

No. 26

**THE COMMODIFICATION OF SELF-HELP HOUSING  
AND STATE INTERVENTION.  
HOUSEHOLD EXPERIENCES IN THE "BARRIOS" OF CARACAS.**

**Ronaldo Ramirez, Jorge Fiori  
Hans Harms and Kosta Mathey.**

April 1991

Working Paper No. 26

**THE COMMODIFICATION OF SELF-HELP HOUSING  
AND STATE INTERVENTION.  
HOUSEHOLD EXPERIENCES IN THE "BARRIOS" OF CARACAS.**

**Ronaldo Ramirez, Jorge Fiori  
Hans Harms and Kosta Mathey.**

April 1991

**THE COMMODIFICATION OF SELF-HELP HOUSING  
AND STATE INTERVENTION.  
HOUSEHOLD EXPERIENCES IN THE "BARRIOS" OF CARACAS.**

## CONTENTS

	Page
I.Introduction	1
II.Background	3
III.Theoretical Framework	7
IV.The Three <b>Barrios</b> and the Households	12
V.Housing Production, Exchange and Consumption	14
a.Housing Development as Use Value	14
b. Provision of Land	29
c.The Building of Houses	38
d.Exchange Relations	43
e.Administrative Framework & Technical Assistance	47
f. Neighbourhood Development as Use Value	50
g. Community Organisation	55
h. Costs, Finance and Affordability	60
VI.Conclusions	71
VII.References	73

## I. Introduction<sup>1</sup>

It is generally acknowledged today that millions of citizens in the developing countries produce, exchange and consume their housing apparently independent of, or at varied distances from, market relations or state intervention. In this paper we will examine the individual experiences of a few families living in the shanty towns of Caracas - the **barrios** - in 1985 to show how that process of housing production is, at the same time, a slow process of housing commodification. It will be argued that although the population involved in it may benefit considerably from its development, widespread poverty makes commodification impossible, or extremely difficult to achieve, without the state helping significantly to complete the use value of housing. The outcome of such an apparently contradictory process is dependent upon the form of housing policy adopted by the state and on the type of relationships mutually established between the state and the shanty town dwellers. Whether or not there is a role for the state in the field of low cost housing once it is totally commodified is a matter of contention not directly discussed in this paper. However, if the indispensable role played by the state in the completion of housing commodification disappears when this is achieved, then the continuation of state involvement in low-cost housing will need to be fully redefined.

About 50 % of Caracas' population, some 1,760,000 people, lived as squatters in 1980<sup>2</sup>. That situation has not changed significantly today, in a country ranked in 1983 by the World Bank's World Economic Report amongst the highest within the middle-income track, with a GNP per capita of US\$ 3,840 supported by an oil-export economy, (World Bank, 1983). Massive squatting in developing countries conveys an image of extreme misery, shacks, lack of facilities and squalor. The **barrios** of Caracas show a different picture. Those qualities exist but are by no means overwhelming. The dominant landscape is one of rather large, solid houses built with bricks and other industrially produced materials, concrete surfaced roads and basic facilities. Although they have been built illegally, on invaded land, very little is temporary or precarious in these squatter areas.

Comparisons and first impressions are sometimes misleading. It is easy to make the mistake of idealizing these shanty-towns. Certainly, these are the poorest urban quarters in the city, where the Venezuelan urban poor live. Facilities and services that are taken for granted in conventional urban areas are absent here. Nevertheless, it is impossible to deny the relatively high quality of the built environment.

These were just empty hills and agricultural lands in the 1940's. What has happened then in these places to produce these results ? If these are the poorest families in the city, with incomes below the levels that would give them access to public housing loans (Bolivar, T. 1989a), if the absence of environmental monotony tells that no state agency has been involved in building houses around here, how is it then that this housing has been possible at all ? All available information points to

---

<sup>1</sup> This is the complete text of the abridged paper published under the same title in Mathey, K. (ed.): "Beyond Self-Help Housing", Mansell, London, 1991. We are grateful to Sue Jones for her help in editing it.

<sup>2</sup> Figures vary according to different sources, as noted in section describing the "barrios".

two major processes as responsible : a massive individual and collective effort by the squatters to produce their dwellings and neighbourhoods, and an important intervention by the state, not in the provision of houses but in the production of environmental and social conditions that made the former possible. The interface between these two processes became the object of a research project carried out in 1985 by the authors of this paper in collaboration with a number of other academics and research workers<sup>3</sup>.

The research consisted in the examination of the process of housing production, exchange and consumption in the squatter areas of Caracas. The focus was on the effects of the Venezuelan state interventions in that process by means of self-help upgrading

### **The Barrios of Caracas. La Montañita**

programmes carried out in the period between 1969 to 1979. This period covers the governments of Rafael Caldera, of the Christian Democratic Party (1969-1974), and of Carlos Andres Perez, of the populist "Acción Democrática" Party, whose first administration was between 1974 and 1979.

---

<sup>3</sup> The research group also included Arnold Koerte and Ingrid Hermannsdorfer. Estrella Alvarez and Maria Josefina Figueroa were the research assistants in the field. The long list of Venezuelan specialists that collaborated in the research exceeds the limits of this paper and will be published with the research report.

## II. Background<sup>4</sup>

Caracas was founded in 1567 in a flat valley of 11.520 Ha at 950 metres above sea level. By 1940 the city had a population of about 300,000 people, mostly concentrated in the centre-west part of the valley. The organization of the Venezuelan territory throughout its history has always had Caracas as its centre in economic, social, cultural and political terms. Changes in the productive basis of the country, such as moving from an agriculture-based export economy to an oil-based one, have induced important alterations in its territorial structure, yet without challenging Caracas' dominant position. A tendency to concentrate large part of state expenditure in the capital region has been instrumental in sustaining this position. (Fierro, L. 1981). This state policy, reinforced by the oil revenues that started in the 1920's, created the conditions that attracted people from all over the country to the capital. The valley was fully occupied by 1950. It contained 676,000 people, 14 per cent of the national total. Its densification and the pressure to occupy the surrounding hills started at about that time. From 1966 to 1975 the occupation of the hills, some with high income developments and some with **barrios**, became the normal mode of expansion for the city. The population grew steadily: 1,270,000 in 1960 (18 per cent of the national total), 2,035,000 in 1970 (20 per cent of the total) and 3,330,000 in 1980 (20 per cent of the total), (OMPU, 1972 and 1981).

Household incomes in Caracas showed higher levels when compared to the rest of the country in 1970. Monthly incomes below Bs 500 were about 12 per cent - lower than the average of 23 per cent in the other Venezuelan urban centres with 10,000 or more people. Household monthly incomes of Bs 3,000 or more were 16,5 per cent - higher than the average of 10,3 per cent in the country's other large urban centres. (Bolívar, T. 1980). 27 per cent of the economically active population was based in the Capital Region in 1961. This went up to 31 per cent in 1971. The majority was engaged in services : 67 per cent in 1961 and 70 per cent in 1971, as oppose to 24 per cent and 26 per cent employed in secondary activities in the same periods.

**Barrios** have existed in Caracas since the second decade of the 20th Century. The first massive upsurge of these settlements, occurred however in 1947 when 36 were founded in a year. According to **FUNDACOMUN**, an agency created by the Venezuelan government in 1962 to deal with these problems, a **barrio** is "any identified settlement located either in the centre or in the periphery of a city of more than 20,000 inhabitants, which is the result of the invasion of vacant land and has been developed by the initiative and direct effort of its dwellers, this expressed in the self-help construction of their houses with cheap and waste materials and their subsequent improvement. The consequence of this form of development is the absence of basic infrastructure, or its insufficiency both in quantity and quality, and an disorganized layout. The population in the **barrios** generally belongs to the lowest income and less educated social groups". (Fundacomun, 1978).

New settlements have appeared regularly from 1947, with a peak between 1957 and 1964 and a

---

<sup>4</sup> Unless otherwise indicated, the information of this section has been extracted from: Fiori, J., Harms, H., Hermannsdorfer, I., Koerte, A., Mathey, K. and Ramirez, R. (1985) "Self-Help Housing in Latin America: The Case of Venezuela." Joint Research Project: Interim Report. (unpublished).

continuous decline in new foundations since the middle of the 1970's. Accurate figures are difficult to find. **Fundacomun's** inventory of **barrios**, based on research carried out between 1974 to 1977 identified 321 **barrios** in the Metropolitan Area, with 230,712 dwellings and a population of 1,360,000 people (Fundacomun, *ibid*). The Metropolitan Urban Planning Bureau (OMPU), using census information, reported that in 1970 the population in the **barrios** was 857,000 inhabitants, equivalent to 40 per cent of the total population in the metropolitan area. Those figures went up to 1,760,000 and 51 per cent respectively in 1980. An inter-institutional working group, called **Areas Marginales**, updated **Fundacomun's** data in 1983. They identified 281 **barrios**, of which 11 were regarded as "recently developed". They provided information on 267 settlements only, constituting a total of 193,580 dwellings and 1,403,000 inhabitants. Finally, Teolinda Bolivar combined the information from several official sources and arrived at the conclusion that "in 1985, 61 % of the Caracas Metropolitan Area's population lived in the so called **barrios**". (Bolivar, T. 1989b. 146).

Although there is certain discrepancy in these figures<sup>5</sup>, they provide a comparative scale to assess the quantitative presence of the **barrios** in the city. An estimate of 50 per cent of the metropolitan population in 1980 would be acceptable. This can be complemented by two other figures: 60 per cent of the housing built in Caracas between 1961 and 1971 were produced privately and half of this corresponded to houses built in the **barrios**. Teolinda Bolivar reinforces this by indicating that 63 per cent of the annual average of houses built from 1978 to 1985 were located in the **barrios**. (Bolivar, T. *ibid.*).

**Fundacomun** assessed the living conditions in these areas around 1974. 75 per cent of the area covered by these settlements had piped water by that time while 5 **barrios** had none. 80 per cent of the area was equipped with sewerage systems while 21 **barrios** had none. 97 per cent of the area had electricity but 9 **barrios** had none. In a large number of settlements public and household rubbish was collected regularly by municipal services. A large number also had public lighting, drainage, public transport, post offices, public telephones, schools of different levels, and medical and social facilities. (Fundacomun, *Op.Cit.*).

The same study assessed the conditions of individual houses. These were classified according to their building materials. A **good** house was one built entirely with industrially produced, conventional materials, even if it had not been completed. A **bad** house was one built with refuse materials and a **regular** one had a combination of both. The overall result was that 60 per cent of the houses could be considered **good**, 21 per cent **bad** and 19 per cent **regular**.

The occupational distribution of the population living in **barrios** showed that a majority of them - 61.6 per cent - were workers in 1978, including industrial, manual, skilled and unskilled labourers. The rest were: self-employed (petty merchants, artisans) 12,7 per cent; employees (white collar) 22,3 per cent; domestic service 2,2 per cent and petty criminals 0,2 per cent. This picture had not changed considerably from 1953, when 61,12 per cent of the active population were also workers (Bolivar, T. 1989b).

---

<sup>5</sup> The differences are mainly due to the use of different definitions, methods of data collection and geographical units.

The morphology of the **barrios** shows that some patterns of spatial organization have appeared, strongly influenced by the hilly geography of these areas. The borders of the **barrio**, or of an independent part of it, are decided by the Neighbourhood Juntas. Access and main internal streets are marked and the settlers fit their lots, of more or less equal sizes, into that pattern starting either from the bottom of the hills upwards or from the crests downwards, according to where the main streets run. Access to the houses, except those on the main streets, is by steps and footpaths. Density is lower in the newer areas. Little shops, bars and workshops settle alongside the main streets. They operate mostly from private houses but increasingly they use purpose-built extensions. In well consolidated **barrios** it is possible to find commercial buildings renting shops to merchants.

The first policy of the Venezuelan government concerning the **barrios**, undertaken by the military dictatorship of M. Perez Jimenez during the 1950's, was to bulldoze them and to re-house the population in high-rise superblocks. It ended, according to most studies, in an unmitigated disaster. The elected governments that came afterwards changed that approach.

During the 1960's and 1970's the Venezuelan governments were involved in two simultaneous processes as far as public housing was concerned. On the one hand they created an area of capital accumulation through a policy of conventional housing. The state financed the production, by the private sector, of some 700,000 housing units to be added to the conventional stock, and created the legal, financial and market mechanisms to make those houses available to the population. This state expenditure was legitimised by a political discourse that signalled an intention to improve the conditions of the low income groups. However, the costs were such that no low-income household actually had access to those houses. Practically no one of the families interviewed in the **barrios** covered by this research had even applied to the agencies allocating those houses, on grounds of their high cost.

On the other hand those governments were involved in the socialization of the cost of labour reproduction of which housing was a major component. One of the important underpinnings of the structure of social domination in Venezuela during those years was the political participation of the workers in it. Political participation, however, needs a material basis on which to be sustained.

Housing, and particularly the expectations of housing triggered off by unattainable conventional programmes, provided the material foundation upon which it was possible to sustain the political alliances supporting such governments (Ramirez, R. 1990). Facing a problem of maximum coverage and minimum costs, the Venezuelan governments response was to allow the invasion of public and private land if the purpose was to build houses, protecting that land already allocated for public use and preventing the dangers that might have come from unsuitable sites. Massive upgrading programmes were implemented to provide the so-created settlements with services and facilities. Most of these programmes were carried out under a general ideological umbrella that translated the populist doctrines of the governments of the time into their non-conventional housing policies. The tenets of those policies - that the population occupying invaded land should not be evicted except in special cases, and that assistance should be provided out of social expenditure - remained constant all throughout the 1960's and 1970's.

While works done before 1969 were notable for their piecemeal characteristics, the 1970's saw the



successive implementation of two major comprehensive programmes: the **Urbanización y Equipamiento de Barrios**, carried out by the Christian Democratic government of Rafael Caldera, and the **Ordenamiento y Consolidación de Barrios**<sup>6</sup>, produced by "Acción Democrática" during the first government of Carlos Andres Perez.

The Christian Democratic programme inaugurated a change of approach to the **barrios**, moving away from a concept centred on the house towards the creation of the appropriate social and environmental conditions for housing to develop. The declared purpose of the programme was to integrate the **barrios** into the fabric of the city. It started with a major ideological radicalization of the intervention, with government teams mobilizing the squatters around social, cultural and political issues to the detriment of physical improvements. This direction changed after the first year when the programme moved towards neighbourhood upgrading projects in specific **barrios**, with an emphasis on community implementation rather than contract work.

The **Acción Democrática** programme maintained similar principles but went for wider coverage of the **barrios** seeking to consolidate those that appeared more established, providing them with social and physical infrastructure and moving from voluntary to contract work.

---

<sup>6</sup> **Urbanización y Equipamiento de Barrios**: Provision of Infrastructure of Services and Facilities to Barrios. **Ordenamiento y Consolidación de Barrios**: Physical and Social Organization and Consolidation of Barrios.

### **III. Theoretical Framework**

Public housing is defined, within the theoretical framework used in this analysis, as one form of state intervention in the reproduction of the general conditions of production. These interventions have been effected by means of conventional and non-conventional housing policies in the developing countries during the past 50 years. A rough definition of the first type of policy involves the state taking responsibility for the production and delivery of fully completed housing as use values. By this we mean the minimum quality of shelter, supported by the necessary physical and social infrastructure, that is socially acceptable as use value in a specific social formation. Non-conventional policies, on the other hand, are characterized by systematic but partial interventions by the state in an on-going process leading to the same objective as the former. Self-help policies are part of the non-conventional family.

The analysis of public housing in a number of Latin American countries during the same period shows that the experience of Venezuela was not unique. In several countries conventional housing policies have mostly been concerned with the organization of new areas of capital accumulation. This was particularly so when those countries were engaged in national programmes of import-substitution industrialization. Equally, non-conventional housing policies have been concerned with socializing the costs of labour power reproduction. Other forms of capital accumulation, external debts, structural adjustments, have resulted in a tendency for the state to withdraw from conventional housing. Practically the same reasons have forced it to act by means of non-conventional policies. Whether these assertions can be generalized to all the development countries is debatable. They certainly apply to Venezuela (Ramirez, R. Op.Cit.).

Analyses of non-conventional housing policies have been affected by what could be considered are three major distortions. Some have examined them within a framework that advocates the withdrawal of the state from the field of low-cost housing as the best way to solve the housing problem. The fact that these policies minimize state intervention has been decisive for a positive assessment of them. Very little has been done, however, to examine the effects of the policies in the living and housing conditions of the people involved, which have been, by and large, covered by a sort of blanket glorification of the spontaneous housing work of the poor. A second group of analysts has been mainly concerned with the short-term effectiveness of these policies. This is a fact too, but its theoretical narrowness has rendered this approach highly unsatisfactory. Finally, analyses that have been concerned with the social context and wider roles of these policies have been mainly focused in the examination of its consequences in terms of exploitation of the workers, denouncing the low quality and the low value of housing resulting from their implementation.

We submit that non-conventional housing policies have to be examined combining the search for knowledge at the macro level of society - the origins, the roles, the long term consequences of the policies - with the identification of real social, material and political effects of their application in the living conditions of the population. Ignoring a wide range of possible relative improvements in the material living conditions of the people affected by these policies is not only a theoretical but also a political mistake. The central questions that analyses should therefore address are whether improvements exist, what is their social meaning and whether non-conventional housing policies

contribute to change the social context from which housing deprivation originates (Fiori, J & Ramirez, R 1991).

Shanty towns on the scale normally found nowadays in the developing countries do not arise out of a social vacuum. Apart from many local factors that help to explain their differences, there are some common conditions and causes. Urbanization and political developments leading to an awareness of workers rights are among those conditions. The most important among the causes appears when the quality of the housing that enters into the value of labour power reproduction - labour consumed by capital and also available for consumption- becomes of a socially unacceptable standard and the population perceives no potential for its upgrading to acceptable levels. At this point, as far as housing is concerned, this population is in a deadlock. The principle that the market, left to itself, supplies what is necessary to satisfy people needs with a range of affordable standards seems to clash with the social limits of the latter. It seems that housing standards cannot be reduced arbitrarily, independent of cultural definitions, aspirations and political achievements. These define quality thresholds - by no means easy to identify or to anticipate - below which the conventional forms of reproduction seem to collapse.

When incomes are too low to reach what is socially acceptable in terms of housing standards, when individual and social salaries cannot be increased without compromising the rate of profit of a still weak capital, and when a low-productivity industry is unable to supply the required acceptable standards within affordable prices, the structural conditions for shanty-towns to appear have been created. Whether these settlements will rise or not depend of the specific conditions of each case - social actors, political context, etc., the local factors mentioned above. In Caracas the combination of structural and local conditions lead to massive land invasions and to the **barrios**.

Invasion of others' land and the production of **barrios** have been labourers' attempts at solving by themselves, independently of their individual relationships with capital, the housing component of their reproduction. The process starts by reducing housing standards to a minimum, below what is affordable in the market. Going through all this effort to achieve standards inferior to those previously considered unacceptable is justified by the chance to break out of the deadlock. In so doing people start a process of continuous housing improvements which to a large extent can then be managed by themselves. The assertion of this paper is that this process, by taking place in a milieu dominated by capitalist relations, is also a slow process leading to housing becoming commodified.

The analysis starts from the premise that in the first instance the squatters produce their houses in artisan, pre-capitalist form. The continuous improvements mentioned above lead, on the one hand, to the completion of the use value of the housing commodity. By this we mean the achievement of the minimum standards of housing quality in a particular social formation, in a given time, that are socially acceptable. On the other hand, the improvements also lead to the completion of the exchange value of the housing commodity. By this we mean the establishment of technical and social conditions required to make possible the full economic realization of all the inputs, particularly labour time, invested in the production of the use value of housing. Both processes are related but they frequently evolve unevenly. They are made up of a number of steps, some of which will be examined in this paper.

Before those two processes have been completed housing must be understood as an incomplete commodity. The fact that some houses could be the subject of monetary sales does not change this condition. For houses to become complete commodities they would have to be produced at the average levels of productivity of the building industry, exchanged according to the general rules of an organized market and consumed as socially acceptable use values. This has not occurred among the unauthorized and independent urban settlements in most developing countries up to now, and certainly not in Venezuela.

Two propositions are important for this analysis. First, the advancement of the process of commodification is considered to be beneficial to the households involved in it. The progress of the use value of housing is obviously beneficial, although this has to be balanced with its cost. Those that have the material appropriation of the land particularly benefit from the increasing consolidation of conditions that allow the full realization of their investments in money and labour. Second, it is argued that, left to itself, the completion of commodification is nearly impossible in developing countries given the poverty of the population involved. While not impossible, the process is bound to be very slow, painful, and might lead to the expulsion of the financially weakest households in the affected communities. Here, we would like to make a difference between expulsion and move. The first implies families being forced out of their settlements by conditions they are in no position to meet. This happens, for example, when families are asked to pay for housing improvements beyond their means. The second implies families moving out as a result of conditions that make financially, or otherwise, sensible to do it.

This is the process impacted on by the non-conventional housing policies and self-help upgrading programmes of the state. A number of contradictory developments may result from this intervention. On the one hand, the state may aim to support the reproduction of the pre-capitalist form of housing as a way of keeping the value of housing low. Its objective may principally be to support private capital by both, keeping the value of housing outside the value of the labour power used by capital and reducing as much as possible the social value spent in housing unemployed labourers. On the other hand, this state intervention may accelerate the process of housing commodification. Considering the intentions previously mentioned, it may be self defeating and may provoke the dissolution of the forms of production that it intended to reproduce. By intervening with a self-help programme the state may, for example, consolidate the appropriation of invaded land by the squatters, hence accelerating commodification.

Moreover, though self-help policies may be extremely varied, the attempt to obtain the participation of the users seems to be a feature common to all of them which may lead to the establishment of an arena of negotiations involving the state and the squatters. (Fiori, J. & Ramirez, R. Ibid.) Neither the character nor the outcome of these negotiations can be anticipated or prescribed. These depend on the prevailing political conditions, the objectives of the state, the character of the policies, the organization of the squatters, etc. However, it could be argued that independently of their outcome, negotiations defined under the umbrella of self-help housing policies tend to be about the nature and quantity of social resources that the state might transfer to the squatters and the ways in which those transfers might be carried out.

It is our contention that these contradictory processes are simultaneous and their interactions must be examined if the real consequences and potential of non-conventional housing policies are to be

understood. The transfer of social resources in particular, constitutes a direct input into the completion of the use value of housing. This, plus the network of relationships consequently created between the state and the squatters, in addition to the effects provoked by that transfer, may become the conditions that accelerate the commodification of housing in the shanty towns and eventually effect its completion without necessarily punishing the low-income population in the process.

Housing production, exchange and consumption comprise a rather abstract concept that refers to a process not available for direct empirical observation. It refers to a totality integrating a number of particular developments. For the purpose of this analysis it has been considered as a single general process that can be disaggregated into eight empirically observable and interrelated particular fields.

These are:

- 1 : **House Development as Use Value;**
- 2 : **Land Provision;**
- 3 : **The Building of Houses;**
- 4 : **Exchange Relations;**
- 5 : **Administrative Framework and Technical Assistance;**
- 6 : **Neighbourhood Development as Use Value;**
- 7 : **Community Organization; and**
- 8 : **Costs, Finance and Affordability.**

These headings do not refer to phenomena. They refer to processes, i.e.: variable characteristics that change quantitatively and qualitatively following particular paths. They will be examined by comparing their evolution as postulated by a set of hypotheses with the experiences of a number of households living in the **barrios**.

The first hypothesis postulates that the development of the general process of housing production, exchange and consumption - and therefore of the eight particular processes as well - in the squatter areas of Caracas has been characterised by the increasing domination of commodity forms. The second postulates that government interventions in the form of self-help upgrading policies and programmes have accelerated and consolidated commodification. The third postulates that these forms of

government intervention - with strong emphasis on users participation - define a space of political negotiation, involving the state and the squatters, concerning the allocation of social resources to the **barrios**. It also postulates that the course and outcome of these negotiations are determined by both the objectives and forms of government intervention -i.e.: the character of the policies - and

the level of organization and negotiating capacity of the squatter community involved<sup>7</sup>.

The fourth hypothesis postulates that the process of commodification generates gains that accrue to those squatter households that have the material appropriation of the land they occupy, and that self-help housing policies might benefit them in two ways: indirectly by the consolidation and acceleration of the commodification process, and directly, by offsetting part of the costs of commodification with the transfer to them of social values.

The theoretical framework and the previous paragraphs summarise our understanding of self-help housing, of housing commodification and of the effects of self-help policies, particularly of upgrading programmes, in the shanty towns of developing countries. Whether this understanding is valid or not will be discussed below in the light of the housing experiences of twenty three households living in three **barrios** of Caracas in 1985<sup>8</sup>. These, all founded around 1960, are in the Municipality of Petare, on the east of Caracas, where a large number of the city's shanty towns are located.

---

<sup>7</sup> This part of the research has been left out of this paper because, as explained in the section dealing with ADMINISTRATIVE FRAMEWORK AND TECHNICAL ASSISTANCE, it is beyond the ability of individual households to provide the relevant information.

<sup>8</sup> This examination is based on an analysis of data obtained from fieldwork in Caracas for the Research Project on Self-help Housing Provision in Latin America. The fieldwork included a scanning and a survey of 3 **barrios** and a number of cases studies of households and other important social actors.

#### IV. The Three Barrios and the Households

LA MONTAÑITA is a sector in Jose Felix Ribas, one of the largest Caracas' **barrios**. As in the other two cases, this sector was chosen because it was clearly identified with the territory of a Neighbourhood Junta and because it was supposed to have been targeted by the "**Ordenamiento y Consolidación de Barrios**" programme of the "Acción Democrática" administration in 1974-1979.

In 1985 the settlement consisted of an agglomeration of 446 houses climbing up the hills around a narrow valley scarcely wider than the main street running along it. Houses were also around the two other secondary streets and a number of steps and footpaths. A large majority in the neighbourhood claimed ownership of their houses (81,24 per cent) and the fact that 81,26 per cent of the total had been in La Montañita between 5 and 20 years suggested that a majority was already resident when the upgrading programmes were implemented.

The same requisites were satisfied by SAN JOSE ALTO, part of **barrio** San Jose, which was supposed to have been a target of the **Urbanización y Equipamiento de Barrios** programme of the Christian Democratic Administration in 1969 - 1974. There were 361 houses in San Jose Alto in 1985, this time climbing down from the main street running along the crest of a hill, with long steps going down, linked by horizontal footpaths. Ownership (85,47 per cent) and time of residence were rather similar to the previous case: 60,83 per cent of the households had been in the **barrio** between 5 and 20 years.

JULIAN BLANCO, the third case, was chosen because it was thought that neither of the upgrading programmes mentioned had reached it. There were 372 houses in 1985, climbing this time down a rather gentle slope from two main streets running at the top of the hills. Internal movements were also helped by steps and footpaths. The pattern of ownership (82,45 per cent) and time of residence were very similar to the previous ones: 78,96 per cent of the households had been in the settlement between 5 and 20 years.

Eight of the households whose experiences were specially examined lived in La Montañita. They were the **Gonzalez, Rosales, Serenas, Valencias, Torres, Garcias, Rubios** and **Perez**<sup>9</sup>. Another eight lived in San Jose Alto. These were the **Salas, Hernans, Lisboas, Julias, Montez, Arocas, Quispes** and **Martinez**. Only seven were examined in Julian Blanco: the **Arroyos, Tironis, Paz, Donosos, Cerdas, Javiers** and **Mezas**. They were chosen because their individual histories were relevant to this study. The selection made sure that these histories would cover different forms of access to the **barrios**, at different and relevant times and that all these families had been able to improve the housing conditions from which they had started. However, these cases cannot be considered statistically significant as they do not represent a proportional distribution of relevant situations in the **barrios**. It would have been good manners to introduce each of these families to the readers, but lack of space makes it impossible. They will become familiar enough though, through the analysis of these processes.

---

<sup>9</sup> The real names have been changed to ensure anonymity.

**La Montañita. 1 : Gonzalez; 2 : Rosales; 3 : Valencias; 4 : Serenas**



**5 : Torres;    6 : Garcias;   7 : Rubios ;    8 : Perez.**

## V. Housing Production, Exchange and Consumption

The remainder of this paper examines the eight processes that constitute housing production, exchange and consumption in the **barrios** of Caracas. Each process has been theoretically defined by the four presented hypotheses, or relevant parts of them. This has produced eight rather abstract and simplified models suggesting the evolution of housing commodification in these settlements. These models have then been compared with the experiences of the twenty three households previously introduced, seeking to identify consistencies, contradictions and differences resulting from the application of different policies. It seems important to insist on two premises: this is a qualitative commentary based rather diffusely on empirical data, and the purpose is to explain the processes using the cases, not to explain the latter. Given that the processes are not mutually exclusive some repetitions are unavoidable.

### a. House Development as Use Value

This process defines the evolution of the way in which households incorporate the attributes necessary to achieve socially acceptable minimum standards of habitability into their houses. It defines, therefore the ways the use value of the dwellings is completed as a fundamental component of the process of housing commodification.

Writing formal definitions of house standards is a notoriously futile exercise in developing countries.

Most times standards only identify aspirations and desirable housing quality goals. Socially acceptable standards, on the other hand, are permanently redefined in the context of an on-going social struggle. Although highly variable, in most places they are related to the minimum qualities of the houses regularly transacted as commodities in the national market. The hypothesis concerning this process postulates that in the **barrios** of Caracas the development of the house as a use value has been from a precarious dwelling with poor living conditions, very few rooms of multiple use, no facilities and built with refuse materials, towards a consolidated housing unit, with sufficient and specialised rooms, built with industrially produced materials and equipped with facilities linked to the city networks, working at normal city frequencies.

The hypothesis also suggests that while the households improve the house continuously some forward leaps - significant qualitative changes, such as transforming a shack into a solid house<sup>10</sup> or linking a house to the piped water network - do occur. Although there are no indications that the Venezuelan state has contributed directly towards the development of the use value of houses, it is suggested that those leaps may have been associated with and influenced by the implementation of government upgrading programmes. These created conditions that made it possible for the households to commit labour time and resources to such developments. The purpose of this part of the analysis then is to see whether the experiences of these families do or

---

<sup>10</sup> SOLID HOUSE, following the conventions of the "barrios", refers to a dwelling built with proper materials, such as bricks, concrete blocks, treated timber, etc. TRANSFORMATION refers in this paper to the different ways a shack is converted into, or replaced by a solid house.



**San Jose Alto. 1 : Salas; 2 : Hernans; 3 : Lisboa; 4 : Julias; 5 : Montez; 6 : Arocas; 7 : Quispes; 8 : Martinez.**



**Julian Blanco. 1 : Arroyos; 2 : Tironis; 3 : Paz; 4 : Donosos; 5 : Cerdas; 6 : Javiers; 7 : Mezas.**

don't confirm these propositions. The analysis will further enquire whether the **Urbanización y Equipamiento de Barrios** and the **Ordenamiento y Consolidación de Barrios** programmes had any relationship with the ways the families improved their houses and whether the specifics of these programmes resulted in any significant differences in the way the improvements were carried out.

Information provided by the scanning of the three **barrios** and by the twenty three households describes an evolution of housing conditions very close to that suggested by the hypothesis, except regarding the variable influence of specific upgrading programmes. Accordingly, a high proportion of households in each **barrio** reported in 1985 to have made significant improvements to their houses in the past - 77 per cent in La Montañita, 80 per cent in San Jose Alto and 71 per cent in Julian Blanco - which had resulted in the rather high overall housing standards indicated in **Table 1**.

The categories in the Table have introduced two variations to the ones used by **Fundacomun** in its **Inventario** of 1978. Here **BAD** defines houses built with unsuitable materials: refuse timber, tin, cardboard; **GOOD** defines houses fully completed, built with industrially produced materials and with all the urban facilities; **REGULAR** defines houses that combine refuse and industrial materials and those built only with the latter which had not yet been finished. These definitions weight the results in favour of **REGULAR**, instead of **GOOD** as found in the official statistics of **Fundacomun** in 1978.

**Table 1. Housing Conditions in the three barrios in 1985**

	Bad	Regular	Good	N.I.
La Montañita	12 %	65 %	20 %	3 %
San Jose Alto	11	63	20	6
Julian Blanco	14	60	25	1

**Table 1** reveals that very few houses remained as shacks - or **ranchos** - in these three settlements in 1985, while more than 80 per cent were either in the process of becoming properly built and fully serviced houses or had already reached that category.

Three families, among the eight examined in La Montañita, occupied empty land before 1969. One were the Rosales, a family of five, to whom the Neighbourhood Junta assigned in 1968 a steep plot facing a future main internal road.

The first thing Sr Rosales did was to build a one room shack, using cardboard, refuse timber and tins. He also built a pit latrine outside. All the home activities, including cooking with kerosene, were performed in the same room. Water was obtained from a public stand-pipe 200 mt. below, at the entrance to the barrio. Used water was thrown out to the street. Electricity was obtained by hanging a wire from a distant main line, without paying for it. There was no way to dispose of the domestic rubbish, which was simply burned daily out in the street.

Incremental improvements were made continuously but it was not until seven years later, during the administration of **Acción Democrática** in 1975, that Sr Rosales went for a major

transformation of his house. He built three rooms, kitchen and bathroom, external and internal walls made of concrete blocks and a reinforced concrete slab as roof in preparation for an upper floor. At the same time he connected the house to the water and the sewerage networks of the city which had already been extended to the **barrio**. The Municipality provided a regular rubbish collection service and a private company had for some time provided the house with electricity and with a meter to claim regular payments.

Three years later, in 1978, still during the **Acción Democrática** government, Sr Rosales again enlarged his house, adding eight more rooms and another bathroom. This was the house surveyed in 1985. It had a total of eleven rooms, a kitchen and two bathrooms, distributed into three floors built with bricks, concrete blocks and reinforced concrete slabs. It had the facilities normally expected in an urban environment: piped water, sewerage, bottled gas, electricity, and regular rubbish collection. The household had also changed by 1985: one married son had moved out but two other relatives of Sr. Rosales had joined as new residents. The occupancy ratio changed significantly from 5 people per room in 1968 to 0,5 people per room in 1985. Although the absence of architectural assistance had resulted in several rooms lacking natural light and ventilation the house was classified as **Good**.

If the Rosales' house appeared to be one of the best in La Montañita in 1985, the shack of the Serena family, who had been in the **barrio** even longer, was certainly among the poorest. This family of five had squatted on a piece of empty land before 1965, when the barrio was beginning to take form. On arrival they built a one room shack, very similar to that previously described. Water was provided by neighbours. Later they built a pit latrine close by. There was no sewerage, nor electricity. They used candles and a kerosene lamp. The garbage was burned or simply thrown away.

Four years later, still before 1969, the Serenas made a modest, although relatively considerable improvement to the shack: they built a small room with concrete blocks to place the kitchen separate from the only living room of the house and obtained formal connection to the electricity network. During the Christian-Democratic administration, in 1969-1974, the family enlarged the shack adding two more rooms built with the same poor materials as the rest. Later, during the **Acción Democrática** period in 1974-1978, they connected the kitchen and latrine to the sewerage system. This shack remained practically without change until the survey in 1985: two bedrooms and one sitting-room that also doubled as a bedroom, a separate kitchen and a latrine outside. Apart from the kitchen's all the walls were made of refuse materials. Water was still provided by neighbours, but the house was connected to the sewerage and electricity networks, used bottled gas and had its rubbish collected regularly by the Municipality. During those years the household had also changed from 5 to 6 people and the occupancy ratio had improved from 5 to 2 people per room. The sanitary conditions of the house, in terms of protection, natural ventilation and light, remained extremely poor. The house was therefore classified as **Bad**.

The Gonzalez family also occupied a piece of empty land, in front of the main road, in 1963. Yet instead of a shack they built a small three room solid house made with concrete blocks. There is little information concerning the quality of the house in the initial stages. They enlarged it in 1979, with the addition of another room plus a bathroom and a kitchen. The zinc roof was replaced with a reinforced concrete slab that year, in anticipation of building another floor on top. By 1980 the house was equipped with all the services noted previously in the house of Sr Rosales. The addition, in 1983, of an upper floor that replicated the rooms and services of the lower one in fact provided the Gonzalez with two houses. One, at ground level - four rooms plus bathroom and kitchen - was let to another family. The other, a self-contained house on the upper floor, of three



bedrooms, one sitting-room, bathroom and a kitchen-dining room, was occupied by the Gonzalez household which in 1985 included seven people. The occupancy ratio was therefore 1.7 persons per room. These houses were fully completed, built with industrially produced materials and though some rooms lacked natural light and ventilation, they were classified as **Good**.

The Torres, a family of nine, arrived in La Montañita later and by a different route. They bought a shack located along the main road of the **barrio** in 1970, during the Christian-Democratic administration. Their situation, however, was very similar to that faced by people that had to build instead of buying their first shack. Their **rancho** was no different from the shack built by the Rosales before, in terms of materials, space and facilities.

Five years later, during the **Acción Democrática** administration in 1975, the family re-built the shack with appropriate, industrially produced materials and added a number of rooms. The resulting one-floor house had four bedrooms, one sitting-room, a kitchen with space for a dinner table, a bathroom and two other rooms in which the family ran a grocery shop. It was also connected to the water, sewerage and electricity networks, it used bottled gas and the domestic garbage was regularly collected. The extension of the house and the reduction of the household from 9 to 8 people resulted in a considerable improvement of the occupancy ratio from 4,5 to 1,3 people per room. Unfortunately the new house was built without any consideration for natural light and ventilation. Two of the bedrooms were deprived of both. In 1985 this house, still in the process of completion, was classified as **Regular**.

In 1982 a married son replaced the roof with a reinforced concrete slab and built a second floor house with concrete blocks. This new and independent house had three bedrooms, one large sitting-room, a bathroom and a kitchen incorporated into the dwelling. It had the same facilities than the house below. It constituted a new and different household and it was not included in the study of the Torres' house, except to note one of the forms in which new housing units are produced in the **barrios**.

The experience of the Valencia family was very similar again. Sr Valencia, his wife, two children and mother-in-law bought a shack in 1965. It was as elementary as the ones previously described, except that it had six rooms. They later transformed and enlarged it, building a two floor solid house of five bedrooms, two sitting rooms, two kitchens and two bathrooms. Unfortunately, Sr Valencia did not have a clear idea of the years when the transformations were carried out. In 1985, when the household had been enlarged with four other children, the house, with an occupancy ratio of 1,3 persons per room, was classified as **Good**.

The other three households examined in La Montañita had entered into the **barrio** buying solid houses. The Garcias bought a small, unfinished dwelling around 1970. Although it was built with concrete blocks it lacked a roof and to all purpose was like any other surrounding shack.

The Garcias continuously improved their house, adding more rooms, connecting it to the water, sewerage and electricity networks. They built a reinforced concrete roof on top of which they started another floor in 1985. By that time the house was still too small for the family. It had three bedrooms, one sitting room, bathroom and kitchen. This was a large household of thirteen members, which resulted in an occupancy ratio of 2,6 people per room. New expansions were in progress in 1985 so the house was classified as **Regular**.

The Rubios bought a small, unfinished solid house in 1973, built on an extremely steep side of the hill.

It was just one large single room. Cooking was done under an extension of the roof and the only service was an outside pit latrine. In 1975 this house was enlarged to three rooms, bathroom and kitchen, and provided with water, sewerage and electricity. An extension on the upper part of the hill was built later, with the addition of three rooms plus bathroom and kitchen. Another extension, this time towards the lower part of the hill, was built in 1983 adding two other rooms and another kitchen and bathroom to the house. This was the house surveyed in 1985. The upper part was let to relatives of Sr Rubio, so this household of ten occupied only four rooms plus services, with a ratio of 2,5 people per room. The dwelling was still incomplete so it was classified as **Regular**.

The case of the Perez household was the last examined in this series. They started by buying a three roomed house with bathroom and kitchen in 1976. It had all the services and facilities which have been mentioned as attributes of complete houses in this **barrio**. Three years later, in 1979, they added an independent bedroom outside which was rented out. Later in 1982 the Perez added two other bedrooms to the house, for the use of the family. The household included ten members in 1985, living in four rooms, plus a kitchen and sharing the outside bathroom with their tenants. The occupancy ratio was 2,5 people per room. The overall quality of the house, use of materials, services, etc. was excellent, so it was classified as **Good**.

These eight histories provide considerable insight into the way housing conditions evolved in La Montañita. By and large they confirm part of what was postulated by the hypothesis concerning the type and direction of the improvements the household made to their houses. They show the significant distance between the housing conditions of the families at the moment of their arrival and those in 1985. They also show that independently of the time in the **barrio** and of the form of access, the standards of habitability in 1985 were very similar. Although **Good-Bad-Regular** is too imprecise a classification to be associated to the search for socially acceptable standards, it can be used as an approximation. It is possible, for example, to see that the attributes of **Good** dwellings were close to the characteristics of those houses regularly transacted as commodities in the national market. With this proviso, and a reminder that the cases were not chosen for their statistical significance, it should be noted that four of these eight houses were classified as **Good** and three as **Regular**.

As far as the relation between housing improvements and state policy goes, the expectation was to find some links between the improvements and the **Acción Democrática** administration of 1974-1978. These might have been coincidences in time<sup>11</sup>, significant differences with the cases in other **barrios** or any indication that the families involved had been aware that a particular upgrading programme had been implemented in their **barrio**. These cases confirmed an increase of activities during 1974-1978. Six households arrived in La Montañita in and before 1970. Four of them did it by investing either in buying a shack, building or buying a solid house. Two other households entered their sites buying existing houses during the Christian Democratic period and one during **Acción Democrática**. There is no information about the dates two of these families improved their houses and there is one case, the Serenas, that did not transform their shack. Of the rest, none made any significant investment during the Christian Democratic period. All the

---

<sup>11</sup> Time relationships though helpful should be treated with caution. For example, without further investigation it is not possible to be certain about when improvements carried out after state interventions are linked to those interventions: during the intervention, shortly after it or long time afterwards? The first and the second have been estimated as positive indications in this analysis.

transformations and enlargements were during and after the implementation of the **Acción Democrática** programme.

#### **House of Rosales Family**

#### **House of Gonzalez Family**

It must be noted that the Rosales, who entered the **barrio** in 1968, waited seven years to transform their shack into a solid house and that all their major investments were during the **Acción Democrática** government. The Gonzalez arrived in 1963 and waited sixteen years, until 1979, to start major extensions to their house. Their second and third modifications were in 1980 and 1983.

The Torres also waited five years, from 1970 to 1975. This can be contrasted with the short time spent by the households that entered near or during the **Acción Democrática** administration. The Rubios arrived in 1973 and improved their house just two years later, in 1975. The Perez bought their house in 1976 and modified it in 1979. The second investments of these two families were in 1983 and 1982 respectively.

The histories in San Jose Alto were quite similar to the ones described in La Montañita. Four of the eight selected families, the Salas, Lisboas, Martinez and Quispes, had acceded to their sites by

occupying empty land.

The Salas arrived in 1961 when there were only three other families around. Immediately after their arrival, they built a provisional one room shack with a kitchen separated by a thin panel and a pit latrine outside. The walls were of refuse materials, the floor was dirt and the roof a loose sheet of corrugated zinc kept in place with heavy rocks. It had no facilities. Water was transported in buckets from the main road. Used water was directed to the latrine or to the field around the house and electricity was stolen from the main line. Rubbish was incinerated regularly on the site.

Once the initial **rancho** was ready for habitation the Salas started to transform it into a solid house using concrete blocks, cement floors and roofing it with fixed sheets of zinc. This house was habitable by 1966. It had two rooms plus one separated kitchen, with an improved latrine connected to the sewerage system. It also had piped water, electricity, bottled gas and the Municipality regularly collected the domestic rubbish. A third operation took place in 1970, during the Christian-Democratic administration. The house was enlarged with two new rooms and the kitchen and bathroom were improved, the latter replacing the latrine. The roof and part of the floor were replaced by a reinforced concrete slab. The facilities were the same. Finally in 1980, when the household had grown to 9 people, they built a new house of three rooms - to be occupied by some of the children - under part of the dwelling, using the slope of the plot. This was the house surveyed in 1985. It had seven rooms, a kitchen and bathroom. The occupancy ratio had changed from 2 to 1,3 people per room. All rooms had good natural ventilation and light. The house was still unfinished and there were indications of future works. It was therefore classified as **Regular**.

The Lisboas also occupied an empty plot of land, but later than the Salas, in 1968. They built - in one night according to Sr Lisboa - a two room shack with the same characteristics as the other ones already described. It was transformed during the **Acción Democrática** administration by the expedient of replacing existing cardboard walls with others built with concrete blocks. This house was also enlarged with another bedroom and a bathroom. It was roofed with zinc and connected to the water, sewerage and electricity networks. A new addition of another bedroom and bathroom took place in 1980. In 1985 the house had five bedrooms, two sitting rooms, two bathrooms and a kitchen. It had all the facilities recorded in other complete houses, but several rooms had no natural light or ventilation at all. The occupancy ratio had improved from 3.5 to 1.8 people per room between 1968 and 1985. The house was classified as **Good**.

Sr and Sra Martinez lived in San Jose Alto with their respective parents before knowing each other. They married in 1974 and occupied an empty plot of land ceded to them by a relative.

The Martinez built, at the beginning of the **Acción Democrática** government, in 1975, not a shack but a solid house of two rooms. A kitchen, equipped with a bottled gas cooker, and a latrine were also built detached from the house using refuse materials. Both were connected to the water network. Water supply was irregular, a problem that, according to them, remained until 1980. Electricity had been provided regularly since the beginning - except in heavy rains - by a private company. The house was not connected to the sewerage network. The domestic rubbish, when not collected by a man working for a fee, was burned in the premises.

Three years later, still during the **Acción Democrática** administration, the Martinez added a new room and a kitchen and built a bathroom to replace the latrine. The house was then

connected to the sewerage network, which completed the provision of services. These improvements were built with the same kind of solid materials used in the first stage. In 1982 new improvements produced the house surveyed in 1985. It had three bedrooms, a sitting room that was occasionally used as a sewing workshop by Sra Martinez, a well equipped kitchen and a bathroom. Rubbish was collected regularly by the municipal service.

The household had grown from 2 to 5 people during these years but the changes of the house allowed it to cope with just a slight deterioration of the occupancy ratio from 1,0 to 1,2 people per room. All the rooms have natural ventilation and light. The house was classified as **Good**.

The history of the Quispe household was practically the same. They also knew each other in the **barrio**, and when they married in 1973 the Neighbourhood Junta allowed them to occupy an empty plot of land. Like the Martinez, they also built a small, solid but incomplete house into which they entered in 1974. They enlarged it in 1976, during the **Acción Democrática** government and provided it with piped water, sewerage, electricity and bottled gas. In 1985 the house had three bedrooms, one sitting room, a kitchen and bathroom. A wide corridor was used, in this case regularly, as a sewing workshop by Sra Quispe. The occupancy ratio had remained nearly the same as 1973, with 1.8 people per room. It was also classified as **Good**.

The other four households interviewed in San Jose Alto had entered the **barrio** by buying shacks. They were the Hernans, the Julias, the Montez and the Arocas.

In 1966 the Hernans bought a two room elementary dwelling made with cardboard, timber and tins. It had a small kitchen with a kerosene cooker and a pit latrine outside. Water was obtained from tankers coming regularly to the **barrio**. It had no other facilities. The Hernans transformed it in 1967 into a solid three bedroom house with one sitting room, a kitchen and bathroom, both incorporated into the building. The Hernans did not provide information about its facilities except to say that it had electricity and that rubbish was not collected.

Practically nothing was done for eleven years, until 1979 when the house was enlarged again. This was the house examined in 1985. It had four bedrooms, one sitting room, one dining room and a kitchen, two bathrooms and a laundry. All these rooms had good natural light and ventilation. The house had electricity, piped water, sewerage and bottled gas. The municipality was already providing a regular rubbish collection service. The household had six members in 1966, when the occupancy ratio had been 3 people per room. In 1985 the household size was seven and the ratio was 1,2. New works were in progress, so the house was classified as **Regular**.

## House of the Julia Family

The case of the Julia household is similar to the Serena's in La Montañita. The family bought a shack in 1969, at the beginning of the Christian-Democratic administration. The household at that time included Sra Julia - the household head in 1985 - her two ageing parents, three sisters and her baby daughter.

The shack had a single room for the whole family. It did not even have a pit latrine. The walls and the roof were of refuse materials. Water was obtained from a public tank in the neighbourhood. There were no other facilities.

Shortly after arriving the family built a pit latrine and three years later, still during the Christian Democratic government, added three small rooms to the shack, all of them built with refuse materials. They also cemented the dirt floor. Regarding rooms and materials the shack remained like this until 1985. Some facilities were improved however. In 1975, during the **Acción Democrática** administration, the house was connected to the water and electricity networks and benefited from the municipal service of rubbish collection. The house had four rooms in 1985, all without natural ventilation and light. The household had changed qualitatively but not much quantitatively: Sra Julia's parents had died and her three sisters had moved out, but her children had increased to five. Thanks to the extra rooms the occupancy ratio had improved from 7 to 1,5 people per room. This house was classified as **Bad**.

Sra Montez entered San Jose Alto with her nine children in 1970. She bought a shack similar to the ones already described - "it was like a rubbish heap" according to her - except that it already had piped water and electricity.

The family did minor improvements to this shack for ten years, until 1980, when they transformed it into a solid house. In 1985 the house had four bedrooms - two were let to another household - one sitting room, one dining room, one multi-purpose room, a kitchen and bathroom. The house also had all the facilities of other completed houses already mentioned in this **barrio**. Two children still lived in the house in 1985. The occupancy ratio had been reduced from 10 people per room in 1970 to 0,8. The state of the house, in spite on some rooms lacking natural light and ventilation, was considered as **Good**.

The Arocas, husband and wife, entered San Jose Alto during the Christian Democratic administration, in 1970, buying a **ranchito** located along the main street of the barrio, on such a steep site that one of the shack's walls was the hill itself. The other walls were of refuse timber and tins.

The shack had a single room that doubled as bedroom and sitting room. A thin panel separated a corner where a small bottled gas cooker had been installed. A pit latrine existed outside. The shack was connected to the water network and had a water tap close to the latrine. It had electricity but no sewerage so the water used by the family was thrown to the ground

around the house. Nobody collected the rubbish either.

Five years later, during the **Acción Democrática** administration, while still living in the shack, the family built a five roomed house on the same plot, with an integrated kitchen-dining room, improved the quality of the latrine and connected it to the sewerage network. The walls of concrete blocks had columns and beams of reinforced concrete and glassed windows. The roof was made of reinforced concrete slabs. The floor was cemented. Rubbish collection started at about that time.

Between 1980 and 1982 the family built a bathroom, eliminated the external latrine and rebuilt the old **rancho** into a large garage, with solid walls and a reinforced concrete roof. This became a source of income, with letting space for 4 vehicles. In 1985 the Aroca household had four members. Their house had four bedrooms, a sitting room and a kitchen-dinning room, plus a large and well equipped bathroom. The occupancy ratio had changed from 2,0 to 0,8 persons per room. Although three of the bedrooms had no natural light nor ventilation the house was classified as **Good**.

The eight households in San Jose Alto replicate quite closely the histories of the eight households in La Montañita. They too confirm that part of the hypothesis dealing with the improvements of houses in the direction of completing their use value. With the same proviso previously mentioned it should be noted that here again four of the eight houses were classified as **Good** and three as **Regular**.

Regarding the relation between housing improvements and state policy, the expectation in San Jose Alto was to find links between the former and the Christian Democratic programmes of 1970 to 1974. No significant evidence was found. The most obvious indication would have been the time in which these households made their housing investments. Four households, the Julias, Salas, Lisboas and Hernans, arrived in the **barrio** before the Christian Democratic government, which means that they either built or bought shacks before the relevant time. None undertook any significant work during the expected time except the Salas, who, although had transformed their shack in 1966 made a significant investment enlarging it in 1970. They enlarged it again in 1980. The Montez and Arocas bought their shacks at the beginning of the Christian Democratic period, in 1970, but they transformed and enlarged them long afterwards. Only the Martinez and Quispes, who lived in the **barrio** originally, entered their sites and built incomplete houses during the relevant period. Both invested in enlarging them years afterwards, in 1976 the Quispes and in 1978 and 1982 the Martinez.

None of the seven households examined in Julian Blanco had been forced to build a **rancho** to start living in the place. Six had entered the **barrio** by buying a shack and one by buying a finished solid house.

The Arroyos bought a shack in 1968. It had three rooms and not even a pit latrine. The materials were the same used in other shacks already described. They had a bottled gas cooker and electricity. Piped water was not available and the Municipality did not have a rubbish collection service yet. The first task of the family was to build a pit latrine outside which they did during the first year. Shortly after arrival the Arroyos started to transform the shack into a solid house. From 1969 to 1974, during the Christian Democratic administration, they built a two floor dwelling beside the shack, with two rooms on the ground floor and three above it. They also linked the shack to the water and sewerage systems. Unfortunately this effort was not continued due to financial problems.

Although the transformation works were suspended, the Arroyos continued to improve and enlarge the shack after 1974. The house surveyed in 1985 combined a rather large shack and a small and incomplete solid house. The first included three bedrooms, one sitting room, kitchen and bathroom. It also had two other rooms that could be used as bedrooms. The two ground floor rooms of the solid house were blocked but the three rooms on the upper floor were used by the family. All the rooms had good natural light and ventilation. The occupancy ratio had remained nearly the same. While only Sr and Sra Arroyo had lived in three rooms in 1968, they were living with their two children and with Sr Arroyo's parents in a six room house in 1985. Thus the ratio had changed from 0.6 to 0.9 people per room. Yet, the overall condition of the house was really **Bad**.

### **House of the Tironi Family**

The Tironis also bought a shack in 1968. It had three bedrooms, one sitting room, a kitchen and an outside latrine. The materials were the classic ones in these buildings: refuse timber and cardboard, a cemented floor and a roof of corrugated zinc. It had no facilities. Electricity was stolen from the main line before it was installed in the house in 1969. A landslide destroyed part of this shack in 1970. Sr Tironi started to transform the house in 1972, when another slide again destroyed his work.

He requested technical assistance from the Municipality and re-started the works the same year, during the Christian-Democratic government. He built a basement with three small bedrooms and a bathroom. On top he built the main house with four bedrooms, one sitting room, a kitchen and a grocery shop. This house was also provided with piped water and connected to the sewerage system.

The house was enlarged during the **Acción Democrática** government in 1978. The roof was



replaced with a reinforced concrete slab on top of which Sr Tironi built an upper floor of two rooms and a bathroom, which the family rented out. This was the house that existed in 1985. The household had changed from five in 1968 to eight later and to five again, but not the same five, in 1985. Sr Tironi and one of the children had died and another one had married and left. The occupancy ratio had changed from 1,3 to 0,7 people per room. Although there were several rooms that lacked light and ventilation, this house was classified as **Good**.

Sra Paz, a widow with six children and three nieces, bought a three roomed shack similar to the ones already described, during the Christian Democratic administration in 1971. Water was obtained from neighbours, free of charge, and there was a pit latrine outside the house. Initially the **rancho** had no electricity and that was the first improvement. Shortly after their arrival the electricity company fixed a meter and made the connection.

The transformation of the shack started from the moment the family moved in. It consisted of providing the same house with solid walls made of concrete blocks, a better roof and a connection to the water supply network. No other works were done between 1971 and 1984, when major enlargements and improvements were made. The resulting house was built partly in two storeys, with concrete blocks. It was divided into three structures: the main one included three bedrooms, a sitting room, a dining room and a kitchen. A separate structure on the same plot consisted of a single bedroom-cum-sitting room. Then there was a small apartment on the upper floor, consisting of two rooms where one married son of Mrs Paz lived with his wife and daughter. The old latrine remained in a separate structure on the plot, built with concrete blocks, provided with washing facilities and connected to the sewerage and the water networks. The occupancy ratio had improved from 3,3 to 1,6 persons per room and most of the rooms, except one were well ventilated and illuminated. The house was still not complete, therefore it was classified as **Regular**.

The histories of the Javier, Donoso and Cerda households are variations of the previous ones:

The Javiers bought a **rancho** in 1974 and transformed it during the **Acción Democrática** administration, from 1974 to 1978. In 1985 their house had three bedrooms, one sitting room, one kitchen-cum-dining room and a bathroom in a separated structure. It had all the facilities of other complete houses. The occupancy ratio had improved from 4 to 1,8 people per room. The Donosos, a young couple that married in the **barrio**, bought their shack in 1976. From 1978 to 1980 they built a small solid house beside the shack. When this was completed with one bedroom, one sitting-cum-dining-cum kitchen room and one bathroom, plus all the conventional facilities, they demolished the shack and moved in. Both these houses were classified as **Regular**.

The Cerdas, a family of five, also bought a shack in Julian Blanco in 1976. They demolished it immediately and started the construction of a large and solid house. In the meantime they lived with relatives in the same **barrio**. The new house was finished in 1978. It consisted of a two floor structure of columns and beams made of reinforced concrete. A reinforced concrete slab separated the floors. During the first stage, from 1976 to 1978, the Cerdas built the upper level with concrete blocks and a roof made also of a concrete slab. The house had three bedrooms, a sitting room and a dining room. It also included a fully equipped bathroom and kitchen. It was connected to the water and electricity networks but not to the sewerage system. There was no municipal rubbish collection.

That part of the house had not changed by the time the house was surveyed in 1985. Neither had the household changed. The occupancy ratio was 1.4 persons per room. All the rooms on that

floor, with the exception of one bedroom, had natural ventilation and light. In 1980 the Cerdas considerably enlarged the house, not to satisfy their housing needs but to generate income. Using the existing structure of the ground floor they built six other rooms, two of them without any ventilation or light, with concrete blocks and cemented floors. These were let separately to individual tenants. The house was classified as **Good**.

Finally, the Mezas were the only one among these families that started by buying in 1979 a complete solid house. The house was made of bricks and concrete blocks. It was roofed with fixed sheets of corrugated zinc and it had glassed windows. The house had three bedrooms, one sitting room, one dining room, a kitchen and bathroom. It had an occupancy ratio of 0.6 people per room. It had piped water, electricity, sewerage and bottled gas. The Mezas enlarged this house between 1981 and 1985, converting it into three apartments. One was occupied by them and it had the same layout mentioned above. The others were self contained apartments for rent. The house was classified as **Good**.

There are no significant differences between the way house use value developed in Julian Blanco and in the other two **barrios**. The shacks in which six families started their histories in this settlement were practically equal to the ones built or purchased in the other places. Some were a little better, but not significantly different. The solid houses that replaced them were again similar to the ones in the other two places. Concerning the times these households did their major housing investments, the cases show no significant preference for either the Christian Democratic or the **Acción Democrática** period. Two families bought their shacks before 1969, two did it during the Christian Democratic government, two under **Acción Democrática** and one -a solid house - did it afterwards. If transformation works are considered, three households performed major works during the Christian Democratic period, one during **Acción Democrática** and two later. Two families did not enlarge their transformed houses - the Arroyos did not even managed to complete the transformation - but one did it during the **Acción Democrática** government and three did it afterwards.

A comparison of the cases in the three **barrios** leads to the conclusion that, as far as the completion of the use value of the houses is concerned, the commodification of houses was a highly advanced process in 1985. It also illustrates the standards of habitability that defined in these **barrios** the movement towards the completion of use value: the quantity of rooms and their uses, the occupancy ratios, the quality of materials and the range of facilities. The aggregated data on housing conditions in these **barrios** and the individual histories suggest that these squatters had achieved relatively high housing standards and it also indicates how they had achieve them as well as defining the material expression of these standards.

### House of the Cerda Family

However, it was not possible to establish a convincing relationship between these improvements and the specific housing policies implemented by either the Christian Democratic or the **Acción Democrática** governments. There are no significant differences between the quality of housing achieved in the three **barrios** or in the timing of the works leading to that quality. This seems to indicate that the overall tenets of the supportive non-conventional housing policy adhered by both governments and which affected all these **barrios** equally, might have been more significant in the creation of positive conditions for the development of the use value of houses than the specific programmes of those governments.

#### b. Provision of Land

This process defines the evolution of the forms of land access, tenure, use, property, regulations, developments and values in the **barrios** of Caracas and the contribution of this evolution to housing commodification. The hypothesis states that though this process evolves as a continuum it is possible to distinguish three distinctive stages in it. The first is characterized by illegal occupation and maximum insecurity of tenure. Access is by invasion. Informal rules regulating both access and use are defined and enforced by the community's organizations. Production on the land is of use values only. Whatever value individual households could create by producing their shacks or developing the land is unlikely to be realized. Exchanges are by and large absent or are irregular and arbitrary. The material appropriation of the land by the invaders is established during this period and land loses its property of generating both absolute and differential rent.

The second stage is inaugurated by the state intervening by means of upgrading programmes. Although occupation is still illegal, these programmes consolidate the security of tenure for those households that hold the material appropriation of the land. It also implies that the state has decided in favour of the squatters instead of the landowners in respect to this particular issue<sup>12</sup>. Forms of

---

<sup>12</sup> This does not mean that the landowners are necessarily losers. They might, for instance, be highly compensated by generous expropriation terms.

differential rent appear and access is increasingly by paid exchanges. This means that households can benefit from their location and those that have produced their houses and, or, have developed land can hope to realize some of their value through those exchanges. The first steps towards commodification have been taken. Informal rules concerning land use remain.

The third stage is defined by the transformation of land appropriation into land property. The more the property rights of the squatters are established by means of negotiations with the state - the latter either as intermediary between them and the landowners or as a landowner itself - the better their chances of benefiting from favourable pay conditions, from subsidies or in some cases from the direct transfer of land rights following the expropriation of the original owners. This reduces the danger of massive or individual forced expulsion that might result if the process is regulated only by market mechanisms.

The successful completion of this stage definitely consolidates, as far as land provision is concerned, the squatter area as an ordinary part of the city. Land recovers its property to generate both absolute and differential rent, access becomes regulated by market exchanges and the use of land is regulated by formal legislation and authorities. Although houses are still produced mainly as use values it becomes normal to recover at least part of the value created at the time of exchange. All this constitutes an advance towards the commodification of housing. On the other hand, the outcome of this stage puts a question mark over the state continuing to play a role in the process.

Precise data about land tenure and ownership in the **barrios** of Caracas is difficult to obtain. To whom those 3,719 ha. of urban land belonged in 1985 was an issue clouded by the unfolding of several processes taking place mostly without the knowledge of the people living on the land. It is well known that urban land invasions are highly organized and that sites are chosen so as to minimize opposition: undesignated public land, sites owned by foreign private companies, absentee landowners, etc. Yet, there is no single and precise pattern. Moreover, once land is invaded new developments might take place. For example, invaded private land might be expropriated by the state after court processes that could take several years. The results may be changes of ownership which the squatters will not be aware of. Families entering the **barrios** years after the initial invasions might be even less informed about this situation. What is more remarkable is that this seems a matter of no great concern for the majority of the people living in these areas. Certainly, it has not deterred their housing investments.

All available sources concur that the great majority of **barrios** have been built on invaded land by households that do not have legal ownership of it. According to the **Inventario Nacional de Barrios**, 39 per cent of the irregular settlements in the Caracas Metropolitan Area were on municipal land by the middle of the 1970's, 26 per cent were on land of "mixed property" and the rest on land owned by private landowners who had lost the material appropriation of it to the squatters. (FUNDACOMUN. OP.CIT.).

Perez Perdomo and Nikken, authors of an excellent study of the law and housing ownership in the **barrios** of Venezuela, state that all matters concerning building on others' land in the country are regulated by the Civil Code. This is unequivocally favourable to the landowners: ownership of the land gives ownership over whatever is built on it. Those responsible for the latter have some rights over the improvements - **mejora** or **bienhechuria** - recognised by the Civil Code, but these are limited to claims for compensation, not ownership. (Perez Perdomo, R & Nikken, P, 1979).

Venezuela is a country ruled by the law of the land. Certainly the **barrios** are not special territories where that rule has been suspended. In these circumstances, considering the substantial investments incurred by the squatter population in their houses, Perez-Perdomo and Nikken ask: "how is a security of tenure of buildings without any legal guarantee possible ?" (ibid, 19).

To a very limited extent part of the answer can be found in the inadequacy of legal procedures unable to cope with massive collective actions. For example, the courts can proceed only against individualized and properly identified offenders, something close to impossible in cases of large invasions. However, Perez Perdomo and Nikken argue strongly in favour of a political explanation.

During the period under examination the Venezuelan state, by default, did not uphold the law when undesignated land, public or private, was invaded by people seeking to establish a **barrio**. The police, the National Guard or the Army were not called. This could be contrasted to the strong reaction of the state when designated land - for parks, roads, public utilities, etc. - was invaded. In those cases the repressive agencies of the state were called and the squatters evicted. The rationale for this behaviour, as it was previously noted, can be found in the policy of the state towards the squatters during that period, and in the role assigned to non-conventional housing policies in both the reproduction of labour power and the support of the populist alliances of the time.

Not upholding the law does not mean that the state removed itself from the problems of land occupation, only that the courts did not act. Lower echelons of the state - housing agencies, municipalities, legal advice services, political parties - have acted instead, according to a sort of informal official order. It is possible to identify patterns of action involving government officers operating from government premises, members of political parties with access to higher levels of influence and, in some cases, the direct participation of the police. The actions are informal in the sense that there are no specific regulations, they are not legally enforceable, etc. The system operates by seeking consensus and treating each case on its individual merits. This is the system whereby the squatters confront the state and which recognises the material appropriation of the land as a **de facto** right of tenure over it and of property over the house.

The analysis, all throughout this paper, is centred on the experience of individual households, most of which arrived at the **barrios** some time after the invasions. As far as land provision is concerned, those experiences refer to the ways they attained access to land, to how did they perceive the security of their tenure and to how close their experiences were to the processes suggested by the hypotheses. Information provided by the eight families examined in La Montañita in 1985 suggests a land provision development quite close to the one described by the hypotheses. None of these families had participated in the original invasion of the land, but four arrived before 1969, a short time after it took place. Three of them occupied empty plots of land, irregularly marked on the hills, for which they paid nothing and which property they did not claim. The Rosales and Gonzalez, who were allocated their sites by the Neighbourhood Junta, were able to occupy rather preferential land along future main roads. The Serenas squatted initially by themselves up on the hill, on land of difficult access. They eventually had to obtain the authorization of the Junta to stay in the **barrio**.

None of these families was very sure who was the owner of the land they had occupied.

Nevertheless, they were convinced from the start that their tenure was secure. This seems to have been based on what we could call the "**barrio's** culture" and on the fact that the Junta and the Municipality appeared to have been from a very early stage jointly engaged in works to improve the living conditions in the area.

"I felt secure. Nobody was going to come to reclaim the property of the land. Moreover the Junta and the government had started some works" was the explanation given by the Rosales. The Serenas confirmed: "We were confident. There were many other houses around and the Junta assured us that we were safe".

A number of families attained access to the land by buying a shack or an unfinished house. The Valencias did it before 1969. The purchase of the shack was recorded in an "Act of Purchase", a private document that has no legal status but which most squatters are keen to have. They did not know who the owner of the land was and were in no doubt that the purchase did not include the site.

"It is customary to buy the house only" they explained. Initially they had some fears, but were soon convinced that there was no problem regarding tenure: "the **barrio** is very large and there were several services provided by the government: police, polyclinics, etc".

The other four households - Torres, Rubios, Garcias and Perez - entered after 1970 following procedures similar to the Valencias.

Sr Torres was not sure whether the original owner of the shack had the right to sell it. Yet, although he did not asked for an "Act of Purchase" he felt "secure because we bought the shack only, not the land," and because "the neighbours told us that nobody had ever been removed" and "there were many government works to improve the **barrio**".

Sr Rubio, who arrived in 1973, had no doubts either: "the purchase of the shack was a secure business, in front of witnesses and recorded in a written 'Act of Purchase'". It was also important for him that there were government works in the **barrio** at the same time. The Garcias and Perez confirmed the same beliefs. For the latter security of tenure was not under question: "the land comes with the house" was his comment.

In 1985 only two of these households had an idea of the monetary value of their houses. It was impossible in these circumstances to establish, from such limited experiences, whether any form of land rent associated to housing existed in La Montañita. On the other hand, although most of these households made important housing investments during 1974-1978, during the **Acción Democrática** administration, which seems to confirm the hypothesis that significant effects could be associated with particular policy interventions, the whole picture however seems to question the validity of a direct relationship. All these households, with one exception, reported that upgrading programmes had taken place from the time of the **barrio's** foundation and that they had been instrumental in giving them security of tenure and confidence. They also signalled that the Christian-Democratic upgrading programme of 1969-1974 had resulted in important advances in the **barrio**. Although none of these families made significant transformations to their houses before 1974, five of them had spent some money either buying a **rancho** or starting the construction of a house. It seems then that security of tenure, state programmes and housing investments had been in the **barrio** long before the **Acción Democrática** intervention and that the latter only reinforced the confidence of these households to invest in the transformation and enlargement of their houses.

The process of land provision in San Jose, in many ways, followed a path similar to the process in La Montañita. There were, however, some individual differences. In particular there was a higher degree of uncertainty concerning security of tenure. Moreover, some elements of differential land rent were apparent.

Four of the households under examination had arrived before 1969. The Lisboas had participated in the original invasion of the **barrio's** land. Sr Lisboa was the leader of the Neighbourhood Junta in 1985 and had occupied that position since the **barrio's** inception. The Salas had arrived shortly afterwards and occupied an empty plot of land. The other two early arrivals, the Hernans and Julias, had gained access to land by buying a small shack each.

Sr Lisboa had the confidence becoming to a community leader. He knew, when invading, that he was collectively occupying privately owned land. He was, however, reasonably assured against expulsion after the government of the time -the **Acción Democrática's** President Betancourt - had publicly declared that poor people would not be evicted from the **barrios**. As far as the house was concerned, he considered it to be his own, because "it had been produced with my effort and that of my family".

The Salas household had not initially been that confident. There were only three other families in the neighbourhood at the time of their arrival. They knew that the land was privately owned and feared that they could be evicted.

They had had bad experiences in the past. Sr Salas' parents had been expelled from another **barrio** some time before and there were stories of evictions going on in the area. They decided to stay because, as Sr Salas said: "if one doesn't invade land one has nothing". By 1985 the family was relatively reassured by the fact that they had been living on the land for more than 20 years and by the improvements made by government agencies. Still, they did not claim the property of the land, only of the house.

The Hernans and Julias, who had entered the **barrio** before 1969, shared the same feeling of insecurity.

The Hernans bought their shack from an acquaintance and recorded the proceedings in an "Act of Purchase", in front of witnesses. But Sr Hernan knew that the land was not included - "it is owned by the state" - and that the Act had no legal value. These facts fuelled a constant sense of insecurity: "we would have preferred to live in another place, without the risk of eviction and in better conditions, but there was no other possibility". This insecurity was slightly abated when "the government started spending money in the improvement of the **barrio**".

Similar feelings affected the Julia household. They had come to San Jose after participating in the invasion of another **barrio** nearby, from which they were forcibly evicted by the National Guard. Following the advice of the Junta they bought the shack in cash and signed an "Act of Purchase".

The fact that the land was not included - "it was owned by the Municipality" - made them fear that they could be evicted again. This family, as seen in the previous section, did very little to improve the original shack. However, whatever they did it was done in order to reinforce security of tenure, under the impression that "the poorer the shacks the easier it is to evict the people". The sense of insecurity was considerably reduced when the **Acción Democrática**

government of Carlos Andres Perez, and the Neighbourhood Junta, started upgrading programmes in the **barrio** in 1975.

Two of the families that reported the occupation of empty land after 1970 constitute special cases. They illustrate the way the **barrios** grow by internal densification. Both were couples formed by the children of families already living in San Jose for many years that formed their own households after marrying.

The Quispes obtained in 1970 the authorization of the Neighbourhood Junta to occupy an empty piece of land close to the house of Sr Quispe's parents. They built a small house on that land, whose property they claimed, although they did not extend this claim to the property of the land. They never thought there was any danger of eviction. They also felt protected by the Neighbourhood Junta, which was, according to Sr Quispe, "highly organized and united".

The history of the Martinez was very similar, the main difference being that a relative, not the Neighbourhood Junta, allowed them to occupy a piece of land under his control. They thought that "the whole land of the **barrios** was owned by the Municipality". The Martinez felt secure on their land, and had no doubts that the house was theirs because they had built it. However, they also confessed that their confidence suffered ups and downs. They said, for instance, that the newspapers reported in 1984 that the land was private and would be returned to the owners to build a housing state. There was some panic until "somebody from the Municipal Council came and advised us to obtain a **título supletorio**<sup>13</sup>, for which we had to pay a legal fee".

The other two families investigated in San Jose - Arocas and Montez - entered the **barrio** after 1970 buying existing shacks.

Sr Aroca knew that the land was not included but that did not disturb him. His intention was to get a place to build a house on and that was what he got. He requested the advice and support of the Neighbourhood Junta which acted as witness in the writing of the "Act of Purchase" of the shack which does not mention the land. The experience of the Montez was very similar. Both families, though confident about not being evicted, still confessed some fears. Both reported the same rumours mentioned by the Martinez previously. However, the improvements made in the barrio by the Junta and the government have been important factors in reinforcing their security of tenure.

Five families were able to estimate the price of their houses in San Jose Alto in 1985. For the purpose of this part of the enquiry the quantitative precision of the prices is of no consequence. However, relative variations of price, affected both by quality and by location in the **barrio** are important. To find household awareness of the effect of location on price is central to the argument concerning the presence of differential land rent. Sr Lisboa's house, large and solid, built in a primary location along the main road, with a price estimated by the household head of Bs 90,000 in 1985, can be considered as the reference line to judge other estimates.

To the Salas, for example, the first shack they built on a secondary street "wasn't worth half a cent". Yet by 1985 they would not have sold their solid house for Bs 100,000. According to Sr

---

<sup>13</sup> Supplementary deed is a legal instrument to record the ownership of improvements made on others' land. It is frequently used to claim compensation when, according to the Civil Code, the owner of the land appropriates the improvement. The Supplementary deed does not guarantee compensation.



Salas, "if the house were located in a main street, the price would be double". The information given by the Hernans was similar. They estimated their poorly located house at Bs 150,000 - rather an overestimation - but considered that "if the house were better located the price would probably be Bs 200,000". The same with the Quispe household: they estimated their house, located in a secondary and narrow street, at Bs 50,000 - which seems reasonable compared with the Lisboa's - but also thought that the price would double if the house were located on a central street. The Martinez, on the other hand, had a realistic estimate of the price of their house - solid but small and of difficult access - at about Bs 40,000, but were not aware of possible variations related to location. The other three households had no idea of prices.

Relationships between the implementation of particular government upgrading programmes, security of tenure and significant housing investments by the households continue to be elusive. Although most families mentioned that upgrading works involving the government and the Neighbourhood Junta had been important to give them confidence, it seemed that a number of them felt less secure of their tenure than those households examined in La Montañita. That, however, had not been a deterrent to their investments. On the other hand, the available data do not allow to establish a significant relationship between these investments and the "Urbanización y Equipamiento de Barrios" programme of 1969-1974.

Four of these families were in San Jose Alto years before the Christian Democratic programme was carried out. The Julias made no investment of importance. The Salas reported that first municipal upgrading works in the **barrio** had been about 1963 and that their first investments to transform their shack had been in 1966. They enlarged their house later in 1970 and 1980. Sr Lisboa declared that municipal work had started about 1968, to be followed later by the Christian Democratic programme, but that he waited until 1975 to make a first significant investment. The Hernans insisted that the first works had been done by the Christian Democratic government in 1970 though they had made their first housing investments before that, in 1969. They also enlarged their house later, in 1979.

The other four families entered their sites between 1970 and 1974, precisely when the Christian Democratic programme was being implemented. All them reported that there were significant public works both completed and in progress at the time of their arrival. However, three of them - Martinez, Arocas and Montez -made their first significant investment after 1974. Only the Quispes built their first solid house during this period.

The seven households examined in Julian Blanco provided a slightly different picture from the other two **barrios**, without necessarily contradicting the hypothesis concerning land provision. As noted previously, all of them had attained access to their sites by buying existing dwellings.

Two families - Arroyos and Tironis -bought their shacks in 1968. In each case an "Act of Purchase" was written by a paid lawyer and signed in front of two witnesses. They had no doubt that the land was not included in the transaction, because it was "owned by the Municipality". The Arroyos never felt insecure because of that. They thought that the joint work of the Neighbourhood Junta and the Municipality in the improvement of the **barrio** was a confirmation of their tenure. The Tironis, on the contrary, felt extremely insecure even as late as 1985. They feared that at any time the government could take over the land to use it for public works. They knew of cases where that had happened, "during the government of

Rafael Caldera", and claimed that although compensations were possible, "they are estimated by the government below the real value of the people's investments".

Three other families - Paz, Javier and Donoso - had been in the **barrio** for some years before they entered the land where they lived in 1985.

Sra Paz, a widow head of household, had moved with her family within the **barrio**, buying in 1971 a shack better and larger than the one they originally had, located in a quieter sector of the settlement. She bought the shack from an acquaintance. They signed an "Act of Purchase" in front of two witnesses and she obtained the supplementary deed in 1980. This was done to put on record her rights over the house, not including the land "which was owned by the Municipality". She had never feared eviction. Her statement is perhaps one of the best summaries of the way the **barrio**'s inhabitants see their rights of tenure: "I consider that the purchase of the shack was legal, because I knew the seller and I knew that he had built the shack. I have the property, not of the land but of the house because I built it".

The Javiers, on the other hand, had experiences that made them less confident. They had come to Julian Blanco in 1965 after being evicted from another **barrio** when the government wanted to build a main road through it.

The Javiers received compensation in cash that allowed them to buy a shack in a rather poor location in San Jose. They moved in 1974, buying another shack, to the place where they lived at the time of the enquiry in 1985. But they felt "rather insecure" and fearful of rumours of eviction, such as the one referring to the building of a new motorway. The work of the Junta and the government "investment in building materials" had contributed to reassuring them. They had invested in their new house on the grounds that the government "would pay the cost of the building" in the case of being evicted again.

The Donosos lived as teenagers in the **barrio** and married in 1976. Sr Donoso's father sold them a shack "owned by him but not including the land which was owned by the government". They had no documents to prove the ownership of their house but felt confident of their tenure.

The Donosos thought that in case of eviction the government would pay compensation to all people affected. Part of their confidence had to do with the way "things are in the **barrio**, nobody here fears expulsion" according to Sra Donoso. Part was also due to the fact that the "Neighbourhood Junta had done improvements and the government did not stop them".

The Cerdas clearly bought a shack in 1976 in order to get access to land located on the main road. They never lived in it.

The Cerdas demolished their shack on the first day of their arrival and immediately started to build a solid house. "We bought it in order to occupy the place" said Sr Cerda, adding that "it was a safe business, recorded in an "Act of Purchase" signed in front of two witnesses". He considered that the house, not the land, was his because he had built it and that the government would have to compensate him for its value in case of eviction. This family did not consider that there was any reason for tenure to be insecure. They also thought that the upgrading works of the Junta and the government were good and positive but not too important for the consolidation of tenure.

Finally, the Mezas, who bought a finished solid house in 1979, also recorded the fact in an "Act of Purchase" signed in front of two witnesses. As in the other cases they knew that the

purchase did not include the land. They had never feared eviction from the land: "I do not see the reason for an act like that" said Sra Meza, adding that in case of eviction the government "would have to pay the value of the house". They felt more reassured by the works of the Junta and the government than by the "promises of the politicians".

The house prices estimated by these households in 1985 gave some hints of being linked to location, as an indication of differential rent making its presence felt. The Tironi's, a large and solid house located in the main street, had been estimated by a lawyer at Bs 150,000. The Arroyo's, also large but not too good, and located on a main street, had been estimated by the family at BS 200,000 which was probably an overestimation. The Arroyos were the only family in this group that considered that prices were a consequence of the house "being located on the main street" and of "the upgrading of the infrastructure of the **barrio**". Estimated prices of houses off the main street were considerably lower: the Paz's was Bs 60,000 and the Meza's was Bs 30,000. The latter was definitely undervalued. The other households had no idea of the price of their houses.

This sector of Julian Blanco was selected as a "control case", therefore no significant relationship was expected between housing investments and the particular upgrading programmes under consideration. The information seems to support this assumption. Purchases and first transformation or enlargement investments were fully dispersed between 1968 to 1981 and seem more related to the time the households entered the sites than to the state programmes. In all cases - except Tironi's - the first investments took place from immediately after arrival to two years later. On the other hand, all these households, again with a slight variation in the Tironi's case, reported that upgrading works, without indicating particular programmes, had been done by the government before their arrival. Their investments had been done, therefore, in the period after the intervention of the state to improve the living conditions in the **barrio**, as suggested by the hypothesis.

A comparison of land provision in the three settlements confirms the main propositions of the hypothesis, as regards this particular process, until what was defined as stage two. Government upgrading programmes carried out with strong participation of the Neighbourhood Juntas were acknowledged in most cases as a confirmation of security of land tenure. In turn, this had been instrumental in households investing in the improvement of their houses. Buying and selling of houses, without involving land, was becoming increasingly the norm, and there were clear indications that differential rent had appeared.

In 1985 there were numerous indications that the process of land provision might have entered the third stage, i.e.: the completion of commodification. This was particularly the case in La Montañita. The Municipality of Petare, which by that time owned the land occupied by this **barrio**, had made public that it was prepared to sell the land on favourable terms to the squatters. Three families, Rosales, Valencia and Torres, manifested their firm intention - in one case the hope - of purchasing the land if given the chance. This had not yet happened by 1985.

On the other hand, the available information does not support the establishment of specific relationships between any of the particular upgrading programmes, security of tenure and household investments. It seems that all the upgrading programmes, as expressions of the supportive non-conventional housing policies of the Venezuelan government during those years, had the same effect of reinforcing security of tenure and inducing investments. There were no

noticeable differences between the piecemeal programmes before 1969 and the comprehensive efforts of both, the Christian Democratic and the "Acción Democrática" governments in this respect.

### c. The Building of Houses

This process defines the evolution of building technology that takes place in the construction of houses in the **barrios**. The hypothesis links this evolution to the process of housing commodification, following in particular the advances of productivity. Labour employed in the building of houses starts at very low levels of productivity, using artisanal pre-capitalist forms of production which makes it impossible to transform the time and energy spent in that production into exchange value. This stage is materialized in the shack and in the use of refuse and unsuitable materials, elementary tools, untrained and unpaid labour. It corresponds also to the social moments of instability, poverty, insecure tenure and maximum risks inhibiting investments.

This situation may, in conditions of poverty and political hostility, remain indefinitely in the **barrios**.

The argument running throughout this paper is that the intervention of the state by means of non-conventional housing policies redefines the situation. Upgrading programmes consolidate security of tenure and, to the extent that transfers of resources take place, help the households to transform their houses initially using the less advanced forms of manufacture. The process becomes technically better organized, some industrially produced materials are used, and a more specialised division of labour appears. However, inefficient and wasteful use of materials, labour disorganization and comparatively low levels of productivity remain as barriers to the full realization of the value consumed and created in these operations. Producers are still in a disadvantaged position compared with the sectors of housing construction where advanced forms of manufacture and industrial forms are dominant.

Advanced manufacture is possibly the highest level of development attainable in the building of houses in shanty towns universally. It is characterized by the widespread use of industrially produced materials which are clearly specified in their quality and quantity, the use of advanced technologies, including small scale power tools, architectural plans, and specialised division of skilled labour. The structural conditions of shanty towns, particularly the division of housing property and the uneven and evolutionary character of house building, make the possibility of industrial forms becoming dominant highly unlikely. On the other hand, it is the presence of industrial forms in the building industry outside the **barrios**, with the addition of transport, energy and infrastructure, which makes possible for advanced manufacture to become the level of productive forces development required to build houses as commodities in, probably very transformed, shanty towns.

It is suggested that the development of manufacture in the squatter areas also requires the intervention of the state, not only in creating confidence, but also in the incorporation of items of social and physical infrastructure that could help to complete the use value of housing without cost to the users. This is, again, a contradictory process, because for manufacture to develop to its most advanced forms, and for housing to become commodified, the state must open the way for competitive producers and for market relations to dominate. At this point whatever private

resources the squatters may have, particularly those saved up as a result of the state expending in services and facilities, become decisive conditions for the completion of the process.

The information provided by the previous sections already indicates that the individual processes of house building in the **barrios** had followed patterns similar to the first two stages defined by the hypothesis. A more detailed examination of individual cases will confirm that impression. It will also show that processes and results are rather similar in the three **barrios**.

In la Montañita the whole Rosales household, without outside help, participated in the construction of their first shack. They collected most of the materials from a refuse heap outside the **barrio**. The only material they bought, in a hardware shop nearby, was corrugated zinc. It was a very elementary dwelling built with simple tools such as hammers and hand-saws. Seven years later they built their solid house. For that they bought industrially produced materials from established building merchants: concrete blocks, cement, steel to be used in reinforced concrete columns and beams, prefabricated ceramic hollow pots to be used as part of the reinforced concrete slab separating the floors. The tools were still very elementary: spades, pickaxes and hand-drills in addition to the hammers and hand-saws. A few workers were hired to do specific tasks, such as plastering, but most of the building was done by the household itself. They received no technical advice: "we observed as other people in the **barrio** did it and we just copied them" said Sr Rosales. The third stage led to a three storey house using the same technology and procedures.

The Gonzalez, who had one of the best houses among the people interviewed in 1985, started by building a small solid house instead of a shack.

Sr Gonzalez hired some workers and used industrially produced materials. He bought them, "little by little", from shops in the lower part of the **barrio**, and in a nearby neighbourhood. The materials were transported by lorry to some 500 mts. down the hill, and taken from there by hand to the site. They used the same simple tools already mentioned, some owned by Sr Gonzalez, others by the workers. The house was built according to a rough design made by one of the bricklayers indicating the size and position of the rooms.

Fourteen years later the Gonzalez built a reinforced concrete slab to replace the zinc roof and to form the base for a second floor. The house was completed with windows, plastered and painted walls, finished floors, etc. The materials and tools were similar to the ones used before, but this time the household did not do the work. Sr Gonzalez only supervised the operation, which was all done by specialised workers hired by the day. As before, the house was built according to the advice of the workers and the accumulated experience of the owner.

The Torres and the Valencias made some minor improvements to their initial shacks until they replaced them with solid houses built with the industrial materials and the manufacturing technology previously indicated. The Valencias built a rather large one floor house combining the labour of the household head, who knew something about building, and paid workers that lived in the same **barrio** and who came with their own simple tools.

Years later the Valencias replaced the corrugated zinc roof of the house for a reinforced concrete slab which would allow them to build a second floor later. Casting a concrete slab is always an important event in the **barrios** and it is frequently accompanied by some social ceremonies. Although these concrete slabs use industrial materials, the technology to produce them is still characterised by manufacturing procedures. It includes a base made of pre-fabricated ceramic hollow pots between steel beams, on top of which a steel grill is made. Concrete is

mixed on the ground using spades. It is then transported up in big buckets and poured over the base by hand. Most times the preparatory work is done by specialized paid workers. The Valencias, for example, hired one to put the beams in place and to fix the ceramic pots and the steel grill. Mixing and pouring the concrete, on the other hand, has become a community feast in the **barrios**. Frequently it is done as the Valencias did it: relatives, friends and neighbours come during a Saturday or Sunday and they complete the work in a day. There is then a party to which the benefited household contributes with the food and drinks. "Its is customary to help other families to build the concrete slab", were Sr Valencia words. It had been done that way in most of the houses examined in the three settlements.

The other three households, Garcias, Rubios and Perez, entered their sites buying existing solid houses. The three made considerable improvements later, mostly enlarging the dwellings with additional floors. The technology used in these works was similar to the one already described, with minor differences: Garcias and Rubios, for example, did most of the work themselves, with some exceptional payments to friends. The Perez hired workers to do all the work.

None of these households used plans, structural design, budgets or specifications of quality and quantity of materials. This is particularly notable when one considers that some of the houses were built in two or three storeys. In a few cases they had some technical assistance from the municipality. In most cases the decisions concerning design - room size for example - and materials had been taken by the household heads with the help of workers.

The eight families from San Jose Alto indicated an evolution of building technology that replicates La Montañita's.

The Salas and Lisboas had built their shacks before 1969 initially using materials and procedures similar to those used by the first arrivals in La Montañita. Once they had a place to live, the Salas started to build a solid house, which was completed five years later. That house, which was enlarged again in 1970 and 1980, was produced with the same manufacturing technology used in the cases previously mentioned. They did the work themselves, but Sr Salas remembered hiring a bricklayer once, for two weeks. The Lisboas continued in their original shack for 6 years, enlarging it to suit the growth of the family - "one new child and one new wall" said Sr Lisboa. In 1974 they rebuilt half of the shack with industrially produced materials, using the same technology mentioned above, and six years later they completed its transformation in the same way.

The Quispes and Martinez started by building solid houses, instead of shacks, as first shelters. These, although built with adequate materials were small and had the services outside. Both families improved and enlarged the houses a short time afterwards. These works were done by the families with the help of friends and neighbours, with the materials and technology used for building solid houses already described.

The Hernans in 1966, the Montez in 1970 and the Arocas in about 1973, entered their sites by buying shacks built by somebody else beforehand. They all demolished the shacks and built solid houses within the first year of their arrival. Those houses, and the improvements and enlargements that took place afterwards were all made using industrial materials and manufacturing technology and procedures. Most work was done by the households, though the Hernans hired a few workers to do the "refined work", such as plastering. The Arocas hired some workers as well.

As in La Montañita, none of these households made use of plans, structural designs or specification

and quantification of building materials. These were decided by the households on the basis of what they had learnt from other people in the **barrio**, from their experiences helping friends and neighbours and using the advice of the workers they hired.

As stated previously, the seven households examined in Julian Blanco arrived comparatively late and no one entered empty land. Six bought shacks and one, the Mezas, bought an existing solid house. Nobody had been involved in the construction of basic shelter. All these families later built solid houses to replace the shacks and five of them carried out at least another significant building operation either to improve or to enlarge that house, or both.

The materials and technology used in these works were the same as those used in the other **barrios**. The materials were mostly bought - "little by little", "when something was finished you buy a little more" - in stores and from building merchants outside the **barrio** but close by. Transport seems to have been no problem. All these families reported that materials were delivered to the sites.

The Arroyos built their solid house with the help of friends and neighbours and also with the contribution of a bricklayer, paid with food instead of cash. He came with his tools and helped them to decide on the quality and quantity of materials required. The Tironis - whose first solid house built to replace the shack was badly damaged by a earth slide in 1972 - told us that after receiving technical assistance from the local authority to build a strong supportive wall, they started, with the help of a paid worker, the construction of a large solid house that was completed by 1979.

Neither the Paz, nor the Meza households worked directly on the enlargement of their houses. Sr Meza declared that his role during the construction period, from 1981 to 1985, had been as manager of the works, buying materials and hiring workers. Both made full use of paid labour, mostly bricklayers resident in the **barrio**. As in most other cases, those workers contributed with their tools and played an important advisory role concerning the design of the houses, the shape and size of rooms - "they should be 3 x 3 m" explained one - the quality and quantity of materials, building procedures, depth of foundations, etc.

In contradistinction, three households did all their work without recurring to paid labour. The Javiers replaced their shack with a solid house between 1974 and 1978, and enlarged and improved it in 1983. They used the same materials and procedures already mentioned. The Cerdas did likewise. The Donosos, however, built their solid house with the help of relatives, friends and neighbours. There were no paid jobs, but they supplied food and drinks to their helpers during working hours.

All these houses were built, enlarged and improved as in the other two **barrios**, without plans, structural design, specification of building materials, etc. There was, however, a slight difference. While the role of the households continued to be decisive in these matters, there was more participation of hired workers. Technical advisers from the municipality had appeared on scene also. Four families received municipal technical assistance concerning the design and building technology to be used in the construction of their houses.

The information provided by these twenty three households in the three **barrios** concerning their individual experiences in building and improving their houses, seems to confirm the assertions advanced by the hypothesis. There had been a technological evolution affecting the building of houses. There was an initial stage during which artisan, pre-capitalist and also poor forms of

construction were widespread and dominant. These were expressed in the building of shacks, the dominant form of housing in these three settlements until a few years ago. Sixteen of these families started in the **barrios** either building or buying a shack.

The technological evolution was clearly manifested in 1985 in the widespread domination of houses produced by low manufacturing forms. This was also the case among the twenty three households here examined. Only two of them remained in shacks. It seems that the development of social and economic conditions in these settlements encountered available technological forms of housing production in Venezuela, created by developments in other areas of the building industry. Particularly, the supply of advanced building materials could be considered as a structural condition that facilitated that evolution. However, it is not possible to establish a differential relationship between the particular upgrading programmes of different governments and this technological evolution. The results in terms of building methods and housing standards are too close in the three **barrios** to support a concept of differential impact. As with the other processes, it seems rather that the overall supportive state policy created favourable conditions for resident households to invest in their houses and that adequate technology was available to support those investments. The central point of this analysis, however, concerns the relationship between the building of houses and the commodification of housing. The conclusion is that the dominant forms of low manufacture in the **barrios** were still not able to produce houses as commodities in 1985.

#### **d. Exchange Relations**

The rise and consolidation of housing commodification in the **barrios** needs to be accompanied by the establishment of market relationships in this field. Market elements were apparent in the three "barrios" in 1985. There was evidence of housing buying, selling and letting indicated by wall advertisements. There were small agencies dealing with real estate exchanges. Moreover, sixteen of the twenty three households specially examined in this paper had occupied the places where they lived by buying either a shack or an unfinished house. However, the very fact that the material appropriation of the land by the squatters remained separated from their legal rights over the same - and **vice-versa**, that the legal owners couldn't make use of it - meant that a real formal housing market had not yet been fully established. In these circumstances buying of shacks and unfinished houses tended to be mixed up with buying access to land. For purposes of simplification it was decided to leave out of this paper, for further analysis, the possible exchanges of houses and to concentrate on the factors of housing production.

This process defines therefore the evolution in the ways households get access to and dispose of three important factors of housing production: land, building materials and labour. The hypothesis indicates an evolution from predominantly non-monetary exchanges to the rise and increasing domination of a formal market. It also indicates that this evolution is shaped and gathers momentum when the intervention of the state signals implicitly that the squatters can stay on the land.

To simplify the analysis, the hypothesis postulates that the exchanges go through four distinctive stages. First, land is illegally occupied and no effective exchanges take place. Waste materials are collected, labour derives from the household and is either for itself or it is offered to others as help,



without expecting reciprocity. Production is of use values only, therefore individual households cannot realize whatever value is embodied in their houses in case they have to move away. In a second stage non-monetary exchanges take place. Barter of materials might exist. Land remains illegally occupied. There is mutual help between neighbours but it is still very difficult, if not impossible, for individual households to realize even part of their investments. A third stage starts when government intervention signals security of tenure to the squatters. It is characterized by the rise and domination of monetary exchanges which don't include land property. Householders buy their materials in the market and pay for labour. Low manufacturing forms take hold of production. Houses are still produced as use values, not as commodities. Households can realize a considerable part of their investments but are handicapped by inefficient technology and the low productivity of labour. For total values and profit to be realizable it is necessary to reach the fourth stage, when a formal market is established and houses are produced as commodities from the start.

There were two main forms of ACCESS TO LAND in the **barrios** during the time under examination: by occupying empty land, with the authorization of the Neighbourhood Juntas, or by buying whatever **bienhechuria** existed on the land. These were mainly shacks or small and sometimes incomplete solid houses.

As previously noted, three of the eight households examined in La Montañita had occupied empty land before 1969, the Rosales, Serenas and Gonzalez. Five had bought shacks and houses, one of them before 1969, the Valencias, and four between 1970 and 1976, Torres, Rubios, Garcias and Perez. There were several indications of the way monetary exchanges had developed to regulate the appropriation, not the property, of the land. The five families that bought their access did it by paying in cash. Four of them bought it impersonally, from people they did not know beforehand. Only one, the Garcias, bought it from relatives. Three of the sellers were residents in the **barrio** that had built the shacks or houses for themselves in the first place. The other two were people from outside. Only one family, the Perez, had sold the house they previously owned in another **barrio** and had used the proceedings to buy in La Montañita, giving one illustration of the rising ability of these households to benefit from the establishment of market relations.

With some local differences, the situation in San Jose Alto was very much the same.

Four of the eight households in this **barrio** had occupied empty land and four had bought shacks. There was no time pattern. Only one of the latter - the Montez - had sold a house they previously owned in another **barrio** in order to buy "a place" in San Jose Alto. All the others, with the exception of the newly married Quispes and Martinez, had come from places where they paid rent. Purchases had been in cash but only the Arocas bought their shack from a non acquaintance, a family that moved out of the settlement afterwards.

In Julian Blanco, as has previously been noted, all the seven households attained access to their land by buying either a shack or a house, one before 1969, the Arroyos, and the other six during the 1970's.

Again there was only one family, the Mezas, who had sold a house in another **barrio** and had used the money to buy in Julian Blanco. All the others, except the newly married Donosos, came from places where they either paid rent or lived with relatives. All the transactions were in cash and in three cases with sellers that were not acquaintances. As for the sellers, three of them continued living in the **barrio** after disposing of their houses and two moved out.

There is evidence to confirm that at least two of them had been the builders of their shacks.

In summary, as far as exchanges are concerned, property of land in the three **barrios** remained outside the sphere of monetary exchanges by 1985. Access to land, on the other hand, was increasingly controlled by monetary exchanges, through the purchase of **bienhechurias**. The evidence suggests that particular state programmes were not important in defining the change in the form of access to land, from predominantly occupation to predominantly monetary exchanges. This suggests that the overall supportive attitude of the state acted as the framework for land access.

Changes in these forms seem to have been associated with other factors. In La Montañita, for example, occupation of land was possible during the 1960's while empty land was still available. By the end of the decade most of the land had already been occupied and shacks had been built all around. Access was only possible by monetary exchanges in the three **barrios** from then onwards, except in very special cases. On the other hand, the illegal appropriation of land continued to be an unavoidable obstacle for the completion of housing commodification.

A formal market of BUILDING MATERIALS and tools, particularly of industrially produced materials existed in the three **barrios** from early stages. Even the construction of basic shacks in La Montañita before 1969 forced the Rosales and Serenas to buy at least part of the materials.

Excluding the Serenas, the other households in La Montañita did substantial work transforming and enlarging their houses, sometimes more than once. Industrially produced materials were used for those works and in all cases they were purchased from established building merchants located in the surrounding area.

Seven of the eight households in San Jose Alto also bought their building materials from established merchants, mostly from outside the **barrio**. They made purchases even when building their initial shacks, as the Salas did in 1961 and the Lisboas in 1968. This was also the case for all the others that built, transformed and enlarged their houses using industrially produced materials, as early as 1962. The situation in Julian Blanco was very similar. The seven households examined in this **barrio** transformed their shacks and enlarged their houses. The Arroyos were the first as early as 1968. All used industrially produced materials purchased from established merchant builders located outside but close to Julian Blanco.

The building materials sector was the most advanced in terms of exchange relations. It had been dominated by monetary forms of exchange previous to 1969 in the **barrios**. Purchased, industrially produced materials complemented the refuse used to build the initial shacks. They became the only form available for the construction of solid houses. The participation of industrially produced materials, massively supplied to the markets in these **barrios** by an advanced national industry, constituted one of the forces pushing forward the commodification of housing in these settlements.

The SOURCES OF LABOUR in the three **barrios** seem to have been less distinct. They included cases of families working exclusively for themselves, without reciprocal exchanges; households receiving help from, and offering it to, friends and neighbours; others that combined family and friends work with paid labour and finally cases in which the works were done exclusively by paid workers.

Both in La Montañita and San Jose Alto the initial shacks were built by the families themselves. In the two cases when the shacks were only enlarged, the Serenas in La Montañita and the Julias in San Jose, the work was done by the families. However, in the three cases where the shacks were transformed into solid houses and subsequently enlarged, the works were done by the households with the assistance of friends and neighbours, as in the case of the Lisboas, or with the help of paid labourers, like the Salas and the Rosales did in San Jose and La Montañita respectively.

The building and enlargement of solid houses showed widespread forms of labour exchanges. Apart from the cases already mentioned, the Torres, in La Montañita, did all the works by themselves, while the Rubios and Garcias worked with the help of friends and neighbours. The Valencias combined the work of the family with the help of friends, using paid workers for specialised tasks. The Gonzalez built the first small solid house with the help of friends, but all subsequent enlargements were done by hired workers only. The Perez did the same. In San Jose Alto the sources appeared to be more concentrated: the Quispes and Martinez, built their houses with the help of friends and neighbours, while the Hernans, Arocas and Montez combined family, friends and paid labourers. None of the families examined in San Jose did the works all by themselves or using exclusively hired workers.

In Julian Blanco the dispersion was similar to La Montanita's. It must be added that no particular pattern of access to labour in the three **barrios** seems to be associated to any particular period of time. As far as exchange relations are concerned, access to labour was in a transitional stage during the time in which the twenty three households upgraded their houses, with voluntary work and mutual non-monetary exchanges dominant over paid labour.

A comparison of the individual histories of these households leads to the conclusion that exchange relations in these **barrios** had evolved quite consistently with the forms suggested by the hypothesis but the evolution was not uniform. There were, on the other hand, no important differences between the three settlements. Access to land property had remained outside monetary exchanges but the ability to use land had clearly become regulated by money. It did not seem possible to get free access to empty land in these **barrios** by the late 1970's, except in very special circumstances, such as the formation of new households within the communities. Even these were probably not possible by 1985.

Most households had experienced an evolution in the forms of access to building materials. While some had built shacks using refuse materials obtained by non monetary exchanges, practically all had bought industrially produced materials, fully available under market conditions, to transform and enlarge their houses. This was the most advanced sector on the road to housing commodification. Access to labour when these households built their houses had initially combined family and voluntary work with the assistance of limited paid labour. This situation seemed to have changed by 1985, with much more significant participation by paid labourers. This information, however, was not included in the histories of these households. A qualification of the advance in the process of exchange relations, based on these twenty three cases, would point to the third stage initially mentioned by the hypothesis: rise and domination of monetary exchanges, within considerable limitations.

#### **e. Administrative Framework and Technical Assistance**

This process defines the evolution of the way the state institutionally organises its dealings with the population living in the **barrios**, singling out for special attention the assistance provided to the improvement of houses and neighbourhoods.

By their very nature - the massive occupation of others' land in capitalist social formations - the **barrios** cannot live autonomously, independently from the state. Relationships have to be established. Some of these relationships could be of control, containment or repression. Some could be of assistance, reciprocal support - political for instance - or just charity. Some become institutionalized and bureaucratized into old or new agencies of relative permanence.

It is, of course, impossible to determine **a priori** the number, or to generalize about the functions, of those agencies which depend on specific historical conditions. An important part of the analysis has been devoted precisely to try to identify possible differences within the administrative framework determined by the housing policies of different governments and the consequences of such differences for the squatters. Nevertheless, it is argued that whatever those differences might be, they must be examined next to the rise and evolution of an administrative framework associated with the process of housing commodification. This evolution is characterised by a movement from a single, or very few, agencies with all-inclusive functions, operating in personalised ways without formal regulations, towards a growing number of specialised agencies, operating impersonally according to formal rules. It is postulated that in the first instances these agencies are closer to the communities in the **barrios**. They can respond faster to emergencies and more flexibly to demands that require balancing political expediency, social values and legal constraints. Their potential usefulness is limited more by their resources and technical capabilities than by administrative restrictions. These agencies can, therefore, play an important role in the negotiations between the squatters and the state concerning the transfer of social resources to the former. One could draw, figuratively speaking, a curve describing the degree of usefulness of these agencies to the **barrio** population. It starts from zero, when the state is either not involved in these processes or only contains it<sup>14</sup>. It moves to a rather low point, when the state gets involved and support programmes are under way but the informality and flexibility of the agencies is not accompanied by resources, capabilities or influence. It grows to a high plateau of maximum usefulness, when flexibility is still there but matched by the full commitment of the state, its housing programmes, resources, capabilities and influences. It then goes slowly down to near zero again, when total housing commodification is accompanied by total formalization and specialisation of the agencies. Indeed, the completion of the commodification process means that the agencies operating in the **barrios** might be the same as those working in the city as a whole. They might, or might not be efficient in discharging their tasks, but these would be unlikely to include transfers of resources to the population. If they still do it means that the state is somehow involved in other forms of reproduction of the general conditions of production, or that commodification of housing has still not been achieved.

Technical assistance is one of the most important fields in which these state agencies normally act. It is also a purpose of this section to examine the evolution of the forms of state technical support

---

<sup>14</sup> The parameters of the overall process examined here are defined by state intervention in the reproduction of the general conditions of production. The purely repressive action of the state is outside this analysis.

to the squatters in the building of their houses and in the improvement of their neighbourhood. It is expected that this evolution would follow a curve similar to the one describing the usefulness of the agencies that provide assistance.

There was a long list of such public agencies in 1985. The older, and perhaps more powerful institution of the different Venezuelan governments in the field of public housing had for a long time been the **Banco Obrero** (Workers Bank), founded in 1928 with major responsibility for the implementation of conventional housing policies. The Bank couldn't avoid, however, being involved in the **barrios** during the 1960's. In 1969 it created a **Departamento de Urbanización y Equipamiento de Barrios** which was responsible for the implementation of the Christian Democratic programme in 1969-74. The Workers Bank later became the INAVI (National Housing Institute) concentrated again on the conventional side of the public housing effort of the governments.

Most governmental actions concerning the **barrios** from the 1960's to the 1980's were channelled through the Municipal Councils, either using the existing internal institutions of the municipalities or supporting them with agencies specially created for that purpose. Among the former, for instance, the municipalities had by-laws regulating architectural, planning and building standards, which gave them the legal power to demolish all the houses in the **barrios** if they had so wished.

Municipal work was extraordinarily enhanced by the support of agencies such as the **Fundación para el Desarrollo de la Comunidad y Fomento Municipal** or FUNDACOMUN. This was created in 1962 with a brief to carry out studies of the situation in the **barrios**, to propose policies to help them, to provide technical assistance to the municipalities and to channel the financial resources that international aid and the Venezuelan government made available to the squatters. In the same way that the Worker's Bank had been the implementing authority of the Christian Democratic programme, FUNDACOMUN became the agency to coordinate and implement the "Acción Democrática" housing programme in 1974-1979.

Other agencies contributed to those efforts. The Metropolitan Urban Planning Bureau (OMPU) started its work in 1972, coordinating the Municipal Councils in the Caracas Metropolitan Area. Specific services and utilities were provided, through municipal initiatives, by specialised agencies such as the **Instituto Nacional de Obras Sanitarias** (INOS), responsible for water supply and sewerage. There were also experiences of integrated work involving several of these agencies: the **Areas Marginales** working group was formed in 1983, with the participation of the Ministry of Urban Development (MINDUR), FUNDACOMUN, OMPU and the **Oficina Regional de Coordinación y Planificación** (ORCOPLAN) to update the study of the **barrios** done in 1974 by FUNDACOMUN.

This is of course an incomplete list. It only outlines the administrative framework linking the people in the **barrios** to the state. How then did those agencies evolve? The households are hardly the best source from which to obtain an accurate idea of the administrative framework evolution. Unfortunately, it is beyond the scope of this paper to go to the agencies themselves. The subject will be then only partially presented here by examining the households' experiences when dealing with governmental agencies.

Practically none of the families examined in the three **barrios** perceived the existence of a diversified administrative framework. As far as the production of their houses was concerned, there were very few examples of personal relationships with any agency. There was, on the other hand, consistent evidence of those relationships related to the production of the neighbourhoods. Most families had participated in voluntary works and had seen the presence of agencies through the provision of building materials and technical assistance. The information provided by the twenty three households gives a very similar picture in the three **barrios**. It could be summarised as follows: most households saw the Neighbourhood Junta as the mediating body between them and the Municipal Council, the only government institution that seemed to matter. Houses were produced individually, without state participation. The state appeared more diversified during the execution of collective works to improve the **barrio** and while it still seemed to coincide with the Municipality, a few households recognised the presence of some other agencies.

Only four of these twenty three households had ever applied for access to a conventional house produced by the Banco Obrero or INAVI. None had been successful. The reasons for disqualification had been mainly low income and irregular employment. None of these families had had individual or collective contacts of any kind with government agencies related to their occupation of others' land. Only in La Montañita in 1985, long after the period under examination, the issue of buying the land from the Municipality was being raised. Only one household, the Tironis in Julian Blanco, had requested and obtained municipal assistance when part of their house was demolished by a landslide. Two households in La Montañita, one in San Jose and two in Julian Blanco, had requested technical advice or materials from the Municipality during the construction of their houses. The Montez, for instance, asked for zinc sheets for the roof and concrete blocks for the walls. They got nothing. The Serenas, Arroyos and Paz, however, received technical advice on how to plan their houses.

One of the most obvious forms of control of local authorities would have been the demand for a building permit and the application of building regulations. That was not done. None of these households requested any permit, perceived any form of building control in the **barrios** or paid any fee or tax. Nobody paid any attention to building regulations either. Indeed, sixteen of the twenty three households did not know that such regulations even existed.

Concerning collective works in the improvement of the **barrios**, the picture is slightly different. Nearly all the households recognized that upgrading works had taken place and twelve of them identified the government as responsible. Eleven families also mentioned the Municipality and nine indicated that this responsibility was shared by the Neighbourhood Junta. Eight families limited the contribution of government and Municipality to the supply of building materials. Five households also mentioned that technical officers had come to inspect the works or to advise the people on how they should be done. Only two other agencies were mentioned: six households indicated that INOS had been involved in the tending of water pipes and building the sewerage system, and only one, the Gonzalez in La Montañita, mentioned FUNDACOMUN.

As indicated previously, limiting this enquiry to the experiences of individual households does not allow us to examine in this paper the full evolution of the administrative framework in the terms requested by the hypothesis. Other instruments of the research project would have to be used for that purpose. There are however some conclusions that can be sustained on the information

provided by this section. The Venezuelan governments had created a rather sophisticated network of agencies to deal with the **barrios**. Negotiations were taking place and resources were transferred to the squatters. Although households did not acknowledge any important intervention of those agencies in the production of their houses, they acknowledged their contribution in the organization of upgrading works and in the provision of building materials to be used in the improvement of the neighbourhoods. In terms of its usefulness, the administrative network seemed to have been at the higher plateau during the period under examination. Agencies, particularly the Municipality, had been able to support the development of the **barrios** matching flexibility and resources. This usefulness seems to have been the consequence of the overall supportive policy of the Venezuelan state during that time, without being significantly different when implemented by either the Christian Democratic or the **Acción Democrática** administrations.

#### **f. Neighbourhood Development as Use Value**

It is generally accepted that housing cannot be reduced exclusively to the dwelling. As space, housing expands beyond the limits of its site into the neighbourhood and the city itself. This process defines the evolution in the capability of the neighbourhood - which for simplification has been reduced to urban infrastructure, services and facilities - to satisfy the housing needs of its inhabitants. The hypothesis both juxtaposes and integrates commodification and state intervention.

It reiterates that for commodification of housing to take place in the **barrios** the use value part of the concept has to be completed. This means that the neighbourhoods must provide levels of infrastructure, services, and facilities of socially acceptable standard of quality. These in most places relate to the standards which exist in other low-income districts in the city where commodity forms of housing are dominant.

The people in the **barrios**, left to themselves, might be able to complete this process over the long term. However, this is an area in which individual household initiative is rarely effective. While it is possible to manage the gradual improvement of one's house according to one's resources, it is considerably more difficult, if it is ever possible, to do the same when a large and poor community is involved and when the standards of infrastructure and services available tend to be dictated by overall city averages.

The hypothesis postulates that the intervention of the state to upgrade the neighbourhoods qualitatively changes this situation. Providing that the improvements come to the households as use values, the intervention of the state accelerates the commodification process and creates conditions for its total completion without jeopardizing the ability of the families to stay in the **barrio**. If, on the contrary, the improvements come to the households as commodities - if, for instance, there is a demand for full cost recovery - the process could be hindered, or provoke the expulsion of the poorest families. A positive contradiction can be identified in these two statements. Accordingly, state intervention makes commodification possible only if it does not provide commodities. Moreover, as has been said previously, in order for the process to be fully completed, the state - whose role is so important for this completion - must eventually withdraw and allow market exchanges to take over. Whether the state might proceed in one or the other

way, whether it would provide use values or commodities, withdraw or stay, depends on the government's perception of the general conditions of production and of its role in it, as defined by its national policies.

While it has already been noted that programmes to improve neighbourhood conditions in the **barrios** of Caracas existed at least since the beginning of the 1960's, the focus of this analysis is on the possible effects of the upgrading programmes of the Christian-Democratic and the **Acción Democrática** administrations. The main properties of both programmes were already introduced in the background of this paper. At a low level of abstraction differences were noted that appeared important. These seem to be more of form than of substance though. Both programmes shared the same supportive objectives concerning the squatters. The Christian-Democratic programme in 1969-1974 translated those objectives into very specific projects in particular **barrios**, relying upon the participation of the population for their implementation. The **Acción Democrática** programme in 1974-1979 went for more comprehensive coverage, seeking to consolidate the most stable settlements by providing them with physical and social infrastructure contracted out to private firms. An interesting feature of this programme was the provision of different services - polyclinic, social and child assistance, food markets, police, post-office, public telephones, and others - under one single roof in a building called **Módulo de Servicio** (Service Module), normally located in a strategic position so as to serve several neighbourhoods. These "modules", with a high physical, social and political profile, became symbols of state assistance to the **barrios**.

The conditions in La Montañita before 1969 were described in 1985 by the head of the Valencia household: "The neighbourhood was considerably less advanced when we arrived in 1964 than today. There were a few roads, the streets were not surfaced, mud was everywhere. It was all hills and little shacks around. There were no services, water reached only to a stand-pipe some 300 metres from my place, down the hill. There was no sewerage nor drains. Public transport did not reach the area because of the poor state of the roads. There were a few little shops but we did most of our regular purchases outside the neighbourhood, either in Jose Felix Ribas or in Petare. There were, however, some bars where you could drink a beer and play billiards and one **bolas criollas** (bowls) pitch". This description was repeated, with minor variations, by the other three households that arrived about the same time.

It is obvious that some works were done before 1969, because the testimony of another householder, Sr. Garcia, described the state of the neighbourhood in 1970 as considerably improved and provided a long list of social and physical infrastructure facilities. In 1985 all the eight households examined in La Montañita, including those that had arrived in the late 1970's, declared that the neighbourhood had improved considerably from the time of their respective arrivals. Sr. Gonzalez described it:

"It is much more advanced than when we came here. All the roads and streets are concrete surfaced now. There are drains, concrete steps and footpaths and although some of these are not in good condition, to climb now to one's house up the hill is not as painful as before. The **barrio** has piped water and sewerage, electricity, public lighting and the rubbish is regularly collected. All is well and working, but with some problems: irregular supply, insufficient capacity, flooding when the rain comes down heavily, etc. There are also numerous facilities and amenities: creches, nurseries, a junior school, access to a nearby "Service Module" with a polyclinic, social services, food market, police station, post office,



public telephones, chemist, a hall for community and political meetings and sport fields. There are also several shops, bars and a bowls pitch. One doesn't necessarily use all these facilities regularly. For instance, the only services in the Module we use frequently are the telephones. But they are there and it is good. We also miss some others: a secondary school, cinemas, a church, more medical services. However, the only real problem nowadays is crime and personal security". As before, this description is supported, with minor differences, by the other seven households.

How did these families perceive the way works had been done ? An analysis of the information provided by them shows, approximately, the following sequence: before 1969 all main roads and streets were traced and cleared, part of the water supply and sewerage system was built, the electricity company tended its lines and a cooperative-owned public transport system, using jeeps, started. From 1970 to 1974 more streets were cleared and some of them were surfaced with concrete, the sewerage and the piped water network were completed. From 1974 to 1979 all streets and roads were surfaced, concrete pavements and steps were built, the sewerage system was enlarged. After 1979 concrete footpaths and more steps were built and the "Service Module" was constructed and equipped.

Five of these households participated voluntarily in those works. The Torres didn't and there was no information concerning the participation of the Valencias either. The Garcias worked as paid labourers for three months surfacing streets and pavements. Voluntary participation was limited to one or two occasions per family only. The Rosales opened trenches for the water pipe network, for one month, under the supervision of INOS. The Gonzalez did weekend work opening trenches for water and sewerage pipes and constructing steps. The Serenas, Rubio and Perez cleaned roads and constructed steps.

This gives a picture of continuous work from the time the **barrio** was created, with slightly more intense activities during the **Acción Democrática** period, when La Montañita was supposed to have received special attention from the government. In terms of social and physical infrastructure La Montañita was equipped in 1985 with a large range of services and facilities that, in terms of enumeration, indicate that the **barrio** had possibly achieved, in this respect, socially acceptable standards required to complete the use value of the housing commodity. There were, nevertheless, numerous claims concerning the poor quality, discontinuity, inability to cope, etc. of the existing services and facilities.

The conditions in San Jose Alto before 1969 were no different from those in La Montañita at that time. They were described by Sr Salas, who had arrived in 1963 as follows:

There were no streets at that time, only dirt roads. There was no water, sewerage or electricity. Nobody collected the rubbish which was just thrown around the houses. We had to do all our purchases in Petare. There was just a small church on the low side. But some important works started by the middle of the 1960's". This latter point was confirmed by the testimony of the Hernan family, who entered the neighbourhood in 1966 to find that "there was electricity, public lighting, some shops, bars and a bowling pitch".

The state of the neighbourhood at the beginning of the 1970's was reported by the Julia and the Montez households who arrived at about that time. Their perceptions do not totally coincide, which could be explained by differences in work progress in separated parts of the **barrio**. In

addition to the already mentioned services, the Julias indicated that although the streets remained unsurfaced there were concrete steps and footpaths, drains and piped water. Rubbish disposal was still cumbersome, forcing households to take theirs to one point in the **barrio** from where it was collected by the municipality. There were some little shops, bars and a church. They did their shopping in Petare, which was also difficult due to the lack of public transport. The Montez repeated most of this description, except that their area had no drains nor public lighting.

The descriptions of San Jose Alto in 1985 provided by these eight households depicted a **barrio** nearly identical to La Montañita in terms of infrastructure, services and facilities. They all missed, however, the facilities provided by the "Service Module" in La Montañita, and above all the police station. The latter was mentioned by all, signalling at the same time that the most serious problem they perceived was personal security.

These households described a continuous process of improvements rather than discrete and clearly identifiable programmes. Works on the sewerage system, the water network, drains and concrete steps had begun before 1969. Most streets were traced and cleared by that time, some even partly surfaced. Electricity and public lighting were also in place before 1969. This was also the time when a few shops, bars and the bowling pitch appeared. The period from 1970 to 1974, during the Christian Democratic administration, saw the continuation of most of these works: streets were surfaced, more concrete steps were added, the drains, sewerage and water systems were enlarged, concrete foot-paths were built and jeeps started to run as public transport.

Most of the infrastructure works continued during the 1974-79 period, enlarging the coverage of the neighbourhood. Apart from this, a nursery and a junior school were established and rubbish collection became regular. The works during the period after 1979 seem to have been a continuation of the same.

Six families - the Julias and the Montez being the exceptions - did some voluntary work. The Hernans explained that there was a system by means of which people could be replaced by paying somebody else to do the work. Sr Hernan had worked sometimes but on other occasions had paid to be replaced. It seems that participation in San Jose had been more intense than in La Montañita. Sr Lisboa, the Junta's leader, had participated as a voluntary in most works, sometimes at weekends, others during week time. The Salas and Hernans had worked in the construction of steps, footpaths, and in digging trenches for the water pipes and the sewerage systems. Sr Aroca said that he had worked voluntarily during weekends for periods of 1 or 2 months each time in the same type of work. The Quispes and the Martinez reported likewise.

The information provided by these households seems to indicate that no political period was more prominent than others in terms of the physical and social transformation of the neighbourhood. On the other hand, it is obvious that the sheer accumulation of infrastructure and services along that process had increasingly provided San Jose Alto with attributes that made possible a positive comparison with other low-income districts in Caracas. Arguably, San Jose Alto had reached socially acceptable standards in terms of neighbourhood use value by the end of the Christian Democratic period, in 1974.

If anything, the conditions in Julian Blanco before 1969 were slightly worse than in the other two

**barrios.** It had been formed comparatively late in 1966, and that was apparent in its state. The Tironis arrived in 1968. This is how Sra. Tironi described it:

"The situation was very bad. It was just the beginning. There was no road connecting it to the outside. The roads and alleys were dirt, unsurfaced. There was no sewerage. One had to get rid of dirty water by just throwing it out to the road. The pipes were already in place, but there was no water supply yet. There was no public transport from the **barrio** either. To go to Caracas one had to walk to the highway to flag down a bus. There were no medical facilities, nor places to meet or for kids to play. The only services that existed at that time were the collection of rubbish from one place in the **barrio**, electricity, a nursery and two schools"<sup>15</sup>.

Assessments of the state of Julian Blanco in 1976 and 1977 were divided. To the Javier family "there was nothing". To the Cerdas "it was very different to the place as it is now" and to the Donosos, "the barrio was nearly the same as now... with less houses only." It is easy to dismiss the first statement with the long list of services that the same family recorded at that time. The Donosos had the merit of longer acquaintance with the place since they had lived there before marrying. According to Sr Donoso, on top of the services and facilities available in 1971 there were, in 1976, concrete footpaths and stairs, a sewerage system and public jeeps ran regularly although they did not cover all parts of the neighbourhood. A drainage system had not yet been built.

The testimonies of these households concerning the state of the **barrio** in 1985 seemed to confirm Sr Donoso's statement. Nothing new had been added to the infrastructure and the only addition to services, mentioned by all families, were public telephones located in private houses. Although there were complaints - "jeeps running irregularly, still no drains resulting in floods during the rainy season" - there was widespread satisfaction with the working of the infrastructure and facilities. Six out of the seven households reported that they preferred to do their shopping in the **barrio**. Satisfaction was not extended to all services and amenities. All these households mentioned the lack of medical attention, meeting halls, social workers, chemists, a post office and particularly a police station, as being major problems. As in the case of San Jose Alto, they missed precisely the facilities that in La Montañita were provided by the "Service Module".

The reports concerning the way the works had been carried out in Julian Blanco reveal a rather confused picture. To some extent this can be explained by the fact that three of the seven families had arrived in the neighbourhood after 1976 and that only two had really participated in whatever collective works took place. Although the quality standards were similar to those in the other two **barrios**, the overall impression given by these households is that upgrading works had been carried out as part of the municipal daily routine, not as components of a comprehensive general programme. This impression was reinforced by the fact that only the Arroyos had contributed voluntary work during weekends to build roads, footpaths and to dig trenches. Sr Javier claimed that he had participated as well, although his role was by no means clear.

The information provided by these twenty three households is highly consistent with the evaluations

---

<sup>15</sup> Several families mentioned two schools, one junior and one secondary. There is evidence that the junior one existed but the secondary was probably located in the surrounding area, outside the **barrio**.

of agencies such as Fundacomun concerning the state of social and physical infrastructure in the **barrios**. The list of services and facilities available defines levels of habitability that seem to indicate that these neighbourhoods had achieved socially acceptable standards, as they were previously defined, probably by the middle of the 1970's. A question mark remains concerning the comparative quality of those services and facilities. Although this would require a more detailed examination, it is possible, however, to sustain the argument that by 1985 most of the families examined were relatively satisfied. In summary, it seems that the upgrading programmes of the Venezuelan state had succeeded in considerably advancing the use value of the neighbourhoods. By so doing, they had also succeeded in advancing towards the completion of housing commodification in the **barrios**.

The information defines a continuous process of state intervention rather than discrete operations or high profile programmes. This again tends to confirm a general picture coming from the examination of the whole process of housing production, exchange and consumption. The overall non-conventional policy of the state during those years had a more decisive role than the particular programmes of each administration. This also appears to be confirmed by the rather similar standards achieved in the three **barrios**. The only exception, expressing the individual presence of the **Acción Democrática** programme, was the "Service Module" and the obvious demand for its facilities.

#### **g. Community Organization**

This process defines the evolution of the forms of organization that the squatter population develops to manage the concerns within the community and their external links. The relationships with the state have been singled out for special attention.

In the same way that the state organises itself institutionally to deal with the **barrios**, the latter need to create organizations not only to deal with the state but to define and direct other actions as well. These may comprise one or several organizations. They may be concerned with regulating the relationships between the neighbours in a **barrio** - for example allocating places or enforcing construction security - or they might be involved in negotiations with government and municipal agencies, with landowners, or with people living around the settlement. The scope of the analysis however has been narrowed, as in the other sections of this paper, to the field of reproduction of the general conditions of production.

The hypothesis postulates that, within this field, the main role of the organizations in the **barrios** of Caracas has been to mediate between the communities and the state in order to maximise the transfer of social resources to the **barrios** in the form of inputs to the use value of housing. This constitutes a positive contribution to advance the process of housing commodification. It is, at the same time, contradictory to the latter. It is argued that with the progress of commodification there is a point at which community organizations become obstacles to its completion. For example, unaffordable demands put forward by community organizations could prevent the establishment of market relations. It is also argued that with the completion of the commodification process the organizations lose their negotiating role and, as far as this process is concerned, become redundant.

It is postulated that the process starts with one, or very few highly representative organizations, supported by a motivated community, invested with a number of different roles and responsibilities.

Initially the organizations are weak, their external relationships are vague, their representativeness might not be recognized by the authorities, they might be isolated or illegal. The hypothesis suggests a model of evolution for both the process and the ability of the organizations to play their mediating roles, that follows a curve similar to the one followed by the state agencies that negotiate with them. It starts from zero, when the state is either absent or only involved in repression. It moves to a rather low point when upgrading programmes start but the organizations still suffer the handicaps indicated above. With the full implementation of massive upgrading programmes the curve moves upwards fast to a high plateau where the representativeness of the organizations is officially recognized and their participation is sought by the state. It is on this plateau that the state and the communities can maximise the potential for successful negotiations. At the point that housing commodification is well advanced and most of its recognized attributes as use value are achieved, the curve goes down, the community organizations become less useful for this purpose, up to the point that they can vanish without affecting the process.

To be sure, community organizations could remain in the **barrios** for a long time after this main negotiating role has disappeared. They can remain as symbols, or their functions could be redefined. However, it seems likely that total completion of the commodification process and the imposition of market relations would be accompanied by people in the **barrios** participating in the numerous segmental and functional institutions in which the rest of the urban population participate: political parties, trade unions, the church, etc.

The existence of Neighbourhood Juntas was acknowledged by all the households interviewed in 1985. They had been there since the foundation of the three **barrios**. Their merits, particularly in the organization of collective upgrading works in collaboration with local authorities and resulting in a confirmation of tenure, have already been noted in previous sections.

Normally a Neighbourhood Junta covers a territory relatively easy to identify by its geographic limits - roads, hills, etc.- and by its common history - time of invasion, confrontations with authorities, etc. In small **barrios** they tend to represent all the population. In large ones, frequently divided into sectors, they normally represent the latter. In Venezuela since 1974 a Junta is legally required as a counterpart to state agencies negotiating aid or upgrading programmes. This has also been accompanied by rather strict regulations. For example, a minimum of 200 signatures became a requirement to establish a Junta. This means that in large **barrios** more than one Junta might coexist. This is frequently the case with Juntas closely associated with the major political parties. The structure of a Neighbourhood Junta, although not always the same, usually has a formal **Junta Directiva** or Executive Committee at the top, ruled by the statute book and elected by all members. Membership is a rather loose concept. It could comprise the totality of households in the territory covered by the Junta, or only those that signed for the formation of one.

In many cases people can vote in more than one Junta.

Interviews with Junta officials showed a development close to the one postulated by the hypothesis.

This paper, however, can provide only part of the picture, based on the households' views of their relationship with the Juntas and their assessments of the latter's effectiveness. The heads of two households in La Montañita, Srs Gonzalez and Perez, had been active in the Executive Committee

of their Junta, the first in 1963 and the second in 1985. All eight families in this **barrio** reported their participation in at least a few collective meetings called by the Junta to discuss matters of common interest, mainly the organization of upgrading works. However only three, including the Gonzalez and Perez, declared they had voted regularly in elections for membership of the Executive Committee. Five of them stated that at least one of their members had participated in collective, voluntary upgrading works under the leadership and control of the Junta. Their contributions, as indicated in a previous section, were always for short and discontinuous periods.

The Rosales and three others households declared that the security of tenure provided by the early activities of the Junta in the improvement of the neighbourhood had been beneficial. Three of these families considered that the performance of the Junta had been beneficial "in a general sense", to the population. Another three assessed that performance as poor. Sr Gonzalez was amongst the first. He considered that the Junta had "defended the interests of the neighbourhood well in its negotiations with the government. The previous Junta obtained many benefits. The present one has been less successful. He also considered that "collective works are worthwhile and are beneficial to the community". The Junta requests things from the government and in this way the community doesn't need to pay. It is cheaper for the state and one gets the benefit. In any case the facilities work better than the ones built by paid workers and one takes more care of things built by the community". Sr Rubio, who was amongst the second group, thought that the Junta had poorly defended the neighbours' interests in its negotiations with the government and that "only in surfacing the main road they got something".

The situation in San Jose Alto was not very different. Two heads of household, Srs Lisboa and Quispe, had participated regularly in the meetings of the Executive Committee from the time they arrived in the **barrio**, and were the only ones to vote regularly to elect its members. One other, Sra Julia, had participated in only one meeting "a long time ago". These three plus another household head, Sr Aroca, had participated in collective meetings of all the neighbours in the **barrio** to discuss improvement projects. Six families in this place, the two exceptions being the Julias and the Montez, had participated more than once in collective works leading to improvements of the neighbourhood.

Four households recognized they had received some help from the Neighbourhood Junta at the time they arrived in San Jose. Sr Lisboa, who had been the leader of another Junta elsewhere, was the elected chairman of San Jose's from the time he arrived, and the personal experience of his household was totally entangled with the work of the Junta. The Quispes, on the other hand, had their site assigned by the Junta when they married and constituted an independent household. The Julias and Arocas benefited from the advice of the Junta at the time they purchased their shacks.

Five families assessed the work of the Junta as beneficial to the people in the **barrio** and said that it had defended their interests well. This was to be expected in the case of the Lisboas and Quispes. Sr Lisboa reported that some 40 heads of households regularly attended the meetings of the Executive Committee. These were exclusively concerned with the organization of collective works to improve the **barrio** and to obtain resources -building materials for example - from the Municipality and other agencies. He considered that the work of the Junta had been beneficial to the people of San Jose in two major ways: real improvement of housing conditions and learning how to negotiate with the government. In his view: "if one doesn't work as a politician, one gets nothing". He, on the other hand, complained that the community's participation in the daily work of the Junta was poor,

although most families participated in the collective works. Sr Quispe considered that the Junta had "always defended the interests of the neighbours well" and that there was cooperation between the grassroots and the Committee. He thought that the works organized by the Junta "had been an important help to improve the living conditions of the community and, from an economic point of view, they are the only way to achieve improvements in the **barrio**".

The other three families that provided a positive assessment of the Junta's work were precisely those that never voted: the Julias, Salas and Martinez. The latter two had never participated in collective meetings either.

Sr Salas considered that the Junta had done well but lamented that the unity of the community and its participation in collective activities was in decline. Sr Martinez said that the Junta "had done good work defending the rights of the squatters. The benefits to the community coming from the collective works are great." He also thought that "when one obtains something as a present, one makes more effort to collaborate". Sr Hernan, on the other hand, was not so positive. He thought the work of the Junta suffered because it was not related to the participants, it was too isolated at the top. He also considered that although collective works produced an "internal positive effect", the community was still too disorganized. Sr Aroca, who was also critical of the Junta indicated that there was too much petty opportunism. He also considered that collective works had been positive but thought that the situation had changed by 1985: "the majority now wish that the government would do everything, without any initiative coming from the community".

The information provided by the seven households in Julian Blanco depicts a significantly less organised community. For a start, only one head of household mentioned the participation of the Junta in the organization of collective works. None of these families had participated in the Executive Committee of any Junta ever, but Sr Arroyo and Sra Paz stated that they had attended a few Committee meetings in the past. Sr Arroyo also spoke of attending a meeting of the whole **barrio** a long time ago to organize collective works in which he also participated and stated that he used to vote regularly to elect the Committee of the Junta. Apart from him, only the Cerdas and Javiers appeared to have participated in meetings to organize collective works in which they subsequently worked. Sr Javier usually voted. Sra Paz, on the other hand, said that she had neither attended mass meetings, participated in collective works nor ever voted to elect the leaders of the Juntas. Poor participation was also reported by Srs Donoso, Meza and Sra Tironi: neither of them had participated in collective meetings or works, although the first two had at least voted.

The assessments of the Junta's performance in Julian Blanco reflect the same low level of involvement. With two exceptions, all these households avoided any evaluative statements concerning the performance of the Juntas past or present in their negotiations with the government. Of the two exceptions, Sra Tironi simply said that "the work of the Junta is nowhere to be seen", while Sr Arroyo's judgement was more positive:

"The Junta defended the interests of the population in the past. It obtained many services from the government. It organized collective works that brought concrete benefits to the neighbours. But people don't rush to do collective works nowadays because there is no unity among them". Opinions about collective works tended to be more positive. Apart from Sr Arroyo three other households made positive comments about it: Donosos, Mezas and Javiers, though the first two had done no work at all. According to Sr Donoso "collective works are necessary, but the community is depressed, there is no unity in the **barrio** any more".

Within the narrow limits provided by the personal experiences and opinions of a few households concerning the performance of one type of community organization only, it can be sustained that this process had evolved relatively close to the model put forward by the hypothesis. Well established Juntas existed in the three **barrios**. They were the institutions created by the population to deal directly with the agencies representing the state. Although there was no unanimous positive assessment of their performances, there was a **de facto** recognition of their authority and representativeness and a clear recognition of their merits in specific areas. Practically all households recognized the importance of the Juntas in the organization and control - most time in conjunction with the Municipality - of collective works to improve the neighbourhoods and the decisive positive effect of these in the consolidation of security of tenure. These collective works constituted the most important channel through which the state could, and actually did, transfer social resources contributing to the completion of the use value of housing in these settlements. The evidence shows that a great deal of activity was centred on the organization of those works and that people answered the call of the Juntas: in La Montañita and San Jose Alto, twelve of the sixteen households had participated actively in the execution of simple collective works. In Julian Blanco, where no specific high profile programme was supposed to have taken place, the number went down to three out of the seven. A major part of the process, particularly the ways in which the Juntas negotiated with state agencies, constitutes an area beyond the scope of a paper based on household experiences but which is strongly recommended for further examination.

#### **h. Costs, Finance and Affordability**

This process defines the evolution in the costs of housing production and consumption in the **barrios** as they accrue to the households and compares it with the housing standards achieved and the financial ability of the families to afford them.

Cost, finance and affordability have been considered in this analysis as three interrelated components of the production and consumption of housing. Cost is the monetary expression of inputs to the production of the shelter, of the neighbourhood's physical and social infrastructure, and of the consumption of services and facilities. The costs that accrue to individual households have been related to the housing standards, to the income of the households, to the ways in which these costs are financed and to the social instruments created during the housing process that allow the squatter population to afford these standards.

As in the previous sections, the evolution of this process has been examined alongside the development of commodification. Accordingly, costs and standards rise simultaneously and in similar proportions from an initial common minimum position. With the advance of commodification more efficient forms of producing housing take over, with the result that increasingly higher levels of quality are accompanied by proportionally lower costs. The situation is different when the absolute rise of costs is compared with the income of households. Two possibilities have been considered: one in which incomes remain low and static or grow very slowly, and another where real incomes grow considerably. In the first case, indeed the closer to the reality in most Third World countries, the absolute costs of housing production and consumption rise faster and out of proportion to the growth of incomes. The consequence of this is to arrest the



commodification process and it could lead to the expulsion of households from the **barrio**. In the second case the ability of households to finance the absolute rise of costs is obviously enhanced. It is, however, important to distinguish between rise of income resulting from causes exogenous to the process - higher salaries for example - and rise of income resulting from endogenous causes, such as rooms for rent. In the first case, income rise enters into the analysis as an important datum to explain housing affordability. In the second, this rise of income has, additionally, important policy implications.

The process is accompanied by an evolution in the network of finance sources available to the squatters. In the initial stages financing sources are very limited: own savings, loans from family, friends, shark money-lenders or informal loan systems. It is postulated that state intervention is required to progress from these low levels of finance supply. State intervention by means of upgrading programmes might affect this process in three non mutually exclusive ways: by adding components of housing use value without demanding finance; by opening formal financial sources supported by subsidies or public guarantees as part of those programmes; and - to the extent that security of tenure becomes established and the commodification process advances - by preparing the ground for private financial sources to start operating at official rates of interest.

All this comes together in the analysis of affordability in the **barrios**. Households in the Third World shanty-towns usually face a steady absolute rise of costs to be financed from static or slow-rising incomes. As pointed out repeatedly in this paper, this is the conflict that leads to the paralysis, or extremely slow progress of commodification. It is postulated then that the intervention of the state, either in the production of housing by means of upgrading programmes or in its consumption by providing subsidized services, allows the process to proceed until its completion. The possible impact on this process of particular or local conditions cannot be ignored. A generalized rise of incomes as it happened in Venezuela during the period under examination (Aranda, S. 1984) can greatly accelerate commodification and if sustained for a long time, which was not the case, could transform the nature of the problem. The financial efforts of the squatter families make sense precisely because they contribute to an on-going process of commodification instead of being wasted in a hopeless dream or falling into stagnant waters. The state transfers to them use values that go on to complete the attributes that, as use value, housing requires to become a commodity. These transfers make the process affordable for the squatter population. As the process advances and households achieve security of tenure, transform their shacks into large and solid houses, are able to realise to the maximum their individual investments, etc., more formal and regular sources of finance are established. Houses themselves can help to generate income and market relationships develop. When the quality of housing, increasingly produced by specialised builders, achieves socially acceptable standards and becomes market-affordable, the conditions for state withdrawal become possible.

To build a house - not considering the neighbourhood - in the **barrios** of Caracas is an expensive business. In an authoritative study of building costs, Iris Rozas and Carlos Romero concluded that the cost per square metre of housing construction in the **barrios** in 1986 was quite close to the cost incurred by the formal industry in the production of the same area in any other part of the city. (Rozas, I and Romero, C. 1989). The study found costs ranging from Bs 870 to Bs 1450 per square metre, depending of levels of completion, quality of inputs, etc.. Rozas and Romero are quite insistent about the specificity of their cases. Nevertheless, these can be used with due

caution to provide an economic scale to measure the investments that would have been necessary in 1985-1986 to build the houses under consideration in this paper. If the lowest figure of Bs 870 per square metre is applied to them, then four of the eight households examined in La Montañita would have invested well above or close to Bs 120,000 each in the construction of their houses<sup>16</sup>. Similarly, in San Jose Alto three of the eight and in Julian Blanco three of the seven households would also have invested more or close to Bs 120,000.

These figures though approximate are still impressive. Yet, the question remains: how did these people manage to finance these operations over the years and how close were their experiences to the process depicted by the hypothesis of this analysis ? Household individual economic experiences have to be reconstructed from imprecise information and from the uncertain recollections of the families. Analyses covering long periods are also affected by inflation, devaluations and multiple economic phenomena. The figures provided by the households are, therefore, no more than tentative efforts to produce a picture of the financial situation of these twenty three families from the middle of the 1960's to 1985. The economic meaning of these figures could be elicited by comparing them with two sets of figures: the variations in the general index of wholesale prices in Venezuela during the period, taken from two tables in S. Aranda's "La Economía Venezolana", and the variations in the distribution of urban household incomes. The latter has been taken from figures elaborated by Aranda based on two surveys: Cordiplán's in 1962 and Mercavi 70's in 1970, to which we have added information for 1984 provided by Palacios, L.C. et al. in 1989.

Wholesale Prices Index		Wholesale Prices Index	
1956/57 (base)	100.0	1968 (base)	100.0
1960	105.3	1972	110.5
1965	124.4	1974	137.5
1968	130.0	1978	198.5
1970	132.3	1980	260.3
		1993	342.5

(From Aranda, S. 1984 pp 216 and 304)

#### **Income Distribution by Urban Households Living in Cities of 25.000 Inhabitants or more in Venezuela.**

Group	Income (Bs)	1962	1970
-------	-------------	------	------

<sup>16</sup> Decree N. 1280 of September 1986 established a subsidized mortgage system to finance "houses of social interest". These were, in Metropolitan Caracas, houses with market prices from Bs 120.000 to Bs 450.000 (Palacios, L. C. et al.)

1	less of 300	7.3 %	11.4 %
2	300 to 500	13.0 %	13.1 %
3	500 to 1.000	38.5 %	30.9 %
4	1.000 to 1.500	18.9 %	17.1 %
5	1.500 to 2.000	8.3 %	8.8 %
6	2.000 to 3.000	8.0 %	9.6 %
7	3.000 to 4.000	2.6 %	4.5 %
8	more than 4.000	3.4 %	4.7 %

(From Aranda, S 1984, p 226)

#### **Income Distribution by Households in Venezuela in 1984.**

Group	Income (Bs)	%	Aggregated %
Critical poverty	up to 2.500	15.8	15.8
Relative poverty	2.500 to 5.000	29.1	44.9
3	5.000 to 9.000	27.8	72.7
4	9.000 to 15.000	16.4	89.1
5	above 15.000	10.9	100.0

(From Palacios, L.C. et al. 1989 p 87)

In 1985 the Gonzalez did not remember the cost of the small solid house, without services, they had built in La Montañita in 1963. They did remember that the funds they used were from family savings, loans from friends and small loans - approximately Bs 1,000 each time - from Sr Gonzalez's employer. Sr Gonzalez was the only income earner of the family in 1963 as an industrial worker with a monthly salary of about Bs 720, which placed his family well above the bottom of the economic rank. By 1985 the house had been transformed and enlarged. It had also been completed with a full range of urban physical and social infrastructure which the Gonzalez had contributed to produce. They had provided labour time to carry out, with other neighbours, heavy but unsophisticated works as part of that infrastructure. It is not possible, on the basis of the existing information, to quantify that contribution. At the same time neither the Gonzalez nor any other family in La Montañita had been asked to pay for the provision or the consumption of that infrastructure, either through bills, taxes or rates. With the exception of electricity and bottled gas, both supplied by private companies, all the services were provided by the state free of charge.

All the family investments have been concentrated on the house. The Gonzalez initially did some building by themselves but most of the labour inputs were paid for. Sr Gonzalez estimated that they had spent some Bs 80,000 in transforming and completing the initial house between 1979 and 1983. The sources of these funds were the same as before. In the meantime the

household had also grown and by 1985 three people contributed to the budget: Sr Gonzalez, his daughter and her husband, with a total household income of Bs 5,600 per month. An additional and probably very important income came from letting the ground floor of the house, although they did not provide that information. The combined income put the household above the poverty line in 1985.

The experiences of the other seven households in La Montañita were quite similar to the Gonzalez', allowing for the individual variations already examined in this paper. In all cases, with the exception of the Serenas, the housing standards had improved considerably: shacks had been transformed into solid houses which had been enlarged and completed with the social and physical infrastructure in the **barrio**. Even in the financially worse case, the Serenas had managed to enlarge their shack and to link it to some networks. The provision and use of that infrastructure, which five households - the exceptions being the Torres, Valencias and Garcias - had worked voluntarily to produce, was not charged by the state. They paid for electricity and bottled gas only. All other monetary expenses had gone into the construction of the houses, in which large sums had been invested. In all cases, with two exceptions, these investments had been financed by funds coming from family savings and small loans from employers. The Rosales had used family funds only and the Torres did not provide that information.

The Rosales built a shack in 1968 on which they spent practically nothing. In 1985 they had transformed it into a fully serviced and equipped house of 180 square metres combining family and paid labour. Sr Rosales estimated that his expenses had been in the area of Bs 22,000, probably a gross underestimation. In 1968 he earned Bs 240 monthly as a waiter in a restaurant and his wife earned Bs 380 as a nurse, which placed them in Group 3 in terms of income distribution. In 1985 he was unemployed while Sra Rosales, still a nurse, had an income of Bs 3,700 monthly. Two children, both industrial workers, still lived with their parents. They contributed to the household income but no information was provided concerning their contributions.

The Valencias bought a small shack in 1965-69 which they later transformed into a solid house of 210 square metres also combining family and paid labour. Sr Valencia estimated that they had spent some Bs 60,000. He and Sra Valencia worked as domestic servants, with a joint monthly salary of Bs 900, when they arrived in the **barrio**. Sra Valencia's mother, a working seamstress, lived with them and contributed another Bs 960 monthly. That combined income placed the family in the middle ranks during the 1960's. In 1985 Sr Valencia earned Bs 3,500 per month as a school janitor. His wife and his mother-in-law both worked as seamstresses earning Bs 600 and Bs 2,500 each per month, which means that the relative economic position of the family had not changed considerably.

The Serenas spent some Bs 500 in 1965 building their shack. Sr Serena remembered spending Bs 300 extending it later to 52 square metres with very precarious materials but did not remember other expenses. The economic situation of the family in 1985 was poor. They had been at the bottom of the income ranks when they arrived in the **barrio**, when Sr Serena earned a monthly wage of Bs 300 as an industrial worker. They remained at the bottom in 1985. Sr Serena was unemployed and the only household income of Bs 500 per month was provided by his daughter.

The Garcias bought an unfinished solid house for Bs 2,600 in about 1970. In the words of Sr Garcia, "it was very good value for money". By 1985 the family had enlarged it to 100 square metres and were building another floor. Sr Garcia's estimate was that the family had spent some Bs 80,000. The family had been above the poverty line all the time. When they bought the house Sr Garcia earned Bs 380 monthly in a factory. One of his sons earned Bs 240 per month driving a lorry. In 1985 the family monthly income of Bs 8,000 was

provided by four of his children who were industrial workers and one daughter working as a secretary.

Neither one of the previous households, with the exception of the Gonzalez, used the house to generate income. The next three, the Torres, Rubios and Perez did. The Torres used one front room as shop. The others let part of their houses.

The Torres bought a shack in 1970, when Sr Torres was a builder earning Bs 120 monthly. According to him, they paid Bs 11,000 for it, which is probably an exaggeration. They transformed it into a solid house with a purpose-built shop. There is no information concerning the costs of these works, the origin of funds or the economic situation of the family in 1985.

The Rubios paid Bs 1,800 in 1973 for their incomplete solid house. They completed and enlarged it to 110 square metres, adding another floor and a basement. That floor was rented out in 1985. Though most of the work had been done by the family, still the total cost, according to Sr Rubio, was about Bs 63,000. There is no information about the trade and income of the Rubios when they arrived in the **barrio**. They were unemployed in 1985 but their five children were working and provided the household's income.

The Perez case is very similar. They bought an unfinished solid house in 1976. They enlarged it, using exclusively paid labour, to 90 square metres. Sr Perez reckoned that he had spent some Bs 20,000 on this work. Funds to buy the house and to enlarge it had come from the sale of a shack they had in another **barrio**, from family savings and from an employer's loans. Sr Perez worked as a wall-painter, and his wife as a domestic servant when they arrived in 1976. Their combined monthly income was about Bs 1,300. They continued in the same trades, earning some Bs 3,800 per month in 1985. In addition the household received the contribution of two working children, but the amounts were not mentioned.

The experiences concerning costs, finance and affordability of the eight families examined in San Jose Alto were similar to those of La Montañita. The Hernans, for example, bought a shack in 1966 for which they paid Bs 1,000.

The Hernans got this money from Sra Hernan's severance payment after she left her seamstress job in a factory. By 1985 they had a house of 135 square metres connected to, and making use of all the services and facilities available in the **barrio**: water, sewerage, drainage, electricity, concrete steps and footpaths to reach it from the main road, rubbish collection, etc. As in La Montañita this infrastructure - in which construction the Hernans had participated - had been installed by the state without charging its costs, nor its consumption, to the neighbours. Except electricity - Bs 100 monthly - and bottled gas, both privately supplied, there were no bills nor rates.

They built and enlarged the house combining family's and paid labour. Sr Hernan estimated that they had invested some Bs 90,000 in this work, which they had been able to finance from their own savings. By 1985 the combined monthly income of Sr and Sra Hernan - he as a textile worker and she as a school helper - was Bs 4,000, which kept them among the families in relative poverty. There were no formal loans or any other source of finance available in the **barrio** in 1985, nor was there any indication that they had used the house as a source of income.

The Salas and Lisboas had both begun their stay in San Jose by building shacks, the former in 1961, the latter in 1968. The Salas later transformed it - with the help of a few paid workers - into a

solid house of 110 square metres.

In 1985 Sr Salas did not remember whether building the first shack had cost them any money but he estimated having spent some Bs 45,000 in the subsequent transformations. These expenses had been met by the household income. When Sr Salas arrived in San Jose with his wife in 1961 he worked as a municipal dustman earning Bs 300 per month, which placed the family at the bottom of the economic ranking. In 1985 he was still in the same job, with a monthly wage of Bs 1,770. By that time the household also benefited from the contributions of three working children but these were not mentioned.

Sr Lisboa also transformed his shack into a solid dwelling of 154 square metres but without using paid labourers. He had no clear idea of what much his family had spent but knew that all the finances had come from family savings. The combined household income when they started had been around Bs 600 per month - which placed them in Group 3 - provided by Sr Salas' work as electrician and part-time lorry driver and by his mother-in-law, who worked as a seamstress. He was unemployed in 1985 but the household remained above the critical financial positions, maintained by the combined monthly income of some Bs 7,000 of three working children - all doing clerical work -and of Sra Salas' mother, still a seamstress but by then working from home and earning some Bs 500 per month.

The Julias had paid Bs 750, from family savings, for a small shack in 1969. They improved and enlarged it themselves, without transforming it into a solid house. Sra Julia's estimate was that they had spent some Bs 3,300 doing it. There was no information concerning work and income of the family at the time of their arrival. It seems that for a period at least, Sra Julia had been able to make up to Bs 1,200 some months ironing clothes. In 1985 the financial situation of the household had deteriorated considerably. Sra Julia was living as a single parent, with five children, unable to work and having to keep the family on a modest sum contributed by the children's father.

None of these four households in San Jose Alto generated an income out of their houses. The other four families - Montez, Arocas, Quispes and Martinez - that were examined, did.

Sra Montez, a divorced woman with nine children, worked as a waitress earning some Bs 200 per month in 1970, which placed her family among the poorest groups. That year she sold a house she had in another **barrio** for Bs 5,000. With that money she financed the purchase in San Jose of a shack with electricity and water, for which she paid Bs 1,200. The family transformed the shack, working themselves, into a solid, fully serviced house of 120 square metres. Sra Montez did not know how much she had spent on this work, but she knew how she had financed it: part out of the sale of the previous house; part from the sale of a solid room they had built on the same site; part from an informal beer-sale business she operated from the house; and part from Bs 600 per month she obtained from letting one room. These two latter items constituted Sra Montez's main income in 1985.

The Arocas had bought in 1974 a shack, also with water and electricity, paying Bs 1,300 for it. They transformed and enlarged it to 100 square metres, including a garage which by 1985 they rented out for Bs 1,200 monthly. According to Sr Aroca, they had done most of the work with the collaboration of a few skilled workers and had spent some Bs 60,000. All had been financed from family savings. Sr Aroca had been a skilled worker in 1974, when they arrived in the **barrio**, doing office installations on behalf of a private firm. He was in the same line of work in 1985, but with his own firm and with an income of about Bs 5,000 per month. This income plus the garage rent placed the family above the relative poverty line.

The Quispes and Martinez had occupied empty land in 1973 and 1974 respectively. Sr Quispe built a small solid house, without any services except electricity. He enlarged and completed it to

90 square metres with the help of friends. In 1985 he estimated that expenses had been around Bs 40,000, a sum that they had financed with loans from the family and from Sr Quispe's employer, plus their own savings. Sr Quispe had been a plumber and Sra Quispe a seamstress in 1973. She earned some Bs 800 monthly working at home. In 1985 Sr Quispe drove a lorry for a small private company and Sra Quispe continued with her sewing work. She was then using a room in the house as a workshop, producing garments for a factory and earning some Bs 3,000 monthly. There was no information about Sr Quispe's income.

The case of the Martinez family was quite similar, the differences being mostly in the figures: their final house was smaller, 60 square metres and their expenses were lower at some Bs 16,000. Their financial sources were the same. However, the relative financial position of the family had deteriorated. In 1974 they had been clearly above the poverty line with Sr Martinez, working as a bill collector, earning some Bs 500 monthly while his wife made Bs 300 as an industrial worker. In 1985 he was a lorry driver, earning Bs 2,400 per month and she was a seamstress working at home adding Bs 1,800 to a household monthly income that kept them among the relatively poor group.

The seven households examined in Julian Blanco, as previously noted, all bought their places. The Tironis, for example, bought a rather large shack in 1968 for which they paid Bs 3,000 financed from a severance payment received by Sra Tironi.

In 1968 Sra Tironi was an industrial worker, with a monthly wage of Bs 800 and Sr Tironi was a lorry driver earning some Bs 2,000 per month. That combined income put them among the middle income ranks in Venezuela. By 1985 they had transformed the shack into a solid two floor house of 185 square metres, connected to the water, sewerage and electricity systems and with a grocery shop open to the main street. In 1985 Sra Tironi estimated that they had spent some Bs 70,000 in its production. This had been financed mostly from the family's income. During the 1970's Sr Tironi had earned some Bs 3,000 per month and she had returned to work, earning Bs 1,200 monthly. Additional income was generated by the house: they let some rooms, and in one opportunity they "sold" part of the land - by selling in fact an old chicken coop, which included the land - to another family. In 1985 Sra Tironi was a widow with four children who worked irregularly and did not contribute to the household income. She was working full time in the shop which was the only source of income for the household, plus the contribution to expenses of some relatives who were living in the rooms previously let out. No information was provided on the household income in 1985. The house also enjoyed the full range of services and facilities available in Julian Blanco. As in the other **barrios** the infrastructure required for these services had been produced by the state without charging the costs to the neighbours. Although some of them had contributed with their labour to the construction of that infrastructure, the Tironis had not participated. The services themselves were also supplied free of charge, so that, as in all the other cases under examination, the only regular housing consumption expenses the family had were on electricity and bottled gas.

The Arroyos, on the other hand, had serious difficulties. They bought a shack in 1968, for which they paid Bs 1,200. That money was financed from family savings. They started to transform it but had to stop in 1974 for lack of funds after spending some Bs 20,000. This was financed as before, from their savings and with loans from Sr Arroyo's employer. This situation remained the same for nearly eleven years, during which time they asked the Municipality and the Neighbourhood Junta for help but received none. Just before 1985 Sr Arroyo managed to get some Bs 8,000 to make habitable the solid part of the house which was 40 square metres, though they continued using the shack as well. The financial situation of the family was rather difficult in 1985. Sr Arroyo had been a manual worker, earning Bs 720 monthly when they arrived in the **barrio**. That income had placed the family above the

poverty line in 1968. He worked later as a public transport driver for several years, and his income rose to Bs 4,800 per month. But in 1985 he was unemployed. The household also included two children of school age and Sr Arroyo's in-laws. Both Sr and Sra Arroyo worked irregularly, doing odd jobs, with variable but very low incomes.

Sra Paz lived with her husband and six children in Julian Blanco before 1971, in a poor and badly located shack. Sr Paz, a building worker, died in an accident about that time and with the insurance money, plus Bs 2,000 she obtained from the sale of the first shack, Sra Paz bought a better placed and larger shack for which she paid Bs 4,500. She transformed and enlarged it into the solid house of 110 square metres they had in 1985. Sra Paz, who had used exclusively paid labour in these works, estimated to have spent some Bs 11,000, which is probably an underestimation. She financed that sum participating in a system of informal loans, called SAN. This, commonly used in the **barrios**, consists of a small number of neighbours coming together and contributing regularly, say every week, an equal sum of money to a common fund. Each week a different member collects the whole fund. Sra Paz participated several times in SANs of Bs 1,000, paying Bs 100 every two weeks and in one SAN of Bs 3,000. She had no income generating job during that time or afterwards. The funds necessary to pay for the loans, the building of the house and the daily expenses of the household were provided by the incomes of five of Sra Paz children - three sons and two daughters - and of a niece, all industrial workers with a combined monthly income of nearly Bs 10,000. This combined income placed the household above the middle ranks in terms of income distribution in the country.

The initial history of the Javier household is close to the Paz's. They had been evicted from another **barrio** when the government needed to make room for a highway. They were paid Bs 4,000 in compensation.

The Javiers used the compensation money to buy a small shack in Julian Blanco. They sold that shack for Bs 9,000 in 1977 and bought a larger and better located shack equipped with electricity and water. They paid Bs 10,000 for this, with the difference coming from their savings. Sr Javier had worked for some years as a manual labourer in an industrial firm, from which he retired in 1978. He received Bs 18,000 in severance payment which he used to finance the transformation of his shack into a solid house of 65 square metres. In 1985 the household included the couple and five children living with them. The Javiers and one of their sons worked in a factory, with a combined income of Bs 4,000, which placed them in the relative poverty group.

The Donosos, like the Quispes and Martinez in San Jose, are a second generation of **barrio** dwellers. They married in 1976 and bought a small shack provided with electricity and water for which they paid Bs 1,400 financed from their savings. In 1978 they started building a solid house. It was the smaller of the houses examined in this group, of 27 square metres only. Unfortunately Sr Donoso did not remember how much they had spent on this work, except that all the labour had been done either by the family or by friends on a reciprocal basis. The financial position of the family, on the other hand, seemed to have deteriorated since the time of their wedding, when Sr Donoso was a manual worker with an irregular income of some Bs 2,000 per month. In 1985 he had an stable position working as a porter in a college, with practically the same salary but with three small children to support. That income place the household among the critical poverty group in 1985.

Neither the Arroyos nor the Paz, Javiers and Donosos obtained any income from their houses. The Tironis and the two last cases examined in Julian Blanco, the Cerdas and the Mezas, did.



The Cerdas had paid Bs 7,000 in 1976 for a shack without facilities. Sr Cerda owned a small stall, selling food and sundries with the help of his wife at that time. The purchase of the shack and its subsequent transformations were financed from their income from that business. In 1985 they had a solid house of 130 square metres built on two storeys. The lower floor consisted of a bathroom and five rooms for which the Cerdas charged Bs 250 each per month.

In 1985 the household included the couple, three teenage children and Sra Cerda's mother and sister. They had already sold the stall and Sr Cerda was unemployed. The household income, apart from rent, was provided by Sra Cerda's earnings of Bs 1,800 monthly as a school porter and her sister's Bs 1,400 per month as an industrial worker. A combined monthly income of Bs 4.450 placed the household in the relative poverty group in 1985.

The Mezas bought a solid and fully developed house in 1979. They paid Bs 28,000 for it, a sum financed from the sale of a shack they had in another **barrio**, plus family savings and loans from close friends. Sr Meza was a merchant. He owned a small stall selling clothes in the municipal market in Petare. He had been working there since 1965. The income generated by this trade is extremely variable. He thought that in 1979 his monthly income had probably been about Bs 4,000, with an extra Bs 10,000 in December, when traditionally the Venezuelan workers buy new clothes. That income would have placed this household well among the middle income ranks in the country at that time. They improved and considerably enlarged the house between 1981 and 1984. They built a solid structure of 160 square metres on two storeys, including an apartment for the family and three other small apartments to rent out. There was no information concerning the sums spent on this work but Sr Meza was insistent that he had never requested loans from any agency, and that all had been paid from his savings. The two children of the Meza family were studying in another city in 1985 and the couple lived with a nephew of 21 years old. The household relative financial position had not changed by 1985. Its monthly income that year included Bs 2,800 from rent, the same Bs 4,000 that Sr Meza estimated his market stall regularly produced, but December sales were now up to some Bs 30,000.

It is apparent that all these twenty three households, with the exception of Serena's and Julia's, had made substantial monetary investments in the transformation, enlargement and improvement of their houses. It is also apparent that the quality standards of all the houses, again with the same two exceptions, had improved substantially. The available information, however, does not allow us to establish a precise relation between the evolution of costs and standards, beyond indicating that both had grown considerably. It is impossible to say whether costs had started to grow slower than quality improvements, but this seems unlikely given the stage the process was at in 1985. On the other hand, the information points to two reasons that might explain how these families had managed to cope with the costs of those high standards. The first was obviously the significant mass of state expenditure on social and physical infrastructure. This had been translated into the provision of services and facilities indispensable to complete the use value of housing for which the state, at least until 1985, charged nothing. The second seems to have been a rise of household incomes. Within the very restricted universe of these case studies, household incomes in 1985 appeared significantly higher compared with the time of arrival in the **barrios**, allowing for inflationary adjustments. Eleven families reported comparatively very much higher incomes in 1985. In six cases - Rosales, Gonzalez, Garcia, Salas, Lisboa and Martinez - the growth was well above inflation. In three cases - Valencia, Perez and Meza - the growth was similar to the inflation, and in two cases - Serena and Donoso - the growth was below inflation. The information concerning the other twelve families is not complete or clear enough to allow a comparison.

La Montañita and San Jose Alto appeared to be slightly better off than Julian Blanco. Whether this was the result of an overall improvement of the per capita income in Caracas - as indicated by

Aranda - or not is impossible to say on the basis of the information provided by these households. This suggests other possibly complementary explanations: in eight cases there were more household members contributing to the common income, in at least four cases people stated they have better jobs, and thirteen households used the house as an income generator: eight rented out rooms and five had shops, workshops and others.

There was no evidence of formal finance sources, either public or private, in these three **barrios** in 1985. The monetary investments of the households had been mostly financed from their savings. Nineteen families mentioned their incomes and the help of other relatives as the main source of finance for their housing investments. Seven mentioned loans from their employers as well. There were a number of other sources: sales of previous shacks, life insurances, severance payments, San, and sales of isolated structures built on the same sites<sup>17</sup>. Given that security of tenure had existed in these **barrios** for many years, this information seems to contradict the hypothesis linking security of tenure to the formalization of finance sources specifically devoted to housing. This at least demands clarification with respect to time scales.

---

<sup>17</sup> Finance sources are not mutually exclusive which explains why the number of sources adds up to more than that of households.

## VI. Conclusions

The analysis of the eight processes that define housing production, exchange and consumption in the **barrios** of Caracas has already lead to a number of particular conclusions which it is not necessary to reiterate. If, however, a general conclusion is required, this must necessarily reconcile the same elements that apparently appear contradictory within this analysis: commodification, the market and the state. It seems that we have here a clear case in which the process of housing production, exchange and consumption starts by breaking the rules of capitalism - occupation of other's land - in order to re-compose the order and the objectives of the same system - commodification and the rule of market relations - where the decisive support of the state is indispensable, yet for the success of which the withdrawal of the state is eventually necessary.

All this appears in the **barrios** of Caracas, where households close to the bottom of the economic rank commit their financial, managerial, labour and other resources to the construction of houses against the law of the land. The effort seems possible only after the state has signalled by its deeds - investing in upgrading programmes - that their appropriation of the land, or their security of tenure, will be respected. Housing standards rise supported by the effort of the squatters and the resources transferred to them by the state in the form of social and physical infrastructure. This is a combined effort that leads towards completing the use value of housing, creating houses and neighbourhoods that could reach socially accepted standards of habitability. These standards were nearly in place in La Montañita, San Jose Alto and Julian Blanco at the time of the analysis. Continuation of the process beyond what existed at the time of the research can only be hypothesized, but our findings suggest further progress towards the completion of the commodification of housing. However, for this to be achieved, it will probably require the reconstitution of land property and the development of building technologies used in the **barrios** to a higher stage of advanced manufacture. For the latter to be possible it would be necessary, or at least helpful, for the state to withdraw so as to allow the competition of productive units to take over.

The overall framework of the process derives from the non-conventional housing policies of the Venezuelan state during the period under examination. Those policies, supportive to the squatters for reasons that were examined briefly in this paper, provided the rationale for the actions of the different agencies of the state in their relation with the organizations of the community in the **barrios**. The policies also provided the rationale for the actions of the local organizations, and for individual households as well. The policies appear in some form in each of the process analyzed here. It became clear very soon in this analysis that the directives of these policies were more relevant to define particular actions in specific processes - for example the decision of a family to transform a shack into a solid house or the decision of an individual to participate in collective works, etc. - than the influence of specific upgrading programmes of either the Christian Democratic or the **Acción Democrática** governments, as was the initial proposition. These programmes appeared in individual household's experiences as slight variations of a single and more powerful theme: the overall support given by the state to their housing efforts.

It seems to us that the intervention of the state in the process of housing production, exchange and consumption in the **barrios** of Caracas during the time examined in this paper, constitutes a

paradigmatic case of the application of non-conventional housing policies within a populist inspired context. It is, or perhaps was, the strong and resourceful intervention of the state in the housing field - without involving itself in the provision of houses - which was generally beneficial to the people living in these settlements. This also means that a change of the non-conventional housing policies which have been under consideration, or a change in the context of these policies, carries with it a redefinition of the housing process as it has been stated here.

## VII. References

- Aranda, Sergio** 1984, *"La Economía Venezolana"*, Editorial Pomaire, Caracas, Venezuela.
- Bolivar, Teolinda** 1980, "La Producción de los Barrios de Ranchos en Caracas", in: *"Revista Interamericana de Planificación"*. Vol. XIV. N. 54. México.
- Bolivar, Teolinda** 1989(a), "Los Asentamientos Urbanos en Precario", in: Lungo, M. (ed.): *"Lo Urbano: Teoría y Métodos"*, Editorial Universitaria Centroamericana, San José, Costa Rica, 1989.
- Bolivar, Teolinda** 1989 (b), "Los Agentes Sociales Articulados a la Producción de los Barrios de Ranchos." in: *"Coloquio"*, Universidad Central de Venezuela, Vol. 1. N.1, Caracas, 1989.
- Fierro, Lourdes** 1981, "Estadio de Creación de Condiciones para la Estructuración Capitalista de la Formación Social Venezolana", in: Cendes (eds.): *"Formación Histórico Social de Venezuela"*, Universidad Central de Venezuela, Caracas.
- Fiori Jorge and Ramirez, Ronaldo** 1991, "Notes on the Self-Help Housing Critique", in: Mathéy, K. (ed.): *"Beyond Self-Help Housing"*, Mansell, London.
- Fundacomún** 1978, *"Inventario de los Barrios Pobres del Area Metropolitana de Caracas y el Departamento Vargas"*, Caracas.
- OMPU** 1972, *"Plan General Urbano de Caracas"*, Caracas, 1972.
- OMPU** 1981, *"CARACAS 2000"*, Caracas, 1981.
- Palacios, Luis Carlos; Nicolescu, Irene & Clemente, Lino** 1989, "Vivienda y Economía: una Aproximación Estructural", in: *"Coloquio"*, Universidad Central de Venezuela, Vol.1 N.1, Caracas, 1989.
- Perez Perdomo, Rogelio and Nikken, Pedro** 1979, *"Derecho y Propiedad de la Vivienda en los Barrios de Caracas"*, Universidad Central de Venezuela and Fondo de Cultura Economica, Caracas.
- Ramirez, Ronaldo** 1990, "Urbanization, Housing and the (Withdrawing) State: The Production-Reproduction Nexus", in: Datta, S. (ed.): *"Third World Urbanization: Reappraisals and New Perspectives"*. Swedish Science Press, Uppsala. 1990.
- Rosas, Iris and Romero, Carlos** 1989, "Los Costos de Construcción de las Viviendas en Barrios de Ranchos del Area Metropolitana de Caracas", in: *"Coloquio"*, Universidad Central de Venezuela. Vol 1. N.1, Caracas, 1989.
- World Bank** 1983, *"World Economic Report, 1983"*, Washington, 1983.

