in the negotiations of the Federal Fiscal Pact. The Inter-State Agreement signed in August 1992 and ratified by Law 24.130 authorised the Nation to withhold 15% of the taxes originated in revenue sharing, destined to annual social security payments. In exchange, it would transfer to the provinces a fixed monthly amount of four funds to cover the lack of resources and financial imbalance, FONAVI being one of them.<sup>11</sup> The Housing and Environmental Quality Ministry lost its role, including the power to audit the destination given to resources that were directly managed by the provincial treasuries. Thus, the provincial governments became the main addressees of FONAVI’s “compensatory” decentralisation and the housing policies became fragmented.<sup>12</sup>

As part of the new neo-liberal institutionalisation, the Housing Federal Law (24464) – still in force – was approved in 1994. A “turn” towards demand through “direct financing” was announced. In order to achieve this, the law established parameters and procedures to direct FONAVI resources in order to activate the financial circuits through individual loans and potentially “converted into titles” by the respective provincial governments.<sup>13</sup>

Within this framework, the traditional FONAVI public operations of “turn-key” housing production went on dominating the field, articulated by the co-financing mechanisms established by Law 24464 that reinforced their use by the higher income social sectors.<sup>14</sup> Some provinces got into debt with the Nation-



**8** A common feature to all Latin American housing production

**9** Studied more in depth in Rodríguez (2005 1).

**10** “...The issue that was being discussed was the leadership of the accumulation process in Argentina: whether it would be guided by local entrepreneurial groups or by foreign banks [...] The Argentine State went bankrupt, precisely, because it was unable to face both commitments at the same time.” (Interview with C. Lozano in Rauber, 1998)

**11** The availability of funds, according to Article V of the 1992 Federal Pact, was subject to the judgement of the Ministry for Economic Affairs that could claim it in order to attend commitments resulting from the foreign debt.

**12** From an institutional standpoint, the national organisation responsible for the establishment of housing policies was deprived of its hierarchy and moved to the National Ministry for Social Development. This meant a discursive advancement but a loss of effective power.

**13** During the 90s, privatisation and deregulation “lead to a re-proposal of the relations established within the dominating sectors because the State obtained resources to face foreign commitments and, at the same time, it cut benefits to entrepreneurial groups in exchange of the control of the principal markets of the Argentinean economy.” (Interview with C. Lozano in Rauber, 1998)

◀  
Figure 2  
FONAVI Housing  
FONAVI Wohnblock  
(Photo: C. Rodríguez)

#### 14

In 2000, the minimum family income required for a FONAVI individual dwelling was US\$795. This amount varied according to different plans: between US\$301- US\$399 for those decentralised in municipalities or non-profit agencies, and between US\$401- US\$699 for the co-financed ones. (Source: FONAVI, 2001 „Características socioeconómicas de los beneficiarios“). During the 90s, other instruments were designed

#### 15

The provinces also subscribed commitments with other banks and private investors. These conditions brewed severe conflicts with mortgagers as of the 2001 crisis.

#### 16

Unfortunately, data about the scope of self-production/SHP processes is not very precise. In 2001, the census estimate 16% of the total was irregularly owned dwellings, i.e. at least 1,582,000 households.

#### 17

At the same time, the use of the concept "dwelling" is substituted by "housing solution," justifying adjustments and reductions in products designed for low-income groups, who are exclusively considered according to their payment capacity.

#### 18

In this sense, the most significant intervention have been the ex post policies directed to ownership regularisation of self-produced settlements, with a relatively low investment of public resources and all the hegemonic magic of "signing deeds."

al Mortgage Bank – transformed into a second floor bank and privatised during the 90s – and redirected to it the more profitable sections of their mortgage portfolios in exchange of development funds linked to social sectors with high purchasing power.<sup>15</sup>

Although the large scale of former projects was never achieved again, the problems associated with a policy divorced from the users persisted and accumulated: low rate of collectability, legal incompleteness (deeds could not be signed due to the

lack of proper "completion of works" certificates or of condominium rules, or to bureaucratic carelessness). Thus, restructuring the housing policy did not imply a structural approach of resources to the lower income population sectors. On the one hand, it contributed to the provincial "governability" and, on the other its design was subordinated to the hegemonic policies ruling during that period and directed towards the benefit of the financial capital.

In general terms the territorial effect of the economy's financial activation meant that: "complex buildings, residential and semi-rural gated communities, country clubs and other such schemes multiplied as permanent dwellings with an extended use of peripheral land that misbalanced the structure of prices, excluding the popular sectors from their traditional settlement areas. It also gave place to investments for 're-functionalisation' of construction and of strategic urban areas and to capture private income for the already developed urban surplus value." (Rodulfo, 2003)

Within this model of society, land occupations, self-production of informal neighbourhoods and re-settlement in shantytowns continued their expansion as a *fait accompli*.<sup>16</sup> During the 90s, the state began to implement new programmes directed to this SHP, together with other repressive measures such as penalising occupations as if they were usurpations. Ownership regularisation, neighbourhood improvements, provision of plots with services, progressive housing and small housing compounds<sup>17</sup> introduced new actors in some programmes and provinces (NGOs, cooperative societies, social organisations and small enterprises in charge of constructions).<sup>18</sup>

These policies were limited due to different factors: (i) the dynamics established by state-political accumulation and bureaucratic reproduction conditioned their development; (ii) the unlimited status of individual private property, design being its parameter; (iii) the use of focalisation criteria inherent to neo-liberal restructuring. As Rodulfo (2003) points out, when looked at as an overview they constitute a partial and juncture mosaic. They delimited investments, superimposed actions, disarticulate and/or incomplete actions and, in many cases, generated new problems from the perspective of their effect over the beneficiary population.

Nevertheless, they contributed to produce a debate about matters related to the popular sectors' qualitative deficits, their role in overcoming those conditions and the role of the public sector as co-responsible for the management and implementation of

Year	National Total (1)	In millions of US\$ (2)
1976	5,426	
1977	12,319	
1978	16,833	
1979	16,700	
1980	31,870	
1981	27,130	
1982	34,636	
1983	39,516	
1984	20,688	
1985	20,759	675
1986	21,033	1,468
1987	37,840	943
1988	37,436	780
1989	25,720	677
1990	27,424	751
1991	32,988	837
1992	38,654	622
1993	31,136	797
1994	42,685	851
1995	45,039	1,448
1996	50,778	1,317
1997	52,515	1,374
1998	57,009	1,354
1999	58,414	1,243
2000	39,934	-
2001	34,181	675
2002	23,004	-
2003	32,305	181
2004	17,311	189
2005	4,227	17

Sources:

(1) Ministry for Public Works, Sub-secretariat for Housing and Urban Development, FONAVI Management control.

(2) Between 1985 and 1995, National Sub-secretariat for Housing and Urban Development. Amounts previous to 1991 were updated according to INDEC. Between 1996 and 1999: FONAVI, diagnosis by the Ministry for Economic Affairs (2000). For years 2001, 2003, and 2004: audit reports, Sub-secretariat for Housing. For 2005, the annual report. The amounts were updated according to US\$ rate.



Table 2  
Lifespan and Agony of the FONAVI - Evolution of Production and Investment, FONAVI (National total, including dwellings and other housing solutions) .  
*Blütezeit und Niedergang des Nationalen Wohnungsbaufonds FONAVI – Zahl der gebauten Wohnungen und Höhe der Bauinvestitionen*

projects and programmes. "Programa 17" is a paradigmatic and recoverable example of that decade (Rodríguez, 1998).<sup>19</sup>

As of 1995, the interests of the building and financial sectors regained importance in the decisions taken by the housing system organisations, although with a more territorially fragmented and weak structure, while the concentrated entrepreneurial sector displaced its interests towards services linked to infrastructure that had a larger relative profitability.

The 2000-01 crisis, a scenario of contradictions, recession and growing unemployment, jeopardised once more the housing policy. The pressure exercised by the internal actors promoted the re-centralisation of federal funds destined to public works, the FONAVI agonised<sup>20</sup> and the high level of indebtedness gave way to growing pressure from the multilateral organisations.

### A Re-centralising Turn for the New Millennium

During 2001-2002, the breaking up of the democratic institutionalisation and the devaluation of the local currency produced a sectoral scenario characterised by inflation, disinvestments, "bankruptcy" of the financial system, fragmentation and dilution of the public and private institutional order, stagnation of enterprises and an explosive social atmosphere.

The Argentinean Chamber of Construction, the Construction Workers Union, social and trade union sectors, working co-ordinately under the Argentinean Central Workers Union (CTA), NGO networks, the Catholic Church and UNDP participated in the Mesa del Diálogo Argentino (a round table for dialogue and understanding) and demanded that the National Budget for 2003 should consider the assignment of resources to strengthen programmes geared to the housing emergency and to finish dwellings that were in advanced building stages under the FONAVI system (Rodulfo, 2003).

Within this context, some local governments carried out specific experiences to face critical needs in the housing and habitat sectors by articulating the unemployment grants of the Plan Jefes y Jefas de Hogar (Household Heads) as part of the foreseen counterpart that the beneficiaries had to render.<sup>21</sup>

As of 2003, and in order to promote an economic recovery, the government of the elected President Kirchner defined a re-centralising turn in housing policies. The housing area, together with urban infrastructure, was concentrated in a key Ministry area.

Investment in public works was again considered as an engine to produce employment and social restraint, and the conventional construction firms were the central subjects of these policies. The Ministry for Federal Planning acquired growing importance in the definition of policies, and participated together with the Ministry for Economic Affairs in the rounds of negotiations with the sector's traditional firms.<sup>22</sup>

Regarding habitat matters, two guidelines with unequal priority were established and, in both cases, they had to be financed with resources from the fiscal surplus, i.e. they were defined "ad hoc" annually. On the one hand, the Programa Federal de Emergencia Habitacional (PFEH) (Federal Programme for Housing Emergency) – colloquially "Techo y Trabajo" (Roof and Work) – built new dwellings under a cooperative labour system. It was destined to the poorest sectors, and it was a 100% grant that partly originated as a response to the "piquetero" movement, within the framework of the process inherited from the "Mesa de Diálogo."<sup>23</sup>



The programme showed a series of technical, organisation and financial limitations. It was based on a unique design for the whole country, copied from an experience developed in the Province of Santa Cruz: tiny modules designed in the central offices with funding for basic infrastructures, inputs, tools for the labour cooperatives and salaries for their members. The number of members of these cooperatives (8) was also standardised, as was the limit of subsidised executions (8 dwellings in 2 stages). It was not clearly decided who the beneficiaries would be and technical support for the project was poor. In December 2005, 3008 dwellings had been finished and 4684 were being built through 1425 cooperatives, with a total investment of \$108,555,545, considering 5 dwellings per cooperative and \$14,112 per unit. Two thirds of this production was concentrated in the provinces of Buenos Aires and Jujuy.<sup>24</sup>

But the champion policy in housing issues is the Programa Federal de Construcción de Viviendas (I y II) (Housing Federal Programme). It is also centrally designed and supported by a non-refundable grant to the provinces

**19** As the official analysis of the deficit shows, more than two thirds corresponds to deficiencies related to housing improvement; this indicates the need to strengthen integrated rehabilitation/ improvement/ enlargement actions that are not divorced from an active policy of urban land production/ regulation/ regularisation for popular sectors not "deed prone."

**20** From the historical average of 900 million pesos/dollars to the 51 million transferred in 2005 (less than 20 million dollars). (Annual Report, 2005; Sub-ministry for Housing, Ministry for Federal Planning)

**21** When Duhalde came to power- 2002- the state grants ("the Plans") increased from 300.000 to 2.500.000 people in three months (IDEF-CTA). It is estimated that 95% was carried out by municipalities and the rest by social organisations, "piqueteras". This social security and decompression belt still ranges over a million beneficiaries.

**22** The first public speech given by Felisa Micheli, Kirchner's second Minister for Economic Affairs, was during an event at the firm Techint, one of the historic beneficiaries of the public resources during the period.

**23** Described more in depth in Rodríguez, Di Virgilio et al (2007).

**24** Districts with an important presence of socio-territorial organisations (FTV, Barrios de Pie, Tupac Amaru)

▲  
Figure 3  
Protagonists of cooperative housing self-management, Buenos Aires  
*Protagonisten des Wohnungsbaus in Selbsthilfe und Selbstverwaltung, Buenos Aires*  
(Photo: C. Rodríguez)

National Programmes	Investment 2005	%
Programa Federal de Emergencia Habitacional, "Techo y Trabajo" ("Roof and Labour" Emergency Housing)	\$108,565,545	4.4%
Programa Federal de Reactivación de las Obras FONAVI (Reactivation of FONAVI Works)	\$50,863,762	2.1%
Programa Federal de Construcción de Vivienda (Housing Construction)	\$1,481,594,028	60.4%
Subprograma de Urbanización de Villas y Asentamientos Precarios (Urbanisation of Shanty Towns and Precarious Settlements)	\$170,081,621	6.9%
Programa Federal de Mejoramiento de Vivienda – Mejor Vivir (Housing Improvement)	\$126,787,968	5.2%
Mejoramiento habitacional e infraestructura básica (Housing Improvement and Basic Infrastructure)	\$26,400,983	1.1%
PROMEBA (Settlement Improvement)	\$151,879,789	6.2%
Solidaridad Habitacional (Housing Solidarity = Housing Construction)	\$318,849,251	13.0%
PROPASA	\$14,009,840	0.6%
PROSOFA	\$2,312,040	0.1%
Programa Federal de Fortalecimiento y optimización del recupero de las viviendas FONAVI (Recovery Optimisation of FONAVI Dwellings)	\$2,114,358	0.1%
<b>Total</b>	<b>\$2,453,459,185</b>	<b>100.0%</b>

▲  
Table 3  
The More and the Less  
Subsidised Ones, National  
Housing Programmes: Sec-  
toral Budgetary Incidence.  
*Staatliche Wohnungsbauprogramme - die stärker und die weniger Subventionierten: Gewicht nach Budgetanteilen*

Source: Own elaboration based on information taken from the 2005 Annual Report, Housing Sub-secretariat, Ministry for Federal Planning. Rate: US\$1 = \$3. Note: In 2005, the Programa Rosario Hábitat implemented US\$7.3.

## 25

The range is ten times higher than the one implemented during the last 15 years in the Buenos Aires Metropolitan Area – AMBA (Foro de Organizaciones de Tierra, 2005).

## 26

For example, in July 2006, Federal I in the city of Buenos Aires, stood at 34% of the implementation that began in 2004.

## 27

An average of 30,000 units annually (Rodríguez, 1998)

and the city of Buenos Aires, destined to the construction of 120,000 dwelling units. (It is also considered as non-returnable aid, although "formally" presented as long-term loans, up to 50 years, within the "1994 Federal Law.") The nation may approve, with reservations, each one of the projects submitted for funding.

The role played by the beneficiaries reproduces the conditions of the traditional FONAVI operations. Their "participation" or that of the "civil society organisations" is absent, and no articulation has been designed in order to interact with the housing cooperatives created under the "Techo y Trabajo" programme (Ostuni, 2005).

Federal I financed a minimum built surface for dwellings and infrastructure. The total amount rose to US\$1,290 million. 30.7% was directed to the Buenos Aires metropolitan area (38,000 foreseen dwellings, with a minimum built surface of 44 m<sup>2</sup>).<sup>25</sup> Land had to be provided by the provincial state or, if not, by the municipal authorities. In the public biddings, the solution to this matter was raised to the bidders. It resulted in an obstacle.

Until 2005, the Federal Programme was dissociated from all urban land access policies and its budget was considerably under-implemented.<sup>26</sup> In 2006, the

Ministry for Federal Planning showed some improvement in the allocation of biddings, but it is too soon to evaluate the real extent of its capability to implement the programme. The historic average of FONAVI production had not yet recovered by 2005.<sup>27</sup>

The political priorities are shown in table 3. In 2005, the Federal Programme concentrated 60.4% of the total national investment. The social organisations had access (juxtaposed with municipalities) exclusively to 4.4% of the budget (Techo y Trabajo). All the other operations also privileged – with nuances – entrepreneurial implementation.<sup>28</sup>

The implementation at national and sub-national scales of neighbourhood improvement programmes financed with external resources (IDB) deserves a special consideration: PROMESA, Rosario Habitat and IDB-Córdoba. Although they show important variations, these programmes, sustained by external public indebtedness, are destined to basic actions for the production of urban infrastructure that the state should carry out with its own regular resources.

The case of Córdoba stands out due to its expulsive socio-spatial characteristics (shantytowns eradicated from the city of Córdoba and substituted by 12,000 dwellings built by conventional firms in peripheral and segregated city neighbourhoods). In general terms, there is scarce participation of the benefited population in the neighbourhood improvement programmes and their social organisations have a weak acknowledgment. In some cases, the effects of valuation produced by improvement expectations that promote speculation processes in the informal sub-markets (for example, in the municipality of Florencio Varela) cannot be controlled. The unidirectional emphasis set on ownership regularisation, a sine qua non pre-requirement for future interventions, acts as another limitation.<sup>29</sup>

The Secretariat of Land for Social Habitat was also created in 2006 at the request of part of the "piquetero" movement that had arisen from land occupations in the Greater Buenos Aires. It focuses on the problems related to the access to urban and rural land considered as strategic resources for national development. It also aims at participating in ownership regularisation (by absorbing the Programa Arraigo, created in the 90s on national public land), the creation of a land bank (it can purchase land and buildings with its own resources and it tries to exert influence on the ONABE), and the institutional strengthening of social organisations (purchase of their own headquarters, training, equipment). Without a budget, its development is highly delimited.

## The Tiny Snail's Turning towards the Inhabitants: Policies that Support Cooperative Housing Self-management in the City of Buenos Aires

The housing policy actions taken by the government of the city of Buenos Aires since its political autonomy in 1996 express, on the one hand, a follow up of the renewal and valuation processes that are taking place in the city's Southern area and, on the other, the actions taken by the popular sector's social organisations who risk eviction because of those same processes.

Since 2000, more than 50% of IVC's budget was directed to programmes in the South Zone,<sup>30</sup> giving priority to the *Programa de Radicación de Villas* (Shantytowns Settlement Programme), "urbanisation" – basically translated into street layout and partial provision of infrastructure – and the *Programa de Rehabilitación del Hábitat de La Boca* (La Boca Habitat Rehabilitation Programme). Since the 2001 crisis, Laws 341 and its modifier /964 for "Self-Management and Housing Emergency" became more important.

The latter were a product of the social organisations' active participation in the urban conflicts during the 80s and 90s, particularly the *Movimiento de Ocupantes e Inquilinos –MOI–* (Squatter and Tenants Movement) of the CTA and their experience in cooperative self management, collective ownership and mutual aid, organised in occupied buildings in San Telmo and other central neighbourhoods. Their impact multiplied with the new self-management demonstrations that emerged with the 2001 crisis, sustained by multiple socio-political actors (Jeifetz, 2002).

Law 341/00 awards housing loans to low-income households. Its central characteristic is that it acknowledges social organisations (cooperatives, mutual aid or civil associations) as subject to credit and fit to implement housing projects (if they so declare). It offers a menu of options: purchase, new works, rehabilitation or improvement of buildings. It also includes resources for interdisciplinary technical assistance and it excludes community equipment. It defines a limit (adjustable) of US\$30,000 per housing unit. Credit reimbursement is up to a 30-year term. The interest rate is subsidised, between 0% and 4% according to family income and repayments are made by instalments that cannot exceed 20% of the family's income. There is also an implicit subsidy that results from currency depreciation, since repayment does not establish updating procedures. It does not establish minimum restrictions to family income level nor does it require previous savings.

In the case of MOI, the resources that originate in Law 341 are channelled towards a model that integrates mutual-aid working hours, previous savings as defined by each cooperative according to their possibilities, and to collective ownership. Qualified labour is provided by a labour cooperative engaged by the housing cooperative.

Law 341 enabled dozens of cooperatives and mutual aid organisations, MOI, *Mutual de Desalojados de La Boca* (Mutual Aid for Evicted People in La Boca), *Movimiento Territorial Liberación* (Liberation Territorial Movement), and popular or independent organisations to promote housing projects in consolidated urban areas in spite of bureaucratic limitations and financial difficulties.<sup>31</sup>



**28**  
In AMBA, the Federal Construction Programme (*Programa Federal de Construcción de Vivienda*) concentrated 70% of the budget, and "Techo y Tabajo" (Emergency Housing) 5%.

**29**  
Rosario Habitat, on the contrary, established conditions that reinforce safe ownership, with non-mortgage loans for substitution dwellings in urbanised shantytowns. In the case of PROMESA, the ongoing conditions were renegotiated in 2006, and the National State will take a new debt of 1.200 million dollars for 20 years to this effect.

**30**  
Although, in general terms, the budget is delimited, in 2005, it represented 5% of the city's total budget.

**31**  
For an analysis of this programme's limitations and potential, see Rodríguez, 2007.

◀  
Figure 4  
Housing Cooperative La Fábrica, Buenos Aires: Recycling of an industrial building according to Law 341. *Wohnbaukooperative La Fábrica, Buenos Aires: Um-nutzung eines Industrie-gebäudes auf Basis von Gesetz 341.* (Photo: C. Rodriguez)

◀  
Figure 5  
El Molino, Buenos Aires: Self-management housing cooperative recycling an industrial building. *El Molino, Buenos Aires: Umnutzung eines Industrie-gebäudes durch eine Selbst-hilfe-Wohnbaukooperative* (Photo: K. Teschner)

◀  
Figure 6  
Housing Cooperative El Molino, Buenos Aires: Using the covering factory structure and reshaping the inner space. *Wohnbaukooperative El Molino, Buenos Aires: Nut-zung der Außenhülle der Fabrik und Neugestaltung des Innenraums.* (Photo: K. Teschner)

Financing:	Programa Federal de Vivienda (Federal Housing Programme)	Techo y Trabajo (Roof and Labour)	Law 341
Subsidy	Implicit and indefinite, according to the definitions used in each province	100%	Interest rate: Implicit: \$ devaluation
Credit	Yes (formally)	No	Yes
Limit Sums (US\$)	30,000	10,000	30,000
Interest Rate	No		0% - 4%
Reimbursement period	50 years		30 years
Required savings	No	No	No. Some cooperatives implement it by themselves
Access to land	No funding	No funding	Yes (Purchased in the market)
Participation of the Beneficiaries	No	Partial (labour, not dwelling)	Yes

Table 4  
Current Operations, Comparative Conditions  
*Laufende Wohnbauprogramme, Vergleich der Förderrichtlinien*

In 2006, the Self-Management Housing Programme, with 800 dwellings being built and approximately 100 plots purchased by cooperatives, was the third largest IVC programme, with 15% of its budget (source IVC- Report 2006).

### Conclusions: The Large-scale Pending Turn

The fragmented and weak institutionalisation undergone by the housing sector currently presents a set of parallel lanes whose beneficiaries are not the popular sectors. Two key factors are necessary for a housing policy: (i) the existence of a fund (a predictable device for the access to financial resources whose origin and supply will have a re-distributive significance in terms of the national tax system structure and its effective implementation) and (ii) a policy geared to the creation and access to urban land are an outstanding lack.

The unrestricted predominance of the market in urban land valuation, the unlimited speculation on housing locations, the penal figure of usurpation – penalising social problems – and evictions (even on public property) are still in force. The creation of regulations for participative territorial regularisation and of real estate banks under social control, the penalisation of idle real estate, the improvement of housing operations that will be more adequate to the social and physical characteristics of popular habitat are all still lacking.

But, above all, the development of social participation, the acknowledgement of and the effective incentive to the ability of social organisations to produce their habitat, in short, the decisive "turn" towards the prominence of people and their organisations, are still part of the strategic challenge towards the building of a political, sectoral and general agenda.

#### Box 1:

#### Scattered definitions of the different programs for beneficiaries or participants

- Population with Unmet Basic Needs (Promeba, Programa de Mejoramiento Habitacional e Infraestructura Básica, Programa Acceso a Vivienda Básica),
- Population ranked in the lowest income quintile (Programa Federal de Construcción de Vivienda - PFCV),
- Families or vulnerable groups in a situation of emergency or marginality or under the poverty line (Programa de Emergencia Habitacional – Techo y Trabajo),
- Families in irregular settlements located on national public land (Arraigo), residents in shantytowns and irregular settlements (Subprograma de Urbanización de villas y asentamientos precarios).
- Families with no access to traditional credit schemes (Programa Federal de Mejoramiento de Vivienda - Mejor Vivir).

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# Social Enablement Work in Solidary Housing Fund Projects in Chile

Christina Liesegang and Christina Pachaly

## „Soziale Befähigung“ in Projekten des Solidarischen Wohnbaus in Chile

Der Artikel beschäftigt sich mit der Frage, wie staatlich geförderte Wohnungsbauprojekte für Bewohner in prekären Lebensverhältnissen sozial nachhaltig gestaltet werden können. Als essentiellen Beitrag hierfür sehen die Autorinnen eine soziale Projektbegleitung mit einem integrativen Ansatz, der die Problemstellung nicht als rein bauliche Aufgabe, sondern als Eingriff in eine komplexe Armutssituation begreift. Vor diesem Hintergrund soll das Konzept der „Habilitación Social“ (dt. „soziale Befähigung“) vorgestellt werden, das Bestandteil der neueren staatlichen Wohnungsbauprogramme Chiles ist. Dabei handelt es sich um eine ganzheitliche Herangehensweise, die soziale und organisatorische Begleitung von Wohnungsbauprojekten, Gemeinwesenentwicklung und Empowerment umfasst. Die in der praktischen Umsetzung auftauchenden besonderen Anforderungen dieses Ansatzes werden insbesondere am Beispiel des Wohnungsbauprojekts „Elemental - Construyendo Sonrisas Frente al Mar“ in Valparaíso/Chile reflektiert, an dem die Autorinnen im Jahr 2005 mitgewirkt haben.

## Social Housing in Chile

As far as social housing policy is concerned, the Chilean government is one of the most experienced in South America. The lack of housing in Chile has been effectively reduced by massive state-funded construction of housing units, particularly in the 1980s and 90s. Thus, Chilean housing policy must be considered a quantitative success, despite the new urban and social conflicts that have resulted from these interventions (see Rodríguez & Sugranyes 2005). Problems are seen in the high density and low quality of construction, inflexibility of the buildings (which cannot be extended and adapted to the changing needs of the inhabitants), low quality of public areas and social infrastructure, location on the outskirts of the cities as well as stigmatisation of the settlements. Additionally, resettled families are often burdened by large debts as a result of housing

loans and higher living costs in the new settlements, which is especially relevant as the low-cost apartments do not rise in value (Brain & Sabatini 2005). As a result, “those with a roof” rather than “those without a roof” are in the focus of public attention (“Los con Techo,” Rodríguez & Sugranyes 2005).

In reaction, a new generation of housing programmes as well as architectural design projects has developed which focus on integrative approaches and pay attention to building quality and poverty reduction as well as social sustainability.

## The Solidary Housing Fund Program and Social Enablement Work

The Solidary Housing Fund Program (“Fondo Solidario de Vivienda”)<sup>1</sup> was established in 2001 to provide good-quality housing solutions to low-in-

**1** We refer to the 2001 version of the programme which was further developed and differentiated into the new version of the Solidary Housing Fund I and II in 2007.



◀ Figure 1/2  
Social housing in  
Valparaíso  
Sozialwohnungen in  
Valparaíso

## 2

80% of the subsidised families have an average income per capita of below 57 Euro (40.562 Chilean Pesos) per month (GTZ 2005, p. 22). The families qualify for the programmes on the basis of the national socio-economic characterisation survey "Record of Social Protection," formerly called "Ficha CAS."

## 3

The definitions and objectives differ in the projects, such as in the Social Enablement Plans of Un Techo para Chile (unpublished) or in the projects accompanied by the GTZ (unpublished) as well as in the guidelines developed for technical enablement by Elemental (ELEMENTAL 2006).

## 4

Besides Valparaíso, projects were developed in Antofagasta, Copiapó, Santiago, Concepción, Temuco, and Valdivia. Up to now, only the projects in Antofagasta, Temuco, and Santiago are in the construction phase (see [www.elementalchile.cl](http://www.elementalchile.cl)).

come groups.<sup>2</sup> The housing projects are financed by a combination of public subsidies (94% of the total cost) and the savings of the families involved. Aiming at technical, financial and organisational innovation, the allocation of the programme's housing subsidies is organised in a competitive application process. As funding criteria the participating families have to be organised in a community, and likewise be supported by a managing and implementing organisation ("Entidad de Gestión Inmobiliaria Social") such as the municipality, a foundation, a private construction company or a non-governmental organisation. The community has to propose its own housing project which can either consist of the construction of new housing, on-site or off-site, or the purchase and rehabilitation of existing housing (GTZ 2005, pp. 4-7).



Figure 3/4

Examples of social housing provision: tenement blocks, emergency houses (left) as well as a basic "progressive housing" unit (right)

*Beispiele des Sozialen Wohnungsbaus: Mietwohnblöcke, Notunterkünfte (links) und eine Basis-einheit des "wachsenden Hauses" (rechts)*

### Further information / web links

Architects Initiative "ELEMENTAL":

[www.elementalchile.cl](http://www.elementalchile.cl)

National housing policy, Ministry of Housing and Urban Planning, (MINVU - Ministerio de Vivienda y Urbanismo): [www.minvu.cl](http://www.minvu.cl)

The programme "Fondo Solidario de Vivienda": [www.fsv.cl](http://www.fsv.cl)

Non-government organisation "Un Techo para Chile": [www.untechoparachile.cl](http://www.untechoparachile.cl)

## The Elemental Concept

The architects' initiative Elemental created an internationally recognised strategy to develop innovative low-cost housing financed by the Solidary Housing Fund Program. Elemental is associated with the Pontificia Universidad Católica de Chile in Santiago and launched a pilot project in the northern city of Iquique in 2003 integrating architectural design with community work (Aravena 2007). In 2004, Elemental initiated a worldwide competition which led to the development of seven additional projects at different locations in Chile,<sup>4</sup> among others in the city of Valparaíso.

The main criteria for Elemental projects are that the site is centrally located in the city and well-connected to infrastructure and public transport, and that



The projects funded by the Solidary Housing Fund Program have to comprise *social enablement work* ("Habilitación Social") since they intervene in complex situations of poverty. Social enablement work is not clearly defined by guidelines or official standards although it is an integral aspect of the programme. The implementation ranges from mere technical support to multidimensional poverty reduction.<sup>3</sup>

Social enablement work in a comprehensive sense aims at the empowerment of inhabitants and encouragement of their active participation on the different levels of the project's planning and decision-making. This is achieved by informing and consulting as well as by creating social networks and organisational capacities amongst the participants. Social enablement work is supposed to accompany the entire project process from the constitution of the community and joint application for housing subsidies to participation in the design of the houses, post-construction extension of the houses and the arrangement of public spaces.

the quality of construction is high and the architecture flexible and extendible. These central characteristics are embedded in a participatory design process and include social work. Additionally, a focus is placed on the design of public spaces emphasising the idea of community-based living. The Elemental housing typologies are based on the "progressive housing" idea: a solid and good-quality "first half" of the house is provided and has to be extended by the families themselves. The aim is to reach the standard of a middle-class home and to guarantee an increase in the investment value.

### "Elemental – Construyendo Sonrisas Frente al Mar" – a Social Housing Project in Valparaíso

An example of a project designed by the Elemental initiative is the housing project "Construyendo Sonrisas Frente al Mar," located in the coastal city of Valparaíso in central Chile. Within this project, 150 low-income families formerly living in marginalised housing conditions will be relocated to a newly de-

veloped settlement. The project started in 2005 but construction work has not yet begun. The aim of the project is to achieve a sustainable improvement of the families' living conditions in physical, social and economic terms. Therefore, the process is accompanied by social enablement work.

The project in Valparaíso is financed by the Solidary Housing Fund Program. It is shaped by the requirements of the Fund as well as by the principles of the Elemental initiative. Due to the success of the pilot project in Iquique, expectations have been high despite a lack of staff and financial resources.

The project consists of 150 units forming three separate condominiums in a 2-4 storey extendable row house typology. In the frame of state-funded housing, the initial „first half“ of the house of 35 m<sup>2</sup> (type B: 33 m<sup>2</sup>) includes a kitchen, bathroom and one living room. Each family can extend the unit by up to 65 m<sup>2</sup> (type B: 68 m<sup>2</sup>). The new settlement is projected on a 2.2 ha site centrally located in the urban context of Valparaíso, directly bordering the coast and next to a consolidated lower middle-class area. The urban design is strongly influenced by the difficult topographical conditions of the construction site. The terrain is very steep and crossed by ravines, so that the construction of the planned units is barely possible within the given spatial and financial frame.<sup>5</sup>

The participating families originate from five different organised groups, with 10 to 40 families per group. They are heterogeneous as far as their former places of living and their social and cultural backgrounds are concerned. Alongside three groups from different marginal settlements across Valparaíso, a group of the indigenous Mapuche ethnic minority and an association of "allegados"<sup>6</sup> also participate in the project.

Various institutions are involved in the housing project (see Figure 9); it is managed and coordinated by an

implementing organisation which is also in charge of technical supervision. This role is fulfilled by the NGO "JUNDEP"<sup>7</sup> in cooperation with the NGO "Un Techo Para Chile"<sup>8</sup>; the latter is particularly responsible for the social enablement work. We were part of the interdisciplinary team of this organisation, which mostly works with student volunteers. The regional housing department SERVIU ("Servicio de Vivienda y de Urbanización") is responsible for funding and technical supervision, and the municipality in charge of the individual participants' registration are also major actors in the project.

### Social Enablement Work in the Elemental Project in Valparaíso

Social enablement work is an essential part of the concept of the Elemental project in Valparaíso. It is confronted with especially challenging conditions because the five heterogeneous groups involved in the project come from all over the city. In addition, the resettlement of these families will comprise a loss of existing social and employment-related networks. When we started to work for the project, the participating families showed low motivation due to delays in the project,<sup>9</sup> discontinuities in the working teams and lack of information and communication.

In order to meet these problems, the social enablement approach in Valparaíso has to consider social, technical, and organisational areas of intervention. A "Social Action Plan" was developed in order to define topics that should be incorporated during the different phases of the project. The concrete areas of intervention are as follows:

#### Analysis

Social enablement must be adapted to the needs of the families and the local conditions. Therefore, the preceding in-depth analysis of the socio-economic situation of the participating families and their living

**5** In the case of the Elemental project, the total budget per family of US\$ 11,650 consists of US\$11,000 in housing subsidies and US\$650 in family savings (6% of the total budget per family). In all, the complete project budget was US\$1.8 million (www.elementalchile.cl).

**6** "Allegados" are families without their own housing. They live together with their relatives. Therefore, they mostly do not live in informal settlements, but under marginalised living conditions.

**7** JUNDEP ("Juventudes para el Desarrollo y la Producción"), a national NGO, has extended its profile to the professional implementing organisation of the housing projects.

**8** Un Techo para Chile ("A Roof for Chile") is a non-profit organisation. Focusing on marginalised informal settlements, the organisation aims to improve residents' living conditions by realising social measures and new housing projects.

**9** Delays were caused by low budgets, planning insufficiencies, extensive bureaucratic procedures, and lack of provided manpower.



◀ Figure 5/6 Former housing in informal settlements of the participating families in Valparaíso. Die früheren Häuser der am Programm teilnehmenden Familien in informellen Siedlungen von Valparaíso

►  
Figure 7/8  
Elemental Project Valparaíso  
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**Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)** (2005) Una respuesta a la diversidad. En el Fondo todo es posible. [Informe del proyecto "Gestión Local para Soluciones Habitacionales"]. Santiago.

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conditions in the former settlements is a vital part of enablement. For our work it was important to conduct a formal survey as well as a participatory analysis of the families' situation. On the basis of this information and with the active participation of the community, adapted implementation strategies could be developed. Taking into account that the project shall span a number of years, problem analysis and process evaluation has to be conducted repeatedly.

### *Community development*

Participatory community development aims at fostering self-organisation and incorporation of all members of the community in the communication and decision making processes. In Valparaíso, communication and the exchange of information as well as community development activities in general were very demanding. The Solidary Housing Fund aims at continuously working together with a set community throughout the entire process. However, in Valparaíso the heterogeneity of the participating families and their fragmentation in five groups are problematic. In the course of the project about 50% of the families withdrew from participation and had to be replaced.

In order to create a constant community identity, joint activities, such as visits to building sites, celebrations of project "mile stones" and activities for children were facilitated. These activities aim to prepare for community organisation in the future neighbourhood where a committee will have to make joint decisions on community regulations and maintenance of the housing blocks and public facilities such as recreational areas and the community hall. Social work also consisted of attending and supporting the regular meetings in the respective neighbourhoods. These focused on current issues such as the preparation of joint activities, inner-community conflicts and motivation problems.

Moreover, weekly round tables were held with the community leaders to coordinate the different activities, to adjust the social action plan, and to develop their group facilitation skills. These meetings played an important role in increasing the mutual trust and resolving inter-group conflicts.

### *Technical enablement*

Next to community development and social work, constructive and technical enablement is a major field of action in the design, construction and post-construction process. As basis for the participatory design process, the technical capacities of the participants need to be strengthened in order to enable them to opt for solutions according to their preferences. These skills are a precondition to understanding the possibilities and restrictions of future extensions of the housing units. This future self-construction will have to be accompanied by external technical assistance. Technical enablement work plays an important role during the subsequent collective planning and construction of the community areas.

In the Valparaíso project a series of workshops were organised by architecture students for each group of future inhabitants. The workshops dealt with design and construction details as well as with the spatial measures and materials for the extensions of the housing units. The families actively participated, and the work on drawings and models to visualise their future dwelling was highly motivating for them. At the same time, the workshops helped the team to understand the needs and concerns of the families and thereby fostered communication and participation.

### *Financial consulting and support*

Consultation on financial matters is an important part of enablement work because the necessary savings for the participation in Solidary Housing Fund, the construction of the extension as well as

future regular household expenses are a heavy burden for the families. Therefore, awareness had to be created regarding the upcoming monthly costs for water, electricity and maintenance – costs families in informal settlements are not used to.

Most of the families in our project had problems saving for their house and the associated construction costs. They organised collective saving activities – e.g. fundraising dinners – to assist the families in their financial difficulties. However, they were not able to provide a viable solution for the economic situation like micro-financing programmes for income generation could do.

#### Legal counselling

In housing projects like this, legal advice and support is essential considering that inhabitants of informal settlements are usually not very proficient in these matters. Therefore, education in formal paperwork, property and citizen's rights, taxation, and application to public funding is indispensable. These activities were especially important during the initial stages of the housing project. During the final construction phase, the legal issues and regulations concerning the future neighbourhood will be on the agenda.

but also coordination with all other actors involved. In the Valparaíso project was achieved by means of monthly round tables with all involved institutions, where the project coordinators, social workers, group leaders, technical assistants, and the municipal housing department discussed the current development of the project.

#### Evaluation

The described fields of action of social enablement work reveal the complexity of the project, the efforts required, and the challenges to be met. However, based on our experience in Valparaíso, we think that social enablement is the prerequisite of a successful social housing project. The aim is to refrain from a merely technical production of housing and to attempt a long-term improvement of the social and economical living situation.

The importance of the social enablement concept has been promoted and put on the agenda by the Solidary Housing Fund Program. This integrated approach of incorporating socio-economic perspectives and measures is remarkable.<sup>10</sup> However, the programme has been criticised for insufficiently

#### 10

For an in-depth evaluation of the Solidary Housing Fund Program, see Cepal 2006, GTZ 2005, and Surawski & Cubillos 2005. For an analysis concerning its relation to socio-spatial segregation/integration, see Brain, Cubillos & Sabatini 2007.

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(Continuation)

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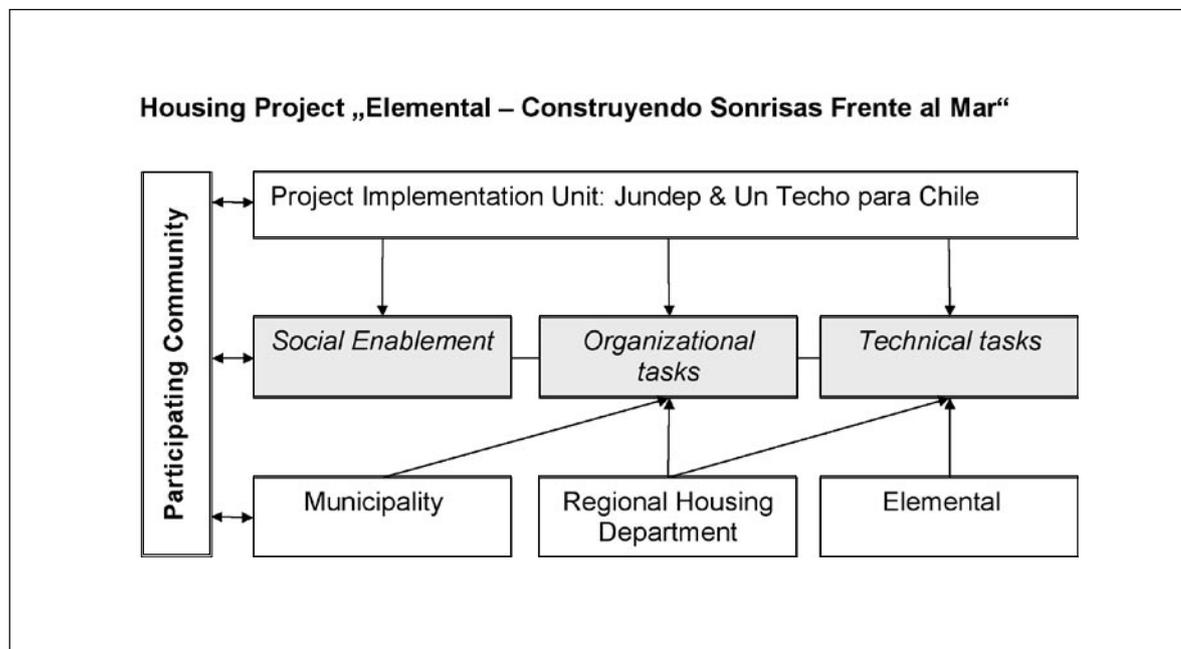


Figure 9  
Project constellation of the housing project "Elemental – Construyendo Sonrisas Frente al Mar," Valparaíso *Beziehungen zwischen den Akteuren des Wohnungsbauprojektes*

#### Project Management and Facilitation

Supporting communication and the dissemination of information on project's details and planning are essential for the realisation of the project. Therefore, management and communication work are central tasks of the social enablement team. This involves mediation not only between the participant groups

regarding the social enablement aspect despite it being a fundamental aspect of the programme. The lack of assigned funding and guidelines leads to difficulties for the executing institutions because the understanding of social enablement work remains extremely flexible (see also Surawski & Cubillos, 2005, p. 119). An adequate implementation of this

►  
 Figure 10/11  
 Community Work - Bringing together the different groups through community activities on Children's Day and meetings in the different communities.  
*Gemeinwesenarbeit*  
 – Zusammenführung der verschiedenen Gruppen durch gemeinsame Aktivitäten am Tag des Kindes und durch Treffen in den verschiedenen Wohnvierteln



**11**  
 After being supported especially on the national level, the project in Valparaíso has been confronted lately with ambiguous local political opinion.

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*Beide arbeiteten 2005 mit einem ASA Stipendium im Projekt „Elemental - Construyendo Sonrisas Frente al Mar“ in Valparaíso, Chile, in Zusammenarbeit mit der NRO "Un Techo para Chile".*

aspect within the individual projects might not occur. Appropriate definitions need to be developed in accordance with the experiences of the programme executing institutions.

We observed further difficulties inhibiting the accomplishment of the ambitious objectives of social enablement work in the project "Construyendo Sonrisas Frente al Mar" in Valparaíso. Although the approach of the Elemental initiative has been successfully exemplified in the pilot project in the city of Iquique, it could not be reproduced under the less than ideal conditions in Valparaíso. This project has less financial and personal resources, less political<sup>11</sup> and media support and unfavourable characteristics of the construction site.

The resettlement incorporated in the project in Valparaíso will increase the living standard of the families due to the better location. At the same time, it entails the danger of losing social and work-related networks. The attempt to compensate for this possible loss with social work has been rather challenging because of the heterogeneity and the spatial separation of the participating groups. This constellation of the participants inhibited the exchange of information and communication processes and, in turn, the integration of all groups and group members.

The limitations of the social enablement work were insufficient financial resources and professional personnel as well as discontinuities in the coordination team and the participating families. Moreover, recurrent massive project delays provoked not only a lack of motivation and faith among the families in the project but also financial losses. Our experience is that a high commitment of the coordination team to the families is essential for the implementation of such a housing project – realistic planning, transparency and clear information policies as well as continuity in project management are indispensable.

The question arises as to how far a social enablement approach can go. The programme design of the Solidary Housing Fund "not only has the objective of producing housing units but also has the broader goal of overcoming poverty (CEPAL 2005, p. 9 [translation by the authors])." The aim of the overall programme as is also formulated in the Valparaíso project might be too ambitious. A truly comprehensive approach to social enablement can hardly be realised within a housing project with limited time and resources. Therefore, additional funds should be assigned to this work and combined with other existing initiatives and poverty alleviation programmes.

As far as our personal experiences are concerned, the interdisciplinary work truly combining the social with the technical was a very positive aspect. Working with the people in Chile, who welcomed us and shared their knowledge and concerns, was a crucial experience for us. The project, the institutions involved, and the underlying concept showed a great sensitivity for existing informal strategies and organisation within the existing communities. The project approach involved the local potential and tried to take the people's concerns into account on a very direct and small scale. Although we stayed only for a short time we gained much valuable experience and felt that we were able to contribute to the project with our own perspectives, methods, and engagement.

Our experiences in the case of Valparaíso demonstrate that multiple local problems challenge the implementation of social enablement work and that, on the policy level, certain aspects of the Solidary Housing Fund Program still need to be improved. However, we think that the approach of incorporating social enablement work in housing projects as part of the Solidary Housing Fund Program is innovative as it seriously attempts to create liveable environments and socially sustainable housing solutions involving the people and their concerns.

# Urban Layouts, Densities & the Quality of Urban Life

Shirish B. Patel

## Stadtgrundrisse, Bebauungsdichten und städtische Lebensqualität

Vor dem Hintergrund der geplanten Umstrukturierung von Mumbais größtem Slum Dharavi durch Umsiedlung und Höherverdichtung untersucht und erläutert der Autor die Faktoren, die eine Verdichtung und auch die Lebensqualität in einem Stadtviertel beeinflussen: Diese lassen sich in Quotienten und Prozenten ausdrücken und damit graphisch darstellen, was den Vergleich verschiedener Bezirke in unterschiedlichen Städten ermöglicht. Neben der Geschossfläche pro Kopf, die Wohn- oder Bürofläche sein kann, ist die öffentliche Fläche pro Kopf von Bedeutung. Die überbaubare Fläche einer Stadt oder eines Bezirks ist ähnlich wie die GRZ, schließt Grünflächen, öffentliche und Verkehrsflächen aus. Urbane Qualitäten hängen eng zusammen mit dem Verhältnis zwischen Bebauungsdichte, Nutzerdichte (sowohl Bewohner als auch Arbeitnehmer und Besucher) und öffentlichen Flächen einschließlich Grünflächen sowie mit einer ausreichenden Verkehrserschließung. Hohe Verdichtung kann durchaus hohe Lebensqualität bieten, wenn gleichzeitig für ausreichende Erholungsflächen und die notwendigen öffentlichen Einrichtungen gesorgt ist.

The motive and the starting point of the here presented study is the following situation: The government of Maharashtra plans to redevelop Dharavi, the largest slum not only of Mumbai, but of Asia, and to intensify utilisation in Mumbai by increasing the floor space index (FSI). Many years ago 5 sq m were defined as the minimum amount of residential floor space per capita. Thus 25 sq m built-up area (BUA) for a family of 5 members have been stipulated as the minimum size of apartments in slum rehabilitation schemes. What has never been specified is how much space there should be per capita outside the house, for roads, footpaths, schools and hospitals – not to mention playgrounds and recreation spaces. Urban planners themselves are not clear about space needed for public uses.

This study introduces two new concepts to help understand and evaluate urban layouts: The public ground area (PGA) per capita and the buildable plot ratio (BPR). We examine the relationship between six parameters: The public ground areas needed per capita for roads, footpaths and public amenities; the BUA of floor space consumed per capita for homes or jobs; the proportion of exploitable, buildable plot areas to the whole area of a locality (BPR); both net and gross densities; and FSI.

On a routine day, every urban resident experiences a variety of spaces. We place these in three categories:

- (a) Private spaces. This includes home, and garden, which mean spaces either built-up or open to sky and private to one's family and friends. It includes semi-private space shared with one's neighbours. These may again be either built-up (staircases, landings) or open (the compound of one's building). The usefulness of the common private open space for the occupants of the building varies depending on the shape of the space, and whether parking in it is allowed or not. When you have the "island" kind of layout, where the building forms an island on the plot and the open space is all around the perimeter, if parking is allowed and the perimeter is essentially the driveway, the common private open space is of little use to the residents except as a parking facility. If you have a "courtyard" type of layout, where the built form encloses a large enough courtyard, this can form a useful common space for interaction between residents, particularly if vehicles are not allowed in the courtyard. We also include in the count of private spaces any areas that are semi-private, like clubs or restricted-access swimming pools, which represent space shared with friends and like-minded people.

So private space may be either built-up or open to sky, and offer varying degrees of privacy.

- (b) Public spaces. These are shared with a wider public, people one does not necessarily know. Here the spaces may be used for schools or hospitals or other common amenities; for open spaces for recreation; for roads and footpaths; or for parking. So here again, as with private space, public spaces may be either built-up or open to sky.
- (c) Arterial Transport spaces. These are the transport arterials of the city, and include railway tracks and stations, expressways or arterial roads, and bus ways. Some roads may be partly arterial (carrying the through traffic) and partly local (including for local circulation, side parking and footpaths). For such a road, normally one would assume one lane on either side as being for local circulation. If side parking is allowed, another lane is excluded, from one or both sides as the case may be. The rest of the road width is arterial transport space.

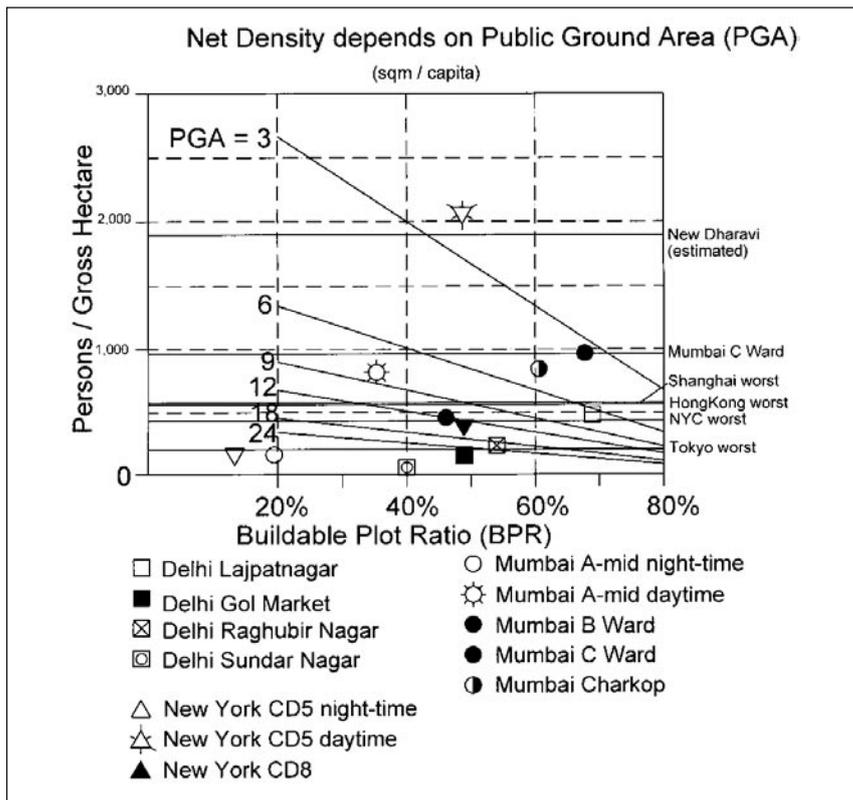
area. The relationship with transport spaces is a separate matter with its own complexities which we will not deal with here. Transport spaces eventually translate into transport capacities. All we note in passing is that transport capacities are related to the numbers of persons to be carried, and therefore to densities (persons per square kilometre) in the areas served.

We should note also that urban planning, and in particular the planning of particular urban layouts when we get down to detailed area planning, is concerned with precisely this relationship between private and public spaces; and that the various kinds of rules imposed on development on the private plots, whether by way of Floor Area Ratio (FAR) or otherwise, effectively control the densities in the area.

We should be aware that the constructed floor space (Built-up Area or BUA) per capita varies from city to city, within a city from one locality to another, and within a locality from one income group to another. Our interest is in the per-capita averages, and perhaps the per-capita minimum values. We note that in Mumbai the average BUA per capita in the Island City (69 sq km) is about 7.5 sq m for residential use and about the same per employee for commercial use. In Manhattan, by contrast, in the two Districts for which we have information, Upper East Side (CD-8) and Midtown (CD-5), the average BUA is 65 sq m per capita residential and 37 sq m per job.

We next look at what we call Public Ground Area (PGA) per capita. To do this, we first divide the city into localities which are of the order of 2 to 4 sq km each in size. We choose this size of area because it represents an upper limit of comfortable walking distance, and within such an area we should find every kind of public amenity—school, hospital, police station, fire brigade, and park. The PGA has 4 major constituents of ground area which are shared by the general public and which are needed:

- (i) To build hospitals, schools, police stations, the fire brigade, electric sub-stations and other common built-up amenities. Standards vary, but the National Building Code (NBC) of India's norms work out to 10.3 sq m per capita, the Urban Development Plans Formulation & Implementation (UDPFI) Guidelines of India's Ministry of Urban Development work out to 9.6 sq m per capita. These are idealised norms, and should be seen in the context of the real world: Manhattan averages 5.8 sq m per capita, Mumbai's Island City 0.96. We need to know what the situation is in different localities in other cities.



▲ Figure 1  
Net density depends on Public Ground Area per capita (PGA)  
*Die Nettodichte hängt ab von der öffentlichen Fläche pro Kopf (PGA)*

Arterial transport spaces may or may not be open to sky. Underground railway systems in particular add a network of transport services below the ground in multiple levels in a form which facilitates crossings. Above ground also transit spaces can be in multiple levels, witness the spaghettis of flyovers we see in so many cities.

Our interest for the moment is in the configuration of private and public spaces, and how variations in these affect densities and the working of the urban

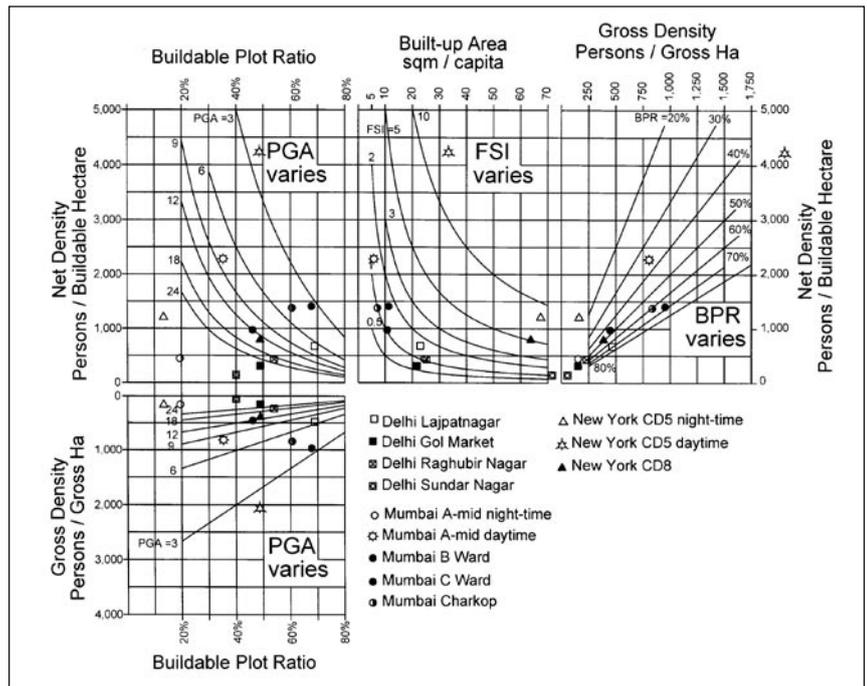
(ii) For recreation (parks and playgrounds). NBC stipulates 3 sq m per capita for sports + 3 sq m open space for Low Income Housing, a total of 6 sq m. UDPFI requires 13. The international norm, of 4 acres per 1,000 population, is equivalent to 16 sq m per capita. Manhattan, including Central Park, averages 7.2 sq m per resident. Mumbai's Island City is a miserable 0.85, a situation only slightly redeemed by the fact that Mumbai has a coastline. Shanghai<sup>1</sup> between 1990 and 2003 increased its green space from 1.02 to 9.16 sq m per capita.

(iii) For circulation, whether this is roads, bicycle lanes or footpaths. For these it would seem there are no per capita norms. Transportation planners will tell you the carrying capacity of a road or a footpath, both one-way and two-way, per metre width, but they cannot say what widths you will need for a particular density of population and a particular level of car ownership. Manhattan has 11.4 sq m of roads and footpaths per resident (plus a subway system). Mumbai has 6.38. Shanghai's road space increased between 1990 and 2003 from 2.3 to 12.3 sq m per capita<sup>2</sup>. From an analysis of Mumbai's most congested localities it would seem that less than 3 sq m per capita would not be workable. However, the figure to attempt to achieve would be several times that.

(iv) For public parking. No clear figures are available for existing localities. For Manhattan and Mumbai the information we have incorporates parking space in the space for circulation (roads and footpaths) mentioned above.

One other new concept we introduce, apart from Public Ground Area per capita, is the Buildable Plot Ratio (BPR). This is the ratio of the area of all plots on which building for private use is permitted (whether for residential or commercial or industrial use) to the area of the entire locality. Excluded from the Buildable Plot Area are all the Public Ground Areas, including of course roads and footpaths, open spaces, and all plots on which public amenities such as schools or hospitals are provided (even if such ventures are profit-making). Clubs and other facilities addressed to the restricted few are part of Buildable Plot Area and not Public Ground Area. Transit space is all extra and does not form part of the calculation in determining BPR or PGA.

For any locality, we distinguish between night-time densities (for which we count residents only) and daytime densities (for which we count the number or residents, plus the number of jobs in the locality, minus the number of residents that are employed—whether they are employed within or outside the locality makes



no difference in computing the daytime count). We also distinguish between gross densities (calculated over the entire area of the locality) and net densities (calculated over the area of Buildable Plots only).

We see that, whether night-time or daytime:

- (1) Net Density = Gross Density / Buildable Plot Ratio
- (2) Gross Density \* PGA per capita = (1 - BPR)
- (3) Net Density \* BUA per capita = FSI

The implications of (2) are more easily understood when seen in graphical form:

One interesting observation from the graph—and this seems counter-intuitive—is that to obtain higher densities you need to reduce the Buildable Plot Ratio. One might normally expect that if we want to densify an area we need to expand the area available for construction. Exactly the opposite is true. Further, we see that densities are sensitive to Public Ground Area per capita. Ideally, we should perhaps decide what we want to provide by way of PGA, and this will determine which inclined line on the graph we fall on.

On the graph are shown particular localities in particular cities. The average BPR in Manhattan's districts is 41%, in Mumbai's Island City it is 63%, and in New Delhi it ranges from 40% to 69%.

We can extend the information on this graph to look at Net Densities, and the relationship between Built-Up Area per capita (BUA) and the Floor Space Index (FSI), also known in some cities as the FAR (Floor Area Ratio)

▲ Figure 2  
BPR = Buildable Plot Ratio = ratio of exploitable buildable plot area divided by the total area of the locality  
*Das Verhältnis der überbaubaren Fläche (für Wohn- und Gewerbenutzung) zur Gesamtfläche des Viertels oder Bezirks*

PGA = Public Ground Area per capita  
*Öffentliche Fläche pro Kopf*

BUA = Built-up area  
*Geschossfläche*

FSI = Floor Space Index = BUA per capita  
*Geschossfläche pro Kopf*

**1** Dr Gao Guofu, President, Shanghai Chengtuo Corporation, "Functional Positioning and Approaching Path Design of Investment and Financing for Urban Infrastructure Development in Shanghai", Plenary Session VI: The Missing Link: Sustainable Municipal Finance, Hanoi, Vietnam, 24-26 November 2004.

**2** Ibid.

## Future Work

Some intriguing possibilities of future research that occur to us are the following:

- (a) All of us have experienced urban localities around the world that we particularly enjoy. On the graphs above it would be interesting to identify "zones" that contain within them the localities we especially like. By contrast there will be other zones where the feel of the locality is either that it is not urbane enough—too wide open perhaps, as in much of central New Delhi—or that it is oppressively over-crowded. Associating different kinds of the qualitative "feel" of an area with different parts of the graphs would be useful for urban planners when designing new layouts or planning the reconstruction of older areas.
- (b) We have too few examples of existing city localities on the graphs. It would be interesting to see for example where the Quartier Latin in Paris figures on the graphs—ideally, two points, one before and the other after the large-scale demolition and reconstruction by Baron Haussmann. So also the cities of South-East Asia, and other cities in India and China.
- (c) So far we have not studied transit space and its relationship with the layouts of urban localities. These graphs, and in particular the limits they suggest on densities, should be very useful in the long-term planning of urban transport systems. We note that transit space is not necessarily on the ground, and also that it should be converted to transport capacities, according to mode, to be useful for planning.
- (d) The principal problem currently confronting all Indian cities is the drift towards the physical segregation of economic classes. Residential areas are increasingly limited to housing one economic group or another (not to mention segregation by religion). Every day the rich move in their private vehicles from one private space to another private space, moving through transit space, and never experiencing the public spaces of the city. The spate of Special Economic Zones being added around our cities will create new enclaves of the rich, demanding connectivity between them and the areas where the rich are employed. The poor will be increasingly segregated and confined to ghettos of the poor, as we see happening already, for example in the re-housing of slum dwellers, all lumped together, in one large scheme in Chandivali in Mumbai. The challenge before administrators and urban planners is to devise ways in which the city can be continued, and extended, since

grow it must in the foreseeable future, in a way that preserves the mixed-income quality of neighbourhoods, with public ground areas shared by all. If this is neglected, and the city becomes income-segregated, with gated communities for the rich and ghettos for the poor, we can expect the same rise in criminal activity and lack of safety on the streets that is already part of the everyday experience of so many cities in the developing world.

## Conclusions

1. We have developed the notions of Public Ground Area per capita (PGA) and Buildable Plot Ratio (BPR) to improve our understanding of urban layouts and help us determine how well or badly any particular layout will work for people. It emerges from the study of a few crowded urban localities around the world that there is a bandwidth of minimum public ground area required within which any planned urban area must fall if it is to attain an acceptable level of operational comfort. With rising economic prosperity we should also anticipate that the demand for PGA will rise, and this should be kept in mind when preparing a city's redevelopment plans.
2. FSI (also called FAR) cannot be understood or tinkered with in isolation. It has to be seen in particular in the context of the occupancy of floor area per capita.
3. Increasing FSI in wealthy and in poor localities have completely different connotations. An increase in FSI in a wealthy locality may essentially mean increase of floor consumption per capita. In a poorer neighbourhood it would mean increasing the density of the locality which in turn would lead to a severe pressure on infrastructure resources, public amenities, open ground spaces and road and footpath crowding. Hence increase in FSI for rehabilitation projects (meant to house the poor) needs to be approached with the utmost caution as there is a danger of making the area dysfunctional.
4. The "carrying capacity" of urban land, packed as much as possible with a PGA of 6 sq m per capita, is 1,00,000 persons per sq km, plus the area needed for transit space. This is with a BPR of 40%. If the BPR is 70%, a more likely figure in Mumbai, the "carrying capacity" for a PGA of 6 sq m per capita falls to 50,000 per sq km. If the PGA is a more comfortable 12 sq m per capita, with a 50% BPR we can have 41,667 persons per sq km, and if we have a PGA corresponding to Manhattan's 24 sq m per capita and 50% BPR we could house a little over 20,000 people per sq km.

This is an abbreviated version of an article *Urban Layouts, Densities & the Quality of Urban Life*, by Shirish B Patel, Alpa Sheth & Neha Panchal, published in *Economic & Political Weekly*, Vol XLII No 26, June 30-July 6, 2007, p. 2725-2736, Mumbai

### Shirish B. Patel

Civil Engineer and Urban Planner, Masters Degree in Arts from Cambridge University. Founded his consulting company in 1960; one of the three authors of the development plan for New Bombay (350 sq km) in 1965.

*Bauingenieur und Stadtplaner; Masters Degree in Arts der Cambridge University. Leiter seines 1960 gegründeten Consulting-Unternehmens; 1965 einer der drei Verfasser des Entwicklungsplans für die Stadtgründung New Bombay (350 km<sup>2</sup>).*

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## Neue Bücher / Book Reviews

### Wohnungswesen

**Günther Pfeifer, Biljana Stefanowska.**  
**Erfindung Wohnen.** 171 S.  
ISBN 3 8030 0673 8, 2007. € 14,80.  
Ernst Wasmuth Verlag, Tübingen.  
www.wasmuth-verlag.de

Günther Pfeifer ist Professor für Wohnungsbau und Entwerfen an der TU Darmstadt, und diese Veröffentlichung bezieht sich auf eine seiner Vorlesungsreihen – es sind genau genommen die Themen von 10 aufeinander folgenden Vorträgen. Sie beginnen mit philosophischen Betrachtungen anerkannter Vordenker wie Martin Heidegger und anderen. Die folgenden Kapitel thematisieren dann die Tätigkeiten, die typischerweise in Wohngebäuden erfolgen und denen in Standardgrundrissen jeweils ein Zimmer zugeordnet ist: Wohnen, Arbeiten, Schlafen, Kochen, Essen, Sich Entleeren, Waschen, Spielen und Sammeln/Lagern. Gegenüber Neufert,



der an der gleichen Universität gelehrt hat, sind die beiden Autoren des vorliegenden Bandes Lichtjahre voraus, indem sie sich von der Vorstellung gelöst haben, dass diese Tätigkeiten sich optimal in vordefinierten (Minimal-) Grundrissen ausführen

lassen. Hier werden, neben vielerlei anderen Überlegungen, nur Grundqualitäten passender Räumlichkeiten beschrieben. Die Anforderungen an die Raumeigenschaften sind vornehmlich durch Gefühle der Nutzerinnen und Nutzer bestimmt – womit sich die beiden Autoren auf Glatt eis begeben. Sicher spielen Urinstinkte eine wichtige Rolle, doch andererseits verändern sich eine ganze Reihe von diesen Gefühlen – wie z.B. Schamgrenzen oder Wunsch nach Privatheit – schnell oder sind heute schon in fremden Kulturkreisen schon ganz anders. Dies könnte in der Zukunft sogar die Forderung nach möglichst neutralen und multifunktionalen Räumen laut werden lassen – so, wie es sie lange vor Neufert schon einmal gegeben hatte.

*Kosta Mathéy*

**Ulla Terlinden, Susana von Oertzen.**  
**Die Wohnungsfrage ist Frauensache!**  
**Frauenbewegung und Wohnform 1870 bis 1933.** 302 S. ISBN 3-496-01350-8.  
2006. 35,-.

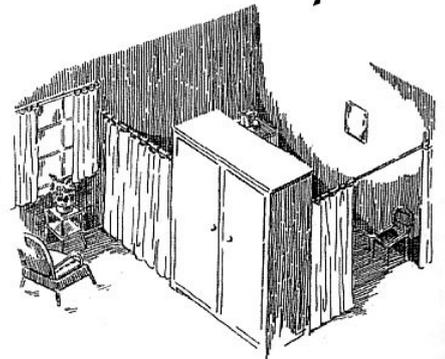
Der vorliegende Band dokumentiert die Forschungsergebnisse eines an der Uni Kassel durchgeführten DFG Projektes. Die Absicht war, die Rolle von Frauen im Wohnungswesen nicht als Zielgruppe, sondern als treibende Kraft bestimmter Bewegungen nachzuverfolgen – ein Aspekt der in der veröffentlichten Literatur bislang übersehen wurde. In dem berücksichtigten Zeitraum identifizieren die Autorinnen vier im Folgenden beschriebene, richtungsweisende Bewegungen

1. Mit Bekanntwerden der Zusammenhänge zwischen Epidemien und schlechten Wohnbedingungen setzten sich insbesondere Frauen dafür ein, bestimmte Mindeststandards für Wohnraum durchzusetzen und die gefährdeten Bewohnerinnen in den Elendsquartieren aufzuklären. Zur Sicherstellung solcher

Forderungen entstand um 1900 der Berufsstand der Wohnungspflegerin, d.h. einer (meistens der Bürgerschicht zugehörigen) Frau, die die unerfahrenen Arbeiterfamilien aufsuchte und ihnen die Prinzipien der körperlichen wie geistigen Hygiene erläuterten.

2. Die Taylorisierung der Arbeitswelt machte auch vor der Hausarbeit nicht Halt und konzentrierte sich dort besonders auf Optimierung der Arbeitsabläufe in der Küche. Leitidee wurde die ‚neue Wohnung‘ wie auch die Frankfurter Küche. Heutige Standardküchen sind Nachkommen dieser Idee.

*Elisabet Neff*  
*Cluch allein-  
wohne fein*



*Die Wohnung der Junggefellin*

3. Bestrebungen zur Sozialisierung von Hausarbeit gehen in ihren Anfängen noch weiter zurück, wenn man an die Frühsozialisten Anfang des 19. Jahrhunderts denkt. Eine breitere Basis bekam das Thema mit zunehmendem Dienstmädchen-Mangels zu einer Zeit, als die Industrialisierung auch für Frauen alternative Einkommensquellen erschloss. In Deutschland wurden moderne Varianten des so genannten Einküchenhauses gegen Ende der Weimarer Republik gebaut, waren jedoch im Nationalsozialismus politisch nicht mehr durchsetzbar. Nur gewisse kol-

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lektive Einrichtungen, wie Kindergärten und Waschküchen, konnten sich langfristig durchsetzen.

4. Das Prinzip der Schulbildung auch für Frauen und später der kriegsbedingte Männermangel brachte eine verbreitete Berufstätigkeit für Frauen mit sich, die zunächst jedoch mit Familienleben als unvereinbar angesehen wurde. Damit entstand ein besonderes Wohnungsproblem für berufstätige Frauen, die von den damals bekannten Wohnungstypologien nicht bedient wurden. Eine Lösung wurde in Genossenschaftsähnlichen Zusammenschlüssen und in Wohnanlagen für allein stehende Frauen gesucht. Der Typus der Einzimmer-Apartments gehört seitdem zu den Standardangeboten des Wohnungsmarktes.

Natürlich haben wir schon früher von den hier erwähnten Neuerungen gehört – nicht jedoch von der zentralen Stellung der Frauen bei der Entwicklung und Durchsetzung derselben. Dieser Nachweis ist der Verdienst dieser – übrigens sehr anschaulich beschriebenen und vorbildhaft recherchierten – Arbeit.

*Kosta Mathéy*

## Gesellschaft und Politik

**Babette Wehrmann. Landkonflikte im urbanen und peri-urbanen Raum von Großstädten in Entwicklungsländern. 408 S., ISBN 3-8258-9203-4. 2006. 35,-. Lit Verlag, Münster.**

Auf den ersten Blick verleitet diese über 400 Seiten starke Dissertation dazu, sie gleich wieder als typischen Fall schlechter Beratung einer Doktorandin beiseite zu legen. Wie traut sich da jemand, Ursachen und Folgen von Landkonflikten auf die Stadtentwicklung in Entwicklungsländern pauschal zu beantworten, und dazu noch ganz alleine und an Hand von Accra und Phnom Penh? Alle etablierten Forschungsmethoden müssen angesichts der zu weit gefassten Fragestellung und der überaus komplexen Einflussfaktoren selbstredend versagen. Dass zum Schluss dann noch die Chaostheorie als Erklärungshilfe beansprucht wird, erscheint als letzter Ausweg aus einem unüberschaubaren Datensalat.

Ein zweiter Blick verrät alsdann, dass die Autorin sich sehr wohl der Regeln konventioneller Forschung bewusst ist und die Stärken und Schwächen der zu Verfügung stehenden Forschungsinstrumente gut kennt. Es geht ihr nicht um die simple Bestätigung oder Widerlegung einer nachvollziehbaren Ausgangshypothese, und die Festlegung auf die beiden genannten Städte erklärt sich aus der Nationalität von Probanden einer ‚Trockenübung‘ im Master Kurs Land Management, in dem die Autorin unterrichtete. Im Grunde sind die Orte für die empirischen Studien in diesem Fall egal, denn angesichts der an jedem Ort der Welt ohnehin verschiedenen Rahmenbedingungen sucht sie einen Zugang zu der Fragestellung von der interpersonellen und psychologischen Ebene aus – welche zwar durch kulturelle und insbesondere auch religiöse Traditionen bestimmt ist, sich sonst aber kaum von einem Standort zum Anderen wesentlich unterscheidet. Selbstverständlich wird das verfügbare Spektrum an Forschungsinstrumenten ausgeschöpft soweit sinnvoll, dann aber ergänzt durch experimentelle Methoden wie beispielsweise Soziodramen. Aus den wichtigsten Erkenntnissen, die dann doch an Hand von Hypothesen abgearbeitet werden, leitet sie mögliche Strategien zur Bewältigung und zur Prävention ab – die bei einem großen Teil der allorts rasch zunehmenden Landkonflikte zum Einsatz kommen können. Ohne dass dies in der Arbeit besonders betont wird, gibt es natürlich in der Praxis weltweit auch viele Beispiele von Landkonflikten, insbesondere unter aktiver Beteiligung des Staates, skrupelloser Banden oder internationaler Konzerne, bei denen die hier ermittelten ‚soft strategies‘ keine Chance auf Wirkung haben.

*Kosta Mathéy*

**Angelika Blickhäuser, Henning von Barga. Gender Mainstreaming Praxis. 78 S. 2005. Heinrich Böll Stiftung, Berlin. (<[gender@boell.de](mailto:gender@boell.de)>, [www.boell.de](http://www.boell.de))**

Gender Bewusstsein nicht mehr als Spezialanliegen zu betrachten, sondern es als einen integralen Aspekt aller Tätigkeiten zu verstehen, ist das Prinzip von Gender

Mainstreaming. Ein solches Verständnis kommt nicht von selbst, sondern muss geweckt werden – z.B. im Rahmen von Seminaren und ähnlichen Veranstaltungen. Die beiden Autoren dieses Bändchens organisieren solche Seminare berufsmäßig – z.B. in Betrieben – und haben ihre verwendeten Methoden und gesammelten Erfahrungen hier in ‚Leitfäden‘ und ‚Arbeitshilfen‘ übersetzt und zur beliebigen Verwendung angeboten. Leider fehlte ihnen, wie sie schreiben, für eine umfangreichere Publikation die Zeit – was möglicherweise nicht auf die sinnvollste Prioritätensetzung hinweist. Ein Buch voller spärlich kommentierter Checklisten lässt den Verdacht auf Aktionismus aufkommen. Ebenso wichtig wäre es, etwas über die mit den Methoden erzielten Lernprozesse und darauf aufbauende praktische Auswirkungen zu erfahren.

*Kosta Mathéy*

**Karen Cerulo. Never saw it coming. Cultural Challenges to Envisioning the Worst. 333 S., ISBN 0-226-10033-2. 2006. University of Chicago Press. (www.press.uchicago.edu)**

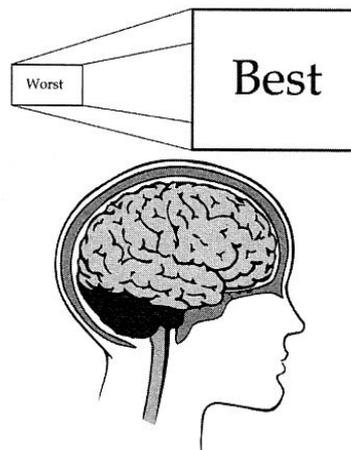
Wann immer Siedlungen und Städte von Katastrophen heimgesucht werden, fragt man sich, warum nicht schon lange im Vorfeld Maßnahmen getroffen wurden, um den Schaden des üblicherweise vorhersehbaren Unheils zu minimieren. Die Autorin, Soziologie-Professorin an der Rutgers University, nähert sich der Frage von der psychologischen Seite und überträgt die dort bekannten Abläufe auf den Maßstab von Städten, Metropolen und Nationen: es ist bekannt, dass Menschen ein möglicherweise bevorstehendes Unheil verdrängen und sich lieber von ihren Hoffnungen leiten lassen. Dieses Verhalten wird mit ‚Positiver Asymmetrie‘ bezeichnet. Nur sehr selten ist ein gegenteiliges Verhalten zu beobachten, wie z.B. bei einem Arzt, der im Rahmen einer Untersuchung alle ernst zu nehmenden Krankheitsbilder auszuschließen versucht. Als bessere Strategie zum Erreichen einer realistischen Risikovorsorge schlägt die Autorin eine gut ausbalancierte Symmetrie beider Strategien vor, um einerseits den Lebenselan-

der Bevölkerung nicht zu beeinträchtigen und andererseits gegenüber den großen Risiken gewappnet zu sein. Natürlich hätte für diese nicht sonderlich komplizierte Aussage auch wesentlich weniger Druckvolumen gereicht. Manche Leute können sich eben knapper halten als andere.

*Kosta Mathéy*

**Daniel Chavez, Benjamin Goldfrank (eds.). The Left in the City. Participatory Governance in Latin America. 230 S. ISBN 1-899365-66-4. 2004. GBP 13,-. Latin American Bureau. London.**

Die Letzten werden die Ersten sein – den Spruch kennen wir. Wenn es um partizipative Stadtpolitik geht, trifft das Sprichwort sogar zu: In Abkehr von der Tradition einer streng zentralistischen Kommunalpolitik entstanden in Lateinamerika über die letzten 25 Jahre eine Reihe innovativer Ansätze, die Bürger direkt in die Verwaltung der Gemeinden einzubeziehen. Den Anfang machte Lima in den 1980er Jahren, gefolgt von dem brasilianischen Porto Alegre – wo der lang anhaltende Erfolg partizipativer Stadtpolitik in einer



**The mind's asymmetrical quality continuum**

losen und nutzungsbezogenen statt in einer straff organisierten Organisation zu suchen ist. Montevideo als drittes Beispiel wird seit Anfang der 1990er Jahre stabil von einer bürgernahen Stadtverwaltung geleitet, während in Caracas schon lange vor der Wahl von Chavez zum Präsidenten die basisnahe Bewegung ‚Causa R‘ viel bewegen konnte, ohne sich aber langfristig durchzusetzen. In Mexiko blieb der

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for more information: [www.trialog-journal.de](http://www.trialog-journal.de)

Erfolg partizipativer Ansätze in der Stadtverwaltung dagegen aus – aber auch aus Versäumnissen kann man lernen.

Das Buch widmet jeder der erwähnten Städte ein Kapitel mit einer Fallstudie, eingerahmt von übergreifenden Betrachtungen davor und danach. Der Blickwinkel der Autoren richtet sich erstaunlicherweise nicht auf die Analyse der eingesetzten Methoden, sondern gilt der Dynamik der politischen Richtungen, die hinter diesen Politiken standen. Dabei wird leider übersehen, dass partizipative Verwaltungsmethoden, wie z.B. das ‚partizipative Budget‘, von Parteien ganz unterschiedlicher Couleur eingesetzt werden, und auch, dass ‚Links‘ und ‚partizipativ‘ in der Praxis nicht automatisch identisch sind. Die Autoren wären etwa um 1980 auf der Höhe der aktuellen Debatte gewesen, scheinen aber die Weiterentwicklung der Argumente in der Zwischenzeit verschlafen zu haben.

*Kosta Mathéy*

**Cooper-Hewitt, National Design Museum (ed.): Design for the Other 90%, 2007. 144 S. New York: Cooper-Hewitt, National Design Museum. (<olivieril@si.edu>)**

Eine außergewöhnliche Initiative hat das Cooper-Hewitt National Design Museum in New York unternommen mit seiner Ausstellung zum Thema des Designs für die ‚Anderen‘ 90% der Weltbevölkerung. Das Buch zur Ausstellung gibt uns dazu die globale Perspektive: 90% der heutigen Weltbevölkerung, oder 5.8 Milliarden Menschen der gesamten Weltbevölkerung von 6.5 Milliarden leben in Armut, und nehmen nicht am Konsumrummel der wohlhabenderen Welt teil, können es nicht, da ihre Zahlungskapazität das einfach nicht zulässt. Allerdings, wie das Buch sehr anschaulich an 30 Produkten aus den USA belegt, haben sich seit einigen Jahren immer mehr Designer mit den Massenkonsumgütern der Armen beschäftigt, und inzwischen gibt es eine rapide wachsende Fülle von innovativen, sehr nützlichen und erschwinglichen Konsumgütern. Die Bandbreite der Produkte reicht von Billig-Laptops für Kinder, handbetriebenen Wasserpumpen, Solarenergielampen,

durch Solarenergie betriebene Batterieaufladegeräte, Solarkocher, Wasserreiniger, stilvolle moderne Möbel aus gebrauchtem Holz, wassergekühlte Kühlbehälter für Gemüse, vorgefertigte Häuser für Notversorgungsprogramme, Fahrräder mit größeren Ladeflächen, Prothesen für Landminenopfer, etc. Eine faszinierende und anregende Sammlung, welche sicherlich hilfreich ist bei der kostengünstigen Sicherstellung von Nahrung, Wasser, Unterkunft, Gesundheit, Ausbildung und Energie.

*Florian Steinberg*

**Tazul Islam. Microcredit and Poverty Alleviation. 185 S. ISBN 0-7546-4680-8. 202 S., 2007. GBP 55,-. Ashgate Publishing, Aldershot.**

Die bekannteste und größte Mikrokredit-Gemeinschaft in Bangla Desh ist die Grameen Bank, dessen Gründer Mohammed Yunus für seinen Einsatz 2006 den Nobelpreis erhielt. Die Einrichtung dieses alternativen Banksystems für die Armen – insbesondere für die Frauen in ländlichen Regionen – kann auf eine Erfolgsgeschichte zurückblicken und wird für die spezifische Zielgruppe oft als erster Schritt aus der Armut heraus gepriesen.

Gerade im Kontext des aktuell favorisierten Ansatzes zur Armutsreduzierung (Poverty Reduction) innerhalb der Entwicklungszusammenarbeit werden allorts verzweifelt Wege gesucht, ohne durch eine radikale Umverteilung der Spitzeneinkommen die Situation der Armen zu verbessern. Hier wird insbesondere die Grameen Bank als lobendes Beispiel hervorgehoben. Daher ist die Forschungsfrage des Autors in der hier veröffentlichten Studie berechtigt: Tragen die Mikrokredite der Grameen Bank tatsächlich zur Armutsreduzierung bei?

Die Antwort Islams fällt relativ ernüchternd aus. Zweifellos hat die Grameen Bank weite Landesteile und Zielgruppen erreicht, die von regulären Banken nicht bedient werden. Auch erleichterten die Kleinkredite die Gründung und Expansion zahlreicher gewerblicher Kleinbetriebe, und die kumulative Kreditsumme erreicht bereits astronomische Ausmaße. Die Rückzahlquote ist nachweislich wesentlich bes-

ser als bei den reicheren Kunden in der Stadt. Auf der anderen Seite ist es jedoch ein Irrtum, mehr Kreditaufnahmen und das Anwachsen von Kleinunternehmen automatisch mit Armutsverminderung gleichzusetzen. Viele Kleinkredite bedeuten auch viele Kleinschuldner. Bei durchschnittlichen Zinssätzen von 30% muss ein Kleinbetrieb jedoch schon vorbildlich laufen, um unter dem Strich rentabel zu wirtschaften.

So ist es kein Wunder, dass die wirklich Armen lieber ihre Finger von den Kleinkrediten lassen. Zu viele von ihnen erfüllen entweder die Aufnahmekriterien nicht oder haben mit den Krediten bereits ihre prekäre finanzielle Lage noch weiter verschlechtert. Dies gilt insbesondere für die Frauen, die sich weniger dem Diktat des Kommerzes beugen und ihre Verantwortlichkeiten zwischen ihren drei klassischen Aufgaben Produktion, Reproduktion und soziale Dienste aufteilen.

Diese Feststellungen führen den Autor zu dem Schluss, dass Kleinkredite vornehmlich der Bevölkerung an und über der Armutsschwelle eine wichtige Hilfe darstellen können, aber eine Verminderung der extremen Armut nicht bewirken können.

Um das Kind nicht mit dem Bade auszuschütten, untersucht der Autor ferner, wie die Mikrokreditidee dahingehend weiterentwickelt werden kann, um auch den Ärmsten der Armen einen Nutzen zu bringen. Dies erfordert zum Beispiel, dass die Kreditvergabe nicht wie bisher nur in einem Standardpaket angeboten wird, um statt den Bankbedürfnissen denen der Kunden zu entsprechen.

Die Kredite sollten zudem nicht ausschließlich für gewerbliche Vorhaben bereitgestellt werden und Rückzahlungstermine z.B. auf den Rhythmus der Ernteverkäufe Rücksicht nehmen. Schließlich bleibt der Mikrokredit für sich allein meistens wirkungslos, wenn er nicht mit anderen Maßnahmen gekoppelt wird, wie z. B. Grund-, Aus- und Fortbildung.

Die Arbeit ist sehr klar und übersichtlich aufgebaut, was das Lesen deutlich erleichtert und zu weiterführenden Gedanken zwischen den Zeilen und am Seitenrand animiert.

*Kosta Mathéy*

# Ökologie

**Colin Porteous; Kerr MacGregor. Solar Architecture in Cool Climates. 266 S. ISBN 1-84407-281-9. 2005. Earthscan, London.**

Energieeinsparung gehört heute zum geforderten Standard im Gebäude-Entwurf, jedoch noch nicht zum etablierten Lehrplan der meisten Architekturfakultäten. So fühlen sich viele Architekten unsicher, wie sie ihren Projekten den aktuellen energetischen Anforderungen am Besten gerecht werden können. An diese Zielgruppe – besonders die in Großbritannien beheimatete,



wendet sich der vorliegende Band. Die im Grunde genommen sehr simplen Prinzipien des energiesparenden Bauens werden an Hand von gebauten Beispielen eingeführt und durch Wiederholung vertraut gemacht. Ein vielleicht geschickter didaktischer Trick – besonders bei Architekten, die wenig zu tun und damit viel Zeit haben zum Bücherlesen. Wer sich jedoch schnell einen Überblick über die konkreten Fakten und systematisch abgeleitete Prinzipien sucht, greift besser zu anderen Werken, die ja zu Genüge die Fachbuchhandlungen füllen.

*Kosta Mathéy*

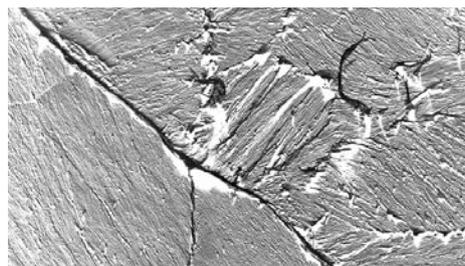
# Technologie

**Henry van Trier, Jan Oprins et al. Bamboo. A Material for Landscape and Garden Design. 143 S. ISBN 3-7643-7481-0. 2006. 50,-. Birkhäuser Verlag, Basel. (www.birkhauser.ch)**

Es hat sich herumgesprochen, dass Bambus ein faszinierendes Material mit unendlichen Nutzungsmöglichkeiten ist und

eine Reihe ausgezeichneter Bücher über das Thema sind bereits auf dem Markt. Was rechtfertigt noch eine weitere Neuerscheinung über das Thema? Die bereits vorhandenen Publikationen lassen sich grob in technisch-wissenschaftliche Abhandlungen und in die Rubrik ‚Coffee-Table-Books‘ einsortieren. Das vorliegende Werk dagegen verbindet die positiven Qualitäten beider Genres: einerseits beeindruckend die ästhetischen Farbfotos des großformatigen Kunstdrucks, zum Anderen werden wir über viele neue Verfahren, Anwendungen und Märkte von Bambus unterrichtet, die von den anderen Autoren entweder übersehen wurden, sie nicht interessiert oder zu ihrer Zeit noch nicht existierten.

Das erste Kapitel ist den botanischen Eigenschaften von Bambus gewidmet. Das Alleinstellungsmerkmal des Bandes zu diesem Thema ist eine Abhandlung zur Zellstruktur des Bambushalmes und ihrer Ästhetik. Kapitel Zwei erläutert die verschiedenen Methoden der Reproduktion von Bambus – bis hin zu den modernen Methoden der Mikro-Gewebe-Kulturen. Kapitel Drei beschäftigt sich mit den ökologischen Qualitäten, die z.B. anders als bei Eukalyptus das Wasser zurückhalten und die Artenvielfalt bewahren. Im folgenden Kapitel – mit ‚Bamboo in our World‘ überschrie-



ben, wird auf bestimmte Spezies der Pflanze genauer eingegangen, die sich für ganz spezielle Zwecke (wie Ornament, Frostresistenz, Windschutz, Erosionshemmung, Holzersatz, Baumaterial, Lebensmittel etc.) eignen. Das letzte und fünfte Kapitel widmet sich den verschiedenen Verarbeitungstechniken und Anwendungsmöglichkeiten des Materials. Architektur, industrieller Einsatz, Musik, Gastronomie, Möblierung und sogar – Philosophie. Eine Adressliste verweist schließlich auf Informationszentren zu Bambus und Bezugsquellen

*Kosta Mathéy*

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## Veranstaltungen / Forthcoming Events

### Nov. 2-3, 2007 in Cottbus, Germany

TRIALOG 24<sup>th</sup> Annual Workshop: Strategies of urban and rural development under conditions of rapid global change. 24. Jahrestagung der Vereinigung zur wissenschaftlichen Erforschung des Planens und Bauens in Entwicklungsländern e.V. Organised by TRIIALOG - Association for Scientific Research on Planning and Building in Developing Countries - in co-operation with TU Cottbus (Prof. Volker Martin). Venue: Konrad-Zuse-Straße, Hörsaal 1, TU Cottbus. Contact: <A.Wemhoener@gmx.de> [www.trialog-journal.de](http://www.trialog-journal.de)

### Nov. 3, 2007 in Cottbus, Germany

TRIALOG-Mitgliederversammlung 2007. Beginn 15:00h, Ende 18:00h. Lehrstuhl für Stadtplanung und Raumgestaltung, TU Cottbus, Konrad-Wachmann-Allee 4, LG 2b. Kontakt: Peter Gotsch, c/o ORL, Englerstraße 11, D-76128 Karlsruhe. Tel: (+49-721) 608 7154. <pg@glora.org>, [www.trialog-journal.de](http://www.trialog-journal.de)

### Nov. 1 – 3, 2007 in Mumbai, India

Urban Age Conference India. Focus: Investigation on the future of cities with emphasis on the examination on how the largest democracy on earth negotiates considerable urbanisation and economic development. Contact: Urban Age Office, Mira Krusteff, Project Assistant, London School of Economics, Houghton Street, London WC2A 2AE, United Kingdom, Phone: (+44-20) 7955 7706, Fax: 7955 7697, <m.krusteff@lse.ac.uk> [www.urban-age.net/03\\_conferences/conf\\_mumbai.html](http://www.urban-age.net/03_conferences/conf_mumbai.html)

### November 15 – 16, 2007 in Neuchâtel, Switzerland

International seminar on "New-Build Generifications: Forms, Places and Processes." Organised by the Institute of Geography, University of Neuchâtel, Switzerland. Contact: Université de Neuchâtel, Institut de Géographie, Espace Louis-Agassiz 1, Phone: (41-32) 718 18 12, Fax: (41-32) 718 17 01 <valerie.sauter@unine.ch> [www2.unine.ch/maps/page20307.html](http://www2.unine.ch/maps/page20307.html)

### Nov. 22 – 24, 2007 in Singapore

24<sup>th</sup> International Conference on "Passive and low energy architecture (PLEA)." Organised by the Department of Architecture of the National University of Singapore and the PLEA Association. Venue: Department of Architecture. Contact: National University of Singapore, 21 Lower Kent Ridge Road, Singapore 119077, Phone: (+65) 6516 6666, [www.arch.nus.edu.sg/plea2007/index.asp](http://www.arch.nus.edu.sg/plea2007/index.asp)

### Dec. 10 – 12, 2007 in Grenoble, France

World Meeting on "Participatory democracy from the local to the global level – for what sort of development?" Organised by The Rhône-Alpes Regional Council. Venue: in Grenoble, Valence, Saint-Etienne and Lyon on December 10, and in Lyon on December 11 and 12. Contact via [www.democratie2007.rhonealpes.fr/?lang=en](http://www.democratie2007.rhonealpes.fr/?lang=en)

### Dec. 13 – 14, 2007 in Hobart, Australia

Symposium on "Home/City/Neighbourhood/ Mediating points and containers in contemporary urban social life." Organised by the Housing and Community Research Unit, Univ. of Tasmania. Venue: Univ. of Tasmania, Hobart, Tasmania Churchill Avenue, Faculty of Arts, School of Sociology and Social Work, Social Sciences Wing. Contact: Rowland Atkinson, Phone: (+61-03) 6226 7604, Fax: 62262279, <rowland.atkinson@utas.edu.au> [www.utas.edu.au/sociology/HACRU/Home\\_City\\_Neigh\\_symposium.htm](http://www.utas.edu.au/sociology/HACRU/Home_City_Neigh_symposium.htm)

### March 17 – 19, 2008 in Coventry, UK

5<sup>th</sup> Warwick Healthy Housing Conference. Organised by the Safe and Healthy Housing Unit of Warwick Law School in collaboration with the World Health Organisation Regional Office for Europe. Venue: University of Warwick, Coventry CV4 7AL. Contact: Margaret Parker, School of Law, The University of Warwick, Phone: (+44-24) 76523098, Fax: 76524105, <M.K.Parker@warwick.ac.uk> [www2.warwick.ac.uk/fac/soc/law/research/centres/shhru/healthyhousing/](http://www2.warwick.ac.uk/fac/soc/law/research/centres/shhru/healthyhousing/)

### April 6 – 8, 2008 in Virginia, USA

International conference on "A suburban world? Global decentralisation and the new metropolis." Organised by the Metropolitan Institute, Virginia Tech and University of Sidney. Venue: Sheraton Reston Hotel, Reston, USA. Contact: Katrin Anacker, Post Doctoral Fellow, Metropolitan Institute of Virginia Tech, <asuburbanworld@vt.edu> [www.mi.vt.edu/index.asp?page=23&id=58](http://www.mi.vt.edu/index.asp?page=23&id=58)

### April 30 – May 2, 2008 in Christchurch, New Zealand

4<sup>th</sup> International i-Rec Conference on "Building resilience: achieving effective post-disaster reconstruction." Organised by the New Zealand Resilient Organisations research team, I-Rec (International Group for Research and Information on Post-Disaster Reconstruction) and CIB (International Council for Research and Innovation in Building and Construction). Focus: Disaster and the Built Environment. Venue: University of Canterbury, Private Bag 4800, Christchurch 8020, New Zealand. Contact: The Conference Office, University of Canterbury, Phone: (+64-3) 364 2645, Fax: (+64-3) 364 2324, <i-rec2008@uco.canterbury.ac.nz> [www.resorgs.org.nz/irec2008/](http://www.resorgs.org.nz/irec2008/)

### June, 11 – 16, 2008 in Berlin, Germany

International Essay Competition and Workshop on "Urban Planet: Collective Identities, Governance and Empowerment in Megacities." Organised by the Irmgard Coninx Foundation, the Social Science Research Centre Berlin and the Humboldt-University Berlin. Target group: PhD students and post-docs. Venue: Science Research Centre Berlin. Contact: Leopold von Carlowitz and Dr. Sabine Berking, c/o Wissenschaftszentrum Berlin für Sozialforschung (WZB), Reichpietschufer 50, D-10785 Berlin, Phone: (+49-30) 25491-411, Fax: (+49-30) 25491-684, <info(at)irmgard-coninx-stiftung.de> [www.irmgard-coninx-stiftung.de/index.php?id=117](http://www.irmgard-coninx-stiftung.de/index.php?id=117)