Community self-help and the homeless poor in Latin America

J Stewart and P Balchin

The Journal of the Royal Society for the Promotion of Health 2002; 122; 99
DOI: 10.1177/146642400212200211

The Journal of The Royal Society for the Promotion of Health; June 2002, **122** (2), pp. 99-107

Article

Community self-help and the homeless poor in Latin America

J Stewart, P Balchin

Jill Stewart, BSc(Hons), MCIEH, MSc, FRGS, FRSH, PGCE, ACIH, *Senior Lecturer in Housing and Environmental Health, School of Health and Social Care, Avery Hill Campus, Mansion Site, University of Greenwich, Avery Hill Road, Eltham SE9 2UG, England Email: j.l.stewart@greenwich.ac.uk*

Paul Balchin, PhD, BSc(Hons)(Econ), *Reader in Urban Economics, School of Architecture and Construction, University of Greenwich, Oakfield Lane, Dartford DA1 2SZ, England Email: p.n.balchin@greenwich.ac.uk*

Corresponding author: *Jill Stewart*

Received 20 June 2001, revised and accepted 23 November 2001

Key words

Homelessness; housing credit schemes; housing the urban poor; informal housing; Latin America; self-help schemes; shack settlements; social housing; squatter housing

Abstract

Finding realistic housing solutions that are able to respond to the realities of poverty in the developing, or newly industrialising, world are frequently distinct from those suited to the developed world due to levels of poverty and differing welfare regimes. This requires a different understanding of the concept of housing and shelter for developing and developed countries. Population increase and emerging habitation patterns in parts of Latin America have required that policy-makers review traditional 'top down' approaches to the way the homeless poor are treated and how self-help or 'bottom up' schemes are increasingly seen as a sustainable way forward in providing affordable housing options to both governments and communities.

Over the last decades, mass in-migration to cities has put pressure on governments to provide public housing - but two major problems arose: firstly, governments found it difficult to finance the increasing demand for public housing; and secondly, the nature of employment and the informal economy in the developing world meant that this new housing was often too costly for the urban poor, in some cases increasing homelessness still further.

Recent policy developments tend to favour supporting what the poor are and have been able to achieve for themselves, with appropriate government support. Upgrading shack settlements is now recognised as a community driven and cost-effective response that can, if appropriately supported, offer an initial and sustainable solution to urban housing need by tapping into additional non-governmental sources of funding. In the absence of a major public sector housing stock to meet demand, governments are also recognising that self-help housing schemes for families able to access funding and resources offer a further innovative approach to meeting housing need.

The nature of housing and shelter in the developing world requires a unique response so that it remains attainable and affordable to the poor. Neo-liberal policies, increasingly adopted in Latin America, are not able to provide suitable, sustainable and affordable housing delivery and alternatives need to be explored. This paper traces some developments in Latin American housing policy and explores some of the challenges that are faced in responding to the unique housing needs of the urban poor.

Introduction

For the homeless poor, doing nothing is not an option at times of acute housing need. In Latin America - as in other parts of the developing world - it is the poor themselves who have frequently had to provide for themselves in a variety of means and often against many odds. Whilst there is some government financial and other housing support in Latin America, there are many who fall outside of established welfare systems. Latin American countries tend to have a better gross domestic product (GDP) per capita than other parts of the developing world, but their housing problems are similar in terms of their rudimentary welfare regimes and these problems have become acute.

The problem is not simply an issue of numbers of housing units required. The situation is a complex mixture of enabling provision in ways that respond appropriately to urban poverty in the developing world without creating further homelessness and alienation. In referring to the Economic Commission for Latin America and the Caribbean (ECLAC), Gonzales[1] reported that 18-20 million housing units are required in the region, with approximately 50% of households living in unsatisfactory conditions and a housing deficit that disadvantages those on low incomes who struggle to find their own housing solutions. Other developing countries face similar issues and many are learning from international experiences that can provide some affordable options for the world's poor. Internationally, recent policy responses have particularly concentrated on what

Figure 1

Aerial view of rural shack settlement in Guatemala

Jill Stewart 2001

This figure illustrates how communities can construct shack settlements on unused land, using locally available construction materials, but lacking any formal, planned infrastructure or services.

the poor themselves have achieved in providing their own housing and shelter, largely through shack settlements, and how such initiatives can be recognised, supported and developed by governments where need is so acute.

The situation has become acute for many reasons, but in particular this is due to in-migration to major urban areas to find employment. Such an increase in population requires an increase in the availability of housing, which frequently cannot be met because of low GDP per capita available to fund and sustain public housing schemes. Cost-rents and house prices are frequently unattainable to the urban poor, who are forced to sleep on the street,[2] rent unsatisfactory accommodation close to urban centres;[3, 4, 5] or create shack settlements mainly on the urban periphery.[6, 7, 8, 9]

Table 1

Settlement crisis in the developing world

Deteriorating conditions in human settlements in the developing world

- Unsustainable consumption and production patterns, particularly in industrialised countries
- Unsustainable population changes, particularly in structure and distribution, tending toward excessive population concentration
- Homelessness
- Increasing poverty
- Unemployment
- Social exclusion
- Family instability
- Inadequate resources
- Lack of/inadequate basic infrastructure and services, including fundamental public health measures and health care
- Lack of adequate planning
- Growing insecurity, violence and crime, particularly amongst the young which may be attributed to abandonment, geographical stigmatization and powerlessness
- Environmental degradation, sometimes resulting from unsuitable site location
- Increased vulnerability to disasters, sometimes resulting from unsuitable location

Source: based on UNCHS[12] and Vanderschueren[13]

As a result, millions have had to resort to living in 'illegal' shack communities (Figure 1) that they are trying to regularise through their own efforts, but with appropriate support from government, non-governmental organisations (NGOs) and civics (very informal civil and local community organisations) support. There has been an increase in the number of self-help housing schemes both within shack communities and more widely in seeking to provide very low-cost housing where there are no alternate options. For the purposes of this paper shack settlements (sometimes referred to as shanty towns, squatter settlements, etc) are defined as informal settlements that lack legal status - and therefore any form of infrastructure - but nevertheless provide a form of affordable housing and shelter to the urban poor. Self-help is defined as any scheme whereby low-income residents themselves take the key role in designing and constructing their homes, with access to funding opportunities from informal or formal sources.

Notwithstanding the emergence of neo-liberal economic policies in recent years, there has been a renewed effort of Latin American countries to assist and encourage low-income housing through a range of initiatives with the state as provider or enabler and the right to housing being contained within several regional constitutions. This paper explores some of the options available in upgrading informal housing and amenities in shack settlements and promoting self-help housing for those willing to invest their own energy.

Difficulties in public housing provision in the developing world

Perhaps the key difficultly for policy-makers is how to address housing need. It is extremely difficult, if not impossible, to extrapolate and compare empirical data from published material because the picture is so sketchy. Governments may be unwilling to confirm, or simply not able to provide, any accurate information about the number of households living in informal shack settlements (whether or not regarded as homeless) or in other unsatisfactory housing. This allied to the relationship between the state and individual, which may be antagonistic, does not help in quantifying statistics. In any event, it is perhaps prefer-

able to focus on the process of change, rather than the quantifiable change in itself, when upgrading conditions for shack communities.

About 37% of Latin America's population live below the poverty line and 16% in extreme poverty, particularly indigenous populations in rural areas in countries such as Bolivia, Guatemala (Figure 2), Panama and Peru.[10] However, there is a notable absence of reliable statistics that provide insight into poverty based on incomes and assets. One test of need is to attempt to examine how many live in poor homes or neighbourhoods lacking basic infrastructure and services that are fundamental to health. International figures suggest that around 600 million urban dwellers in Latin America, Africa and Asia live in cramped, overcrowded dwellings, cheap boarding houses or shelters built on illegally occupied or subdivided land. Tens of millions sleep outdoors.

Such poor housing and homelessness is more acute for urban dwellers, who frequently house themselves on dangerous sites such as steep hillsides, flood plains, polluted sites, waste dumps, near to open drains or sewers, or polluted industrial areas, when often more suitable land is available, but difficult to access.[11] For example, the *favelas* in Rio, Brazil, are sited on hillsides and in danger of floodplain slippage; those in Lima, Peru, are situated on polluted landslides and many in Tegucigalpa, Honduras, arise from the environmental devastation caused by Hurricane Mitch in 1998. However, data on Latin American housing overall is limited (or even absent) and not generally comparable amongst its countries and regions.[11, 12] Because the nature of urban poverty is so dynamic, it is hard to quantify those in poverty and need; the poor are not merely passive pawns, but respond to their poverty by finding their own (affordable) housing solutions.

Recognising the need for adequate shelter and making human settlements safer, healthier and more liveable, equitable, sustainable and productive, the United Nations Conference on Human Settlements (UNCHS) met in Istanbul in 1996. The resulting Istanbul Declaration sought to provide a comprehensive agenda that recognised and responded to the deteriorating conditions of human settlements (Table 1),[12, 13] particularly in developing countries, as part of the Habitat Agenda.[12] A major focus of the campaign is to encourage good urban governance to promote inclusiveness globally.

The work of the UNCHS includes collating global data statistics of urban indicators and city profiles that provide insights into the nature and extent of human settlements for many parts of the world; gaps in the data will be filled in gradually (Tables 2 and 3).[14, 15] The organisation is working to harmonise and standardise definitions and classifications at national and city level, and the database is being maintained and updated with projections until 2030. The UNCHS Habitat website (www.unchs.org) enables data to be compiled and extrapolated by country (e.g. Argentina, Mexico, Peru), cross-referenced by category (e.g. housing, economy, infrastructure, services) and/or by topic (e.g. health, safe water, sanitation services). City profiles can also be accessed, offering information on social development, shelter, environmental management, economic development, governance and international cooperation.

Table 2

Examples of populations with access to safe water and sanitation in Latin America

Country	Year	Population with access to safe water (%)			Population with access to sanitation (%)		
		Total	Urban	Rural	Total	Urban	Rural
Argentina	1980	57	65	17	79	89	32
Belize	1994	89	96	82	57	23	87
Bolivia	1992	53	78	22	41	58	16
Brazil	1991	72	86	31	44	55	3
Chile	1992	85	94	37	X	82	X
Colombia	1993	76	88	48	53	78	33
Costa Rica	1992	92	86	99	92	85	99
Ecuador	1993	70	82	55	64	87	34
El Salvador	1993	55	78	37	68	78	59
Guatemala	1980	45	89	18	29	45	20
Honduras	1994	66	81	63	65	81	53
Mexico	1993	83	91	62	56	81	25
Nicaragua	1994	61	81	27	31	34	27
Panama	1992	83	X	X	86	X	27
Paraguay	1980	21	39	10	91	95	89
Peru	1993	60	74	24	44	62	10
Uruguay	1990	X	100	X	X	X	X
Venezuela	1990	79	80	75	58	64	30
UK - for comparison	1985	100	100	100	100	100	100

X=data not available
Source: based on UNCHS[14]

Figure 2

Indigenous housing in Guatemala

Jill Stewart 2001

This figure provides an example of indigenous housing near Lake Atitlán, Guatemala

It still remains difficult however to extrapolate data to provide accurate detail for 'informal' housing. UNHCS is also looking at indicators for 'tenure types' and 'eviction', to help assess need. Two of their indicators relevant here are for homeless people and squatter (or shack) housing, where tenure is insecure, and subject to eviction. Statistics are difficult to obtain, often estimated through aerial photographs. Compiling eviction data is complex and intermittent, because some countries evict more than others, some allow shack upgrading, whilst others deny support services in an attempt to discourage settlements. The key shelter indicators are however enabling some important information to be collated for policy development.[16]

Table 3

Examples of housing indicators per number of inhabitants in Latin America

Country	Year	Housing units per 100 inhabitants		
		Total	Urban	Rural
Argentina	1990	26.2	X	X
Bolivia	1992	24.6	X	X
Brazil	1980	21.7	X	X
Chile	1992	23.7	X	X
Colombia	1985	17.9	X	X
Costa Rica	1984	18.9	X	X
Ecuador	1990	22.8	22.3	23.3
Guatemala	1981	18.2	15.9	X
Mexico	1990	19.4	19.7	18.9
Panama	1990	25.1	25.2	24.9
Paraguay	1992	21.6	X	X
Peru	1992	22.7	X	X
Uruguay	1985	28.6	X	X
Venezuela	1990	21.1	20.8	22.7
USA - for comparison	1990	40.2	39.9	41.4

X=data not available
Source: based on UNCHS[15]

Shack settlements - finding sensitive responses

Traditional (first world) responses to housing in the developing world often fail to meet the needs of shack communities because the concept of housing can be inappropriate and insensitive to the realties of urban poverty and rudimentary welfare regimes. Even where social housing programmes do exist, between 30% and 60% of the population continues to live in inadequate shelter with insecure tenure. This is normally because governments fail to understand and respond with appropriate institutional support and provision for self-help low-cost housing.[17] Therefore, different approaches need to be considered that meet the unique housing needs of the developing world.

Various schemes to provide public housing have been attempted in Latin America, although most have exacerbated the problems of homelessness and poverty. Public housing is thus an unsustainable alternative to shack settlements in much of the developing world. This first became apparent during the Jimenez regime in Venezuela between 1954 and 1958. In conjunction with the Banco Obrero (the principal housing agency) 85 'superblocks' were constructed in Caracas and 12 in La Guiara, which had negative consequences due to rent arrears, lack of maintenance and an overriding lack of social facilities, possibly due to the speed with which the blocks were designed.[8, 9, 18, 19] The Venezuelan government constructed some 15% of housing in Caracas by the 1970s, but similar to the experience of Bogotá, Mexico City and Santiago de Chile,[11] the public housing proved unaffordable to the majority of urban poor and maintenance was largely neglected due to rent arrears and the high cost of maintaining such constructions. Many simply created their own housing in shack settlements - *barrios* - in locations more convenient to accessing employment opportunities, representing a main feature of local urban expansion.

Shelter provided by and for low-income households reflects the culture, values and resources available to those not able to participate in more formal housing schemes. For these reasons, design and construction are non-traditional, but reflect the direct and acute needs of low-income households with little, if any, formal local control by admin-

istrations and professional input. It is characterised by the fact that it lacks common characteristics and can be rapidly reconstructed or added to as needs change. These characteristics, their communities and the reasons behind such developments growing, work to some extent and need to be developed, not sidelined, by input from administrations in understanding the reality of why and how they exist.

There remain several key problems of public housing as a policy response to housing the urban poor. These include diversion of resources away toward those able to afford rents, disruption and inappropriate construction of 'new' communities, a sense that such developments could provide immediate solutions rather than a longer-term strategy. Such 'top down' housing delivery can prove unsuitable and lack accountability both to the public purse and to those it supposes to house. More recent neo-liberal policies, also favoured through the 1980s and 1990s in much of the developed world, saw a decline in public housing construction and privatisation of much existing stock, aggravating homelessness.

Improving shelter and facilities for shack communities

As a response to in-migration and the urban poor finding their own solutions, shack communities are increasingly being recognised internationally as having a potential to meet their own housing need, with appropriate government and NGO support. Governments and organisations such as the United States Agency for International Aid, the World Bank and Homeless International increasingly recognise that shack settlements can provide the homeless poor with a sustainable form of affordable housing. Across Latin America, the poor have shown resilience and ingenuity in providing housing - and whilst it has met with some disapproval in some quarters - it soon accounted for a larger number of units of accommodation than the public sector was able, or willing, to provide. By the 1980s, informal housing occupied at least 50% of urban land in some countries.[1] Governments began to recognise the potential in incorporating and supporting the growing nature of shack settlements in policy development, and some governments began to respond with various forms of assistance, such as providing subsidies, granting land tenure and enabling a formalisation process as an integral part of their social housing policy aimed at improving low-cost housing and community provision.

Shack settlements - acknowledging their potential

The nature of land use patterns is changing rapidly throughout Latin America, creating unprecedented change to the urbanisation process. In many cities in the developing world, up to half of the population live in shack settlements, lacking infrastructure and amenities[20] (Table 2 and Figure 1). The nature of such settlement varies from country to country. The number is increasing globally, creating a new form of habitation pattern - shack settlements are a quick and affordable housing solution created by, and for, the urban poor. Many policy-makers now regard community self-help among the homeless poor themselves as fundamental to policy solutions to the problem of housing need.

Potter and Lloyd-Evans[9] suggest that even where urban in-migrants arrive into inner city tenement slums to be close to employment in parts of Latin America, they often then move to informal settlements, or shack settlements, in areas where access to employment is possible. Even where social housing programmes do exist, between 30% and 60% of the population continues to live in inadequate shelter with insecure tenure. The principal reason for this is that government policy can fail to understand and respond to appropriate institutional support and self provision for self-help low-cost housing. The result of the increasing number of shack settlements is the creation of a new form of habitation pattern and a likelihood that shack settlements will form

Table 4

Models of housing provision in the developing world

Model	Comments
Mass provision	Mass provision is unlikely to be successful because it is more likely to benefit the middle classes - such accommodation may be unaffordable to the poor.
Site and service	Site and service has become more popular in recent years and is supported by the World Bank. Such schemes can be disruptive to communities, poorly located and unsuitable to meet local need, because communities have little say in resource spending.
Upgrading	Upgrading is a relatively new model, responding to problems of the above approaches. Provides a relatively inexpensive response that benefits both communities and government, but can be 'top down' and open to possible political abuse and lack of accountability.
Community-driven development	Community-driven development is the favoured current method of shack redevelopment and increasingly common. Relies on community resource and initiative to find innovative solutions to housing shortage that meet community need. The government role becomes one of resource support rather than direct provision. Advantages include: knowledge and understanding of community need; capacity to find sustainable decisions; and community, rather than individual support, to repay loans.

Source: based on Mitlin[17] and Aduwo and Obudho[24]

cities of the future.[21]

Although shack settlements lack infrastructure, have poor conditions, insecurity and poverty, they have been able to develop joint support mechanisms. International policy lessons in shack settlements regeneration illustrate the need to build upon existing capacity if it is to be appropriate and affordable to an already marginalised group. This requires new relationships between governments, NGOs and shack communities. Addressing the difficulties of reducing housing shortages without undermining the potential for social change is an immense task. There is a need to engage with local communities and to provide non-bureaucratic support mechanisms by altering land use patterns and providing appropriate resources.

Policy lessons from the developing world

Internationally, shack settlements share characteristics, but each requires a unique local response. Shack settlements are normally constructed on a geographical basis near to a source of income and reflect the rapid rate of in-migration to cities.[22] Residents suffer the constant threat of eviction because their settlements - lacking legitimacy and tenure - are deemed 'illegal'. Individual units tend to be constructed from materials available locally - including corrugated iron, wood, blockwork, cardboard and other recycled materials that are available locally, are inexpensive or free, and relatively easy to construct, or re-construct following eviction. Informal settlements lack infrastructure such as sanitation, potable water, refuse disposal and electricity, and there is insufficient incentive to improve conditions.

However, shack communities are self-sufficient, so evolve their own social and political system; they are socially dynamic, self-determined and self-reliant; they are self-respecting and involve communities who have acquired skills to meet their essential needs. Such communities have a positive economic role to play and unemployment may be lower than in the formal economy as extra money may be earned in the informal sector. They are technically law breakers, but are normally free from state restraints, so have a dynamic that responds to the realities of local poverty.[21, 23]

The very existence of shack settlements points to the fact that the poor have found their own housing solutions, albeit illegally, to meeting their housing needs. This strength should be legitimised, harnessed and built upon in developing existing capacity and necessary institutional support to push housing development forward in new, appropriate and innovative ways. Developing existing capacity encourages local knowledge, materials and construction methods, challenging the prevailing 'top down' models of housing delivery and removing dependency on 'professionals' and questioning traditionally held organisational roles.

There are many models of housing provision in the developing world and the four main models are presented in Table 4. In recent years, community driven development has become the favoured policy option to meet the needs and aspirations of the urban poor living in shack communities, since those involved have an active influence in decision-making.[25] It relies on community initiative to find innovative and sustainable solutions to housing shortage that meet local need - the role of government therefore becomes one of resource support rather than direct provision. This approach has three main advantages including a knowledge and understanding of community needs; capacity to make sustainable decisions based on these needs and community control over the financial resources so that there is community, rather then individual, support to repay loans.

Table 5

Bridging the finance gap

- Reduced expenditure on rent, maintenance and repairs
- Improved health (particularly children)
- Increased income through additional space for business
- Improved ability to secure credit for income generation
- Improved local economic activities in relation to building and equipping new houses
- Strengthened local community capacity
- Improved status of women participating in local governance

Source: based on Homeless International[31]

Latin America - three case studies

Across Latin America, shack community regeneration policies have enabled both living accommodation and infrastructure to be improved by community action. Although there are many examples of such regeneration in the region, only a few are considered here to draw on key strengths and weakness of policy response.

In Mexico, the majority of housing (66%) was provided by the informal sector through grass roots initiatives.[9, 26] The shack settlements had 'illegal' status and no services were provided. In the 1960s, a popular movement developed to challenge the failure in state provision and to develop alternative approaches for housing the poor. This culminated in favourable policy changes in 1976 when the government set up a community finance fund for popular housing, which was supported in their Constitution;[26] but as little as 4% of the state housing budget was allocated to the fund which facilitated 20% community-driven housing provision. The government then deregulated planning decisions and housing standards to community level, eliminated land costs and provided building materials as a form of absolute assistance to the poor.[27] The net result was that housing was seen as a process rather than a commodity. As well as enabling housing provision, skills and organisations were developed to manage projects so the poor provided their own solutions. Support programmes started with communities to allow maximum flexibility to satisfy their housing needs, rather than to remould communities to fit bureaucratic establishments already in place.

Mexico now needs some 700,000 new houses per year to keep up with the formation of new families. Half of this is met through the informal sector because mortgage loans are beyond the reach of the poor.[28] The situation has been aggravated by Mexico's 1994 financial crisis, which particularly affected the poor. Informal housing in

Mexico tends to be low quality and sited on environmentally sensitive land. With increasing numbers of shack settlements, there remain problems with the lack of title deeds, low investment and a reluctance of municipalities to provide basic services. As a result, and to meet changing need, consideration is being given to reform the pensions system to help mortgage finance institutions.[28]

In Colombia, the government's response to the growing issues of shack settlements - that accommodated some 60% of the total urban population,[9] was to legalise tenure. This increased security quickly encouraged residents to develop their own solutions to their housing problem. This squares with the view held elsewhere that, once such communities are assured of secure tenure, they display an ability to quickly upgrade their houses.[23] Innovative and affordable housing design and construction also created employment. The process in pursuing development policy brought 'professionals' into direct touch with shack residents and thereby challenged misconceptions in the relationship between migration, poverty and unemployment. With legalised communities, residents gained access to legal and public services. Initial concerns that improvements would encourage in-migration did not materialise; the process retained local accountability and poor housing conditions began to improve.[21] Such a view is increasingly held as internationally shack communities continue to develop - each requires a unique and locally based community response that builds on what is already there, and does not simply seek to provide a solution more suited to the developed world.

The emerging positive relationships between government and shack communities has also been experienced elsewhere. Barrio San Jorge in Buenos Aires is an example of a community, rather than government, initiating change. Before 1987, the shack residents had had little contact with the municipal government, despite their homes being located on public land. NGOs were the only source of technical and financial support attempting to address poor sanitation, lack of emergency services and unpaved roads. More recently the municipality has displayed an interest in upgrading San Jorge with funding from local government, national and international sources. Initiatives have been delivered through community based projects and have resulted in piped water, sewage system, paved road, provision of social and health facilities, employment as well as the introduction of a community building materials store to help minimise costs and aid construction. By the mid-1990s, the development programme began to seek secure tenure for residents.[11, 29]

Of all of this, perhaps the most complex issue is that of secure tenure. The lack of title deeds for a substantial proportion of urban land prevents the land from having value as a commercial asset and acting as security for loans. Lack of deeds also means that a property cannot be effectively improved, or legally bought, sold or let and this presents problems in incorporating those living in informal housing in shack settlements into the formal market economy.[1]

The issue of land tenure has serious political consequences, is complex and time consuming, potentially causing long delays in delivering land, houses and basic services to millions. Achieving secure tenure is paramount to shack communities for fundamental financial reasons, but also in terms of facilitating improved quality of life and the development of habitable, sustainable and stable residential areas allowing access to socio-cultural facilities. It also provides the legal basis for basic public health measures including potable water, sanitary facilities, refuse disposal and domestic security.

Several policy issues can be raised in summary. Housing needs to be conceptualised as a process rather than a commodity. Shack residents have their own unique social process of housing production, as primary organisers of their own settlements. Governments should wherever possible enable secure title deeds on existing sites or grant legal tenure on other local, suitable sites. Housing finance schemes should be simple, flexible and decentralised to maximise the use of existing community resources and initiatives. Community participation in planning and managing development, resource identification and allocation should be based on a positive relationship between residents and professionals with coordination between communities, NGOs and government. Development is only likely to be sustainable where governments allow community innovation rather than expecting communities to fit into existing bureaucracies.

Funding improvements through community-driven self-help initiatives

International experience is increasingly being shared amongst those addressing secure shelter and infrastructure, and Slum/Shack Dwellers International is one example of how communities are working with their governments to secure available funding. In 1996, for example, representatives of urban poor groups from Latin America, as well as from Asia and Africa, met in South Africa to explore mechanisms to strengthen grass roots credit schemes.

Homeless International - a UK based charity - is a key organisation that recognises secure shelter is necessary if poverty is to be eliminated in a sustainable way and that investment in community-led shelter and infrastructure has significant impact on the livelihoods of people, as listed in Table 5. Homeless International supports international saving schemes and initiatives so that poverty can be challenged and addressed at local level.[31] Based on the findings of their commissioned research - *Bridging the Finance Gap in Housing and Infrastructure*, supported by the UK's Department for International Development - Homeless International now offers grants to support revolving loan funds for housing and infrastructure that enable the poor to access medium- and long-term credit where they previously could not. Such funding has provided impetus to schemes worldwide, such as for securing home improvement loans in Bolivia.[30, 31] Research continues into finding increasingly effective ways that can help the poor access finance for community-led housing and infrastructure initiatives.[30]

Homeless International's Guarantee Fund is money borrowed, interest free, from housing associations and loaned to partner organisations who otherwise would present too high a risk for commercial credit organisations. Loan repayments from the world's poorest communities have been extremely reliable. The Guarantee Fund is now administered by the Bolivian financial institution, Fondo de la Comunidad, through Homeless International's partner organisation, Fundación ProHabitat, who recognise that the government alone cannot solve the housing problem. Following negotiations, Homeless International provided a US $50,000 deposit as guarantee to the loan.

This enabled Fondo de la Comunidad to allow credit at 11% interest rate for 12-18 month periods, which can be used for house construction or renovation and has already led to 5,000 families being helped. Further credit can be accessed once initial payments are completed.[31]

Such local funding means that local responses can be found that are both cost-effective and sustainable. Fundación Pro-Habitat, for example, has been able to combine funding opportunities with a means of controlling Chagas' disease, which is endemic in parts of Latin America and described as the 'illness of the poor'. It is linked to poor housing conditions and poverty in both rural and urban locations, increasingly in the growing peri-urban *barrios*. Generally, work in rural areas is funded by government subsidy and Plan International, whilst urban work is funded by housing loans and Homeless International. The Chagas' Control Project is organised by ProHabitat and Plan International. The scheme is based on a credit fund for rural and peri-urban areas with loans of $250 at 18% interest for general housing improvements, such as extensions and service installations and post-subsidy improvements against Chagas' disease as well as technical assistance.[32] Capacity building and partnerships are crucial to the process so that communities are able to afford to improve their homes.

The UK based Building and Social Housing Foundation (BSHF) also supports policies, strategies and programmes to enable sustainable improvements for shelters for poor and disadvantaged people. Their World Habitat Awards recognise that many solutions to common housing problems can be successfully replicated throughout the developing world.[33] One example is the Venezuelan Urbanización Nueva Casarapa. This is a neighbourhood scheme initially devised to help house middle-income families, but increasingly suited to low-income households for pre-fabricated system houses with water and electricity. Five thousand were housed by 1998 through quick efficient site management and social housing laws to promote mortgage loans and low interest over at least 15 years. Social integration is encouraged through local amenity provision. It involved partnership between professional associations and the private sector.

Another example of a BSHF supported scheme is Self-help Cooperative Housing in Uruguay, a nationwide project. This scheme was initially established in the 1960s to provide new and rehabilitated dwellings. FUCVAM [Federación Uruguaya de Cooperativas de Vivienda por Ayuda Mutua (Uruguay Federation of Housing Cooperatives)] has facilitated provision of homes for lowest income band families and improved benefits not found in other tenures. It is community-based and supported by a central and local government partnership. In El Salvador, Rehabilitation of Community Las Palmas has proven successful. This neighbourhood based project to rehabilitate dilapidated shack housing involved 5,000 residents through the process, providing piped sanitation for drinking-water and solid waste, street alignment and general maintenance of urban, cultural, social and economic links. Legal title and credit is made available to residents.[33]

Governments and self-help schemes

As a development of the above, self-help schemes can also assist those in less acute poverty, but nevertheless are willing to invest their own energy into such schemes. Such households may be able to access publicly funded self-help programmes, even though they are not able to enter the owner-occupied housing market, which might provide the option of participating in a self-help scheme.

One example of such a scheme is in Mexico, where FONHAPO [Fideicomiso Nacional de Habitaciones Populares (National Fund for Popular Housing)] was established in 1981 to double low-income housing stock between 1980 and 2000, to provide finance for low-income households to organise the development of their own housing and to redistribute national government funds to those with modest incomes. The fund authorised credit to public sector organisations as well as community groups rather than individual households, with land title being formalised on full repayment of the loan. To add impetus and security, preferable loans could be made available to communities with a record of previous repayment and legal tenure to secure against loan collateral. The government allocated 4% of its budget to FONHAPO, which was soon producing 22% of all government funded housing development - around 63,000 units by 1987.[11, 34]

The federal government of Brazil introduced its Mutiráo programme - funded by the national football lottery - in 1986, aimed at building 400,000 dwellings by 1990. Unfortunately this was not achieved and federal support discontinued, but state and municipal funding continued in Fortaleza (where support was later superseded by the Compania de Habitacao - COHAB) and Sáo Paulo (where support was superseded by the social services department). These two organisations then worked together in establishing the Communal Societies for Peoples Housing to manage the programme. Once again, participants could borrow from the loan fund to construct new homes from the accumulating fund. By the mid-1990s, 100 communal societies had formed, constructing around 11,000 houses in the municipality and 3,000 in the region.[11, 34]

Such schemes, and the more informal credit schemes available to some shack residents, rely on them being accessible and affordable to low-income households. The basis for accessing such funds is displaying some credit potential, such as regular savings in a bank account as a basis for home ownership and prerequisite for a subsidy. Consequently, some Latin American countries have developed appropriate accounts. Chile - for example - has recently seen a growth in accounts available for small-scale savings, and in Mexico savings programmes have been developed to enable the self-employed to qualify for housing credit and subsidy.

Whatever schemes are adopted, they need to be able to respond to and support what communities need, not what the government decides is necessary. Communities have shown that they have initiative, drive and energy to provide, more cost-effectively, what governments cannot. Such schemes have much potential to address homelessness and poor housing for the urban poor in Latin America.

Conclusions

Dealing with housing conditions for the world's poor is not the same as dealing with housing conditions in advanced capitalist countries with established welfare regimes. Housing and tenure need to be looked at in a new light and may present some uncomfortable challenges. The evidence increasingly suggests that 'top down' policies to the problem of housing need are unsustainable.

'Bottom up' solutions offer the most realistic path toward improved housing and livelihood opportunities for the poor, albeit slowly and over the long term.

What has become clear is that the poor themselves have found and put into practice many of their own responses to homelessness and the need to live in locations where they are able to access urban employment. The world's poor have been able to construct more units of accommodation than governments have been able, or willing to provide and some government responses have been inappropriate - even ironically creating increased homelessness and alienation to an already marginalised group. Although conditions for many shack residents are appalling to many, they provide a form of sustainable shelter that is affordable where welfare regimes are rudimentary.

What has become increasingly clear in recent years is to work with, rather than against, what has already been achieved and by supporting communities who have displayed ingenuity and resilience in meeting their unique housing needs. Many governments and NGOs are starting to recognise the potential of supporting shack communities where possible, through granting land tenure and providing resources that the communities themselves have recognised as needed. The situation required a grass roots response to a grass roots issue and a 'top down' model of policy is clearly inappropriate.

Where tenure is secure, residents are able to attract further funding; self-help schemes have been able to make optimum use of available funding through recycling local resources, financing and materials, and by learning and sharing valuable international experiences through the increasing range of organisations that now exist in recognition of the impetus the poor have in providing for themselves and how this can be positively harnessed.

References

1 Gonzales R. Statement to the International Symposium on Social Housing. University of Buenos Aires, 9 November 2000. Unpublished

2 Abrams C. Housing in the Modern World: Man's Struggle for Shelter in an Urbanising World. London: Faber and Faber, 1964

3 Gilbert A. The tenants of self-help housing: choice and constraint in the housing markets of the less developed countries. *Development and Change* 1983;14:449-77

4 Gilbert A, Varley A. Landlord and Tenant: Housing the Poor in Urban Mexico. London: Routledge, 1991

5 Kumar S. Landlordism in third world low income settlements: a case for further research. *Urban Studies* 1996;33:753-82

6 Clarke CG, Ward P. Stasis in make-shift housing: perspectives from Mexico and the Caribbean. *Actes du XLII Congrès International de Americanistes* 1976;10:351-8

7 Ward P. The squatter settlement as slum or housing solution: some evidence from Mexico City. *Land Economics* 1976;52:330-46

8 Potter RB. Urbanisation and Planning in the Third World: Spatial Perspectives and Public Participation. Beckenham: Croom Helm, 1985

9 Potter RB, Lloyd-Evans S. The City in the Developing World. Harlow: Longman, 1996

10 World Bank. The World Bank Annual Report 1998: Latin America and the Caribbean. Online: http://www.worldbank.org/html/extpb/annrep98/ops.htm (accessed 12 September 2001)

11 HABITAT. An Urbanising World: Global Report on Human Settlements 1996. Oxford: United Nations Centre for Human Settlements and Oxford University Press, 1996

12 United Nations Human Settlements Programme (UN-HABITAT). General Assembly, Special Session for an Overall Review and Appraisal of the Implementation of the HABITAT Agenda. New York, 6-8 June 2001. The Habitat Agenda: Istanbul Declaration on Human Settlements. Online: http://www.unchs.org/Istanbul+5/declaration.htm (accessed 12 September 2001)

13 Vanderschueren F. The Prevention of Urban Crime. Paper presented at the Africities 2000 Summit, Windhoek, May 2000. Online: http://www.unchs.org/safercities/facts.htm (accessed 12 September 2001)

14 United Nations Human Settlements Programme (UN-HABITAT). Population With Access to Safe Water, Sanitation. Online: http://www.unchs.org/tenure/Indicators/safewa.html (accessed 12 September 2001)

15 United Nations Human Settlements Programme (UN-HABITAT). Number of Housing Units Per 100 Inhabitant. Online: http://www.unchs.org/tenure/Indicators/Number.html (accessed 12 September 2001)

16 Auclair C. Secure Tenure Indicators. Online: http://www.unchs.org/tenure/Indicators/STIdrs.html (accessed 12 September 2001)

17 Mitlin D. The People Meet the People's Minister. In: South African Homeless People's Federation Conference on Housing Finance. Johannesburg, 17-18 June 1994. Unpublished

18 Dwyer DJ. People and Housing in Third World Cities. London: Longman, 1975

19 Drakakis-Smith D. Urbanisation, Housing and the Development Process. London: Croom Helm, 1981

20 Toepfer K. Introduction. *Developments: The International Development Magazine* 2000;10:5

21 Rogerson CM. Managing urban growth in South Africa: learning from the international experience. *S Afr Geographical J* 1989;71(3):129-33

22 Balchin P, Isaac D, Chan J. Urban Economics: A Global Perspective. Basingstoke: Palgrave, 2000

23 Kiewiet K, Weichel K. Inside Crossroads. Johannesburg: McGraw-Hill, 1980

24 Aduwo GO, Obudho RA. Urbanisation and housing in the Southern Africa Development and Coordination Conference (SADCC) countries. *African Urban Quarterly* 1989;4(3&4):207-19

25 Wakeley P. The Inclusive City? In: *Developments: The International Development Magazine* 2000;10:7-9

26 Ortiz E. The People Meet the People's Minister. In: South African Homeless People's Federation Conference on Housing Finance. Johannesburg, 17-18 June 1994. Unpublished

27 Beavon KSO. Mexico City and Colonicos Populares: Hints for South Africa's Squatter Policy. *S Afr Geographical J (Special Issue: Urbanisation in the Developing world: Policy Papers for South Africa)* 1989;71(3):142-56

28 Bate P. IDB approves $505 million loan to support Mexico housing finance programme. Inter-American Development Bank, 14 December 2000. Online: http://www.iadb.org/exr/PRENSA/2000/cp227000e.htm (accessed 12 September 2001)

29 Hardoy A, Hardoy J, Schusterman R. Building community organisations: the history of squatter settlement and its own organisation. *Environ Urbanisation* 1991;3:2

30 Homeless International. Bridging the Finance Gap. Coventry: Homeless International, 1999. Online: http://www.theinclusivecity.org/Bridging_the_finance_gap/Project.htm (accessed 11 June 2001)

31 Homeless International. Annual Review 1999-2000. Coventry: Homeless International, 2000

32 ProHabitat. Presentaion: Mejoramiento de Vivienda Para Control de Chagas. Undated (in Spanish)

33 BSHF. Building and Social Housing Foundation Project Lists. Online: http://www.mandamus.co.uk/bshf/(accessed 11 June 2002)

34 Asian Coalition for Housing Rights/Habitat International Coalition. Finance and Resource Mobilisation for Low-Income Housing and Neighbourhood Development: A Workshop Report. Philippines: Pagtambayayong Foundation, 1994