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**A CRITICAL REVIEW OF THE MAIN APPROACHES TO
SELF-HELP HOUSING PROGRAMMES**

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by

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I. INTRODUCTION

In recent years, a considerable body of literature has appeared assessing and critically analyzing the efforts of a wide range of governments, international funding agencies and non-governmental organizations in the sponsorship and promotion of self-help housing programmes as dominant ways to solve the problem of providing low-cost housing for the urban poor in underdeveloped countries¹. An examination of this literature shows however, that despite the agreement existing with respect to the characterization of the housing problem in Third World countries, there is a lack of consensus about the interpretation of the nature of the problem, the solutions required and the role that the different institutions in charge of implementing these programmes should play.

From the different issues at stake in the discussions about sponsored self-help housing, the following seem relevant in terms of their theoretical and political connotations: whether and how these programmes can act; as a means for improving the housing conditions of low-income families in underdeveloped countries; a means of achieving a more equal distribution of resources in a society and a means of social transformation (Fiori & Ramirez, 1987)?

The main purpose of the paper is to answer these questions by making a revision and a comparative analysis of the principal approaches to self-help housing programmes. The paper tries to understand the limits of the so-called 'self-help housing debate' (Ward, 1982; Nientied and Van der Linden, 1985) and to elucidate the main theoretical and practical advances in the field of self-help housing programmes. In this sense, it tries to shed some light on those useful ideas that could help to break the existing deadlock in the debate on self-help housing.

In spite of the diversity of written literature on the subject, the paper proposes to group the different viewpoints into four alternative approaches: the 'Market Orientated', the 'Structural', the 'Supportive' and the 'Organization-Participation'. The paper examines the theoretical propositions of each approach in terms of the following issues: firstly, the perception of the economic rationality prevailing in an underdeveloped country, the role of the market and the concepts of replicability, affordability, cost recovery and subsidy. Secondly, the character, nature and role of the state in these schemes. And finally, the understanding of community participation as a problem of means or ends (Moser, 1986).

For the purposes of the paper, the World Bank will be taken as representative of the 'Market Orientated' approach. The reasons for doing this are twofold: first, together with the International Monetary Fund (IMF) the World Bank represents the driving force behind the economic policies being applied in the majority of underdeveloped countries. Second, since 1972, the World Bank has been the most influential international factor in the funding and sponsorship of self-help housing programmes on a world scale. The paper examines the shift of the World Bank's approach to housing, from project to city level, and analyzes the link between structural adjustment policies and self-help housing programmes. It also discusses the social implications and contradictions generated by this approach that views the housing problem as a result of the inability of the state to intervene efficiently in the provision of goods and services and concludes that the only way to solve the

¹ See for example Burgess, 1978, 1982, 1985, 1987a, 1987b; Drakakis-Smith, 1981; Gilbert & Ward, 1984a, 1984b, 1985; Keare & Parris, 1982; Mayo & Gross, 1987; Patton, 1988; Payne, 1984; Pradilla, 1979a, 1979b; Raed, 1986; Rodell & Skinner, 1983; Rodwin, 1987; Small, 1987; Turner, 1976, 1978, 1982, 1987, 1988; Van der Linden, 1986; Ward, 1982.

problem effectively is by strengthening the market and unblocking the bottlenecks that inhibit its functioning (Mayo et al, 1986).

The Supportive approach is presented in the work of its principal theoretician; John Turner. The approach permits a better understanding of the urban shelter problem in most underdeveloped countries and adopts a more realistic strategy towards a solution of the problem by incorporating the elements of devolution of authority and responsibility to the urban poor. Nevertheless, the paper points out that one of its major weaknesses lies in its lack of definition of the necessary economic and political mechanisms that could make self-help housing programmes feasible. Even though Turner (1987:8) considers it possible to modify the 'invisible structures that generate and maintain the visible structures of what is built', he fails to discuss the non-intentional political effects and structural limitations of enabling a community, within the bounds of an economy going through the process of structural adjustments or a society ruled by strong authoritarian and repressive regimes.

In terms of the 'Structural' approach, the paper reconstitutes the main arguments expressed in the works of E. Pradilla and R. Burgess. Both authors represent a current of thought that criticizes the state and international aid sponsorship of self-help housing programmes as well as John Turner's work. The approach precludes the possibility of seeing any political benefit in self-help housing programmes, whether promoted by the state or by non-governmental organizations and minimizes the role of community participation as one of its integral elements. Self-help housing programmes are seen as a form of legitimizing the capitalist system of domination and exploitation. Thus, according to this approach, the only way to solve the housing problem is by transforming the economic and political structures of society.

The paper discusses some issues related to the "Million Houses Programme" being implemented by the Sri Lankan government, to illustrate the political contradictions generated by a self-help programme replicated on a large scale and within the current capitalist system. The case shows the political paradoxes and ambiguities that a government has to face as a consequence of replicating self-help housing programmes on a national scale, a fact that the 'Structural' approach, given its narrow conception of the state is not able to perceive.

The Organization-Participation approach tries to be a synthesis of, and an alternative to, the preceding approaches. The paper suggests that this approach enables to comprehension of the relevance and feasibility of self-help housing programmes as efficient instruments for improving the material conditions of the urban poor and as a means of social change in underdeveloped countries.

The paper illustrates this contention by recounting some of the main lessons of the models of progressive and communal development implemented in the housing programmes of the Salvadorean Foundation for Development and Low-Cost Housing (FUNDASAL) in El Salvador.

This experience shows that it is possible for a non-governmental organization to replicate programmes on a large scale and to empower project participants. The case also exemplifies the main political, financial and institutional constraints of a self-help housing programme that aims to go beyond the mere provision of shelter.

Thus, the paper argues that in spite of the constraints existing in unequal and repressive societies, self-help housing programmes have the potential to serve as mechanisms to broaden the spaces of negotiation and the 'room for manoeuvre' (Safier, 1988) which will permit the urban poor to

articulate as a significant social force and to press for more favourable and sensitive surroundings to their demands for shelter and other economic rights.

I. DIFFERENT APPROACHES TO SELF-HELP HOUSING PROGRAMMES

1. THE 'MARKET ORIENTATED' APPROACH

1.1 The Project Level

During the 1970s and early 1980s, self-help housing programmes were considered by the World Bank to be essential in the context of urban development programmes based on the strategy of equity with growth, meeting basic needs and the alleviation of poverty (World Bank, 1975; Ayres, 1983). The economic premises upon which they were based corresponded to the neo-classical paradigm of supply and demand (Mayo & Gross, 1987). Accordingly, the failure of conventional housing policies to deal with the housing deficit was understood in market terms: there was sufficient demand for housing but numerous constraints made for weaknesses on the supply side (Van der Linden, 1986).

The World Bank (1975) suggested that the only way to bring housing within the reach of massively increasing numbers of people, in a relatively short period, was by bringing the supply cost down. This could be achieved by reducing building standards, providing communal sanitary facilities and making land costs affordable for the poor. The Bank concluded that beneficiaries participation, through self-help, could bring down financial costs, and that in some cases it could be combined with conventional construction.

In this context, replicability of projects would depend critically on both "appropriate standards and sound pricing policies" (Mayo & Gross, 1987:301). Prices had to be sufficient to recover costs with small or no subsidies and the housing and infrastructure provided had to be set at a level that poor households could and would pay (ibid).

The approach was traduced in the funding of sites and services and slum upgrading projects throughout underdeveloped countries. Three phases can be identified in the evolution of the World Bank's lending policies (Burgess, 1987a): the first, between 1972-1975 on which the emphasis was given to sites and services projects. The difficulties of access to land in under-developed countries due to speculation and concentration of land and the fact that the poorest

families could not afford the projects as well as the managerial problems faced by the agencies executing sites and services projects, led the Bank to shift its policy during the period 1976-1979, towards squatter and slum upgrading (ibid). The World Bank thought that by funding these projects, the obstacles impeding replicability could be overcome. However, as many evaluations of World Bank projects show (Keare & Parris, 1982; Ward, 1982; Rodell & Skinner, 1983; Payne, 1984), even in upgrading projects, cost recovery was way under acceptable levels. Thus, came the third phase between 1980-1983, in which squatter and slum upgrading was retained, but emphasis was placed on stimulating labour intensive employment activities within the housing projects through the provision of credits for commercial and small scale enterprises as well as developing community development structures. Both measures were intended to help overcome the problems of cost recovery and maintenance of the projects (Burgess, 1987a).

Throughout these different phases, the World Bank's policies on participation of the poor in project benefits related to issues of access, rather than to community participation (Paul, 1986). Policies focused on the role of community participation more than on project effectiveness, and on efficiency and cost recovery rather than building on beneficiary capacity and empowerment².

Even when community participation was necessary, the Bank was reactive rather than proactive (ibid). This reactive stance was not surprising (ibid). Not only did the latter demand staff time and attention, but it touched sensitive issues in negotiations with

² Paul (1986:i), defines community participation as an active process whereby beneficiaries influence the direction and execution of projects rather than merely receive a share of project benefits. For him the aims of participation are empowerment (the equitable sharing of power and the process by which weaker groups acquire higher level of political awareness and strengths); building beneficiary capacity (the process by which beneficiaries enhance their level of interest and skills in project management and contribute to its sustainment); project effectiveness (when beneficiaries contribute to better project design and implementation and match project services with their needs and constraints); project efficiency (minimizing costs and smoother flow of project services); and project cost sharing (the contribution of labour and money by beneficiaries to the project). Reviewing more than 40 World Bank financed projects, Paul (ibid) concludes that only three had empowerment as an objective; two of them implemented by FUNDASAL in El Salvador.

governments that did not have a supportive environment for community participation (ibid). Moreover, it conflicted with the Bank's priorities (Moser, 1986). As the World Bank itself stated, "wider social objectives must be defined internally within each country and they should not directly form part of the World Bank agreement" (cited by Moser, 1986:18).

Yet, the World Bank never intended to solve the housing problem of underdeveloped countries, and saw its role as catalytic in nature. The intention was to demonstrate to governments that projects could be affordable to the poor and replicable on large scale if the institutional and market bottlenecks could be overcome (Van der Linden, 1986). Even though sites and services and upgrading projects improved the previous situation in terms of reaching the poorest families, in comparison to conventional housing, still, they remained very small in relation to the scale of the demand for housing in most of the cities in which they were implemented. Replicability could no longer mean doing more of the same thing and it had to involve new ways of increasing the scale of the provision of housing (Cohen, 1983)³.

1.2 **The Shift to Structural Adjustment Policies**

The shift in the World Bank's Self-Help approach took place in 1983 and was related to a different policy style adopted by the major international funding agencies to deal with the ongoing economic and social crises in underdeveloped countries in general, and the urban in particular (Glade, 1986; Wood, 1985). Urban development and housing are seen conceptually and operationally, as part of the overall strategy of structural adjustment policies, the role cities play in national economic growth (TUE, 1985) and the privatization processes being promoted in these societies (Glade, 1986). What are these policies and their implications in terms of the Bank's housing approach?

Although efforts were underway before the 1982 Latin America

³ In the years 1972-1982, World Bank shelter projects reached 9 million people yet the total output of new housing stock benefitted only 2 million people. In 20 years only one percent of the total urban population of UDCs benefitted from multilaterally funded shelter projects (Williams, 1984 and Biltzer et al., 1983 cited by Burgess, 1987a:28).

debt-crisis, it is after that year that the IMF and the World Bank start talking emphatically about the need for structural adjustments and structural changes (Wood, 1985). For the Bank, the focus on structural adjustment meant a shift from a predominantly project level approach that emphasized a direct attack on poverty, to a strategy that emphasizes macro-economic productivity and growth centred strategies, specific to national and urban growth sectors (Morris, 1986).

The strategy requires a radical transformation of the economy and is based, among other things; on reducing the size of the public sector expenditures and a limited presence of the state as a producer and as a developmental agent (Foxley, 1983); the substitution of social subsidies by subsidies to the financial system (Hinkelammert, 1988); opening up the economy to external free trade; reorienting economic policies to increase exports; formenting the participation of foreign capital in economic activities (ibid); privatizing partially or totally the maximum of state enterprises and state functions (Glade, 1986).

The adjustments are seen not only as indispensable for the recovery of economic growth but as the only viable path to a restoration of normal debtor-creditor relationships (Bock, 1988:6). In this context, the role of the Bank and the IMF is to create a supportive external economic environment for this process, especially by reorienting its lending programmes giving higher priority to structural adjustment issues, (ibid) thus contributing to maintaining the viability of a country's balance of payments (Yagci, et al., 1985). The rationality is clear: renewed growth is essential for a return to creditworthiness (Bock, 1986) and not to achieve development⁴.

As Hinkelammert (1988) points out, until the early 1980s, only the left opposition in Latin America had talked about the need to pursue structural changes as a necessary function of economic and social development. Now the financial institutions grasp the concept,

⁴ By stressing structural adjustment loans programmes (Yagci et al., 1985) the World Bank's role has become more similar to that of the IMF, i.e., to preserve and strengthen the international monetary system (Ascher, 1983) rather than to 'raise consciousness about development' (Ayres, 1983:22).

and give it a radically different connotation. They will insist that the debt crisis, or even poverty and underdevelopment are not consequences of the functioning of the market, but the result of state interventions which have hindered the full instalment of the market's automatism (ibid). Knowing the impossibility of repaying the debt, structural adjustment policies constitute the means by which the decision-making centres of capitalism want to transform Third World countries into total markets to maximize positively their balance of payments and maximize the transfer of surplus to core countries⁵.

The social costs of these policies are, however, high. The effects of the cuts in consumption subsidies and the rise in prices can, according to World Bank studies, be detrimental to the poor, regardless of their income sources (Yagci et al, 1985). Moreover, the structural adjustments' costs are 'unusually severe for the poor, even in countries where adjustment programmes have restored reasonable growth rates' (Development Committee, 1987:1). The result is not an economy in which everyone gets poorer as a function of the debt payment. Instead, a polarized economy emerges with an even more extreme distribution of income. The majority of the population gets poorer while a minority, i.e, those indispensable for the implementation of the structural adjustment policies, get richer (Hinkelammert, 1988).

Liberalization policies implemented in underdeveloped countries such as Chile, Argentina and Sri Lanka in the 1970s, show that the main privatization is not of public assets but rather of poverty and insecurity for the weaker sectors of society (Herring, 1986). But the World Bank has decided that efficient growth and alleviation of poverty are two objectives that cannot be obtained simultaneously (Morris, 1986). Consequently, human needs have to adapt to the necessity

⁵ In the period 1982-1986, Latin American countries could repay only half the total amount of interest on its debt. The other half, capitalized and grew at the rate of the prevailing rates of interests. Given that these rates were bigger than the rate of growth of the export sector, the debt, just in terms of the interests, automatically grew. Thus, the debt in LA does not increase any longer as a consequence of the loans given by the international banking system. On the contrary, loans are given because the debt grows. In this sense, the structural adjustment policies can influence the rate at which the debt grows but not the debt itself (Lagos, 1987:5; Hinkelammert, 1988).

of the market and not the market to the satisfaction of needs (Hinkelammert, 1987)⁶.

1.3 The City Level

The overall strategy of the Bank derives from new orientations of urban affairs in the underdeveloped world. According to the logic of the World Bank, the debt can be paid if there is economic growth and this will depend critically, among other things, upon the 'smooth' functioning of the cities (TUE, 1985a). But cities can only be sources of productivity if there is adequate provision of housing, services and choices of location available to the urban population (TUE, 1988) as well as an effective urban management (ibid). This means that urban projects, to be effective and efficient, have to encompass the full urban and municipal administrative system, and at the same time, reach beyond project finance to institutional finance and its relation to the macro-economic and financial markets of underdeveloped countries (UDCs) (TUE, 1985a). The Bank seeks to develop the necessary levers to strengthen the role of the urban sector institutions in the overall economic process, especially those related to the private sector (ibid).

In terms of self-help housing programmes, the approach recognizes firstly, that both housing and macroeconomic policies should be designed from the perspective that housing is not a costly social good, but rather a productive capital good, thus the housing sector can make a significant contribution to both economic growth and improved housing conditions (TUE, 1988). Secondly, the approach recognizes that a housing policy should not be based on the housing needs of the population but on the people's willingness and ability to pay, i.e., effective demand (Mayo, et al., 1986).

⁶ The title of a recent published book: "Adjustment with a Humane Face. Protecting the Vulnerable and Promoting Growth" (Cornia et al., 1987), suggests the sombre dimensions of the effects of these policies. Evidently, the strategy has changed. In the 1970s the issue for the power centres of the capitalist system was how the poor could be incorporated into the social and decision-making processes and share part of the social product, thus, trying to avoid political destabilization. In the 1980s, the issue becomes how to protect the 'vulnerable' (i.e., the majority of the population living in underdeveloped countries) against the consequences of the efforts of closing the fiscal deficit.

Thirdly, the main problem continues to be on the supply side, due to the existence of different blockages that distort the efficient functioning of the market (ibid) and the provision of housing. Hence, the role of governments is to make housing markets more efficient by removing the bottlenecks that block the supply of inputs at the city level (i.e., land, labour, finance, materials and infrastructure) to the production agents (landlords and developers, including poor families) (ibid)⁷.

Fourthly, the feasibility of the approach depends on the government's ability to restrict its intervention to those areas where it has comparative advantages, i.e., the provision of infrastructure, the mechanisms for establishing and transferring property rights, and a regulatory framework that can allow the private sector to provide housing finance (ibid). Lastly, the expected effect of the policy will be that a higher level of private resources will be mobilized within the private sector to provide housing for the poor (ibid). Thus, the main role of governments is not to continue intervening directly in the production of shelter in individual housing projects (ibid) but to act as enablers of the market (TUE, 1987;).

In this context, the role of non-governmental organizations is seen by the World Bank as part of its 'compensatory program to ameliorate the social costs of adjustment' (Development Committee, 1987:34). According to the Bank, the flexibility, local knowledge and staff commitment of these organizations can allow them to administer housing programmes more efficiently than governmental agencies (ibid:33).

1.4 Contradictions in the Approach

Clearly, the new approach is no longer dealing with the problems that impede replicability of a programme at a project level, but it examines the issues that impede replicability at the city level.

Thus it is compatible with one of the lessons of the sites and services and upgrading projects' approach which called upon governments and funding agencies to view projects within the urban context as a whole

⁷ As Cohen (1983) suggests, 90 per cent of the shelter generated each year through out the world is a 'private matter', with private households, neighbourhood organizations and construction enterprises providing valuable goods.

(Cohen, 1983). By raising the problematic to this level, the World Bank is pointing out some of the main obstacles which have obstructed the solution of the housing problem for millions of urban poor families: the lack of access to land, infrastructure and finance and the inability or unwillingness of many UDC governments to deliver housing.

Nonetheless, replicability and community participation at a city scale cannot be resolved exclusively through technical and financial mechanisms designed to improve the workings of the housing market as a whole, and the institutions in charge of enabling this process, as seems to be proposed by World Bank economists (Mayo et al, 1986). It must address the political and power structures underlying the technical and administrative frameworks on which self-help pretend to be based.

Paradoxically, under the equity with growth strategy, the Bank recognized implicitly the predominance of the political realm on the technicalities of the redistribution process (Chenery, et al., 1974). Yet, the implementation of the policy was traduced, in the majority of countries, to small scale urban projects without significant impact at the city level. Under the structural adjustment approach, the issues have been raised to the urban scale, where potentially, the housing needs of the urban poor could be dealt with more effectively.

Yet, the elements that can make feasible its implementation are omitted. It is precisely the lack of treatment of these issues that constitutes one of the basic defects of the approach. As Ascher (1983) points out, one of the biggest problems the World Bank has had in adopting new strategies has been the reluctance of its staff to make their political analysis explicit or systematic. By not acknowledging the legitimacy of taking politics into account, the effectiveness of the Bank work can become riskier and restricted. Although Ayres (1983) suggests that the shift in strategy will force the World Bank to become a more political institution and to be more aware of the socio-political contexts of its operations at the local level, is difficult to understand, why the recent Bank approach avoids dealing with these matters⁸. The following issues can help to illustrate

⁸ Judging by the recent administrative structure adopted by the World Bank, political constraints should be part of project's assessment: lending activities for urban development are done by the operations

the problem:

1.4.1 Land

For example, the issue of land markets for housing in the majority of Latin American countries cannot be reduced to a problem of lack of information and records about who owns what, as suggested (Mayo et al, 1986). Governments have been unwilling to intervene in housing land markets for political reasons, and not as the result of the non-existence of efficient cadastral systems⁹.

As Dunkerley (TUE, 1985b) states, "the fiscal cadastre alone is not a guarantee of revenue. It requires a political commitment by the government". The problem is that the mechanisms necessary to implement and enforce this political commitment are never made explicit by the World Bank's new approach.

Residential segregation has not occurred by chance. The existence of large, privately owned estates in Latin America has been a grave barrier to a rational and equitable urban land policy (MacAuslan, 1987). Apparent scarcity of land caused by speculation, and concentration of urban land in the hands of few private owners, is the result of the dominant political and institutional framework that permits forms of land tenure based on the possibility of absolute ownership and rights to land (ibid). It has been market forces and government intervention and servicing policies that have helped to determine the actual distribution of land in Latin America (Gilbert & Ward, 1985). Furthermore, attempts to abolish or control private land ownership, or urban reforms that could make the housing market more efficient, have been denounced as subversive and attacked by the private sector in many Third World countries (MacAuslan, 1986). Thus, the possibility of making land markets efficient and accessible to the poor, depends amongst other things, on overcoming the political

department. Operations are country focused and staff working on projects, ranging from housing to structural adjustment, are part of one team that regularly coordinates its activities (TUE, 1987).

⁹ A study of the experience of 11 Latin American countries conducted by the Inter-American Development Bank for example, revealed that the availability of cadastral assessment records was not essential to an effective implementation of a betterment levy system and that it could be applied in the absence of a cadastre (Macon & Mañon, 1977:16).

obstacles posed by the private sector itself¹⁰.

1.4.2 Subsidies

The same shortcomings can be perceived in the World Bank's approach to the financial issues. Clearly, the financial resources needed to replicate projects on a large scale cannot, under the actual international debt crisis, come from the same sources that financed self-help programmes in the past. Hence, the Bank expects the mobilization of internal resources, mainly from the private sector (Mayo et al., 1986).

Yet, the World Bank seems to ignore the fact that the operating environment of the private sector in most underdeveloped countries has been constructed out of an extraordinary range of interventionist measures, and that a substantial portion of the profits of private sector assets can be ascribed to protective measures and other forms of subsidies given by the government, rather than on its own mobilization of resources and efforts (Glade, 1986:317).

That is one of the reasons why the argument that housing subsidy policies suffer from an almost total lack of strategic planning (Mayo, et al., 1986:199) is not completely accurate. It is possible to agree that there is a lack of resources for housing and that those available should be used efficiently and not in "unmeasured" subsidies (TUE, 1988). It is also true that large amounts of public funds are spent building relatively little conventional housing, and that such projects monopolize most government resources allocated to low income housing over considerable periods (Abioudun et al., 1987).

Yet, subsidies in general and for housing in particular, have their rationality. As the case of El Salvador's housing situation illustrates, the limited commercial and public finance available for shelter and services has been traditionally accessible to the middle- and upper-income groups. More than the lack of funds, the

¹⁰ The same is applicable to developed countries. The case of Britain in the 1980s shows how difficult it is to sustain the neo-liberal approach that the removal of constraints on land markets results in a policy which secures equitable access to housing for the urban poor. The case of Sweden on the contrary, illustrates how state intervention on land markets can be economically efficient in terms of the private sector and can result in a greater degree of social welfare and justice (Duncan, 1986).

case shows the political biases built into most socio-economic policies with regards to the uses of financial investments among the different sectors of society (Bamberger & Hart, 1984; Sevilla, 1987).

As Burgess (1987a) explains, in the absence of large transfers of international funds and government subsidies, the possibility of enacting large scale self-help programmes for low income groups without a massive diversion of investment away from middle class consumption is dubious. Thus, the possibility of mobilizing internal resources for funding low-cost housing depends on the governments' political will and ability to take a distance from the groups that traditionally have benefited from state intervention in shelter.

By renouncing a redistribution policy, the World Bank's new self-help housing approach cannot give account of the mechanisms by which these biases in the financial system can be modified and its policy becomes contradictory. "Access to resources is equally as much a political issue as an economic and technical one" (ibid). Moreover, by treating housing not as a costly social good but as a productive capital good the World Bank assumes that the costs and benefits of housing, especially, the financial ones, have to be paid totally by the person that is consuming the good or benefits from its service, and urges 'market interest rates' as the basis of its pricing policy (Mayo et al., 1986).

By doing this, the World Bank assumes the existence of sufficient income, or the expansion of permanent employment, or income generating activities, in underdeveloped countries to sustain "effective demand".

But it knows from project level experience that "effective demand" only represents part of the universe of the potential eligible families that need and demand housing (Keare & Parris, 1982). Judging by the state of UDC economies, it can be determined that the cost of living, including housing and interest rates, increases at a faster rate than the real income of the urban poor (Burgess, 1987a).

In this sense, the World Bank tends to forget that in the housing sector, the product which is produced does not only benefit directly the dwellers of the house, or the totality of families living in self-help housing projects. There is a series of "spill over effects", that justify some level of subsidies for the urban poor. "Social peace", "harmony", "the viability of a nation's future", are also

goods generated through the production of popular housing. These goods certainly benefit the whole nation but principally they benefit the middle- and upper-classes of underdeveloped countries. If this is the case, it would be reasonable that these sectors should also contribute to finance self-help programmes, for example through betterment levies, or capital gains taxes (Macon & Mañon, 1977), and by modifying the structure of the rates of interests so that cross-subsidies can be established among the different sectors of society. Why do rates of interest have to start being rationalized with the urban poor, while other economically powerful sectors, chiefly those related to the export sector, receive preferential rates?

Although the Bank recognizes the need for direct subsidies to the very poor it insists that they should not be made by keeping down interest rates, which would decapitalize the financial institutions, but rather by writing down the cost of land or building materials (Mayo, et al., 1986)¹¹. Probably, the control of costs of land and building materials is an appropriate measure to take with public but not with private assets, and materials produced by the private sector¹².

1.4.3 Cost Recovery

In accordance with the structural adjustment logic, the approach insists on the total cost recovery of projects. This is not new.

The project level approach had emphasized the need for cost recovery.

The problem is that the lessons of the past have not been learned.

Two programmes financed by the World Bank proved that cost recovery is in essence a political issue. First, in the case of FUNDASAL in El Salvador, cost recovery was intimately connected to the issue of participation and empowerment of the community (Paul, 1986). Second, in the Lusaka upgrading projects in Zambia, one of the lessons drawn was that cost-recovery can only be achieved if there is sufficient

¹¹ Paradoxically, World Bank projects with an subsidy element, encouraged households to upgrade their homes and to participate in mutual-help programmes (Hansen & Williams, 1988).

¹² The cases of slum upgrading in Bangkok in Thailand and Tondo in the Philippines illustrate that controlling market values of land is not a technical but a political issue in essence (Crooke, 1983).

political support of collection policies and methods (Sanyal, 1987).

And, more importantly, political support for cost-recovery cannot be limited to any one sector of society at one period of time, but has to be broad-based across all sectors of the economy (ibid). In other words, it is impossible to insist in cost recovery while the middle- and upper-classes have housing payment arrears, by and large, relatively higher than those of the urban poor, or when these classes demand that their debts be condoned as a result of the economic crisis.

The above argument suggests that in terms of housing, it is not possible to treat the private sector as an indistinct and homogeneous group that "encompasses both 'formal' institutions and organizations which are owned by private citizens, and 'informal' activities which include individuals and small scale enterprises that are not formally registered, do not keep proper accounts, and employ labour mostly on a casual basis" (LaNier et al, 1987:5). The argument tends to blur the qualitative differences existing between them. In a market system, the economic importance of a firm is not determined by the "rule-of-thumb" of one head, one vote. The entrepreneurial capacity of decisions and the social impact of these decisions depends, amongst other things, on the amount of resources and activities mobilized and controlled by the productive unit. Thus, the ability to influence and decide "what, how and for whom to produce" depends upon the power and economic importance of the firm (Sevilla, 1984).

For example, prices and scarcity of building materials in most countries are determined by the relative weight that big companies involved in the production and commercialization of materials exercise in the market rather than small productive units in the so-called "informal sector". Moreover, the industrial sector linked to construction, although it uses relatively simple technologies, functions in a highly "oligopolistic mode, inefficiently, with low productivity and perverse price behaviour" (Lagos, 1987:22). The Bank's approach calls on these industries to play an essential role in self-help programmes. Yet, it does not include any hint of possible governmental controls on their oligopolic character to improve efficiency and reduce production costs (ibid).

1.5 Summary

Whilst it is true that part of the reason why private building companies have not contributed to alleviating the housing conditions of the urban poor is due to the inability of governments to create a supportive framework that enables them to work with the poor and be profitable at the same time, it is also true that the World Bank's new scheme regarding the financial and land issues of self-help housing programmes do not help to disentangle the problem. The housing situation, at least in the case of Latin America, is the result of market forces and the logic of the existing power structures controlling the state.

Thus, the argument that stresses that market bottlenecks are attributable to government interventions which impede the efficient functioning of the housing market and demands a freeing up of the market as a means to resolve the housing problem, is to a certain point, tautological. Creating the necessary conditions implies other forms of intervention by the state (Hinkelammert, 1987) and subsidies for precisely those sectors in charge of securing the implementation of a non-subsidy social policy (i.e. the export sector, state bureaucracy and military security forces needed to face the protest of large sectors of the population that see a tangible deterioration in their standards of living as a consequence of this policy). Thus, interventions are not substituted by an absence of interventions. That it is why the position of the World Bank in terms of self-help housing becomes a paradox.

By insisting on unblocking the market, governments in underdeveloped countries must touch sensitive issues regarding the distribution of land, financial resources, infrastructure and the participation of the poor in these schemes. This is not a technical, but a political problem. If taken seriously, it would affect precisely those sectors in charge of implementing the structural adjustment policy. The logical consequence would be to stress the need for structural reforms for redistributing wealth and power. Yet, the influence of anti-interventionist ideologies in the World Bank's thinking, compels the opposite answer: if the capitalist system has to be stabilized, it has to give up any systematic policy of social reforms (Hinkelammert, 1988).

Consequently, the approach becomes a problem for the majority of countries (especially those without strong rightist authoritarian military regimes) which have to decide whether to stress the issue of creditworthiness and implantation of a total market economy beyond a point that is bearable to the urban poor, or to search for social legitimacy trying to make compatible the satisfaction of basic needs with the market's efficiency. By insisting on affordability and total cost recovery as the central elements of replicability in the context of structural adjustment policies, the World Bank prevents the inclusion of an objective criteria to assess if programmes can be feasible amid the ongoing economic crises in the majority of Third World countries.

2. THE 'SUPPORTIVE' APPROACH

The Supportive approach stems from a wide range of practical experiences implemented in underdeveloped countries, including the self-help programmes funded by the World Bank and from the theoretical work done, amongst others, by O.Koenigsberger and C. Abrams in the 1960s and J. Turner in the 1970s (Wakely, 1987)¹³.

In terms of concrete expression, the housing policy being implemented by the Sri Lankan government under the name of the 'Million Houses Programme', probably reflects some of the theoretical aspirations of this approach regarding the role that the state should play in this field¹⁴.

2.1 Housing as a Social Process

The Supportive approach is based on the fact that in the majority of main cities of the Third World, people themselves organize and

¹³ A description on how some Third World governments have shifted their attitudes towards the housing problems and have advanced towards a more supportive policy approach in the last twenty years can be found in Hardoy & Satterthwaite (1987).

¹⁴ Concepts being used by the Sri Lankan government such as the 'devolution of responsibilities for initiative, standards and management of the families who build the houses; definition of the roles of public authorities as support rather than governance or control, and the education and formation of new cadres of officials for this support role' (Koenigsberger, 1987:6), certainly coincide with Turner's (1988) proposal for a shift from supply to supportive policies.

help to build most of the new housing units without the real intervention of the state (Abioudun et al., 1985; Rodell & Skinner, 1983). The originality of Turner's view was positively to recognize this fact and to redefine self-help in terms of a social decision-making process related to the construction of a house and the relationships between a household and its immediate environment in this process, instead of a technological element in the building of houses (Rodell & Skinner, 1983).

Thus, Turner's (1976) idea, that what counts is not what the house is but what it is for the people, has become the **leitmotif** and essence of his approach to the housing problem. His basic argument is that the elementary resources for housing are more efficiently used by people and their local organizations that they can control, and that the most plentiful and renewable resources are possessed by people as users (Turner, 1982:99).

For Turner (1976) good housing is more common where it is locally produced through network structures and decentralizing technologies and managed by people themselves. In this sense, effective government housing strategies are those centrally administered policies that protect and make available scarce resources, i.e. improving the service infrastructure, that will enable and stimulate the local provision of housing.

The real use-value of housing cannot be measured in terms of how well it conforms to the image of a consumer society. Rather it must be assessed in terms of how well the housing serves the household. The individual's participation in providing his own housing not only ensures more useful homes, but tends in time to create a better environment (ibid:113-114). If people control the major decisions and are free to make their own contribution to the design, construction or management of their housing, the process will stimulate individual and social well-being. If people however have no control over, nor responsibility for, key decisions in the housing process, this becomes a barrier to personal fulfilment and efficiency (ibid:6).

From his experience of urban settlements in the Third World, Turner (ibid:113-114) suggests that people and their local institutions and enterprises control **de facto** though not in law, the greatest proportion of resources for housing. Government on its part, possesses

and has direct control over non-renewable and polluting resources. Hence, there is a **de facto** balance between local and central powers and spheres of activity. If different sectors of society realize this, the structural changes vital to the improvement of the conditions of the poor can take place.

Turner proposes that a viable housing policy should be based: firstly, on the necessity of self-government in local affairs for which the principle of local and personal freedom to build must be maintained; secondly, on the necessity for using the least effort consuming tools for the job; lastly, on the idea that planning is an essentially legislative, limit-setting function, and should not be confused with design, which has to do with laying down lines of action (Rodell & Skinner, 1983:10-11).

The main problems to overcome are: the lack of secure tenure and building sites; the fact that actual building and land use regulations make a number of self-help options illegal; the lack of public services and of small construction loans (ibid). And the main solutions needed are: planning new neighbourhoods in which families can have secure, good, well-located sites; infrastructure and access to technical assistance, in which families can invest as much or as little as they want, and to upgrade old neighbourhoods (ibid).

In this context, governments, especially in a time of economic crisis, should use their limited budgets to minimize expenditure on direct construction and instead, secure land, develop infrastructure for the urban poor, provide finance, give priority to institutional changes that increase local access to resources and enable people to organize their own housing and local development (Turner, 1987).

In other words, set up the "invisible structures that generate and maintain the visible structures of what is built" (ibid:8).

2.2 **The Concept of Devolution**

Self-help does not mean, however, that the urban poor themselves have to build their homes (Turner, 1987) and it only makes sense insofar as there is a delegation and a devolution of responsibility and therefore of authority among the people. It implies that citizens in general, who have effectively lost their powers of participation in local development even if they still have legal rights (Turner,

1987), regain them.

This creates a different relationship between the government and the people and the community groups who are building the city (ibid). Devolution of decision making therefore, is not synonymous with decentralization of responsibility for the implementation of centrally taken decisions as in the case of sites and services and upgrading (Wakely, 1987, Turner, 1988). On the contrary, it demands that individuals and community groups are allowed to participate in decisions about the allocation of resources which affect their everyday life, and not only in the implementation of urban projects (Abioudun et al., 1985).

Devolution therefore, implies the handing over and dispersal of responsibility by a central authority which inevitably means a loss of some control over the use of some resources which is generally associated with a loss of power (ibid). Devolution does not mean the reduction of government role in housing production. Rather, it implies that the government becomes an "enabler" or "facilitator of individual and community initiatives" (Wakely, 1987).

And not only governments. According to Turner (1988), non-governmental organizations also have also a very important role to play in this process, especially in the influence they can have on pressuring governments to a shift in housing policy. They can help people in the management of their housing building process, and support communal development structures and programmes. They can be promoters of supportive policies on a national scale and even help to stop the abusive practices of repressive governments against the dwellers of popular settlements. Lastly, they can become sort of mediators between the conflicting interests of governments and community based organizations (ibid).

2.3 **Contradictions in the Approach**

One of the first things that demands attention is the apparent coincidence of perspectives between the "Supportive" and the "Market Orientated" approach, especially those propositions regarding the retreat of the state from the provision of housing and the reduction of its role to a mere provider of land, infrastructure, finance to facilitate the individuals' and communities' participation in the Self-Help Housing process.

Indeed, some formulations of the Supportive approach are similar to the ones described in the Market-Orientated approach, especially those sustained by the World Bank during the stage of sites and services and upgrading projects (van der Linden, 1986). The differences, however, are meaningful. As stated, the main goal of the World Bank is enabling the market. The Bank will insist on releasing the bottlenecks that do not permit the efficient functioning of the market and will even suggest the possibility of returning to conventional housing if the logic of the market permits it (Van der Linden, 1986).

The Supportive approach, at least at a theoretical level, considers that people are at the centre of its propositions (ibid). It insists that enabling the community and the people living in popular settlements and not the market, is its fundamental aim (Turner, 1988). Turner (1987:20) even acknowledges the necessity of controlling and regulating the market. "Support does not mean passive approval or moral support, justifying monetarist policies of commercial privatization and the abdication of government to the powers of the marketplace. The conclusion is not that more market will be the solution."

In this sense, Turner can point positively to the required directions of self-help housing programmes, something the Market Approach, by insisting in the rule of the market, has been unable to do. Yet, as with the Market Orientated approach, one of the main problems is its inability to express how to deal with the more sensitive political issues involved in the reforms needed for a redistribution of land, finance and infrastructure and even with the social and ideological issues that the devolution concept generates.

Turner should know by now that controlling the market forces in underdeveloped countries, or even "taking building land, labour and capital away from government monopolies and commercial speculators in order to put it in the hands of local groups and small business' (ibid:18-19), cannot be achieved by government decree. Moreover, he knows that it is not enough to recognize that the problem is political in essence. Governments may even declare that these are their aims, but he knows that the constraints are not only administrative or bureaucratic in essence. He knows by now that controlling the market forces requires more than just the political willingness and awareness to do so. It demands the necessary power and state mechanisms to

dispute with the forces and fractions of capital that traditionally have used the state apparatus for their benefit (Pradilla 1979a, 1979b).

It is at this level that Turner's arguments are weak. A Supportive approach cannot omit discussion of how to overcome these economic, political and administrative barriers if it wants effectively to support self-managed local action on a nationwide scale in order to promote a "genuine democratization of society" (Turner, 1987:18).

It cannot omit discussion of whose interests are going to be touched by a redistribution of wealth and power and whether the current market system is flexible enough to permit these types of interventionist measures against the logic of its functioning. It cannot omit discussion of the political consequences of a policy that seeks either to achieve by community development support projects, the integration of the poor into the economic and social networks and physical fabrics of cities, (Slingsby, 1987:134) or their necessary empowerment.

As Burgess (1982:75) correctly points out, it is this "depoliticization" of the issues that constitute his basic shortcoming.

Indeed, one of the main critiques against this Supportive approach is that in essence, its policies are an ideological justification for the reinforcement of the logic of the market in the housing sector and they blur the contradictions that exist within the capitalist state.

For example, Turner (1987:29) points out the assumed costs, benefits and trade-offs for the principal actors, in the case of shifting from a centrally administered projects strategy to a centrally supported and locally self-managed projects strategy. If this is a tactical way of proposing trade offs for each side in order to convince them that self-help programmes are an appropriate way of dealing with the housing question in a underdeveloped country then there is no problem. The problem is to transform an analysis of costs and benefits into a strategy for dealing with the housing problem in these societies. A housing strategy only makes sense if it is searching to abolish the causes that allow the existence of "low-income households, speculative developers, insensible politicians, and formal industry that only have as their basic economic rationality the maximization of profits, individualistic professionals and even corrupt

actors". Turner has to mention the political conditions that can force the majority of Third World governments to retreat from intervening in housing, to redistribute resources and to open the feasible spaces for community participation. If not, he fails to deal with the issues that lie at the heart of the housing problem in the underdeveloped world: the structure of economic and political power.

3. **THE 'STRUCTURAL' APPROACH**

This approach is primarily a critical response to Turner's work and the practice of some Third World governments, the World Bank and other international funding agencies in the field of self-help housing (Van der Linden, 1986). Its main spokesmen are E. Pradilla (1979a;1979b) and R. Burgess (1982;1985;1987a;1987b) although, at least in the case of Latin America, it expresses the view of some political parties and organizations of the left.

The merit of this approach is that it correctly pointed out that the introduction of self-help has to be understood within the broader framework of the political and historical conditions surrounding the crisis of the peripheral capitalist economies in the early 1960s and 1970s. According to Pradilla (1979a), in the case of Latin America, the failure of conventional housing programmes and the emergence in cities of peasant masses expelled by capitalist agricultural development, combined with an increase in population growth, led to a rapid aggravation of the "housing shortage". Living conditions in shantytowns and the rate at which they grew within the framework of intense social conflict, the invasion of urban lands by the homeless and the emergence of movements protesting and rejecting state action, and the influence of the Cuban revolution, endangered the stability of the socio-economic system. This forced governments since 1961 to implement "popular housing plans" and self-help programmes, most of them financed by the USA Government. Yet, it was not until the middle of the 1970s that these programmes became more acceptable due, on the one hand, to the international support given by the World Bank and the influence of Turner's work (Van der Linden, 1986)¹⁵ and

¹⁵ For Pradilla (1979a), Turner's methodology for analyzing the housing problem became popular because his starting point was the

on the other hand, to situations that required new state responses so as to ensure a certain degree of social legitimacy and political stability (Fiori & Ramirez, 1987). **3.1 Can the State Promote and Replicate self-help Housing?**

In their early works, the authors of the self-help critique perceived non conventional housing as a residual non-capitalist form of production which could not be promoted by the state in underdeveloped countries (Fiori & Ramirez, 1987:6). Later on, they agreed that it was possible for the state to promote it, although Burgess (1985) questions whether the economies achieved in the "artisanal form" (i.e. the ability of dwellers of shanty towns to self-build their homes significantly below the cost of their market equivalents) could be repeated by state programmes, and whether these economies could be replicated on a large enough scale to bridge the gap between housing needs and housing supply. The answer to both questions is no.

Burgess (ibid) argues firstly that housing in general, but also in an underdeveloped country is not only a process that produces use values, as Turner seems to propose, but also one that produces exchange values. Thus, under a capitalist social formation, the determining elements of the housing problem are found in the **commodity status** of housing (ibid). As a commodity, housing has to be analyzed in terms of the fundamental social process of its production, exchange and consumption, its relation to the diverse class-based interests attached to the commodity cycle and to the distribution of income and the diffusion of the ideology of private property (ibid). Thus, self-help programmes must be analyzed in terms of how they relate to the commodity process and the interests associated with it and not in terms of the use value they possess (ibid).

Secondly, Burgess argues that the state is a tool of class domination.

In the capitalist mode of production it acts in the interests of the dominant class or sectors of classes, its essential function being to maintain cohesion of the social formation under conditions that secure the reproduction of the capitalist mode of production

concrete realities of the poor, he criticized the official housing policies and proposed solutions with a sort of 'realism' and 'democratic' emphasis in their implementation.

as a totality, and the domination over the subordinate social classes and the conciliation of secondary contradictions between the fractions of class (ibid).

Thirdly, at a structural level, state housing policies, including self-help, are unable to get beyond, contradict or to change the laws of the development of capitalism. This is true even if state policies vary according to which political fraction of the dominant class controls the bloc in state power, and according to the struggle of subordinated classes against the state (ibid). Fourthly, Burgess argues that sponsored self-help programmes are integrated with the interests of those fractions of capital tied to state housing provision and that they are cheapened, not by the elimination of their profits, but because they involve the unpaid labour of their future owners. The state and also a non-governmental organization assume the character of organizer of the process of production. Although this eliminates the profits of capital directly involved in the building process, it does not abolish ground rents, profits on productive capital, interests on finance capital and profits on commercial capital in the price of the house produced (ibid). Nevertheless, low labour costs typical of underdeveloped countries causes the proportion of the total cost of a house, represented in labour costs, to be very low. Thus, unpaid labour has a limited effect on reducing the total costs of the house but not enough to make it affordable to most low-income groups.

Fifthly, sponsored self-help for Burgess (ibid) transmits the part of land price increases derived from land speculation and the raising of interest rates, to the final price of the house. Furthermore, the state will charge the beneficiary the costs of developing land as a commodity (ibid). Sixthly, the separation of the builders from the process of design and planning, in combination with legal restrictions on the use of traditional materials and construction systems, especially in sites and services, results in the spreading of ideological values that oppose the self-builders preferences, contradicting Turner's idea of builders having the "freedom to build" (ibid).

Lastly, Burgess points out that the programmes reinforce the state's image as a guarantor of the common good and allows it to make political capital of what is in effect, unpaid labour, thus

becoming an important mechanism for integrating the poor to state institutions and party system and defusing the potential and actual unrest of urban social movements (ibid). Therefore, no matter how self-help housing activities are organised, they are articulated by the dominant capitalist mode of production and exchange as well as by its broader ideological and political structure. This articulation takes place not only at the economic, but also at the political and ideological levels, and it is at these three levels that the limits of state self-help housing programmes can be identified (ibid). For Burgess then, state self-help housing solutions, or even those sponsored by non governmental organizations cannot effectively duplicate the economies of the "artisanal form", and the economies achieved are insufficient to bring the housing commodity produced within the effective demand of the majority of the population, given a worsening distribution of national income (ibid).

3.2 self-help Housing programmes: Part of the World Scale Capital Accumulation Process?

One of Pradilla's main criticisms has been that self-help housing programmes not only reduce the costs of housing by unpaid labour, but also reduce the cost of the extended reproduction of labour-power, thereby contributing to the reduction of the overall cost of production and creating conditions by which capital increases the degree of surplus value production and the rate of capital accumulation (Segall, 1983). Thus, if promoted on a world scale, self-help can be an important form of housing provision for the interests of the global process of capitalist accumulation. This would explain why, for example, the World Bank was interested in its promotion. This position is questioned by Burgess though.

While analyzing the role of international aid for housing, Burgess (1987) admits that in some countries, the working class employed by the formal sector has improved its living conditions as a consequence of these programmes. Nevertheless, he warns against the World System's reproduction of labour power interpretation of the meaning of this phenomena. He (ibid) insists that there is no evidence which permits the conclusion that the working class engaged in the formal sector of the economy was a deliberate target on behalf of national governments and international funding agencies. On the contrary, the process

of exclusion of other social classes from programmes occurred by the use of affordability and cost recovery criteria as the main mechanisms of selection and participation. The fact that some sectors of the working class have benefited from self-help programmes expresses the structural operations of the capitalist mode of production in the land, housing, building materials and financial sectors in these economies rather than a conscious decision taken by the funding agencies.

Burgess (ibid) argues that housing costs are a minor element in the total reproduction costs of labour power and thus cannot be a primary concern for those interests promoting international aid for shelter. He insists that it is not possible to establish a direct link between the structures of capitalism controlling the global economy and what is actually local phenomena. In fact, the process of sponsorship of self-help housing is a more complex and mediated process. The programmes have to be understood on the one hand, within the laws ruling the market at the local and national level and on the other hand, within the political interests of the centres of decision of capitalism for stabilizing the peripheral economies (ibid).

3.3 Implications for Community Participation

One of the most important inferences of this approach is in the political field, especially in terms of the debate about the potential of using urban and residential issues, including self-help programmes, as a means to encourage popular participation and organization to change urban policies and contribute to broader structural social and cultural changes (Moser, 1986; Walton, 1978; Castells, 1983; Leontidu, 1985).

Although not necessarily explicit in all their writings, the approach precludes the use of sponsored self-help as tools for social change for the following reasons. Firstly, the urban shelter situation reflects the capitalist nature of underdeveloped countries and the control of political and social power by the same minorities that have possession and control over income and wealth (Sevilla, 1987). Secondly, if housing and its related services are seen as dependent variables of the political and socio-economic system, any defects in the forms of their supply must be dealt with by changes in the political and social structure (Turner, 1978). Without these changes they continue to be subject to the general laws of the dominant capitalist

system (Pradilla, 1979a).

Thirdly, any attempt at designing and implementing solutions within the present capitalist system is not only impractical but also negative. Housing programmes, regardless of the institutions in charge of implementation, only scratch the surface but leave untouched the real causes of the problems (Sevilla, 1987). Moreover, they try to conciliate between antagonistic social classes which implies the domination of ruling class interests and therefore, the persistence of the housing problem (Pradilla, 1979a).

Fourthly, by providing solutions to the individual problems of families and communities, the programmes may generate false hopes, contribute to the co-option and demobilizing of the poor and interfere with the possibilities to bring about real participation and social change (Gilbert & Ward, 1984a; 1984b; Sevilla, 1987). Thus, the only role that the individuals and non-governmental organizations aware of the housing problem should play, is in the area of organization and mobilization of the poor and homeless. The process, however, should incorporate the poor and homeless in the search for control of political power. As Walton (1978:23) says, "fundamental changes in human settlements policy will not be the result of participatory urban movements, but most come in train with broader social revolutions"¹⁶.

3.4 Contradictions in the Approach

According to Fiori and Ramirez (1987) the critique of self-help suffers from an internal ambiguity not sufficiently recognized by Pradilla and Burgess. The paradox has to do with two related issues in the self-help debate: the role of the state in the replicability

¹⁶ The same logic is expressed by Leontidu (1985) when she criticizes some marxist views for considering landownership issues and urban demands harmful to the rise of working class consciousness. She insists that in the Third World, urban experience is more important than industrialization and that the population excluded from welfare and trade union deals, seek improvement of their living conditions in land tenure and housing property. Although demands for land control are narrow in the process of social change, they help in the emergence of class consciousness only if the proletariat is supported by a party that relates exploitation in the fabric with exclusion from the system of land distribution. The land question should be posed as a struggle for control and not for ownership. If not, reformist parties or the government can control these populations (ibid).

of the programmes and the politicization of the programmes as a consequence of the issue of community participation (ibid). For them, even if self-help programmes (promoted either by the state or non-governmental organizations) accentuate the logic of the market, what matters is not if costs have increased, but whether the material conditions have improved, if costs are affordable and, how are they affordable (ibid). Moreover, the critique has never answered the question of whether the state can play a positive role in making the programmes affordable to the greatest number of urban poor and the contradictions generated, for example, by views that insist on full cost-recovery, the absence of subsidies and market interest rates (ibid). Furthermore, the critique fails to explain why the urban poor even wants to participate in self-help programmes, and while state self-help schemes are more expensive, whether they provide something qualitatively distinct to that found in ordinary self-help settlements. It is the absence of discussion about this process of servicing that constrains the approach. Given the fact that, in some cases, the cost of land, building materials and services are high, the unequal distribution of income is accentuated and that lower standards of living and authoritarian states are found in many Third World countries, means there are certain forms of state intervention in the housing sector that can improve the conditions of the poor. But whether this increases the chances of structural change is still an open question (Gilbert & Van der Linden, 1987).

Another issue is the extent and social coverage of self-help housing programmes. Are programmes just an attempt on the part of the state to neutralize and co-opt localized discontent and social explosions, or are they related to wider social pressures (Fiori & Ramirez, 1987)? The important issue is to recognize that state intervention, in the form of self-help housing policies, depends fundamentally upon political circumstances (a fact that Burgess minimally acknowledges when analyzing the role of international aid agencies). And this intervention defines a space of negotiation for the evolution of self-help as a form of social organization that can put pressure on the state for the redistribution of resources (ibid). It is this type of politicization and the potential it embodies that has never been sufficiently acknowledged by the self-help critique

(Fiori & Ramirez, 1987). By insisting in the state as a monolithic entity, the approach loses sight of the elements the process generates.

As Tomic (1987:210) says, the state, even being part of a system of domination, does no more than express the conflicts present in society, and is in no way a mere mechanism for the unilateral resolution of these conflicts. Thus, a strategy of participation is not reducible, either to actions carried out from within the state or to actions stemming from civil society against or independently of the state.

3.4.1 Sri Lanka's "Million Houses Programme (MHP)"

The case of the MHP of Sri Lanka, with all its limitations indicates the paradoxes that emerge when a state immersed within the logic of the market, tries to intervene in urban affairs. Its actions cannot be clearly defined as favouring the privileged and the status quo or trying to impose collective priorities on the market-inspired initiatives of private enterprise (Safier, 1983).

According to Perera (1987), even though the Sri Lankan government uses the MHP for its own political interests and tries to co-opt and manipulate large portions of the participant population, it has also given the users wider possibilities for affecting decisions concerning the way resources are distributed. Moreover, the MHP has opened new potential that enables the users to bargain and even protest against the state (ibid). This has not been a deliberate decision on the part of the government, but the consequence of a state that tries to enlarge the social coverage of a self-help programme to proportions that go beyond its own administrative possibilities therefore leading to a loosening of its abilities or its capacity for social control. Perera (ibid) suggests that the MHP has become such an important political issue that any political party or future Sri Lankan government cannot omit discussing what impact, a reversal of its actual trend could have in state affairs.

Another example of the contradictions, is the issue of whether it is possible to enlarge the social coverage of the policy, and at the same time be committed to financial principles of affordability and total cost-recovery (Weerpana, 1986). Although some of the directors of the programme insist that interest subsidies and poor recoveries are some of the main weaknesses that undermine the basic philosophy of the MHP, (ibid:85) they also know that a strict neo-liberal

approach contradicts the political premises of the programme that wants to expand its social base within the poorest sectors of the urban and rural population. At the end of the day, the decisions seem to be taken according to political advantage, the Sri Lankan government knows what a social legitimacy oriented policy rather than a narrow financial one, can achieve ¹⁷.

Moreover, the future of the MHP seems to depend on how the government will deal with the urban land issue. The majority of urban land in Sri Lanka's main cities is owned by private individuals and groups (Desanayaka, 1988). State ownership is minimal. If the government decides to buy urban land at market prices, it would increase the cost of housing and therefore would make it unaffordable to the poorest sectors of the population. Indeed, market prices have increased significantly, outpacing the general rate of inflation in the country.

But, the government has extended its powers for the compulsory acquisition of land needed for development beyond the existing laws applicable in the country, without paying market prices (ibid).

Obviously, this case shows how the state is subject on the one hand to pressures which force it to accelerate the pace of capital accumulation, and on the other hand, to search for long-term social stability and legitimacy (Fiori & Ramirez, 1987). Although it is too early to predict the future of the MHP, the case illustrates the ambiguities generated by state actions that accelerate the commodification process but introduce new conditions for social organization and negotiations between the state and the users.

4. THE "ORGANIZATION-PARTICIPATION" APPROACH

This perspective is a redefinition of the Supportive approach. Yet, it recognizes some of the critiques posed by the Structural Approach and some of the problems of efficiency and market blockages indicated by the Market Orientated approach. Nonetheless, it differs

¹⁷ According to Herring (1986) the MHP was greeted in an hostile way by the IMF for the diversion of investment from capital formation and the interest subsidies to self-help builders that the programme would signify. Yet, the plan was attractive to US-AID which saw its advantages in terms of patronage and co-optation interests.

from the other three and is by no means ambivalent in respect of the dominant socio-economic rationality prevailing in underdeveloped countries.

Even though it is impossible to generalize from a particular case, FUNDASAL's experience points out the limitations of the other three approaches and suggests a fourth way to understand self-help housing programmes. Thus, FUNDASAL's experience is described in brief at the end of the chapter.

4.1 The Need to Broaden the Spaces of Negotiation of the Poor

The approach recognizes that the ongoing process of urbanization, population growth and migration in underdeveloped countries is irreversible (Safier, 1983) and will create an increased demand for housing, affordable urban sites and other services (Kubale and Patton, 1988). It also admits the fact that Third World governments have been unable and unwilling to deliver conventional or non-conventional housing, not only due to lack of resources, but mainly due to the economic, institutional and social arrangements prevailing in these societies. It also agrees with the Market Orientated approach that the housing problem will more readily be solved if the financial, land, infrastructure and institutional issues are treated at a city and national level. However, it disagrees with the tenet that an efficient market is the best way to solve the housing problem of the urban poor. On the contrary, it realizes the impossibility of solving the housing problem within the prevailing market system in the majority of Third World countries.

The approach accepts that in the last instance, the determinant issues of the housing problem reflect the way wealth, political and social power are distributed, and that without a significant structural change, which redefines and redistributes this power, the possibility of solving the housing problem is limited (Sevilla, 1987).

Nonetheless, social change and especially those changes related to the housing conditions of the urban poor are not seen as an "all or nothing" situation as perceived by the "Structural" approach. Rather social change is a continuous process (Sevilla, 1987) which requires firstly, the active participation and organization of the poor themselves in the planning and implementation of solutions

to their problems, and the improvement of their material conditions.

Secondly, it is a process that can start within the framework of the capitalist system but could continue also within the framework of new social relations¹⁸. Thus, social change cannot be thought of as a formula that automatically solves the problems of housing and related services of all the poor and homeless (Sevilla, 1987). Regardless of the socio-political framework, the problem will not be solved fundamentally by the direct action of the state, private enterprise or by non-governmental organizations. As Turner suggests, the urban poor will play an active role in the solution of their problem; the potential of sponsored self-help housing programmes as a means of socially organizing the urban poor, and as an instrument for the redistribution of resources in an underdeveloped country.

Despite its limitations, Sri Lanka's Million Houses Programme can be used to rebut the argument that a state cannot replicate self-help housing programmes on a large scale. Were this approach to acknowledge the contradictory character of the state in an underdeveloped country, the tensions that implementing self-help programmes generate in terms of the process of enhancing capital accumulation and seeking social legitimacy would become apparent.

By limiting itself to demonstrating the impossibility of self-help housing programmes the Structural approach fails to explore the real potential of such programmes as instruments of social change. It cannot therefore produce the guidelines to enable a feasible form of intervention outside the sphere of state action.

This paper has put forward an alternative approach to self-help housing programmes. The Organization-Participation approach recognizes that under the prevailing conditions, in the majority of underdeveloped countries, the housing problems of the urban poor cannot be solved one-sidedly either by the government, the private sector and non-governmental organizations, or by a

¹⁸ Recent experiences of Latin American countries that have gone through deep structural changes (i.e., Cuba and Nicaragua), illustrate that in spite of changes and reforms in the patterns of land tenure and distribution of financial and infrastructure resources, the state has not been able to provide the necessary housing to satisfy the needs of the population through conventional means (Walker, 1987; Handelman, 1988).

combination of all of these. Yet, it suggests that there is crucial room for policy action within the existing social and political structures. In common with the Supportive approach, the Organization-Participation approach recognizes that the urban poor themselves have to be incorporated into the design, implementation and evaluations of their housing solutions. This however, requires the existence of minimal political space, that in turn allows the organized expression by the settlers, without obstacles and manipulations. The key issue lies in organizing the urban poor such that they can lobby and negotiate with the state and other sectors of society for the transfer of resources, for the implementation of policies favourable to them and for a broadening of the space of participation conducive to a more democratic society.

In this sense, the experience of FUNDASAL shows that self-help housing programmes can be a means to achieve not only an effective transfer of resources to the urban poor, but also be a way of bringing education, organization and participation within the reach of the urban poor. FUNDASAL's model of progressive development reveals that it is possible to combine project efficiency, high levels of cost recovery and at the same time empower the poor. Finally, the experience is useful as it indicates the effects, potential and structural limitations of a self-help housing programme in a repressive and unjust society.

cts (Williams, 1984 and Biltzer et al., 1983 cited by Burgess, 1987a:28). nhiness (Bock, 1986) and not to achieve development¹⁹.

As Hinkelammert (1988) points out, until the early 1980s, only the left opposition in Latin America had talked about the need to pursue structural changes as a necessary function of economic and social development. Now the financial institutions grasp the concept, and give it a radically different connotation. They will insist that the debt crisis, or even poverty and underdevelopment are not consequences of the functioning of the market, but the result of state interventions which have hindered the full installment

¹⁹ By stressing structural adjustment loans programmes (Yagci et al., 1985) the World Bank's role has become more similar to that of the IMF, i.e., to preserve and strengthen the international monetary system (Ascher, 1983) rather than to 'raise consciousness about development' (Ayres, 1983:22).

of the market's automatism (ibid). Knowing the impossibility of repaying the debt, structural adjustment policies constitute the means by which the decision-making centres of capitalism want to transform Third World countries into total markets to maximize positively their balance of payments and maximize the transfer of surplus to core countries²⁰.

The social costs of these policies are, however, high. The effects of the cuts in consumption subsidies and the rise in prices can, according to World Bank studies, be detrimental to the poor, regardless of their income sources (Yagci et al, 1985). Moreover, the structural adjustments' costs are 'unusually severe for the poor, even in countries where adjustment programmes have restored reasonable growth rates' (Development Committee, 1987:1).

The result is not an economy in which everyone gets poorer as a function of the debt payment. Instead, a polarized economy emerges with an even more extreme distribution of income. The majority of the population gets poorer while a minority, i.e, those indispensable for the implementation of the structural adjustment policies, get richer (Hinkelammert, 1988).

Liberalization policies implemented in underdeveloped countries such as Chile, Argentina and Sri Lanka in the 1970s, show that the main privatization is not of public assets but rather of poverty and insecurity for the weaker sectors of society (Herring, 1986). But the World Bank has decided that efficient growth and alleviation of poverty are two objectives that cannot be obtained simultaneously (Morris, 1986). Consequently, human needs have to adapt to the necessity of the market and not the market to the satisfaction of needs (Hinkelammert, 1987)²¹.

²⁰ In the period 1982-1986, Latin American countries could repay only half the total amount of interest on its debt. The other half, capitalized and grew at the rate of the prevailing rates of interests. Given that these rates were bigger than the rate of growth of the export sector, the debt, just in terms of the interests, automatically grew. Thus, the debt in LA does not increase any longer as a consequence of the loans given by the international banking system. On the contrary, loans are given because the debt grows. In this sense, the structural adjustment policies can influence the rate at which the debt grows but not the debt itself (Lagos, 1987:5; Hinkelammert, 1988).

²¹ The title of a recent published book: "Adjustment with a Humane Face.

1.3 The City Level

The overall strategy of the Bank derives from new orientations of urban affairs in the underdeveloped world. According to the logic of the World Bank, the debt can be paid if there is economic growth and this will depend critically, among other things, upon the 'smooth' functioning of the cities (TUE, 1985a). But cities can only be sources of productivity if there is adequate provision of housing, services and choices of location available to the urban population (TUE, 1988) as well as an effective urban management (ibid). This means that urban projects, to be effective and efficient, have to encompass the full urban and municipal administrative system, and at the same time, reach beyond project finance to institutional finance and its relation to the macro-economic and financial markets of underdeveloped countries (UDCs) (TUE, 1985a). The Bank seeks to develop the necessary levers to strengthen the role of the urban sector institutions in the overall economic process, especially those related to the private sector (ibid).

In terms of self-help housing programmes, the approach recognizes firstly, that both housing and macroeconomic policies should be designed from the perspective that housing is not a costly social good, but rather a productive capital good, thus the housing sector can make a significant contribution to both economic growth and improved housing conditions (TUE, 1988). Secondly, the approach recognizes that a housing policy should not be based on the housing needs of the population but on the people's will in finding proper ways to build beneficiary capacity versus establishing paternalistic and dependency links between the communities and the institution (Sevilla, 1987).

4.2.1 Implementation of the Model

Protecting the Vulnerable and Promoting Growth" (Cornia et al., 1987), suggests the sombre dimensions of the effects of these policies. Evidently, the strategy has changed. In the 1970s the issue for the power centres of the capitalist system was how the poor could be incorporated into the social and decision-making processes and share part of the social product, thus, trying to avoid political destabilization. In the 1980s, the issue becomes how to protect the 'vulnerable' (i.e., the majority of the population living in underdeveloped countries) against the consequences of the efforts of closing the fiscal deficit.

During the years 1968-1974, the institutional objectives and the methods of work started to be articulated and defined in an operational way (FUNDASAL, 1985b). The institution developed 5 housing projects (867 units), with an average building of 144 units per annum and an average annual staff of 37 persons (ibid).

Given their physical and financial design, the projects were accessible to 90 percent of the Salvadorean population (ibid).

Due to their characteristics, the projects captured national and international attention (Sevilla, 1987). Within FUNDASAL, an interesting phenomenon took place. For some, it became evident that it was possible to produce low income housing on a scale that would help to decrease the housing deficit (ibid). For others, the effectiveness of housing as a means to produce psycho-social change among the urban poor became evident. For all, the potential of the institution to influence the housing problem, and the socio-political equilibrium was clear, if only the scale of operations could be expanded. Thus, the great issue became whether the projects could be expanded and replicated on a scale large enough to respond to the poor's housing problem in the context of a highly polarized society.

In November 1974, FUNDASAL entered, with the support of the Government of El Salvador, into a series of loan agreements with the World Bank (FUNDASAL, 1985b). The resources provided by the Bank totalled US\$18.7 million, and were conceived to provide 15,000 sites and services with partially built units (ibid)²². The agreement was unique, because for the first time in the history of the World Bank, the agency responsible for an urban shelter programme was a private organization (Bamberger, et.al, 1982). Amongst others, the main objectives of the projects were to demonstrate the effectiveness of sites and services as an alternative to conventional fully built housing and the potential role of the private sector in providing low-income housing, thereby easing the burden on government resources (ibid). The World Bank considered that community participation was to be used as a means to achieve an increase in the output of housing, and to improve the chances of

²² In 1982, the number was reduce to 9,600 units (ibid).

the urban poor of finding stable employment by self-help and mutual help training (ibid).

Between 1974 and 1979 the institution developed a total of 8 housing projects equal to 4,179 units, averaging 786 annually (FUNDASAL 1985b). Communities were built on undeveloped land, according to projects made by FUNDASAL, using private building companies for the initial stages. The core housing units and sanitary facilities were completed using the mutual help process. Communities would have open spaces and areas for future community services that would be provided by the respective national ministries and municipal authorities (Hart & Silva, 1982).

The resources provided by the Bank however, confronted the institution with a new set of possibilities and dangers. FUNDASAL's performance during this period suggests the following. Firstly, it showed that the model of mutual help and progressive development was replicable at a scale that made it relevant to the overall housing problem of the country. This became evident when compared to the government's performance²³.

Secondly, it showed that it was possible for a non-governmental organization to have a significant impact in the provision of low-income housing. By expanding its operations, FUNDASAL contributed to social change not only by transferring resources to the urban poor, but also by organizing them and raising their consciousness (Sevilla, 1987). The experience proved that self-help programmes can lead to forms of social organization that can put pressure upon the state for a redistribution of resources²⁴.

Lastly, the increase in the volume of operations exposed FUNDASAL to unexpected and unpredictable financial and political changes in the environment (Sevilla, 1987). As of 1979, a process of social,

²³ From 1975-1985, FUNDASAL produced 75 percent of the total national output of sponsored self-help housing with costs below US\$2,000.00 (Stein, 1988b).

²⁴ Silva & Altschul (1986) argue, however, that in spite of the success of the programmes, they did not achieve any redistribution of resources due to the fact that the majority of funds came from the World Bank or were provided by the community through their participation in the building process.

political and economic deterioration unfolded at an ever increasing pace. This process had a substantial impact on the popular sectors and on FUNDASAL's capacity to carry out its work. The political changes that occurred with the October 1979 **coup d'etat**, and the closure of political spaces and repression which occurred as of 1980, generated a brain drain in FUNDASAL, that affected the highest levels of management. Experienced staff members left, or were forced to leave, the institution and the country. The government viewed with suspicion the work of those non-governmental organizations which, through their methods or philosophy, went beyond the mere supply of services, (housing in the case of FUNDASAL) and pressured them to abandon their long run objectives. One area especially affected was that of social promotion, both in terms of staff and the communities attended (ibid).

In spite of the limitations in the executive capacity to implement projects, and the reduction of political space to do so, personnel was maintained and, at some points during the crisis, expanded²⁵.

The lack of leadership, the polarized environment, and the rapid rate of personnel turnover, led to different and contradictory conceptions as to the nature and the role of FUNDASAL's community development model (ibid).

As Moser (1986) suggests, self-help housing programmes tend to make explicit the fundamental contradiction, at the staff level, between the technical and non-technical aspects of projects, with the economic as against the 'social', including community participation, identified as the determining project component. That is why it is necessary to try to find a proper combination of technical expertise with social commitment.

Yet, in the circumstances described above, the issue at stake went beyond this contradiction. The question for some in FUNDASAL was whether or not the moment was ripe to support the "constitution of the social basis for other organizations that were seeking social change and the ideological neutralization of the established power" (FUNDASAL, 1980:18). In other words, the institution was on the

²⁵ Staff grew from 37 to 195 persons during the period 1974-1980 (FUNDASAL, 1985a).

edge of trespassing the delicate boundary between social action and political militancy.

Moreover, labour instability generated difficulties and paralyzed the execution of ongoing projects. From a total of 1,246 units built in 1979, in 1981 FUNDASAL built only 27, and dropped to 14 in 1982 (FUNDASAL, 1985b). This led to financial problems that resulted in the exclusion of the poorest from the benefits of the projects²⁶. Labour instability also affected the administrative staff, forcing the institution to close its entire operations in July 1984 and to start a restructuring process.

From September 1984 to December 1987, the institution went through an administrative restructuring process which aimed to redefine FUNDASAL's social, constructive and managerial models of work. The need to adapt a modern and flexible management capable of reading and understanding the changing environment of the Salvadorean society became evident, as did the need to update the notions of mutual help and progressive development to the new conditions created by the civil war prevailing in El Salvador.

New techniques and projects were started with the displaced population affected by the civil war. Slum and squatter settlements upgrading were initiated and important efforts of reconstruction were made after the 1986 earthquake that shook San Salvador.

During the period of 1985-1987 the institution completed and started to develop a total of 7,000 housing units. It established relations with more than 350 communities in the main cities of El Salvador, all with one third of the staff it had had during 1979²⁷. The establishment of a communal training school in fields such as health, productive programmes and communal administration strengthened relations with the communities, and gave FUNDASAL the possibility of multiplying the impact of its work without increasing the number of staff.

²⁶ The families that participated in the last projects with funds of the World Bank pertained to the third and fourth decile of the lower income distribution (Stein, 1987).

²⁷ The last 3,900 units of the projects financed by the World Bank were completed in 1984-1985. During the period 1975-1985 and under the World Bank loan agreements, FUNDASAL established 10 communities with about 9,300 families (ibid).

4.2.2 Main Lessons

FUNDASAL's experience shows that it is possible for a non-governmental organization to replicate on a large scale and to make affordable self-help housing programmes for poor urban families pertaining to the lowest deciles of income distribution (FUNDASAL, 1987). In this sense, it has overcome one of the problems stressed by Turner, (1988) that non-governmental organizations have limitations when engaging in large scale housing programmes in maintaining their "community enabler" character.

It shows that replicability is not primarily a problem of the allocation of scarce resources which compels a policy of affordability, total cost recovery and no-subsidies, but is an issue related to the political will and ability of those in charge of defining and implementing a housing policy, to transfer and redistribute resources among the urban poor and to permit a minimum level of social and political space that can tolerate their active participation and demands in this process.

In the financial field, the experience shows that it is compatible for a private organization to work with the poor, to combine a rational policy of subsidies and to achieve high levels of cost-recovery if there is a commitment to empower participants.

FUNDASAL considers that under the actual circumstances of El Salvador, it is unfeasible and also unfair to work under a strategy that demands no-subsidies and market rates of interest for the urban poor, while it permits and stimulates preferential rates of interest to the economically powerful sectors of society (Stein, 1987). Rates of interest applicable in self-help programmes should try to recover the costs of obtaining and managing the loans, but not be equal to the market rate interest (ibid). Market rates lead to the exclusion, not only of the poorest families, but even of those weakest sectors of effective demand that took part in FUNDASAL's sites and services programmes financed by the World Bank.

The experience shows that fixed frameworks of financial and implementation timetables, embodied in World Bank's loans create schemes which are not flexible enough to meet the changing political context, such as the one in El Salvador, and therefore they reduce

the manner in which community participation can affect urban policies.

In this sense, grants are more flexible and allow more effective work with the poorest urban sectors (Moser, 1986)²⁸.

The experience reveals, that it is possible to generate models of participation that help to achieve high levels of cost-recovery and project effectiveness (Paul, 1986) that empower the urban poor.

At the same time, it shows the effects and constraints of a programme that conceives participation as an end, under a repressive and unequal regime (Moser, 1986).

In the last twenty years, the process of organizing and making the poor participate has faced misunderstandings and hostility due to the conflict-ridden situation and the closure of political space and repression that has prevailed in El Salvador. On the one hand, the government and other powerful political and economic sectors, have seen in these efforts a threat to social order and political stability (Silva & Altschul, 1986). On the other hand, some radical left positions consider that the efforts of improving the housing and material conditions of the urban poor, in the actual context of civil war, constitutes a demobilizing factor that impedes the radicalization of their demands against the government (FMLN, 1986). These perceptions have been exacerbated by the fact that the communities that FUNDASAL has worked with have been in the forefront of anti-governmental protests, demanding the provision of better urban services and access to land. The government has attempted to reduce FUNDASAL's role to a sort of efficient semi-autonomous executing agency of low-income housing (Stein, 1988b).

Nevertheless, the case illustrates that a self-help housing programme can constitute a means of improving the material conditions of the urban poor, and most importantly, a means of affecting urban affairs, both politically and socially, despite the severe national

²⁸ Sites and services projects were financed with loans given by the World Bank; upgradings with grants given by international NGOs such as Oxfam, MISEREOR and CEBEMO. Yet, the principle of cost recovery is maintained. Funds are transferred to the beneficiaries as loans with very low or nil interest rates. Administrative costs are not charged. Recovered funds constitute a revolving fund to start other projects (Stein, 1987).

or institutional constraints it might face.

II. CONCLUSIONS

From an analysis of the four main approaches to self-help housing programmes it is possible to extract the following conclusions.

Firstly, that all of the approaches recognise that neither the state nor the private sector or indeed a combination of both, have been able to solve the housing problem of the urban poor in the majority of underdeveloped countries.

Secondly, that the differences that each outlook has, concerning the nature and the required solutions to the problem, are not arbitrary but reflect, whether consciously or unconsciously, the conceptual frameworks through which the wider ongoing economic and political processes in these societies are interpreted.

Thirdly, underlying the four approaches is the explicit or implicit recognition that there are two inseparable issues upon which the debate on sponsored self-help housing programmes is articulated: replicability and community participation. Thus, the paper has examined how each approach addresses these issues in order to answer the question of whether and how self-help housing programmes can serve as a means of solving the housing problems of the poor and contribute to social change.

More specifically, in this paper it has been argued that the Market Orientated approach, represented by the World Bank, is contradictory and tautological. Whilst it insists on unblocking the market as the only possible solution to the housing problem, it fails to acknowledge the fact that the functioning of the market has been part of the problem itself. Whereas it insists that a pre-condition for replicability at a nationwide scale is a non-interventionist policy of the state in the housing market, a discussion of those sensitive issues that are at the core of the housing problem is avoided. By treating the housing components of land, infrastructure, finance and participation as technical rather than political issues, the approach fails to propose an appropriate self-help housing policy for the urban poor. If taken seriously, the logical consequence of this approach would be to

stress the need for structural reforms that would affect precisely those sectors that are in charge of the structural adjustment policies, and that also are called to be at the forefront of self-help housing programmes. Yet, by succumbing to neo-liberal formulas that seek social stability through market stability (Hinkelammert, 1988), the approach has abdicated any systematic policy of social reforms.

Thus, the proposed solutions are bound not to be achievable.

Even though the Supportive approach also calls upon the state to retreat from the provision of housing and to reduce its role to mere supplier of land, infrastructure and finance and facilitator of community participation, it leads to the conclusion that more market freedom is not a desirable solution (Turner, 1987). On the contrary, it argues that enabling the people and their communities is the main step towards solving the housing problem. The major weakness of this view, however, is its inability to spell out the necessary political mechanisms to control those governmental or private sector forces that hinder the process of community building.

Furthermore, the approach cannot indicate the political effects of enabling the community under repressive regimes.

The Structural approach rightly points out that it is naive to understand the nature of self-help merely through the issue of how dwellers control the major decisions of the housing process.

It argues that self-help housing programmes must be interpreted within the broader context of the process of reproduction of labour power and the general conditions of the capitalist system. State intervention through self-help is a futile strategy to solve the housing problem in those underdeveloped countries dominated by the capitalist mode of production. A major shortcoming of this perspective is its inability to recognize the potential of sponsored self-help housing programmes as a means of socially organizing the urban poor, and as an instrument for the redistribution of resources in an underdeveloped country. Despite its limitations, Sri Lanka's Million Houses Programme can be used to rebut the argument that a state cannot replicate self-help housing programmes on a large scale. Were this approach to acknowledge the contradictory character of the state in an underdeveloped country, the tensions that implementing self-help programmes generate in terms of the

process of enhancing capital accumulation and seeking social legitimacy would become apparent.

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In this sense, the experience of FUNDASAL shows that self-help housing programmes can be a means to achieve not only an effective transfer of resources to the urban poor, but also be a way of bringing education, organization and participation within the reach of the urban poor. FUNDASAL's model of progressive development reveals that it is possible to combine project efficiency, high levels of cost recovery and at the same time empower the poor. Finally, the experience is useful as it indicates the effects, potential and structural limitations of a self-help housing programme in a repressive and unjust society.

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