



PROYECTO HABITAT/CIDA

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## THE PRECARIOUS SETTLEMENT IN METROPOLITAN AREAS

The precarious urban settlement, in the most simple terms, is identifiable by its socio-physical characteristics -the concept refers to those increasingly visible urban areas composed of crowded, unhealthy and deficient dwellings which lack the basic services, inhabited by a population distinguished by its poverty. In this sense it represents, to a large degree, an overlap in the dimensions of economic marginality (defined initially as the population which depends on unstable, low income) and ecological marginality (a social configuration in which immediate necessities such as food, water, clothing, and shelter are inadequately served).

The boundaries of this phenomenon are not easy to establish, not only because of definitional problems which inevitably involve "quality of life" indicators, but also because the quantitative parameters which must be relied on to a large degree, such as census figures, tend to be permanently outdated by the rapid quantitative changes which have occurred with rural-urban migration. As a result, quantitative estimates of this phenomenon at any point in time vary widely. The United Nations Global Review of Human Settlements (1976) indicates the following proportions of slum-dwellers in major Latin American metropolies, which may be considered as a rough guideline:

B.A., 1970 . . . . . 5%

Brasilia, 1962 . . . . .41%

Rio, 1970 . . . . .30%

i Santiago, 1964 . . . . .25%

Bogota, 1969 . . . . .60%

Mexico, 1966 . . . . .46%

Lima, 1970 . . . . .40%

Caracas, 1974 . . . . .42%

The discussion which raged around the question of the internal characteristics of precarious urban areas in Latin America has been largely directed toward later refutation of earlier descriptions (which characterized them as containing a disorganized, alienated population engaged in illegal activities such as prostitution, petty theft, etc.), a new global characterization maintaining that they are in fact often heterogeneous in class structure, containing largely "poor but decent" persons with social organization, political interest, etc. struggling to maintain, or insert themselves, in the urban socioeconomic structure. Not all are migrants, some are industrial workers, even liberal professionals. It has also been established that such areas are far from static, and that considerable improvements have sometimes taken place over time. Perhaps the only area of complete agreement is that they have grown extensively in the last 20 years.

Given the extremely high growth rates of these areas, and the reported diversity which they include, there is an evident need for analytic and dynamic conceptualization to capture this diversity and address the question of changes over time. As an area of investigation, however, precarious urban settlements have been visible for a relatively short period of time, and the natural variation in research interests, theoretical orientations, methodologies, etc. has resulted in a body of information which only with difficulty provides a basis for comparison across time, although it serves to illustrate the complex and many-faceted nature of the phenomenon.

The evident need to reduce this complexity has resulted, in this investigation, in an initial focus on these communities as consumers of immediate necessities -in particular housing and related urban services.

A Fundamental Question: The possibility of a market solution

The possibility of access to housing and other basic necessities in a market economy depends in the first instance on the possibility of accumulating a monetary surplus which could be applied to this end. Tendencies in the distribution of income in Latin America over the last 20 years indicate that majority sectors are increasingly disadvantaged. Although this relative inequity does not in itself reveal the consuming possibilities of the economically disadvantaged, the inflationary tendencies in these economies, when combined with regressive income distribution, result in a deterioration of the real purchasing power of income compared to the cost of immediate necessities. (Rosenbluth, : 446; Gilbert and Ward, in press: 306; Singer, 1974: 95; Pradilla, 1978:14).

The effect, at the lowest levels of the income scale, is a necessity to apply most income to obtaining food, and even then subnutrition of large segments of this population occurs. As reported in one study of a precarious area:

"... in many cases the quantity destined for food purchase equals the total family income... many respondents declared that family income does not permit adequate nutrition, even from a quantitative point of view. There are families who do not eat at the end of the month because of an absolute lack of financial resources to acquire food." (Saffiotti, 1975:44-45; see also Connolly, forthcoming: 26; Utría, 1975:

439; Amat y Leon, 1978:22; Singer, 1974; Leeds, 1974: 94n17).

Another study notes:

"... the 23% of Venezuelan families, who receive an income inferior to 500 Bolivars monthly, have no income even to cover the minimum food necessities. The 53.6% of the families who receive a monthly income of 1000 Bolivars have nothing to spend on housing (supposing that they first cover the expenses of food, clothing, health, and transportation)". (Bolivar & Lovera, 1978:75).

One analysis of consumption patterns of the Latin American population as a whole indicates an average of 17% of family income (cerca 1961) is spent on housing, heating, and lighting. When translated into average absolute sums, this reveals that the poorest 50% of the population allocates an average of \$9.35 monthly for housing, which represents a deficit in consumption-power of 80-84%, compared to costs (Utria, 1975:440).

Another analysis, based on a CEPAL/World Bank study of income distribution, makes the assumption that industrial and independent workers could apply 10% of their income to acquiring a home, presenting some comparative statistics on the length of time which would be required to do so under these conditions:

In Costa Rica, a home of 70m<sup>2</sup> would be acquired by 54% of families in 35 years; in Venezuela, a home of 60m<sup>2</sup> would require 19 years for 74% of the population; in Chile, a home of 80m<sup>2</sup> would require 40-48 years for 50%

of the population; in Brazil, this 12% of the population would require 40-46 years to acquire a home (Rosenbluth, : 390-96).

Considering the question from the point of view of production, figures based on the 1965 housing deficit illustrate that the production required even to maintain the deficit (through construction of 10 houses annually per 1000 inhabitants) would require a construction capacity six times greater than the existing capacity at that time. The actual yearly growth of the construction sector in the five years preceding this date, however, was of the nature of 5.9%. In terms of the monetary investment necessary, to produce these houses would require an annual investment of \$6065 million dollars, which figure is equal to 38% of total investment in the region (Utria, 1975: 445-449).

Numeric estimates on the evolution of the housing deficit presented in the United Nations report "Mejoramiento de tugurios y asentamientos precarios", 1972, places the deficit at 13 million units in 1962; 22 million in 1967; 27-30 million in 1970, with the estimated deficit in 1985 reaching 50 million units. (see Segre, 1975).

Figures such as these serve to underline the well-known fact that "the housing which exists in the present-day market is costly and cannot be paid for by the low-income sectors, which are... the most numerous." (Utria, 1975:427). The result, equally well known, and the focus of our interest, "... has been the large-scale emergence of squatter or "uncontrolled" settlements and the forced partition of the system of urban land allocation into a dual structure: one formal and governed by capitalist market forces, the other informal and ruled by popular demand." (Walton, 1976:28). Housing production of this "informal" sector has been estimated as up to 63% of ur-



ban construction (Deneke, forthcoming: 10 ; see also Villavicencio & Rodriguez, 1978:16).

The extent to which Latin American governments have moved toward state programs of housing finance and development in the last two decades indicates recognition, on this level, of the need for some intervention in the formal market mechanisms which have operated in the housing area. Clearly, the possibility of effective public policy depends on an understanding of historical processes which have created, and which continue to re-create, the situation described above. The continuing deterioration of Latin American metropolitan areas is testimony to the fact that much remains to be done in developing an adequate conceptualization of this social reality, which would provide the necessary guidelines for intervention. The discussion which follows is oriented toward such an eventuality. As such, it is an attempt to provide a global conceptualization, or the initial basis for a more rigorous systemic model.

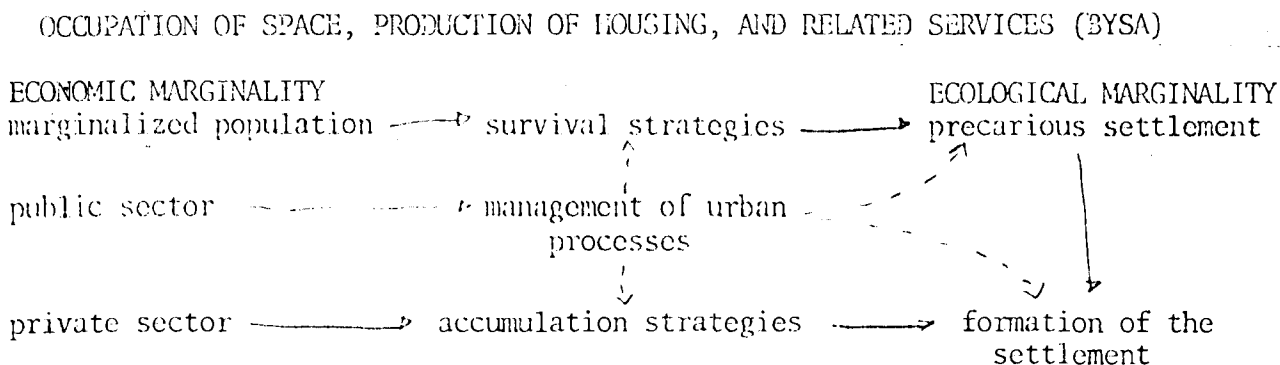
The evident advantages of a systemic approach, which identifies the major actors and processes involved in the formation of the human settlement, stem from its attempt to take into account the interconnected nature of complex socioeconomic systems, and its resultant inherently dynamic nature. Clearly, any attempt to guide the development of human settlements requires a basis of this type. On the other hand, the major virtue of a global approach, which resides in its scope, has undeniable disadvantages when applied to an object of analysis as abstract as "precarious settlements in Latin American metropolies": it assumes that similarities across countries are sufficient to warrant a considerable degree of generalization, and corresponding theoretical priority. This assumption accounts for the

fairly high level of abstraction and the attempt to stress dynamic tendencies which characterize the discussion which follows. If correct, however, this approach should provide the basis for further refinement through the later inclusion of concrete variation which occurs in specific cases.

# THE PRECARIOUS URBAN SETTLEMENT: A CONCEPTUAL MODEL

In the conceptualization proposed here, the precarious urban settlement is hypothesized to represent "a rational response to unregulated manipulation of urban land for profit, to the exclusion of immediate demands for shelter" (Walton, 1976:44).

While this hypothesis situates the precarious settlement and its rationality as the center of interest, it also defines the phenomenon as essentially reactive in nature, subordinate to a dynamic which is not internally-generated, and which furthermore is opposed to the interests of the inhabitants of the precarious settlement. This, in turn, suggests the utility of a model of competition which identifies the competing interests and the mechanisms which regulate them. To this end, the following skeletal conceptual map is proposed:



Several points should be noted with regard to this conceptualization. First, the relevant object of competition is urban space and BYSA. Second, the formation of the human settlement is seen to be the result of two discrete but interrelated dynamics in which the interests of the economically marginal population in access to space and BYSA are opposed to the interests of the private sector. Third, this opposition of interests is mediated by

the State, in its capacity as manager of urban institutions and authority over control of the resources necessary for the development of the urban environment.

Thus, although the marginalized population and the private sector are seen to be in competition for resources, they do not directly confront one another. Furthermore, their actions may be characterized as motivated by different general concerns, within which the question of access to space and BYSA has a discrete meaning. These general concerns can be identified initially as interests of consumption in the case of the marginalized population, and interests of production in the case of the private sector. Thus, the formation of the human settlement is hypothesized to be the result of:

- a) the actions of the private sector, which responds fundamentally to necessities of capital accumulation, and which attends the demand for space and BYSA through market mechanisms;
- b) the actions of the marginalized population, which responds fundamentally to immediate consumption necessities (within which food and shelter are of prime importance) and which attends the necessity for space and BYSA through non-market mechanisms; and
- c) the actions of the public sector, which regulates the urban processes.

The actions of the public sector are less easy to characterize, given the complex nature of the functions involved in assuring the reproduction of the social system. On the most general level, however, the state can be seen as directed toward the integration and control of the social system and the incorporation of the various social groups. More specifically, the reproduction of the productive system in a capitalist society involves the necessity of assuring: a) the reproduction of the labour force and b) the accumulation of capital.

Given that metropolitan areas in Latin America contain a marginalized population which is increasingly large, and which lives in conditions of ecological marginality, or an inadequate standard of consumption with regard to immediate necessities such as food and shelter, it is hypothesized that, in this case, the interests of capital accumulation are opposed to the provision of such necessities for this group. The action of the state, therefore, results from a need to serve ends which are in conflict and at times mutually exclusive. In this point of view, the concrete actions of the state as authority over urban processes will reflect the pressures which can be brought to bear, in any specific instance, by the two interest groups.

## ECOLOGICAL MARGINALITY: THE CITY AND THE IMMEDIATE NECESSITIES

To understand the present-day metropolis as a context for the production and consumption of immediate necessities, it is illuminating to situate the question in broad ecological perspective.

The human agglomerations of the distant past were situated in grand measure in function of a "natural ecology" -that is, a combination of factors in the local environment which offered the basic and necessary conditions for human life- access to sources of water, characteristics of the soil and climate which allowed the production of foodstuffs, natural resources which served as fuel and for the production of dwellings, etc.

The growth of a human settlement in these conditions reflected an increase in its capacity to sustain a larger population, otherwise the ecological conditions would lead to a limitation of the size of the population through the death of some members, or through their spatial displacement towards another ecological area capable of sustaining human life.

Although the development of some degree of technology is characteristic of all human societies, which makes the idea of a "natural ecology" somewhat artificial, the utility of such an ideal type is found in the fact that it reveals, with extreme clarity, the distance which today's large urban agglomerations have moved from the natural local conditions which sustain human life.

Perhaps the most extreme expression of the rupture of the "natural ecology" of the human settlement is found in the fact that large segments of the world's population depend on foodstuffs produced in other continents. From this perspective, modern technology has permitted the spatial expansion

of the ecological unit which maintains human life to the point of liberating the process of human settlement, to a large degree, from the natural qualities of the local environment.

The increased independence of the human settlement with regard to the local environment, however, has as its counterpart an increased dependency on "artificial" systems of production and distribution -that is, technology and the socioeconomic structures which organize production and distribution.

The dependence of the large city <sup>with</sup> regard to a monetary market of food-stuffs serves as illustration and starting point for understanding the ecological significance of this formation, but it is equally true that the other elements which provide the material basis for human life are also transformed from elements provided by the local environment, to elements which must be produced by larger socioeconomic units -including the provision of drinking water, construction materials, energy sources, and drainage, among others. While the capacity of technology has developed to such an extent that the question of "dependence" rarely arises, recent examples of energy failures and scarcity of petroleum and other fuels in the cities of highly-developed societies such as the United States, serve as dramatic examples of this phenomenon. The immediate necessities of human life remain constant -air, water, food, fuel, and shelter- but the overwhelming majority of human settlements, particularly metropolitan areas, no longer have the capacity of self-provision, and depend on circuits of production and distribution which cover enormous distances and involve an extremely complex division of labour.

The increased independence of the human settlement in relation to the local environment accompanies, by definition, a differentiation and specialization of human activities, and a transformation of the profile of

production. In conditions of a "natural ecology", the **productive forces** were directed almost exclusively toward the provision of immediate necessities of human life. The production profile of the first stages of industrial production also reflect, in large measure, the same necessities. To the degree that the capitalist mode of production has developed, however, other products tend to dominate, and the city reflects this transformation.

Seen in global terms, the transformation of social production from the production of immediate necessities to the production of relatively more superfluous goods can be considered a demonstration of social progress. Thus, a relative decrease in the labour force occupied in the primary sector is a commonly-used measure of the capacity of a social system to advance, freeing itself of the preoccupation of sustaining the merely physical existence of the population. Such an interpretation, however, is valid only to the degree that the immediate necessities of the population are in fact served. The marked discrepancy which currently exists between the development of the productive system and the satisfaction of the immediate necessities of the population in Latin America is at the heart of the problem of ecological marginality.

Among the complex range of processes involved in the urbanization phenomenon, the following are of particular importance:

a) The organization of urban production: the separation of production and consumption

The expansion of the urban productive system takes place through the establishment of specialized productive entities. At the same time, the development of the productive forces is an expression of the decreasing autonomy of the domestic unit as a productive unit. While the specialized



system of production expands, the domestic unit is transformed into a consumption unit, establishing a functional separation between work and family life, or between production and consumption.

It should be noted that this general tendency in the organization of societal production is more advanced in those sectors of the population which are inserted in a stable manner in the most developed areas of the productive structure. The decrease in artesanal production, however, expresses clearly the family's diminished possibility of successful competition in goods-production, as industrial production gains control of material inputs and markets formerly organized and served by domestic production. The decreasing possibility of domestic production for own use, on the other hand, is limited fundamentally by the lack of access to land, which is necessary for the production of foodstuffs.

Family service activities (cleaning, food preparation, the care of children) continue to be necessary for the reproduction and maintenance of the population, but do not offer the possibility of increasing the family's level of consumption. Thus, the domestic unit becomes increasingly dependent on monetary markets for the provision of immediate necessities, and on extra-familiar activities to obtain the necessary money income.

b) The production and reproduction of the urban labour force

The development of the productive forces and the new profile of urban production generate new necessities in the formation of the labour force. Occupations in the specialized productive units and related services (social, commercial, and industrial) demand increasing levels of training and educational credentials. Although the productive functionality of increased certification is an open question (see eg. Braverman, 1974) the necessity of

such certification in access to occupations is not. From the point of view of the population seeking work, then, educational credentials become a necessary but not sufficient condition for entering productive roles in the urban occupational structure.

Beyond the demand for education and training, urban concentration necessarily increases the social cost of the labour force, creating a new need for investments in transportation, infrastructure, and collective services such as health services.

c) Land as an urban product

In the degree to which the system of production is based on urban activities, land is transformed from a productive resource whose use is determined by natural characteristics, to a resource in which the "secondary" qualities take on predominant importance -that is, the provision of services and infrastructure which permit the urban production and consumption activities. The natural characteristics of the land diminish in importance as a function of the growing need for land for urban uses, and of the development of technology which permits its transformation, or "urbanization".

In this sense, land also reflects the "artificial" nature of the urban environment, taking on the characteristics of a good which is "produced" only through considerable investment. With growth, the possibility of urbanization of the land passes out of local control, at the same time as the necessity of urbanization increases.

At the same time, the secondary characteristics, which establish the possible use of the land, reflect the separation between production and consumption, differentiating between residential and productive sites.

This effect has been exaggerated by the nature of industrial production in circumstances in which profit considerations prevail. That is, the urban areas which include large productive entities have tended to represent sources of air and water contamination, noise, and congestion, which makes surrounding areas unsuitable for residential purposes.

d) The problems of land for housing and spatial location of the population

In a large city, the effects of the separation between site of production and site of consumption has radical consequences, not only in quantitative terms.

In areas of agricultural production, "land for housing" virtually does not exist as a problem, since any productive activity (subsistence agriculture; salaried agricultural work, tenant farming, etc.) always provides space sufficient to construct a house, as does the rural scale of land use. The "problem of land for housing" appears only with the separation between production and consumption in the urban system, which becomes more acute in the degree to which the developing productive forces concentrate the population, and in the degree to which the urban areas expand.

With such development, land for housing is transformed from an element provided by the productive role, and situated in function of the same, to an element which is increasingly independent of the individual's productive activity, taking on the characteristic of a merchandise whose production depends on a specific monetary market, situated in function of the available residential space. In this manner, a second problem arises: the "problem of the rational location of the population within the settlement" is also a consequence of the separation between production and consumption, which

becomes more acute in the degree to which the developing productive forces concentrate the population, and in the degree to which the urban areas expand.

The process of urbanization, in sum, accompanies the development of specialized productive entities which tend to provoke and benefit from the agglomeration of population. The family, in the same degree, loses its productive capacity and is transformed into a unit which organizes the consumption of the population, increasingly dependent on monetary income which must be attained through outside occupational pursuits, which in turn require an increasing degree of qualification.

The social costs of such a transformation are evident in the increased requirements for the production and maintenance of the labour force, including training, transportation, social services, etc. which are dependent for their fulfillment on the application of public resources. When the productive resources are privately-owned, this development involves an initial contradiction, since the benefits of agglomeration accrue in large measure to the productive enterprises, while the costs are distributed among all social groups. Congestion, noise, and environmental pollution can also be considered as social costs of this transformation.

These features of urbanization are situated on a level of generality which does not distinguish the Latin American metropolis from other urban areas, although they establish the general parameters within which these particular agglomerations must be considered. The specific features of the Latin American metropolis, in particular the appearance of vast ecologically marginal areas, is evidence that in these societies the costs and benefits of urbanization are distributed in acutely unequal fashion. In correspondence with the model proposed, these effects can be approached through a

consideration of the accumulation strategies involved in the course of development of these productive structures.

## ACCUMULATION STRATEGIES: THE DEVELOPMENT OF THE PRODUCTIVE STRUCTURE

The effects of accumulation strategies on the formation of human settlements can be considered from two perspectives: the manner in which general conditions of capital accumulation affect the economic processes which relate directly to the production of housing and the formation of urban land markets; and the constitution of the labour force which establishes the consuming possibilities of the population, and creates the market demand for housing. Clearly, these are two aspects of the same process of development of the productive structure.

On the most general level, the distinguishing feature of the development of Latin American economies stems from their dependency in relation to the more advanced structures of international capitalism. Theories of dependence have thus been directed, in large measure, to an understanding of the process of extension of monopolistic structures in nations in which the major part of the existing economic structure is in previous stages of capitalist development.

Although the situation of the dependent countries could be referred to in descriptive terms as "dual", analytically the concept of "dependency" refers to a mode of interconnection between "internal" and "external" structures, when the monopolistic elements are conceived of as originating outside the receptor economy (Cardoso, 1972:174). In the same manner, when the monopolistic elements are considered in their internal dimension, the non-monopolistic sectors have been characterized as "marginal" in respect to them. In this case, marginality can be conceived of as a particular mode of belonging to or participating in the national socioeconomic structures, fundamentally conditioned by forces which derive from the dominant nucleus.

Or, as noted by Cardoso, "... marginality always supposes dependence on other dominant structures" (Cardoso, 1972:174).

The conceptual scheme proposed by Quijano provides a useful frame of reference for considering the transformation of the productive structure in relation to the growing penetration of monopolistic structures. In this view, and with reference to the dominant nucleus, some elements of the productive system are designated as "marginal" because their productivity is of marginal interest relative to the accumulation interests of the nucleus. Clearly, this does not imply that the marginal elements are not functionally integrated in the whole, but rather that their functionality for the nucleus is relatively reduced and indirect, and includes many mediations.

The "conditioning" of development which occurs with the concentration of capital in dynamic/monopolistic enterprises will by definition make difficult the accumulation of capital in other sectors. The concentration of income which follows also interferes in the expansion of national consumer markets. The difficulties imposed on capital accumulation will thus be reflected in increased competition among productive entities. To the extent that the monopolistic structures are international, the development process will be further conditioned by the internationalization of profits.

While the conceptualization of marginality begins with the duality "dominant nucleus/marginal pole", it goes on to emphasize the heterogeneity of the internal structures:

"This integration combines modalities and levels of production which range from the most primitive to the most recent forms of capitalist development."

(Quijano, 1970:36)

A process of "unequal and combined" development rearticulates the various structural components, or the various stages of development, "... the course of eradication of the oldest being very slow and difficult". (Quijano, 1970:29).

With respect to the specific processes pointed out by Quijano, two are of a general nature: the urbanization of the economy, and increasingly <sup>u</sup>in- X equal income distribution. Within the urban structure, other specific tendencies occur: a relative deterioration of traditional industries in productivity and attraction of investment; deterioration of artesanal and non-industrial manufacturing entities within the traditional sector; increase in artesanal and non-industrial activities in new areas, connected principally with mechanical and automobile repairs; reduction of the capacity of absorption of labour in industry; and the monopolization of commerce and services (Quijano, 1976:244-50).

Thus, economic development in conditions of dependency leads to the development of some parts of the productive structure at the same time as it provokes a "relative regression" in other areas, with respect to the accumulation of capital.

Relative regression is a necessary but not sufficient condition for the elimination of productive entities -the mechanism of elimination is competition between entities which are active in the same market. Within the areas of competition, differences in the organizational form of production permit the survival of the more efficient entities while provoking the elimination of others, such as artesanal production and smaller, less efficient enterprises. The elimination of entities will occur at different moments, when the organization of production no longer permits fulfillment of its



basic function -in capitalist entities, the accumulation of capital; in pre-capitalist entities, maintenance of the organizing family.

a) Accumulation strategies and economic marginality: the formation of the labour force

In the conceptualization formulated by Quijano, an economically marginal population is generated by two principal mechanisms, both the result of the technological characteristics of the dynamic nucleus (highly capital intensive):

- 1) the radical depression of occupations and productive roles which are marginal with respect to the interests of the nucleus; and
  - 2) the diminished absorption of labour in occupations of the nucleus.
- The marginalization of the labour force is, at one and the same time, a problem of exclusion from certain occupational roles and of absorption in others.

Within the areas of competition, labour costs are relatively weightier in the lesser-developed entities, which are most vulnerable in competition, and more likely to be in process of deterioration. When capital accumulation is conditioned, and the expansion of the market limited, control of labour costs is likely to become a crucial issue in the continued survival of these enterprises.

When the law establishes a minimum salary, wages will tend to be pressured toward this level. Furthermore, it is to be expected that capitalist enterprises will search for ways to minimize labour cost through the rotation of temporary labour which permits salaries to be maintained at the lowest level, and eliminates the cost of benefits enjoyed by permanent workers. Examples of such strategies are reported by Berlinck, who concludes:

"... it was possible to demonstrate that occupational instability... permits the attainment of a marginal profit in the industrial sector and the survival of certain traditional and/or competitive industries which otherwise would not be in a position to operate in the market."

(Berlinck, 1975:149)

From the point of view of the labour force, this situation prevents access to class benefits as defined in labour legislation, since it prevents stable employment bonds.

In pre-capitalists enterprises, on the other hand, legal control over labour relations tends to be inherently more difficult. Many of the smallest entities are not legally registered, or are not included in labour legislation. To the degree that these firms use family labour, or have paternalistic characteristics, there will be a tendency to retain the labour force, but in this case workers will be under pressure to accept salaries below the minimum level, and illegitimate work situations. Examples of such phenomena are described by Lomnitz:

"These were very small enterprises -in low-income neighbourhoods- and the salaries he paid were much inferior to those which he would have had to pay if it weren't a question of (employment of) family members. Neither did he have to be concerned with problems such as payment for overtime, taxes, and contributions, or insurance". (Lomnitz, 1978:139 see also Eckstein, 1977:144).

In some cases, production groups which are organized along interpersonal and family lines are directly utilized in the production of larger firms, as is common in the Mexican system of "maquila", ~~or putting out~~.

Lomnitz notes that "Such groups made up of relatives and neighbours are commonly found in the construction industry and in many other areas which use unskilled or semi-skilled labour." (Lomnitz, 1978:136).

In both competitive capitalist and precapitalist entities, the constraints on accumulation can be expected to lead to a deterioration in work relations, expressed in pressure to less-than-subsistence income (through unstable work relations in capitalist enterprises and stable but illegitimate work relations in precapitalist enterprises) and employment bonds which do not in either case provide the minimum protection as defined in established labour laws.

In the relative regression which occurs within the marginal structure, individual activities (commerce and services, principally) represent the most acute case in terms of the difficulty of capital accumulation. These activities are best considered as non-capitalist, since they permit neither the accumulation of capital nor the development of productive organization. Normally, they represent a simple offer of labour power in search of income.

Relative regression, in the case of individual activities, does not result in their elimination - the expansion of petty street vendors is the most obvious example of this fact. While competition among precapitalist and capitalist entities tends to eliminate the least efficient when the organization of production no longer permits the fulfillment of basic functions, the individual activities' lack of organization has as its counterpart the absence of a minimum ceiling for the maintenance of the activity - the basic function is simply the provision of some income to the individual. In the case of individual activities, the relation between relative regression and elimination is inverted - earnings can continue to diminish without

causing the activity to be eliminated, and individual activities tend to increase in the absence of other work opportunities.

The transformation of the productive structure in conditions of dependency has created a population marginal to productive roles, and subject to levels of poverty which are extreme. Since the basic dynamic stems from the concentration of productive resources in capital-intensive, often internationally-controlled enterprises, these effects will continue and intensify to the extent that such concentration continues. From the point of view of the institutional integration of Latin American society, this population is not only economically but also institutionally marginal, in that they have no access to the minimum rights as defined in labour legislation or civil codes - a legitimate employment bond and a minimum salary. An increase in the institutionally marginal population, in the most global terms, signifies a regression of the society as an organizing structure - or an increasingly acute separation between "state" and "nation".

The increased marginality of segments of the labour force has thus conditioned their status as consumers of immediate necessities such as housing in both economic and institutional terms - they are increasingly dependent on income which is not adequate for participation in the unregulated urban housing market, and they are excluded from subsidized housing and public loan schemes which depend, at the minimum, on a legitimate employment bond. The increasingly heterogeneous class structure reported in precarious settlements can be seen as a consequence of this "unequal and combined" development, which has tended to create significant differentials in the consuming possibilities within occupational groups, depending on their relation to the dynamic structure.

The effects of such marginalization, on the other hand, are not confined to the marginalized group itself. Tendencies in income distribution, which reveal the decreased purchasing power of majority sectors of the population, demonstrate that in these circumstances many sources of stable employment, which generate the legally-defined minimum salary, do not permit an adequate standard of living. Clearly, the pressure of such a vast labour reserve has allowed a deterioration of the consuming possibilities of those whose occupational stability and income are permanently conditioned by the fact that they could at any time be replaced.

b) Accumulation Strategies and the production of housing

The conditions of capital accumulation in dependent economies, which leads to increased competition, the deterioration and eventual elimination of less-developed labour-intensive forms of production, and the increasing productive marginality of large segments of the population, has another effect which directly conditions the production of housing in Latin America: alternative investment and speculation in urban land.

"... chronic inflation and control of major industrial development by large, usually foreign-owned corporations have led a large portion of domestic capital to be invested in the urban land market. Land investment is the most secure defense against a deteriorating currency, and the pattern of rapid urban growth has resulted in sharp increases in the real value of land. Land speculation thus offers the possibility of augmenting wealth without excessive risks and without the complexities of industrial investment." (Walton, 1976:28; see also United Nations,

1978:61; Evers, 1976:71; Landes, 1975; Walton 1978:38;  
Vetter & Brasileiro, 1978:267; Sazavami, 1976:712)

The efficiency of land speculation in the accumulation of capital is deducible from reported increases in land values in urban areas, especially metropolitan areas. While inter- and intra-city differences may be considerable, and while adequate comparative data are not available, increases of up to 300% within a one-year period and of 100% in a six-month period have been reported (Brasileira, 1978:267), and one study of the increasing value of a piece of rural land which was incorporated into the metropolitan market reports a price increase of 47, 900% over a 30-year period (Lander, 1975:104).

While the historical patterns of land ownership undoubtedly established the initial conditions for the concentration of land in the hands of a few, the increasingly and spectacularly lucrative nature of land speculation in present-day metropolitan areas has furthered this tendency, establishing conditions for the monopolistic control of urban land. In such a situation, "... land transactions tend to become largely "institutional", that is between speculators, rather than "terminal", that is between the speculator and ultimate resident". (Evers, 1976:71).

The increasing number of private agents involved in urban land transactions (proprietors, developers, commercial agents, financiers, etc.), each of whom derives their share of profit from the constitution of the land market, is evidence of the financial attractiveness of such ventures and at the same time represents one of the mechanisms which leads to the creation of high prices to the eventual consumer. While the provision of infrastructure involves a productive investment which necessarily increases

the value and the price of urban land, the United Nations investigation "Tierra para asentamientos humanos" reports that "... the prices of land in areas of new urbanization demonstrate that the new urban value is three to four times higher than the cost of infrastructure in the case of land for residential areas..." (United Nations, 1978:83).

The effect of such artificially high land prices on the cost of housing is clear, since land prices have been reported as frequently exceeding 50% of the total price of housing in developing countries (United Nations, 1978:iv). Thus,

"Private ownership of land by a small stratum of the population means in reality that it is impossible for the majority to enjoy rights to the use of land, including housing..." (United Nations, 1978:32)

The fact that access to land is necessary for the production and consumption of housing sets specific conditions for the development of the construction industry. The profits included in land prices increase production costs in this area, and act as an obstacle in the accumulation process.

The monopolistic control of basic building materials such as cement and steel has a similar effect. The control of prices, which guarantees high profit margins to these producers, increases the production costs of the construction industry which depends on such inputs.

The relatively high cost of the housing product as a consumer good thus creates a need for finance capital in both production and consumption of the product. The net result is a marked vulnerability of the construction industry with regard to general economic conditions.

Given the relatively extended cycle of production of this good, an economically viable project can be transformed, in the course of its execution, into a much less profitable venture. Variations in general economic conditions, which affect both production costs and the size of the demand, are reflected in frequent and considerable fluctuations in the rhythm of production, particularly housing construction. Thus, those circumstances which increase production costs and prices to the consumer will tend to increase the industry's dependence on outside capital, at the same time as the effects of such dependency decrease the industry's attractiveness as an investment alternative.

In an industry subject to considerable fluctuations, on the other hand, the costs of diminished production will be proportional to the investment in capital goods which are underutilized during recessive periods. Development through investment in technology will thus be less likely to occur, even when sufficient capital is available. More labour-intensive firms in the area of construction have the option of responding to diminished production through contraction of the work force. The widely-noted instability of construction employment is confirmed in one analysis which shows that 23.6% of construction workers had been employed for less than three months and 64.9% for less than one year (Berlinck, 1975:115). Another study reports that contracts in the construction industry are often confined to 80-day periods, which allows the avoidance of labour obligations (Pradilla, 1977:11n3). While this represents a degree of flexibility not present in more developed entities, and which reinforces the labour-intensive characteristic of the sector, these same enterprises are more likely to be liquidated in the event of more extreme changes in the conditions of production.



In this respect, the construction industry is a concrete example of the general trends discussed above: accumulation in a competitive area of production is directly conditioned by monopolistic structures which control access to and prices of necessary inputs (not only land but basic construction materials). The less-developed, labour intensive sphere, disadvantaged in the accumulation process, is therefore unable to increase productivity through technical development, which reinforces its dependent status and maintains its less efficient form of organization, thus completing the cycle of relative regression.

At the same time, the tendency toward monopolistic control of urban land and building products creates the conditions for association of this capital with large construction enterprises, since in this case more effective control is exercised over the whole productive process. The net result is increasing differentiation within the construction industry. The apparent contradiction between the lucrative nature of the construction industry and its general low level of development can be understood in this context. Only those sectors which are associated with finance capital or monopoly control over land or building materials are in a position to guarantee high rates of capital accumulation, and adopt more advanced productive techniques. The majority of construction firms, which do not achieve such control, will continue to rely on labour-intensive production techniques, adapting to fluctuations in general economic conditions through expansion and contraction of the labour force.

The development of more efficient production in larger enterprises has not, however, resulted in a reduction in the costs of housing: the larger enterprises, effectively protected from competition, can benefit from monopoly control, while the smaller enterprises are unable to reduce production costs. While the high cost of housing construction could con-

ceivably be reduced somewhat through standardization, more efficient organization, etc., in the context of accumulation described above, the prospects of significant change are not great:

"While it is true that reductions could and should be achieved - above all through the rationalization of design and production - it is obvious that the characteristics and tendencies of (housing) costs will continue if the corresponding structural modifications are not introduced". (Uria, 1975:438)

# SURVIVAL STRATEGIES IN PRECARIOUS SETTLEMENTS: ADAPTATION TO POVERTY

The illegitimate occupation of unurbanized land and settlement in center-city slum areas can be seen as strategies which are utilized by those families whose productive role does not permit access to adequate housing, and who are therefore obliged to occupy urban spaces which are deficient in essential services and inadequate in quantitative terms, creating the most visible dimensions of ecological marginity. Modalities of spatial location, described in the next section, can thus be characterized as a survival strategy, or an adaptive response to poverty in urban areas. The entry into individual occupations is another example. Studies of precarious settlements have revealed other adaptative mechanisms which have evolved in these areas, which allow their functioning and survival, and which shed light on their demographic aspects.

It should be recalled that the urban context in which these mechanisms develop is one in which the productive possibilities of the family unit are severely limited by lack of access to productive resources such as land and other material goods. In rural subsistence areas, natural factors impose the basic conditions for survival, and the seasonal rhythm of food production, although not necessarily sufficient to provide adequate nutrition, locates the question of "daily bread" within a larger cycle of planting, harvesting, and consumption. Perhaps the best description of the daily struggle in urban areas is found in the diary of Maria Carolina de Jesus, who survived in a favela of Sao Paulo by collecting and selling scrap paper and metal. When

the day's luck was bad, the family didn't eat, unless some neighbour offered to help. In urban areas, the question of "bread" must be resolved daily, in many cases -survival is, in this respect, a much more immediate phenomenon.

a) Networks of interchange and mutual assistance

The interchange networks which are described by Lomnitz (1975), for example, are in large measure directed toward guaranteeing minimum access to the immediate necessities of a population which lives in conditions of unstable poverty. The impossibility of producing or accumulating a surplus of food in itself requires an emergency mechanism which can be activated rapidly and without monetary cost. Other activities reported are: services such as care of the sick, carrying messages, care of minor children, or carrying water; loans of food or small quantities of money (to buy shoes, newspapers, or pay for the baptism rites of an infant about to die), cooking utensils and fuel, and clothing; assistance in the construction of housing or in finding work (of the institutionally marginal type, where "generally they earn salaries below the minimum and lack permanence and security", Lomnitz, 1975:74).

Another feature pointed out in investigations of these areas is their function as reception centers for migrants. In this case, assistance includes the sharing of dwelling space, and may include the provision of all necessary material support for arriving migrants, as well as fulfilling social and psychological functions in adaptation to urban life.

b) Family structure: extension and fluidity

The interchange networks described above tend to be structured, in large measure, according to family bonds which group the population in terms of consumption and permit their survival. The extension of the family structure in low-income strata appears more visibly when they share the same domicile, as is frequently the case, but the distinguishing characteristic of this family structure is found in the fact that it represents an extremely complex network of shared consumption of immediate necessities. The interconnected individuals may live in the same dwelling, in separate dwellings on the same piece of land, or in separate but nearby locations, in all cases the existence of interchange networks demonstrates that they make up one consuming unit. To the extent that housing, clothing, domestic utensils, etc. are shared, this extended structure permits small economies of scale which reduce the cost of daily subsistence for the members, as well as functioning as emergency mechanisms.

In a structure in which reciprocity is critical, the need for confidence contributes to the extension of the family through godparenthood. As noted by Lomnitz:

"The worth of a compadre is not measured by his ceremonial contribution, but rather by the intensity and trustworthiness of the reciprocal interchange relationship which develops later".

(Lomnitz, 1975:187)

The fluidity of the low-income household structure across time has been designated "family breakdown" in some earlier works. Such

a characterization results from the interpretation of this phenomenon in socioemotional terms, an optic which is not realistic in this situation, where the formation and disintegration of family units reflects more clearly the necessity of an adaptive strategy directed towards the maximization of the limited material possibilities of the group. Such changes "ensure financial balance for the group even if making it unstable from the point of view of membership" (Woortman, no date:21). A conjugal family, made up of parents and children, requires at the minimum a material basis adequate for the formation and maintenance of an independent consuming unit, a condition which does not prevail in precarious urban areas.

c) Patterns of Reproduction

The reproductive patterns of these families also reflect their contextual conditions, which has resulted in the maintenance of a high birth rate in low-income urban groups. The control of reproduction depends on both a) the possibility of control (knowledge of and access to means of control) and b) the desirability of control, or a context in which such control is perceived as being of benefit to the family. In many cases, poverty, and the resultant stratification of consumption (including education) impedes access to the knowledge and materials necessary for birth control. The possibility of control is thus clearly limited in these groups.

The desirability of control, on the other hand, is reduced in a situation in which a flexible and extended consuming structure is necessary for the survival of the group, and where family ties are the best guarantee of consolidation of reciprocity. The extension of the

survival network through godparent relations also depends on the presence of children, more children allowing more such bonds to be formed. Where the family is virtually the only source of "social security", large families are necessary and desirable in these terms.

In the informal economy, children also represent a valuable source of labour which is utilized in family service tasks and in the search for outside income:

"The children work where and when they can:  
shining shoes, carrying water for their mothers  
or in exchange for a few centavos, selling  
chiclets in the street, helping to look after  
animals, going from house to house asking for  
bread and tortillas to feed the pigs or domestic  
birds which are raised in many marginalized  
homes". (Lomnitz, 1975:73)

While the entry of middle-class women into urban productive activities has represented a force toward the reduction of offspring, the informal character of women's activities in low-income sectors does not create the same incompatibility of productive and reproductive roles. Women's productivity in informal activities may rather be enhanced through a mother-child division of labour in clothing production, preparation and sale of food products, laundry and ironing, etc. (Garcia and de Oliveira, no date:16).

The perception of the advantage of numerous children in these groups is clearly related to the functional benefits of offspring,

expressed in the saying "children are the wealth of the poor" (Machado-Neto, 1977:20). Thus, the context of urban poverty has created neither the justification nor the means for transforming traditional reproductive patterns.

d) Family Roles

The extension of the family unit allows the maximization of the work capacity of all member, as it permits an internal division of labour which includes those individuals who are excluded from employment possibilities, usually because of their age. The acute need for income thus tends to lead all family members to seek some form of income, or to provide the necessary support service for occupational activity. Both the oldest members and very young children are involved in caring for the youngest children, for example. The result are family roles which have little in common with cultural stereotypes derived largely from middle-class patterns of behavior.

In a situation in which all members are necessary for the maintenance of the family, the concept of "family head" has a relatively reduced weight. The limitations imposed by poverty on the role of breadwinner, on the spatial location of the family, on decisions regarding family spending, and on the socialization of children reflect a role of "family head" which does not include many elements which are implicit in the concept. In some precarious areas, a high percentage of female heads has been reported (Kinzer, 1973:303; Mangin, 1974:346; Roberts, 1970:488).

The early entry of children in the search for monetary income is a major characteristic of "the role of children" in these areas. Empiri-



cal data on this phenomenon are unfortunately not generally available, but a report from one precarious area notes that 27% of family heads began to work before they were 10 years old (Lomnitz, 1975:98). Although the necessity of child labour is also characteristic of rural areas, the urban context represents fundamentally different conditions for this phenomenon. The assignment of tasks to children in rural areas initiates the process of learning necessary to prepare them for entry into rural productive processes through activities coordinated by and carried out in the family realm. In the urban context, the need for children to seek monetary income tends to increase their presence in individual activities such as petty commerce or services, which provide much less than subsistence income, offer no training which could serve to increase their productive potential, and tend in fact to isolate them from the educational possibilities to which they hypothetically have access, and which are increasingly necessary in achieving a minimum level of consumption. In sum, the tendencies inherent in the current situation of urban poverty tend to produce an increasingly disqualified labour force.

A consideration of the role of women in precarious urban settlements suffers from a characteristic common to all investigations which attempt to determine the effect of the sex variable in social life -that is, a peculiar degree of cultural invisibility of female activities outside the realm of domestic service tasks. Thus, the fact that rural-urban migration is female-dominated in many areas of Latin America is hidden by a functional stereotype of "the migrant" who is young, largely uneducated, and male. The distorting effect of sexual stereotypes on basic

empirical data such as census reports is an increasingly acknowledge fact (see. eg. Blay, 1973:184; Durand, 1975:11), which results from a widespread tendency to underreport female economic activities, particularly in underdeveloped countries where "informal" earnings are common, or where productive activities are carried out in the home and combined with family service tasks, as is the norm in rural areas. The resulting conceptualization, which defines urban contexts as providing new opportunities for women, is predicated on a view of their traditional roles as "strictly domestic", that is, as made up of unpaid domestic service tasks. This view overlooks, among other things, the fact that traditional industries often employed a large number of women; the later substitution of female industrial workers by males in circumstances of widespread unemployment (Towner, 1977:100, Keremitsis, 1974); and the fact that artisanal production, largely destroyed by industrial production, was in at least some cases a predominantly female activity (Brandao-Lopes, 1975: 434). The view that woman's traditional "place" was in the home also overlooks the fact that the family was once the organizing structure for all productive activities.

"If woman's place is in someone else's home, and the home in question is part factory, part workshop, and part subsistence farm, the meaning of our maxim isn't what we thought it was". (January, 1971:20) X

The assessment of women's role in precarious urban areas is thus made difficult by inadequate conceptualization of their historical roles

which provides the basis for comparison, and by the continued influence of stereotypes which relegate female activities to a secondary status in current investigations.

If the reproductive function of women has led to their historical responsibility for family service tasks, their productive role is more variable, and dependent on existing conditions of production. When productive activities are no longer integrated with family life, female roles are in principal doubly conditioned: firstly, by their family responsibilities, and secondly by the productive opportunities to which they have access. The relative importance of these factors, however, will vary with the economic situation of the family. In a situation in which the need for income is acute, as is the case in precarious settlements, it is probable that women will tend to seek a source of income, the extended family structure in this case providing a structural support for family service tasks and childcare. As noted by Perlman:

"Clearly such constraints as caring for families, arranging for child care, and spouse disapproval hinders the labor force participation of women, but since most family budgets in the favela need as many sources of income as possible, it is likely that more women would join the ranks of the productively employed if the opportunities existed".

(Perlman, 1976:157)

In this case, the constraints of domestic responsibilities are seen

to be less important than the effect of limited employment opportunities in defining women's roles. Clearly, the effect of family demands on the role of women cannot be established in a situation in which women remain in domestic activities simply because no alternative exists. In this case, what appears to be the effect of cultural elements as expressed in sexual stereotypes, traditional values, etc. in the definition of female family roles, may rather be an effect of the urban occupational demand, in this case, a lack of opportunities for employment.

If the indications are that the supply of female labour is not basically limited by sexual stereotypes in these groups, the same cannot be said of the demand for female labour. Thus, these cultural stereotypes are activated as discriminatory mechanisms in defining employment opportunities which results in a dual labour market, or occupations that are distributed on the basis of sex. In a situation of widespread urban unemployment, however, this same mechanism has served to reserve certain occupations for women, the outstanding example being, of course, paid domestic service. Beyond this group, a large number of low-income women are occupied in individual services and commerce, which allows the resolution of possible conditioning by sex roles in both supply and demand terms -that is, in many cases they allow the woman to combine child-care with income-producing activities; and they eliminate the possibility of employer discrimination.

e) Economic Activities

Since variation in the economic structure of precarious areas is

considerable, earning opportunities for all inhabitants, including women, will presumably reflect the specific context of any concrete case. In the case of squatter settlements, Leeds has argued:

"They vary socio-economically from squattments with no internal commerce whatever to those with immense and growing commercial areas serving the surrounding area of the city; from those with no internal labour market to those with a very considerable one; from those with no internal primary or secondary productive activities to those with quite notable specialized urban agriculture... or industrial and artesanal plants". (Leeds, 1969:48)

This same author notes a considerable correlation between development of the internal labour market and development of the settlement as a whole. In one analysis which compares settlements established at different points in time, the low level of commercial development in "incipient" or most recent areas is noted:

"Commercial development at this level reflects the needs of squatters as well as their low purchasing power, so that enterprises are limited to grocery stores, tortillerias, pharmacy, a yard where building materials may be purchased, and a cafe that serves as a bar and informal social center".

(Ward, 1976:336)

Another study reports that "...commercial as well as production opportunities in the old city center slum are better than in the two newer districts". (Eckstein, 1977:156)

The fact that older areas represent a more developed internal labour market, however, does not warrant the conclusion that newer areas will eventually achieve the same economic development or diversification. The survival of small workshops and artesanal activity in older areas is in at least some cases dependent on proximity to an established network of supply and demand, developed over decades. (Eckstein, 1977:143). While the complex conditions which allow economic diversification and the development of a formal labour market in precarious areas cannot be identified here, the description of economic activities in many precarious areas, as well as census data on occupations, confirm the global importance of informal alternatives, especially in commerce and services. As in the case of formal activities, however, the scarce material resources of the precarious population limits the possibility of autonomous development. In this regard, Lomnitz has pointed out the extent to which informally-organized productive activities in one precarious area are dependent upon an intermediary who articulates these structures with the formal system, including examples of carpet-layers, construction workers, clothing manufacturers, and petty-commerce in articles such as chewing-gum, kleenex, lottery tickets, etc. The dependence of these "producers" on the intermediary is paralleled by the dependence of the intermediary on the formal system, which limits the possibility of social mobility for all:

"The intermediaries of the barriadas or of the marginal sector in general, control the articulations between their own social group and the outside formal institutions, in a manner which tends to preserve the status quo in the maximum". (Lomnitz, 1978:150)

The possibility of earnings is also conditioned to some degree by the spatial location of the precarious settlement. As noted earlier, peripheral location tends to have a negative effect on family income because it reduces the possibility of informal activities, principally of women and children. In this respect, the effect may be due to the social segregation of the settlement, rather than a simple effect of distance:

"The inhabitants of small favelas located far from industrial zones and near upper-class districts not only produce incomes appreciably higher than the anterior group, but also show a greater increase in the total family income". (Berlinck, 1975:128)

Clearly, when the economic situation of the precarious population itself does not allow consumption beyond the immediate necessities, the income possibilities through informal activities which depend on this internal market are drastically reduced. To the extent that newer

settlements tend to be socially and/or spatially segregated, informal earning opportunities will also be correspondingly less, since access to the external market is diminished.

The survival strategies developed in precarious areas, which take the form of mutual assistance, large families, and informal economic activities, reveal that the most abundant resource in this population is that of labour time. While representing a potential productive resource, the possible uses of this labour time are extremely limited by the lack of material resources which prevails in these areas. Thus, the mutual-aid mechanisms tend to maintain the population in their precarious situation, allowing their survival without contributing to their betterment:

"Mutual aid in the *barriada* is restricted to immediate action and is not oriented toward the settler's basic interests such as increase in income-levels, opportunity for stable occupation and active participation in the urban productive structure".

(Rivas, 1972:234)

High birth-rates, and the utilization of the rapidly-expanding population in informal activities, on the other hand, demonstrate that, in this case, survival strategies which are useful from the perspective of the family unit tend to have negative effects on the group as a whole, as increased numbers results in increased competition for scarce employment and markets, and permits decreasing returns to the individuals in competition.



SURVIVAL STRATEGIES IN PRECARIOUS SETTLEMENTS: OCCUPATION  
OF SPACE AND CONSTRUCTION

a) Occupation of Space

Precarious settlements, identified by the deficient nature of dwellings and associated services and infrastructure, in contrast with adjacent areas, present internal differences with regard to the process of occupation of space. On this basis, two main groupings can be identified:

- i) inner-city slums (tugurios) -This modality represents the occupation of rented space whose ownership is legally established, and which is integrated in the existing service networks, usually in city center areas. In many cases, the use of these areas has changed over time, tending toward increased density as spaces originally utilized as one-family dwellings are progressively subdivided (Rodrigues, 1973:10-11). This represents, in turn, a deterioration in the services/inhabitant ratio, which is accelerated to the extent that maintenance of even existing services is neglected. Although some inner-city areas (the "ciudades perdidas" of Mexico, for example) may also include dwellings constructed informally, access to space even in this case is achieved by renting it from the owner.
- ii) squatter settlements and illegal subdivisions -The distinguishing feature of this modality stems from the fact that it represents an extension of the urban settlement through the occupation of space not previously incorporated in existing service networks.

In squatter settlements, the land is possessed illegally through invasion without payment to the owner, although if the invasion is organized there may be some payment involved for participation rights. In illegal subdivisions, a price is paid for the land, usually over time, and the purchase agreement may include the promise of future urbanization (the provision of essential services), although often these conditions are not kept. (Cornelius, 1976:258; Rosenbluth, :443). In some cases, the seller of the land is not the legal owner. In neither squatter settlements nor illegal subdivisions does the occupier gain legal property rights to the land, which allows them to be considered together as "illegitimate settlements".

The land which is occupied through illegitimate possession is distinguished in the first instance by a lack of infrastructure and services necessary for urban residence. In turn, this lack of urbanization tends to reflect either unfavorable locational qualities (steep hillsides, swampy areas, etc.) or public or unclear property rights; or both (see Connolly, forthcoming 19; Pradilla, 1978:30). Land with these characteristics may be located spatially either within the urbanized area or on the periphery of the metropolis.

The existence of unurbanized land, however, depends on its "peripherality" in terms of the formal land market, a dimension which crosscuts its locational and property characteristics (Dwyer, 1975:31). Thus, change over time in the constitution of the formal land market will also tend to condition the spatial location of illegitimate settle-

ments, indicating the reactive nature of the informal processes.

Rising land prices and the advance of technology thus combine to overcome the unfavorable qualitative nature of the land in terms of competition in the formal market, as noted by Connolly:

"This competition today applies to land which at first sight would appear to be unsuitable for 'residential' development, given that even the most expensive type of urbanization requiring massive retaining walls, irrigation systems, etc. is now a profitable concern for this sector".  
(Connolly, forthcoming:45).

Transportation infrastructure also provides new uses for some such areas, making them more valuable, and incorporating them within the formal market. The net result is increasing correspondence between the spatial and market dimensions of "peripherality". As population pressure increases and available inner-metropolis spaces are saturated or eradicated, (that is, incorporated in the formal market) there has been a tendency for illegitimate occupation to occur more frequently on the existing fringe areas.

Changes over time in the movement of population between slums and illegitimate settlements (characterized as "core" and "periphery" in spatial terms) has been the subject of some debate. Thus, some authors have argued that newly-arrived migrants go directly to core areas, moving to the periphery when their economic situation improves:

"New migrants tend to move into central city slums in search of work opportunities... the peripheral settlement is more properly the abode of those having secured a minimum of occupational stability. The peripheral settlement is often an area sought after, rather than escaped from". (Portes, 1972: 279).

Others have maintained that center-periphery movement is a sign of deterioration in economic position:

"The families which inhabit the slum areas (tugurios) move toward the areas of land invasion (asentamientos de precaristas), impelled by the deterioration in their economic situation". (Rosenbluth, :407).

Clearly, the problem of mapping movements between these areas depends to some extent on the possibility of characterizing one or the other as generally more desirable or generally more costly, and internal differences and changes over time make this an almost impossible task. Recent investigations in Mexico, which accept direct movement to core areas as the traditional pattern, argue that as population pressure in these areas has reached a saturation limit, and as slum areas have been decreased through eradication, direct movement to the periphery is now becoming more important (Ward, 1976:379; Cornelius, 1976:352). The widely-reported tendency for migrants to live with kin, combined with the widespread growth of peripheral illegitimate settlements, would in itself suggest that many present-day migrants to metropolitan areas do indeed locate initially in peripheral areas, although not

necessarily establishing a new residence.

The existing tendencies in the location of the urban population, seen in this context, reveal the extremely limited possibilities of achieving rational location in terms of productive roles: first, because the market value of urbanized land puts it increasingly beyond the reach of majority sectors, and secondly, because the informal alternatives, conditioned by the extension of the same market, tend to permit the settling of population in areas increasingly distant from the city center. From a global point of view, peripheral location tends to reproduce the social segregation of the settlement, increase urban dispersion, and generate new necessities in the extension of infrastructure network (Pradilla, 1978:78).

b) The Production of Housing in Precarious Urban Settlements

The initial construction of housing in illegitimate urban settlements is generally achieved through the application of family and other unpaid or underpaid labour, using rudimentary tools and some combination of waste materials, natural materials, and industrially-produced elements, which provide the substandard shelter which characterizes such areas. The building process is notoriously lengthy and inefficient, due to inexperience, inadequate building materials and the chronic lack of economic resources, which makes it costly in terms of the investment of labour time. The extended process of self-construction, which allows the purchase of necessary materials only in very small quantities, also tends to increase the unit price, more so when the builder must rely on small local outlets which may charge higher-than-average prices, as is often reported in peripheral locations. The major economic ad-

vantage is the pacing of construction progress in accordance with fluctuations in the family economy.

Distinguished by the need to reduce monetary outputs to the minimum, the result is a reduction in the size and quality of the dwelling. The resulting overcrowding may be inferred from international data which demonstrate that the average number of persons per room is consistently higher in smaller dwellings, and increased between 1960-70, 1-room dwellings averaging from 5.4 persons per room in Mexico (1970) to 3.3 persons per room in Brazil (1970) (Rosenbluth, :417). Data from one empirical study reports an average of 8 persons per room at the lowest income level (Jaramillo, 1978:18). Another empirical study of precarious settlements reveals an average dwelling space of 1.1 m<sup>2</sup> per person (Pasternak, 1977:25).

"Narrow, with neither ventilation nor illumination, lacking sanitary facilities, structurally weak and the frequent victim of rain and landslides, offering little protection from the weather, located in unsanitary sites, this housing is far from satisfying the necessities of a family in the present socio-historical context of the development of capital and its modern productive forces. (Pradilla, 1978:42).

c) The Improvement of Precarious Settlements

The improvement of precarious settlements over time is seen to be

a result of a) occupants' upgrading of dwellings through the progressive substitution of standard building materials and the construction of infrastructure or b) government assistance in the provision of services and infrastructure; or a combination of both.

The question of tenure rights is widely noted as an important condition in this matter. In this view, the rental basis of inner-city slum areas makes it unlikely that occupants will invest in improvements, while the owners' response to the constant demand for low-cost rental accommodation is progressive subdivision which leads to deterioration in the quality of the area. The question of improvement in precarious settlements is thus largely limited from the outset to squatter settlements and illegal subdivisions.

The possibility that a household will invest an improvement is conditioned initially by the existence of a monetary surplus which could be so applied. Individual differences in family income would thus account for the degree of heterogeneity which exists in such areas. More important, however, is an understanding of those dimensions which affect the possibility of improvements for the marginalized population as a whole.

In this respect, the tendency toward peripheral location of precarious settlements involves contradictory elements: the occupation of such land provides the only available channel to eventually achieving legal ownership; but may at the same time impose direct increases in the monetary cost of subsistence living through the increased outlays for

transportation and higher prices for other subsistence goods such as foodstuffs. (Pradilla, 1978:79). Family income possibilities, on the other hand, may be reduced by peripheral location:

"Travelling results in huge losses of time and reduces the opportunities for spare time 'odd jobbing'. Similarly, the wife and child who previously had easy access to local employment opportunities (taking in washing, shoe cleaning, hawking) find that surrounding neighbourhoods are less conducive to casual work. Both instances, may result in an overall decline of family income". (Ward, 1976:344; see also Pasternak, 1977:F1-8; Pradilla, 1978:79; Berlink, 1975:128).

It should be noted at this point that daily travelling time of up to 4 hours has been reported in metropolitan areas. (Cornelius, 1978:20).

Uninterpreted income distribution and employment tendencies also suggest that improvement possibilities are not increasing, and when combined with reported increases in the cost of house construction, (Ward, forthcoming:5; Rosenbluth, :44; Pineda, 1972,197), the net effect is clear: improvement through the informal construction alternative is increasingly costly, in a context where real purchasing power is being reduced. Even the limited success of past self-improvement cannot therefore be expected to continue:

"... the level of improvement achieved is closely related to the investment surplus that is created



itself a product of the type of employment and the income level of the head of the household, etc.

Given the growing difficulties of access to productive employment, the low rate of increase of wages and rapid inflation, the prospects of future successful self-help are reviewed". (Ward, forthcoming<sup>(a)</sup> 17).

The possibility of upgrading through the installation of services, on the other hand, is dependent upon government assistance, even though the community may provide the labour for necessary infrastructure. Government assistance would seemingly provide conditions which could overcome the unregulated market forces, and improve the physical conditions in established precarious settlements.

A universal pre-condition for government assistance is the legalization of property rights. As noted above, the achievement of security in tenure has been understood to lead to the inhabitants' increased investment, and considerable "upgrading" or "consolidation" of the settlement over time. This has been convincingly argued, for example, in the case of Peru's pueblos juvenes during the 1950's and 1960's (Turner, 1975). In this interpretation, the improvement is seen to rest on the inhabitants' possession of economic resources which are "liberated" by the legalization process. Assured that they will not lose their investment, building proceeds at an accelerated rate. It is evident, however, that legalization alone is not a sufficient condition for improvement when the family's income does not in any case allow more rapid or more adequate construction.

It is also true that the legalization procedure may involve a monetary cost which could represent a considerable and sudden increase in the cost of household subsistence. In some cases of illegal subdivisions, for example, the purchasers were obliged to pay twice for their land, their original payments having no legitimacy at the time of legalization (Cornelius, 1976:259,63; Pradilla, 1978:30). The price established for the land at legalization may also include, in some cases, the investments already made by the settlers which represents a second form of double payment.

When government assistance includes the provision of services, an additional and obligatory monetary output will be required. If installation requires the use of non-paid community labour, of course, the monetary payment will be combined with a payment in terms of labour-time.

The net effect of government improvements which require payment for land, legalization, or services, will thus have differential effects on the settlement population, depending on their financial resources. When they are able to meet the required costs of improvements, and still generate a surplus which could be applied to housing construction, it is reasonable to assume that upgrading will proceed. Those at the lower income levels, however, may not have sufficient resources to cover the legalization and/or services costs. In this case, two responses are possible: further subdivision in the form of sharing the lot, which could generate some rental income or at least decrease the payments through sharing; or abandonment of the location. Both responses have been reported in specific instances of legalization

(Ward, forthcoming:13; Cornelius, 1976:262).

To the extent that government assistance involves monetary costs, therefore, such assistance acts as an extension of the housing market, and as such will tend to eliminate those who cannot pay the price, as well as creating the necessary investment conditions for those who can. It has been argued, from this perspective, that government assistance to low-income settlements has in some cases acted to provide subsidized housing for higher-income groups (Eckstein, 1977:61).

"While these better-off households would be reluctant to undergo the insecurities of tenure at the outset and the rigours of living in a serviceless community, once legalization is assured they are interested in securing land at what is for them, a relatively low price. (Ward, forthcoming :14).

Clearly, the effect of such measures in terms of expulsion or incorporation in any specific case will vary depending on the cost/income ratio which exists. The tendency over time, however, will be similar to the formal market tendencies, which reflect the same cost/income relationship -expulsion of those at the lower end of the distribution scale whose income is insufficient to meet the costs involved. The size of this group will reflect the purchasing power of the low-income population at any given time.

Government sites and services projects represent a very similar dynamic, with two exceptions: In the cases where sites and services

are provided before occupation has taken place, the exclusion mechanism may be present from the outset, so that expulsion of original settlers may be less likely; and the selection of the site will tend to avoid those areas whose qualities make them less amenable to urbanization such as steep hillsides and swamps.

On the other hand, the land provided for sites and services projects, as well as that made available for government low-cost housing projects, tends inevitably to be located in peripheral areas, with the corresponding disadvantages mentioned above. Low-cost housing projects have also been reported to suffer from payment default, occupancy turnover, and crowding:

"Frequently the low-cost housing projects suffer rapid changes in occupancy due to payment default, and the proprietors or renters tend to overpopulate their dwellings and, in part, use them for commercial purposes". (Urquidi, 1975:409).

The above discussion reveals that the question of improvement of precarious settlements cannot be approached through a mere assessment of physical changes in specific areas over time, since such transformations may well represent a weeding-out process in which the most needy are forced to re-locate, initiating the same cycle in another area.

## PUBLIC INTERVENTION IN METROPOLITAN AREAS

In a situation where a large proportion of the population is unable to constitute a solvent demand for housing and urban services, public concern to achieve an adequate settlement standard necessarily implies that additional resources be allocated to these areas. Limited public funds, on the other hand, is often seen as the major impediment in improving urban conditions.

If a strictly quantitative approach is applied to this question, it could be argued that precarious urban areas represent a major de facto "solution" for controlling the public cost of urban growth. Estimates of the sums which would be required to provide these areas with adequate services indicate the dimension of "saving" which the current situation represents.

At the same time, the growth of metropolitan areas has provided the conditions for impressive accumulation of capital in private enterprises linked with urban development, as well as enhancing personal wealth which is derived from the concentration of population and the increased value of urban properties.

The limitation of public funds must be seen in this context: creation of the conditions required for achieving adequate settlement standards depends, in the first instance, on the extent to which the benefits of urban growth accrue to the public sector, as this determines the quantity of funds available.

The second requirement is an allocation of available resources in such a way that existing discrepancies are diminished.

## Public Control of Land Use and Land Values

Public regulation over land use is necessary to assure that land is transformed to urban uses in such a way that costs per inhabitant are minimized while benefits are maximized. The cost of spatial expansion is related to both the amount of land transformed to urban use, and the relative cost of such transformation per inhabitant. The type of land incorporated affects the cost of expansion directly when physical characteristics make the installation of infrastructure relatively more costly, and indirectly when the land absorbed had been in prior use for agricultural production.

Public intervention in limiting urban expansion through simple legislative controls on growth, exemplified by the prohibition of new residential subdivisions within Mexico's Federal District, are clearly ineffective. The result in this case was a proliferation of unauthorized subdivisions in adjacent municipalities, and even within the Federal District itself, and the legislation was eventually reversed.

Legislation on the density of land use, which could limit the extent of expansion through the establishment of maximum spatial standards, has not been attempted in any country. Thus, the movement of high-income groups away from city-center areas has resulted in the growth of low-density subdivisions which represent a relatively inefficient use of land as well as high costs in the extension of public service networks (Walton, 1976:47). While low-income peripheral settlements have been criticized in these same terms, it is necessary to point out that high-income groups tend to choose peripheral locations because

of their advantages, while low-income settlements are much more a function of lack of alternatives. As we have seen, the establishment of precarious settlements on land which is less amenable to urbanization is a necessary result of exclusion from formal land markets. The increased cost of servicing these areas is thus avoidable only through measures which provide low-income populations with access to more suitable sites. This implies a need for public action in the creation and appropriation of urban land values.

The mechanisms available for controlling land use and speculation, and assuring public benefit from the values generated by urbanization, are the establishment of adequate property taxes, and direct public participation in the urban land market (including expropriation and the establishment of land reserves). Legal devices are only as effective as their implementation, however, and problems are abundant (Rosenbluth, :440). The Mexican case has been described as follows:

"In practice, land values have generally been underestimated, registration of properties has been incomplete, and numerous exemptions have been granted with no legal justification.... Another major deficiency of governmental action in this area has been the failure to adjust the tax value of properties to reflect increases in market value and rents charged resulting from government investments in urban infrastructure". (Garza and Schteingart, 1978:78).

The difficulties of collecting property taxes in Mexico are described by Purcell and Purcell, who note that allocations may vary by as much as 100% from year to year (Purcell & Purcell, 1973:50, see also Cornelius, 1976:265). A more adequate valuation technique in the State of Mexico, on the other hand, increased revenues by 300% in three years even though the tax rate was reduced by 25% (Garza and Schteingart, 1978:78).

Gilbert notes that inadequate public revenue in Bogota is due ... "mainly to the reluctance of national politicians to raise the tax rates or to introduce an effective tax on land", with the result that property taxes have risen more slowly than land prices, decreasing the proportion of total revenue which is derived from this source (Gilbert, 1978:109). The relatively high quality of urban services in Medellin, on the other hand, corresponds to an ability to collect taxes and generate other revenue on a per capita basis which is twice that of Bogota (Dent, 1978:142).

Hardoy et al note that, with reference to Latin America as a whole,

"... the traditional property tax system has not had functional utility in urban development because of the following factors: a) the low and arbitrary assessment of properties, resulting in permanently inoperative property censuses; b) the lack of mechanisms to adapt property assessment to the tremendous inflationary processes that the South American countries have suffered and are suffering;



c) the ancient and deficient tax-collection system observable in the majority of South American countries; d) the fact that revenues are not destined for specific uses; and e) ignorance of the taxing capacity on the part of the urban and suburban population".

(Hardoy, Basaldua, and Moreno, 1975:246)

The creation of publicly-owned land reserves is a widely-noted condition for rational planning of urban development and the control of speculation (see eg. Cornelius, 1976:265). In this respect, the Bolivian urban reform law of 1954 is an example of the type of measure required, establishing a maximum amount of unimproved urban property which may be held, with any excess subject to expropriation. The application of this law, however, was extremely limited and defective (United Nations, 1973:67), unrelated to urban planning needs, and resulted in the expropriation of only limited quantities of land (95 hectares, according to Rojas, 1972:181).

The Venezuelan legal statutes on expropriation are also distinguished by their progressive nature, but in this case practical application has been constrained by the high costs of urban land. Thus, public expropriation necessary for the housing programs of the Banco Obrero has been limited in some cases by the quantity of funds required to pay for expropriated property (Lander, 1975:104; United Nations, 1972:14), an effect which occurs in most Latin American countries (United Nations, 1973:19). In many countries, the cumbersome nature of regulations for expropriation represent an additional barrier to public action.

Clearly, public intervention in the land market must be of considerable dimension if it is to affect the market price of urban land. The efforts of the Chilean urban improvement corporation CORMU and the Mexican institute INFONAVIT in creating land reserves have had reported success in decreasing the cost of urban land for government housing projects (United Nations, 1973:21; Rosenbluth, :442). In the Mexican case, the cost of land was reduced to 4% of the sale value of housing units (Nunez, 1978:24n25).

Despite these notable benefits which result from public purchase of land, however, the continued functioning of a capitalist land market has meant that public purchases tend to occur in peripheral areas where prices are lowest, resulting in an increased financial burden in the provision of infrastructure and services (Nunez, 1978:24). Furthermore, the anticipated extension of services to these areas serves to increase the value of adjoining properties. If these are privately-owned, the result is increased land prices and speculation in the new areas (United Nations, 1978:100), which tends to force future public development into still more distant areas, indicating the difficulties inherent in partial efforts at controlling the market forces which exist.

#### Infrastructure and Services

The extremely unequal access to services which is a major factor in the identification of ecologically marginal urban areas indicates that criteria for public investment are "... strongly related to their commercial importance" (Gilbert and Ward, in press:288), and

in large part, based on "... the principle of profitability of public investment, with the object of guaranteeing returns on the capital invested" (Barreto and Gilbert, 1977:176). Thus, differential access to such goods and services tends to correspond to differential access to housing (Henry, 1975:174),

"... the creation by the state of urban infrastructure works literally paving the way for the preferential expansion of large commercial, industrial, and middle to upper class residential zones. Elaborate urban improvements... have consistently catered to the convenience of the upper classes just as they have left the poorer sections in neglect or ill-repair or have provided modest and belated improvements". (Walton, 1978:41)

The value created by public urban improvements inevitably increases the market value of the property affected. When this land is privately owned, added-value accrues to these segments of the population. Legislation in Colombia, Ecuador, Argentina, Brazil, Peru and Uruguay includes provision for public recovery of at least part of the increased value through special taxation (United Nations, 1973: 60-63). These laws, however,

"... are applied with great timidity or are rapidly defeated by the powerful pressure of interested parties". (Lander, 1975:110)

The result is further concentration of the costs and benefits of urban development. When "real income" is defined as including access to jobs, educational facilities, sewer and water systems, and the incidence of infectious disease and infant mortality, the spatial and interpersonal distribution of real income is more unequal than the distribution of monetary income. This can be seen as the result of a circular causality chain in which the higher-income groups outbid lower-income groups for more desirable sites; the resultant concentration of higher-income households acts to generate a more effective demand for public services; which results in even higher market value of these sites (Vetter and Brasileiro, 1978:266).

The above considerations reveal that ineffective public action in the control of land use has allowed the value of urban development to accrue to private groups. Insufficient public resources for improving urban standards is a direct result of this dynamic. Furthermore, the provision of infrastructure has only served to reinforce the unequal distribution of social and private wealth.

#### Public Investment in the Housing Market: Finance and Construction

The savings and loans associations established in most Latin American countries provide individual loans for the purchase of housing and act to extend the housing market. Such measures are clearly necessary in market economies where housing is produced as a commodity, even in developed societies where incomes are much higher and access to housing much less problematic. Their contri-

bution to the development of human settlements is undeniable, the total number of associates in nine countries <sup>\*</sup>/ increasing from 223 000 in 1964 to 1 020 000 in 1968.

The loan programs of Colombia and Brazil, conceived of as a means of stimulating the construction industry, have achieved considerable success in these terms (Gilbert and Ward, in press:313). In Brazil, the number of houses financed through savings and loans plans increased from 20 000 in 1965 to 167 000 in 1968 (Rosenbluth, :432).

Hoped-for positive effects from the creation of additional employment have been diminished by the notoriously low salaries and unstable incomes generated in the construction sector. The increased dynamism of the construction industry, on the other hand, has had secondary effects, such as increased prices of building materials and land, which exceed the effects of income generated in this sector:

"Those who remain dependent upon spontaneous housing will suffer from rising costs of building materials and will be excluded from the publicly-owned land in the new centers. They will thus be more dependent than ever upon the forces of the market and especially the private land speculator".  
(Gilbert, 1978:120)

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<sup>\*</sup>/ Bolivia, Chile, Equador, El Salvador, Guatemala, Panama, Peru  
Dominican Republic, and Venezuela (Rosenbluth, :432).

The exclusion of low-income candidates is most predictable when loans are available only for completed housing units, since the savings required are higher in this case:

"... these conditions are not within the reach of the families of uncontrolled urban settlements, who only rarely have saved sufficient sums and who, as a general rule, cannot make long-term commitments, because of limited and insecure income". (United Nations, 1972:130)

In the revised regulations of the Brazilian Banco Nacional de Habitacao, provision has been made for loans to be applied to the purchase of building materials or installation or improvement of services. Since the program is expected to be financially self-sustaining, however, "... only those proprietors with greater economic capacity could take advantage of its benefits". (Rosenbluth, :441). The Colombian Banco Central Hipotecario provides an example of differentiated loans which represent a gradation of housing solutions. In 1973, "minimum solution" loans (applicable to houses up to 40 m<sup>2</sup>) represented 15.1% of the total number of loans granted, and only 4.4% of total funds available were assigned to this category. "Maximum solution" loans (90 m<sup>2</sup> and up) in the same year represented 52.9% of total loans and 73.7% of the total funds granted (Rosenbluth, :436).

The reach of savings and loans plans has thus been largely confined

to middle and upper-income groups, especially when loans are granted only for the purchase of completed housing units. The distributive mechanisms utilized, which tend to favour higher-income groups' aspirations to high-standard housing, have channelled available resources in this direction, while the direct positive effect on the purchasing power of the low-income population has been minimum.

### "Social Interest" Housing

Mexico's INFONAVIT program of housing for salaried workers represents one of the few examples of housing programs which require the participation of employers -in this case- through a contribution of 5% of salaries to the housing fund. No down payment is required, and monthly payments are based on a percentage of salary earned (14% for 1 to 2.5 minimum salaries; 18% for higher incomes: Nunez, 1978:21).

These characteristics allow the plan to reach salaried workers whose average income is 1.6 minimum salaries, a considerable achievement. In terms of the absolute numbers served, however, only 2.85% of the 4 million affiliates will be allocated credits (Nunez, 1978:22, 26). As in the case of other government housing projects, the population which depends on informal earnings or unstable employment bonds is not included in the plan.

In those cases where government housing projects have been associated with slum eradication or the forced relocation of populations established in precarious areas, the economic situation of those

"benefited" has resulted in massive payment defaults. Such programs have been conceptualized as "producer-oriented" (Leeds, 1973) since they are organized, controlled and executed through a combination of government and private entities who set housing standards without considering the low-income consumers' need for flexibility in both payment schedules and housing design. The decision to construct complete standard at a relatively higher unit cost will thus inevitably reach a relatively smaller number of persons than a program which is based on an evaluation of the consumers' needs and financial possibilities.

While the distribution of such housing units has not in general been extended to the lowest income groups, the advantages to the private sector are clear. As noted by Leeds, the immediate beneficiaries of such programs are the housing industry and credit and financial agencies (Leeds, 1973:185) who benefit from increased demand, public guarantees, and access to the necessary circulation capital. The sale of houses to INFONAVIT has been described as providing,

"... a clear example of State support to capitalist accumulation in the real estate sector (financing of the demand by means of devalued public capital)".

(Schteingart, 1978:21; see also Jaramillo, 1978:54)

Wolfe has noted that the major part of public housing programs in Latin America has been directed toward lower-middle income groups, basically public employees and the organized working class (Wolfe, 1976:232). Direct public intervention in the production of housing



units has thus tended, like public loans, to exclude those sectors most in need of assistance.

"Not only do such projects yield a totally inadequate number of dwelling units, relative to the actual demand for housing, but the units constructed are invariably so costly that poor families cannot afford to purchase them. The result, in city after city, is that the middle classes have been the principal beneficiaries of massive investments in public housing".

(Cornelius, 1978:18, see also Rosenbluth, : 461; Utria, 1975:444); Garza and Schteingart, 1978:71 on Mexico; Moore, 1978:189 on Guayaquil; Dietz, 1978:221 on Lima; Vetter and Brasileiro, 1978:267 on Rio)

#### Sites and Services Projects: "self-help" Housing

Government programs to provide land (urbanized or semi-urbanized) construction materials, technical assistance, or loans for user-built housing are based on explicit recognition that large segments of the population cannot afford market-produced housing (government-sponsored or not). In principal, such programs recognize both the low-income groups' need to pace housing expenditure and construction in terms of limited available resources, and the fact that a more extensive distribution of limited public resources means that each recipient will

necessarily receive less than standard, serviced housing.

The Chilean project "Operacion Sitio" serves as an example of a more comprehensive type of program, based on the provision of semi-urbanized lots and temporary shelters in an area supplied with streets, drinking water and electricity. Construction materials were produced in some such areas, and loans made available for their purchase (Canfriez, 1972:204-206). The Peruvian National Office for the Development of Pueblos Jovenes (ONDEPJOV) represents a similar attempt to upgrade established precarious settlements or relocated low-income populations on government-owned land, providing them with legal titles and support for infrastructure and housing construction.

While such programs have at times been criticized as simply institutionalizing substandard living conditions, they have clear comparative advantages over the public construction or finance of standard housing units which tend to eliminate low-income families from any benefit, as noted above. The elimination of lowest-income families is not totally avoided in these plans (see pg. 54-57), and the extent of public investment has not been sufficient to achieve adequate settlement standards either within the target areas or for the population as a whole. In this case, however, the inability of such schemes to achieve their goals is related less to their distributive criteria and operational plans than to the constraints imposed by the discrepancy between available public funds and the size of the low-income population, and these are questions which exceed the boundaries of any specific program.

### CONCLUSION

Continued deterioration in the quality of Latin American metropolitan areas, expressed in the continued growth of ecologically marginal areas, can be seen as the outcome of a process of competition in which private interests of capital accumulation have prevailed over social interests in access to immediate necessities. Public intervention up to the present has not in general been noticeably effective in reversing these tendencies:

"The dominant role of contemporary public institutions has not been to prevent capitalist distortions of urban development but rather to adapt the city, as well as possible, to the new and difficult conditions". (Walton, 1976:49)

In part, lack of success in solving the problems of human settlements may be due to a lack of understanding of the interconnected and hierarchical nature of socio-economic process involved. Attempts to intervene at a lower level of this hierarchy will necessarily be conditioned at a higher level, and specific policies which ignore this fact will be doomed to failure or, at most, very limited success.

In this respect, it is necessary to repeat the conclusions of the United Nations report "Mejoramiento de Tugurios y Asentamientos no controlados" which identifies the two principal causes of urban deterioration: unemployment and insufficient income in large sectors

of the population; and an insufficient offer of urban land (United Nations, 1972:7).

Establishment of minimum wages which are unrelated to the cost of living and inadequate for the consumption of immediate necessities is an effective short-term means of assuring the accumulation of capital, but the housing deficit "is importantly related to this (income) deficit and squattments are its resolution". (Leeds, 1973: 190). Thus,

"... an economic policy which raises the price of basic foodstuffs, while holding back wages, has as much bearing on the ability of the squatter to contribute to individual and community development -through its effect on his real disposable income- as any lack of commitment by public agencies involved in self-help programmes".

(Skinner, forthcoming:18)

In the long run, however, the resultant concentration of income and reduced internal market for consumer goods which results from unemployment and inadequate income will also act against the interests of capital accumulation and the development of the productive structure as a whole, as is becoming increasingly evident in many Latin American countries.

Control over the urban land market is the second necessary condition for resolution of the problems of human settlements:

"No satisfactory housing program can be carried out on a large scale which is not based on the controlled use of land". (United Nations, 1972:117)

Public control in this area implies a need for recognition of land as having a social function. In fact, constitutional changes in many countries during the 1960's do include recognition of this function, but legislation has not reflected this fact (United Nations, 1973:72). Once again, interests of accumulation have prevailed over social interests:

"In some countries... in certain stages of development, land speculation is considered as one of the factors of economic development. In these countries the public authorities are not interested in maintaining low prices, on the contrary, it is suggested that elevated land prices are an important stimulant for economic development". (United Nations, 1978:71)

The responsibility of the State is not confined to the simple neglect of constitutional guidelines on this vital matter, since state investment in urbanization is a necessary condition for the increased value of urban land and resultant speculation:

"Although the value of urban land is a "good" which belongs to society as a whole -because it

is not a value created by individual effort but rather by the investments and planning decisions of this society- this value is normally expropriated by individuals". (United Nations, 1978: 51)

Clearly, effective public policy in instituting control over land use will have to confront the various and powerful private interests which are active in this area. However, the long-term detrimental effects of allowing private control in this area are also undeniable:

"One point in favor of such strategies for control of speculation is that it is quite detrimental to national development to have so much capital being invested in land rather than in productive enterprises. Investments in land have very weak income and employment multiplier effects". (Vetter and Brasileiro, 1978:275)

In sum, while urban problems have often been considered the result of "irrational" development, such a view overlooks the fact that industrial contamination, land speculation, and slum overcrowding and deterioration (not to mention metropolitan agglomeration per se; see Geller) are rational outcomes of profit maximization in a market economy, exacerbated by the constraints of dependency.

An obvious conclusion is that effective control over human settlement processes will depend fundamentally on public control of

the sources of irrationality (such as land speculation) and not the consequences (such as precarious settlements). Criteria of success, on the other hand, are explicit in the revised constitutions of many Latin American countries, and implicit in the universal agreement that some control over the process of human settlement is urgently needed: a need to diminish the public cost of urban concentration (in both quantitative and qualitative terms) and to achieve a more adequate settlement standard through a more equitable distribution of the benefits (in provision of housing and services, at the minimum). Specific public policies must be assessed in these terms.

The model proposed here for the investigation of human settlement processes is clearly limited, in its application, to dependent market economies. The case of Cuba thus falls outside the scope of this work, since revolutionary policies have overcome the opposition of private accumulation and public necessities, conceived here as fundamental in understanding the dynamic of human settlements. This does not mean, however, that the Cuban case is irrelevant to the argument. On the contrary, Cuba provides an important exception in the two major causes of urban deterioration identified here, having achieved full employment and public control over urban property, thus eliminating the private profits which increase the public cost of urban expansion in other countries.

In turn, an emphasis on the provision of immediate necessities has led to important increases in food-production and the production of building materials, as well as providing free medical and educa-

tional services to the population. An important measure of Cuba's achievement in providing an adequate standard of consumption of basic necessities is the fact that the Cuban population has the highest life-expectancy of any Latin American country (Organización Panamericana de la Salud). The program to "urbanize the countryside" has served to diminish the difference between rural and urban settlements, while rationing of basic products has meant that differences in consumption patterns are less than differences in monetary income.

These are conditions which have allowed public control over human settlement processes, again providing an exception to the rule in Latin America, as the following reveals:

"The private enterprises not only have attempted to achieve excessive gains, but also have absolutely not considered public interest. Furthermore, in many countries the private sector has been responsible for channelling public and private funds toward improductive development and speculation. In almost all countries the municipalities have regulatory authority which would have allowed them to determine land uses and the characteristics of urban construction. In reality, however, since they lack both land and a policy of continuous acquisition of land, the initiative has been left in the hands of the private sector. A notable exception to this



this situation is Cuba". (United Nations, 1973:18)

This indicates that the exceptional case is important in both analysis of human settlement problems, and in establishing policies which will provide an effective basis for intervention.

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KAREN GIFFIN, DICIEMBRE 1978

<u>PAG. NO.</u>	<u>AUTOR</u>	<u>REFERENCIA</u>
3	Saffiotti, 1975:45	"Muchas entrevistadas declararon que la renta familiar no permite una alimentación adecuada, ni siquiera desde el punto de vista cuantitativa. Hay familias que sencillamente no comen al final de mes por falta de absoluta de recursos financieros para adquirir alimentos".
4	Bolivar & Lovera, 1978:75	"... el 23% de las familias venezolanas, que perciben un ingreso inferior a Bs. 500 mensuales, no tienen ingresos ni siquiera para cubrir las necesidades alimenticias mínimas. Al 53.6% de las familias que poseen un ingreso mensual de Bs. 1000, no les queda nada para pagar vivienda, suponiendo que cubran, en primer lugar, los gastos de alimentación, vestido, salud, transporte".
20	Cardoso, 1972:174	"... a marginalidade supõe <u>sempre</u> dependencia de outras estruturas dominantes".
20	Quijano, 1970:36	"... en esa integración se combinan modalidades y niveles de producción que abarcan desde los más primitivos hasta los más recientes del desarrollo capitalista..."
23	Berlinck, 1975:149	"... foi possível demonstrar que a instabilidade ocupacional... permite a realização de um lucro marginal no setor industrial e a sobrevivência de certas indústrias tradicionais e/ou competitivas que, de outra forma, não teriam condições de operar no mercado".
23	Lomnitz, 1978:139	"Se trataba de empresas muy pequeñas -en barrios populares- y los sueldos que pagaba eran muy inferiores a los que hubiera tenido que pagar si no se tratase de parientes. Tampoco tenía que preocuparse de problemas tales como el pago de horas extraordinarias, de impuestos y contribuciones, o de seguros".

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- 24                      Lomnitz, 1978:136  
"Tales grupos formados por parientes y vecinos suelen encontrarse en la industria de la construcción y en muchos otros campos que utilizan mano de obra calificada o semicalificada".
- 28                      UN 1978:32  
"La propiedad privada de la tierra por una pequeña capa de la población significa en realidad que es imposible para la gran mayoría disfrutar de derechos de uso de la tierra, incluida la vivienda..."
- 31                      Utria 1975:438  
"Si bien es cierto que pueden y deben lograrse algunas reducciones -sobre todo racionalizando el diseño y la producción-, es obvio que las características y tendencias de los costos continuarán si no se introducen las modificaciones estructurales correspondientes".
- 34                      Lomnitz, 1975:187  
"La calidad de un compadre no se mide por la generosidad de su aportación ceremonial, sino por la intensidad y confiabilidad de la relación de intercambio recíproco que se desarrolla posteriormente".
- 44                      Lomnitz, 1978:150  
"Los intermediarios de las barriadas o del sector marginal en general, controlan las articulaciones entre su propio grupo social y las instituciones formales de fuera, en una forma que tiende a preservar el statu quo al máximo".
- 44                      Berlinck, 1978:128  
"Os moradores de favelas pequenas localizadas longe de zonas industriais e perto de barrios de moradia de membros de classes altas não só geram rendas sensivelmente mais altas do que o grupo anterior como, também, apresentam um aumento maior na renda total da unidade familiar".
- 49                      Rosenbluth,                      :407  
"Las familias que habitan en las áreas tugurizadas se desplazan hacia las áreas de invasión de terrenos (asentamientos de precaristas) impulsadas por el deterioro de su situación económica..."

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- 51 Pradilla, 1978:42  
"Estrecha, sin ventilación ni iluminación, sin servicios sanitarios, endeble estructuralmente y víctima frecuente de lluvias y deslizamientos de tierra, con poca capacidad de protección de las inclemencias del tiempo, localizada en sitios insalubres, esta vivienda está muy lejos de satisfacer las necesidades de una familia en el contexto histórico-social actual del desarrollo del capital y sus modernas fuerzas productivas".
- 51 Urquidi, 1978:409  
"Con frecuencia los proyectos de vivienda de bajo costo sufren de cambios rápidos en la ocupación debidos a la falta de pago, y los propietarios o los inquilinos tienden a sobrepoblar sus habitaciones y, en parte, a usarlas para fines comerciales".
- 64 Barreto Gilbert, 1977:176  
"... el principio de rentabilidad de la inversión pública, con el objeto de garantizar el rendimiento del capital invertido".
- 64 Lander, 1975:110  
"... Se aplican con mucha timidez o son derogados rápidamente ante la poderosa presión de los sectores interesados".
- 67 UN, 1972:130  
"... estas condiciones no están al alcance de las familias de los asentamientos urbanos no controlados, que rara vez han ahorrado sumas suficientes y que, por regla general, no pueden aceptar compromisos a largo plazo, en razón de lo limitado e inseguro de sus ingresos".
- 67 Rosenbluth, :441  
"... sólo aquellos propietarios con mayor capacidad económica pudieron acogerse a sus beneficios..."
- 69 Schteingart, 1978:21  
"...un claro ejemplo de apoyo del Estado a la acumulación capitalista en el sector inmobiliario (financiación de la demanda por medio del capital público desvalorizado)".

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- 74 UN, 1972:117  
"No puede realizarse ningún programa satisfactorio de vivienda en gran escala que no se base en la utilización controlada de la tierra".
- 74 UN, 1978:71  
"En algunos países... en cierta etapa de desarrollo, la especulación en tierras se considera como uno de los factores de desarrollo económico. En esos países, las autoridades públicas no están interesadas en mantener los precios bajos; por el contrario, se sugiere que los elevados precios de la tierra son un estímulo importante para el desarrollo económico".
- 74 UN, 1978:51  
"Aunque el valor de la tierra urbana es un "bien" que pertenece a la sociedad -porque no es un valor creado por el esfuerzo individual sino por las inversiones y decisiones de planificación de esa sociedad- ese valor es normalmente expropiado por los particulares.
- 77 UN, 1973:18  
"Las empresas privadas no sólo han tratado de lograr utilidades excesivas sino que no han tenido absolutamente en cuenta el interés público. Más aún, en muchos países el sector privado ha sido responsable de que los fondos públicos y privados se canalizaron hacia desarrollos improductivos y de especulación. En casi todos los países, las municipalidades tienen autoridad reguladora que, si se aplicara eficazmente, les hubieran permitido determinar los usos de la tierra y las características de la construcción urbana. En la práctica, sin embargo, por carecer tanto de tierras propias como de una política de adquisición continua de tierras, la iniciativa se ha dejado en manos del sector privado. Una excepción notable de esta situación es actualmente Cuba".