

The case of Guatemala City, Guatemala

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I. INTRODUCTION: THE CITY

A. URBAN CONTEXT

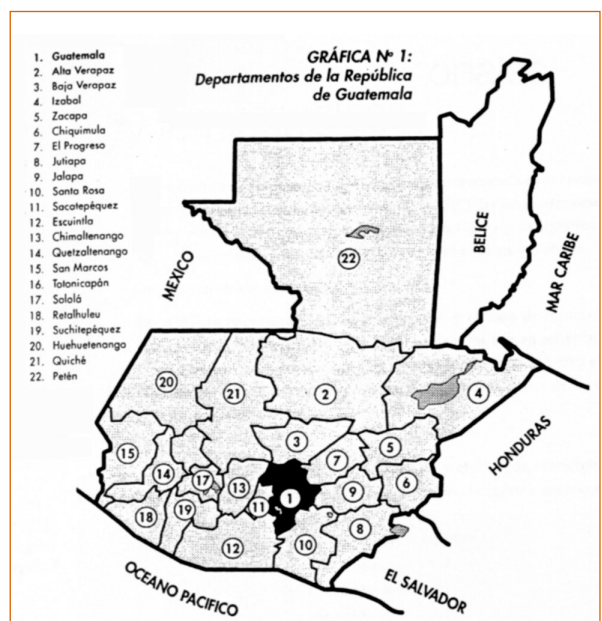
1. National Overview

The Republic of Guatemala has an area of 108,889 km². It borders with Mexico, El Salvador, Honduras and Belize, as well as with the Caribbean and the Pacific Ocean. Guatemala is a country with a great bio-diversity in a small territory, with geo-morphological and climatic areas which vary markedly, with regions of considerable agro-ecological richness. Two thirds of the country is mountainous, and 34 per cent is covered by woodland. The average temperature is between 18 and 22° C. Guatemala is located in the Central-American Isthmus, a region with a high level of risk from natural phenomena, as well as which it is extremely vulnerable due to the poverty of the majority of the population.

Guatemala is divided into 8 Regions, 22 Departments and 331 Municipalities. Guatemala City is located in Metropolitan Region 1 (see **Map 1**)

The country has a population of 11.3 million. There are 2.5 million inhabitants in the Metropolitan Region – 20 per cent of the total. National population density is 104 inhabitants/km², climbing to 1,213 inhabitants/km² in the Metropolitan Region. In the second half of the 1990s, the population grew at a rate of 2.7 per cent, much higher than the average for Latin America and the Caribbean (1.3 per cent per year).

Urban growth is very rapid, given that in the 1990s the urban population grew at an annual rate of 3.8 per cent, as a result of which the urban population is expected to



Map 1. Guatemala

double in less than 20 years. The average urban growth rate in Latin America and the Caribbean is 2.2 per cent annually.

These levels of population growth have been maintained in Guatemala because the global fertility level of from 5 to 6 children per woman is the highest in Latin America. There is a clear difference between the fertility rate of the rural population (6 children), and the urban population (4 children), as well as between social strata (see **Table 1**).

With regard to ethnicity and culture, Guatemala has a population which is approximately 55 per cent indigenous, and 45 per cent ladina (Spanish-speaking). Twenty languages are spoken, although the dominant language is Spanish. The main ethnic groups are the Maya, the Garifuna, the Xinca and the Ladina. It is a

multi-ethnic, multi-lingual and multi-cultural country.

In conformity with the characteristics of underdeveloped countries, the population is young - 58 per cent of the population is under 19. In 1990 52 per cent of the labour force still worked in agriculture, 28 per cent in services and 20 per cent in industry, while the average participation of the economically active population in agriculture in Latin America and the Caribbean is 25 per cent.

According to the UNDP human development index, Guatemala ranked 117 out of a total of 174 countries in 1999. In 1997 the GDP per capita was US\$1,690, in comparison with an average of US\$4,127 for Latin America and the Caribbean.

The average monthly income per family in the whole country was US\$227 in 1999. In the urban areas the figure was US\$423. Almost 70 per cent of the population lives on less than US\$2 per day, and of these, almost 30 per cent of the population of the country, and 8 per cent of the urban population live on less than US\$1 per day.

Income distribution is extremely uneven, the difference in income of the richest and poorest 20 per cent of the population differing by a factor of 30, in contrast to 12.7 in Costa Rica and 15.1 in Honduras.

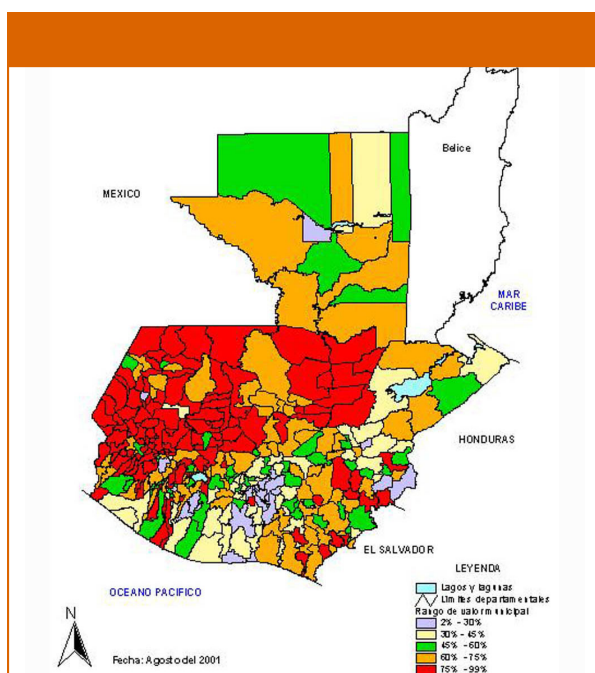
There is a correlation between the high population growth rates in regions and departments with higher indices of rural and indigenous populations with higher indices of poverty. Such is the case of Regions 6, 7 and 2. The marginalisation of the indigenous cultures has been inherited from the Spanish colonial period (see **Map 3**).

Table 1: Fertility Rates by Region, 1995-2000
(Average number of children per women of childbearing age)

Country Average		4.93
REGION 1	METROPOLITAN	3.45
REGION 8	PETEN	6.29
REGION 6	SAN MARCOS	6.05
REGION 2	ALTA VERAPAZ	5.96
	BAJA VERAPAZ	5.74
REGION 7	HUEHUETENANGO	5.75
	QUICHE	5.68



Map 2. Guatemala City, Political Divisions



Map 3. Incidence of Poverty in Guatemala by Regions

2. The History of Guatemala City

Guatemala City is today the largest in the Central American Isthmus, and in the Caribbean Basin. It is the capital of the Republic of Guatemala, the centre of political, economic and industrial power in the country.

The city was founded by the Spaniards in 1776, in the Ermita Valley after the Santa Marta earthquakes which partially destroyed Santiago de los Caballeros, the old capital of the province of Goathemala, now known as Antigua Guatemala.

The city was laid out according to the Laws of the Indies, following a gridiron plan, with streets running north-south and east-west, with a central square and three smaller squares. The housing in the central areas, where the Spaniards lived, was built on the Mudejar pattern, whose principal characteristics are a wide doorway with a vestibule, and a central patio surrounded by a veranda giving onto the bedrooms, with the kitchen at the end. The Indian villages were located around the city, in already existing settlements or in new ones.

From independence in 1821, a process of great importance for the present-day life of the city began, which was the gradual shift of municipal property to private ownership. Another of even greater importance for the future of the city was the expropriation of the Church's properties, and their change of use to government departments and educational institutions, a factor which allowed an important functional evolution in the city without affecting its spatial form.

At the beginning of the 20th century the city had 100,000 inhabitants, and began to show the effects of a modernisation programme, initiated by the Liberal Revolution, especially in the acceptance of foreign lifestyles.

The city was destroyed by the 1917 earthquake. The reconstruction did not destroy its form, but did affect its pattern of development.

In the mid-20th century, attempts at modernisation by the state led to new sources of employment in the city, leading to the immigration of rural populations. In 1954 the country underwent a brusque change when the state put an end to the agrarian reform programme, which together with an increase in socio-economic problems accelerated the migratory process. As a result of this migration, the population of Guatemala City grew from 285,000 inhabitants in 1950 to 573,000 in 1964.

Many of these immigrant families occupied the houses which had been built by the high-income population in the centre of the city, giving rise to the so-called palomares (tenements). Other immigrants invaded unoccupied urban lands, producing new precarious urban settlements, or consolidating the existing ones. For example, in 1959 there was a massive invasion of lands in Ciudad Nueva, which was dislodged. Several weeks later, 600 families invaded the sides of the gullies which defined Zone 5, in front of

the Olympic Stadium, giving rise to a massive settlement, "La Limonada", which still exists in precarious conditions.

The exodus from the rural areas increased as a result of the social effects of the 1976 earthquake, and socio-political conflicts. In order to deal with the immigration caused by the earthquake, the government built temporary shelters for the affected families, which remained for almost a decade. Later, principally in order to move this population, the government, by means of the Banco Nacional de la Vivienda (National Housing Bank – BANVI) and other institutions constructed minimum housing, and sites and services schemes.

The economic crisis and the armed conflict became worse in the 1980s, which resulted in a new wave of immigration of people displaced by the conflict, who also participated in invasions of urban land. They built large precarious settlements on lands belonging to BANVI, intended for green areas for the residential developments built after the earthquake, and on lands where BANVI had intended to build other settlements. There were even invasions of sites with services in construction.

The invasions continued in the 1990s, some were demolished, others were consolidated. In some cases the situation reached dimensions never before seen. For example, in 1991 areas surrounding the municipal garbage dump were invaded, with the resulting lack of minimum hygiene standards. Several years later, the Guatemala Municipality relocated the inhabitants, and built shelters for them.

This situation grew worse with the new liberal orientation of the Guatemalan economy, which resulted in a reduction in social spending on housing by the state. BANVI was closed down, and the government founded the Fondo Guatemalteco para la Vivienda (Guatemalan Housing Fund – FOGUAVI) with a subsidy programme which has been inoperative.

The growth of Guatemala City has been more horizontal than vertical. This means that there are peripheral areas as much as 20km from the city centre, and the new precarious settlements have had to locate further and further away. This situation has provoked, in a sustained form, the poverty and social precariousness which continues to be one of the most serious national problems, but which is especially generated in Guatemala City and its metropolitan area.

At the beginning of the 21st century the city is characterised by a large horizontal expansion, with peripheral commercial sub-centres, an inefficient public transport system, a proliferation of precarious settlements, a free market economy and a decrease in state attention to housing needs. Of its 2.5 million inhabitants, approximately a third live in precarious settlements.

3. The Physical City

The politico-administrative divisions of Guatemala are the Metropolitan Region or Region 1; the Department of Guatemala; and the Municipality of Guatemala. The Metropolitan Region and the Department of Guatemala constitute the same territory, made up of 17 municipalities, of which Guatemala Municipality is one.

There is no exact official definition of the metropolitan area of the city. For the purposes of this report Guatemala City will be interpreted as being the Municipality of Guatemala and its metropolitan area, constituting the urban area which occupies parts of the surrounding municipalities in the Department of Guatemala.

The city's urban area includes part of 11 of the 17 municipalities of the Guatemala Region, or the Metropolitan Region. It is estimated that in 2010 parts of 15 of those municipalities will be urbanised, as well as San Lucas Sacatepéquez in the Department of Sacatepéquez (see [Map 4](#))

As such, all the information in this report refers to the Metropolitan Region (the Department of Guatemala). This region is located in the geographical south-centre of the country, between latitudes 14° 40' and 14° 30' north and longitudes 90° 40' and 90° 25' west. Average altitude is 1,500 m.

The Metropolitan Region of Guatemala presents a great geological and topological diversity. The valley is surrounded by the hills and mountains of the Sierra Madre, as well as a number of volcanoes, some of which are active (such as the Volcán de Pacaya). In hydrological terms, there are two main watersheds in the valleys, the southern one which drains towards the

Pacific, and the northern one, which drains towards the Atlantic.

The area also has a number of climatic zones, which varies from hot and dry in the north, to warm and humid in the south and east, with, generally, gentle, dry winters. The average rainfall from 1980 to 1989 was 1,112.3 mm (INSIVUMEH)

The metropolitan region is composed of 17 municipalities (see [Table 3](#)). It is estimated that in 2010 only San José del Golfo and Chuarrancho will not have areas forming part of the capital city's conurbation, although they will continue to be dormitory municipalities for people working in Guatemala City. The density of the Metropolitan Region is 1,212 inhabitants/km². Guatemala municipality has a density of 4,470 inhabitants/ km².

Table 3. The Municipalities in the Metropolitan Region of Guatemala

Municipality	Area (km ²)	Population (thousands)
Guatemala	184	1,031.3
Santa Catarina Pinula	51	66.6
San José Pinula	220	36.1
San José de Golfo	84	5.7
Palencia	196	48.9
Chinautla	80	90.9
San Pedro Ayampuc	73	30.6
Mixco	132	440.1
San Pedro Sacatepéquez	48	31.3
San Juan Sacatepéquez	242	137.1
San Raymundo	114	20.3
Chuarrancho		
Fraijanes	96	25.7
Amatitlán	204	82.2
Villa Nueva	114	363.6
Villa Canales	160	91.1
Petapa	30	84.4
Total area of Guatemala Department or Metropolitan Region	2,126	2578.5

Source: INE CELADE, 2000

Map 4. The Urban Area of Guatemala



4. Demographics¹

The population of the Guatemala Metropolitan Region is 2.4 million (INE 1999), NOT IN REFS while that of the country is 10.5 million. In other words, 23 per cent of the country's population lives in the Metropolitan Region. There are 514,143 households, giving an average of 4.7 people per household, while the national average is 5.3. 89 per cent of the population of the Metropolitan Region is in the urban area.

The population growth rate in the Metropolitan Region was 3.1 per cent per annum between 1995 and 2000, but in Guatemala Municipality it was only 0.7 per cent, with population growth concentrated in the outlying municipalities, for example, 7.9 per cent in Villa Nueva, 3.8 per cent in Mixco, and 4.4 per cent in San Juan Sacatepequez.

Of the total population 48 per cent are men, and 52 per cent are women, and 77 per cent of household heads are men (INE 1999).

In contrast to the figures for the country as a whole, in which 55 per cent of the population are indigenous, in the Metropolitan Region this proportion is 19 per cent. 17 per cent of the population is under 7 years old, 19 per cent is between 7 and 15, 58 per cent is between 15 and 65, and 6 per cent is over 65.

In Guatemala the economically active population is identified as those between 15 and 65 years old. At a national level the percentage of the population in this range is 51, and for every 100 people of productive age, 95.5 are of dependent age. In the Metropolitan Area this ratio is 100:72.

The illiteracy rate of the population over 15 is 13.1 per cent, compared to the national average of 30.7 per cent (INE 1999).

As far as religion is concerned, Catholicism is predominant, but there is also a high percentage of Evangelical religions.

5. The Urban Economy

The primacy of Guatemala City can be seen through a series of economic data (Metrópolis 2010, 1995). It is estimated that the Metropolitan Region generates 63 per cent of the country's industrial production, and houses 70 per cent of the nation's industrial plants. The city carries out 90 per cent of internal commerce, 80 per cent of demand for goods and services, 71 per cent of investment in productive infrastructure, 80 per cent of private investment, and the 2.5 million inhabitants of the region demand almost 80 per cent of the country's public services (Metrópolis 2010, 1995).

a. Income

The average household income (INE 1999) is Q5,672.53 (US\$736.7), while average expenditure is Q3,672.23 (US\$476.9).

b. Employment Trends

The employment tendencies are as follows:

Of the total population occupied, 71.7 per cent works in services, 22 per cent in industry, 6 per cent in agriculture and 0.3 per cent in mining and quarrying (INE 1999).

According to the INE figures, unemployment is only 3.26 per cent, but the truth is that within the occupied population, there is a large underemployed population, that is to say their incomes are not sufficient to cover their needs. The majority of the population with insufficient incomes is in the informal sector.

There are no concrete data on the number of people in the informal economy, but it is continually growing as a result of immigration to the Metropolitan Region. It is estimated that the Region concentrates 90 per cent of the total informal economy in the country. It is further estimated that for each Quetzal generated in formal commerce there are two in informal commerce (Metrópolis 2010).

c. Economic Base and Resource Base

The economic base of the city is in services and industry. It is the centre of political and economic power of the country. The city was not founded for the exploitation of a resource, but as a centre for political, commercial and industrial power. This has been and continues to be its main role.

d. Relation to the Global Economy

As was already mentioned, the metropolitan area is the economic axis of the country, concentrating commercial activity (Metrópolis 2010, 1995).

e. Gender Participation in the Workforce

Female participation in the workforce is 42.5 per cent. The highest proportion of women workers is concentrated in unskilled labour, as well as services and sales.

6. Governance

The Sistema Nacional de Consejos de Desarrollo Urbano y Rural (National System of Councils for Urban and Rural Development) was created for the administration of the country. This is composed of a National Council, 8 Regional Councils, 22 Departmental Councils and 331 Municipal Councils.

The Metropolitan Region has a Metropolitan Council for Urban and Rural Development. This is also the Departmental Council. This system represents the public and private sectors, co-operative organisations, trade unions and NGOs.

The Mayor and Municipal Council are elected, the council being composed of councillors and síndicos. There are 17 municipal councils in the Metropolitan Region.

The Guatemala Municipality has recently set up a system of 14 districts, with auxiliary mayors. Within

each district there are delegations integrated by representatives of neighbourhood committees. The councilors are elected from the neighbourhood committees, and preside over the delegations. Within these, the mayor elects the auxiliary mayor. Finally there are Neighbourhood Committees, which are expected to have local security, education health and sports commissions

The municipalities are autonomous, with the capacity to elect their authorities, provide public services, obtain and spend local resources and control territorial plans in their jurisdiction. Moreover, they receive 12 per cent of the general national budget, which is distributed by the central government to the municipalities according to a formula which includes the population level, territorial area and level of development of the municipality.

The municipalities are the second level of elected government in the country. The regional and departmental authorities still do not have the power of the municipalities, due to their lack of autonomy, decision-making capacity and financial control.

The departmental governors and regional development council presidents are named by the President of the Republic, and lack autonomy, decentralised decision making capacity, and their own budgets, and as such, power over the municipalities. For these reasons, at the metropolitan level, these levels of government are inoperative for the purposes of inter-municipal co-ordination.

There are various political parties in Guatemala, the principal ones being the Frente Republicano Guatemalteco, in power in central government, and the Partido de Avanzada Nacional, in power in Guatemala Municipality and in other important municipalities in the Metropolitan Region. The political differences between these two parties prevent joint efforts in the development of the city.

The biggest problem facing the Metropolitan Region is that there is no political and technical organism administering and planning the territory. Each municipality manages its own territory, and there are often incompatibilities in land use and service provision between neighbouring areas. Only Guatemala Municipality has an adequate planning, zoning and urban construction control system, but it has no jurisdiction beyond its immediate territory. As well as Guatemala, in the Metropolitan Region only Mixco, Villa Nueva, San José Pinula and Santa Catarina Pinula have their own ordinances. The rest of the municipalities have carried out urban regulation on the basis of six obsolete instruments dating back four decades, as well as having a high level of institutional administration.

II. SLUMS AND POVERTY

B. TYPES OF SLUMS IN THE CITY

1. Types

As has already been mentioned, Guatemala has a critical poverty problem. It is estimated that in the Metropolitan Region, 60 per cent of the population is poor. Within this sector of the population, those with the lowest incomes live in precarious conditions.

The housing problem is a reflection of the poverty conditions of a sector of the population which does not earn enough to be able to pay for housing, and the state has not managed to develop an adequate housing policy, with subsidies for the poor population. As a result, poor families resort to various housing alternatives, such as lodging with family members, renting land to build themselves temporary housing, or renting rooms in palomares (old deteriorated buildings with improvised enlargements, where a family lives in each room). Another housing strategy is the acquisition of plots in private subdivisions which lack basic services and which are generally located on the slopes of ravines.

With these possibilities becoming exhausted, and in the face of their continued housing need, families, both individually in groups, invade private or state land, unused land, gullies or green areas for state housing projects. This housing form accounts for a third of the population of the Metropolitan Region.

In general, it can be stated that formal housing is built on flat areas, or on gentle slopes in the valley, or on the sides of the surrounding mountains, while the informal settlements are built on the sides of gullies within the city.

There is no official classification of the low-income settlements in Guatemala. The first attempt at classification was that carried out by the UNICEF-SEGEPLAN study. This characterised the precarious areas of the city, identifying 232 precarious settlements in 1991, inhabited by 702,100 people. This study classified the settlements into three groups: the most precarious settlements; those of medium precariousness; and those of low precariousness. The classification was made on the basis of conditions of habitation, taking account of the following variables: land ownership; facilities for urbanisation; public service supply; community structures; housing and plots. These variables are related to employment variables: income levels; access to work opportunities and basic goods suppliers. They are also related to the social conditions, which include the level of social organisation, and the collective identity of the settlement.

The most precarious settlements are those located on illegal plots, on land which is unsuitable for construction, with steep slopes, generally in gullies prone to landslides or floods, where there is no water supply, drainage or electricity or paved roads, no community

equipment, and where the houses are generally built of waste material, on irregular plots often of less than 72 m², and with no services in the house.

The settlements with intermediate precariousness levels in this classification have the land regularised, and although they are still mostly on the sides of gullies prone to natural disasters, they have better access, they have public taps and washstands, partial drainage and electrical systems, some pedestrian streets with pavements. Although they have some common health, educational and recreation equipment, the houses are still mostly made of waste materials, although they tend to be larger than 72 m², and some have internal services.

For the effects of this study, the term "slum" is understood to refer to all settlements of greater or medium precariousness, inhabited by the population with the highest indices of poverty, with a clear socio-spatial segregation in the urban area, and with a high degree of lack of satisfaction with their living conditions and basic needs and urban services. The land on which they are settled is not generally legally theirs. At both levels of precariousness, as well as these housing deficiencies, can be added precarious employment, health, educational and recreational conditions.

The study carried out by CEUR-USAC On living conditions and land tenure in the precarious settlements of Guatemala City classifies the settlements as follows:

a. Settlements on Private Lands

These are subdivisions of private lands, which have not been authorised by the municipality because of their location on steep slopes, or near foci of pollution, and which are sold without any services. They were sold to people of limited resources who were unable to buy a better-located, serviced plot. The purchase is normally not regularised.

b. Invasions of State or Private Lands

These invasions are rapid actions, and are often demolished, while many of the areas where they occur do not have the minimum conditions necessary for housing production (gullies, polluted rivers, by the side of railway lines, on rubbish tips, etc). The occupied state lands are mainly the property of BANVI and DAHVI. In some cases there has been a legalisation process.

c. State Sub-divisions

From the 1980s, BANVI began sites and services projects on the edges of the city. These were distributed as minimum lots with sanitary services, while the production of the house was left to the owner. At present, these settlements have the appearance of permanent settlements, with houses made of concrete block and corrugated zinc sheeting. Living conditions are slightly better than those in other settlements, and the legalisation of tenure is not a problem. However, in many settlements, the green spaces have also been occupied.

d. Urbanised Villages

These are peripheral rural villages lacking services, which have been absorbed by the growth of the city. There are illegal and irregular forms of occupation.

e. Renting

This is the situation in which the owner rents land for occupation without providing services.

f. Occupation by Permission

These are principally state lands on which the invaders have been given permission to live.

These two last categories are varieties of invasions. The proportions of different forms of access to land, according to the 1997 COINAP-UNICEF study were: invasion, 31,683 plots (92.9 per cent); sale, 1,611 (4.7 per cent); rental, 551 (1.6 per cent); by donation, 196 (0.6 per cent); and by transfer, 64 (0.2 per cent).

2. Location and Age of Settlements

The precarious settlements are largely located in the gullies which criss-cross the Guatemala Valley. They are mainly in the municipalities of Guatemala, Villa Nueva, Chinautla and Mixco.

Precarious housing areas were already typical of the Spanish colonial cities, in which the city centres were occupied by the Spaniards and Creoles, and the precarious areas, in the periphery of the cities were "Indian villages", in which the indigenous population, mestizos and blacks lived, constituting the artisan labour force of the city.

There has been no specific investigation into the ages of the settlements. However, the key dates are related to those of the city's history: the palomares originated after the 1917 earthquake. The big invasions of state and private lands occurred after 1959, and intensified after the earthquake of 1976. The big invasions of BANVI lands took place from the 1980s.

The present day existence and proliferation of precarious areas in the city follows two important processes. On the one hand, the urbanisation of the Metropolitan Region, since its growth as an industrial and service centre attracts populations from the rural areas. On the other hand, the pauperisation of the country resulted in an increase in poverty levels in the last few decades. This process has affected the urban poor, such that many people who lived in palomares, tenements, or with family, subsequently became land invaders.

3. Population Size and Characteristics

Just as there is no official classification of slums, there is also no official figure of the number of precarious settlements. There are clear differences between the figures given by the different institutions, for a number of reasons, principally because of the different criteria used

to define the settlements; the constant changes in names used; the lack of official statistics relating to precarious settlements (the National Statistical Institute – INE – only defines housing types without locating them in their socio-spatial context). The different institutions are agreed, however, that the growth of these areas is accelerating, and will continue to do so if the model of socio-economic development is not changed.

In the 1991 UNICEF-SEGEPLAN study 232 precarious settlements are identified, inhabited by 702,100 people. The rest of the poor population at the time, approximately 272,900 in the Metropolitan Region, lived in palomares and tenements. This adds up to 975,000 poor people living in inadequate living conditions. Of these 178,100 people lived in 91 settlements of maximum precariousness.

The quantitative study of the urban marginal areas of Guatemala City elaborated by the Inter-institutional Committee for Attention to Precarious Areas (Comisión Interinstitucional para Atención de las Áreas Precarias, COINAP), with the support of UNICEF, at the end of 1977, identified 161 precarious settlements, and 176 poor neighbourhoods, that is, 337 nuclei of population in situations of poverty and extreme poverty. Within the category of poor neighbourhoods can be included the settlements of medium or low precariousness from the 1991 study.

As far as growth of settlements is concerned, compar-

ing the existence of 91 settlements of extreme precariousness existing in the 1991 SEGEPLAN-UNICEF study, With the 161 identified in 1997, there was an increase of 76.9 per cent in the phenomenon in 6 years, or an increase of almost 12 settlements per year. However, the government's Human Settlements and Housing Division (División de Asentamientos Humanos y Vivienda, DAHVI) indicates that 2 new settlements are formed per month. Meanwhile, the population of 178,100 inhabitants registered in 1991, living in the settlements with high levels of precariousness, had grown to 231,900 in 1997, an increase of 30.2 per cent.

4. Socio-Economic Characteristics of the Population

In the face of the lack of statistical data from the censuses, the results will be used on the survey of 4,435 household heads in 61 settlements carried out in December 1993 as part of the Living Conditions and Land Tenure Study in precarious settlements in Guatemala City.

a. Age of the Population

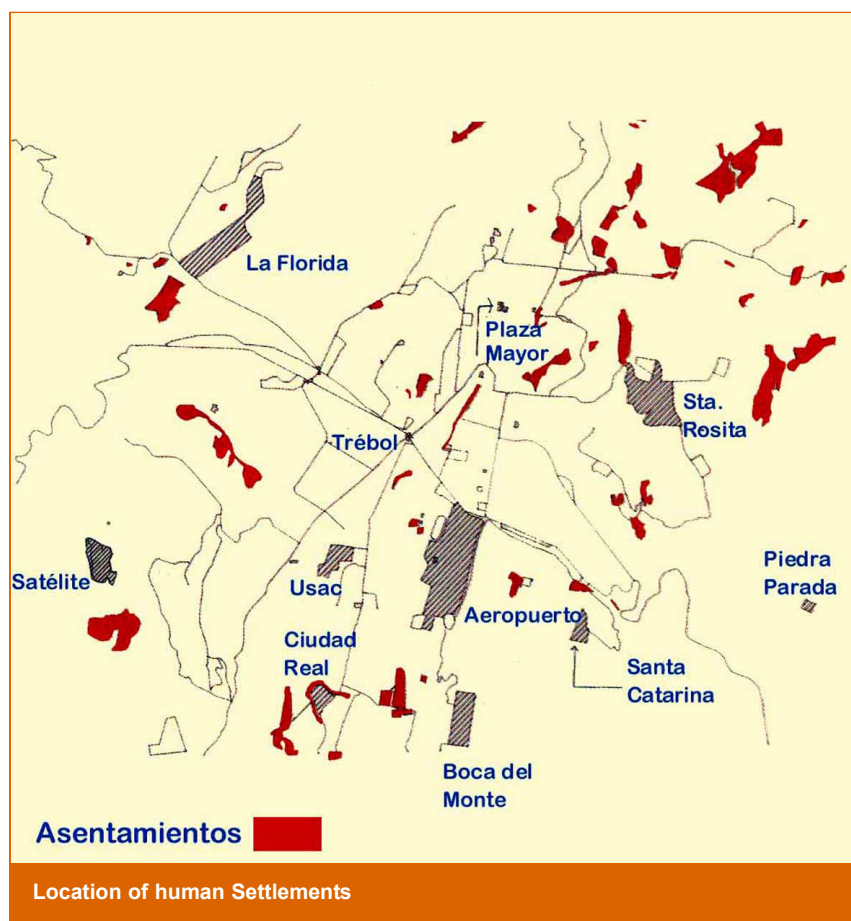
37 per cent of the population is under 14, a smaller proportion than the national one of 50 per cent. 53 per cent are between 15 and 49, with 10 per cent being over 50. This implies that the majority of the population is of an economically active age, and is looking for an entrance to the workforce.

b. Migration

59 per cent of the household heads are immigrants, with 52.3 per cent being from other departments, predominantly from the south-west and south-east of the country. Only 6.6 per cent migrated from other municipalities in the Metropolitan Region, while the rest were born in Guatemala Municipality. 71 per cent of the migrants explained that they had migrated to improve their family's economic situation.

c. Income

One of the methods used to measure poverty is to establish whether a family's income covers the cost of a basic food basket (canasta básica de alimentos CBA), and a basic vital basket (canasta básica vital CBV) which also includes costs of transport, health, education etc. Those



below the CBA level are in extreme poverty, and those below the CBV level are below the poverty line.

31 per cent of household heads interviewed have incomes below Q500; 51 per cent below Q1000; 11 per cent below Q1,500 and only 7 per cent have incomes of more than Q1500 per month. The average income of household heads of precarious settlements does not cover the CBV, and especially in the case of the invasions and rental settlements, does not cover the CBA.

d. Employment

47 per cent of the interviewees worked in the private sector, 38 per cent in the informal sector, and 15 per cent in the public sector.

C. OFFICIAL DEFINITIONS OF SLUMS

1. Definitions and their Predominant Use

The definitions which appear in the Municipality of Guatemala housing policies and documents are *asentamientos humanos precarios* (precarious human settlements) and *barrios urbanos marginales* (marginal urban neighbourhoods).

Without being official, these settlements are also commonly referred to as low-income colonies or poor neighbourhoods, when they already have most of services, they are proprietors of the land and they have a formal housing.

D. UNOFFICIAL DEFINITIONS OF SLUMS

1. Popular Understandings of Slums

The inhabitants of the settlements alone refer to their settlements as "settlements", with the hope that one day their nucleus will enter the category of "urban colony". This is what happened with the settlement of La Limonada, one of the older marginal settlements, whose residents prefer to call it 'Colonia 15 de Agosto'.

2. Relevant Local Language Terms

The most common language terms are:

- *asentamiento*: settlement
- *barrio marginal*: marginal neighbourhood
- *palomar*: dovecote

Other terms used are:

- *toma*: land invasion
- *champa*: precarious housing, self-built with waste materials



3. Slum Dwellers' Perception of their own Status

The people interviewed manifested their preoccupation that their situation is critical and they receive no efficient support from the government or the municipality. They have been organised in residents' associations to fight for their demands for tenure legalisation, the construction of formal housing and basic services. They state that they are willing to pay, if granted low-interest facilities, in line with their limited economic possibilities.

E. OFFICIAL DEFINITIONS OF POVERTY

1. Definitions and their Predominant Use

The officially used definition of poverty is the situation in which a household's income is below a minimum previously defined as the poverty line.

The poverty line in Guatemala is defined in monetary terms, as the income necessary to satisfy minimum calorie requirements as well as other non-alimentary needs (transport, education, health). Extreme poverty is defined as being when a population is unable to achieve the necessary minimum calorie intake. The poverty line in Guatemala, according to ENIGFAM 98-99 data was, for that period, Q4,020 for poverty and Q1,873 for extreme poverty.

2. Changes to Definitions over Time

In Guatemala indices of basic unsatisfied needs (NBI) have been used to create poverty maps since 1993, based on the 1981 census, and later updated with the 1994 census data. The NBI indices take as their refer-



Settlements views

ence minimum standards in dwelling type, crowding, subsistence capacity, school attendance, and sanitary situation (potable water and waste elimination).

The principal difference over time is that formerly poverty was defined in terms of a basic alimentary basket, and now it is defined in terms of minimum calorie consumption.

F. UNOFFICIAL DEFINITIONS OF POVERTY

1. Popular Understandings of Poverty

In the opinion of a person of medium income *“it’s not that there are several categories of slum neighbourhoods, but rather there are people in extreme poverty, who crowd into peripheral areas and who need housing and services. Although some have partial services”*.

“The settlements are a den of thieves. The government should make the people there work, or put all those dirty Indians into jail” was the opinion of someone without much social conscience, but which reflects racial discrimination in Guatemala.

2. The Poors’ Perception of their own Poverty

According to the inhabitants of the settlements, their main preoccupation is tenure legalisation, since they live with the uncertainty of whether someone might evict them. Furthermore, while their situation is not regularised, they will not receive services. They indicated that they had to join invasion groups because the rent they paid in palomares increased too quickly. For other residents of a legalised private subdivision, their main

priority was to combat violence and crime generated by the gangs, and then to resolve problems of services and equipment.

G. THE ORIGINS OF THE SLUM TYPES

1. Social, Economic and Political Forces which have Formed the Slums

The precarious settlements have been forged as a result of constant immigration, accelerated from the 1950s by economic problems (poverty), political problems, and as a result of natural phenomena such as the 1976 earthquake, and the natural increase in population.

2. Social, Political and Economic Advantages of the Slums to the City

One of the principal characteristics of the precarious settlements is that their populations are predominantly in the productive age range (CEUR-USAC 2000). The inhabitants of the low-income settlements contribute to the growth of the informal economy, and constitute the source of low-cost labour for manufacture, industries and services.

However, these contributions are, more than an advantage, a problem for the development of the city and the country, given that the low-incomes they receive do not allow the inhabitants to satisfy their minimum social requirements, nor to gain access to adequate habitat, leading them to occupy dangerous areas, which furthermore, are the only green areas left in the city.

The indigenous immigrants tend to lose their culture due to the urban influence. Furthermore, there is an

interaction of different ethnic groups between the populations of a single settlement, whose residents have their origins in different parts of the country. In the city, the great majority of traditions come from the Spanish or Creole roots, for example, fiestas and processions.

Politically, the oldest settlements represent an electoral base, because their inhabitants are registered as having been born in the city. Those settlements, as such, motivate political interventions. The more recent settlements have immigrant populations who do not vote in the city, but in their places of origin.

H. DATA AVAILABLE ON THE CITY'S SLUMS

Census Data

In view of the lack of a complete census of the precarious settlements, the data presented here will be taken from the survey of 61 settlements in the 1993 CEUR USAC study and the 1992 UNICEF SEGEPLAN study.

1. Permanent Structures by Type

Of the 161 settlements with high or medium levels of precariousness in the 1992 UNICEF SEGEPLAN study 1992, the results were: 22 per cent with irregular plots of under 72 m², housing constructed with waste materials and without interior water, electricity or drainage; 27 per cent with regularised plots of less than 72 m², houses constructed with waste material, and without internal services; 26 per cent with regularised plots with plot areas of 72 m² or more, houses made of waste material, and without internal services; 20 per cent with regular plots of 72 m² or more, the houses built of waste materials, but with internal services; and 5 per cent with the same characteristics, but with the houses built of solid materials.

The materials used in the walls were 59 per cent block or brick, 29 per cent wood, mainly bark, or waste materials, 8 per cent adobe, 7 per cent corrugated iron, 3 per cent other materials (plastic and waste materials).

There is a correlation between wall materials and length of residence in the settlement, since in the first year plastic and perishable waste materials predominate. Wood, bark and corrugated iron predominate in years 1 to 10, while block, brick and adobe predominate in settlements over 10 years old (CEUR USAC 1993).

In the floors the main materials are cement skim (39 per cent), earth (39 per cent), and brick or poured

cement (26 per cent) (CEUR USAC 1993).

In the roofs, the most common material is corrugated iron (86 per cent). This material is the cheapest on the market, but does not provide any thermal insulation. The rest of the houses have roofs of waste materials, burnt clay tiles, or concrete slabs in the oldest houses (CEUR USAC 1993).

2. Access to Water

The same study indicated that 17 per cent of the households studied had no service, and bought water from lorries. 36 per cent took their water from a public standpipe, 8 per cent from a standpipe with washstands, 8 per cent had tap stands with some houses with internal water, and 31 per cent the majority of houses had internal water.



3. Access to Sanitation

In the same study, 48 per cent of settlements had no drains or cesspits, 15 per cent had no drains, but were in areas with natural drainage. 20 per cent had sewage systems in part of the settlement, 16 per cent had sewage systems and rainwater drains in part of the settlement, and 1 per cent had combined drainage systems throughout the settlement.

4. Rubbish Collection

26 per cent of the settlements have rubbish collection, while the rest do not. The majority of those without collection services throw the rubbish into the gullies, increasing pollution.

5. Access to Electricity

Five per cent of the settlements studied had no electricity network or public lighting; 8 per cent had no public lighting, but had electricity provided illegally; 39 per cent had no public lighting, and bought electricity from other houses with a legal service; 15 per cent had partial coverage of public lighting and electricity; while 33 per cent had total coverage.

6. Transport and Delivery

Of the settlements studied, 27 per cent had streets and access without any type of levelling or compaction, as well as being located on steep, muddy irregular terrain; 48 per cent had untreated streets, but the terrain on which they were built was not especially irregular; 9 per cent had the streets and pavements treated, on not very irregular terrain; 14 per cent had paved streets and



Images showing the high density of the settlements

pavements in regular terrain, but only in part of the settlement; 2 per cent had paved streets and pavements, and were located on regular terrain, in all or most of the settlement. In most of the settlements there was no access for vehicles, only pedestrian streets.

7. Access to Education

Seventy-two per cent of the settlements surveyed had neither buildings nor land for them; 1 per cent had adequate lands; 19 per cent had buildings in bad conditions for the service; 8 per cent had buildings in good conditions, and functioning.

8. Crime Rates

Precariousness is also expressed in cultural disintegration, and the existence of a fragile nuclear family, in which the children and women work, and are often victims of intra-familial violence, exploitation and disintegration (COINAP-UNICEF-ISMO, 1993). Some research projects indicate that 20 to 25 per cent of the women who live in the marginal areas of Guatemala City are single mothers, and that of every 10 adolescent women, 4 have a child, and are single (Westhof, 1991).

Poverty in the precarious areas extends to the psycho-social level, and provokes emotional instability, lack of interest and low self-esteem. At this level, inter-communal violence, alcoholism, drug addiction and environmental destruction can be seen as the most evident effects of abandonment and marginality.

Presently there are high levels of violence and criminality generated by the maras (gangs of adolescent criminals) who create territories within the settlements, and engage in drug-taking, rapes and assaults. Lately there have been increased fights between maras, with various homicides as a result.

9. Density of Population

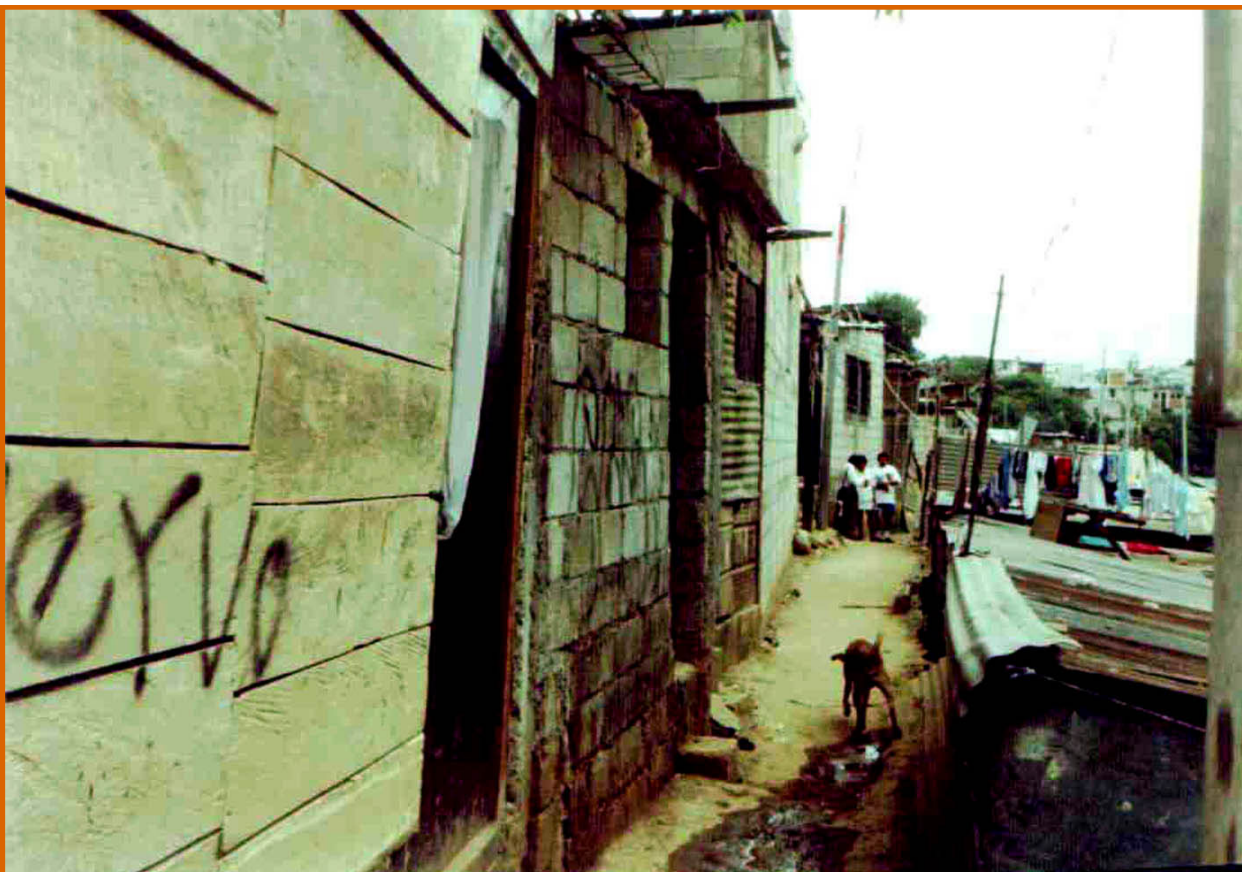
There are no figures specifically for the settlements, but making inferences from the data for the settlement of Divina Pastora, density is about 600 people per ha. (Note that this is not a planned settlement, it has no vehicular streets or areas for equipment, and the gully areas and those not occupied because they are too steep a slope have not been counted)

With regard to occupation of the housing, 21 per cent of houses have 5 inhabitants; 20 per cent have 4; 15 per cent have 6; 13 per cent 3; and 9 per cent of houses have 7 inhabitants. The average 5 people per room.

From these figures it can be seen that there is a high level of crowding in the precarious settlements, since 56 per cent of houses have one room for 4 to 6 inhabitants, 21 per cent for 7 to 10 people, and only 23 per cent have a room for 3 or less people.

10. Secure Tenure

Fifty-nine per cent of households do not possess their land with any legal security (32 per cent possess it illegally, 27 are in the process of legalisation). 25 per cent of households have private legal property and for 16 per cent there is no information (these figures come from the study of 61 settlements by CEUR USAC 1993).



III. SLUMS: THE PEOPLE

I. WHO LIVES IN THE SLUMS

1. Short Histories of Typical Slum Households

Josefina is from the countryside. She was born in the Department of Santa Rosa, in the south-east of the country. At 14 her father sent her to stay with some relatives in the capital. She married at 19, and had 7 children. She has lived in one of the neighbourhoods of La Limonada for the last 40 years, which originated in the invasion of the La Palma farm in 1959.

"I am one of the invaders of this neighbourhood. Previously I rented a room when my children were small. But my husband couldn't afford the rent anymore, with the family growing, and as it was so hard to rent a room that was slightly more decent, because the adverts always said "room to rent without family", that made all the people come to the gullies. My husband said "I'm going to get a plot, where all the people are getting them, perhaps while our children grow up, so that they can get us out of there". But it wasn't like that, because some of them are still here with me, some with their wives.

At the beginning, ¡Ay Dios! This settlement was just wooden shacks, it was frightening. A fire here, and all the huts would burn. Because they were all wooden, there wasn't a single

block house. We bought the house, which was a bark house. It was all rotten, with a few bits of corrugated iron. We gradually saved up to build the house. One month we bought one thing, the next month another, until we got everything together. Then we saved money for the builder, to come and make the house.

We've had hard times in these gullies, we even had a mudslide here, and moved to another hut. When my sons were electricians we could put some money together to build this wall... and to build it up a bit formally, with rooms and all" (USAC DIGI PUIEG 1997).

Josefina explained that she worked all day in domestic chores in residential neighbourhoods in the area, and at night she left the food for the next day made and washed her children's clothes in the public washstand of a nearby church. Her husband became an alcoholic, which generated family violence. They used to have to get water from the public standpipe before dawn. They obtained electricity by buying it illegally. After 18 years, they had a household water supply installed, and a little later, an electricity connection – with her sons' help. They managed to get the registration of their land, and the neighbourhood has been improved to a certain extent, with most of it having drainage and domestic water supply. But it continues to be a precarious neighbourhood. She mentioned that she had not obtained anything from the government.

Juan, Asentamiento Divina Pastora:

"My wife had just had a miscarriage, and going to get the medicine I was hit by a car, and broke my legs, and so I couldn't work, and we couldn't pay the rent in the room we lived in, close to here in Zone 6, and they were going to throw us out. Someone told us they were invading these lands, so she came and marked out our land".

2. Aspirations, Plans and the Barriers to their Fulfilment

Berta, Asentamiento Divina Pastora:

"Here every day is the same, washing, cleaning... even weekends and holidays, there is no rest. I help my husband working in domestic chores in a nearby settlement. Our older children stay behind looking after the younger ones. Some are at school in the mornings, and others in the evenings. At night I cook the beans and lunch for the next day, at weekends I wash my family's clothes. We have to go and get the water early, we take turns. Until recently we bought wood to cook on, now we have a gas stove. My husband doesn't have studies either, and he works as a gardener. We go out together in the mornings. We want to buy the materials to improve our house, but we haven't been able to".

Working 60 hours a week is very common, and many women work double shifts, both outside the house and in the house. They even work in the settlement when it is necessary to build some improvement project.

Carlos, Settlement Leader, Asentamiento Divina Pastora:

"Our priority in our fight was to get legal tenure. It is easy to demolish a settlement which is one or two weeks old, because the huts are still very simple, while it's harder to demolish a settlement that's a couple of years old, because the houses are more formal. But we still think that it gives us security to have our title inscribed in the Property Registry. In other situations of evictions by the police for having usurped the land, a lawyer advised us to place a parallel demand with a judge, denouncing police abuse in the potential eviction. We used this to prolong our stay, since, while the state appealed, we could put in another appeal, and all this went on for a year, while we negotiated with BANVI, and the settlement consolidated. Now we are about to get our titles, and we are working on a drainage project".

J. HOUSEHOLD INDICATORS

The data in this section came from interviews with 20 families in the Divina Pastora settlement. This is a project whose origins lie in the invasion of state lands belonging to the National Housing Bank (BANVI). The settlement was founded in October 1997. The gully where it was founded was the rubbish tip for the BANVI El Quintanal settlement, and another part of the colony

was to be the green area for that settlement. The settlement is divided into five sectors.

There are 300 families living in the settlement (approximately 1,965 people in total), living on 202 plots. The plots are in the process of being regularised by FOGUAVI, they have public standpipes, and domestic services with communal meters. There is electricity in some parts, with communal meters, and the rest of the inhabitants have illegal connections, or they buy it from neighbours. As a result of the residents' efforts, there is partial coverage of pedestrian streets, concrete steps and some drainage. There is a rubbish collection service, and a bus stop 200m away. In the neighbouring settlement of El Quintanal there is a market, a health centre a pre-primary school and a nursery.

11 households with female heads were interviewed, and 9 with male heads, giving the following data:

1. House Form

The houses are self-built by the occupants. Walls: 40 per cent, had a permanent structure, with block walls, while the remainder had corrugated iron (35 per cent), bark (15 per cent) and waste materials (10 per cent). Roofs: 95 per cent had corrugated iron roofs, while 5 per cent had tiled roofs. Floors: 75 per cent had earth floors, 15 per cent had liquid cement floors, and 10 per cent had concrete floors. Size: 5 per cent were 20 m², 5 per cent were 26-27 m², 25 per cent were 35-36 m², 10 per cent were 40-45 m², 15 per cent were 57-58 m², 15 per cent were 64-66 m², 10 per cent were 72 m², 5 per cent were 95 m², and one house (5 per cent) was 150 m². The average size was 49.7 m², not counting the 150 m² house, which was an exceptional case.

Table 4: Family Income By Head Of Household In Precarious Settlements

Income Range, Q	Income Range, US\$	Female Heads %	Male Heads %
0-500	0-63.29	23.9	9.3
501-1000	63.42-126.58	44.8	39.8
1001-1500	126.7-189.87	18.7	29.6
1501-2000	190-253.16	7.7	12.9
2001-2500	253.29-316.45	3.2	3.7
2501-3000	316.58-379.74	1.1	2.3
More than 3001	More than 379.87	0.6	2.3
Total		100	100

Source: Ceur Usac 1994

2. Income by Quintile and Household Type

Of the households interviewed in Divina Pastora, the average income was Q1,559 (US\$197.34). 75 per cent of the households were below the extreme poverty line, and the rest were below the poverty line.

3. Birth / Fertility Rates

The average fertility rate per adult woman was 4.5 children.

4. Types of Tenure

Of the 200 plots in the settlement, 85 per cent were being legalised by FOGUAVI, 15 per cent were not being legalised, because FOGUAVI had decreed that they were in risk areas, at the top of the gully, next to a school.

5. Literacy Rates

The inhabitants of the settlements are people who have been marginalised by the system. The older people in the settlements have had no access to education, while the youth have access to education, but generally start late, at around 8, and often do not finish their secondary studies, because they have to work. The problem becomes a vicious circle, because the lower qualifications they have, the fewer labour opportunities there are, and the lower the pay.

Table 5 shows the educational levels of household heads in the precarious settlements.

In the households surveyed, total literacy was 66 per cent.



6. Occupancy Ratios

There was an average of 6.5 people per house. The average size of the house was 49.7 m². Therefore there was an average of approximately 8.7 m² per person. However there were extremes, such as the following: houses of 20 m² occupied by 6 people, giving an average of 3.3 m² per person, or another house of 36 m², with 10 inhabitants, giving 3.6 m² per person.

7. Length of Household Residency in Slum

There are no statistics on the mobility of the residents of the settlements. Some residents, or their children, leave the settlements when they have better incomes. When they go, they sell or rent their house. However, residents of low-income neighbourhoods can live there all their lives, even leaving the house to their children. The children bring their families, and if they don't inherit the house, or they build elsewhere, they occupy other plots in the settlement, or go to occupy plots in other settlements.

Table 5: Educational Level of Household Heads in the Precarious Settlements (%)

Educational Level	Female Heads of Household	Housewives	Male Heads of Household
None	3.5	2.9	1.7
Incomplete Primary Level	61.8	60.8	53.4
Complete Primary Level	23.6	24.5	27.8
Some Secondary Level	7.6	9.4	12.5
Some Diversified Level	2.6	2.1	3.2
Some University Level	.9	.3	1.3
Total	100	100	100

Source: CEUR USAC 1994

K. THE COSTS OF LIVING IN SLUMS

1. Commuting to Work

Distance and time vary, but the average time taken is 55 minutes, although this varies from people who work nearby, and walk from 5 to 15 minutes, to those who work 20 to 25 km away on the other side of the city, taking up to 2 hours, depending on the traffic.

2. Price of Water and other Services

The community has a potable water supply provided by the municipal water company EMPAGUA, in its programme of attention to precarious areas. The cost is Q19.75 (US\$2.5) per month per family. The purchase of

barrels when there was no running water was more expensive.

The cost of the electricity service is about Q50, (US\$6.33) per month for those households that have it.

A cellular phone service which works with cards has been installed. Each card costs Q20, (US\$2.53), and the households use one to two cards per month.

There is a rubbish collection service, which costs Q20 (US\$2.53) per month.

3. Rental Rates

The average annual income for a family in the Metropolitan Region is US\$ 5,075. Rents in the formal sector are US\$ 93 per month, for an average house of 38m² (Políticas y programas de vivienda en Guatemala, IDB 2000).

5. Health Problems

Many of the principal health problems are contagious respiratory diseases, diarrhoeas, and skin infections, due to the humidity of the houses, as well as the lack of water and drains, stagnant water and lack of rubbish elimination.

In the settlement studied there were no known cases of HIV/AIDS. There is no official information on this disease in the precarious settlements, but it is known to have been advancing in the urban sector.

6. Psychological Trauma

There were no known cases of suicide in the settlement studied, and nor are there general data on this phenomenon in the settlements. What is evident is that intra-family violence is commonplace. Some selections from interviews give an idea.



"When my father was drunk he hit us... He took his belt buckle and he hit me here, he cut me. Blood poured out of my head, and he acted like it was nothing. He also hit my little sisters. Once he threw one against the door, and there was a block of cement. My sister has the scar, he opened a hole, blood poured out" Hortencia³

"About 2 months after coming to live with him he began to hit me, and he hit me and hit me... he went to sniff drugs, and I told him off... and he ended up hitting me... with his feet and fists, going for my face..." Marina⁴

7. Financial Expenditure for a Typical Slum Household

Typical expenditure can be broken down as follows: Food, 75 per cent; Transport 6 per cent; Schooling, 5 per cent; Health, 3 per cent; Electricity, 3 per cent; Water, 2 per cent; Rubbish Collection, 2 per cent; Telephone, 2 per cent; Others, 2 per cent.

Meanwhile, in the informal sector, the average rent is US\$46.5 per month for housing with the same average size.

4. Access to Housing Finance

The participation of the informal sector in the provision of housing represents about 40 per cent of total housing investments in the Metropolitan Region. However, the populations of these areas do not have access to private banking credits.²

The state, by means of FOGUAVI, has created a subsidy for buying or improving housing, as well as one for the buying or legalising of plots, in which the state provides US\$1,550, and the user US\$516.

L. ASSETS AVAILABLE TO SLUM DWELLERS

1. Social Capital

In some settlements there are neighbourhood committees, which establish quotas to build up funds. These funds are very low, and are destined for particular projects, or for emergency use, such as landslides, fires, accidents or to build works to prevent them (drainage canals, retaining walls etc).

The settlers' social organisation is generally weak and unstructured. It is more turned towards making demands for occasional repairs than for other purposes.

However, there is a national structure of settlers' associations, called the Movimiento Nacional de Pobladores (National Settlers' Movement – MONAP). This entity is the one which has played the most important role in the demands at a national level, in discussions with the National Housing Council.

2. Human Capital

This is the only form of capital in most precarious settlements. The limited educational and health levels of the inhabitants were discussed previously. The children mostly help their parents in work on the home or in family businesses from the age of 8.

Infrastructure works are generally carried out on a bipartite basis. The DAHVI, the electricity company, the municipalities or other entities provide the materials and skilled labour, and the community has to provide the unskilled labour. In these tasks it is very common to see women and small children working as labourers. The household heads who work elsewhere during the week work on the infrastructure projects at weekends.



Precarious housing conditions

3. Physical Capital

Land ownership, basic services, and some community provisions such as common rooms, schools, sports fields etc. constitute the settlements' physical capital.

Legal security of tenure gives a much more positive approach to life for the settlers.

IV. SLUMS AND POVERTY: THE POLICIES

M. POLICIES AND ACTIONS TAKEN TO IMPROVE SLUMS AND ALLEVIATE POVERTY

1. Locational Targeting

The main programmes carried out in the settlements for the improvement of living conditions are tenure legalisation, relocations, infrastructure and subsidies for housing construction.

1.1 Legalisation.

The first case of property regularisation with direct state intervention was in the settlements resulting from the occupation of lands in the "peninsula" (a table land between gullies) of El Mesquital, with five settlements. Although on private property, the state, through BANVI, bought the lands in 1985, to distribute them to their occupants (CEUR USAC 2000). In 1990 the government finally agreed to regularise the five settlements known as "La Limonada", but did not produce the title deeds until 8 years later (CEUR USAC 2000).

Expectations improved in 1997, when the government authorised the sale of such properties, although the impact of the new legalisation programme was limited. Legalisation of private lands is more complicated, especially because of the situation of hereditary property owners (CEUR USAC 2000).

1.2 Relocations.

In the case of legalisation of state lands, when the plots are in high risk areas, they are not legalised, and attempts are made to relocate the inhabitants to other areas. However, many people stay in the high risk areas, due to the lack of alternatives offered by the government.

1.3 Infrastructure.

After legalisation, a process of service provision is undertaken by the DAHVI and the Guatemala Municipality, when the settlements are in their municipal jurisdictions.

1.4 Subsidies.

Within housing policy, attention to housing through direct subsidies for the most needy sectors is considered. However, attention to housing in precarious settlements has been insufficient. The housing, land and

legalisation subsidies are important means of addressing this problem, but it seems that they have not had an important impact on the precarious settlements of the Metropolitan Region. They only reach approximately 1 per cent of the population in terms of legalisation and improvement work. The subsidies for infrastructure improvements in the legalised settlements set up by the Dirección de Asentamientos Humanos y Vivienda (Centre for Human Settlements and Housing - DAHVI), had a value of Q14 (US\$1.8 million) in 1999, with an average of Q7 million (US\$0.9 million) in the four previous years. DAHVI provides infrastructure only to legalised settlements on BANVI lands, at an average cost of Q3,500 (US\$45) per family. With this budget, it can be seen that the achievement of the DAHVI results is limited in relation to the size of the problem.

1.5 Housing Construction.

Housing construction by the state in the precarious settlements has been practically non-existent. BANVI carried out some self-build housing programmes in the 1980s, after the earthquake. It also partially implemented a sites and services scheme, in which a plot with sanitary services was provided to the user. Neither of the projects finally reached the poorest.

1.6 Base Problem.

So long as there is no change in the socio-economic model followed by the country, the precarious settlements will continue to grow. There have been, and are no serious actions by the government to eradicate the problem of precarious settlements in Guatemala.

2. Policies and Programmes

The national housing policy set out in the short term for 2001 to 2003, and long term to 2011, has as its objectives:

"To facilitate access to adequate housing⁵ for Guatemalan families, giving priority to the families in situations of poverty or extreme poverty, and to vulnerable and disfavoured groups, by means of strengthening the legal, institutional, financial and technological framework which governs the sector; the efficient development of housing, the improvement and addition to existing housing, and the provision of basic services, with the participation of central and local government, organised sectors of the population, NGOs, the business sector, and international co-operation agencies".

This declaration indicates a clear advance in policy material. The policy is clear in regard to slums. It took positive and negative experiences, and through the lessons learned, the policy was established to overcome the problems encountered. The policy was published in August 2001, with the important characteristic of having been prepared in a participatory fashion, with the involvement of slum dwellers, the private

sector, NGOs, universities, government institutions and municipalities. up to the present there have been no tangible results, since the government has run up against problems in the execution of the policy.

3. Socio-Economic Targeting

As has been seen, the most serious political, economic, social and ethical problem in Guatemala is that of the generalised poverty in which a high percentage of its population lives.

The government officially contemplates poverty reduction within its strategies, but there is no incentive to generate more employment, or to form micro-enterprises, and as such, government programmes are merely assistance programmes. That is to say, programmes are merely palliatives, but do not attack the root of the problem.

The government approved a Poverty Reduction Strategy (Estrategia de Reducción de la Pobreza - ERP) in 2001, with the aim of setting up a participatory planning system for poverty reduction, which will serve as the base for deciding on the strategy to use at different geographical levels. The basic aim is to reduce poverty, especially extreme poverty, on the basis of proposals and initiatives at the community, municipal and departmental levels.

The specific objective is to institutionalise within the system of Urban and Rural Development Councils, especially at their municipal and departmental levels: a) considerations of the causes of poverty, and realistic options for resolving them; b) the monitoring of the implementation of the options selected; c) the evaluation of the impact of the options implemented. This requires, on the one hand, the elaboration of poverty reduction strategies at the departmental level, on the basis of participatory planning carried out in the communities and municipalities. On the other hand, it requires capacity building among the members of the councils to identify the local causes of poverty, and viable options to resolve them. They also have to know how to monitor and verify the reduction of poverty on the basis of economic and social indicators. Finally, they have to be trained to carry out social audits, especially on the poverty reduction process.

These objectives are plausible. There are no tangible results as yet, since the programme began only in May 2002.

4. Non-Governmental Interventions

There are some isolated NGO actions with regard to precarious settlements: ESFRA, which deals with training programmes, and SODEVIP, which had a successful experience with the legalisation of land in "La Limonada" settlement.



N. THE IMPACTS OF THESE EFFORTS

1. Success Stories and Potential Best Practices

Although there has been no significant impact from any programmes, because of their small scale, the best examples of interventions are the processes of tenure legalisation, the provision of improvement infrastructures and the relocation of families in risk conditions. The intention of the subsidy programme for housing was good, but in practice it was poorly managed, since it did not reach the families who needed it.

2. Reasons for Successes and Failures

2.1 Legalisation

The reasons why the legalisation programmes in La Limonada and the settlements on BANVI lands can be considered successes are because they offer an incentive to the inhabitants to continue fighting for services and housing improvements. Without this requisite, there will be no type of help, and they will live in constant uncertainty. The increase in security of tenure is also essential for the reduction of crowding in established invasions. Another important aspect of the legalisation

process is that it rationalises land use in the settlements. The success of the legalisation programmes is appreciated after some time, when improvements and permanent constructions in the settlements are observed. The problem is that legalisation of tenure is a long and complex operation.

2.2 Infrastructure

The few infrastructure programmes have been a success, since they motivate the participation of the inhabitants, and improve their living conditions. They improve access to the services necessary a socially acceptable lifestyle, they result in improved health levels, and avoid environmental deterioration. However, some have failed due to technical problems resulting from unqualified labour and lack of supervision.

2.3 Relocations

The relocation of inhabitants from risk areas is successful precisely because it diminishes the risk of disasters. An example is the relocation of families who had settled next to the railway line, when this service was privatised. But the relocation programme does not solve the inhabitants' problems, because as well as being insufficient, it has generated collateral problems. One of these is that the areas where they are relocated to are normally on the urban periphery, with only a partial installation of services and without housing, as well as increased transport costs. Another problem is that when a family is relocated, often the plot they leave is occupied by another family. This happens as a result of need, and a lack of proper control, as well, probably, as a strategy by the new occupiers to be relocated as well.

2.4 Subsidies

The subsidy system is a success insofar as it has solved the needs of the population in the few places in which it has been implemented. Subsidies are indispensable as a social compensation for gaining access to stable acceptable habitat for the low-income population, who do not have the capacity to pay. Its failure is in the method of implementation, since the coverage for the low-income population was very limited.

3. Lessons Learned

The following points are generally agreed on, and some of them were taken into account in the discussions about housing policy:

3.1 Relocations

A National Environmental Risk Commission should be set up, with representatives of all interested parties, with the capacity to decide which invaded settlements should be legalised and improved, and which should be relocated.

3.2 Legalisation

An agile and continuous system should be institutionalised to supervise and accelerate the transfer of property rights to invaders of public and private lands, introducing the necessary legislation to simplify this process. The commission should: a) act to reform the law which controls the sale of public lands in order to reflect real market values; b) introduce a new law to regulate the sale of invaded private lands; c) create a mechanism to privatise the legislation process; d) negotiate the payment terms between owners and residents, administering funds in the form of a rotary fund for legalisation.

3.3 Infrastructure

There is a need to plan and implement an aggressive Long Term Residential Infrastructure Programme, at a national level and with emphasis on the Metropolitan Region, both in existing communities and for the urban periphery. The implementation of projects should occur at the beginning rather than the end of the legalisation process, with priority on minimising environmental risks. The systematic expansion of infrastructure networks within the urban periphery should occur as a previous condition for controlling growth, assuring an adequate offer of residential land at reasonable prices in the years to come, and for guaranteeing the quality and affordability of housing.

3.4 Subsidies

The use of housing subsidies should be rationalised to attend to the poorest sectors of the population, including the precarious settlements in the Metropolitan Region. The government should agree to assign regularly 1.5 per cent of its income to housing subsidies, with a good distribution, as set out in the 1996 Peace Accords. The housing subsidies should be assigned to programmes with the maximum added value, and should be used both to produce new housing and to improve existing housing. There should also be a balance between subsidies granted to communities for infrastructure improvements, and those to families for the purchase of housing, land and construction materials, improvement and extension of housing.

Subsidies should be granted on a demand rather than offer-driven basis. Despite the fact that FOGUAVI's objective is to work on demand, experience has been that it has been offer driven. This has not allowed the subsidies to reach the most needy population, while a large proportion of plots with services promoted by urban development companies using the subsidies have remained unoccupied.

Working by demand means allowing the population to organise itself to request subsidies, rather than allowing intermediaries to choose the projects. The participation of developers should occur with approval from the beneficiaries. For this to work, these must be organised in housing committees, and, having obtained the subsidy

approvals, they must choose which option best serves them. This approach does not completely reject working on an offer-driven basis, but it is important to explore the offer available evaluating other mechanisms for assigning subsidies in programmes and projects which generate the greatest effects.

3.5 Employment

As was previously mentioned, as long as there is no change in the socio-economic model of the country, poverty will continue to increase. In order to combat poverty, it is vital to generate an employment policy for the precarious settlements. This should promote the location of industries in the surrounding areas, especially labour-intensive manufacturing industry, especially at first. This should go together with the encouragement of micro-businesses, and training programmes. The population should also be organised into consumption co-operatives, and other approaches which help to improve family incomes.

3.6 Country Plan

All of this should be accompanied by an employment policy for the rural areas, and a countrywide territorial policy to strengthen the intermediate urban areas to diminish the rhythm of migrations to the Metropolitan Region. There also has to be a serious demographic policy. Despite such measures, it is impossible to avoid the city doubling its population over the next 20 years. As such, policies must be prepared for this situation.

3.7 Importance of Leadership

Each of the programmes discussed has been carried out thanks to the leadership of the community leaders, who are the people who have brought to light the problems, have managed and overseen the projects. Settlement associations have even been organised at a national level, like the National Settlers' Movement (Movimiento Nacional de Pobladores - MONAP) and the Guatemalan Settlers' Front (Frente de Pobladores de Guatemala - FREPOGUA). These organisations also managed to achieve a very important representation in the formulation and evaluation of the National Housing and Human Settlements Policy.

3.8 Importance of Various Types of Capital

It has been shown that the best way to carry out projects is by joining forces. And a large part of the projects have been carried out in a tripartite form, with capital from the state and the municipalities, and contributions from the settlers, who normally provide unqualified labour. Among the state's resources are contributions from international finance organisations such as the IBD. Other projects, such as the legalisation of La Limonada enjoyed the participation of an NGO which also received financing from a European NGO.

3.9 Importance of Correct Targeting

In all cases the target (the designated beneficiary) was correct, because the projects attended to the people who required the interventions, in the priority projects (legalisation and relocation), except in the case of housing subsidies, in which the target must be corrected.

O. MONITORING, FEEDBACK AND ADJUSTMENT

1. Budget Commitments

In the government budget, there are no explicit commitments to the precarious settlements. In the investment budgets of the ministries and social funds, the coverage of the precarious settlements in the Metropolitan Region comes under the investment budgets for the whole poor population. The same is the case with the municipal budgets. Up to the present the government has not complied with the investment of at least 1.5 per cent of the budget into housing subsidies.

2. Policy Commitments

In the housing laws and policies related to human settlements, there is a clear compromise of providing access to land, relocating families in conditions of risk, and subsidising the populations of precarious settlements.

3. Commitment of NGOs to Monitoring Slum Conditions

The NGO projects have been isolated, and the impact of their participation has been minimal in the provision of solutions to housing problems and slums. The housing policy contemplates strengthening civil society and the community organisations, co-operatives and self-managed companies and family companies, and supporting their intervention in processes of legalisation, prioritising budget commitments for the distribution of complementary credits, and the construction of housing and support infrastructure.

4. Commitment of International Technical Co-operation Agencies

The international co-operation agencies act according to the management and politics of the country.

■ UNICEF: through its work in supporting children, it has sought to finance research projects which provide information on the situation in the precarious settlements. It maintains a latent interest in supporting the process, more with technical assistance than financial

assistance.

■ The Central American Bank for Economic Integration (Banco Centroamericano de Integración Económica, BCIE), is a second level bank. FOGUAVI manages the first phase of a trust for US\$24 million, for a first stage, destined to housing subsidies and financing.

■ Inter-American Development Bank (IDB): Has financed the housing programme, the result and impacts of which have not been those hoped for, because of failure in management at the country level.

Of the US\$60 million of funds approved by the IDB for FOGUAVI, 82 per cent were distributed, leaving a figure of US\$10.7 million. Furthermore, the IDB has US\$20 million for the second stage of the programme, as long as the government complies with certain conditions for correcting the resource management.

The Guatemalan Government is managing a new loan from the IDB, not related to FOGUAVI, of US\$54 million for tenure legalisation, infrastructure improvement, community installations and reduction of risk of landslides in informal settlements in four municipalities in the Metropolitan Region (Guatemala, Chinautla, Mixco and Villa Nueva). It is ironic that an almost identical sum (US\$55.4 million) was already available in the original IDB loan to FOGUAVI, with the same aim. The IDB and the other financial organisms are waiting for proposals from the government. ■

ENDNOTES

¹ Data from a national income and expenditure survey carried out in 1998-1999 by the Instituto Nacional de Estadística (INE).

² In itself, the mortgage market in Guatemala is small, compared to other countries. This is because of a lack of general confidence in the economy, a lack of institutional sources for long-term funds, and the absence of mortgage instruments (such as indexing) to maintain the value of investments long-term. In the last few years, only one commercial bank, Vivibanco, has offered better mortgage loans with entry subsidies, and emitted titles in the short-term (two to three years), to finance them, with a moderate liquidity risk (IDB 2000).

³ Ibid

⁴ Ibid

⁵ According to Article 4, paragraph D of Decreto 120-96, Adequate Housing is defined as: the area constructed for the purpose of housing, which fulfils the characteristics of legal security of tenure, availability of infrastructure, basic services, and proximity to community installations.

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ACRONYMNS

BANVI Banco Nacional de la Vivienda - National Housing Bank

BCIE Banco Centroamericano de Integración Económica – Central American Bank for Economic Integration

CBA canasta básica de alimentos – basic basket of food

CBV canasta básica vital – basic vital basket

COINAP Comisión Interinstitucional para Atención de las Áreas Precarias – Inter-institutional Commission for Attention to the Precarious Areas

DAHVI División de Asentamientos Humanos y Vivienda – Division for Human Settlements and Housing

FOGUAVI Fondo Guatemalteco para la Vivienda - Guatemalan Housing Fund

FREPOGUA	Frente de Pobladores de Guatemala – Guatemalan Settlers' Front
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
INE	Instituto Nacional de la Estadística – National Statistical Institute
MONAP	Movimiento Nacional de Pobladores - National Settlers' Movement
NBI	Necesidades Básicas Insatisfechas – unsatisfied basic needs
NGO	Non-Governmental Organisation
UNDP	United Nations Development Programme

SPANISH TERMS

<i>Ladino</i>	Spanish speaking (ie culturally not indigenous)
<i>Palomar</i>	Literally "dovecote". Slum tenement housing in the old city
<i>Mestizo</i>	Person of mixed race (normally African and European)
<i>Asentamiento</i>	Settlement
<i>Barrio marginal</i>	Marginal neighbourhood