

# La vivienda en América Latina: Revisando estrategias

## Housing in Latin America: Revised strategies

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Latin America faces a major challenge in providing shelter for its population and Colombia shares many of its neighbours' problems. These include a shortage of housing units, too many homes without proper services, overcrowding and large numbers of informal settlements located in areas of acute risk; from flood, landslide and earthquake. The Engineering Faculty and the Mesa VIS Diego Echeverry Campos of Los Andes are to be congratulated for organising the meeting that discussed the shelter issue and for publishing the subsequent papers.

The purpose of the conference was to help improve the Colombian government improve its housing policy by learning about experiences of other Latin American countries. Governments rarely learn much from overseas experience and consequently tend to re-invent the wheel.<sup>1</sup> When they do try to learn from others, they tend to look for quick solutions, extracting lessons from very different kinds of environment and therefore often drawing inappropriate conclusions. The manuals of best international practice are imbued with excessive optimism. I believe that there is often more to be learned from the mistakes of others. And, since Latin America, and indeed most countries in the world, has managed to compile a long list of errors, there is a great deal of useful experience available.

The conference began with the Minister of Housing, Beatriz Uribe, presenting the goals of the Santos govern-



Mesa redonda. De izquierda a derecha: Nabil Bonduki, Alfredo Rodríguez, Clemencia Escallón, Alan Gilbert, Alfonso Iracheta. Foto: Laura Camacho Salgado

ment. Housing will be one of the five 'locomotives' driving the economy over the next four years and the government guarantees the construction of one million houses. Unfortunately, a majority of Colombians are poor and need help from the state. The government has continued with the capital subsidy programme that began in 2000 and has modified and expanded it. There will be more subsidies and the problem of poor families failing to use their subsidies, because they cannot obtain credit, is being confronted through a change in the distribution system. In future, subsidies will only be offered once credit has been obtained. Credit finance facilities have also been widened, particularly for independent workers. Another problem, the lack of serviced land, is to be resolved through the use of second-generation 'macro-projects'; a strategy which it is hoped will by-pass the inefficiency and sometimes corruption of the local authorities. The private sector will not only build housing estates but will service them as well.

Clemencia Escallón was critical of the quality of much of the social housing that has been built in Bogotá. She presented various ideas about how the quality might be improved, derived from her work and that of her colleagues and students in the Architecture faculty. Her main recommendation is that the supply of social housing has to be both varied and flexible to cater for the fact poor households do not all share the same needs. In this respect, one might interpret her message to be that formal housing should incorporate one element of the shelter found in self-help settlements. It should allow individual families as much flexibility as possible to adapt their homes to their own circumstances.

Javier Serrano addressed the history of housing finance in Colombia noting the role of the BCH, UPAC and latterly the UVR and VIS systems. One of the country's problems has been the economic fluctuations that affect the finance system – boom followed by bust. A particular shock occurred in 1989

<sup>1</sup> Although the Colombian government did learn from Chilean experience in setting up SISBEN and the capital subsidy housing programme.

with the demise of UPAC, a system that had worked not unsuccessfully after its creation in 1971. The new system of monetary adjustment, UVR, has so far not proved popular and most housing loans are issued in pesos. Unfortunately, the bulk of these loans go to non-VIS housing, even though the majority of Colombians are eligible for social housing. And while the number of VIS progressive saving bank accounts has been increasing rapidly, the total amount saved has barely changed. Nevertheless, Serrano argues that the Colombian housing finance system is robust and has developed various new mechanisms.

The following four papers offered lessons from the experience of other parts of Latin America, particularly from Brazil, Chile and Mexico. There was a strong measure of agreement in these papers about the nature of the key problems that are facing social housing in the region. Despite an increase in production, the poorest of the poor are mainly excluded from government programmes. In addition, too much of the social housing is failing to provide decent living conditions. A key problem is that new housing developments are often located far from the centres of employment and lack adequate services and transport facilities. They are producing housing but not liveable cities.

In my own paper, I tried describe some of the errors that I believe underpin many of Latin America's housing programmes. There is too much trust in encouraging home ownership, in distributing title deeds, in extending mortgage systems and offering subsidies to the poor. There is too little concern with increasing government revenues through property taxation and no government in the region has developed a programme to encourage the development of rental housing. While there has been a great deal of progress in terms of settlement upgrading and the availability of services has greatly improved, little thought has been given to methods of preventing the continued formation of informal settlements. The underlying promise that national housing deficits

will be eliminated is a particularly dangerous myth. Removing poor quality housing and providing everyone with a decent home is simply implausible in a region with so much poverty. The rhetoric of housing ministers is too upbeat and needs to change.

Nabil Bonduki provided a history of housing in Brazil from the time of the *Estado Novo*. He showed how the state had built many public housing units, some very innovative in design. Nevertheless, although 4.2 million units were constructed by the BNH (*Banco Nacional da Habitação*) and the SFH (*Sistema Financeiro de Habitação*) between 1964 and 1985, most people were still forced to build their own homes. The demise of the BNH in 1985 showed that housing finance is bound to be affected by wider problems in the financial system and even massive building programmes like Brazil's have failed to keep up with housing demand. Even under the Lula administration, when government programmes increased the poor's access to housing, the shelter deficit continued to widen. What is worse is that the Brazilian government has been encouraging builders to construct housing in estates that do not produce decent living conditions. Even though Brazil has adopted the City Statute, too many municipal governments are trying to attract developers by lowering planning standards. The result is to encourage land speculation and to undermine the principles of good urban planning.

Alfonso Iracheta's presentation told a similar story for Mexico. Even though the government had succeeded in directing workers' social security funds into housing production, and these funds had financed the construction of 6.9 million housing units between 2007 and 2010, the result was problematic. As in Brazil, huge numbers of homes were being built on land without sufficient care being exercised on their location or planning. Land speculation has been encouraged by inadequate regulation. Formal and informal land developers have directed the pattern of urban growth and the government

has failed to control the process. Not only has this encouraged urban sprawl and the created poor living conditions, it has also damaged the environment. The answer is to regulate urban growth more carefully and to levy taxes on the profits generated by housing development. Betterment taxes should be levied to provide the resources with which to help the poor.

Alfredo Rodríguez offered a pictorial critique of social housing in Chile, the country with reputedly the best social housing programme in Latin America. His slides showed the problems that have arisen in the subsidised housing estates in Santiago. Too many of the developments have been located far from the centre of the city and have rarely provided families with the accommodation met their needs. This is reflected in the improvised extensions that many households have made to their accommodation. Particularly worrying are the extensions made to second floor apartments, additional rooms propped up by stilts which take the light from their neighbours and no doubt constitute a major risk in such an earthquake-prone region. The Chilean government has been too concerned to increase the production of houses and too little concerned with producing decent cities.

Perhaps the clearest lesson to be drawn from the seminar is that producing decent shelter is far more complicated than simply constructing houses. Building liveable cities requires serious urban planning, controls over land speculation and urban sprawl, and the generation of additional resources to devote to the task. Where these revenues are to come from is, at least in theory, very obvious. Urban growth generates profits whenever roads are built, services installed or when the planning authorities permit land to shift from rural to urban usage. Tax some of those profits and the government will greatly increase its resource base. Such a suggestion should not come as a surprise to any Colombian who knows their urban history. After all, Lauchlin Currie long ago suggested that urban development

could generate the resources to improve people's lives. Unfortunately, when his ideas were taken seriously in Misael Pastrana's 1970 national plan, *Las Cuatro Estrategias*, one critical element was missing – the betterment taxes that were meant to finance infrastructure and proper urban development. Colombia will not improve its housing situa-

tion without increasing its tax revenues, devoting more resources to the poor and thereby helping to reduce both poverty and inequality.

Can the government remove the housing deficit without reducing the numbers of poor people? The growing housing deficit in Colombia suggests not. But it can certainly reduce

the deficit and improve housing conditions. But to do so, the authorities need to use urban development to generate more resources and then dedicate those resources, efficiently and equitably, to create better cities.