

SELF-HELP COMMUNITIES AND THE URBAN HOUSING DEFICIT : The Case of Lima, Peru

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This paper is concerned with self-help communities in cities of developing countries, with specific reference to Lima, Peru. Self-help community is used here to mean urban settlements occupied by families who construct their homes in situ with little or no intervention by either the commercial or public housing industries. Construction in situ usually requires a temporary shelter on the building site to serve as dwelling space while the permanent house is being built.

Self-help housing is neither new nor limited to cities in developing countries. As a rural phenomenon and an occasional occurrence in urban areas it is perhaps too obvious to merit more than passing attention by public authorities or scholars concerned with development issues. In the post-W. W. II era, however, large self-help communities began to emerge in and around many cities in developing countries. Frequently, such communities emerged literally overnight as large-scale "invasions" of unused land on the periphery of the city.

Squatter self-help communities were greeted by surprise, consternation, and even alarm by public authorities and scholars. They were described as "misery belts" and "cancerous growths" inhabited by rural emigrants who lacked urban lifestyles and skills. For many observers they portended ominous social, economic and political consequence for urban development.

Squatter settlements, along with other apparently negative features of urban growth, resulted in a major shift in scholarly literature focused on development issues. Previously, urbanization had been viewed as a necessary or even positive attribute of economic development. In sharp contrast, the new view saw urban growth as detrimental to economic development. This new "overurbanization" hypothesis quickly became the prevailing paradigm among scholars and public officials alike.

During the 1960's and 1970's, research in self-help communities in many developing countries revealed that the initial observations were unsound. Among the first

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and most incisive of the revisionists was urbanist John Turner. His research, along with that of a number of other scholars, demonstrated conclusively that the self-help communities provided an important, and perhaps singular, solution to the urban housing deficit.¹ More recently Turner has extended his positive appraisal of self-help housing to the "informal sector" of the economy generally.² This work must be viewed as a call for another major shift away from the overurbanization paradigm toward a more positive interpretation of city growth generally and the role of the informal or self-help sector of the economy as a dynamic force for economic development.

Purpose

The aim of this paper is to examine the self-help community phenomenon in Lima, Peru, and the implications of those communities for urban development issues. First, it will describe the contrasting form, function, and locational patterns of the two major types of self-help communities. Second, it will examine the demographic and economic factors that have prompted a self-help solution to the urban housing deficit. Third, it will argue that large-scale squatter self-help communities are associated with demographic conditions that are restricted to the early and middle stages of urbanization, and thus may be a transitional solution to the urban housing deficit.

This paper is based primarily on field work conducted in Lima in the mid- and late 1960's and additional observations made in 1985.³ Comparative field observations were also made of self-help communities in Mexico, Colombia, and Ecuador. The paper also leans heavily on secondary sources, especially John Turner, including his early work on self-help communities in Lima, and more recent work on housing in the Third World generally.

SELF-HELP COMMUNITIES IN LIMA, PERU

Brief History

Self-help housing is as old as human settlement and to varying degrees of importance it exists in all regions of the world today. Squatter self-help communities were reported in Lima as far back as 1746 on public land just north of the Rimac River.⁴ After World War I, urban squatting gained momentum so that by 1940 there were 45,000 people living in squatter settlements in that city. A survey in 1955 identified 39 such settlements with about 120,000 inhabitants, or about one-tenth of the total population of the metropolitan area.⁵ Almost all were located very near the commercial districts of

Lima and Callao.⁶

During the late 1950's, the first of the suburban squatter self-help settlements were established. Whereas most of those settlements near the central city were relatively small and had grown gradually over a period of years, suburban self-help communities were massive and occurred rapidly. By 1966 the squatter settlement population was almost one-half million, or 20 percent of the total population; by 1970 the squatter population reached about three-quarters of a million, or about 25 percent of the total.⁷

Based on growth trends prior to 1970, squatter settlement populations were projected to reach 2 million by 1980 and 4 million by the end of the Century, or 40 and 50 percent, respectively, of the total population of Lima for those dates.⁸ In fact, the 1981 census figures enumerated only about 1.2 million, or about 26 percent of the total city population.⁹ The census figures reveal that the growth rates of these settlements is just 0.8 percent above that of the city as a whole (4.58% compared to 3.75%). Clearly, the rate of squatter settlement formation and growth has been reduced—a topic that will be considered in greater detail later in this paper. Notwithstanding the reduced rate of squatter settlement growth, there can be doubt that self-help pobladores, as the residents of these settlements call themselves, have played a major and indispensable role in city building in Lima since 1950.

Misinformation

Early observers seemed to be unaware of the long history of this settlement type, and their descriptions of the form and function of these communities were wildly inaccurate. Self-help communities were described as enormous slums inhabited by rural peasants who lacked marketable skills for urban employment.

In Lima self-help communities include shacks clinging precariously to the flood-prone banks of the Rimac River and rather substantial two-story single-family dwellings constructed of brick and concrete. They include small clusters of shacks along public right-of-ways that have no prospect of permanency, and communities with tens of thousands of de facto or actual home owners. They include communities located within a few minutes walk of the central commercial districts of Greater Lima and vast suburban districts on the periphery of the city.

The differences between self-help communities are so great that their classification in a single category might seem unusual. It is especially curious that early observers, who paid little attention to the underlying commonality of these communities (self-help construction), were able to recognize all of them as a single type and still focus

attention solely on those with slum-like characteristics.

The problem can be attributed in part to the misleading jargon that was widely used to describe these communities. The terms “shantytown” or “shack town” might be a fair description of temporary shelters erected on building sites by self-help home builders. Such terms, however, do not suggest communities in the process of conversion to permanent dwellings of brick and cement. Because new squatter communities have tended to emerge on the periphery of those in the process of conversion to permanent dwellings, the casual observer may always see a “shack town” on the edge of the city, and may not notice the changes that have taken place in those observed previously. Frequently, the new communities are illegal and can accurately be called “squatter settlements”; the fact that most are later legalized may go unnoticed. The physical conditions in the new communities are extremely harsh; temporary shelters are little more than tents made of cane matting material, there are no utilities or public facilities, and even water is a scarce luxury. To call such communities a “misery belt”, however, is to ignore the fact that the inhabitants assume the hardships voluntarily for the promise of future home ownership.

The adoption of the Spanish term marginal in English translation has contributed to the confusion surrounding self-help communities. The term, as originally used by Peruvian agencies referred exclusively to illegality. Legal self-help communities, and those which began as squatter settlements but were later legalized, were not called “marginal.” In English language urban literature this term was used to connote or imply many kinds of marginality.¹⁰ For some a marginal community was one located on the edge of the city; indeed, the myth that Latin American cities are “inverted” with the slums in the suburbs and the upper classes in the center, is still widespread in the literature, notwithstanding overwhelming evidence to the contrary.¹¹ For others, marginal meant the absence of utilities and other urban services. Still others assumed that marginal referred to social, economic, or psychological marginality: that is, a rural lifestyle, unemployment, and social disorganization. Sometimes it was assumed that all these forms of marginality were coincident with self-help communities.

More recently, the term “marginal” has been used to refer to the exclusion of a large urban sector from the national economy as a result of global economic imperialism and capitalist exploitation.¹² Prime among those assumed to be “marginalized” in this way are residents of squatter settlements. It is not clear whether this new use of “marginal communities” is inclusive of the original meaning (illegality) or the already confused expanded meanings (locational, rural orientation, social disorganization, etc.). It

would seem that clarity of meaning would be enhanced by restricting the use of the term "marginal" to a specific and agreed upon definition.

Characteristics of Self-Help Communities

In a detailed study of self-help communities in Lima, the Peruvian housing agency in the early 1960's recognized seven types of settlements based on: street patterns and availability of open space for public facilities, population density, legality, type of building material used, and steepness of slope.¹³ Ignoring those factors that are subject to change through time (legality and type of building material used) the seven types can be collapsed into just two which include more than 90 percent of all such settlements at the time of the survey. These are:

Type 1: Communities with extremely high densities, with irregular blocks, twisting streets, and without open space for locating community facilities which (in the view of the agency) makes it absolutely impractical to consider any remodeling of that which exists.

Type 2: Communities with densities no greater than 80 families per hectare (a moderate residential density by Lima's standards), on relatively flat land with acceptably wide streets, and sufficient open space for community facilities, and which (in the view of the agency) are ready to immediately receive needed public works projects.

It should be noted that both types include communities that are illegal squatters and others that have been recognized as legally tenured owners. Likewise both types include communities made up totally or mostly of temporary shacks and others that are largely of permanent materials. However, it is important to ignore those aspects which are transitory and focus attention on the physical layout which is unlikely to change. Urbanist Charles Abrams made the same point with reference to settlement formation in Ciudad Guayana in Venezuela; he stated:¹⁴

I am less worried, however, about what they (squatters) will build than where they will build it and less concerned about initial standards than about initial layout.

In the case of Lima, almost all of the dwellings in the Type 2 communities are converted to permanent brick and cement structures over a period of 5 to 20 years. Most of the settlers established de facto ownership within a few months after settlement and have now become legal owners of their lots. Thus, Type 2 settlements are rapidly converted to lower-middle class neighborhoods. By contrast, there is little chance that the Type 1 settlements will ever be other than slum communities. Even when settlers

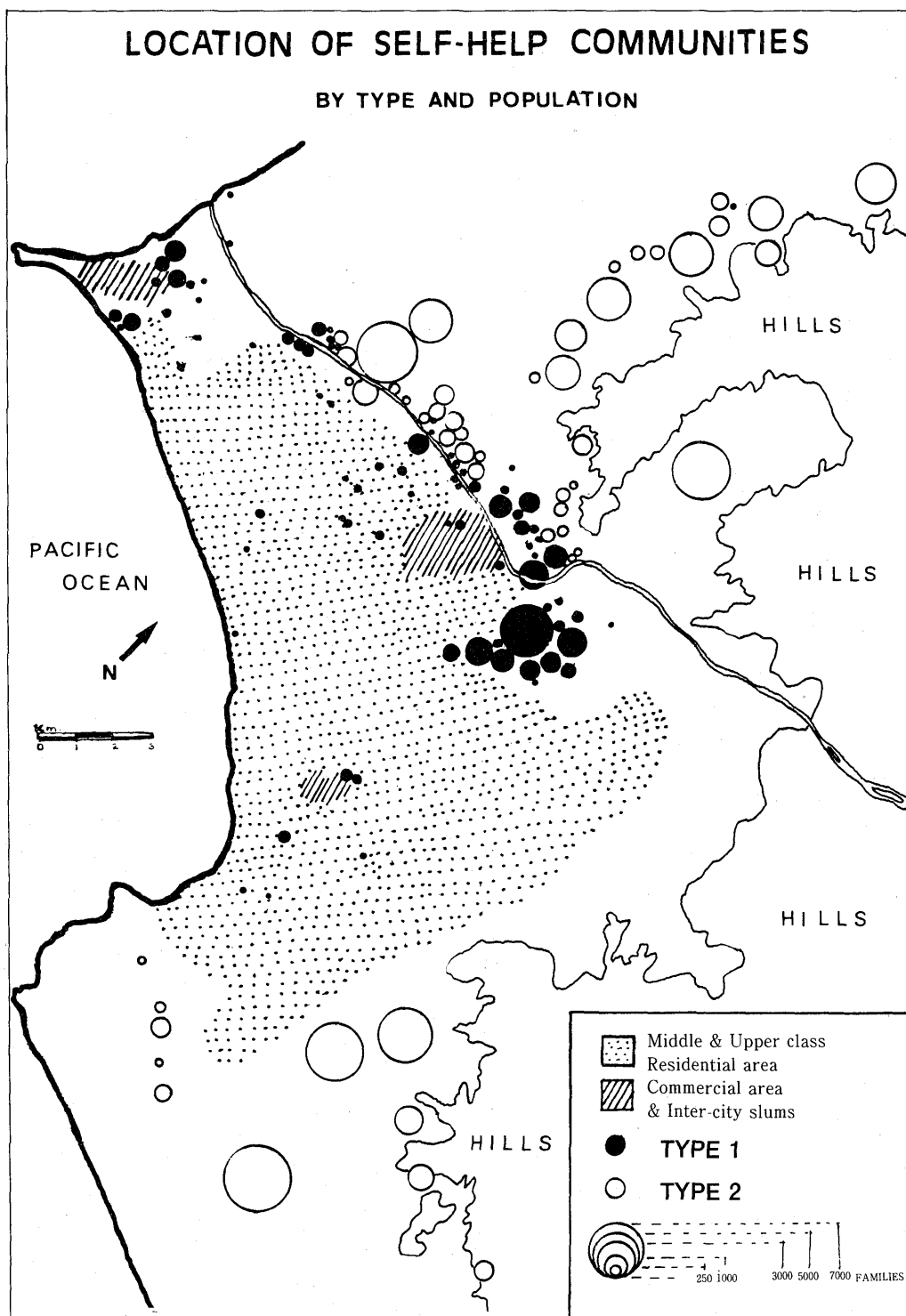
gain legal tenure, the incentive for investment is relatively low. The high densities, the absence of open space for public facilities, the difficulties imposed by the terrain, and the proximity to the central city slums, probably guarantees that Type 1 settlements cannot evolve into lower-middle class residential communities.

Of all families living in self-help communities at the time of the survey, 34 percent were located in Type 1 or Slum-Like settlements, and 58 percent were in Type 2 or Progressive settlements. The remainder of the families were in settlements that met all criteria for the Type 2 category except for exceeding the density criteria (6 percent), or except for having steep slopes (3 percent).

The two types of communities also differ in terms of location and function. The Type 1, or Slum-Like settlements, are located near the central business districts of Lima and Callao or other older commercial centers in the city. Indeed, they are found in close association to other central city slums (Map 1). Moreover, Type 1 settlements function much as do other central city slums.¹⁵ They provide residents with proximity to the only sort of employment opportunities that many can hope to acquire. Their jobs are mostly impermanent and only vaguely defined; they work in the streets selling service and merchandise, frequently at the margin or outside the law. To be successful, the individual must be "street wise" and maintain a wide range of contacts. He must be able to avoid or bribe the police and the criminal elements, and be almost constantly alert and prepared for any profitable business opportunity. For such persons, the central city location is essential.

The Type 2 or Progressive self-help communities are located far from the central business districts of the city, mostly on previously unoccupied desert land on the periphery of the city (Map 1). They function for the lower-middle or working class populations much as other residential suburbs function for the middle and upper classes.¹⁶ They provide relatively secure tenure of dwelling space that is much superior to rental or other housing available in the city. They are removed from the crime and pollution of the central city, and are thus a preferred location to raise a family. They provide a major, and frequently the only, method of investment and savings—home ownership. These advantages must be weighed against the loss of proximity to the city and the added expense of commuting to the city to work. Thus, it is essential to have relatively secure employment.

It must be noted that both types of self-help communities provide dwelling space to people who would otherwise be forced into worse shelter. Both types reflect the social and economic conditions of society at large, including those directly tied to the low level



of economic development and are thus inescapable, and those that are the negative consequences of inappropriate policies. As long as there are poor people in the cities, there must be places for poor people to live, including slums. Dwelling space for the poor is scarce and expensive (on the basis of cubic meters of living space) and the removal of slums or slum-like self-help communities is likely to restrict it even further.

DEMOGRAPHIC and ECONOMIC CAUSES

Self-help urban communities have emerged in a wide variety of social, economic, and political situations. They exist in almost all the developing countries of Latin America, Africa, and Asia. They have occurred in countries that have dictatorial governments and those that are relatively democratic. They have occurred as legal or quasi-legal settlements with government encouragement or acquiescence, or as illegal squatter settlements where governments have failed to provide legal avenues for their establishment; they have occurred in countries that maintain relatively large public housing programs for the poor, and countries that have made little or no effort to provide public support for low cost housing. It is therefore unwise to search for causes within the framework of particular social, economic, or political conditions and programs.

The causes for self-help urban communities must be sought within the constraints on urban housing in developing countries generally. Among these constraints are extremely high rates of city population growth. It can be hypothesized that high city growth rates will be largely confined to the early and middle stage of urbanization which most Latin American countries have passed through over the past three decades. This hypothesis suggests that large scale self-help squatter developments will be a transitional phenomenon. If so, the pace of squatter settlement development will probably decline in most Latin American countries, but increase rapidly in most African and Asian countries.

No index of urbanization will allow for a precise definition of the early, middle and late stages of urbanization. The indexes used to measure population concentration vary between countries and the ultimate degree of population concentration can be expected to be greatly different between regions. For example, the degree of urbanization (% of the total population living in cities and towns) in Venezuela, Argentina, Chile, and Uruguay is already higher than that of the U. S. A. Moreover, the percentage urban in Latin America when modern urban-industrial development began was much higher than that of the U. S. A. when that process began at a much earlier date.

If we use the various national definitions of urban (which include a substantial number of villages and towns that are largely agricultural) then the early stage of urbanization can be identified as 50 percent or less urban, the middle stage as from about 50 to 80 percent, and the late stage as 80 percent or more urban.¹⁷ Comparable data are not available for a more realistic estimate of the degree of urbanization (such as the percentage in towns and cities with 10,000 inhabitants). However, based on those cases that are available, the percentage "urban" is about 15 points lower than by the official definition. Thus, the breakpoints between the early, middle, and late stages would be at about 30 percent and 65 percent urban.

Demographic Constraints

It is argued here that it is the rates of demographic growth, rather than the absolute numerical increase that lead to housing shortages. That is, the housing deficit, like unemployment, is best measured in relative rather than real terms. A 10 percent housing deficit in a city of one million is smaller in real terms than is a 5 percent deficit in a city of 5 million. Yet, in terms of the percentage of the population involved and the ability of the public and private housing industries to solve the problem, it is the smaller city with the higher deficit rate which is most likely to find no alternative to squatter settlement development.

The causes for extremely high rates of city growth in developing countries are well known. The reasons for expecting those high rates only during the early and middle stages of urbanization are rather obvious, but frequently overlooked. It is worthwhile, therefore, to examine them in detail.

1. High city growth rates are associated with high rates of growth of the total population which will tend to occur in the early and middle stage of urbanization. The decline in rate of natural increase will moderate city growth rates in the late stage of urbanization.

For the 20 countries for which World Bank Data are available, there is a strong positive correlation between the rate of total population growth and the rate of urban growth (.87 for the 1970–82 period and .61 for the 1960–70 period). The correlation between the percent urban and the rate of urban growth is negative (–.49 and –.53 for the 1970–82 and 1960–70 periods respectively), as is the correlation between the percent urban and the crude birth rate (–.56 and –.71 for the 1970–82 and 1960–70 periods respectively).

It is empirically evident that population growth rates increase rapidly as the pro-

cess of urbanization begins usually reaching the level of 3 percent or higher when most of the population is still in the agricultural sector. The rapid decline in infant mortality is achieved by adopting simple sanitation and medical practices that can be made available cheaply and quickly once the germ theory of disease is understood. Meanwhile, fertility levels tend to remain high until the middle or late stage of urbanization. Although the causal relationship between voluntary fertility control and urbanization is not clearly understood, it seems likely that educational and employment opportunities for women in urban areas is an important precondition for fertility decline. The continued high fertility with rapidly declining infant mortality produces high rates of natural increase in the early and middle stages of urbanization.

The fertility decline has now begun in most Latin American countries. In Peru the crude birth rate declined from 47 to 34 per thousand between 1960 and 1982; most other Latin American countries also experienced a precipitous decline in the birth rate over that period. In some cases this decline was partially offset by a decline in the death rate. For example, the death rate in Peru declined from 19 to 11 per thousand. However, continued progress on death control will be much slower, so that future declines in the birth rate should translate directly into a decline in the growth rate.¹⁸

2. In the early stage of urbanization, the transfer of labor from the agricultural sector to the secondary and tertiary sectors will usually require rural to urban migration. Thus, the increase in the percentage urban will be approximately equal to the decline in the percent of the labor force in the agricultural sector. In the middle and late stages of urbanization, non-farm employment opportunities will tend to be more available in smaller towns and rural areas so that the process of labor transfer from farm to non-farm will not impact city growth rates as much.

An economy in which most of the population is confined to the agricultural sector is necessarily undeveloped and stagnant. A sustained increase in production and consumption cannot be achieved by producing and exchanging agricultural products. Indeed, if production and exchange is confined to products with a low elasticity of demand, there would be little incentive to achieve a sustained increase. Obviously, increasing production and consumption requires increasing the percentage of the population producing goods and services for which demand is relatively elastic, and it is primarily in the cities that such goods and services are produced.

The percentage of the rural population in the secondary sector may actually decline during the early stage of urbanization as cheap factory-made products replace those formerly produced by cottage industries. The diffusion of non-farm employment

opportunities to rural areas is proceeding far more slowly in Latin America than it did in the U. S. A. and some other more developed countries. In Venezuela, for example, the percentage of the population in localities with 10,000 or more inhabitants is already higher than that of the U. S.; yet Venezuela has about 18 percent of the labor force in agriculture compared with about 2 percent in the U. S.¹⁹ Nevertheless, powerful forces are at work to decentralize non-farm activities. Already intermediate-sized cities have generally higher growth rates than do the largest cities, and improved transportation and communications are being extended into rural areas. The diseconomies and disamenities associated with the very large absolute sizes of major cities in Latin America will guarantee continued pressure for decentralization in the future and promote the spread of some types of manufacturing and services in small towns and rural areas.

3. The evolution of urbanization will tend to follow an S-shaped curve such that the pace will increase rapidly during the early stage. During the late stage of urbanization the pace of urbanization will decline sharply as the rate of labor transfer from farm to non-farm declines, and as non-farm employment opportunities become more available outside cities.

The tendency for the process of labor transfer from farm to non-farm, and hence urbanization, to follow an S-shaped evolution can be observed empirically. Those Latin American countries with 50 percent or less of the population in the urban sector had rates of urbanization averaging .39% annually between 1960 and 1982. Countries with 80 percent, or more urban had an average rate of urbanization of .50%; by contrast, the average rate for countries in the middle stage of urbanization was .80% annually.

This pattern of farm to non-farm population transfer can be explained in terms of a farm to non-farm (or rural to urban) interaction model. For example, assume that farmers derive all their above subsistence income by selling agricultural products to the non-farm population (all farmers are self-sufficient in food and have no other source of income), that non-farm incomes are increasing but the percentage of the total spent on agricultural products is declining (the elasticity of demand for agricultural products is less than one), and the pace of farm to non-farm migration is a function of the income differential between the two sectors. The aggregate farm income is therefore a decreasing percentage of aggregate non-farm income which would tend to produce relative income divergence. It is assumed that income divergence would tend to promote migration of labor from the farm to the non-farm sector. The impact of that migration on per capita farm incomes can be expressed as:²⁰

$$\text{Farm Income Effect} = q/[U \times R/T^2]$$

where q is the annual increase in the percentage of the total population in the non-farm sector, and U , R , and T are the non-farm, farm, (or urban and rural) and total populations. It is suggested that the Farm Income Effect (F. I. E.) would tend to remain high and relatively constant. A high value would be required to offset the tendency for farm income to deteriorate in relative terms as a consequence of Engel's Law. A change in the rate should set into motion a feedback correcting mechanism. An increase in the F. I. E. would tend to improve farm incomes and increase the price of food (a principal wage good for prospective migrants) and thus reduce the farm to non-farm migration. Conversely, a decrease in the F. I. E. should reduce farm incomes and urban food prices, stimulating migration and bringing the F. I. E. back up.

Notice that in order to maintain the F. I. E. relatively constant, the rate of farm to non-farm transfer (q) must increase to the maximum rate when half the population is in the non-farm sector and then decline. Thus, the increase in the percentage of the total population in the non-farm sector (or urbanization) will tend to follow the S-shaped evolution through time.

4. In the early stage of urbanization, urban growth is more likely to focus mostly on a single city, or a relatively small number of cities. In the late stage of urbanization, growth will tend to shift to secondary cities and towns. The concentration of urbanization in a small share of the total urban system will compound the growth problems in affected cities.

Population concentration may be necessary for economic development in the early stage of urbanization. For example, in 1940 there was only one city in Peru; had the growth of economic activities in Lima been distributed among several competing towns, it is unlikely that any one of them would have reached the necessary critical mass for sustained development. Continued overconcentration in Lima and most other capital cities in Latin America is probably a negative consequence of national policies favoring growth in those cities. Nevertheless, the growth rates of the largest cities in most countries has declined to levels below that of many secondary cities, and the diseconomies of scale in the largest cities should assure a continuation of that trend.

5. In the early stage of urbanization, the impact of urbanization on urban growth rates will be maximum. Thus, even relatively low rates of urbanization will produce explosive city growth when the percentage urban is low.

The impact of urbanization on urban population growth can be stated as:²¹

$$\text{Impact} = [q/[U/T]]$$

where all terms are as previously defined. For example, a 1 percent rate of urbanization

would increase the urban growth rate by 5 percent when only 20 percent of the population is urban, but by only 1.25 percent when 80 percent of the population is urban.

Because the percentage of the total population included is increasing in the sector with higher growth rates (urban) and decreasing in the sector with lower growth rates (rural), the rates will tend to decline in both sectors throughout most of the urbanization process, even if the total rate remains constant. Notice that a 3 percent total growth rate is consistent with urban and rural rates of 5% and 2.5%, respectively when the percent urban is 20, but with 4% and 2%, respectively when the percent urban is 50. In most Latin American countries urban growth rates are down sharply from the 1960's level (from 4 to 3.5 percent as an average of rates for the 20 countries) and rural rates are also much lower (frequently near or below zero), during which time the total rate declined only slightly from 2.66 to 2.45 percent.

6. In the early stage of urbanization the distortions in the age and sex structure of the city populations which favor high birth and low death rates will be maximum. Urban migration is strongly age selective for young adults and in Latin America significantly sex selective for females. It follows from point 5 above that in the early stage of urbanization the percentage of the total population made up of migrants is greatest, and that it will decline as the degree of urbanization increases.

Even though age-specific fertility is usually lower in cities, the crude birth rate may be as high or higher than that of rural areas when the percentage urban is low. Lower city death rates are primarily a function of the young age structure in cities, but may also reflect in part superior medical care.

A combination of the factors noted above has produced explosive city growth rates in Lima, and many other cities in Latin America over the past three decades. However, those growth rates have tended to decline since the 1950's, in most cases well before there was a decline in the rate of total population growth. That trend continues, and is now being helped by the decline in the rate of natural increase of populations in almost all countries. Current city growth rates in Peru and other Latin American countries are still high, but probably not high enough to necessitate the same pace of self-help community development.

Economic Constraints

The emergence of self-help communities in Lima and other cities reflects the failure of the commercial and public housing industries to provide dwelling space for the urban lower middle classes and poor. It has been estimated that housing through the

commercial industry in Colombia is 30 times above rental thresholds for the poor and lower-middle classes. Even publicly financed housing was two to five times above low-income rent thresholds, and limited to about 2 or 3 percent of the total demand for low-income housing in Colombia.²² A similar situation has prevailed in Peru and other Latin American countries. John Turner has called publicly administered housing "a pretence; a sort of charade to distract attention from reality."²³

The commercial housing industry has evolved in response to conditions that are largely absent, or limited to the upper classes, in less developed countries. Commercial housing has been closely associated with high levels of financial security and low-cost long-term mortgages. In effect, people in the technologically advanced countries, and the upper classes in developing countries, are willing and able to pay a substantially higher price for housing produced by commercial enterprise in order to avoid the inconvenience of living for a period of time in an incomplete dwelling. In most cases this would not be possible without long-term, low-cost mortgages, that are frequently subsidized by the state either directly or through tax deductions.

In Lima, as in most cities in developing countries, mortgage interest rates are prohibitively high for the vast majority of the population, and loans are usually available only to persons who have substantial collateral aside from the mortgaged property. Even in cases where housing loans have been provided at low cost through public subsidy, they are frequently undesirable among the lower-middle classes. A mortgage may defeat the prime motive for home ownership—security of tenure. Most lower-middle class families in Lima expect to suffer through periods when the principal income producer is unemployed. If the head of the household is unable to work due to accident, strike, or other job loss, there will be no health or unemployment insurance to cover living or mortgage expenses. A mortgage on the home may result in foreclosure and thus total loss of family savings and possessions.

The availability of rental dwellings is limited by many of the same factors that discourage the commercial construction industry generally. Government imposed rent controls (or rent freezing) may provide an initial windfall for families occupying rental property; however it is a devastating blow to future rental construction, and will frequently work against renters in the long run. As inflation reduces the real rent received by the owner, the incentive to maintain the property is reduced. Under such conditions, initial rents are frequently set at several times the true market value in anticipation of future inflation. In many Latin American cities a large share of rental properties may be empty, in spite of the fact that real market demand greatly exceeds the supply.

Self-help squatter communities near the central city, along with the central city slums generally, provide rental space for the urban poor and most recent migrants from rural areas. For the lower-middle class, however, slum rentals do not provide the security of tenure and investment possibility that can be obtained in a suburban self-help community. Moreover, the suburban community offers a superior environment for family life, notwithstanding the initial period of hardship in a temporary dwelling.

The failure of public sector housing during the 1950's and 1960's was in part a result of attempting to emulate urban planning policy in the technologically advanced countries. Initial standards for residential subdivisions were set impossibly high for most of the population. Slums and squatter settlements were viewed as undesirable developments which should be prevented or eliminated. The solution to low-cost housing was assumed to lie in finding the right dwelling or community design and applying the right technology and control.

Actually, dwelling construction (excepting high-rise complexes) does not require high levels of specialized skills or special equipment. In less developed countries most homes are constructed from simple materials with tools and methods available to most people. Economies of scale are relatively weak. Some economies are achieved in more developed countries through partial or total "factory" construction and by simultaneous development of suburban tracts using standardized styles and materials. Such methods are rarely used in the less developed countries, where low labor costs probably eliminates any potential advantage. Attempts to limit entry into the building industry through licensing and unionization, in order to increase profits and wages, probably more than offsets any potential savings that can be achieved through division of labor and specialization.

Public policy toward self-help communities in Peru has probably been more enlightened than that of most other developing countries. Some attempts were made to prevent or eliminate self-help communities, and on some occasions the police were called out to destroy temporary dwellings and otherwise harass the inhabitants. However, the Peruvian government has avoided the ruthless and wholesale eradication of settled populations, as has been attempted in some countries.

The 1961 "Law of Barrios Marginales" was the first attempt by the Peruvian government to incorporate the self-help system into public housing policy. According to this law, existing self-help settlements were to be legalized and settlers provided with titles to their lots; they were also to be provided with utilities, paved streets, and public services. The government was also to lay out new sites with basic services and allow

settlers to build their own homes through self-help methods. The same law, however, prohibited the establishment of any new squatter self-help communities.²⁴ When the government program of providing "site and services" for new self-help communities proved insufficient to meet demand, new squatter community development continued apace.

After 1968 the new "revolutionary" military government again moved to legalize those communities that had been established in the interim period, and increased public efforts in the provision of "sites and services" for new self-help builders. Even this policy is perhaps flawed by being too ambitious. The agency with authority over self-help communities is charged with providing community development assistance and the establishment of cooperatively run industries to generate employment opportunities. When resources are directed toward tasks that are beyond the capacity of the housing authority, there is danger that the essential and feasible job of providing site and services will be diminished.

Conclusion

Self-help communities have emerged in Lima and most other large cities of developing countries as an important or primary factor in the provision of housing for the urban poor and lower middle classes. Self-help housing in and near the central city has functioned as a part of the central city slums. The housing and facilities in these communities are probably the most deficient in the city, and there is little possibility that substantial improvements can be accomplished. Nevertheless, these communities provide shelter to the urban poor, and provide proximity to central city "street" jobs which are essential for the survival of the inhabitants. Such communities must be viewed as a necessary counterpart to the extreme poverty of a substantial number of people in Lima.

In sharp contrast, self-help communities in suburban areas provide residential space for the growing lower-middle class. Such communities are a substantial improvement over conditions in the slums, from which most of the inhabitants came. They provide dwelling space and relatively secure tenure at a price lower-middle class population can afford. Such communities are probably essential for economic development and for the well-being of a large share of the population of Lima.

Among the factors that give rise to large scale self-help community development are extremely high rates of city population growth. Because these high rates of growth are largely confined to the early stage of urbanization, the self-help community phenomenon may be mostly a transitional solution to the problem of housing. Most Latin American countries have now passed the early stage of urbanization and are currently

moving into the middle and late stages. The reduced demographic pressure and the more enlightened "site and services" housing policies of most Latin American cities may cause the pace of squatter self-help community establishment to decline in the future. Because many countries of Africa and Asia are now moving through the early stage of urbanization, the squatter self-help community phenomenon may increase rapidly in those areas in the future.

Public housing agencies have generally failed to facilitate or improve the dwelling construction for the poor and lower-middle classes. This failure is in part a result of attempting to do too much. Residential codes and standards patterned after those in technologically advanced countries have not only failed to improve dwelling space, they have acted to prevent or hinder those improvements which are possible through self-help methods.

In recent years, there has been a shift of emphasis toward site and services. The aim is to provide residential space and initial layout, and use scarce government resources for the provision of utilities and public facilities. Housing problems in Latin America remain severe, and there is little possibility that adequate levels of housing will be achieved during this century. However, by releasing the resources and energies of individual families to use self-help methods, there is at last a chance to make a positive contribution to housing for the poor and lower-middle classes.

NOTES

1 John Turner, "Barriers and Channels for Housing Development in Modernizing Countries," Journal of the American Institute of Planners, XXXIII, No. 3 (1964), pp. 167-181, and William Mangin, "Latin American Squatter Settlements: A Problem and a Solution," Latin American Research Review, II, No. 3 (1967), pp. 65-98.

2 John Turner, "Who Shall Do What About Housing?" in Urbanization in Contemporary Latin America, ed. by Alan Gilbert, N. Y.: Wiley, 1982, pp. 191-204.

3 Lynden Williams, "Suburban Squatter Settlements in Lima, Peru," Master's Thesis, Long Beach State University, 1969.

4 Mangin, op. cit., p. 67.

5 Peter Lloyd, The Young Towns of Lima, Cambridge: Cambridge University Press, 1980, pp. 35-6.

6 John Cole, La Geografia de la Gran Lima, Lima : Oficina Nacional de Planeamiento y Urbanismo, 1957, p. 2.

7 Lloyd, op. cit., p. 35.

8 John Turner "Uncontrolled Urban Settlement: Problems and Policies," in The City in Newly Developing Countries, ed. by G. Breeze, Englewood Cliffs : Prentice-Hall, 1969, p. 523, and Lloyd, op. cit., p. 36.

- 9 Oficina de Estadística, Estadística sobre Crecimiento Urbano y Pueblos Jóvenes. 1981, Junio, 1982.
- 10 Richard Morse, "Recent research on Latin American Urbanization," Latin American Research Review, 1, No. 1 (1965), p. 49.
- 11 Peter Odell & David Preston, Economies and Societies in Latin America, London, 1973, p. 7.
- 12 For a discussion of Marginality and the Marxian perspective see: Alan Gilbert, "Low Income Housing and the State," in Urbanization in Contemporary Latin America, ed. by A. Gilbert N. Y.: Wiley, 1982, pp. 81—8.
- 13 Oficina de Planificación, Análisis Censal Para Una Evaluación de Vivienda, Lima: Government of Peru, 1966.
- 14 referenced in Turner, op. cit. (1969), pp. 525—26.
- 15 Turner, op. cit. (1969), pp. 520—22.
- 16 ibid.
- 17 By this definition, in 1982 the following countries were in the early stages of urbanization: Haiti (26%); Honduras (37%); Guatemala (40%); Paraguay (40%); El Salvador (42%); Costa Rica (43%); Bolivia (45%); and Ecuador (46%). Countries in the middle stage of urbanization were: Dominican Republic (53%); Panama (53%); Nicaragua (55%); Colombia (65%); Peru (66%); Cuba (68%); Mexico (68%); and Brazil (69%). Countries in the late stage of urbanization are: Chile (82%); Argentina (83%); Uruguay (84%); and Venezuela (84%). It should be noted that by a more realistic definition of urban, all values would be about 15 points lower.
- 18 World Bank, World Development Report. 1984. N. Y.: Oxford University Press, 1984, Table 20.
- 19 Statistical Abstract of Latin America. 22 (1983), Table 405, p. 49.
- 20 for a detailed examination of this model see: Lynden Williams, "The Urbanization Process: Toward a Paradigm of Population Redistribution," Urban Geography, 4, No. 2 (1983), pp. 125—29.
- 21 ibid.
- 22 Edward Popko, Squatter Settlements and Housing Policy, Occasional Paper Series (Spring 1980), Agency for International Development, pp. 5—19.
- 23 Turner, op. cit., (1982), p. 191.
- 24 Lloyd, op. cit., pp. 42—47.