

Kneeling in front of her family's primitive shack, Carmen Parra tried to keep her four youngest children from straying too far. Señora Parra's manner and dress revealed her rural origins. Her missing teeth and her children's frayed clothing suggested that the family's migration from the Colombian *llanos* (plains) to Bogotá four years earlier had not brought them prosperity. As a construction worker, Carmen's husband Luis earned the legal minimum wage of 78 pesos (\$2.25) per day—about 2,350 (\$68) per month, when he had work.<sup>1</sup> Of that monthly salary, the Parras had been paying 450 pesos (\$13) for a single room in the city's dilapidated south side—the room somehow housing both parents and their six children. They shared a common bathroom with three other families.

The Parras had finally saved 3,000 pesos, enough to place a down payment on a small plot of land amid a row of single-family dwellings in Guacamayas, a low-income housing project on the hills overlooking southern Bogotá. Their initial payment covered 10 percent of the lot's cost, with the remainder to be paid in monthly installments of 400 pesos (\$11.50), slightly less than the family had been paying for their tenement room. The day before I met her, Señora Carmen and her family had erected the wood and tar-paper shack she now guarded and had moved in all their earthly possessions. At 8,600 feet above sea level, Bogotá's nights are often bitter cold and the shack seemed to

offer little protection against the night air. Because the initial payment on the lot had taken almost all the family savings, Carmen hoped to supplement her husband's income by doing laundry and sewing for people in neighboring areas. If all went well, they would soon buy construction materials so that Luis could begin building a small brick home before the start of the wet season in April (some two months away), when heavy rains would make life in a shack intolerable.

The Guacamayas complex, still under construction, is one of several public housing projects built by the municipal government on Bogotá's far south side. The Parra's purchase of a barren lot there is quite unusual. Most of their neighbors are more fortunate. Able to afford a larger initial payment and monthly installments of 500-600 pesos, they receive not merely a plot of land, but also a small brick structure with a cement floor and a metal roof. Inside each single family "home" is a small bathroom (toilet only), a sink, space for a small cooking stove, and a ten-by-ten foot sleeping area. Though extremely modest—indeed, it is difficult to see how a typical family of six could sleep, much less live, in so small a space—the dwellings offer temporary protection until the family can afford to build an adjoining room or add a second floor. Such basic units are springing up through Guacamayas, while older dwellings are being expanded.

### The Urban Explosion in Latin America

Most occupants of Guacamayas, Las Colinas (the adjoining neighborhood), and the dozens of shantytowns overlooking Colombia's capital are part of a wave of human migration that has swept across the cities of Latin America in recent decades. Rural poverty, the monopolization of farm land by large landlords, hopes for greater educational and economic opportunity, and the lure of urban life all induce millions of villagers to abandon their homes for the promise of the city. While rural-to-urban migration is endemic to the entire developing world, nowhere is it more dramatically unfolding than in Latin America. In 1960, 47.3 percent of the region's population lived in urban centers. By 1975, the figure had reached 61 percent. Already Uruguay, Argentina, Venezuela, Chile, and Cuba are more heavily urbanized than France or Austria. By 1985, most of those countries will have more than 85 percent of their population living in cities, while Colombia, Mexico, and Brazil will be over 70 percent urban.<sup>2</sup>

In terms of sheer volume, the greatest growth is taking place in the national capitals and major industrial centers of the hemisphere. São Paulo, Brazil, has grown from two to eight million people in scarcely three decades. The greater metropolitan area of Mexico City, now bulging with some 10 million people, is expected to contain 30

million by the end of the century! Like Bogotá and Caracas, the twin foci for this Report, Lima, Peru, has had 450-500 percent population growth since 1950.<sup>3</sup>

Obviously, urban explosions of such magnitude pose tremendous political and socioeconomic problems. Political scientists maintain that city-dwellers are more likely than their rural compatriots to participate in national politics. At the same time, rapid urbanization may upset traditional authority patterns and reduce long-standing passivity. If new, mass-based political demands are generated faster than the political system can (or wishes to) deal with them, the growth of cities may contribute to political instability.<sup>4</sup> While urbanization is associated with greater literacy, more social mobility, and opportunities for higher education, it may also lead to dramatic increases in family breakdown, especially child abandonment, alienation, and crime.

Tremendous pressures are placed on urban school systems, sanitation facilities, and other social services. But perhaps the most immediate need facing the wave of migrants still entering Latin American cities is that of finding adequate housing (with the related need for jobs following close behind). The private sector housing market is not meeting the needs of the urban poor, either migrant or city-born, both because it is incapable of building new homes so quickly and because new housing for the poor is not sufficiently profitable.<sup>5</sup> Consequently, new migrants and others in the urban lower class generally must live in inner-city tenements, in shacks on empty lots, or in the many shantytowns that ring or intrude upon most of Latin America's larger cities. Only a small percentage of the urban poor are able to secure public housing in projects such as Bogotá's Guacamayas.

This Report examines the ways two national capitals have dealt with the need for new housing, particularly for low-income groups, as a result of very rapid population increase.

From 1950-1961, the population of Caracas grew at an annual rate of 10 percent. During the 1960s, the city's annual growth rate fell to a less explosive, but still dramatic, 7 percent. Bogotá, starting with a larger base, grew at a rate of 7 percent annually in the period 1951-1964, then 5.7 percent to 1973.<sup>6</sup> Both cities are now more than 10 times as large as they were 40 years ago (Table 1).

Providing housing for so many new people under any circumstances would put a tremendous strain on an underdeveloped economy. The problem, however, is not merely one of volume of growth, but also one of poverty. Some 70 percent of Bogotá's population have insufficient annual income to afford decent housing in the "free enterprise" market. While Caracas'

population is far less impoverished, an estimated 40-50 percent are classified as "marginal" and cannot afford the city's very expensive, new private housing.<sup>7</sup> Finding adequate housing is a problem, therefore, not only for migrant families such as the Parras, but for all the urban lower class as well.

Colombia and Venezuela have both had government housing agencies for 35-50 years, but housing has become a public policy priority only in the past 15 years. While Venezuela has substantially greater economic resources, both countries have allocated significant amounts of public funds for urban housing and have evolved distinctive housing policies.

#### Low-Income Housing in Bogotá: Tenements and *Piratas*

Near the Presidential Palace, in central Bogotá, lies a neighborhood called La Candelaria. Once a district of well-to-do colonial homes, most of the area has deteriorated into decaying and dilapidated rooming houses. Here and there young Bogotanos have restored a few homes to their former grace, but many more buildings have been subdivided into a series of one or two room "apartments," each housing a family of some five to eight persons.

As Bogotá has expanded into its valley basin, middle and upper class homes have been constructed in the city's northern and western regions. La Candelaria and beyond—the southern section of Bogotá—has largely been allowed to decay. It is here that many migrants come to seek housing. Perhaps 100,000 families now crowd into unsightly and unhygienic rooming houses where conditions are aggravated by the peasants' unfamiliarity with urban sanitation requirements.

Of course, not all the inhabitants of these inner-city tenements are recent migrants. Many are native-born Bogotanos or migrants whose

**Table 1**  
**Population Growth in**  
**Bogotá and Caracas: 1938-1977**

Year	Bogotá	Caracas
1938	350,000	
1941		269,000
1951	665,000	495,094
1961		1,136,464
1964	1,697,000	
1971		2,183,935
1973	2,920,000	
1977 <sup>a</sup>	3,600,000	2,800,000

a--estimates

Sources: Luis Ugalde et al., *La Intervención del Estado en la Vivienda* (Caracas: Centro de Estudios Urbanos, Universidad Central, 1977); Ramiro Cardona Gutiérrez (ed.), *Colombia: Distribución Espacial de la Población* (Bogotá: Corporación Centro Regional de Población, 1976).

residence dates back many years. However, like Carmen and Luis Parra, those who can manage to do so usually move to single-family housing on the city's periphery. Although living conditions in the squatter communities are extremely meager — the shantytown resident's first home tends to be a wood or tin shack — ultimately periurban residence offers more living space, room for a garden, and the security and pride of being a home-owner.

Bogotá's migratory pattern — from inner city tenement to outlying squatter settlement — is typical of most large Latin American cities. The *barriadas* ringing Lima, the *callampas* of Santiago, Chile, and the *favelas* of Rio de Janeiro, Brazil, are usually a second step in the migratory process. In fact, several surveys of shantytowns outside Santiago and Rio indicate that most inhabitants were born in the city.<sup>8</sup> Acquiring a lot outside the city requires some capital (for buying construction material and, perhaps, the lot itself), familiarity with the legal system (if the lot is being purchased), and organizational ability to deal with the political system (if the land is illegally occupied). As a consequence, unless they move in with relatives already living in squatter settlements, most migrants settle first in the inner city.

Typically, the shantytowns surrounding Latin America's major cities are erected illegally on public land or on privately owned property with little or no commercial value. Squatters may move in individually or in large, organized group invasions. Indeed, 170 of the families living in Bogotá's Guacamayas public housing project were resettled there by government authorities after the police had forcibly evicted them from an invasion site in the industrial area of Las Granjas. Similarly, Las Colinas, the area adjoining Guacamayas, had been the scene of a pitched battle between police and over 1,000 families who had invaded land belonging to a Bogotá hospital in

1960. Efforts by the police to evict the squatters failed and, eventually, the well-organized inhabitants exerted sufficient political pressure on the authorities that they not only received legal status, but also water, sewage facilities, electrical lines, and government loans for home improvement.<sup>9</sup>

A majority of Bogotá's shantytown dwellers, however, did not squat on their land illegally. Land is available at relatively low cost from speculators and from the government. Given Bogotá's intemperate climate, most families prefer to buy a lot so they can have the security needed to invest in more solid construction material. Land speculators usually set a price well above the lot's commercial value, but low-income purchasers often prefer them to the less expensive government lots because no down payment is required, the payment period stretches over several years, and inhabitants who miss one or two payments are not evicted.

There are problems, however. Generally, the lots lack water or other basic infrastructure. And even though the lots have been purchased legally, the community itself may be technically illegal, because it has not been zoned for residence by municipal authorities and lacks basic services. Unscrupulous speculators selling the land may offer false assurances that basic services are forthcoming. The residents of Bosa Nova, for example, moved onto their purchased plots in 1975, assured by the seller that the city would bring in water and electricity within three months. In fact, the land had not been registered with the authorities and there were no plans for extending urban services. Three years later, the inhabitants of Bosa Nova are still waiting.<sup>10</sup>

Communities like Bosa Nova ring Bogotá. Representing neither illegal invasion nor legal zoning, these are the "pirate settlements" (*zonas piratas*) that shelter 50 percent or

more of Bogotá's entire population — and more than two-thirds of the city's lower class.<sup>11</sup> In recent years government action has reduced the spread of "pirates" through increased construction of low-cost public housing for the poor and by extending urban infrastructure to existing pirate settlements, thereby giving them legal status. Yet, semilegal housing continues to go up and the number of new pirates still exceeds that given legal status. In 1977, government housing agencies constructed approximately 10,000 new dwellings in Bogotá, of which two-thirds probably went to low-income families and the remainder to the middle class. Another 14,000 legally zoned, private units were built — virtually all destined for the middle and upper classes. Finally, an estimated 12,000 pirate homes were built outside the city's network of services.<sup>12</sup>

#### **Rio de Janeiro: Typical Bogotano Squatter Community**

The view is breathtaking from Rio de Janeiro, a pirate settlement built on a steep mountain overlooking Bogotá from the south. On a clear day, one can see almost half the city. But a good view is one of the few benefits of life in Rio. As I stood at the top of one of the stairways that runs up the slopes of the community, I watched a young couple climb the steps, each carrying a child. By the time they reached me, both were out of breath. They said they had lived in the settlement for four years, but still found the climb difficult carrying children, groceries, or water. During the rainy season, when the steps become slick and the unpaved streets turn to mud, walking is even more difficult.

Rio de Janeiro was first settled in 1964 by several hundred families who had bought lots from land speculators. The land was not properly zoned. After living without water or electricity for three years, the inhabitants organized a series of protest marches demanding basic services. Following a confrontation

with the police, an elected community council met with city officials and, ultimately, secured legal recognition and urban amenities. Today, the settlement contains over 15,000 families. Most homes are of brick, with cement floors and tile or metal roofs. Many have television, but generally the furniture is sparse and dilapidated.

Twelve years after its founding, Rio's community council continues to represent the area in its dealings with utility companies, the police, or municipal authorities. More frequently, it arbitrates disputes within the settlement over such issues as boundary conflicts between families on neighboring lots. A number of residents appear to be highly politicized and there are a few militant activists. One member of the community council to whom I spoke was strident in articulating Rio de Janeiro's problems and in criticizing the government's failure to serve the needs of pirate settlements. When I visited Rio one week before national elections, posters endorsing leftist candidates or slogans supporting an earlier national strike (*paro nacional*) were splashed across building walls. A busload of teen-agers on their way to a Maoist rally chanted anti-imperialist slogans out the windows. Most people I talked to in the community, however, seemed fairly apolitical. They felt politics was a waste of time and indicated they were not going to vote in the upcoming congressional and municipal elections. (Indeed, the abstention rate the following week was 70 percent and in low-income *barrios* such as Rio de Janeiro it was undoubtedly higher.) Among those who planned to vote, a majority indicated they would cast their ballots for the middle-of-the-road Liberal Party rather than for the Conservatives or the various parties of the left.

As Rio's inhabitants—often former inner-city tenants—have improved and enlarged their homes, many have become small-scale landlords. Signs advertising rooms for rent can



Rio de Janeiro Pirate settlement Bogotá.

be seen throughout the neighborhood. Typically, families that have added a second, or even a third floor to their home, rent rooms to newly married couples from the neighborhood or to recent migrants. Lower-class renters typically pay 35-45 percent of their income toward rent, whether in the inner-city or in a pirate zone. I was told that one- or two-room "apartments" in Rio de Janeiro rent for \$15-\$24 per month. For families who have paid off the cost of their building lot (a process generally taking six to ten years) and who now rent a room in their enlarged home, the move from the inner city to a pirate settlement has been economically rewarding. One study of three Bogotá pirate settlements found one-third of the home owners were renting rooms. These new landlords were thereby increasing their total family income by 25-30 percent.<sup>13</sup>

Government officials in Bogotá recognize that, in the absence of adequate alternatives, pirate settlements such as Rio de Janeiro are a necessary expedient to alleviate the severe shortage of low-cost housing. Thus settlers who have paid for their building plots, as opposed to the occasional land invaders who do not, are rarely

evicted by the police. Eventually, most pirate zones are incorporated into the city's network of urban services and are afforded legal recognition. Although cynics argue that the government's lenient attitude is attributable to the close links between many of the largest land speculators and prominent politicians, it is clearly a pragmatic response to currently limited options.

No one would argue, however, that such settlements represent a fully satisfactory solution to the housing needs of the poor. The cost of the land and of services, especially electricity, is excessive both in terms of value received and of the settlers' ability to pay. Families in Rio de Janeiro often pay 300-600 pesos (\$8.60-\$17.20) per month for water and electricity. Despite such high costs, the complaint most frequently voiced to me by inhabitants was that water service was sporadic. Families living at the highest points on the hills might get running water only three to four days per week. Consequently, their children must often carry water in buckets from outlets further down the hill. Sewage systems—where they exist—often overflow in the rainy season spreading intestinal diseases. Public

transportation is also inadequate, as buses cannot negotiate the steep roads leading to most pirate zones. Crime is a chronic problem. A woman who supports herself and three children working as a seamstress told me that she is always fearful of having her sewing machine stolen.

Public authorities realize that even the new pirate settlements are simply not growing up fast enough to meet the needs of Bogotá's burgeoning lower-class population. Hence the subletting of rooms in such areas and the resultant overcrowding. In short, during the past decade the need for more low-cost, public housing has become increasingly apparent.

### ***Barracas and Ranchos in Caracas***

Caricuao is a huge government apartment complex housing more than 23,000 families some 25 kilometers west of Caracas. Though built by the National Institute of Housing (Inavi), which is charged with building homes for the nation's low income urban population, apartments in the Caricuao project are well beyond the means of the Caracas poor. But from its terraces, one can see the *ranchos* (self-constructed houses and shacks) that stretch from the nearby El Guaro and Macaro Rivers up the adjoining hills. Here live families who are unable to afford — or, in some cases, who reject — public housing.

On August 20, 1977, the two rain-swollen rivers overflowed their banks flooding the homes of some 500 families. On the following day, Venezuelan President Carlos Andrés Pérez flew into the flooded area by helicopter to express his concern for the victims. The President announced to accompanying reporters that most of the affected families would be moved into apartments in Inavi's La Casalta project, nearing completion a short distance away. Within 48 hours, however, Inavi officials disclosed that President Pérez had been "unaware" that all Casalta's



*Caricuao (Inavi Project) Caracas (middle class).*



*Caricuao.*

apartments were already taken. Instead, government officials announced, 450 families would be settled in "temporary" cardboard barracks in the La Vega region until more permanent housing could be found. More than a year later, despite repeated visits to Inavi offices and a protest on January 23, 1978, at the President's palace, the residents of Las Barracas (the barracks) still await their new housing. The January sit-in by over

200 people followed a fire that swept through the cardboard barracks destroying 36 homes. While the destitute families received new barrack quarters, food, stoves, cots, and mattresses from various government agencies, they were given no immediate prospect of better housing.

Residents of Las Barracas de la Vega claim that in the first six months there, nine children died of intestinal diseases carried in the raw

sewage that flows periodically through the area. Many outdoor toilets have no water, and drinking water must be brought in by truck twice weekly. The barracks themselves have no windows other than those the residents cut out. Because of inadequate public transportation, severely ill children must be carried to a nearby police station from which they are driven to a hospital. "This place is fit for dogs, not for people," complains Felicidad, a young woman who shares her barrack shelter with a year-old daughter and 15 other persons.<sup>14</sup>

The experience is not unique. In 1972 floods forced many families living near Caricuao to move into "temporary" barracks on higher ground. Most are still living there. A local parish priest told me some families had been living in the Valmore Rodríguez barracks since a 1967 earthquake.

Like Bogotá, Caracas has been unable to provide adequate housing for the vast number of migrants who have poured into the capital during the past three decades. Moreover, the city's topography creates special problems. Lying in an extremely narrow valley, Caracas cannot expand and "sprawl" as Bogotá has done. Instead, much of the inner city's older housing, including many, once-beautiful colonial structures, has been torn down to make way for middle- and upper-class high-rise apartments. Consequently, there is far less inner-city housing for the poor in Caracas than in other Latin American capitals. Most migrants move directly into the shantytowns that crowd the hills overlooking the city and line the creeks and riverbeds within Caracas. In 1977, one government agency estimated that 1.2 million of the city's 2.7 million inhabitants lived in *ranchos* or other marginal housing. Other sources estimated the capital's population would increase between 1974 and 1979 by 514,000 people, with 60 percent living in marginal housing.<sup>15</sup> Because Caracas'

climate (3,000 feet above sea level) is far milder than Bogotá's *rancho* dwellers can continue to live in temporary wooden structures for a longer period. Thus they rarely buy their lots, as do Bogatano squatters, but simply occupy unused hillside land.

Venezuela's great oil wealth—affording the country a per capita income some three times that of Colombia—constitutes a mixed blessing for Caracas' lower class. On the one hand, Caracas' shantytown dwellers generally enjoy far more comforts than their Colombian counterparts. Television antennas sprout from most *rancho* roofs and homes tend to be more substantial and better furnished than in Bogotá. On the other hand, the country's post-1973 economic boom has spiraled the cost of alternative housing outside the low-income *barrio* neighborhoods. The price of new, privately constructed, two-bedroom apartments in Caracas ranges from \$50,000-\$200,000. According to construction industry data, the average cost of all new apartments for sale in the private sector during 1977 was over Bs. 300,000 (\$70,590). Only 37 percent of these apartments sold for under Bs. 200,000 (\$47,060)—virtually all one-bedroom and thus too small for the typical low-income family of 5.6 persons. Less than .4 percent sold for under Bs. 100,000 (\$23,530).<sup>16</sup> Caracas' *barrio* inhabitants, therefore, can entertain little hope, even if their incomes rise sharply, of moving out of their *ranchos* into better quality, privately constructed apartments.

As unoccupied land in the hills closest to downtown Caracas has disappeared, it has even become quite expensive to buy *ranchos* in the more desirable locations—that is, those with urban services, close to schools and jobs, and on less precarious hills. *Ranchos* of wood and zinc on lots in the "better" *barrios* now sell for up to Bs. 70,000 (\$16,040). The high cost of construction materials also impedes *rancho* dwellers from expanding

their homes. Many families whose homes were destroyed last year by the Caricuao floods had spent years improving their homes and had secured water and electrical service. After the flood waters receded they would have much preferred rebuilding their *ranchos* in the same spot rather than moving into government barracks. At their income levels, however, the initial replacement cost of Bs. 4,000 (\$940) was too high.<sup>17</sup>

Given the high cost of alternative housing, most low-income families remain in the *barrios* and improve their homes as circumstance and income permit. But for every family that improves its lot, many others continue to live in squalor. As one journalist recently noted, "for the people of *barrio* Caballo del Mocho (Crippled Horse), Venezuela's oil boom never arrived." Despite its charming name, "little else about Caballo del Mocho is picturesque. . . . When disease strikes, residents must travel miles to a public hospital, chronically short of medication, beds, and professionals, where the lines may last all day."<sup>18</sup> During the rainy season, houses may be carried off in mud slides and the dirt streets are converted into rivers of mud, garbage, and human waste.

In the Pitare region of Caracas' far east side, shantytowns and government barracks are interspersed with Inavi high-rises. Evarsito Vásquez, aged 40, and his family of 8 have lived in a Pitare *rancho* for 3 years hoping to get an apartment in a nearby public housing project currently under construction. There is no guarantee they will get in and, indeed, it may turn out to be beyond their means. On his weekly salary of Bs. 192 (\$45), Evarsito has been able to buy a television, stove, and refrigerator for his family. However, his children must still play near garbage and excrement-filled stagnant water pools in the streets near their home.

Many of Caracas' newer shantytowns are precariously built



on steep, eroded hillsides. In 1974, a government study commission estimated that 500,000 of the Federal District's *rancho* dwellers lived on hills and creek-beds that were extremely dangerous in the rainy season. Silsa, Gramovén, Plan de Manzano, and many regions of Pitare were singled out as particularly unsafe. Cándido Pérez, community director for western Caracas, warned, "the number of marginal persons living on dangerous hills and ravines is alarming. . . . A catastrophe could occur at any time . . . with hundreds dead or injured." By late 1977, despite a government program to remove inhabitants from such danger zones, it was estimated that the number of persons living in unsafe areas had risen to 600,000.<sup>19</sup>

On July 8, 1978, heavy rains washed 20 *ranchos* down the hills of *barrio* La Silsa in Caracas' northwest. Two persons died and the fire department evacuated 40 families from the area. Yet many inhabitants wanted to move back and build again. Small wonder—in the *barracas* La Dolorita, built in early 1977 for 150 other families evacuated from unsafe regions, families of 5 live in single-room dwellings, 17 feet by 13 feet, with no running water or electricity. It is a four-kilometer walk through a high crime area to the nearest bus line. "We are without hope," said one La Dolorita resident. "We cannot afford the initial payment for Inavi housing." Another resident, a long-term seeker of public housing, said, "we are getting accustomed to being deceived and not being paid attention to."<sup>20</sup>

The typical *barrio* dweller's complaints are strikingly similar to those of the inhabitants of Bogotá's Rio de Janeiro pirate zone. Water and sewage facilities are totally inadequate. On occasion, running water is unavailable for weeks on end. In October 1977, during one

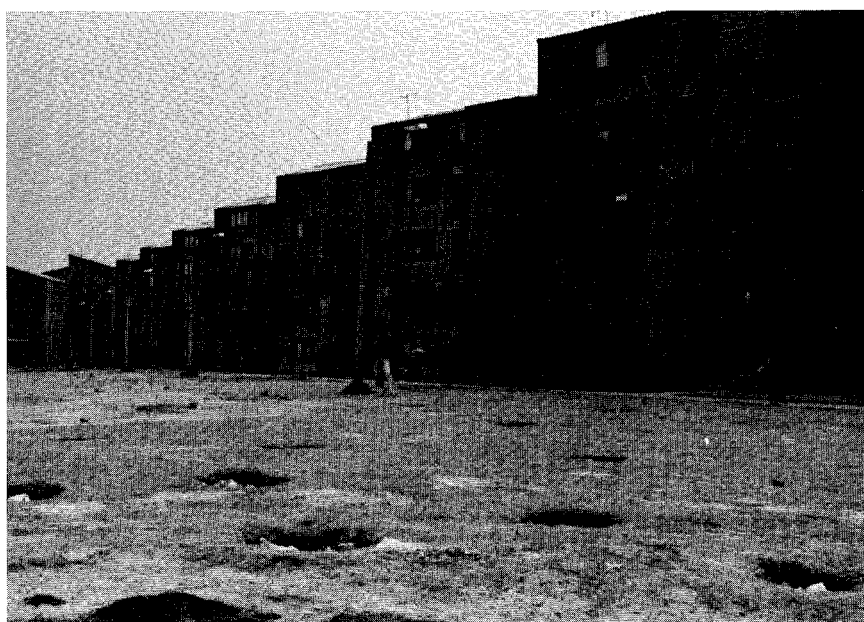
such crisis, *barrio* youth attacked government water trucks whose drivers had apparently been illegally selling water to the highest bidders. Several people were shot in a confrontation with police.

Human waste from faulty sewage systems in the *barrios* causes high rates of lung and bronchial infection in the dry season and intestinal disorders in the rainy months. Because public transport is so poor, some *barrio* residents must change vehicles several times on their way to and from work. For them, daily transportation may cost up to Bs. 6 (\$1.30)—perhaps one-sixth of their wage. Inadequate transportation also forces many *rancho* dwellers to buy food in smaller quantities at neighborhood groceries rather than at cheaper, government-subsidized public markets. Those who do bring back large quantities of food from markets must often pay taxi drivers exorbitant fares to drive them up the hills to their *barrios*. Finally, as in the pirate zone of Bogotá, crime is a serious problem with the city offering little police protection. In short, while "self-constructed" *barrios* are obviously an important, indeed necessary, means of meeting the housing needs of the urban poor, conditions in many *rancho* districts are far from adequate.

### Public Housing in Bogotá: Apartments and "Solutions"

The Colombian government's first efforts to construct public housing date to the early 1940s. In 1942, the central government created the Institute of Territorial Credit (ICT) which is still the nation's primary housing authority. According to its founding mandate, the institute was charged with providing low-cost housing for the poorest 50 percent of Colombia's urban population, a group currently accounting for 80 percent of the urban housing shortage. Using capital generated by the ICT itself and by municipal governments, the agency builds housing which is then sold to individual purchasers through long-term mortgage arrangements. During the first two decades of its existence, however, ICT construction was very limited, averaging less than 4,000 units annually.

By the 1960s the shortage of housing in Colombia's rapidly growing cities had become acute. U.S. President John F. Kennedy's "Alliance for Progress," designed to alleviate socioeconomic and political tensions in Latin America, provided further impetus for government action in the area of low-cost housing. Bogotá became the site of



*Ciudad Kennedy (largest ICT project) Bogotá.*

Table 2

Housing Construction and Expenditures  
by the ICT: 1942-1976

Year	Number of Housing Units	Investment (Current Pesos)	Investment (1970 Pesos)
1942-1970	162,872	3.161 Billion	3.720 Billion
1971	13,997	.751	.705
1972	20,190	1.031	.900
1973	23,887	1.131	.838
1974	18,926	1.503	.818
1975	20,268	1.698	.815
1976	22,282	2.076	.843
Total	282,422	11.351 Billion	8.639 Billion

Source: Ministerio de Desarrollo Económico, *ICT- Informe, 1976*  
(Bogotá: 1976).

the Alliance's first major urban housing complex in the continent. The mammoth project—partially funded with "Alliance" money channeled through the ICT—eventually housed close to 18,000 families in some 14,000 apartments.<sup>21</sup> Completed in 1965, the complex was named Ciudad Kennedy (Kennedy City) in honor of the slain American president. It remains today one of the largest public housing projects in the hemisphere. Kennedy (as it is known) and other units built in the 1960s more than doubled the number of homes built by the ICT.

During the current decade there has been a great increase in ICT activity. As Table 2 indicates, during the first 30 years of the agency's existence (1942-1971) 176,000 housing units were built throughout Colombia, an average of approximately 5,800 per year. From 1972-1976, that figure jumped to an annual average of 21,000 units, and in 1977-78, nearly 70,000 additional homes were built. By the end of 1978, nearly 350,000 ICT dwellings will have been completed, half of them in the past 7 years; of these about 20 percent are in Bogotá. The ICT budget, which doubled from 1972-1976 (in current pesos), reached nearly 4 billion pesos in 1977 and 6 billion in 1978.<sup>22</sup>

*Ciudad Kennedy (largest ICT project)*  
*Bogotá*

While ICT is active nationwide, the Caja de Vivienda Popular (CVP—Low Income Housing Bank), is an autonomous agency of the Federal District government whose activities are limited to Bogotá. Though founded in 1943, until recently the Caja constructed only a few hundred dwellings per year, all destined for municipal employees. During the past half decade, however, the agency has expanded its operations considerably. Of the 12,000 housing units built by the CVP in Bogotá during the agency's 35-year history, 30 percent have

been built in the past 2 years while the Caja's budget has grown nearly 40 percent in each of those years.<sup>23</sup> At the same time, the CVP has reoriented its construction market from middle class government employees to the city's poor. Guacamayas, described earlier, is by far the most ambitious CVP effort in this direction. Begun 2 years ago, it will house 3,000 families when completed. In addition to the construction and sale of housing units, the Caja de Vivienda makes home-improvement loans to owners of low-income houses. The most notable program in this area involves economic aid to the former invasion settlement of Las Colinas.

While both the ICT and CVP budgets have grown dramatically in recent years, it is important to note that neither agency draws significantly from the public coffers. Only 12 percent of the ICT's 1977 budget was derived from transfer payments from the national budget, the remaining 88 percent being self-generated. The CVP is even more self-sufficient, with 92 percent of its budget coming from housing sales.<sup>24</sup>

### Keeping Afloat vs. Housing the Poor: Who Gets Served?

Given the heavy demands placed on the Colombian government's limited

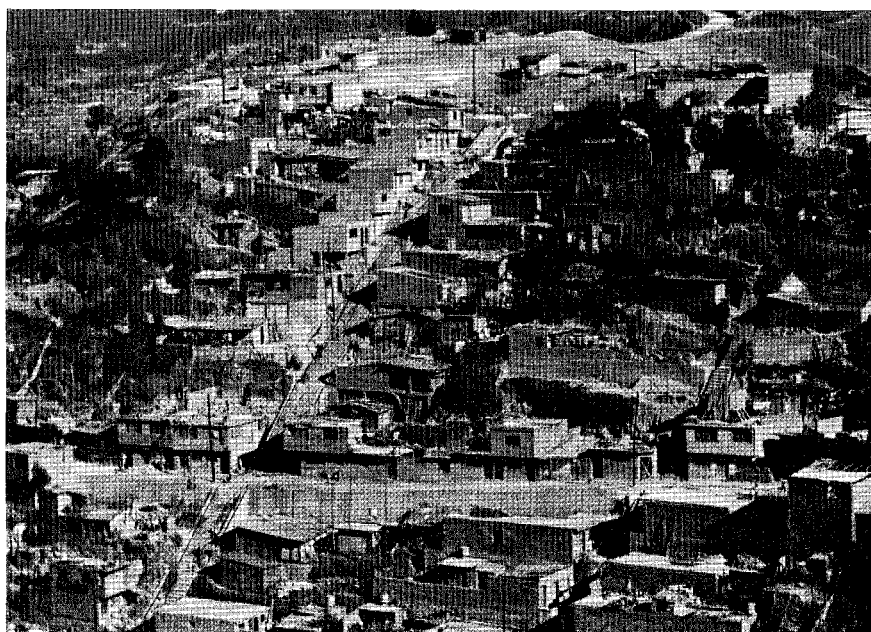




resources, it is understandable that policymakers want public housing agencies to be economically self-sustaining. The objective of self-sufficiency, however, seems to conflict at points with the goal of housing the urban lower classes. For example, 15-20 percent of the CVP's home construction is designated for profit-making housing for the middle and "lower upper" classes. CVP spokesmen justify construction of public housing for the well-to-do on the grounds that sale of these apartments generates capital for (and, indeed, subsidizes) low-income housing. An additional 20-25 percent of CVP housing is classified as "self-sustaining" (i.e., neither subsidized nor profit-making) and is generally purchased by the lower-middle class. Only 60 percent of the housing units constructed by the Caja de Vivienda are sold to low-income buyers.

The quality of CVP dwellings differs considerably. Most "profit-generating" dwellings are multiple-unit apartments which are fully completed and ready for occupancy; the "self-sustaining" type is virtually complete when offered for sale. As photos taken in CVP's Pijaos project indicate, there is a settled, middle class, suburban ambiance, as befits the white collar worker and small businessmen who live there. Subsidized housing for the poor consists of what the CVP calls "solutions." These dwellings usually are rows of single-room units made of concrete and cement block, like the Guacamayas dwelling described on page one. Most of the residents are of evident peasant origin.

The cost of housing also varies greatly by category. Guacamayas "solutions" sell for 20,000 to 50,000 pesos (\$570-\$1,425) depending on how complete the initial unit is. At La Mañuelita, the CVP's first subsidized housing complex, solutions initially sold for 11,000 pesos (about \$400), but CVP prices have crept steadily upward. In general, down payments range from



*Las Colinas began as an invasion settlement, but now receives assistance from the Caja de Vivienda Popular.*



*These are typical middle-income apartments built and sold by the Caja de Vivienda Popular.*

10 to 15 percent of the sale price and monthly mortgage payments may be as low as \$4-\$10. Self-sufficient housing at Pijaos now costs between 150,000 and 250,000 pesos (\$4,280-\$7,140), with down payments of 30 percent and monthly installments of approximately 2,000 pesos (\$57).

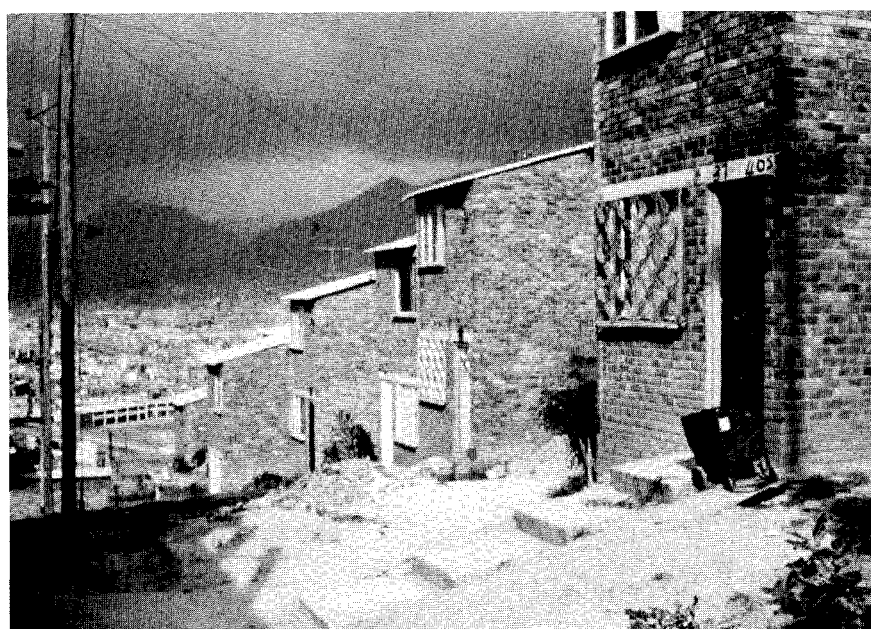
Since 1977 census figures reveal that 41 percent of Bogotá's population had combined family incomes of less than 4,200 pesos monthly, self-sufficient housing such as Pijaos' is clearly beyond the reach of the lower class. The Caja de Vivienda's profit-generating apartments—typically selling for



*Guacamayas - CVP's low-income "Solutions," step 1.*

400,000 pesos or more, with monthly installments of some 6,000 pesos (\$182) — are within the means of only the richest 15-20 percent of Bogotá's population.<sup>25</sup>

In the case of the Institute of Territorial Credit, the contradiction between economic self-sufficiency and the agency's mandate is more blatant. The ICT's founding charter states that its housing should be designated exclusively for the poorer half of the urban population. Yet, a government-financed study in 1974 showed that families living in Paulo VI and Esmeraldas — two ICT projects built in the 1960s — had average family incomes placing them within the richest 10 percent of Bogotá's population. In fairness to the ICT, it should be noted that Paulo VI was originally built to house delegates to an international conference of Catholic prelates and was subsequently converted to profit-making housing. ICT officials whom I interviewed insisted it was an atypical project and, indeed, seemed almost embarrassed by it. However, even in the ICT's largest project, Ciudad Kennedy — much touted by the Alliance for Progress and the Colombian government as low-income housing — inhabitants had average family incomes placing them in the top 40 percent of Bogotá's income pyramid, solidly within the lower middle class.<sup>26</sup>



*Guacamayas housing project "solutions" with floor added. Junta de Vivienda Popular, Bogotá.*

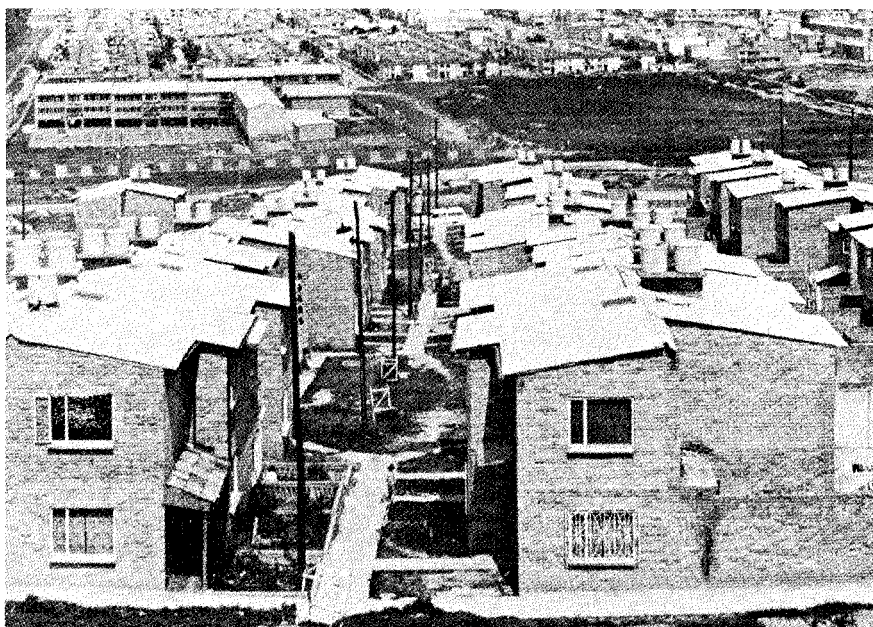
Indeed, through the early 1970s, the middle class seemed to be the major beneficiary of ICT housing. As of 1970, although the average blue-collar worker in Bogotá earned 810 pesos per month, middle-class families with average monthly incomes of 1,251-4,000 pesos occupied 65 percent of all public housing in Bogotá (Table 3). Another 13 percent of those occupying public housing had incomes of over 4,000 pesos monthly. Ironically, it was the poor — those earning less than 1,250 pesos monthly — who were most underrepresented in government housing. While constituting 35

percent of Bogotá's population, those families only owned 22 percent of the capital's public housing. Two-thirds of the poorest of Bogotá's poor (under 500 pesos) were forced to live in commercial housing — rooming houses and tenements — while most of the "upper lower class" (72 percent of the 501-1,250 pesos strata) lived in pirate housing.<sup>27</sup>

Small wonder that one authority could write in 1977, "The ICT, with few exceptions, has not reached . . . the lowest socioeconomic strata despite its rhetorical claims to do so."<sup>28</sup> Moreover, even among



*Pijaos housing - Junta de Vivienda Popular Bogotá - lower middle class.*



*Middle income housing.*

those families who could afford the initial down payments on ICT homes, a significant number have had difficulty meeting their monthly mortgage payments and have been forced to subdivide or share their apartments with another family. Thus, in Ciudad Kennedy—where apartment owners have an average income above the city's mean—perhaps 19,000 families share 14,000 apartments.<sup>29</sup>

### **The 1970s: A Shift in Direction**

During the past six to eight years, the ICT has moved toward providing more housing that is within the reach of the urban poor. The shift in policy seems to reflect a recognition by Colombian policymakers that the shortage of low-income housing had reached crisis proportions. During the 1960s, most ICT construction in Bogotá consisted of multistory (5-8 floor) apartment

houses such as Kennedy or Esmeraldas. In place of these more expensive, finished dwellings, the ICT now stresses basic "solutions"—single story units with services, to which the purchaser can subsequently add. Unlike those of the Caja de Vivienda Popular, however, ICT solutions vary considerably in size, amenities, and cost.

Both the selling price and the criteria for eligibility for buying the various types of ICT dwellings listed in Table 4 are pegged to the prevailing minimum wage. "Minimum" solutions contain one bedroom and a bathroom and are similar to the CVP's subsidized solutions. These units are sold at 1,000 to 1,300 times the minimum daily wage at the time of the sale and can only be sold to people earning the legal minimum or less. "Basic" solutions include a bathroom and two bedrooms. Priced at 1,300 to 1,900 times the minimum daily wage, these solutions may be sold to people making one to two times the legal minimum. "Intermediate" and "maximum" type dwellings are finished apartments rather than starting shells. A "maximum" ICT unit typically contains a living room, kitchen, bathroom, and three bedrooms, and may only be sold to people making over four times the minimum wage.

The ICT's "minimum" and "basic" solutions are designed to meet the housing needs of families earning under 4,600 pesos per month—that is, the poorest 45 percent or so of the urban population who previously could not afford most ICT dwelling units. In 1976, housing in these 2 categories accounted for 84 percent of the 4,000 units sold in Bogotá. In a further effort to provide shelter for people at the lowest levels of the economic pyramid, the ICT also provided some 2,000 families with lots having nothing but basic services (water, sewage, electricity). The purchaser could then construct his home from scratch on the lot. These "urbanized lots," designed for people making below the legal minimum wage (a

Table 3

**Bogotá, 1970: Public, Commercial, and Pirate Housing by Income Level**

Family Income (pesos/mo.)	Percentage of Bogotá's Population	Percentage of Public Housing	Percentage of Commercial Housing	Percentage of Pirate Housing	Total Number of Families
The Poorest (0-500 pesos)	7.4%	4.0%	11.1%	4.6%	33,506
Lower Class (501-1,250)	26.9	17.8	11.3	42.9	121,184
Middle Class (1,250-2,500)	26.9	43.9	7.0	41.5	121,324
Upper Middle (2,501-4,000)	20.8	21.1	31.8	11.0	93,628
Upper Class (over 4,001)	18.0	13.2	38.8		81,358
Total Number of Families	100.0	48,741	193,124	204,182	451,000 <sup>a</sup>

a. Vernez classified families with incomes of 501-1,250 pesos as "lower middle class." Since that group includes families in the lowest third of Bogotá's income scale, I felt they should be recategorized. I have also excluded from Vernez's table 4,953 families (1.1% of the total) who lived on invaded land. Therefore the number of families in the bottom row do not quite add up to 451,000.

Source: Georges Vernez, "Bogotá's Pirate Settlements: Opportunity for Urban Development," (Berkeley: Unpublished Ph.D. Dissertation, University of California, 1973), p. 25.

Table 4

**Institute of Territorial Credit Housing: Type and Cost Range**

Type of Dwelling	Average Income of Purchaser	Cost: 1978 (pesos)	Initial Payment (% of Sale Price)	Monthly Payment (pesos)
Minimum	2,300 pesos/mo	78,000- 94,000	10%	500 (average)
Basic	3,000	94,000-150,000	15%	800
Intermediate	5,000	150,000-210,000	20%	1,200
Maximum	8,000-20,000	210,000-450,000	30%	2,000 and up

Source: ICT, "Colombia: Política de Vivienda y Desarrollo Urbano-1977 (Bogotá, 1977); and interview with Dr. Milton Granados, Director of the ICT's technical Division.





*Bogotá - Junta de Vivienda low income housing.*



*The CVP apartments in El Guali are sold to the upper-middle class and the profits are used to subsidize housing for lower-income Bogotanos.*

significant portion of Bogotá's lower class), required no down payments and have monthly installment costs (and a sale price) approximately half that of a "minimum" solution. Current plans call for expanding the sale of such lots to the lowest income groups.

The ICT's efforts in the 1970s to serve people further down the economic ladder is reflected in unit

costs. From 1968 to 1970, per unit cost of ICT dwellings rose from 32,000 to 50,000 pesos (constant, noninflated, 1968 pesos). Since 1970, however, the cost (in 1968 pesos) has fallen steadily from 50,000 to 24,000.<sup>30</sup>

#### **Bogotá's Public Housing: Who Gets Subsidized?**

Critics of public housing programs in Colombia contend that the ICT

and CVP provide attractive, underpriced housing for the middle class, while offering the poor empty lots or primitive "solutions" far removed from public transportation, lacking in police protection or garbage collection, and deficient in water or electrical service. One muckraking news journal charges that in Guacamayas, for example, half the houses lack functioning water systems.<sup>31</sup>

Much of the criticism is undoubtedly valid. While all the purchasers of CVP solutions allegedly received running water, I observed many people in Guacamayas carrying water in buckets from outdoor spouts to their homes. Other families had hoses running from spouts to their houses. Several residents to whom I spoke said they had no running water because they couldn't afford the monthly service charge which sometimes exceeds 300 pesos, over half their monthly mortgage payments. A mother of four complained there was no nearby school for her children to attend. Other residents said that getting construction materials, or even groceries, up the steep, unpaved road was a major difficulty. In short, all this suggests that the CVP and the ICT needs to improve the quality of services in low-cost housing projects.

Yet, most purchasers of low-income public housing to whom I spoke seemed reasonably satisfied. They much preferred their new locations to the inner-city tenements from which most had moved, and were moderately optimistic about the future. That there are eight applicants for every newly available low cost unit attests to the high demand by Bogotá's poor. Signs of construction activity can be seen throughout Guacamayas and other low-income projects, as people add rooms to their homes. A study of the Caja de Vivienda's Mañuelita project showed 70 percent of the inhabitants had more than doubled the floor space of their solutions within three years of the initial purchase. In fact, most purchasers

of CVP solutions add at least one room within the first seven months of occupancy. The cost of these dwellings, including the critical down payment, also seems to be within the range of many low-income people. In 1976, the average down payment for a unit in Guacamayas was 530 pesos, while the average monthly rent for inner-city tenement housing was 600 pesos.<sup>32</sup>

The reorientation of ICT and CVP construction toward cheaper, more basic dwellings, or even urbanized lots, seems to be a sound means of providing more housing for lower income groups. Since the Colombian government is not in a position to heavily support public housing out of tax revenues, the ICT and Caja de Vivienda cannot build finished apartments the poor can afford to buy. Most urban poor are capable of building or expanding their own homes, and by completing the construction of their solutions themselves, substantially reduce the labor cost of their dwelling. This also allows the owners to build according to personal taste rather than that of a government planner. Finally, the owner of a self-constructed or self-expanded home probably has greater pride of ownership.<sup>33</sup>

But construction and sale of ICT and CVP housing to the middle and upper-middle classes at bargain prices is a more debatable issue. In 1976, "intermediate" and "maximum" category apartments constituted only 16 percent of the ICT-constructed housing units, but they accounted for 40 percent of the agency's budget! In the past two years, ICT has reverted to building more high-cost, finished apartments. The most notable example is the mammoth Bachúe project—a proposed "city within a city"—now under construction in Bogotá. Upon completion, one-third of its more than 15,000 units will be finished apartments designed for the middle and upper-middle classes.<sup>34</sup> "Self-supporting" and "profit-making" apartments represent an even larger proportion

of CVP activity, approximately 40 percent of all units and more than 60 percent of the budget. These Institute and Caja homes are going to families making two to ten times the average Bogotano's income.

Spokesmen for both housing agencies point out that the profits secured from more expensive apartments help build the low-income units. Yet these apartments are priced 35-50 percent below the prevailing market price. Upper-middle class apartments being sold by the ICT and Caja de Vivienda for 450,000 pesos (\$12,850) would draw as much as 750,000 pesos in the private market. When I asked a high-ranking CVP official why the upper middle class was being afforded such a generous "subsidy," he replied that government authorities "were not accustomed to the idea of selling apartments at their full market price."

Because much public housing is being sold at bargain prices to middle-class purchasers who do not greatly need them (or who can afford private housing elsewhere), many buyers are turning a profit on ICT or CVP housing by renting or reselling their apartments. In 1974, only 9 years after its completion, 35 percent of the apartments in Ciudad Kennedy were being rented. The apartment owners were paying the ICT an average of 632 pesos per month in mortgage installments but were renting their apartments to tenants for an average of 1,152 pesos.<sup>35</sup> Similarly, a woman with whom I spoke in another ICT project was renting an apartment for nearly three times the owner's monthly mortgage installment. In short, besides giving middle class buyers bargain-priced apartments, the ICT and CVP are selling apartments to people who do not need them and who use them instead for profit. Middle and upper-middle income consumers are well aware of the potential "benefits" of ICT housing;<sup>36</sup> there are 45 applicants for every "intermediate" and

"maximum" apartment sold (compared to 8 for each "solution").

Despite continued growth in public housing, construction is not keeping pace with the needs of Bogotá's lower income groups. In 1977 and 1978, of 24,000 new, legally constructed housing units built in Bogotá, some 35 percent were put up by ICT and 5 percent by CVP. Yet, during these 2 years the city's population grew by 35,000 families. Between 1974 and 1978, Bogotá's housing deficit (i.e., the number of families lacking housing with minimal standards) grew from 205,726 to 262,495 and is expected to reach 296,374 by 1980.<sup>37</sup>

Finally, despite significant efforts by ICT and CVP in recent years to provide housing for more impoverished urban families, the neediest poor are still not being reached. Over half of ICT's housing units—including even the "basic" solutions—are too expensive for the 26 percent of the capital's population with family incomes of under 3,000 pesos (\$85) per month. Perhaps 15 percent of the city's population cannot afford even the small down payment needed for a "minimum" solution. Indeed, in discussing the criteria for selecting families eligible to buy public housing, ICT and CVP officials frequently mentioned to me that applicants must appear sufficiently solvent to maintain their monthly payments. Unable to afford either private or public housing, the poorest 25 percent are confined to the undesirable inner-city tenements like those in La Candelaria.

### Public Housing in Caracas

The apartments of "23 de Enero" tower over the adjoining working-class neighborhood in western Caracas. Over 55,000 people inhabit the 10,000 apartments of the project begun in 1954 under President Marcos Pérez Jiménez. On January 23, 1958, throughout the capital's *barrios*, people took to the streets in a popular uprising against his repressive regime. After President



Pérez Jiménez had fled the country, hundreds of families in the *ranchos* neighboring the housing project (many of whom had participated in the uprising) occupied apartments in the complex. The nearly completed project was soon named "23 de Enero" (January 23) to commemorate the overthrow of the dictator who had initiated its construction four years earlier.

Today, life in "23" is not pleasant. The elevators are constantly broken or vandalized. Repairs take ages to materialize. Tenants are often forced to walk 10-15 flights of stairs to reach their apartments. Public telephones, very important to the many residents without private phones, also seem permanently broken or vandalized. Garbage piles up near many of the houses, bringing flies and rats. With its high crime and juvenile delinquency rates, "23" is reputedly one of Caracas' most dangerous areas. In February 1978, during a period of student demonstrations in the capital, tensions in the project reached a boiling point as high school students, perched on roofs, traded shots with police. In short, "23 de Enero" epitomizes the problems found in a number of Caracas' high-rise, public housing projects.

Government construction of housing in Venezuela dates to 1928, with the creation of the Banco Obrero (Workers' Bank), an agency designed to sell housing and provide mortgages to the nation's urban lower class. (The agency was reorganized and renamed the National Institute of Housing-Inavi—in 1975) During its first 20-25 years, the Banco Obrero built few dwellings, although the pace of activity picked up in the 1950s. Between 1928 and 1958, an average of only 1,000 units per year were built in Caracas and only 350 annually outside the capital (Table 5).

With the overthrow of Pérez Jiménez in 1958, and the creation of a more responsive democratic

Table 5

### Banco Obrero-Inavi Housing in Venezuela and Caracas: 1928-1977

Year	Units in Caracas (Federal District)	Units in Venezuelan (including Caracas)	Caracas as a % of Public Housing
1928-58	30,150	40,675	74.8
1959-63	2,187	33,629	6.6
1964-68	13,879	103,092	13.4
1969-73	26,441	169,206	15.6
1974	3,059	32,067	
1975	3,653	35,219	
1976	3,876	29,232	
1977	1,167	23,050	
(1974-77)	(11,755)	(119,568)	9.8
Total: 1928-77	84,412	466,170	18.1

Source: Inavi: Gerencia de Planificación y Presupuesto, Unidad de Información Gerencial.

government, it might be expected that the government would provide more public housing to relieve pressure arising from the doubling of Caracas' population between 1951-1961. Indeed, under the presidency of Rómulo Betancourt (1959-1963), public housing construction rose to an annual average of nearly 7,000 units. The rate of construction in the nation's capital, however, fell sharply. Whereas 75 percent of all government housing before 1958 was built in Caracas, under President Betancourt 93 percent was constructed *outside* the Federal District, reflecting the ruling Acción Democrática (AD) Party's orientation toward the smaller towns and countryside from which it received most support.<sup>38</sup> Under the two succeeding administrations, the output of public housing rose sharply, both nationally and in Caracas. Construction in the capital reached a peak under President Rafael Caldera's Social Christian (COPEI) administration (1969-1973), reflecting, in part, his party's more urban orientation. With AD's return to power in 1973, public housing construction in Caracas fell once again.

#### Housing in the 1960s:

##### Blue-Collar High-Rises

Caracas lies within a narrow valley basin. Land for building is scarce

and expensive, making it impractical to construct single-story public housing of the type offered by the ICT and CVP in Bogotá. Instead, economic and geographic factors have dictated that almost all Banco Obrero-Inavi housing in Caracas take the form of high-rise apartment complexes.<sup>39</sup> While some contain as few as 200-500 units, most approach the size of "23 de Enero" or Caricuao, whose 23,000 apartments and 127,000 residents probably constitute the largest public housing project in Latin America. Currently, over 425,000 Caraqueños—one-sixth of the city's population—live in Inavi housing. Some three-quarters of those families are concentrated in eight giant projects.<sup>40</sup>

Like the inhabitants of "23 de Enero," most families who purchased Banco Obrero housing in the first decade of Venezuela's democratic era (1958-1968) tended to be of working-class or white-collar origin. Public housing sold at prices well below those of the private sector, and the monthly installments of Bs. 150-200 (\$35-\$47) were within the range of blue-collar workers, policemen, nurses, and bus drivers. Usually, conditions within the public housing complexes were better than those prevailing in "23 de Enero." My own



*The Inavi Project in Roberto Lugo District of Caracas. It is more representative than "23 de Enero" of working class housing built in the 1960s.*

visits to several projects completed in the 1960s revealed less evidence of vandalism and uncollected garbage than in "23." Sports facilities and playgrounds were usually available; elevators seemed in working order; and residents indicated that crime and delinquency were not severe problems. In one project located in a northwestern Caracas working class neighborhood, an impressive day-care center provided inexpensive service for working mothers.

During the 1960s, the cost of housing for Caracas' middle class had not yet begun to skyrocket. Consequently, middle-income groups were not particularly anxious to live in Banco Obrero high-rises and were content to leave them for the working class or white collar government employees. But public housing did not meet the needs of the very poor; it did not include the unskilled, underemployed strata of families to be found in Bogotá's Guacamayas or Mañuelita projects. To some extent this reflects the aversion of many low-income migrants to the cold, impersonal character of Caracas' giant high-rises. Many *barrio* dwellers prefer the *ranchos*'

greater sense of community, the freedom to build homes according to their own taste, room for raising vegetables or small animals, and atmosphere more akin to the rural conditions they grew up in.

The absence of the lowest income groups from Banco Obrero projects was not, however, entirely a matter of choice. Initial down payments on apartments were as high as Bs. 4,000 (\$940), excluding many low income families. According to independent studies conducted by two research institutes at the Central University of Venezuela, even the relatively low-priced housing offered by the Banco Obrero was beyond the means of the poorest 20-30 percent of the population.<sup>41</sup>

#### **COPEI (1969-1973): Repairing the *Barrios* and Housing the Middle Class**

In 1969, Rafael Caldera became Venezuela's first COPEI President. Due in part to the party's more urban constituency, the administration addressed itself more vigorously than any previous Venezuelan government to urban housing needs. Some of its most innovative programs were efforts to rejuvenate the low-income *barrios*.

Under the "*Barrio* Urbanizing Project," water, sewage lines, and electricity were brought to various *rancho* areas. The "Popular Urbanization" program was designed for families with monthly incomes of under Bs. 400 (\$118) — the poorest 25 percent of Caracas' population. It featured unfinished "solutions" similar to those in Bogotá. Monthly payments of Bs. 50-80 (\$12-\$19) were only one-third the cost of Banco Obrero apartments and could be afforded by most low-income Caraqueños. Finally, a modest "Terraced Housing Program" constructed low-cost, single-family homes on *rancho*-covered hills. Costing Bs. 10,500 (\$2,450), these homes required only a 5 percent down payment and monthly installments of Bs. 90 (\$21), still well below the cost of high-rise apartments. While these programs were fairly limited in scale, they did represent an imaginative alternative to the more expensive *bloques* (high-rises).

The Caldera administration also greatly expanded the number of apartment units built by the government, erecting nearly as many dwellings between 1969 and 1973 as in the previous 35 years (Table 5). In Caracas, new public housing units were double the number built under the previous administration. At the same time, however, the cost of public housing in the capital began to rise beyond the means of the working class and lower white-collar families who had once been the major purchasers of Banco Obrero apartments. Indeed, there is evidence that COPEI policies — like its "mixed development" program — were designed to meet the growing housing needs of the urban middle class as the cost of apartments on the private market climbed.<sup>42</sup>

Under the program for "mixed development," the Banco Obrero provided private contractors with land, infrastructure, and construction loans on highly favorable terms. These contractors would then build, sell, and maintain

the apartments, although the Banco Obrero controlled the unit price. Housing of this kind sold for Bs. 45,000-50,000, with average monthly payments of Bs. 360. By the government's own estimates, "mixed development" housing was within the means of only the most affluent 30 percent of Caracas' population. Between 1969 and 1973, 28 percent of all public housing units constructed in Caracas fell into this "mixed" category.<sup>43</sup>

If "mixed development" housing tended to serve the upper-middle class, the Banco Obrero's other projects in Caracas were also increasingly purchased by middle-class sectors, as data on the giant Caricuao complex, begun under the COPEI administration and finally completed in 1974, clearly illustrate. Caricuao residents often are teachers, government bureaucrats, and even lawyers and doctors. About half own cars, creating gargantuan traffic jams every morning and evening.<sup>44</sup>

#### **Acción Democrática Returns (1974-1978):**

**Abandoning Caracas' Lower Class**  
In 1974, with the inauguration of Carlos Andrés Pérez, Acción Democrática returned to the presidential palace. The new president took office at an auspicious moment, for the recent surge in OPEC oil prices brought about an unprecedented boom in Venezuelan government income. The Pérez administration went on to spend more money in five years than had all the previous governments in the history of the nation! Expenditures in agriculture and education tripled between 1973 and 1974. Yet, as Table 5 shows, the amount of new housing constructed by Inavi (the Banco Obrero's successor) has declined steadily since 1975. Indeed, recent housing policy has been marked by two trends: first, a gradual decline in new construction nationally; second, a virtual termination of low-income housing programs in Caracas. At the national level,

construction of public housing units—which had been produced at an annual rate of 34,000 under the previous administration—declined to a rate of 23,000 in 1977 (a four-year average of 30,000). Moreover, many projects completed in 1974 and 1975, the two years of greatest activity, were already in the pipeline under the previous administration.

New housing projects *outside* the Caracas metropolitan area have tended to be low-cost, one-floor, single-family units. The Tronconal complex, for example, houses nearly 20,000 people outside the city of Barcelona, 15 percent of the city's population. Modest homes (living room, bathroom, 1-2 bedrooms) are sold for Bs. 25,000 (\$5,900). Down payments of Bs. 1,200 (\$280) or less and nominal monthly installments of Bs. 90 (\$21) are within the means of most low-income city dwellers outside Caracas.<sup>45</sup>

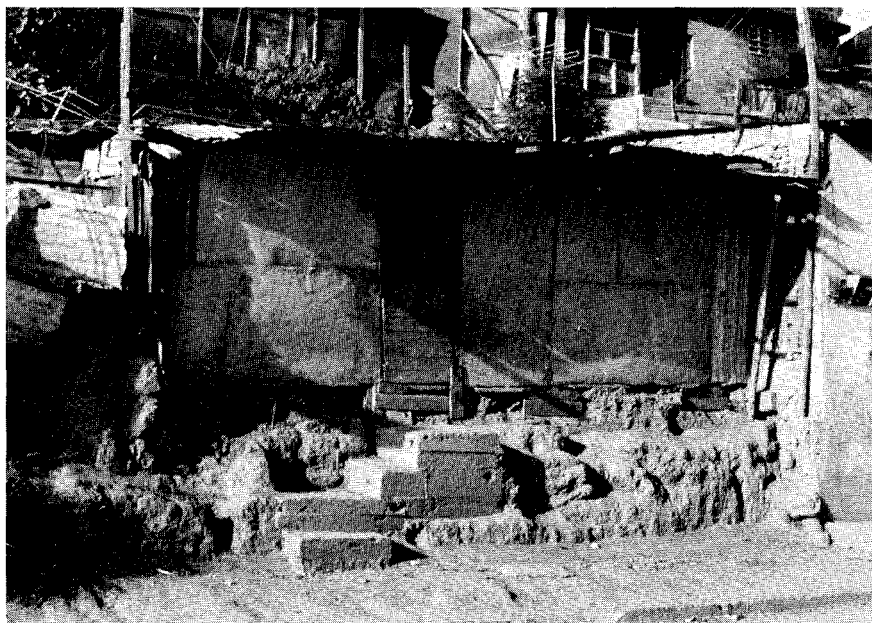
Within Caracas, however, such low-cost housing is no longer being made available. The "terraced Housing Program" and other COPEI projects having been terminated. Some 3,800 single-family low-income homes were built in the *barrios* between 1970 and 1973; *none has been constructed by Inavi during the past four years.*<sup>46</sup> At the same time, construction of *bloques* within Caracas was reduced from an annual average of 5,300 units under the Caldera administration to 1,167 in 1977. Again, many projects completed in 1974-75 (including portions of the Caricuao complex) were carry-overs from the previous government. Finally, *all* new housing construction initiated by Inavi in Caracas since 1974 has been for "mixed development."

Inavi apartments in Caracas are now selling for a minimum of Bs. 50,000 with down payments of Bs. 5,000-10,000 (\$1,175-\$2,350) and monthly installments of at least Bs. 350-400. While these rates are perhaps only a fifth the cost of comparable housing on the private market, they are still too high for

lower-class families. The Center of Urban Studies at the Central University of Venezuela estimates the new Inavi apartments are beyond the means of 30-40 percent of the city's population. Some public housing is far more expensive. In September 1977, an economist representing labor unions on the Inavi board of directors noted that the agency, which had been created to serve the urban lower class, was selling apartments in Caracas for up to Bs. 250,000 (\$49,000).<sup>47</sup>

Given the very high cost of private housing in Caracas today and the tremendous resources available to the Venezuelan government, it is not unreasonable for Inavi to be providing housing for Caracas' large and growing middle class. Young, middle-income families seeking apartments in the capital are unable to afford private sector prices (Bs. 1,500/month and up) and look to Inavi for help. But it is still hard to justify total neglect of the bottom 30-35 percent of the Caraqueño population. Indeed, the demand for public housing in Caracas relative to the supply has become so great that access to apartments is based principally on political connections (what the Venezuelans call *palanca*) rather than need. It has become routine practice for the party winning the presidential election to allocate public housing to its faithful. A Caracas taxicab owner told me he had used his cab extensively in the 1973 campaign to run errands for Acción Democrática. Now he needed an apartment for his family. "Inavi had better get me something," he said, "or that's the last time I ever work for AD." I knew of a woman who had paid a lawyer, with alleged political connections, a substantial amount to move her name up the list of applicants for Inavi housing.

The current administration's neglect of low-income housing in Caracas (and the gradual reduction in the quantity of such housing outside the capital) is particularly striking in view of the tremendous increase in



*A low quality rancho in Gramovén Caracas.*

other areas of government spending, including social welfare. Two factors seem responsible for this anomaly. First, the price of land in Caracas has become so expensive that Inavi has abandoned the area to the private sector or to "mixed development" housing. Second, in their initial economic planning, administration economists assumed that the post-1973 oil boom would reduce unemployment and raise lower-class wages, decreasing the need for housing assistance. Yet, as one of the President's Cabinet members candidly admitted to me—after labeling public housing the weakest area of administration policy—this simply has not happened. Although the real income of the Venezuelan urban lower class has improved somewhat, the cost of private sector housing in Caracas has increased astronomically. Between 1973 and 1977, the price per square meter of Caracas apartments doubled. According to construction industry data, the average cost of a new privately constructed Caracas apartment in 1977 was Bs. 307,000 (\$72,000). Only .4 percent of those apartments sold for less than Bs. 100,000 (\$23,500), barring access for at least 60 percent of the city's population.<sup>48</sup> At the very time Inavi ceased supplying housing for

low-income Caraqueños, these people were also priced out of the private apartment market. For the *rancho* dweller, the only possibility is to remain in the *barrio* and improve his home as best he can.

**Bogotá and Caracas Compared**  
Bogotá and Caracas function within distinctly different socioeconomic and political systems. Venezuela, with its far stronger economy, suffers less abject poverty, underemployment, and unemployment than does Colombia. Per capita gross national product is perhaps four times as high in Venezuela and consequently, the earning power of Caracas' lower class is substantially higher than that of low income Bogotanos. The Venezuelan government, with its extensive oil resources, also has far greater revenues at its disposal.

In the political realm, both countries enjoy competitive, democratic electoral systems. Indeed, they are currently the only two functioning democracies in Spanish- or Portuguese-speaking South America. Yet Colombia's two dominant parties, the Liberals and Conservatives, are oligarchic and conservative. In contrast, the two leading Venezuelan parties, Acción Democrática and COPEI, have

reformist, mildly socialistic ideologies and are strongly linked to labor unions, peasant federations, and the like. While the level of popular participation and support for the political system appears to be fairly high in Venezuela, Colombian politics are marked by apathy and limited participation. Finally, the level of social services—schools, medical care, social security—for the urban lower class, while deficient in both nations, is generally higher in Venezuela than in Colombia.

For all these reasons, my initial expectation was that public housing for lower income groups would be more plentiful and superior in quality in Caracas (and in Venezuela generally) than in Bogotá (and Colombia). To be sure, one and one-half times more public housing has been constructed in Venezuela (466,000 units through 1977) than in Colombia (315,000), though Colombia's population is approximately twice that of Venezuela. Similarly, Caracas, with almost 25 percent fewer people than Bogotá, had more public housing units as of 1977.<sup>49</sup> But, I still must conclude that Colombia's ICT (and, to a lesser extent, the Caja de Vivienda Popular) is more adequately serving lower income housing needs in Bogotá than is Inavi in Caracas. During the past decade, the unit cost of ICT dwellings has fallen sharply (in noninflated pesos) as an increasingly larger percentage of its public housing is sold to the lower class. Although I have argued that ICT continues to offer too generous a "subsidy" for middle and upper middle income housing, the trend in Bogotá has clearly been toward serving groups further down the economic ladder. In Caracas, change has been in the opposite direction. While public housing in the Venezuelan capital rarely reached the "poorest of the poor" through the mid-1960s, the Banco Obrero, as the name Workers' Bank implies, was serving blue-collar and lower-level white-collar workers. Since the late 1960s, however,

Banco Obrero-Inavi housing in Caracas has become increasingly expensive. Today, public housing in the Venezuelan capital is not only beyond the economic means of the poorest 40 percent of the population, but it is mainly dispensed through political patronage and personal connections.

To some extent the difference in performance between the two countries' public housing agencies may be attributable to the quality of their personnel. Colombian architects and city planners are among the most respected in Latin America. The ICT, in turn, is regarded by most experts on Colombian politics as one of the national government's more capable, professionally directed agencies. In my conversations with both ICT and CVP officials, I was impressed by their precise answers, candor, and insight. In contrast, Venezuela's Inavi is one of that country's less highly regarded government bureaucracies. City planners and architects whom I met (including several former Inavi employees) at the national university and at independent urban planning agencies, spoke of administrative incompetence, patronage, inefficiency, and corruption at the Institute. In my own dealings with Inavi, I found it to be a Kafkaesque bureaucratic institution in which nobody seemed to know what other branches of the Institute were doing.<sup>50</sup> Finally, like many Venezuelan government agencies, Inavi seems to suffer from a somewhat blasé fiscal attitude, fueled by the huge oil revenues. Billions of Bolívares flow in and out with little apparent control over where they go. Unlike the relatively self-supporting ICT, Inavi runs a huge operating loss every year which must be covered by transfer payments from the national treasury.

A second major difference is the cost of apartments in the private sector. In absolute terms, Caracas' middle and upper middle classes are

more affluent than Bogotá's. But the greater size of the Venezuelan middle class and the tremendous cost of private sector housing in Caracas makes it more difficult for the Caraqueños to find and buy private sector apartments. Consequently, it is not surprising they should turn to government housing agencies for help.

Ironically, Colombia, with its more oligarchic, less responsive political system, seems to administer public housing in a fairly technocratic manner. ICT technicians, less subject than their Venezuelan colleagues to political pressures from either the middle or lower classes, seem to orient their activities to the group obviously suffering the greatest housing deficit, the urban poor.<sup>51</sup> The Venezuelan housing bureaucracy, like the nation's political system in general, is more subject to popular political pressures. Faced with two groups in Caracas badly in need of housing—the middle and lower classes—Inavi has responded first to the group with the higher degree of political organization, articulation, and general political "clout." Indeed, Venezuela's housing policy seems to reflect a more generalized tendency within Latin American political systems in the 1960s—as those systems became more open and democratic—to favor the urban middle class over the peasantry or working class.<sup>52</sup>

Comparison of the two countries' experiences also has implications for policymakers seeking the most efficient means of housing the urban poor. Finished, high-rise apartment houses such as Caracas' *bloques* can be built only at per unit costs which make them too expensive for the lower class. Venezuela is probably the only country in Latin America with the economic resources to sell public housing to the poor below cost, subsidizing the difference out of oil-tax revenues. It has not. Colombia and other Latin American nations are not financially able even to consider that option.

Consequently, low-cost, semifinished "solutions," such as those provided by the ICT and Caja de Vivienda, represent a more reasonable model for low-income housing. Inavi has adopted this policy outside Caracas, but has abandoned low-cost housing in the capital, partly because of the high price of land. A more logical solution would have been to continue the COPEI administration's policy of renovating *ranchos* and improving *barrio* infrastructure.

Indeed, as British architect John Turner suggested long ago, Latin America's urban poor are not only capable of building their own homes, but can also provide themselves with housing that is both cheaper and more to their liking than Caracas' *bloques*. Unfortunately, the "Turner Thesis" has also served many Latin American governments as a convenient justification for "benign neglect." The horrendous sanitary conditions and high crime rates within many Latin American shantytowns reveal the fruits of "letting the poor fend for themselves." Government resources must be spent to provide basic infrastructure and services: paved streets, water systems, sewage, electricity, police protection, recreation facilities, garbage collection, health care, and the like. In addition, residents of Bogotá's pirate settlements and Caracas' *barrios* could benefit greatly from low-interest, home-improvement loans, technical assistance, and low-cost construction material. Government funding in all these areas would serve the needs of larger numbers of urban poor than would the construction of apartment houses.

An intelligently guided program of "auto-construction" in the *barrios* and shantytowns can also have implications that transcend housing alone. In Uruguay, for example, government mortgage bank loans for housing construction are funneled through cooperatives. Thus, in Montevideo one can see

low-income families working together, sharing construction equipment to build new homes. In an immediate, pragmatic sense, this arrangement cuts down on costs by

allowing for the sharing of tools, equipment, and material. Beyond that it changes individualized, anomic, home construction into a collective neighborhood activity

which can serve as the basis for future community improvement projects.<sup>53</sup>

(January 1979)

## NOTES

- 1 Latin American construction workers are generally nonunionized, work irregularly, and are very poorly paid. Legally, Colombian employers must also pay the minimum wage on Sundays and holidays—hence, Luis Parra's monthly salary of 2,350 pesos.
- 2 Figures from the Latin American Demographic Studies Center (CELADE), quoted in *Latin America: Economic Report* (February 24, 1978), Vol. 6, No. 8
- 3 The percentage growth rates (as opposed to volume) of many secondary cities in Latin America are even more dramatic. Chimbote, Peru, and Ciudad Guayana, Venezuela, for example, have grown by close to 1,000 percent in 20-25 years. In 1970, of the one million inhabitants of Belo Horizonte, Brazil, 800,000 were migrants.
- 4 See Samuel Huntington, *Political Order in Changing Societies* (Yale University Press, 1969). There is great debate as to the degree of politicization of militancy of urban migrants in the developing world. For a review of the literature on Latin America in this area, see: Howard Handelman, "The Political Mobilization of Urban Squatter Settlements: Santiago's Recent Experience and its Implications for Urban Research," *Latin American Research Review* (October 1975).
- 5 Obviously, housing the poor in overcrowded tenements can be very profitable. But such housing usually was first built for high-income people and was converted to low-income housing after it had run down. New housing for the poor is unprofitable
- 6 The rate of growth continues to fall slightly, but the number of new people added to the two cities' population each year is actually growing. Data are drawn from Colombia's Centro Nacional de Estudios de la Construcción (CCNAC) at the national university and the Venezuelan Central University's Centro de Estudios Urbanos. Population figures for Latin American cities vary tremendously depending on how boundaries are defined. Some sources put Caracas' population at nearly three million and Bogotá's at over four million. Population pressure on Bogotá has been eased somewhat by the existence of three other large metropolitan centers—Cali, Medellín, and Baranquilla—with a combined population of over 4.5 million and with more rapid growth rates than the nation's capital
- 7 Like population figures, estimates of the "marginal" population—those suffering from high unemployment, underemployment, and low wages—vary greatly. I have chosen a middle-range estimate
- 8 Typically, squatters have lived in the inner city 4-10 years before moving out to occupy a plot in a shantytown. See, William Mangin, "Latin America's Squatter Settlements: A Problem and a Solution," *Latin American Research Review* (Summer 1967). William Flinn maintained that the same pattern holds true in Bogotá. See Flinn, "Rural and Inter-Urban Migration in Colombia: Two Case Studies in Bogotá," in F. Rabinovitz and F. Trueblood, *Latin American Urban Research* (Sage: 1971). A doctoral dissertation study of five Bogotá pirate communities, however, found that most migrants in those settlements had moved directly to the periphery and had first settled in rented rooms in those or other pirate zones. See, George Vernez, "Bogotá's Pirate Settlements: Opportunity for Urban Development" (Berkeley: Unpublished Dissertation, University of California, City and Regional Planning, 1973).
- 9 Indeed, Las Colinas, once the scene of repressive government action, is now featured in a Colombian government film as a shining example of government-supported urban development. The film was shown at the international film festival of *Habitat*, 1977.
- 10 See, "Soy pirata y navego en los barrios," *Alternativa* (Bogotá), February 20, 1978.
- 11 See, Cámara Colombiana de la Construcción, "La Industria de la Construcción Frente al Crecimiento Demográfico" (Bogotá: Mimeo, 1976) and Vernez, *op. cit.*
- 12 Interview with Dr. Oscar Borrero, Director of CENAC and data furnished to me by CENAC (February 20, 1978).
- 13 Vernez, *op. cit.*
- 14 See, the *Daily Journal* (Caracas): January 29, 1978; and, *El Universal* (Caracas): August 23, 1977 and October 2, 1977
- 15 Estimates by *Funda Común* in *El Universal*: August 25, 1977; and *El Nacional* (Caracas): March 7, 1978.
- 16 Figures from *Fundaconstrucción*, the chamber of commerce of the construction industry. Apartments in Caracas (and in Bogotá) are generally sold, usually through a mortgage, rather than rented. Rented apartments in Caracas are also extremely expensive: a two-bedroom apartment generally rents for \$500 to \$1,000 per month.
- 17 Another indirect effect of the Venezuelan oil boom on low-income housing is the influx of illegal immigrants, particularly from Colombia, into the *barrios*. Large numbers of indigent Colombians, called *indocumentados* (illegal aliens), were migrating to Venezuela well before 1973. In recent years, however, the number has increased and more immigrants have moved out of Western Venezuela into Caracas. There are probably over one million Colombian *indocumentados* in Venezuela (the majority living in Zulía and other western states) and several hundred thousand illegal aliens from Ecuador and other Latin American countries. In Caracas, whole *barrios*, such as Quebrada Seca and Santa Cruz, are composed of Colombians (or, less frequently, Ecuadorians). These immigrants obviously put additional pressure on land available for building *ranchos*. See, *El Universal*: October 22, 1977.
- 18 Joseph Mann, "Los Ranchos de Carracas," *El Nacional*: December 16, 1977
- 19 "600,000 Caraqueños habitan en cerros de alta peligrosidad," *El Nacional*: July 14, 1977.
- 20 *El Universal*: March 17, 1978.
- 21 Because many families have difficulty meeting their monthly mortgage payments, "subdividing" or sharing apartments in Kennedy has become a common practice
- 22 ICT officials provided me with various figures on their anticipated 1978 budget and the figures cited here are not precise. Since Colombia experienced 20-25 percent inflation in 1977-78, the ICT's budget increases in real terms were somewhat lower, but still impressive.
- 23 Figures provided by Dr. Roberto Negrét, Director of the CVP. When corrected for inflation, the CVP's annual growth was approximately 15 percent.
- 24 ICT data from Ministerio de Desarrollo Económico, *ICT: Informe Anual-1977* (Bogotá, 1977); CVP data from Dr. Roberto Negrét.
- 25 These figures are based on the assumption that families cannot afford to spend more than 40-45 percent of their combined income on housing. Income figures are drawn from: CENAC, *Breve Diagnóstico Sobre el Problema de la Vivienda en Colombia* (Bogotá: 1977).
- 26 CENAC, *Tenencia y Capacidad de Pago de los Habitantes de Barrios Construidos Por el ICT y BCH en Bogotá* (Bogotá, 1975).
- 27 The data in Table 3 confirm my earlier contention that, generally, families must be a bit above the bottom of the economic scale to secure pirate housing.
- 28 John Loan, "El Estado y la Vivienda en Colombia: Los Urbanizaciones del ICT," in Carlos Castillo (ed.), *La Vida Urbana y Urbanismo* (Bogotá: Instituto Colombiano de Cultura, 1977), p. 335.
- 29 *Alternativa* (Bogotá): February 20, 1978. ICT spokesmen acknowledged that there is extensive apartment sharing, but claimed the figure is somewhat lower. The *Alternativa* statistic is based on research done at the Department of Economics of the University of the Andes.
- 30 ICT, *Colombia: Política de Vivienda y Desarrollo Urbano* (Bogotá, 1977). Of course, given Colombia's high rate of inflation, the cost of housing has still risen in current pesos.
- 31 *Alternativa*, February 13, 1978.
- 32 Roberto Negrét Anzola and Oscar Azuero Ruiz, "Un Caso Específico de Solución en Bogotá, Colombia" (Jalapa, México: Paper presented to Seminario Africo-Latino Americano sobre Asentamientos Humanos Marginales, 1977).
- 33 Essentially, this defense of squatter settlements and other self-constructed housing in Latin America has been presented more generally and forcefully by British architect John Turner. While this Report suggests that Turner's thesis has some validity, preference for having the urban poor build their own homes can be (and has been) used as an intellectual support for "benign neglect" by Latin American governments in the area of low-income housing.
- 34 The concept of "cities within the city"—large, multiclass housing complexes containing commercial centers and areas of employment for their residents—has aroused both great enthusiasm and strong criticism from urban sociologists and planners. Plans for additional Bogotá projects of this kind, to follow Bachue, now are grounded. Whatever merits the concept may have, there is little question that "cities within cities" would involve the ICT in far more middle and upper-middle income housing.
- 35 CENAC, *Tenencia y Capacidad de Pago* . . . p. 18. Subletting apartments is technically prohibited by the ICT. But, as one Institute official explained to me, the prohibition is meaningless since it conflicts with the apartment owner's constitutional right to use his property as he wishes.
- 36 ICT and CVP officials use the term "subsidized housing" to refer only to homes that are being sold below their cost—i.e., low-income units. Within this technical definition, "intermediate" and "maximum" ICT housing and the CVP's "profit-making" dwellings are not subsidized. However, since these homes are being sold for prices well below their



market value—enabling purchasers either to live more cheaply or to rent out the apartment at a profit—in effect, middle class buyers *are* being subsidized

37 CENAC, *Oferta de Edificaciones Urbanas en Bogotá* (Bogotá, 1977).

38 Acción Democrática, a reformist, social democratic party, has been the nation's largest party since the 1940s. Its strength comes from extensive organization of the rural population and substantial labor and middle-class support. In 1958, AD swept the country's rural areas but did poorly in Caracas. Once in office, President Betancourt placed highest priority on agrarian and educational reform outside the capital

39 Outside of Caracas, in smaller cities, Inavi does build single-family homes.

40 Inavi: Gerencia de Planificación y Presupuesto, Unidad de Información Gerencial

41. Conversations with Professor Luis Lander, CENDES, with Professor Oscar Camacho of the Centro de Estudios Urbanos; also Luis Ugalde, et al., *La Intervención del Estado y el Problema de la Vivienda* (Caracas: Centro de Estudios Urbanos de la UCV, 1977)

42 Just as AD's strongest support has traditionally come from rural areas and from workers outside Caracas, COPEI's core constituency is the urban middle class.

43 Banco Obrero, *"45 Años del Banco Obrero"* (Caracas, 1973).

44. See, *El Universal*: January 8, 1978; these observations on Caricuao are based on conversations with residents and with a parish priest who has lived and worked there for several years.

45. Many Tranconal inhabitants have low-paying jobs (night watchman, etc.). But a priest who lives and works in the complex told me that other homes often belong to policemen and lower-level government employees who receive Inavi housing because of connections or work done for Acción Democrática rather than on the basis of need.

46 Shortly after the new AD administration took office, the government of the Federal District of Caracas initiated a well-publicized program of home construction and improvement in *barrio La Vega*. However, that project was not carried out by Inavi, nor was it followed up by similar undertakings.

47 Luis Ugalde, *op cit*; and *Elite* (Caracas): July 21, 1977.

48 Fundaconstrucción, *Estudio de la Oferta de Vivienda Multifamiliar en el Área Metropolitana de Caracas* (Caracas: 1977).

49. Through 1977, there were 84,412 Banco Obrero-Inavi units in Caracas compared to about 64,000 ICT and 8,000 Junta de Vivienda dwellings in Bogotá. Because of the increase in JVP activity, and the decline of Inavi construction within Caracas, by the end of 1979, Bogotá may have more public housing (though still less per capita).

50 Since my training is in political science rather than city planning or architecture, my own observations should be viewed with caution. However, an Uruguayan architect-planner, who has also dealt with both the ICT and Inavi, told me he had the same impressions

51 Of course, Colombian administrators are much more susceptible to pressures from their nation's political-economic oligarchy. However, since the Colombian economic elite has no vested interest at the present time in providing public housing for the middle class, the ICT is left free to make its decisions on more technocratic grounds

52. John Johnson's *Political Change in Latin America* (Stanford University Press) contends political reformism in Latin America from the early part of this century through the 1960s was initiated by the urban "middle sector" in their struggle with the traditional, landed aristocracy. James Petras, Jose Nun, and others have argued such reforms primarily benefited the middle class and not the peasantry or working class. Once those groups further down the economic scale started to insist on their share of economic gain and political power, the reformist, democratic impulse in South America (Chile, Brazil, Argentina, Uruguay) was terminated by rightist military coups. Because of its oil wealth, Venezuela has been able to cater sufficiently to both middle and lower class needs so as to avoid sharp class conflict and military intervention

53 The current right-wing, military dictatorship in Uruguay has not terminated the policy (initiated by earlier governments) of funneling housing loans through cooperatives. The Cuban government has made the most dramatic use of housing "auto-construction" to further group solidarity and socioeconomic goals. Factory workers select "microbrigades" from their own midst to be released from normal work to construct housing for their co-workers. Allocation of housing is then carried out by the workers themselves on the basis of both need and productivity at the factory. Those who build the homes don't necessarily get them.