

## **The Rehabilitation of Consolidated Irregular Settlements in Latin American Cities: Towards a Third Generation of Public Policy Housing Analysis and Development**

Peter M. Ward<sup>1</sup>

This paper – ideas in progress – reports on new research that I am developing that is intended to build and extend upon some of my early work in the field of Latin American low-income housing and urban policy development, and which also looks head-on at the issue of urban rehabilitation. However, unlike most of that genre of work which focuses upon the historic core of cities, this research examines the need housing rehabilitation of older “consolidated” informally produced settlements. In many cases these formed informally some 25-30 years ago and were successfully upgraded, but now, after intense usage they are often highly dilapidated and deteriorated. The proposed study locations are: Buenos Aires (Argentina), Bogotá (Colombia), Caracas (Venezuela), Lima (Peru), Mexico City (Mexico), Rio de Janeiro (Brazil), and Santiago (Chile).

### ***Recent Trends in Latin American Urbanization and Housing Development***

Latin America is approximately 70% urbanized, with a large proportion of that population living in major metropolitan areas (Gilbert, 1994; 1996). These larger metropolitan areas grew have grown dramatically in the past 50 years as a result of province to city migration and natural increase: at the height, overall city growth rates of 5% per annum were not unusual. In the earliest phase this influx and growth was fuelled by import substituting industrialization that generated an expanding job base, especially for male labor, albeit low paid. Nevertheless, the opportunities for migration on the one hand, and for entry into formal labor markets on the other, resulted in significant socio-economic mobility for many poor workers who became integrated into working and lower-middle classes (Roberts 1995). However from the late 1970s onwards economic expansion slowed, and the economic model began to shift towards more export oriented job creation and services. Job selection intensified, and higher paid and/or stable jobs declined throwing an ever-increasing proportion onto the informal and more vulnerable labor market. Women, too, began to enter the economically active population in greater proportions. Whether through economic slow down or through intense austerity measures undertaken in some countries as economies sought to adjust and recast their economies to a global reality, an intensification of poverty has been the widespread result.

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<sup>1</sup> Peter M. Ward holds the C. B. Smith Sr. Centennial Chair in US-Mexico Relations at the University of Texas at Austin. He is Professor in the Department of Sociology and at the LBJ School of Public Affairs. <mailto:peter.ward@mail.utexas.edu>

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This process has been accompanied by a downsizing of the state apparatus and a withdrawal of the traditional subsidies and social welfare supports that most governments offered their poorer populations (especially metropolitan ones). Many former government functions have been privatized or handed off to non-government organizations (NGOs). More than ever before, households have been thrown back on their own devices, and until the 1990s at least, it appeared that while modest socio-economic mobility was the exception rather than the rule, most households adopted what were commonly termed “survival strategies” such as intensified reciprocity, lot and dwelling sharing, household extension, etc., in order to make do. More recently still, the gap between the formal and informal sectors appears to have deepened, so that the latter is no longer capable of sustaining the very poor as in the past. There has been a shift away from a “resources of poverty” model to one of a “poverty of resources” (González de la Rocha 1994; 1998). This is the “new poverty” of the late 1990s and early 21<sup>st</sup> century.

Of course, urban patterns have shifted to accommodate (and to reinforce) this new economic reality. Metropolitan growth rates have slowed, and some are almost in a steady state of no-growth. New “intermediate” cities, however, are growing quickly – partly in response to more assertive planning and decentralization, as well as to the greater attraction of these sites for modern industrial investment.

This urbanization, predicated as it is upon low-income employment, provides the context to any analysis of housing throughout the region. Poverty and low-wages, combined with an inability of the formal sector (public or private) to provide adequate affordable housing, meant that housing production was undertaken informally. Whether through land invasion, or (more usually) through illegal lot sales, self-built housing became the prime means of access for would-be home-owners to enter the land and housing markets (Gilbert and Ward, 1985). Vilified initially, governments gradually became aware that these areas improved over time, and ultimately would become integrated physically into the city. Indeed, their growth rates of 10-12% per annum at this rapid growth stage meant that they quickly became the majority settlement form in the built up area. Housing policy switched away from half-hearted eviction programs towards supporting self-build and bootstraps approaches (Ward 1982). It was a housing process that “worked” (Turner, 1968).

While other important housing sub-markets (rental tenements for example), self-help housing and *de facto* ownership (often converted later to *de jure* ownership) have become the primary means whereby low-income groups may gain a foothold in Latin American property markets. But in tune with the macro economic changes outlined above, the nature and dynamic of the process have changed dramatically. Today there are fewer affordable opportunities to break into the self-build market than before. More specifically in the context of my proposed research, the “stock” of self-help settlements that were created between the mid-1950s and the middle 1970s, and which were successfully “consolidated” (improved), are now under intense pressure socially, and have become severely distressed physically. If these were rarely the slums of which they were often falsely accused in the past, today they are in danger of fast becoming the slums of the future.

## ***Towards a Third Generation of Housing Research and Policy Analysis.***

The past thirty years have seen two broad generations of public policy response towards low-income housing markets and self-help in particular. First, “urban projects” which embodied a more positive approach as well as the active support of public sector intervention in low-income housing (Jones and Ward, 1994). These approaches found their outlet in new “sites-and-service” type programs on the one hand, and in upgrading of existing settlements, on the other. Generally the aim was to work collaboratively with self-help settlements to provide basic services and land title, and to leave much of the dwelling construction in the hands of the households themselves. This projects-based approach of sponsored direct government intervention was widely espoused during the 1980s and continues today (Payne, 1984; United Nations 1996).

Second, is a less direct form of intervention in which the aim is to build up the capacity of the market to work more effectively on the one hand, and on the other, to strengthen local urban administrative capacity in urban management, making housing and urban development more sustainable and replicable (Jones and Ward 1994; United Nations, 1996). This meant reducing subsidies, registering property ownership, recovering service installation and consumption costs etc. – for rich and poor alike. Beginning in 1990, this “urban management” approach exists in parallel with direct intervention supports at the local level. The aim, however, is to try to make cost recovery of these local programs more viable, as well as to provide for a more equitable and replicable systems of urban development.

Today, however, there is a need for a third generation of research and of normative policy analysis directed at the issue of urban *rehabilitation*. Unlike earlier periods, when the focus was upon *upgrading*, the thrust of future analysis and policy will need to focus upon the now dilapidated and deteriorated older housing stock. Here there are two major research frontiers. First, inner-city redevelopment which, for several years now, has attracted some substantial interest especially in especially in cities with a strong cultural patrimony of colonial and post colonial buildings and monuments. Work to date has focused upon the nature of the inner city ‘problem’ and population dynamics (Ward 1993); land use mapping and the rescue of valued physical patrimony (Jones and Bromley, 1996) and the possible reuse of such sites; joint venture financing for redevelopment around spatial ‘fixes’ Scarpaci and Gutman, 1995; Jones and Varley, 1994); gentrification and issues of balancing physical restoration with minimal population displacement, etc., (Ward, 1998).

A second principal arena of concern is outside of the city center – in the intermediate ring and first corona of the city – where the long-established former irregular settlements are most likely to be located. These developed during the period of early industrial growth that fuelled rapid city expansion and industrialization – in most countries starting during the 1950s and ‘60s (Gilbert and Ward, 1985). It is this second area that is the focus of my current work, since systematic research that targets the renewal and recasting of old irregular settlement housing stock is entirely lacking. In their haste to address the growth and integration of recent peripheral areas and shantytowns, planners and local authorities appear to have ignored the need for maintenance and rehabilitation programs of this older housing stock. This is an important oversight since these settlements form the bulk of the now intermediate ring of most cities as well as parts of the

older periphery. Moreover, a relatively large proportion of those original owners (or their families) still occupy their lots, since residential mobility is much less of a norm among low income home owners in Latin America (Gilbert 1999). To a greater or lesser extent these settlements will have been affected by the first two generations of public policy. They have long since been ‘upgraded’ and comprise a significant proportion the contemporary built up areas. All urban services are installed, streets are paved, dwellings are brick built and ‘consolidated’ to differing degrees forming a highly heterogeneous mix of housing levels, styles and living arrangements. Tenure patterns are similarly mixed: original later arrival owner-occupiers, renters, ‘sharers’ (usually close kinsmen); land uses are mixed comprising residential, smaller scale commercial and services enterprises; public and private utilities and spaces, etc.

Notwithstanding the relative decline in the proportion of original lots dedicated to residential land use in such settlements, population densities remain. This is due to increases in family and household sizes, and as an outcome of multiple lot sharing either between kin related households or between unrelated renter households in small tenements and apartments. However, it may also be that these high population densities have begun to decline, as individual families age and shrink in size and are not compensated by on-site multiple living arrangements.

Several of these aforementioned processes and arrangements are becoming more fully understood as research, albeit belatedly, has begun to focus upon rental housing in irregular settlement (Gilbert, 1993); property relations and inheritance patterns; female headed and extended household structures and on-lot sharing dynamics (Chant, 1991; Varley 2000); care for the elderly in irregular settlements (Varley and Blasco, 1999); and the existence of populations embedded in structures recently termed “new poverty” and which are characterized by severely reduced employment and social capital opportunities (González de la Rocha, 2001). Rental and shared housing in older consolidated settlements are almost certainly an important (yet understudied) housing niche for these “new” urban poor.

Yet the policy implications of the social and physical process of irregular settlement aging have not been systematically analyzed. Although not without criticism (Ward 1982), informally-produced housing in the past was widely regarded as being advantageous to the poor offering as it often did an affordable option, economic flexibility, autonomy, low outgoings, more space, etc. Yet the longer-term outcomes have never been properly explored. Moreover, self-build made use of “sweat equity” and required little or no training or building expertise. We are beginning to perceive that there is a significant downside to self help, and that this may be having its impact upon successfully integrate and consolidated settlements. Specifically, 1) there is little standardization and virtually no compliance with safety codes. Load bearing walls may be structurally unsafe to allow the additional weight of a second story. 2) Building was rarely conceived within an overall plan, but grew by accretion according to particular needs and priorities at the time (often to provide additional sleeping space for growing children, for example). Thus floor plans are inefficient and anachronous to contemporary needs. 3) The sum-of-parts that buildings represent are also a reflection of the household’s economic profile over the years, such that some rooms may be unfinished and poorly equipped, particularly those added during times of austerity (1980s onwards). 5) Lots are often intensively used and may be subdivided among kinsmen or other households making for residential insecurity among different “stakeholders” on the lot, as well as for difficulties in reorganizing and rehabilitating the overall

dwelling. 5) It also seems likely that some of the stagnation and distress associated with the “new poverty” is being inserted into residential arrangements within well-consolidated settlements, albeit in ways that we do not yet understand.

Moreover there are macro economic reasons why rehabilitation may be constrained. As stated at the outset, low wages prevail throughout Latin America. Also, even for those who have full employment in waged positions, earnings are relatively ‘flat’ and do not increase substantially with seniority or age. Disposable income throughout the region is largely a function of the state of the broader economy on the one hand (job creation, wage levels, other social reproduction costs); and on the other, it will be a function of the number of contributing workers in any one household. Both factors will seriously affect the shape and nature of dwelling consolidation. And both factors have changed significantly. The early phase of settlement and consolidation described above occurred during a period of economic expansion and widespread entry into waged labor – albeit low income. This would have provided for some disposable income to be invested in self-help. However, working against this is another important constraint operating among young household structure which had very limited opportunities for inserting multiple household members into the labor market (Roberts, 1995).

On the costs side, too, there have been important changes: namely rising real prices of building materials since the late 1970s; a shift away from grants and subsidies in upgrading projects towards more systematic and real price charging for service provision and consumption from the mid 1980s onwards. Also, austerity and declining employment options together with other costs associated with household social reproduction (food, transport, etc.) will have further reduced the relative rate and ‘success’ of self build in recent decades – at least when compared to that of the 1960s-70s. In order to meet these rising costs and/or avoid having to sell-up, many self-build owners have adopted “survival strategies” such as sharing allowing kin to share their lot (and costs); sub-letting to tenants; and perhaps will even have sold off a portion of the lot. Little wonder, therefore, that today these older and widely assumed to be “consolidated” settlements are looking increasingly distressed and dilapidated. But to date there has been little systematic and comparative research to investigate processes and policies appropriate for these long established areas. This research gathers original data to better understand the following broad issues and questions:

- Contemporary settlement land uses: mixes and overall population densities.
- Tenure patterns (owners and non-owners) at both settlement and on-lot levels.
- Household structure and inheritance arrangements as original owners age and die.
- Household arrangements and social interactions as these occur within lots as well as at the intra-settlement levels.
- Employment and income earning opportunities among household members and the “new poverty” in Latin American cities.
- Contemporary disposal income and possible resource sharing between “stakeholders” living on each lot.
- The needs, claims, aspirations and opportunities for different “stakeholders”.
- Household budgets and dwelling expenses.

- Current physical dwelling structure arrangements including: layout, incremental construction, current usage; construction materials, levels of dilapidation, room improvements undertaken or planned.
- Contemporary housing needs relative to new and emerging household arrangements.
- Identified needs and priorities for dwelling redesign and rehabilitation.
- Contemporary techniques and practices for dwelling refurbishment, and the principal impediments (financial, judicial, familial) to their being undertaken.
- The ways in which local government and Non Government Organizations might intervene and support in-situ rehabilitation.

Thus, by opening up an entirely new line of systematic enquiry, this research promises to make a substantial contribution to low income-housing theory. Its findings will also intersect with theoretical and empirical debates on household organization, survival strategies versus the “new poverty”, and the impact of economic change upon housing investment. Concretely, too, it will offer insights that are designed to directly inform normative approaches that will facilitate in-situ housing rehabilitation in older irregular settlements.

In 2001-2002 it is anticipated that data will be gathered by independent research teams in each city, where two or three settlements will be surveyed in detail. As well as detailed contextual analysis of the city’s spatial evolution and political economies over time, detailed settlement surveys will include structured and unstructured household interviews, community focus groups, etc. Often these settlements will be selected by virtue of their having been studied in detail in the early and late 1970s by the author (or by other collaborating researchers). This will provide an opportunity both for longitudinal and selected cross sectional analysis of the same household over a 20/30 year period.

While important differences may be found in each city (access to land, the nature of building materials, modal lot sizes, levels and nature of state intervention, economic buoyancy and job creation, etc.) past research has demonstrated that meaningful comparisons may be made (Gilbert and Ward, 1985). Also, most of the important upgrading projects in the region today are multi-national, seeking as they do, to identify best practices that are transferable. Thus, I am confident that a number of typical settlements will be identified for survey controlling for age, advanced level of consolidation, high population densities, modest to high lot sharing and mixed stakeholders, etc. Working within a local interdisciplinary perspective of sociologists, geographers, architects, engineers, and housing policy specialists, it is hoped that a new generation of normative approaches will be developed for in-situ upgrading and refurbishment.

Thus, while not strictly speaking coping with illegality since most of these settlements have long since been regularized, it does address head-on the issue of informally produced housing that is now out-of-synch with people’s contemporary needs. As well as ongoing informality of emerging residential arrangements, especially tied to rental and to sharing, this has created new tensions among “stakeholders” that may also require fresh and imaginative approaches towards tenure regularization and dwelling refurbishment. We need to do the science that will allow us to inform a third generation of housing policy and coping with informality.

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