Scaling up slum upgrading interventions in Buenos Aires, Argentina

An assessment of institutional, legal and organisational conditions for bringing informal settlement upgrading policies to scale

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Preface

This paper offers an insight into one of the most challenging issues facing cities in developing countries. Informal settlements are increasingly dotting the cityscapes, emanating from increasing income inequality, exclusionary land markets and failing housing policies. Over the last decades, much experience has been gained on slum upgrading, which is now forwarded by international organisations, governments and academics as a feasible means to tackle the problem of urban informality from a pro-poor perspective.

Slum upgrading is one of the most fascinating operations in the field of urban planning, giving rise to intriguing ethical questions of spatial justice and rights to the city and its services. It involves a reassessment of the role of governments in the fields of housing and spatial planning, yet it also calls for innovative ways of collaborating with communities, organisations and private sector actors. As a planning student, I have conducted this research with a lot of enthusiasm and devotion, and all I can say is that it has been the most valuable experience of my studies. Apart from all the things it taught me about urban policy-making, doing this research offered me the opportunity to spend nine months in Argentina and get to meet new friends, gain knowledge about a foreign culture, learn Spanish and, of course, learn a lot about myself. It also let me experience such things as taking a peek into life where nothing is for granted, having to do tremendous effort to gather information, even a robbery at gunpoint in my own apartment that almost made me lose all my work. I must admit that the ride has not been without a few bumps; with several setbacks and repeatedly realising that I might have been a little ambitious with my topic selection. But the greater is the satisfaction now that everything is completed.

I would sincerely like to thank all the people that have supported my efforts to complete this task. These include the people that guided me through the maze of information, those who live or work in the *villas miserias* I visited, but also my friends from Argentina who helped me have a good time. Of course my parents and sister have been wonderfully supportive and my gratitude to them is endless. From my faculty I would like to thank Johan Woltjer for finally ending the supervision crisis, and helping me complete my thesis.

Abstract

Informal settlements have become a common phenomenon in many cities in developing countries, often leading to social tensions and various urban problems. Globally, the number of people living in slums is estimated to be around a billion people. As a result of continuing rural-urban migration processes, weak planning systems, malfunctioning land markets and a growing housing deficit in many of these cities, the number is expected to grow unless wide-scale action is undertaken to uplift existing slums and prevent the formation of new ones. Participatory slum upgrading has been widely identified by international organisations, development banks, researchers and governments as the current 'best practice' to address the issues related to urban slums. The approach seeks to integrate informal settlements into the wider city physically, legally, socially and economically. It promotes inclusive policy-making that makes use of participatory processes at the various stages of the spatial planning cycle, and works from a holistic approach to development with broad objectives of poverty reduction and livelihood improvement. The method is marked as the most humane, and it stands out for reasons of cost-effectiveness, feasibility and sustainability because it involves *in situ* improvement of existing assets and it unleashes the potential of slum dwellers to invest resources in their own neighbourhood. Although there have been carried out several projects that underscored the value of the approach, few upgrading programmes have moved beyond piecemeal intervention to a large-scale strategy addressing the issue in an entire urban region or nation. Various reasons for the failure to scale up upgrading interventions are mentioned, which helped identifying the conditions that have to be fulfilled to ensure effective, sustainable slum upgrading interventions at a sufficiently large implementation scale. In this paper, those conditions are analysed that are related to the institutional setting, the legal framework, the organisational dimension and the implementation structure of slum upgrading programmes. Factors that are presumed to be basic prerequisites are (1) the existence of political will and commitment to address the issue, (2) the extent to which slum upgrading is a holistic and integrated approach, (3) the incorporation of slum upgrading concepts into a general urban development policy, (4) a conductive legal framework, (5) the provision of land tenure security to the beneficiaries of slum upgrading, (6) participation and decentralised cooperation between the stakeholders and the

formation of strategic partnerships, (7) the facilitation of access to credit and self-help initiatives and (8) a clear financial dimension including cost recovery mechanisms to enhance project feasibility. The preconditional factors underline that the challenge of scaling up is not just a call for more and bigger projects, but that regulatory, institutional, and policy reforms are required and coupled with long-term strategies. The example of the metropolitan area of Buenos Aires (AMBA), Argentina is used to illustrate the importance of these conditions when implementing a slum upgrading strategy. After several decades in which eradication, relocation and negligence of irregular settlements were official state policy, more recently *in situ* upgrading of the city's *villas miserias* (shantytowns) and *asentamientos* (land occupations) is gaining popularity amongst policy-makers. In 1997, the Neighbourhood Improvement Programme (PROMEBA) was implemented as a nationwide slum upgrading policy with a strongly decentralised implementation structure. The programme seeks to strengthen the inclusion of slum dwellers physically, legally and socially through an integrative approach, and largely builds on community participation in the successive stages of the planning cycle. PROMEBA is the first large-scale programme in Argentina that targets the upgrading of informal settlements by providing tenure security, basic services and infrastructure and community strengthening. The programme is often accompanied by complementary policies that aim to improve the housing conditions in slums. In this paper, the various strong points and weak points of Argentinean slum upgrading policy are analysed according to the aforementioned factors that are considered important for scaling up such policy. An assessment is made of the project management and implementation structure of PROMEBA and other programmes that are relevant for slum upgrading in the AMBA, as well as the institutional and legal framework in which these programmes function. The case analysis suggests that there are several persistent challenges to expand slum upgrading initiatives to a city-wide scale. These include the long, complex process of obtaining land titles and the legal constrictions on land use that exclude a wide range of the informal settlements from participating in the programme. In addition, the limited technical and management capacity of governments at the local level restricts the potential for community participation. Finally, slum upgrading policy is not fully supported by a general urban development policy that promotes a social and distributive approach to land use, in order to prevent the formation of new informal settlements. In spite of the slum upgrading policy being in place, the number of upgrading projects in the study area is still

limited, and there is no evidence that the number of people living in informal housing situations is declining. On the other hand, PROMEBA features a multi-dimensional strategy to integrally address the shelter issues and social exclusion of many poor households, and is therefore an interesting example of a slum upgrading policy aiming to achieve scale. In spite of the identified weaknesses and constraints, other aspects of the current policy on informal settlements in the Metropolitan Area of Buenos Aires could provide a helpful example for the design of a replicable strategy to address the problem of slums worldwide. Generic lessons can be derived from the bottlenecks of programme implementation, while the successfully completed projects provide valuable information on project management and procedures for local policymakers to increase their own management capacity.

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Abbreviations

AySA	Agua y Saneamientos Argentinos
AMBA	Metropolitan Area of Buenos Aires (*Área Metropolitana de Buenos Aires*).
CABA	Autonomous City of Buenos Aires (*Ciudad Autónoma de Buenos Aires*).
FONAVI	National Housing Fund (*Fondo Nacional de la Vivienda*)
GBA	Greater Buenos Aires (*Gran Buenos Aires*): the conglomeration comprising both the Autonomous City as well as the surrounding Metropolitan Area.
GCBA	Government of the City of Buenos Aires (*Gobierno de la Ciudad de Buenos Aires*).
IDB	Inter-American Development Bank.
IEP	Integral Executive Project
IVC	Housing Institute of the City of Buenos Aires (*Instituto de Vivienda de la Ciudad de Buenos Aires*).
MEU	Municipal Execution Unit (PROMEBA)
NCU	National Coordination Unit (NCU)
NGO	Non-Governmental Organisation
PEU	Provinvial Execution Unit (PROMEBA)
PFCV	Federal Programme of Housing Construction (*Programa Federal de Construcción de Viviendas*)
PROMEBA	Barrio Improvement Programme (*Programa Mejoramiento de Barrios*).
PROPASA	Programme for the Provision of Safe Water, Social Support and Basic Sanitation (*Programa de Provisión de Agua Potable, Ayuda Social y Saneamiento Básico*).
SDUV	National Housing and Urban Development Bureau (*Subsecretaría de Desarollo Urbano y Vivienda*).
UBN	Unmet Basic Needs

I. Introduction

I. 1 Problem background

According to the United Nations Global Report on Human Settlements (2003) close to a billion people are estimated to live in informal settlements globally, the overt majority in the rapidly expanding cities in developing countries. This number is growing and most likely it will steadily continue to grow at least until appropriate action is undertaken to meet the skyrocketing demand for affordable housing. Large-scale 'slum' formation in developing countries can be considered both as an improvised but less elegant self-help solution to massive housing production deficits as well as a severe urban problem in itself. Almost inherent to informal settlements are complex social, economic, environmental, legal and political issues including deterioration, marginalisation, increasing inequality, abominable living conditions and acute vulnerability of its tenants towards health risks, natural disasters and expropriation from the land they occupy. Hence, it is widely agreed upon that the problem of informal settlements must be considered as one of the gravity points within development politics because of its enormous scale and complexity.

The consolidation and upgrading of informal settlements is a topic that is increasingly being discussed by academic institutions, NGOs, government agencies, supranational funders and development banks, which has resulted in a significant body of research, political publications and pilot interventions. Given the amplitude and the compound nature of the problematic surrounding slums, a multidisciplinary approach to slum upgrading is preferred with the active involvement and participation of a wide range of actors, including local governments, civil society and the private sector (UN-Habitat, 2003; Lall and Lall, 2007). Included in this new conceptualisation is that poverty is not only determined by economic factors but also physical, social, legal, cultural, etc., that must be addressed together, implying that the issues related to slums should be responded to in an integrated manner. Many organisations and academics have identified the participatory slum upgrading approach that includes measures for poverty alleviation, social inclusion and spatial integration as today's

best practice towards urban slums (Cities Alliance, 1999; Imparato and Ruster, 2003; UN-Habitat, 2003; Romagnoli and Barreto, 2006; Rojas, 2010a).

But in spite of the increasingly articulated concern and growing consensus about the strategies to pursue to address the issue, a wide gap can still be observed between stated objectives and results (Hamdi and Goethert, 1997). Even though a number of participatory slum upgrading projects have produced significant results, particularly in Latin America, most of these endeavours have been pragmatic and their implementation on a very limited scale. Many of such projects are started by NGOs and local organisations instead of being the results of government response to the problem. But it has been widely agreed that only when such projects receive government support they can reach an appreciable scale and systematically address the issue of slums in a city or nation (Durand-Lasserve, 1996; Imparato and Ruster, 2003). Slum upgrading must be made part of a public policy or at least be supported by a facilitating political and legal environment. This often involves fostering land use systems, urban service provision and institutional frameworks that work towards the social and spatial inclusion of the urban poor, instead of resulting in further segregation. The role of national governments in this process is crucial, since they are capable of shaping the legal environment and regulating land market systems, they identify and create development strategies and allocate state funds. But also municipal authorities have an important role, since these are the focal point for area-based development planning, regulate land use and they are frequently the providers of public services and infrastructure.

Many governments still fail to recognise their responsibility to facilitate the social and spatial integration of the poor into the urban society, relying too much on economic progress to reverse the process. The lack of acknowledgment that the existence of informal settlements is a deep-rooted phenomenon, requiring a structural and multi-pronged strategy, is revealed by the sustained growth of informal settlements and urban poverty figures that have barely budged despite the occurrence of economic growth in some countries where slums proliferated. Research has linked the prevalence of urban informality with non-existent planning systems, exclusionary land and housing markets and lack of public policies to alleviate the effects of income inequality. In other countries, governments engaged in sectoral or piecemeal interventions that were poorly sequenced, only bringing desillusion and sometimes leading to adverse results (UN-Habitat, 2003; Acioly, 2007).

Hence, the next step that needs to be taken is the definition of a structured common method that enables the replication of successful outcomes in order to enable scaling up. To date, such a common method to has not yet been developed (Imparato & Ruster, 2004; Calderon, 2008), although a growing body of research identified valuable instruments and strategies and uncovered recurring bottlenecks that prevent slum upgrading to reach an appreciable scale. National strategies to slum upgrading must be evaluated to identify the strengths and weaknesses of specific programmes, analyse some important issues related to the meeting of the objectives and share valuable experiences.

The context in which this particular research project is conducted, the metropolitan area of Buenos Aires –AMBA- in Argentina, illustrates basically all that is mentioned above. The phenomenon of informal settlements is visible in all the bigger cities of the country, but has the most prominence in the AMBA-region as it holds close to a third of the national population at 13 million and the largest housing deficit of the country: close to 40% of the total amount (Indec, 2001; Bettatis, 2009). The conurbation of Buenos Aires and its suburbs that together constitute the AMBA is currently the third largest in Latin America after Mexico-City and São Paulo. The population is distributed over the urban core district – the Autonomous City of Buenos Aires or '*La Capital Federal*' – and 24 adjacent districts (*partidos*) that fall under the Province of Buenos Aires. Argentina, like most of Latin America, is one of the most urbanised countries in the developing world with an urbanisation level of 92% in 2010[1].

In 2001, Argentina suffered an economic crisis that drove a large segment of the population into poverty. Today, the country partially recovered from the crisis and experienced a period of renewed economic growth. Income inequality however has reached a record height and many people remain living under the poverty line. Similarly to most Latin American cities the urban region of Buenos Aires reveals significant social and economic divergence indicated by a disproportionate concentration of marginalized people and communities coexisting with a disproportionate cluster of wealth and power. This results in the fact that Argentina hardly any exception to Latin America's dubious distinction of being the continent with most inequality (UN-Habitat, 2005). In 2009, as much as 13,2% of the

[1] Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2008 Revision* and *World Urbanization Prospects: The 2009 Revision*. Last accessed on 01/17/11 at http://esa.un.org/wup2009/unup

Argentine population was affected by income poverty, a situation that is reflected by the proliferation of numerous informal settlements in the cities' landscapes (INDEC, 2009).

The topic of informal settlements has a long history in Argentina, and has been included in a variety of urban programmes ranging from forced eviction to urbanisation as regards content. Over the last 80 years, slums and other irregular land subdivisions have developed rather spontaneously within the inner-city and in the peripheral areas of the region, principally as a result of large-scale urbanisation that already initiated in the 1940s (Cravino, 2001). Although the published data are not very consistent due to differences in definition, estimations suggest that at least 13% of the households in the Metropolitan Area of Buenos Aires (AMBA) are dealing with irregular tenure situations (Almansi, 2009; see section 3.2.1).

The majority of Buenos Aires' slum dwellers are prone to serious health hazards, environmental calamities, serious and organised forms of crime and violence, discrimination and social marginalisation, and last but not least; a constant risk of eviction from the land on which their homes are build.

In the 1980s and 1990s, a handful of initiatives has been implemented to urbanise irregular settlements and provide them with basic urban services. Some of these projects were initiated by local governments and others by local organisations, but the majority of these projects were too small a scale to produce a significant decline in the absolute number of slum dwellers or a general increase of living conditions in slum areas in the last decade. On the contrary, mostly due to the devastating impacts of recent financial crises that have struck the country the *villas miserias* have been growing and new ones have sprouted. The problem of accommodating urban growth is even further aggravated by continued high levels of immigration from neighbouring countries like Paraguay and Bolivia. Since the fall of the last military regime in 1983, slum eradication has been largely abandoned as the predominant strategy towards illegal settlements. As slums have been growing, so has the recognition by administrations at all levels of the importance to produce strategic programmes to address the problematic of slums. Today, participative slum upgrading strategies are fostered in Argentina's urban planning and management systems, and at both the national and local level holistic programmes have been designed to coordinate resources and bring together the various disciplines to spatially integrate informal settlements into the urban fabric. The results of the

approach are visible now that the first *villas miserias* have been provided with basic services, are connected to urban infrastructure and have secure land tenure, resulting in a significant improvement of living conditions.

I. 2 An introduction to participative slum upgrading strategies

The urban development and planning doctrines in developing countries have been increasingly reformed by new ideologies. Although not yet as predominant in practice as in theory, local urban planning undertakings have been progressively modelled around concepts such as good governance [2], decentralised decision-making, community participation and public-private partnerships and encourage the involvement of citizens, civil society and the private sector (Das and Takahashi, 2009; Jessop, 2002). One of the development approaches that particularly recrystallised within this new institutional context is that of informal settlement policymaking. Urged on both by multinational donor agencies and local organisations and theorised by a substantial body of academic research, informal settlement politics have evolved into a collaborative and decentralised endeavour between the various levels of government, slum dwellers, NGOs and private sector actors (Das and Takahashi, 2009; Imparato and Ruster 2003; UN-Habitat, 2003). Around the turn of the century, strategies related to the question of 'how to deal with slums?' transformed from state-controlled top-down activities to an approach that is built on participation, allowing beneficiary communities and local organisations to be involved at the various stages of the project cycle — problem identification, project design, construction, maintenance and follow-up (Das and Takahashi, 2009; Imparato and Ruster, 2003).

In addition to (an influenced by) this new paradigm within development planning, the way informal settlements are perceived within the cityscape is also subject to change. Areas of precarious housing on marginal land are increasingly regarded as full-fledged elements of the city that have assets, and are making positive contributions to the overall functioning of the city. Informal settlements provide livelihoods, social and economic networks and often make a significant contribution to local culture (UN-Habitat, 2003). They are the physical manifestations of ingenuity

[2] According to UN-HABITAT (2003, pp. 182/183), good urban governance is "*characterized by the principles of sustainability; subsidiarity; equity; efficiency; transparency and accountability; civic engagement and citizenship; and security*".

and resilience with which the urban poor have organised in the face of the challenges they endure (Mehta and Dastur, 2008).

As they are increasingly recognised as urban environments with crucial importance, policies that merely sought to eradicate slums or displace the dwellers to other areas are gradually abandoned and replaced by approaches that seek to integrate the areas into the formal city. Slum upgrading methods aim to integrate slums *physically, legally, socially and economically* while conserving as much as possible of the present assets and maintaining the cohesiveness of the community, by improving the living conditions of slum dwellers *in situ*. It is adopted as the pre-eminent method to unleash the potential of slums and stimulate further development while keeping public investment costs relatively low.

Briefly, slum upgrading can be described as integrative and comprehensive interventions that not only aim to improve the physical characteristics of a neighbourhood but also the living conditions of its dwellers. It incorporates public investments to improve the infrastructure and urban facilities in a settlement, often in conjunction with the provision of tenure security and social support programmes. An important aspect of slum upgrading is that it is undertaken cooperatively and locally among citizens, community groups and other stakeholders, and aims to catalyse and facilitate self-help development and external investment (Cities Alliance, 1999). By doing so, a significant share of the resources (time, effort and money) used come from the community which reduces public investment (Cities Alliance, 1999; UN-Habitat, 2003; Imparato and Ruster, 2003; Berner and Phillips, 2005; Winchester, 2005; Field and Kramer, 2005). In most occasions upgrading practices can be executed completely in-situ and therefore can take advantage of investments that are already made by residents. Cities Alliance, the multi-donor partnership jointly launched in 1999 by The World Bank and UN-Habitat to develop slum upgrading strategies, defines slum upgrading as consisting of '*physical, social, economic, organisational and environmental improvements undertaken cooperatively and locally among citizens, community groups, businesses and local authorities*'[3]. The approach is nowadays the most favoured strategy to combat urban poverty, address the housing challenge and improve the living situations of the urban poor.

[3] Cities Alliance (1999), pp. 2

Scaling up

At the same time there is a growing recognition that slum upgrading should move beyond piecemeal interventions, and should promote city-wide or even national policy changes as well. In other words: to create broader and sustainable benefits, slum upgrading needs to go to scale (Abbott, 2002; Imparato and Ruster, 2003; UN-Habitat, 2003). The need for city-wide or national slum upgrading is an acknowledgement of the fact that urban informality does not consist out of isolated problems but is indicative of an entire urban system that is malfunctioning (COHRE, 2005). Although several upgrading projects have been carried out worldwide with satisfactory results as regards the improvement of the living conditions of the beneficiary communities, few upgrading policies have reached a scale that addresses the issue at a citywide or nationwide scale. Various reasons for the failure to scale up such upgrading programmes are mentioned, which helped identifying the bottlenecks, and thus the conditions that have to be met to ensure effective, sustainable slum upgrading interventions at a sufficiently large implementation scale. These conditions involve the expansion of political will, awareness of the problem and commitment to the instruments that can provide a solution. Additionally, a holistic, cross-sectoral strategy must be followed that transcends the narrow mandates and limited budgets of individual agencies, and a citywide plan should be designed that is supported by a conductive political environment and reformed legislation. An important aspect of such regulatory reforms pertaining to urban land is the provision of tenure security, and this should be integrated with the programme. Also, decentralised collaboration should be promoted between the various actors, including the community and the private sector.

Stakeholder cooperation and community participation are considered the key elements of urban upgrading by various researchers in this field, if not the *sine-qua-non* conditions for success. They recognise that the poor are active agents in the development process and that participation facilitates the capability for strategic alliances to overcome financial and technical constraints (Huchzermeyer, 1999; Abbott, 2002a; Imparato and Ruster, 2003; Das and Takahashi, 2008; Almansi, 2009; Rojas and Cibils, 2010). Participation throughout the project cycle (from problem analysis to implementation and monitoring) enhances projects feasibility by stimulating stakeholder collaboration and thus spreading project ownership and commitment. Strategic alliances should be formed across service providers, development organisations, land owners, contractors etc. in order to allocate

resources most effectively, share risks and create a sense of belonging. It focuses on making use of local information and know-how to ensure more informed decision-making, and it improves targeting by knowing more about beneficiary communities and their needs. It ensures project sustainability by enhancing organisational and management capacity of the communities and thus developing local capacity, stimulating further activities during and after project implementation (including maintenance and management of the implemented projects and possible project follow-up). Although the principle of self-help should never be relied upon exclusively and must be complemented with public actions, it should be embraced and facilitated by means of providing access to credit, materials and knowledge. Finally, programmes and individual projects should aim for financial sustainability or at least some elements of cost recovery to keep slum upgrading policies feasible and attractive. The preconditional factors underline that the challenge to scale up slum upgrading is not merely a need for more and bigger projects, but that regulatory, institutional, and policy reforms are required and coupled with long-term strategies (Cities Alliance, 2002).

I. 3 Research objectives and research questions

The main objective of this research is to provide an analysis of current public policy on slum upgrading in the Metropolitan Area of Buenos Aires, Argentina. By doing so, the research tries to build an understanding of the crucial role that governments have to promote strategic, inclusive and participatory approaches to tackle the issues related to urban informality. Although slum upgrading greatly relies on the premise of community action to gradually improve their living environment, governments must facilitate the process by providing incentives in the form of urban services, access to credit, community strengthening and secure tenure ship.

This study will not only focus on analysing the strengths and weaknesses of community participation as a tool for sustainable city-wide slum upgrading, and it takes the participatory planning approach as a theoretical point of departure. I would like to refer to the existing body of literature that recites community participation as the most favourable slum upgrading approach (see II.5). Instead, this work will focus on the organisational, political and institutional conditions that are necessary to take slum upgrading beyond piecemeal interventions and towards the establishment of a sustainable, integral city-wide strategy. This is necessary, because even though

piecemeal interventions have generated satisfying results at the micro level, to date only a very limited number of initiatives have transcended the grassroots' scale and addressed with the challenge on a citywide or nationwide scale. A shift in paradigms is required to move from a project-based approach towards a programmatic and integrated approach that can still allow for local circumstances and spatial variations to be flexibly incorporated in plan-making. The research will first derive a number of conditions that, according to the literature, are crucial for scaling up slum upgrading. Subsequently, programmes that are implemented to achieve this goal are assessed on the basis of these conditions to identify shortcomings and strong elements of these programmes. The main research question is as follows:

- Which institutional, organisational and legal conditions must be met to enable scaling up of upgrading efforts with the aim of effectively addressing the problematic of informal settlements on the long term, and, in this context, which strong points and deficiencies can be identified within slum upgrading policy in the Metropolitan Area of Buenos Aires?

I. 4 Thesis layout

Following this first introductory chapter, the **second chapter** provides a theoretical basis of the subject in order to gain a better understanding of the issue of slums. It will do so by presenting a review of the literature on the topic. The chapter brings forward the importance of addressing the challenges posed by informal settlements in Third World cities (2.1), and the mechanisms that are used to deal with such challenges (2.2). The chapter will then elaborate on the participative slum upgrading approach, which is now regarded by academic researchers, international organisations and development banks[4] as 'best practice' in the area of shelter for the urban poor (2.3). It will outline the main features of the approach and provide the reader an insight into its applicability and potential. Since the strategy ideally involves the collaboration between local governments, the beneficiary community, local organisations, the private sector and other actors, the next section (2.4) will elaborate on the concepts of participatory planning and its application in slum upgrading strategies. Section 2.5 will derive from the literature a number of conditions that are considered prerequisite for taking slum upgrading to scale, in

[4] Including the United Nations, the World Bank and the Inter-American Development Bank

order to address the challenge at the level of the city or nation. These conditions will later be used to assess and evaluate the current policy framework regarding informal settlements in the study region. Before proceeding to the analytical part of this paper, **chapter 3** will consider the research context by providing a historical account of urban informality in the AMBA and an overview of the living conditions and issues that are associated with slums in the study region. The chapter will not only aim to make clear the relevance of the objectives of slum upgrading policy, it will also try to help understand the context in which this policy has arisen. This is necessary for placing the international slum upgrading discourse in a specific socio-cultural and political context. Furthermore, it will enable a comparison of current practice with policies that were pursued in the past. **Chapter 4** will analyse the main programmes that are used to urbanise slum areas and the regulation in place that frames the implementation of these programmes. Three important programmes will be studied that seek to integrally upgrade slums; the Barrio Improvement Programme (PROMEBA), the Subprogramme for the Urbanisation of Villas and Precarious Settlements (SUVAP) and the PROSUR-Hábitat programme, the latter confining to *villas miserias* in the southern zone of the Autonomous City of Buenos Aires. The analysis of the programmes will be based on a selection of case studies to determine their results to date. Finally, **chapter 5** will discuss the main findings of the policy analysis on the basis of the conditions that were derived in the second chapter for bringing slum upgrading to an appreciable scale. By doing so, the chapter will examine the achievements and shortcomings of the programmes with respect to their capacity and potential to sustainably address the issue of informal settlements in the study area. Firstly (5.1), it will analyse the existence of institutionalised political will among governments at the different levels to address the issue of urban informality and to allocate resources to do so, and their commitment to the chosen strategy. Secondly (5.2), the analysis will look to the extent to which slum upgrading in the AMBA is based on a holistic, integrated and cross-sectoral approach including poverty reduction objectives. In section 5.3 it will be examined to what extent slum upgrading in Buenos Aires is incorporated in a national or citywide urban development policy. The next section (5.4) will assess the impact of the legal framework in which slum upgrading operates, and whether the regulation is conductive to the formalisation of informal settlements and the prevention of new ones. Fourthly (5.5), the provision of land tenure security to the beneficiaries of the programmes will be evaluated. Section 5.6 will look to decentralised cooperation

between the stakeholders and strategic partnerships, and how these benefit to the realisation of strategic slum upgrading strategies. Section 5.7 analyses how the programmes facilitate access to credit to project beneficiaries to improve their living conditions themselves, and how the programmes facilitate self-help initiatives. Finally (5.8), the financial dimensions of the programmes are assessed, including cost recovery mechanisms to enhance project feasibility. The choice to analyse each factor for scaling up (instead of only looking to the bottlenecks) is deliberately made, because the research does not only aim to identify shortcomings but also to accentuate the strong elements of current policy.

I. 5 Methodologies

The main aim of the first part study is to identify what conditions are key to enable slum upgrading policy to achieve scale and sustainability. These conditions are both related to the content of a slum upgrading programme, its management models and implementation methodologies as well as the legal and institutional framework in which the programme is embedded. This provides a theoretical framework for the ensuing analysis of slum upgrading in Argentina, its potential to achieve scale and its strong points and limitations related to the conditions identified earlier. The theoretical framework of this research paper was derived from a comprehensive literature review on the topic, including material from international organisations and development banks, and books and journal articles written by academics. Evaluations of other slum upgrading policies are used to compile a list of conditions that are identified most frequently. Full bibliographic citations are at the end of the paper.

Since the analytical part of the research is principally an evaluation of programmes that shape public policy, most of the findings are based on the analysis of policy documents, public statements from politicians and government web sites. Project evaluations by external consultants and analysts and ex-post evaluations carried out by the executing agencies have also been extensively studied. The main methodology to evaluate the outcomes of the various programmes is case study research. The information sources that are used for these case studies are research papers by local academic researchers, NGOs and donor agencies. These are used to draw conclusions about the results of upgrading programmes. In addition, primary field research was conducted from March 2010 to September 2010 in Argentina, and included a number of in-depth interviews with local government officials, researchers,

NGO workers (*IIED-AL*) and represtatives from community organisations and slum residents. Also, multiple visits to informal settlements were made to observe the implemented works and understand the issues and living conditions in informal settlements. The (ex) informal settlements that were visited were located in the Autonomous City (*Ciudad Oculta, Villa 19*) and the municipality of Quilmes (*Villa Itatí*) and La Matanza (*Villa Almafuerte/El Palito*). First-hand information from policy-makers has only been gathered through email conversations.

The research has been conducted in three phases. The first phase involved an orientation on the topic aiming at elucidating the general landscape of the issue, the formation of research objectives and choosing the study area. The second phase consisted of gathering first hand data on location. In order to do so, I first had to learn the Spanish language in order to be able to conduct interviews and analyse local documents. The third phase involved combining the data and writing the report.

II. Conceptual framework

This chapter will provide a theoretical basis to this study by elaborating on the topics of informal settlement politics, slum upgrading, community participation and scaling up. It will do so by reviewing key literature on the respective topics. The first section (2.1) discusses the challenge of informal settlements in general, including a description of the current international policy framework that seeks to provide a response to the challenge, and a definition and demarcation of the universe of study. The second section (2.2) provides an historical analysis of how various governments have responded to the issue of informal settlements, comparing the implications of such policy interventions with the participative slum upgrading approach. It describes how policy approaches to informal settlements have generally shifted from negative policies (including negligence, forced eviction and involuntary resettlement) towards positive policies that are based on the principles of inclusion, enablement and *in situ* upgrading, emphasising human rights. The third section (2.3) elaborates on the theory that currently dominates mainstream development thinking: participative slum upgrading. Finally, in the fourth section (2.4) it will be argued that *scaling up* is necessary to move from pilot neighbourhood upgrading projects towards a replicable approach. In the context of the magnitude and the prioritisation of the global slum challenge that is described in section 2.1, successful approaches must be studied and disseminated so that they can address the challenge on a scale that makes a difference. In the same section, some key factors are summed up that are paramount to scaling up and to ensure sustained and successful long-term upgrading, providing a basis for the analytical part of this research (Chapter 4 and 5).

II. 1 The challenge of informal settlements

II. 1.1 Factors leading to slum formation

According to UN-Habitat (2003), close to a billion people (or 32% of the world's urban population) lived in informal settlements in 2003. Without vigorous large-scale intervention this number is projected to double by 2030. A process that is described by the organisation as 'the urbanisation of poverty' has become one of the key concerns of international human development politics nowadays. This relates to the notion that the locus of the global poverty problem is moving towards the cities in

developing countries, and manifesting itself in extensive urban areas covered by informal settlements.

Slums are the result of a number of economic, social and spatial forces. Informal settlements are, to a large extent, a physical manifestation of the poverty problem moving itself towards the cities. During the last half century, urban centres in developing countries have faced unprecedented growth rates because of vast rural-to-urban migration. The Latin America and Caribbean (LAC) region is already highly urbanised; approximately three-quarters of its population today live in small to mega sized cities (Fay, 2005; Rojas and Cibils, 2010) and in some South-American nations the urbanisation rate exceeds that of developed countries (the urban population in Argentina, for example, accounted for 92% in 2010[1]). Rapid urbanisation, one the greatest socio-economic changes of recent decades, is primarily linked with economic growth that activates rapid demographic change. Often however, the rate of urban job creation in the formal sector is well below the growth rate of the urban labour force. Consequently, a large portion of the new urban population remains unemployed and incomes are often too low to afford any type of formal housing in regulated markets. Other forces that lead to urban poverty besides immigration outpacing job creation are income inequality and lack of economic growth (UN-Habitat, 2003). Income inequality contributes directly to slum formation because it enhances social and economic duality: citizens do not enjoy equal access to urban services and public goods, pushing some citizens into the informal sector with great instability and low income. Stigmatisation, discrimination and geographic isolation perpetuates this duality and creates a poverty cycle that keeps informal dwellers in a trap (Rojas and Cibils, 2010).

Although informal settlements and poverty are closely related and mutually reinforcing, this is not to say that informal settlements are exclusively the refuge for the unemployed, and that all slum dwellers are indeed poor. Slums must also be seen as the result of inadequate or failing housing policies, laws and delivery systems, both in the national and urban domains (UN-Habitat, 2003). Due to an insufficient housing stock, large segments of low-income groups have little choice but to rely on informal land markets for securing shelter. The expansion of informal settlements in cities then becomes a seemingly unavoidable consequence. Very few

[1] Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2008 Revision* and *World Urbanization Prospects: The 2009 Revision*. Last accessed on 01/17/11 at http://esa.un.org/wup2009/unup

national and local governments were capable of planning for sufficient land and (public) housing to absorb the newcomers into the cities. Also, a significant proportion of housing deficits was due to the failure of market-driven systems that were promoted by the New Right planning approach since the 1980s, and disengaged governments from the urban and housing sector. History has learned us that unaided private-market provision of new low-income housing is "substantially a fantasy" (Sternlieb and Hughes, 1991).

Furthermore, the rapid spatial expansion of cities surpassed the capacity of those governments to provide adequate infrastructure and urban services to newly developed areas (Rojas, 2010a). Since these are often required by urban development plans and regulations for neighbourhoods to be formally recognised, the underserviced areas of the urban landscape automatically receive an informal status. The urbanisation process in the LAC-region (Latin America and the Caribbean) has been frequently described as 'distorted', because the urban-rural migration flux did not occur in a gradual manner but in an accelerating flow, that was only directed towards a limited number of receiving centres. This increased pressure even further on governments to handle such demographic changes (Portes, 2006).

In addition to the incapability of governments to provide sufficient housing, infrastructure and services, a part of the deficit can also be ascribed to unwillingness of governments to acknowledge the issue of informality as a lasting phenomenon. There is often a lack of political will to address the issue in a fundamentally structured and sustainable manner on a scale that makes a difference (UN-Habitat, 2003).

II. 1.2 International policy dialogue on informal settlements

The urbanisation of poverty and the proliferation of informal settlements have been given high priority by governments and international development aid agencies around the turn of the century. While putting the challenge of informal settlements on the agenda, a growing interest has been articulated in participatory settlement upgrading programmes. In 1999, the Cities Alliance[2] launched the "*Cities Without*

[2] Cities Alliance is a globally operating coalition of cities and their development partners founded in 1999 that committed to scaling up successful approaches to poverty reduction, and improving the coherence of effort among on-going urban programmes. Included in the coalition are local authorities, represented by United Cities and Local Governments and Metropolis, the national governments of Australia, Brazil, Chile, Ethiopia, France, Germany, Italy, Netherlands, Nigeria, Norway, Philippines, South Africa, Spain, Sweden, the United Kingdom and the United States of America; multi-lateral organisations including Asian

Slums" Action Plan[3], that specifically aimed to provide a framework for moving slum upgrading to scale and rested on the assumption that "*the international development community is prepared to create a new coherence of effort focused on improving the living conditions and livelihoods of the urban poor*" (The Cities Alliance[4], 1999). The aim to improve the lives of a minimum of 100 million slum dwellers by 2020 was incorporated two years later in the Millennium Development Goals (MDGs) through target 11. This listing resulted in many pledges made by governments, civil society groups and multinational organisations to become proactive in facing the challenge of slums.

It is increasingly acknowledged that, in facing the challenge of slums, urban development policies should go beyond the spatial-physical dimension of such settlements and instead address the issue of livelihoods of slum dwellers and urban poverty in general (UN-Habitat, 2003). This approach is part of a broader focus that is based on human rights model. People-focused urban poverty reduction policies that address the various dimensions of poverty, including employment, health, education, shelter and access to basic urban infrastructure and services, should replace traditional policies that merely concentrated on housing improvement and the provision of infrastructure.

In line with this strand of though, the UN Millennium Project[5] acknowledged in their report "*A Home in the City*" that by improving the living conditions in informal settlements all the development Goals and Targets can be addressed (UN Millennium Project, 2005). This identification suggests that the challenges faced in slums are "*not an isolated concern, but go in parallel to the overall challenges of human development*" (Calderon[6], 2008). In fact, the report notes that recognising the urban dimension of poverty is decisive to meeting all the Millennium Development Goals:

> "as the world becomes more urban, the integration and synergies emerging from the potential of comprehensively addressing the Goals in a specific, dense location are best achieved in the very settlements where slum dwellers live". (UN Millennium Project[7], 2005)

Development Bank, European Union, UNEP, UN-HABITAT and the World Bank and the NGOs Slum Dwellers International (SDI) and Habitat for Humanity International (The Cities Alliance, 2005)

[3] Cities Alliance (1999), *Cities Alliance for cities without slums: Action plan for moving slum upgrading to scale.* Available from: http://www.citiesalliance.org/ca/sites/citiesalliance.org/files/CA_Docs/brln_ap.pdf

[4] *Ibid.*, pp. 1

[5] The UN Millennium Project is an independent advisory body commissioned by the UN Secretary-General, with the task of proposing the best strategies for meeting the Millennium Development Goals.

[6] Calderon, C. (2008), pp. 19

[7] UN Millennium Project (2005), pp. 2

In Latin America and the Caribbean, the Inter-American Development Bank (IBD) is the largest external source of development financing supporting a number of slum upgrading projects. Also the IDB is now transitioning from a focus on slum upgrading to a broader focus on urban development (International Housing Coalition, 2008).

Within the international policy dialogue on informal settlements it is recognised that slums represent both negative and positive consequences that are made to the urban society. On the one hand it is made clear that informal settlements have "the most intolerable of urban housing conditions", including (UN-Habitat, 2003):

> "insecurity of tenure; lack of basic services, especially water and sanitation; inadequate and sometimes unsafe building structures; overcrowding; and location on hazardous land. In addition, slum areas have high concentrations of poverty and of social and economic deprivation, which may include broken families, unemployment and economic, physical and social exclusion. Slum dwellers have limited access to credit and formal job markets due to stigmatization, discrimination and geographic isolation. Slums are often recipients of the city's nuisances, including industrial effluent and noxious waste, and the only land accessible to slum dwellers is often fragile, dangerous or polluted – land that no one else wants. People in slum areas suffer inordinately from water-borne diseases such as typhoid and cholera, as well as more opportunistic ones that accompany HIV/AIDS" (UN-Habitat, 2003[8]).

On the positive side of the equation, slums are described as places of residence for low-income employees that "keep the wheels of the city turning in many different ways" (UN-Habitat, 2003). Slums and other areas of precarious housing on marginal land are increasingly regarded as full-fledged elements of the city that have assets, and are therefore making positive contributions to the overall functioning of the city. Informal settlements provide livelihoods, social and economic networks and often make a significant contribution to local culture (UN-Habitat, 2003). They are praised by development specialists for having "*built-in resilience and genuinely durable ways of living*" (Tuhus-Dubrow, 2009). Running parallel with the dialogue on the informal economy, that increasingly acknowledges that it contributes to the city's socio-economic fabric (Ferman, Henry and Hoyman, 1987; Berger and Buvinic, 1989; Tiwari, 2005), the debate on informal settlements recognises that informal settlements are the much needed solutions to the accommodation deficit. They function as a housing buffer for the disadvantaged and can (temporarily) absorb migration surpluses from rural areas and foreign countries, thereby filling up the

[8] UN-HABITAT (2003), pp. vi

vacuums left by the formal market. Of equal importance is that existing informal settlements offer specific benefits to their tenants because of their proximity to centres of employment and the social networks on which they rely. Eradication of such settlements and/or displacement to peripheral areas would cut their populations short from these potentials and increase the gap of inequality and interrupt social integration

II. 1.3 Working definitions; about *villas miserias* and *asentamientos*

One of the main complications that arise when studying "slum" upgrading is identifying the *exact* universe of study. Even though it is internationally well established that informal settlements require priority action, it is difficult to set the applicable parameters and demarcate which communities should fall under the definition. Not only is there a difficulty in adequately pinning down any borderline between the informal and the formal, neither is it acceptable to assume that informal settlements are homogeneous as far as the underlying problematic is concerned. The conditions that are generally associated with slums are not always equally met, and not all slum dwellers suffer from the same degree of deprivation. Similarly, the conceptual complexity of informal settlements leads to discussion about which urban areas should receive consideration for slum upgrading programmes, and makes it a question of individual case-by-case assessment to find out if such programmes are desired or have a strong potential for success. There are many impoverished areas with deteriorated dwellings, inadequate living conditions and deficient urban infrastructure but where dwellers have a proper legal relation with their land. Vice versa, the land tenure situation can be problematic in fairly consolidated areas where housing conditions are excellent and infrastructure networks are already in place, should these still be prioritised for urban upgrading policies?

Most study reports argue that 'informal settlements' or 'slums' should be defined as spatial phenomena comprising a *wide-range* of settlements with a *variety* of tenure arrangements (UN-Habitat, 2003; Winchester, 2005). It then becomes a generic term that "*seeks to capture the many different features of those settlements that house many of the urban poor in developing countries*" (Imparato and Ruster[9], 2003) The 1999 Cities Alliance action plan broadly identifies slum areas as "*neglected parts of cities where housing and living conditions are appallingly poor".* The identification

[9] Imparato, I. & Ruster, J. (2003), pp. 32

acknowledges the diverse nature of slums, and notes that they range from *"high-density, squalid central city tenements to spontaneous squatter settlements without legal recognition or rights, sprawling at the edge of cities"* (The Cities Alliance[10], 1999). Furthermore, slums are a relative concept in the sense that under the same conditions they can be considered as an adequate settlement in another city (UN-Habitat, 2003). Urban informality should not be thought of in terms of *specific localisation* but should be considered as definable in a *relative degree* (Kozujl *et al.*, 2008).

Although the concept of slums is generally too complex to define according to one single parameter, a working definition is required to place any focus within a research on this topic. Therefore a certain threshold should be established comprising at least a minimum degree of informality and inadequateness of living conditions. A definition that acknowledges the diversity and the fact that informal settlements or slums take many different forms and names was agreed upon by UN-HABITAT, the United Nations Statistical Division and the Cities Alliance. It is based on the household as the basic unit of analysis and uses five measurable shelter deprivation indicators. *"A slum household is a group of individuals living under the same roof in an urban area who lack one or more of the following five conditions"* (UN-Habitat[11], 2006a):

- **Access to improved water**: A household is considered to have access to improved drinking water if it has sufficient amount of it (20 litres/person/day) for family use, at an affordable price (less than 10% of the total household income), available to household members without being subject to extreme effort (less than one hour a day for the minimum sufficient quantity), especially to women and children.
- **Access to improved sanitation**: A household is considered to have access to improved sanitation, if an excreta disposal system, either in the form of a private toilet or a public toilet shared with a reasonable number of people, is available to household members.
- **Sufficient-living area, not overcrowded**: A dwelling unit is considered to provide a sufficient living area for the household members if there are fewer than three people per habitable room.
- **Structural quality/durability of dwellings**: A house is considered as "durable" if it is built on a non-hazardous location and has a permanent structure adequate enough

[10] The Cities Alliance (1999), pp. 1
[11] UN-HABITAT (2006), pp. vi

to protect its inhabitants from the extremes of climatic conditions such as rain, heat, cold, and humidity.

- **Security of tenure**: Secure tenure is the right of all individuals and groups to effective protection by the State against arbitrary unlawful evictions

These indicators are also known as shelter deprivations, and the methodology represents a compromise between theoretical and methodological considerations. Methodologically the definition is clear and applicable because it uses accessible household-level data that is (in most parts of the world) collected on a regular basis by governments, development agencies and NGOs (UN-Habitat, 2006b). Some studies make categorisations of several types of informal settlements, and attach different names to them that can add to the conceptual complexity of the topic. For example, the UN-HABITAT '*The challenge of slums: Global report on human settlements 2003*' mentions distinguishes between *informal slums* (slums that are built with the permission of the owner, but do not meet regulations) and *squatter slums* (which are the result of land invasions) (UN-Habitat[12], 2003).

In a number of studies the word 'slum' is deliberately avoided on the ground that it carries negative connotations of slum dwellers that are associated with filth, crime and so on (Dagdeviren and Robertson, 2009). In this study, the term 'slum' is used interchangeably with other words such as 'informal settlement', 'shantytown' or 'squatter settlement'. Although the majority of studies do not distinguish between 'slums' and 'informal settlements', there is remark that must be made when studying the topic in the context of Argentina. Informal settlements in the inner-cities are mostly shantytowns comprised of self-built substandard housing with high population densities, or squatted factories and overcrowded tenement buildings in the deprived neighbourhoods of the inner-city. These slums, known in Argentina as *villas miserias* (loosely translated into English as 'neighbourhoods of misery'), are mostly to be found on vacant areas that are sometimes unsuitable for any housing development, such as river banks or polluted plots. As a consequence, these slum dwellers are often in danger of being exposed to natural hazards and health risks, or are under threat of eviction when the site is designated for development. The precarious settlements in the peripheral urban region are generally characterized by low-density housing in a better planned urban layout, and are called *asentamientos*. The proliferation of this type of spontaneous urbanization is mainly due to housing

[12] UN-HABITAT (2003), pp. 59

policies of Argentina's last military regime (1976-1983), but continued to grow steadily afterwards (Almansi, 2009). What these *asentamientos* have in common with inner-city slums is tenure insecurity, and consequently the risk of eviction that the dwellers face. Additionally, both types of informal settlements share a certain vulnerability to natural hazards (flooding, fire) and pollution. Furthermore, also the *asentamientos* often lack decent infrastructure and basic services. since these were too expensive to provide for with such low population densities. In this paper, both 'slum' and 'informal settlement' will be used as umbrella terms to capture both types of informal settlements (the *villas* and the *asentamiento*). When intentionally referred to the last-mentioned type of neighbourhood, the word *asentamiento* will be utilised instead of *settlement*. Similarly, in this paper no distinction is intended or drawn between the terms '*urban upgrading*', '*slum upgrading*' and '*neighbourhood upgrading*', although the first is usually broader defined and includes sustained improvements to a city in general.

Another definition issue that deserves specific attention relates to security of land tenure. Broadly speaking, land tenure refers to the rights of individuals (or groups) in relation to the land they occupy. As will be explained in section 2.3.1, the exact nature and content of these rights bears a direct relation with how land will be used by its occupants (Durand-Lasserve, 2006). Similar to the term 'informal settlement', *land tenure security* is a highly fuzzy concept that involves a complex set of rules and is subject to much discussion in literature. A number of studies have pointed to the difference between legal tenure security and perceived tenure security (Abbott, 2002; Van Gelder, 2007; Handzic, 2009). Central to most slum upgrading projects is the tendency to equate the notion of land tenure security to legalisation, i.e. the provision of land titles. Most studies that have been conducted on the role of land tenure regularisation within slum upgrading processes indicated that full land tenure legalisation via distribution of land titles and building permits is not always necessary, and can even be a very complex, time consuming and costly undertaking (Acioly, 2007; Almansi, 2009; Handzic, 2009). Most studies argue that the extent to which people have confidence that land tenure rights will be honoured is more important than the various types and degrees of recognition by the public authorities. In congruence with this perspective, UN-HABITAT emphasises that people have secure tenure when *"there is evidence of documentation that can be used as proof of secure*

tenure status, and there is either de facto or perceived protection from forced evictions" (UN-Habitat, 2006b).

II. 2 Alternative policy approaches to informal settlements

In cities all over the world where informal settlements have developed, various policy approaches have been (and are still) pursued to approach the issue. Notwithstanding, government attention to low-income communities have been largely a matter of inaction, inappropriate action, or insufficient action (UN Millennium Project, 2005). The majority of policies failed to take into account (let alone tackle) the critical underlying causes of urban poverty and abominable housing, because they did not address the necessities of the poor and recognise their position within the urban dynamic. Most illustrative are the numerous examples of the eradicated slums and the relocation of its dwellers to the urban fringe, cutting them short from their sources of income and their modes of employment. In other words, the strategies that are followed do not address the human needs of the disadvantaged in an equitable and sustainable manner, but are instead based on narrow political and economic priorities. Such policies have mostly perpetuated or even aggravated the issues of urban poverty and urban informality. Commonly mentioned reasons for policy failure are bad governance, corruption, regulatory discrepancies, dysfunctional land markets and most prominently the absence of political will (Cities Alliance, 1999; UN-Habitat, 2003).

During the last 25 years slum policies have gradually and to certain extent shifted from negative strategies of negligence, eradication and involuntary resettlement towards positive development-enabling policies that are built on the recognition and inclusion of informal urbanisations (UN-Habitat, 2003). Huchzermeyer (2004) relates the incorporation of these new ideas into mainstream development thinking with the way that thinking about poverty has changed. Since the 1970s, urban poverty alleviation strategies were more explicitly targeted towards addressing 'basic needs', instead of relying on the tickle-down effects of economic progress (Wegelin and Borgman, 1995; Huchzermeyer, 2004). The believe in economic growth to redress poverty sharply influenced spatial intervention in informal settlements until the 1970s, whilst new ideas that were more explicitly targeted towards the poor (and acknowledged human instead of material values) leaded to inclusionary discourses such as participatory slum upgrading.

The tendency towards adoptive strategies that address the issue of urban informality in an inclusionary way can be observed globally, although strategies that are prevalent today still vary widely between violent eradication on the one extreme and inclusion on the other. The shift at least matches the increased recognition of informal settlements as centres of social importance with potential for social and economic development. Secondly, the paradigm shift takes place within the context of the promotion of human rights that emphasises "freedom, well-being and the dignity of individuals, and the centrality of the person" (UN-Habitat, 2003).

This subchapter will analyse the various methods used by governments over time to address the problem of urban poverty, and illustrate that these responses have only perpetuated or aggravated the problematic surrounding urban informality. Accordingly, it will underscore the great potential of slum upgrading strategies to cope with the complexity of the issue of slums without having to disrupt valuable urban systems or to invest large sums of public money. Section III.1 of this research will provide a more extensive historical outline of the evolution of slum policy in Buenos Aires.

Negligence

The first generation of policy responses towards the informal has been the very absence of any action. Primarily occurring in the 1970s, negligence of slums was based on the assumption that these areas were unavoidable but temporary expressions of a demographic phenomenon, and that the problem would eventually be overcome when rural-urban migration stalled and economic development was able to catch up with the explosive growth of the cities. Spatial intervention was considered unnecessary because residency in slums was regarded as a transitory stage preceding incorporation into the formal city occurred in a natural way (UN-Habitat, 2003; Calderon, 2008).

As we will see later, most slums in Buenos Aires are illustrative examples of the fact that informal settlements are by no means exclusively temporary by nature and that will eventually dissolve when a 'laissez faire' attitude is held (see section 3.2). In spite of this acknowledgement, negligence is still the prevailing approach in many cities. A special form of negation is its active counterpart: blocking them out of sight by erecting a fence around them. This was done in times when eviction was too costly or time consuming.

Forced eviction and 'slum razing'

The major response in many developing countries, particularly during the 1980s, has been slum clearance; an approach that arises from a predominantly negative view of informal settlements. It usually does not involve negotiation or the provision of housing alternatives to the dwellers of the cleared informal settlement. These repressive, forced and occasionally violent policies were mostly practised by non-democratic heavily centralised governments. The approach is still effected in some countries nowadays in spite of being condemned by the U.N. as a gross violation of human rights (UN Millennium Project, 2005), and is associated with a long list of critical deficiencies. Firstly, it is reprobated for simply displacing the problems of urban poverty and informality to other places, while aggravating the situation of the evictees. These either find accommodation in other informal settlements creating additional pressure there, or establish new informal settlements at the edges of town where they are far removed from urban services, employment opportunities and other sources of livelihood. In addition it enhances poverty due to the destruction of "capital assets, vital sources of income, and precious links of solidarity and mutual assistance" (UN Millennium Project, 2000[13]). Most forced eviction efforts failed to achieve any goal related to controlling slum manifestation, since in many occasions the evictees simply re-settled in the original settlement or populated nearby vacant plots that carried less risk of eviction (Cities Alliance, 2003). In Buenos Aires, forced mass evictions have most prominently taken place during Argentina's last dictatorial regime in the period between 1978 and 1983.

Eviction and resettlement

The resettlement of slums is also based on the assumption that informal settlements can only be eradicated. But in contrast to policies that only include the oppressive clearance of sites, the dwellers are also set to be relocated to housing estates which are commonly located in the urban fringe. This relocation is occasionally done by agreement with the residents, but in most instances it is forced and people are involuntarily relegated to peripheral areas that are poorly connected to infrastructure networks and lack basic services. Added to the mere displacement of the problem, the informal settlements that emerged in city centres offered a proximate location to places of work to its residents. Relocation cut these dwellers short from modes of

[13] UN Millennium Project (2005), pp. 49

income unless the government also offered and financed public transportation to facilitate commuting (MIT[14], 2001). Consequently, many resettlement policies have contributed to, and even reinforced, socio-spatial segregation of the poor. In many occasions governments were unable to produce alternative housing units for the majority of the evictees, and therefore new informal settlements sprouted at the outskirts of cities (UN-Habitat, 2003).

Another complication that emerged in the 1980s under neo-liberal theory was that government housing programmes and comprehensive subsidies were largely abandoned in favour of leaving housing production to be undertaken and financed by the private sector. The latter proved to be very unsuccessful for producing sufficient housing units for the low-income sector and mainly served the middle- and high-income classes (UN-Habitat, 2003). As a result the housing deficit remained and low-income families were left with no other option then to obtain a shelter in alternative ways.

Redevelopment

Another approach to informal settlements is clearance and redevelopment of the site, mostly involving the construction of large high-rise housing projects to resettle the residents of the informal settlements. With the approach governments aimed to produce large quantities of affordable housing units while eliminating the unsightly presence of slums. Adversely, site redevelopment only focused on the physical aspect of the challenge and did not respond to the persistence of urban poverty. The latter is one of the principal objectives of urban upgrading as it is advocated nowadays, because it aims to keep intact the social and economic networks that are already established in existing slums. On the contrary, the unintended negative consequences of high-rise housing are the disruption of community structures and the disintegration of the strong sense of community that is often felt in slums. Of equal importance is the elimination of opportunities for commercial activity due to the decrease of ground-level space (MIT[15], 2001; Cosgrove *et al.*, 2005).

[14] SIGUS (Special Interest Group in Urban Settlement, School of Architecture and Planning), Massachusetts Institute of Technologie (MIT), last accessed on 01/04/11 at http://web.mit.edu/urbanupgrading/upgrading/whatis/history.html.

[15] SIGUS (Special Interest Group in Urban Settlement, School of Architecture and Planning), Massachusetts Institute of Technologie (MIT), last accessed on 01/04/11 at http://web.mit.edu/urbanupgrading/upgrading/whatis/history.html.

Sites-and-services and self-help in situ upgrading

The 'first generation' of the slum upgrading approach was considerably influenced by the work of John F.C. Turner (1968; 1972), who argued for a minimisation of the role of government. The latter should not try to tackle the housing problem itself, but instead shift its focus to other components of the area that would facilitate the slum dwellers to gradually improve their living conditions themselves. The approach was adopted by the World Bank that encouraged the preparation of basic urban services and the improvement of environmental conditions in existing slums. This strategy is known as self-help *in situ* upgrading in mainstream development literature. Simultaneously, from the 1970s onwards *sites-and-services* ('S&S') schemes were supported by the World Bank and implemented by governments or sometimes private investors that provided affordable plots of land (either on ownership or land lease tenure) accompanied with a minimum of essential infrastructure needed for habitation. Both *in situ* upgrading and the *sites-and-services* model were fostered by

> "increased awareness of the right to housing and protection against forced eviction at international level and the definition of new national and local political agendas in a context of an emergent civil society, as well as processes of democratization and decentralization." (UN-Habitat[16], 2003)

Taken together, both approaches represented the first efforts towards informal urbanity that greatly relied on the poor's organisational skills to erect their houses themselves and manage and maintain facilities and infrastructure once provided. Required public investments appeared to be only a fraction of those related to publicly provided housing (Werlin, 1999), and the mechanism of plot provision also successfully reached the bottom 10 to 15 percent income level of the population, thus more effective in alleviating poverty (UN-Habitat, 2003; Cosgrove *et al.*, 2005). In spite of a number of relative successes (often mentioned in this respect are the upgrading programmes of Calcutta, Manila and Jakarta), the approach did not always produce favourable outcomes and was difficult to reproduce; implementation was only restricted to few locations and these were conducted on a very limited scale (Werlin, 1999). Projects were not well-planned, and mainly implemented as part of international aid projects that focused solely on construction without securing commitment and involvement from governments (UN Millennium Project, 2005). The main point of critique was that eventually communities were not capable of

[16] UN-HABITAT (2003), pp. 130

maintaining the facilities, and governments did not follow through the provision of services once the external experts left (UN- Habitat, 2003; Calderon, 2008).

Legalisation

In recent years there has been renewed interest in land tenure security as a key instrument within slum development and poverty alleviation policies (Reerink and Van Gelder, 2009; Galiani and Schargrodsky, 2010). Contemporary discourse on formalising land tenure of informal dwellers through mass titling programmes is mainly based on a model elaborated by Peruvian economist Hernando De Soto. It assumes that such programmes are not only helpful in guaranteeing legal protection against forced eviction, but also unleash the entrepreneurial potential of slum dwellers. In other words, it generates an economic multiplier effect that initiates with an increased willingness on the part of the dwellers to invest time, effort and resources in their homes and their direct environment. The tenure security provided by land titling has shown to stimulate dwellers of (former) informal settlements to invest in infrastructure development two to four times the amount of funds that governments invest in these areas (MIT[17], 2001). Additionally, it 'enables' land markets and improves access to credit (De Soto, 2000; World Bank, 2003b; Reerink and Van Gelder, 2009). The approach has been criticised for relying too much on culturally inappropriate legal/illegal dichotomies and underestimating the negative impacts of markets and the influence of private forces (Angel, 2001; Varley, 2002; Ranganathan, 2006). Although providing land tenure security is still considered a crucial part of slum upgrading, it is broadly recognised that such action cannot be applied in isolation from broader intervention that is aimed towards all facets of poverty and informality (Almansi, 2009).

Participatory slum upgrading

The last 25 years have seen the development of an approach that is built upon the previously described premise that the labour and resources of informal dwellers can be used to improve the settlement, and that key public interventions will catalyse private investment (Cities Alliance, 1999). But instead of relying purely on community self-help facilitated by physical improvements, the later method takes a more holistic and cross-sectoral approach that also takes into account the social,

[17] SIGUS (Special Interest Group in Urban Settlement, School of Architecture and Planning), Massachusetts Institute of Technologie (MIT), last accessed on 01/04/11 at http://web.mit.edu/urbanupgrading/upgrading/whatis/history.html.

economic, environmental and organisational facets of poverty reduction and neighbourhood improvement. Also, in contrast to self-help *in situ* upgrading (sometimes referred to as the first generation of slum upgrading projects) the role of the government refers not solely to the 'minimal state' that merely facilitates, as advocated by Turner (1972). Instead, the newer approach relies on collaborative planning styles in which attention is being paid to the provision of tenure security. It requires committed local authorities that take an initiating and process managing role. The participatory slum upgrading model is largely based on good governance models and community involvement that starts as early as in the design and decision-making phases in a formalised planning process (UN- Habitat, 2003). Incorporated in the approach is a specific intent to decentralise an important part of resource allocation and decision-making to the lowest effective level. Community participation is used to consult the project beneficiaries regarding which actions to prioritise, to create a sense of ownership among stakeholders, secure support during the implementation stage etc. (see section 2.5 for an analysis of why participation is crucial within slum upgrading programmes).

This alternative has come to be regarded as the best practice nowadays (Abbott, 2002; Rojas and Cibils, 2010), and differentiates itself from previous policies of eradication and resettlement because it seeks to preserve and involve communities. The core element of slum upgrading is that the programmes not only focus on physical improvements but also aim for integration of the settlement as a part of city. It does so by including the regularisation of the rights to land and housing, and connecting the neighbourhood with the urban infrastructure networks and providing it with basic services. The approach is often combined with offering the residents improved access to financing. The evolution that has taken place reflects a growing recognition that, in order to be effective, slum policies must go beyond addressing only housing and infrastructure problems, and provide an integrated strategy to combat the causes of urban poverty (UN-Habitat, 2003). The next section will go into detail on the key characteristics of slum upgrading, and outline the rationale behind the preferred status of the approach.

II. 3 The slum upgrading rationale

II. 3.1 The potential of slum upgrading strategies

As described in section 2.1, addressing the problem of informal settlements is increasingly being set in a wider context of poverty alleviation and fostering social inclusion and spatial integration. In recognition of the interrelatedness of these three concepts, a wide body of literature identified the need to design holistic and cross-sectoral slum upgrading strategies to address the issue in a sustainable manner. Cities Alliance, the multi-donor partnership jointly launched in 1999 by The World Bank and UN-HABITAT to develop slum upgrading strategies, defines slum upgrading as consisting of '*physical, social, economic, organisational and environmental improvements undertaken cooperatively and locally among citizens, community groups, businesses and local authorities*' (Cities Alliance, 1999)[18] If done correctly, these interventions can improve the inclusion of the marginalised slum community and the integration of the settlement into the city through processes of land titling, infrastructure improvement, providing basic needs etcetera. In its turn, these interventions will reverse the socio-economic exclusion of informal dwellers and stimulate investment that economically benefits the community, thus alleviating poverty. Slum upgrading enables three processes to occur simultaneously: the slum dweller becomes the citizen, the shack becomes the house, and the slum becomes the suburb (Cities Alliance, 2008). Rojas (2010b) summarises the contributions of participatory slum upgrading as follows: it builds citizenship[19]. Physical and social integration of settlements into the formal city bring their inhabitants a bundle of rights that are accompanied by obligations. A very clear example of such a right/obligation pair is the transfer of land tenure rights to occupants. The rewards for the beneficiaries of a slum upgrading project include, in addition to providing them full legal protection of their property rights, increasing market values and liquidity of their real estate assets, and the provision of the benefits that are associated with having a postal address. In exchange, taxes can be levied and inhabitants are registered. Another example is the provision of access to potable water and sanitation, for which they are obliged to pay tariffs. Improved access to roads and public transportation stimulates their full integration into formal sector

[18] Cities Alliance (1999), pp. 2
[19] Rojas, E. (2010), pp. 1

labour market, and better access to health and education allows them to maintain and increase their human capital (Rojas, 2010b).

As regards spatial intervention to stimulate the inclusion and integration of a settlement, a facilitating role is assigned to urban planning. In contrast to traditional top-down approaches, the strength of the participatory slum upgrading approach lies in application as an *enabling framework* that facilitates community participation and builds up *demand responsiveness*. By doing so, the participatory slum upgrading approach can produce tailor-made strategies that make use of resources efficiently, minimises public investment, creates a sense of ownership amongst all those involved and develops a '*culture of rights and responsibilities conductive to durable, long-lasting project benefits and to future development initiatives*' (Imparato and Ruster[20], 2003).

The responsibilities are distributed over multiple actors, including the beneficiary community and the private sector, requiring contributions from all participants. This emphasises that a significant part of the investments of resources, time and effort to improve living conditions in informal settlements can be done by the beneficiaries themselves, provided that they are sufficiently rewarded for this with, amongst others, tenure security. In fact, Imparato and Ruster (2003) rightly point to the idea that in informal settlements the residents usually have been incrementally constructing their dwellings and their environment for years, and 'that therefore they already have a "project" of sorts under way'[21]. These projects are excellent expressions of entrepreneurial efforts, yet the disadvantageous physical and legal conditions pose obstacles to the dwellers to improve their environment alone. Therefore project formalisation is necessary to take this project one step further towards a coherent plan, so that it enables the conjoining of the priorities and visions of all the residents and other stakeholders in an organised way (*ibid.*). The potential that lies within low-income communities to develop such sustainable assets can only be realised with a suitable enabling planning environment that hosts a strong demand-responsive supply structure. Appropriate community participation at the design and decision-making phase will develop such demand responsiveness by helping to prioritise actions and securing community support to the project implementation (Imparato and Ruster, 2003; UN-Habitat, 2003). Meanwhile it should

[20] Imparato, I. & Ruster, J. (2003), pp. 3
[21] *Ibid*., pp. 1

also minimise the disturbance to the already established social and economic structure of the community. The burden on public funds imposed by slum upgrading can be considerably less in comparison to other strategies such as public housing construction and relocation, being one of the main reasons why the approach offers a feasible solution to the problem of urban informality.

As regards content, slum upgrading programmes generally differ from case to case, since the particular circumstances will be different at each location and the programmes need to be tailored to those local circumstances. Therefore, each programme must be considered as a 'package' that is derived from a menu of specific interventions. The content of the package depends on local needs, the initial degree of development and size of the settlement, legal constraints, local planning culture, available resources etc. What they generally have in common is that they deal with the deficiencies that differentiate the settlement from its formal counterparts. These are considered key public interventions that catalyse and facilitate private investment (Cities Alliance, 1999). In its most basic form, slum upgrading should consist of improving basic amenities and services (including water reticulation, sanitation/waste collection, electricity etc.), managing environmental and health risks, improving access to/within the settlements by consolidating infrastructure (road paving etc.), providing security of tenure, reorganising the spatial structure of the settlement by allocating plots and defining public space, and providing incentives for community management and maintenance or investment in capacity building (Cities Alliance, 1999; Imparato and Ruster, 2003; UN-Habitat, 2003; Winchester, 2005). Additionally, slum upgrading can include the building of health posts, nurseries and schools. What can also be included in the approach is the enhancement of income earning opportunities by providing training and micro-credit. Usually the construction of houses is not considered an area for public intervention, since the residents can do this themselves. However, some programmes include (or are complemented by) the extending of access to credit to the poor in the form of micro-credit schemes, or the introduction of banks that provide affordable and durable construction materials (Cities Alliance, 1999; Field and Kremer, 2006).

The term 'informality' in itself reveals a certain repressive intentionality when used in the sphere of urban planning and management: the development of informal settlements certainly deviates from the 'legal' convention of urban growth. Therefore,

an essential part of upgrading an *informal* settlement is providing tenure security to the dwellers at prices they can afford, whether it is to be legal or perceived. Only if the dwellers are guaranteed protection against forced evictions they will proceed to improve their dwellings. A participative slum upgrading approach that assigns tasks and ownership to the beneficiaries of an upgrading project will not work if the issue of land tenure is not solved. The effects of land titling on development have been the subject of extensive research in recent years, and it has been widely established that fragile property rights are a crucial obstacle for economic development (North and Thomas, 1973; Hoy and Jimenez, 1997; Galiani and Schargrodsky, 2010). Particularly in informal settlements, where the risk of forced eviction is relatively high and legal protection is often lacking, residents tend to under invest in their dwellings and their environment. In addition to the effects on investment, the lack of formal titles also impedes the use of parcels as collateral in credit markets. Land regularisation increases the market value and liquidity of their real estate assets, transforming their wealth into capital (Feder *et al*., 1988; Field and Torero, 2003; Field; 2005; UN-Habitat, 2003; Galiani and Schargrodsky, 2010; Rojas, 2010a). Thirdly, the absence of titles affects the transferability of the parcels (Besley, 1995; Galiani and Schargrodsky, 2010). Particularly as regards the first effect of land titling (encouraging housing investment), numerous research studies have shown that a significant link exists between both variables (Field, 2005; Galiani and Schargrodsky, 2010). Finally, access to the formal job market and credit is severely limited by not having a postal address. Street addressing is a successful method for breaking the cycle of social exclusion and stigmatisation, and must be made part of slum upgrading programmes.

As described in section 2.1.2, the slum upgrading paradigm gained momentum in an era in which human rights, good governance and democracy were given central positions in development policy and were outlined in the Millennium Declaration (UN-Habitat, 2003). First of all, the motivation for slum upgrading programmes stems from these perspectives, helping to realise the right to adequate housing and being consistent with the global trends of decentralisation and democratisation (Cities Alliance, 1999). In the report '*A Home in the City*' (UN Millennium Project, 2005) it is also acknowledged that more, if not all, development Goals and Targets can be addressed when the conditions suffered by slum dwellers are addressed. Residents of informal settlements are in many occasions exposed to serious health risks due to

area contamination, bad drainage, waste accumulation and lack of sanitary facilities. One of the priorities of slum upgrading projects is implementing physical measures that protect the inhabitants against such risks, and relocating the dwellings that are constructed on lands that cannot be protected. The construction of roads will enable garbage collection to take place.

Informal settlements are often regarded to be places with a high incidence of crime and other illegal activity (Field and Kremer, 2005). Although this is not universally true, they are indeed places of social dislocation and economic hardship among the young. Furthermore, slum residents can also be subject to crime and insecurity due to the absence of police patrolling the area, and because of being less capable to secure their homes and protect their belongings. Slum upgrading can tackle the issue of crime and insecurity in a number of ways. Firstly, improving access to informal settlements by consolidating road infrastructure and installing street lighting will make them safer and allow for police surveillance in the area. Secondly, by virtue of their existence informal settlements lack proper monitoring systems and often become breeding grounds of crime and other illegal activity (UN-Habitat, 2003). Formalisation of these settlements facilitates monitoring and increases transparency through processes of social control and property registration. Thirdly, poverty alleviation through slum upgrading will break the poverty cycle and discourage crime.

Finally, residents of informal settlements are "excluded from many of the attributes of urban life that are critical to full citizenship, and endure a stigma unknown to the rural poor — the very fact that they live in a slum settlement" (Kuiper and Van der Ree, 2006[22]). Stigmatisation of slum dwellers limits their access to education and employment.

The Cities Alliance[23] summarises the main reasons for slum upgrading as follows:

- **It fosters inclusion.** Slums residents are affected by serious problems that directly or indirectly result from exclusion. The illegality of their dwellings constitute a series of barriers to access basic services, credit, employment and social protection for vulnerable populations such as women and elderly.

[22] Kuiper and van der Ree (2006), pp. 17
[23] The Cities Alliance (n.d.), *About slum upgrading*. Retrieved December 20, 2010, from: <http://www.citiesalliance.org/ca/About-slum-upgrading>

- **It promotes economic development.** Slum dwellers' own financial resources, energies and skills are held back by their status, but can be effectively mobilised through slum upgrading. Also, in contrast to public housing and relocation, slum upgrading aims to keep intact the social fabric of poor settlements and to enhance the citizens' capacity for economic survival, thereby reducing the need for additional poverty alleviation measures.
- **It addresses overall city issues**. Although not necessarily, slums areas are in many occasions associated with environmental degradation, sanitary issues and increased rates of violence that affect the city as a whole. These issues can be directly or indirectly contained by slum upgrading.
- **It elevates quality of life** by providing more citizenship, political voice, representation, improved living conditions and increased safety and security.
- **It effectively addresses the housing deficit.** Slums have grown to provide a solution to housing needs that could not be met by the formal market. The formalisation of slums through slum upgrading is an effective way to provide shelter to the urban poor at a very large scale and at the lowest cost.

II. 3.2 Critiques to slum upgrading and lessons learned

Particularly the community-driven element of the slum upgrading model has been subject to a considerable amount of criticism. Various authors have revealed some of the weaknesses of a planning model that minimises the role of the state and enables the poor, supporting their arguments with project evaluations that raised doubt about the successfulness of the approach (Werlin, 1999; Mukhija, 2001; Berner and Phillips, 2005). Most of these critiques were directed to projects that were funded by the World Bank and implemented in the 1970s and 1980s, described earlier as the 'first generation' of slum upgrading projects. Flaws that were frequently mentioned include the non-sustainability of projects due to lack of follow-up mechanisms and poor maintenance, weak coherence of implemented works due to compartmentalised interventions and insufficient coordination across involved department, and persistent environmental problems in upgraded areas (Werlin, 1999; Lall and Lall, 2007). The underlying structural problems of urban poverty and informality largely remained unaddressed and participation processes and the formation of partnerships were limited in time. This resulted in criticism stating that slum upgrading did not solve the causes of slums and only helped to fix the problems of current slums. It is even upheld by authors that in some occasions slum upgrading has worked adversely

due to the often very limited scale of implementation (Gulyani and Bassett, 2007; Banes, 2001). This happened when policies only addressed a restricted amount of households in a city, and these got edged out of the settlement due to gentrification caused by market forces or external pressure, as soon as upgrading is completed (Cities Alliance, 1999).

In response to much of this criticism, slum upgrading methods and objectives have evolved over time and the orientation of the approach moved from infrastructure provision or tenure regularisation individually towards a more integrated poverty alleviation and urban development perspective. This particularly happened in the 1990s, within programmes co-financed by international agencies such as the IDB and the World Bank (Brakarz, Green and Rojas, 2002). Some of the major lessons learned are that a **cross-sectoral, integrated approach** to slums is crucial, and that **decentralised cooperation** between various actors and **community participation** are needed to ensure sustainability of interventions. There has been a wide acknowledgement of the importance of participatory approaches that involve local people and civil society in the planning and implementation phase. They promote aspects that are key for achieving successful and sustainable outcomes, including government and community commitment, the development of partnerships, addressing the right needs, understanding the values of the implemented and priorities and coordination of action and investment (MIT[24], 2001). In the absence of substantial community support, slum upgrading is a difficult, if not impossible task to undertake (Huchzermeyer, 1999; Abbott, 2002a; Imparato and Ruster, 2003). Furthermore, **providing tenure security** is no longer considered an optional tool for encouraging community self-help action but a precondition for successful upgrading (De Soto, 1989; Durand-Lasserve, 1996; Werlin, 1999; Imparato and Ruster, 2003). Werlin (1999) concedes that the processes of land acquisition and registration for providing tenure security require a strong, responsible and involved local government that adequately supports community participation. Instead of a 'minimal state', governments should directly intervene in informal communities and establish a process to which it commits itself supported by good urban planning and public administration. According to him, what is needed is not 'less government' but 'better government' in dealing with informal settlements. Also UN-HABITAT (2003) concludes that "*with respect to urban poverty and slums, greater state involvement*

[24] SIGUS (Special Interest Group in Urban Settlement, School of Architecture and Planning), Massachusetts Institute of Technologie (MIT), last accessed on 01/29/11 at http://web.mit.edu/urbanupgrading/upgrading/whatis/history.html.

is, in fact, necessary now more than ever"[25]. Critical to this is sufficient and sustained **political will and commitment** on the part of governments to take direct action as well as to reform and regulate formal land institutions and decentralise its responsibilities and authorities in order to take slum upgrading up to scale. A **conductive legal framework** and a **supportive policy environment** are necessary to move from small-scale projects to long-term solutions and to address the problem of informal settlements at a **citywide or national scale**. Urban development must move beyond providing immediate responses to acute problems and urgent needs, and instead become a more strategic process that is pervaded by strategic and holistic planning. One of the reasons why scaling up is necessary is to prevent that recipients are forced to move to other slums as soon as the upgrading process is completed.

Despite the increased value that is attached to strengthening government capacity, the mobilisation of the potential of other stakeholders (particularly the slum residents themselves) is still an important element of the slum upgrading approach. Key public interventions, such as infrastructure and service provision, must intent to catalyse private investment by residents. Coupled with tenure security, **access to credit** is a critical element of creating self-supporting sustainable slum upgrading programmes (Almansi, 2009).

Sustainability also requires that consideration is given to the **financial dimension** and the costs involved, involving matters of cost allocation across the different stakeholders. Cost recovery mechanisms can play a very useful role in this respect, but attention must be given to designing a level of service that is affordable to the community (Imparato and Ruster, 2003; Dastur and Mehta, 2008).

The important lessons that have been learned (described and articulated in bolt above) should be regarded as complementary and mutually reinforcing factors that are – each and every single one of them – critical to make slum upgrading efforts successful, sustainable and for taking them up to scale. As discussed earlier, the provision of tenure security is crucial to unleashing the potential of slum residents to invest in their neighbourhood, and to commit themselves to project maintenance which is necessary to make intervention sustainable. The other way around, providing tenure security requires a complex process in which participation of the community is paramount. The next section will elaborate on these factors and provide the framework for the analytical part of this research.

[25] UN-HABITAT (2003), pp. xxvii

II. 4 Scaling up: the 'programmatic' city-wide slum upgrading approach

Since the 1970s, when enabling approaches that involved *in situ* upgrading of informal settlements were first encouraged, an increasing number of pilot projects have been implemented around the world. The approach gradually embraced community participation as its central guiding principle for enhancing project quality, impact and sustainability. Furthermore, in recent years slum upgrading evolved (at least in theory) towards a cross-sectoral and holistic strategy to address the problematic of urban informality and urban poverty comprehensively. Many experiences in a variety of communities around the world have underscored the importance of these principles, leading to the emerging of an international consensus that participatory slum upgrading is indeed the most effective public policy response with a high degree of feasibility. The majority of these experiments have been undertaken in partnership with international development agencies and multilateral development banks with the involvement of local and international NGOs. Pilot initiatives and scattered interventions have provided many inspiring examples and did improve the quality of life for a significant number of poor dwellers (Rojas and Cibils, 2010). Yet, in spite of the wealth of examples and the growing consensus among policy makers, development experts and public and private sector representatives, a consistent application of slum upgrading that addresses the issue on a city-wide scale has not yet been seen (Abbott, 2002b; Davis, 2004). According to Berner (2001), "*little progress has been made in translating the new paradigm into practical and sustainable policies*" [26]. Factors that underlie the restricted application of the approach at a citywide scale are, for instance, regulatory and institutional barriers and insufficient political will to develop and proactively implement a working programme. Other common causes that have been identified are inadequate funding and inadequate human resource capacity, a lack of institutional frameworks that enable community-driven upgrading, absent cost recovery mechanisms and disparities between official building standards and local circumstances (Werlin, 1999; Davis, 2004; Nitti and Dahiya 2004; Das and Takahashi, 2009).

The failure to scale up successful pilot initiatives and to move to programmatic city-wide and nationwide upgrading has been tagged as the most persistent shortcoming

[26] Berner (2001), pp. 292

of the approach (Cities Alliance, 1999), along with sustainability of projects (UN-Habitat, 2003; Das and Takahashi, 2008). As a response to this, the quest for producing an effective and replicable approach to slum upgrading has been made a principal mandate in various international policy documents. This is reflected in the "*Cities without slums*" Action Plan by the Cities Alliance (1999), that brings forward the factors that are needed to move upgrading to scale. Various authors, such as John Abbott (2002b) and Imparato and Ruster (2003), have sought to identify method-based approaches that provide a structured set of actions and guidelines to expand the scale and the scope of slum policies.

This section will first motivate why scaling up is among the most crucial aspects of slum upgrading (along with securing project sustainability), and how the impact of a slum upgrading programme (and thus its success) is closely related with principles of sustainability and the scale of slum upgrading. Subsequently, a list is given of factors (or preconditions) that are derived from literature on the topic, which are considered to be crucial for achieving scale, success and sustainability of slum upgrading efforts. These factors will form the framework for the analytical part of this research, which will assess the odds for Argentinean slum upgrading efforts to go to scale effectively.

II. 4.1 Motivations for scaling up

Expanding the scale and the scope of slum upgrading intervention is, along with the sustainability of upgrading projects, among the most critical aspects for the approach to be a successful and meaningful strategy for poverty alleviation (UN-Habitat, 2003; Das and Takahashi, 2008). In fact, investing in citywide infrastructure and services (in the broadest meaning of both words) is a pre-condition in itself for successful and affordable slum upgrading, and one powerful mechanism for reversing the socio-economic exclusion of slum dwellers in a region.

In the context of a city, it is needed to ensure that slum dwellers that enjoy the benefits of the upgrading of their neighbourhood are not edged out to other slums as soon as their assets become a transferable market good (Cities Alliance, 1999). Only when a significant portion of a city's informal settlements are covered by an upgrading policy this will have a positive effect on equity and the overall quality of life in the city, and prevent the formation of new slums. It will allow a diagnosis of the problem and the invention of solutions at the appropriate territorial scale (Imparato and Ruster, 2003; Rojas, 2010a). Scaling up will also improve the coherence of efforts among ongoing urban projects, making these individual efforts

more flexible, feasible and affordable. This happens through processes of learning and information sharing, the establishment of strategic partnerships between local governments, the private sector and local organisations and the development of an increased willingness and a culture to cooperate. In addition, when slum upgrading is taken to a citywide or national scale this increases the likelihood that regulatory, institutional and policy reforms are enacted and coupled with long-term urban strategies. This is necessary to take away important bureaucratic barriers and obstacles that hamper efficient upgrading initiatives. A programmatic approach can thus increase the urgency needed to provide a legal and regulatory framework that is conducive to slum upgrading. Furthermore, scaling up expands the possibilities for *off-site* relocation in the cases when *on-site* relocation is not possible or when the environmental circumstances don't allow for upgrading a specific settlement.

Other motivations for scaling up correspond with the rationale of slum upgrading itself, but applied to a citywide magnitude. A programmatic approach can address a cities' issues related to environmental degradation, crime and violence and diminished attractiveness for investment. It elevates the quality of life in the city as a whole and provides more citizenship and social protection for vulnerable populations.

II. 4.2 Factors for successful and sustainable slum upgrading at a meaningful scale

This paper acknowledged that multinational organisations, including the United Nations and the World Bank, and various researchers have identified participatory slum upgrading approaches with a holistic design that includes poverty reduction objectives, as the current best practice to the challenge of informal settlements (UN-Habitat, 2003; Imparato and Ruster, 2003; UN Millennium Project, 2005). It also emphasised the need to scale up slum upgrading efforts in order to cover whole cities, and replicate such strategies to other cities. In addition, sustained commitment from both governments as well as communities is needed to make the results of slum upgrading programmes lasting and intervention successful. The upgrading literature references frequently to scaling up as one of the main challenges of the approach (Davis, 2004). Various authors have advanced a number of preconditions that are key to achieving successful scaled up slum upgrading policies with sustainable outcomes. Imparato and Ruster (2003) for example consider initial and sustained political will as most critical for scaling up a slum

upgrading programme. In addition, they underscore the importance of an area-based needs assessment, planning, and implementation, a citywide upgrading policy supported by an appropriate national policy environment and a conducive regulatory framework, strategic alliances with the private sector and civil society, adequate land release mechanisms and shelter alternatives for resettlement, good cost recovery strategies, and development of transparent institutional arrangements. Farvacque and McAuslan (1992) note that politicians and landowners, as well as 'armies of lower and middle civil servants, have a substantial stake in the confused, multi-layered and irrational systems' of land use and management in developing countries. They may discourage meaningful participation of beneficiaries in upgrading programmes, in an effort to consolidate power among their constituents (Davis, 2004). In her taxonomy of scaling-up bottlenecks, Jennifer Davis (2004) found the main obstacle to be the paucity of funds and other resource constraints relating to human capacity. According to Nitti and Dahiya (2004), the principal causes of poor scaling up are unrealistic building standards, unavailability of affordable land, regulatory barriers, and inadequate human resource capacity (Das and Takahashi, 2008). The authors also concluded that political will is a crucial prerequisite, not only to promote alternative ways to address informal settlements but also to implement and streamline legislation, and willingness to collaborate with the community (Nitti and Dahiya, 2004; Das and Takahasi, 2008). According to Durand-Lasserve (1996), norms and standards need to be redefined since these are not adapted to needs, and have discriminatory effects because they are created by and for autocratic land management systems. Durand-Lasserve also emphasises the need for cost recovery mechanisms, subsidy structures and financing systems, because these create the financial incentives that are crucial for motivating the parties that are involved. Derived from the literature, this research will investigate the most important factors for scaling up, and use these as a framework for the analysis of slum upgrading efforts going to scale in the Metropolitan Area of Buenos Aires. These **preconditions for effective, sustainable slum upgrading intervention at a meaningful scale** include principles of good governance and management but also legal and financial factors and those related to establishing a proper collaborative framework. Section 2.3.2 already mentioned the factors that are crucial to increasing the potential of effective slum policies. This section will analyse them into more detail.

Political will, awareness and commitment

A frequently mentioned reason for the failure of scaling up a slum upgrading policy is the lack of genuine political will among governments at the various levels (Imparato and Ruster, 2003; Nitti and Dahiya, 2004; Davis, 2004). Hence, the political will to move towards a strategic and dynamic long-term process is an important requirement for sustainable slum upgrading. This can be a serious challenge for local governments, since they must find a balance in their political agenda between strategic planning and providing ad hoc responses to immediate problems. In order to achieve the regularisation of land tenure and the delivery of property titles to the beneficiaries, the consolidation of the settlements and the mitigation of poverty, institutions must be in place that can be relied upon beyond the temporal limits of political cycles. The processes require a continuity of political support, and this must be guaranteed for a term that may exceed the number of years that a specific administration is in place. Particularly in political systems that are very susceptible for clientelistic voting, it can be hard to secure a strong devotion to a long-term process through strategic planning. Such mechanisms are generally contributing to starting up a programme, but in the longer run the programmes tend to vanish due to a lack of ongoing sources of funding or unwillingness to facilitate the processes of tomorrow. An important first step of commitment is full recognition of the problem and a complete understanding of the need to intervene. It is important that governments are persuaded by the benefits of acting, which makes it essential to design feasible strategies with built-in cost recovery mechanisms that produce material outcomes. Achieving highly visible results while keeping costs down is essential to maintain political support and devotion to the strategy.

Cross-sectoral, integrated approach

In an effort to resolve the problematic surrounding informal settlements in a city once and for all, many authors consider it necessary to embark on an integrated, holistic approach to urban development policy (Abbott, 2002a; Imparato and Ruster, 2003; UN-Habitat, 2003; Rojas and Cibils, 2010). This involves designing and implementing multi-sector policies that promote a broad and long-term vision of the development of the area of intervention, rather than focusing on a single type of infrastructure or intervention. In addition to bundling the various elements of slum upgrading in one process (tenure regularisation, road infrastructure construction, parcel reorganisation etc.), other complementary actions can also be integrated

within the programme (employment and income generating opportunity programmes, health clinics, day centres etc.).

The reasons for a cross-sectoral approach are multiple; firstly, the effectiveness of interventions increase when they are bundled or at least coordinated. In this respect Imparato and Ruster (2003) mention the many complex interactions among the different branches of infrastructure that call for coordinated action by private (line) agencies, public entities and communities. In a context of growing privatisation, private agencies that built and/or operate municipal infrastructure often specialise in only one type of facility, and frequently they report to different levels of government. Particularly in informal settlements the lack of coordinated action causes various problems that can be solved through an integrated, area-based approach to needs assessment, planning and implementation. For instance, if the implementation of a sewage system is accompanied with interventions that address stormwater drainage problems, the operation of the sewerage will not be jeopardised by later incidents of heavy rainfall (*ibid.*, 2003). Similarly, processes of tenure regularisation are most effective when they take place simultaneously with parcel reorganisation and the planning, the designation of public space and construction of road infrastructure. This will minimise the degree of relocation and also provide a valid justification for the relocation of households.

A second reason for a holistic, cross-sectoral approach is that it prioritises actions that improve the quality of life of the slum dwellers. Instead of merely providing material solutions to urgent problems, deeper underlying issues can be mapped and prioritised, and responded to with a fitting 'package' of actions. Jointly, these actions can aim to reduce social marginalisation, exclusion from the formal urban economy, security and safety issues etc.

Thirdly, a holistic approach that takes into account the underlying mechanisms of poverty, social exclusion and informality breaks with the erroneous belief that only the provision of improved housing and accompanying services solves the problems of urban poverty. The UN agency for human settlements (UN-HABITAT) recommends that slum policies are '*integrated within broader, people-focused urban poverty reduction policies that address the various dimensions of poverty*' (UN-Habitat, 2003[27]). They emphasise the need to support the livelihoods of the low-income sector by '*by enabling urban informal-sector activities to flourish and develop, by linking low-income housing development to income generation, and by ensuring easy*

[27] UN-HABITAT (2003), p. vi

geographical access to jobs through pro-poor transport and more appropriate location of low-income settlements' (*Ibid, 2003*).

Rojas and Cibils (2010) also mention that an integrated approach can give precedence to other interventions that aim to prevent the emergence of new slums. It will help to establish new planning cultures, enhance local capacities and smoothen legal frameworks to simultaneously plan for future urban growth, so that in the future people are not forced to live in slums.

Increased policy coordination across the various sectors represents a major organisational challenge for institutions, since it requires a reorganisation and adjusting of mandates of the different levels of governments – national, provincial and local. But on the opposite side it can significantly increase programme efficiency on a citywide or nationwide scale. Furthermore, it will expand the amount of resources devoted to the problem of slums, transcending the budgetary limitations of individual agencies with narrow corresponding mandates (Rojas and Cibils, 2010). For some of such agencies, their individual actions could not be expected to be financially sustainable, greatly reducing the willingness to intervene in informal settlements on the part of these agencies. With a holistic approach, cost recovery mechanisms can be used to reimburse a common fund so that financial sustainability can be strengthened for the whole upgrading programme, with all actions being complementary to each other in terms of costs and benefits.

A supportive policy environment and a citywide or national upgrading strategy.

In order to achieve a meaningful scale, many authors have underlined the importance of formulating upgrading programmes as part of an overall urban development policy (Durand-Lasserve, 1996; Imparato and Ruster, 2003; UN-Habitat, 2004; Rojas, 2010b). As mentioned before, the incidence of slums in Third World cities is often seen as the result of the inability on the part of governments to control and guide urban development, and exclusionary housing provision and land use planning systems that discriminate against the poor. Earlier ad hoc and piecemeal approaches to address some of the consequences of uncontrolled urbanisation were unable to correct such policy failures, because they did not eliminate the deeply rooted factors that support policy structures. Authors like Durand-Lasserve (1996) and Rojas (2010b), emphasise the importance of redefining public land-use policies and combining *posteriori* interventions of slum upgrading

with preventive actions. These actions, that include measures to prevent the expansion of informal settlements, should be incorporated within an integrated urban policy to ensure universal access to land and urban services. According to Durand-Lasserve (1996)[28], a guiding principle of such intervention should be the building up of its "*overall structure components to rationalise the use of space in residential settlements: the high density often needed to make projects viable, especially in central and pericentral areas*". The only way to achieve any long-term solution is to understand slums as a typical result of governments' inability to target resources and policies to control and guide urban development. In order to abandon marginality, the integration of slum upgrading policies in a comprehensive urban development plan is demanded (UN-Habitat, 2004). Implementing such policy reforms in reality does not signify a retreat of the state, but instead entails a strengthening of institutions and their capacity. This is to ensure their normative role and the establishment of facilitating policy environments, as well as a correction to market failures and corruption within land markets (UN-Habitat, 2003). According to the literature, countries like Chile and Costa Rica have been very successful in expanding public support for low-income households that could not resolve their housing needs in the formal market, and essentially ended the practice of illegal land occupation (Imparato and Ruster, 2003; Winchester, 2005; Rojas, 2010b).

A conductive legal framework

Upgrading policies require a capability to deal with problems related to land ownership and regulations and changes in zoning plans, in addition to problems that are caused by friction with existing land policies and institutions regulating housing and infrastructure (MIT, 2001). Systematic legal, institutional and informational constraints, which are often manifested by complicated bureaucratic procedures, overlapping mandates and inflexible professionals must first be removed before a slum upgrading programme can move to scale. Examples of such constraints are inappropriate requirements and technical standards that are imposed on buildings, infrastructure and the use of land, making it impossible to upgrade any informal settlements without having to relocate a great number of dwellings (Durand-Lasserve, 1996; Imparato and Ruster, 2003). It is of great importance to revise the restrictive nature of such standards and make them correspond with the conditions of low-income areas, so that they contribute to affordable physical development (UN-

[28] Durand-Lasserve (1996), pp. 11

Habitat, 2004). Regulatory barriers and a lack of enabling institutional frameworks have been identified in multiple occasions as obstructing factors that removed the potential for scaling up (Durand-Lasserve, 1996; Imparato and Ruster; Nitti and Dahiya, 2004; Das and Takahashi, 2009). Inflexible laws that frustrate the transfer of land titles to occupants or the provision of basic infrastructure in illegally occupied lands can be a major impediment.

Ensuring security of tenure

By many authors, providing security of tenure is no longer considered an optional tool for the development of sustainable shelter strategies, but rather a precondition for it (De Soto, 1989; Durand-Lasserve, 1996; Werlin, 1999; Imparato and Ruster, 2003). A variety of studies have demonstrated that the fragility of property rights constitutes a major obstacle for economic development, and impedes investment in fixed assets (housing, land and infrastructure) and access to credit (North and Thomas, 1973; Hoy and Jimenez, 1997; Field and Torero, 2003). The benefits of improved land tenure security have already been listed in section 2.3.1. Providing tenure security directly addresses the principal causes of urban poverty and socio-urban exclusion which have led to continued proliferation of slums in cities since tenure insecurity hampers the ability of people to participate in society, above all to obtain regular access to income-earning opportunities in the formal sector. Access to secure tenure has often been a prerequisite for access to other benefits, including credit and public services (UN-Habitat, 2003). As regards slum upgrading, many studies have demonstrated a direct link between tenure security and people's willingness to invest time, money and effort in their own shelter and their direct living environment (Turner, 1968; 1972; De Soto, 2000; Imparato and Ruster, 2003; Field, 2005; Van Gelder, 2007; Galiani and Schargrodsky, 2010). Inhabitants of slums have been subject to a continual threat of eviction, which impeded households to increase their efforts to improve their living environment. Slum upgrading policies generally recognise that slum dwellers themselves provide the vast majority of their shelter, and thus support and facilitate the development of self-help initiatives by providing them incentives through tenure regularisation. It thereby enables the community to construct their assets and build an income, which makes it a fundamental factor for tackling inequality and poverty and ensuring a better distribution of the benefits of economic growth. Concluding, tenure security is widely considered a very important catalyst for sustainably improving shelter conditions in

slums, reducing social exclusion, encouraging and facilitating investment and increasing access to basic urban services.

For the scaling up of slum upgrading initiatives, it is essential to develop mechanisms and procedures to provide tenure security to the inhabitants of informal settlements. It is key to motivate project beneficiaries to engage in the process, and eventually maintain infrastructure improvements and initiate further improvements (Imparato and Ruster, 2003). Excessive bureaucratic processes, rigid regulation and a slow pace of administration can seriously blockade any slum upgrading policy going to scale. When housing security is not in prospect, residents will be less willing to participate, lose confidence in the overall project and utility companies often refuse to extend their services into the settlements. Again, it should be noted that most authors agree that a certain threshold level of *de facto* security is necessary for urban upgrading to occur. The literature shows that the relationship between tenure and housing investment, access to finance and the provision of services can be complex, and that legalisation is not always needed since housing improvement could take place when there is a high *de facto* security of tenure (Angel, 2001; Varley, 2002; Imparato and Ruster; Ranganathan, 2006). Other authors found evidence that full legal regularisation of land tenure can have contrary effects, arguing that it would facilitate the penetration of commercial interests into regularised settlements (Burgess, 1982; Varley, 2002). Processes to formally legalise informal settlements can fall into the bureaucracy trap or encounter juridical complications that slow the process down, making it difficult to go to scale (Imparato and Ruster, 2003). Instead, it is important to assess the level of legal recognition that is necessary to establish a positive perception of tenure security by residents, and to ensure the provision of services (*Ibid,* 2003).

Decentralisation and community participation

It is increasingly recognised that the development of informal settlements should revolve around a process that is partially led by the poor themselves (Huchzermeyer, 1999; Abbott, 2002a; Imparato and Ruster, 2003). Residents of informal settlements have been providing the only large scale housing solution for themselves, and managed to establish incrementally a social, economic and physical environment around them that is crucial in their daily existence.

However, it is also well accepted that this process leaves much to be desired when external support is completely absent (Imparato and Ruster, 2003; Berner and Philips, 2005). Their self-built solutions are often squalid, unsafe environments where the residents face multiple threats to their health and security. The residents lack resources and capacity and face unfavourable circumstances to reduce the deprivations that are associated with their surroundings on their own. Therefore, urban upgrading programmes must 'inject' these communities with some key public interventions that catalyse and facilitate private investment. The responsibility to ensure that such programmes are carried out lies with local governments. These must take an active attitude towards solving problems, responding to the needs of their populations and including informal communities in their spatial planning frameworks. But in order to produce tailor made strategies that are cost-effective, sustainable and produce results of acceptable quality and with maximum impact, a decentralised cooperation is needed between a variety of actors involved (Imparato and Ruster, 2003). Private for-profit organisations (engineering firms, contractors, privatised utility companies etc.) must be involved to ensure efficient delivery of basic services to the neighbourhoods at prices that low-income groups can pay for them. NGOs, foundations and local resident's organisations must be included for building community management capacity, initiating projects, attracting and monitoring external support and articulate the needs of vulnerable groups (women, elderly, disabled etc). Furthermore, there might be multitude of private landowners which they must deal in order to obtain land. In order to be effective, partnerships must be established and stakeholders must function in a network at all stages of the project cycle. Particularly now that urban upgrading cuts across numerous disciplines and involves a wide array of stakeholders, it has become a very complex undertaking that requires a commonly set goal and long-term coordinated action by the various actors (Imparato and Ruster, 2003; Mehta and Dastur, 2008). In order for upgrading policies to be effective, their implementation must now start upstream with transparent decision-making processes in which all key stakeholders are involved. These processes must define priorities and set realistic targets that are commonly agreed and subsequently presented as a common vision (UN-Habitat, 2009a). The implementation strategy that follows must incorporate a clear allocation of financial and human resources and finally the produces outcomes must be managed and maintained through a fair and agreed distribution of ownership. Therefore, participation is now regarded as a *sine-qua-non* condition for the success of informal

settlement upgrading. Imparato and Ruster (2003)[29] describe participation within the context of urban development as:

> *"a process in which people, and specially disadvantaged people, influence resource allocation and the planning and implementation of policies and programs, and are involved at different levels and degrees of intensity in the identification, timing, planning, design, implementation, evaluation, and post-implementation stage of development projects"* (Imparato & Ruster, 2003).

With this definition, the authors create a dynamic characterisation of participation that emphasises the involvement of the beneficiary groups in both the plan-making and resource allocation as well as the implementation and post-implementation stages of development projects.

Imparato and Ruster (2003) sum up the benefits of community participation that are most frequently mentioned in slum upgrading literature[30]:

- A participatory diagnosis of the habitat improves the design of the project and its effectiveness, through:
    1. Organised expression of demand, which allows a project to provide what people want at a price people are willing to pay
    2. Access to local knowledge, which helps to take all relevant factors into account in the solutions proposed by a project
- It enhances the impact and sustainability of projects, through
    1. Demand-responsiveness, which is key in enhancing financial sustainability
    2. Local ownership of projects, which is crucial to impact and social sustainability
    3. An enhanced sense of responsibility towards facilities and services on the part of local people
- It contributes to overarching goals such as good governance, democratisation and poverty reduction by
    1. Building local capacity to interact with authorities and other stakeholders to further common goals
    2. Establishing clear channels for community participation in decision-making

[29] Imparato, I. and Ruster, J. (2003), pp. 4
[30] Imparato and Ruster (2003), pp. 16

3. Giving people the opportunity to influence the actions that shape their lives.

Firstly, since no two informal settlements are equal every slum upgrading process requires an extensive analysis of the local situation, and needs to be adapted to the unique circumstances. Community participation at the stages of problem analysis and plan making will ensure that substantial local information is used that allow the project management unit to take more informed decisions, incorporating the knowledge of other actors into the calculus of the decision (Healey, 2006). It enhances demand-responsiveness through improved targeting and knowing more about beneficiary communities and their needs. In this respect, community participation is particularly important to resolve questions of tenure, relocation, compensation, type or quality of services, tax or fee collection and so on. These are very complex issues that cannot be addressed with a top-down approach.

Secondly, a major motive for embedding slum upgrading into a participatory framework is the fact that slum dwellers must also be seen as genuine development partners. According to the UN Millennium Project's report '*A home in the city*', growing evidence suggests that interventions that are designed and executed with the active participation and involvement of low-income communities and their organisations can reduce costs considerably and produce more sustainable outcomes (UN Millennium Project, 2005). The resources of these dwellers can be put into productive use if they are acknowledged and reinforced in the process, and put complementary to external actions that stimulate development (Calderon, 2008). Public participation can effectively mobilise these resources when a strong sense of project ownership is developed among the competent actors. In order for it to do so, agreement must be reached on the basis of reciprocal understanding and mutual trust. For the same reason, community participation is encouraged to enhance sustainability of upgrading strategies by means of developing mechanisms of project maintenance and follow-up activities.

A participative approach also promotes some important aspects that are crucial for achieving successful and sustainable outcomes. These include the development of a sense of commitment by government and communities, the development of partnerships and strategic alliances, and understanding the values of implemented

facilities and services on the part of the people (MIT[31], 2001). Participation processes educate the public and instil a greater sense of responsibility towards the environment in which they live. Imparato and Ruster (2003) also mention that participation enhances the development of local capacities, which will "*strengthen the odds for further development initiatives in the aftermath of the project*"[32]. The process of participation "*builds self-confidence, community spirit and encourages residents to work actively on the improvement of their living conditions*" (UN-Habitat, 2004).

Thirdly, community participation and decentralisation are seen as creators of trust, which in turn is essential for cooperation of and commitment by the beneficiaries. They are regarded remedies to the ills of top-down centralised planning such as corruption and clientelism, because they induce greater political transparency and accountability in the management of public funds (Das and Takahashi, 2008; Imparato and Ruster, 2003; Kahkonen and Lanyi, 2001).

An important principle that I adopt from Imparato and Ruster (2003), is that the idea of community participation does not entail that a 'maximum possible level' of participation should always be strived for at any place and time. The ultimate objective is to "*achieve the level of participation that is appropriate to the circumstances, taking into account project objectives and local constraints and opportunities*" (Imparato and Ruster, 2003). Attention must be paid to the requirements and costs of community participation

It is widely agreed that slum dwellers should not be passive in the development process and have a strong self-help potential. But even though the validity of this assumption has been repeatedly confirmed in practice, Berner and Philips (2005) warn that "*autonomy must be distinguished from autarky*", and that structural and resource constraints exist within communities and make subsidies necessary to reach the poorest. In their words: "*earlier, overly interventionist approaches may have been doomed to fail for expecting too much from governments. Self-help campaigners may be making the opposite mistake*" (Berner and Philips, 2005)[33]. They endorse that the self-help approach is based on many good strategies in tackling poverty that come from poor communities themselves, but they advert that this should not mean lead to outsiders withdrawing to a minimal role. The authors

[31] SIGUS (Special Interest Group in Urban Settlement, School of Architecture and Planning), Massachusetts Institute of Technologie (MIT), last accessed on 01/29/11 at http://web.mit.edu/urbanupgrading/upgrading/whatis/history.html.
[32] Imparato and Ruster (2003), pp. 34
[33] Berner and Philips (2005), pp. 22

caution that bottom-up approaches require governments and NGOs to actively reach out for the structurally disadvantaged groups (women, elderly etc.), because exploitation and marginalisation exists *within* slums just as much as in the city as a whole (Berner and Philips (2005).

Enhancing financial sustainability through mobilising non-public sector resources and cost recovery mechanisms

As been mentioned earlier, slum upgrading in general consists of multi-facetted interventions including the provision of infrastructure, urban services and secure tenure. Apart from households that need to be relocated, the problem of shelter is essentially left to slum residents themselves to lower project costs, with external intervention being limited to self-help assistance, credit provision and security of tenure. Earlier efforts to produce conventional housing units (whether built in situ or not) that are affordable for the poor have been largely unsuccessful, with minimum costs still far exceeding the paying ability of slum dwellers (UN-Habitat, 2004). In spite of the above, addressing the issues of slums through integrated slum upgrading can still be an expensive undertaking. Particularly the provision of infrastructure, such as access roads, potable water, sanitation and drainage, can be very costly in comparison to providing the same services for new urban development (Rojas, 2010c). Various reasons for this can be identified: firstly, expensive mitigation measures are required as environmental conditions in illegally occupied pieces of land are often poor, and flooding or landslides can result in damage to the provided infrastructure. Secondly, irregular spatial layouts require resettlement of households to create space for infrastructure and public spaces. The spatial reorganisation process of an informal settlement often involves complex and time-consuming procedures and asks for the acquisition of additional land and the building of new houses (Ferguson and Navarette, 2003; Rojas, 2010a). Rojas (2010a) also mentions the risk that beneficiaries and project promoters have little incentive to economise when they do not pay for the provided services. Particularly when funding is received from higher government tiers, the executing agencies (often local governments) have little regard for the costs of the investments in a project. This often leads to settlement upgrading projects competing for funds, each trying to capture the largest possible budget to accomplish their objectives (Rojas, 2010a). When more financial resources are spend per beneficiary household, the coverage of the programme as a whole will be reduced to only a fraction of the needy households.

According to the same author, "*To increase social equity in cities, the scale of the interventions must be expanded to cover all households, and the scarce resources available for settlement upgrades must be used more efficiently. This efficient use of resources—along with equitable management of land resources, improvement of housing markets, and urban economic development policies— is part of a multi-sector strategy to increase public interventions to prevent and solve the problems of the informal settlements*" (Rojas, 2010a)[34]. Again, this brings forward the need to develop a city-wide upgrading programme incorporated within a more general urban development strategy. But it also highlights the importance of designing mechanisms for achieving financial sustainability, or at least some degree of cost recovery to make slum upgrading affordable and thus more appealing in a larger number of occasions. Cost recovery mechanisms can be surcharges on utility connections and consumption fees for services, municipal charges, property taxes etcetera that are levied on the project beneficiaries. Sometimes the communities contribute directly to the costs of works prior to or during implementation (Imparato and Ruster, 2003). Cost recovery signifies a great challenge, since informal settlements are generally neighbourhoods where the capacity to pay is constrained and revenue potential is (perceived to be) very limited (Davis, 2004). In some occasions, direct charges on beneficiaries are not feasible because they are without any income or ability to generate economic activity (UN-Habitat, 2004). On the other hand, various reports suggest that slum upgrading can be affordable, and that under certain conditions low-income communities are willing to pay for the services they are provided with (MIT, 2001; Imparato and Ruster, 2003; UN-Habitat, 2003). Particularly when land tenure is effectively arranged, the World Bank estimates that up to 90 per cent of the costs of an upgrading project can be recovered directly from project beneficiaries (Viloria*,* Williams and Didier, 1998, in: Werlin, 1999). Also Durand-Lasserve (1996) concludes that tenure security is essential for recovering infrastructure and service delivery costs. Due to the aforementioned reason of limited payment capacity, however, affordable standards must be implemented that are tailored to the specific needs of the slum dwellers, and the capacity to pay must be analysed to determine tariffs for services and, if necessary, levels of subsidy (Imparato and Ruster, 2003). Berner and Philips (2005)[35] warn that "*community-led development may be a cheaper option but it is not a costless one, and the rhetoric of 'no subsidy' may*

[34] Rojas (2010), pp. 198
[35] Berner and Philips (2005), pp. 22

prevent the securing of necessary resources to reach the poorest of the poor". To this end, community participation during the identification and design phases is of vital importance. When slum upgrading programmes are designed according to principles of affordability, including mechanisms for cost recovery and for mobilising people's savings and action, the burden on public funds can be considerably less than for public housing and relocation of slum areas (UN-Habitat, 2004). But when scaling up slum upgrading to include the poorest of the poor, projects and programmes cannot aim at *full* cost recovery and require targeted government support (Berner and Philips, 2005).

Ensuring access to credit and self-help facilitation

Slum upgrading greatly relies on an incremental approach to the issue of housing, creating a self-reinforcing process. This approach must be appropriately recognised, supported and guided, since it is unlikely that governments have the financial resources to scale up slum upgrading to a citywide or national level "*without leveraging very significant non-public sector resources*" (Cities Alliance, 2003). The incremental construction of housing can be supported through the provision of technical assistance, micro credit and building materials, but also through the strengthening of local capabilities at the community level. At the same time, the absence of these forms of guidance and support is in many cases considered to be the greatest barrier. Slum dwellers have a low indebtness capacity and face difficulties in accessing housing finance because they often do not have a formal source of income, a formal address and physical collateral. In recent years, a number of non-traditional financial institutions serve the low-income sector by financing their housing needs in a way that is economically viable (Stein and Castillo, 2005). These housing microfinance schemes, providing small loans at low interest rates, are increasingly integrated within slum upgrading programmes (Ferguson and Navarette, 2003). According to the latter authors, "*microfinance holds great promise for housing the low/moderate-income majority in low- and middle-income countries, (…) because it fits well with the incremental building process used by the low/moderate-income majority, and (…) resolves many of the difficulties that greatly limit the scope of traditional mortgage finance*" (*Ibid,* 2003)[36]. According to UN-Habitat (2007), other sources of innovation in housing finance that have emerged are government-led initiatives, community funds and the private sector.

[36] Ferguson and Navarette (2003), pp. 213-214

II. 4.3 Chapter revision

In the preceding section the factors have been outlined that are conditional for bringing slum upgrading to scale, so that it can address the problem at a citywide or national level in a sustainable manner. These conditions are derived from important lessons that are described in the literature on the topic, and concern the content and delivery of a slum upgrading programme (supporting community participation, working through a multi-sectoral approach, securing land tenure, enhancing financial sustainability and promoting access to credit) as well as the framework in which it operates (institutional, legal and political). The following chapters of this research will operationalise these conditions and analyse slum upgrading policy in the Metropolitan Area of Buenos Aires, according to the conditions previously outlined. An assessment is made of how well the programmes that are enacted in the study area manage to address the issue of informal habitats at the scale where the problems and their underlying causes exist, and which issues or factors can be identified that hinder an effective implementation. Before proceeding with the analysis, the research context will be described to provide background knowledge on the issue that is specific to the place of investigation.

III. Profile of the study area

Before embarking on the analytical exercise on informal settlement policies in the Metropolitan Region of Buenos Aires, it is important to consider the research context to provide the necessary amount of background knowledge to the issue. For this purpose, this chapter will first provide a summary of the history and evolution of urban informality and its accompanying policy responses in Buenos Aires. It will eludicate that the phenomenon of urban informality is not only the result of macro-economic and demographic forces, but is also a consequence of exclusionary land and housing markets, non-existent planning systems and failing policies to control and guide urban development. Next, the second part of this chapter will reveal the living conditions and social and political issues that are associated with informal settlements in the study region. This chapter will not only aim to make clear the relevance of the objectives of slum upgrading policies, it will also try to help understand the context in which these policies have arisen. One of the reasons why this particular sequence of chapters is chosen is to position the slum upgrading discourse in a specific socio-cultural context and political environment. It is useful to examine every single case of participatory slum upgrading policy while taking into account the broader framework of the local land use system, in order to understand its interaction with regulation in place, but also social and cultural values. It must be emphasised that the success of the approach is highly context-sensitive: strategies that are perfectly effective elsewhere might not produce the same result in places where the role of civil society in decision-making is limited or where decision-makers are not willing to promote alternative ways to deal with urban informality.

III. 1 Historical account of the development of informal settlements in AMBA

The first information about the development of shantytowns in Buenos Aires dates from the 1930s. The illegal occupation of vacant areas was an activity that was mainly undertaken by unemployed and homeless people arriving from areas outside of the city. From that decade onwards, the amount of these unplanned zones with precarious housing steadily multiplied not only in the central port zone but also in the peripheral areas within influential sphere of the city. Initially these developments

merely demonstrated a shortage in the production of housing by public authorities, and were largely regarded as transitory zones that were only inhabited for a restricted time period by people that were temporarily cut short from accessing the formal housing market. However, since this moment the demographic characteristics and the prevalence of this phenomenon of *villas miserias* underwent various transformations that reflected the socio-economic conditions in the Greater Metropolitan Area of Buenos Aires and basically lingered within the cityscape until the day of today. Whereas these zones were originally known as *villas de emergencia*, reflecting their temporary status, they can nowadays be regarded more often as permanent settlements with their own distinctive cultures and economies, largely inhabited by a demarcated social class with little long-term prospects regarding improvement of their living situation. In the last decades, this stratification of the urban society has taken self-reinforcing forms where the process of social segregation is perpetuated and economic opportunities are diminishing for the slum population due to public neglect and exclusionary planning systems, but also increasing negative stigma attached to places of residence (Auyero, 1997). Furthermore, a series of severe economic crises has left their mark on the urban society of Buenos Aires. In 2006, a percentage of 2% of the urban fabric of the Buenos Aires Metropolitan Area is composed out of slum areas, housing at least 10% of the population of the AMBA (Info Hábitat, 2008). The quantity of slum dwellers has strongly fluctuated ever since its initial manifestation, both relative to the absolute urban population as in absolute numbers. These fluctuations can be related to demographic and economic variables, but also to constant political change that severely affected the impact of social policies (Schusterman and Hardoy, 1997).

III. 1.1 Initial emergence of informal settlements in Buenos Aires.

The history of urban informality in Buenos Aires originates from as early as the 1930s, and was incited by the global economic crisis that made a deep impact on the predominately agricultural economy of Argentina. Preceding the 1930 economic crisis, the country had in fact been one of the world's most prosperous nations for several decades with a flourishing economy that was relying on the export of agricultural products. Resulting from the crisis, the export market collapsed as global demand for Argentinean agricultural products stalled, and what followed was a steep increase of the unemployment rate in the country's interior. The economic deterioration in the

rural sector expulsed workers to the larger cities in huge numbers, principally to Buenos Aires, and condemned the ones without resources to substandard housing situations (Cravino, 2001; Igarzábal de Nistal and Vidal, 2005). This type of precarious housing had already existed on a small scale to accommodate immigrants from Europe awaiting regular houses, and was provided by the government (Van Gelder, 2009).

The issue of informal settlements gained real significance from the 1950s onwards, when the demand for manual work in the agricultural sector gradually decreased due to mechanisation. Between 1947 and 1960, the population of Greater Buenos Aires more than doubled resulting from the influx of internal migrants (*ibid.*, 2009). Initially, the shantytowns that were formed were contemplated as a temporary phenomenon in response to the housing deficit, hence the common name of *villa de emergencia*. The first governments neglected the reality of these *villas* and refused broader support as they were only considered to be temporary expressions of a problem that would be solved as soon as the crisis ended (Schusterman and Hardoy, 1997). However, slum formation had intensified along with the urbanisation process and reached its culmination in the decades when Argentina embarked on an import substitution policy to facilitate domestic industrial development. Soaring industrialisation almost exclusively concentrated in the Buenos Aires Metropolitan Area, and pulled huge numbers of impoverished migrants from both rural areas as well as peripheral countries, attracted by the demand for unqualified hand labour in the factories and construction works.

Under the presidency of Juan Domingo Perón (1946-1955), the government took a direct role in the provision of housing, especially directed towards low-income households, to face the massive housing shortage. The administration made "the right to a home" a central component of state social policy, both in order to face the massive housing deficit as well as to employ many workers in the construction industry (Aboy, 2007). In addition to the large-scale production of low-cost housing units, the accessibility of housing was also shaped through a combination of policies and the removal of legal restrictions to the distribution of plots, both facilitating the process of large-scale land assimilation for popular housing development in the urban periphery (Clichevsky *et al.*, 1990; Van Gelder, 2009). The Peronist government actively supported self-constructed development on so-called *loteos populares* by making credit accessible for the poor. In addition, the metropolitan public transport system was heavily subsidised by the state to enable cheap commuting between places of residence and places of work, so that new

urbanisations developed through the agglomeration (Torres, 2001; Del Río, 2009; Di Virgilio, Arqueros Mejica and Guevara, 2010). As a result, land prices in the AMBA remained relatively low because land was abundantly available. Until the abolition of the system of *loteos populares* in 1980, it was an important means by which the low-income sector could legally access urban land, and it prevented the development of slums on a scale as large as most other Latin American countries (Clichevsky *et al.*, 1990; Del Río, 2009; Van Gelder, 2009).

III. 1.2 Consolidation of informal settlements into permanent housing areas (1960s and 1970s).

Initially, the proliferation of informal settlements was caused by the fact that the city and its surroundings where not capable of restraining the influx of migrants, and formal housing supply and service provision were completely outstripped by the quantity of migrants looking for employment in the urban region. During Argentina's industrialisation process, unemployment rates were relatively low, and at least until the 1960s unemployment wasn't the principal underlying cause of slum proliferation.
The period after Perón's overthrow in 1955 was characterised by a deteriorating economy, increasing unemployment and political instability, with a series of military dictatorships ruling the country alternating with brief periods of democratic governments. The increasing income inequality, the depriving socio-economic conditions in general leaded to the consolidation of *villas miserias* as a permanent form of shelter (Bellardi and De Paula, 1986; Margulis, 2006; Van Gelder, 2009). In addition, the post-Perón governments and the abandoned the massive social housing construction programmes and were unwilling to release land to develop housing for the poor in the proximity of places of employment. Taken together, these factors forced a significant share of the migration influx to produce their own shelters in the precarious portions of land that were still available for occupation (Margulis, 2006). In contrast to the very first informal settlements, later slum development also occurred in areas in the urban fringe. The spreading of these areas of precarious housing conditions radiated in patterns following the industrial expansion, first along the Riachuelo-La Matanza riverbanks at the southern limit of the federal capital and later also in the north (Igarzábal de Nistal and Vidal, 2005).
Although rural-urban migration flows generally stabilised within the country after the rural exodus came to a halt in the early 1960s, immigration from neighbouring countries continued and led to a surge in the number of informal settlements. An

average annual growth of 8% of people residing in *villas miserias* was recorded between 1947 and 1970, in spite of governmental plans seeking to eradicate the settlements (Yujnovski, 1984; Van Gelder, 2009). Between 1973 and 1976, the last Peronist regime made some progress towards the provision of social housing with the introduction of the National Housing Funds (FONAVI). The policy attended the housing needs of the low-income sector, providing for the construction of massive monoblock projects to redevelop *villas* in situ, neighbourhoods that became to be known as *Barrios FONAVI.* However, the programme did not meet its goals in terms of quantity, and the projects became illustrative examples of the failure of site redevelopment schemes in the region. The repeated housing blocks are notorious today for being crime-ridden and lack open space and commercial activity (Rodriguez et al, 2007).

III. 1.3 Urban informality during the military dictatorship 1976-1983

In spite of the fact that Argentina had been ruled several times by military dictators throughout the 20th century, the period 1976-1983 was of crucial importance for the magnitude of the urban informality problem and the spatial distribution and physical appearance of informal settlements in the AMBA region (Del Río, 2009). The reasons for this are twofold: first and foremost the changes in urban land policy that came about under the military rule excluded a vast share of the poor population from the formal housing market, and sparked a new type of illegal land occupation, namely those that leaded to the *asentimientos*. Secondly, the existing *villas miserias* were targeted for eradication which resulted in massive and brutal dislocations of entire communities. Most of these evictions where carried out by force and left the former occupants to their own devices after being unloaded from army trucks beyond urban fringe (Van Gelder, 2009).

In the decades preceding the military coup in 1976, the aforementioned *loteos populares* where one of the means by which the low-income families managed to legally find access to urban land to build their houses on. Under the military rule a new phase of land zoning was initiated when a provincial law, **Executive Decree N° 8912**, was approved in 1977 (*La Ley de Ordenamiento Territorial y Uso del Suelo*) that imposed strict regulations to new urban development. Physical and procedural requirements for plots to be approved for housing construction were rigidly determined by the new territorial zoning instrument, and the conditions of usage,

occupation, subdivision and the provision of infrastructure and urban services were laid down (Clichevsky, 1999, Clichevsky, 2001; Almansi, 2009; Van Gelder, 2009). From 1977 onwards, the surface dimension of a plot should be greater than 300m^2 and the necessary infrastructure (water, electricity, sewage and paved roads) should already be provided before land subdivision could take place. In addition, the law put severe restrictions on the production of urban land by regulating the minimum elevation level of a plot in order to be approved for development (Almansi, 2009). As a consequence, the land prices in the AMBA skyrocketed as the remaining portion of land that was suitable for legal development became heavily demanded by other sectors. The decree made an end to the *loteos populares* and impeded the low- to medium-income urban population from legal access to vacant land. The land policy changes coincided with the government proceeding to open the economy for international competition and liberate the significantly overvalued currency. The results were a collapse of domestic industrial production, the ever-increasing gap of income inequality and more people falling into absolute poverty (Cerruti, 2003; Fernández-Wagner, 2006b). As a result, the demand for land for low-cost housing surged as the lower-income class kept growing, and the situation culminated when most *villas miserias* in the Federal District were violently eradicated. The low-income sector answered to the critical housing situation by collectively occupying vacant pieces of land, forced by the absence of any legal alternatives. These carefully planned and well-organised occupations mostly took place overnight and involved land areas in the urban periphery that were destined for public use or unsuitable for development due to Executive Decree N° 8912. The land takings were carried out with the deliberate aim of legal recognition eventually, with the dwellings being improved over time. Many of these land occupations were successful and resulted in the type of informal settlements that are now called *asentamientos*. Because of the desire held by the occupants to have their neighbourhoods formally recognised eventually, the spatial configuration of the *asentamientos* is consistent with the norms of urban planning and the way in which the *loteos populares* had been organised, with organised land subdivision in square parcels and '*manzanas*' (building blocks) and plenty of open space left for infrastructure development. In contrast to the *villas miserias*, which are formed spontaneously and disorganised, the *asentamientos* require a certain degree of organisation beforehand, to anticipate later legalisation, upgrading and large-scale improvements.

A curious fact is that at the day of today Executive Decree N° 8912 still continues to be legitimate and forms a formal obstacle to the formalisation of a great number of

informal settlements in the AMBA. Because these settlements do not meet the housing standards that are imposed by the decree, approbation for the urbanisation processes including these zones take place as an exception to the norm (Almansi, 2009).

The second reason underlying the significance of the last period of military dictatorship was the ruthless eradication policy that was employed under Videla's regime (Schusterman & Hardoy, 1997). Most prominently within the limits of what is currently the CABA, slums were bulldozed and its dwellers were forced to board trucks to be unloaded later at the urban fringes being left at their own devices. Also these developments added to the intensity of collective land occupation in the peripheral area, but also leaded to the establishment of *villas miserias* in the suburbs of the conurbation. The eradication programme was adopted in the run up to the 1978 World Cup Football that was hosted by Argentina, with the aim of cleansing the city from its slums (in Spanish: '*embellecer la ciudad'*) to present a more favourable image of the country to the world (Van Gelder, 2009). A statement that was typical for the contemporary view held by authorities towards informal dwellers and their rights to the city was made by the Director of the *Comisión Municipal de la Vivienda*, Guillermo Del Cioppo (Oszlak, 1991):

> "Living in Buenos Aires is not for everybody, but only for those who deserves it, for those who accepts the regulations of a pleasant and efficient community life. We have to have a better city for the better people." [1]

In the period, the population of the *villas* within the CABA was reduced by 94% due to the programme that was executed by the army (Cuenya, 1993; Van Gelder, 2009). In some instances, *villas miserias* were blocked out of sight by erecting fences around them. As explained in section 2.2, this primarily occurred in times when eviction was too costly or time consuming. A specific example of this active counterpart of negation was the construction of a wall around an inner-city slum called *villa 15* (hence its nickname *Villa Occulta*) preceding the 1978 Football World Cup hosted by Argentina.

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[1] Oszlak, O. (1991), p. 78:. Translated from Spanish: *"Vivir en Buenos Aires no es para cualquiera sino para el que lo merezca, para el que acepte las pautas de una vida comunitaria agradable y eficiente. Debemos tener una ciudad mejor para la mejor gente."*

III. 1.4 Slums and housing policies in the decades of structural adjustment (1980s and 1990s)

After the reinstallation of democracy in 1983, the Argentine government was burdened with a huge foreign debt that was inherited from the preceding dictatorial regime. In order to reduce this fiscal imbalance, the country's economic policy was heavily influenced by the conditions imposed on it by the Bretton Woods institutions and other money lending institutions. Neoliberal reforms were implemented under the aegis of structural adjustment, including a one-to-one peg of the Argentine peso to the U.S. dollar to stabilise inflation. Because in the 1980s Argentina had to repay more then it was able to borrow (a feature that was shared with the rest of Latin-America) its living standards further deteriorated (Buckley, 2009). Within the context of the newly applied structural adjustment policies, the production of low-cost housing plummeted to a minimum and the funds for social housing schemes was drastically reduced by the government (Auyero, 1999; Van Gelder, 2009). Furthermore, the changes in urban land policy (*Executive Decree N° 8912* in the Province of Buenos Aires) that were implemented during the 1976-1983 dictatorship as described in the previous section were kept in force (Almansi, 2009). In conjunction with increasing poverty, these factors resulted in a land system wherein legal access to land became increasingly difficult for popular sectors.

A great part of the population met their housing requirements through alternative means, which included a continuation of the trend of collective land occupations that commenced during the dictatorial regime. In the years following the restoration of democracy, the number of dwellers living in *villas* and *asentamientos* increased by 300% (Van Gelder, 2009). The processes of 'social production'[2] of housing eventually resulted in the development of an informal land market including the sale, rent and sublet of units (Rodriguez *et al.*, 2007) Also, the majority of the *villas miserias* in the CABA that were eradicated between 1976 and 1983 slowly started to become repopulated, although not as massively as before 1976 (because a number of the evicted dwellers moved to suburban slums that carried a smaller risk of eviction). The magnification of the occurrence of informal housing clearly reflected the inability of the successive governments in the 1980s to generate a solution to the housing deficit problem in the urban region (Calle, 2007).

[2] In a number of publications in Spanish the informal type of housing production that make up the *asentamientos* is referred to as 'producción social' .

Throughout the 1990s in particular, the new neoliberal economic model leaded the state to reduce its role through deregulation and privatisation of public services. The market based policies involved a further retreat of the state on areas such as health, education and housing. Consequently, social housing construction with public funds completely stalled while the available funds were used for other purposes than housing (Carvino, 2001; Fernández Wagner, 2006b). The privatisation of state companies providing services such as gas, electricity and water negatively affected its supply to low-income settlements. The state disengagement from the economy and the massive privatisation programme also induced a privatisation of urban space. The new predominance of the private sector in urban planning was reflected by huge shopping malls, country clubs and numerous gated communities that were mushrooming in the suburbs (Cravino, 2001; Pirez, 2002). By August 2000, almost half a million people were residing in 434 private communities, most of them located on low-cost land in the urban periphery (Svampa, 2001; Pirez, 2002). These urban processes strongly reinforced socio-territorial segregation and both increased as well as exposed urban inequality. It reinforced inequality because most infrastructure and service developments were channelled exclusively to these high-income communities, and it highlighted segregation because the gated communities were often surrounded by (informal) low-income settlements, competing for the same urban land.

As a response to increasing urban informality, the state adopted legislation that enabled the transfer of tenure rights of private land to occupants ("*Ley Pierri*"[3]) and launched a programme to transfer state land to informal occupants ("*Programa Arraigo*"). According to Cravino (2001), it was assumed by policymakers that housing equity would eventually increase as all citizens would become legal owners, relegating the task of housing provision to the background. Within the processes of informal settlement 'legalisation', the state assumed a mediating role between land owners, local governments, NGOs, social organisations and construction firms (Scheinsohn and Cabrera, 2009). The new institutional environment paved the way for a handful of local interventions that were mainly initiated by NGOs. But in spite of these initiatives, both instruments proved ineffective to cope with informal settlements on a meaningful scale, as they were paralysed by existing land use laws (most prominently the development restrictions imposed by Executive Decree N° 8912 in the Province of Buenos Aires) and the bureaucratisation of administrative

[3] The *Ley Pierri* benefits occupants of private land that can prove peaceful occupation over three years prior to January 1, 1992, and this being their sole and permanent dwelling (Almansi *et al.*, 2003).

procedures. Another shortcoming of the facetted interventions was the limited integration of land tenure regularisation with complementary measures to improve the living conditions in informal settlements. Finally, the municipal governments that were involved in the legalisation processes were often lacking managerial capacity, legal incumbencies and sufficient financial means (Cravino, 2001; Almansi, 2009; Van Gelder, 2009).

A step towards the elaboration of a strategic plan to urbanise slums on a nationwide scale was made in 1997, with the adoption of the **Barrio Improvement Programme** –**PROMEBA**- (*Programa Mejoramiento de Barrios*). The programme was mainly financed through a loan[4] from the Inter-American Development Bank, and to this day it has remained an important instrument to upgrade informal settlements in Argentina (Fernández Wagner, 2006b; Almansi, 2009). With the programme, the national government made a strong effort to integrate the many dispersed resources of a multiplicity of institutions that were used to address the housing emergencies of the poor. It was also the first commitment to a strategic framework that focused on a multi-sectoral integrated methodology towards social and spatial inclusion of informal communities. In addition to land tenure legalisation, the programme focuses on (2) the provision of infrastructure, basic services and environmental improvements, (3) the development of social and human capital and (4) the creation of local management capacities (Clichevsky and Chiara, 2000; Palenque, 2010). The PROMEBA is also different from earlier policies in terms of its management model, with a focus on decentralised decision-making, public participation and partnerships with the private sector. Chapter 3.4.1 will elaborate on the main characteristics of PROMEBA and its implementation.

Even though the 1990s began with a promising period of economic recovery, eventually Argentina's economy would completely collapse due to the failure of the reforms. The principal underlying causes of the collapse – that culminated in the 2001 crisis – were the peg that leaded to overvaluation of the peso and a trade imbalance, the liberalisation of Argentina's capital account that leaded to an unhealthy reliance on foreign capital and finally the widespread corruption (Feldstein, 2002; Buckley, 2009). In 2001 the country was denied access to capital by the IMF and other lenders and was forced to default on its external debt. Without elaborating too much on the economic details of these events, the depression ravaged the

[4] Loan *N 940 OC/AR*

Argentine society and many people where pushed into poverty. In the Metropolitan Area of Buenos Aires (AMBA) the percentage of households living in poverty peaked at 52% in 2002 (Epstein and Pion-Berlin, 2006). Also the figure of absolute poverty (people living under the food poverty line) climaxed with a staggering 28% in 2002 (World Bank, 2003a). While the crisis drastically reduced incomes of the low- and middle-income classes and poverty rates doubled, the price of housing skyrocketed and the housing-price-to-income ratio[5] increased from 4 in 2001 to 10 in 2005 (World Bank, 2006). During and immediately after the crisis, informal settlement accounted for two-thirds of new residential development in Greater Buenos Aires (*Ibid*, 2006).

III. 1.5 Urban informality in the new millennium

In the aftermath of the 1998-2002 economic crisis, poverty and unemployment figures gradually dropped and popular housing production policies took a new turn. Firstly, the government of president Kirchner placed housing policy back under the responsibility of the national government, once again as an attempt to achieve economic recovery and generate employment opportunities similar to the Keynesian model. Indeed, the housing construction market became one of the key drivers of the economic restoration and an important destination of investment (Fernández Wagner, 2006b; Rodriguez *et al*, 2007; Scheinsohn and Cabrera, 2009). In 2004, two important programmes were introduced as part of a set of federal programmes to reduce the housing deficit by delivering more than 120.000 new housing units (of which 38000 were targeted to the AMBA). The **Federal Programme of Housing Construction** –PFCV- (*Programa Federal de Construcción de Viviendas*) focuses on the construction of new houses, while the Federal Programme of Housing Improvement (*Programa Federal de Mejoramiento de Viviendas*, also called "**Mejor Vivir**") seeks to improve existing dwellings.

The second characteristic of housing policy-making after the crisis is the shift that has occurred towards the promotion of social consensus and institutional legitimacy, with governments engaging in dialogue with new social movements and NGOs. Some of these movements became very powerful and were directly involved in the production of social housing, taking advantage of the opportunities that became available when government institutions were more responsive to participation (Scheinsohn and Cabrera, 2009). In this sense, a new platform for large-scale self-

[5] Ratio for a median-income household to purchase a basic two-bedroom home

production of housing emerged, this time within the legal boundaries and co-funded by government.

Fernández Wagner makes a distinction between different types of policies that concurrently embody the present policy approach towards housing issues in Argentina. A first policy type aims at producing low-cost housing units at a large scale (turnkey), while the second type is strongly influenced by the international development discourse with a focus on *in situ* upgrading of self-constructed housing areas through participative processes (Fernández Wagner, 2004; Bettatis, 2009; Cravino, 2010). After the crisis, the implementation of both housing construction policies and *in situ* upgrading programmes (PROMEBA) was placed under the supervision of the National Housing and Urban Development Bureau (SDUV) within the Ministry of Federal Planning, Public Investment and Services.

In addition to the PFCV and the PROMEBA, an array of other (complementary) programmes and sub programmes was developed by the SDUV, amongst others including the programme '*Techo y Trabajo*' ("Shelter and work") that later became known as the Federal Housing Emergency Programme, and the Programme for the Provision of Safe Water, Social Support and Basic Sanitation (PROPASA). Furthermore, a sub programme of the PFCV was launched in 2005 (*Subprograma de Urbanización de Villas y Asentamientos Precarios*) to urbanise existing informal settlements in the Metropolitan Area of Buenos Aires, implicitly aiming to establish a closer working relationship between the Federal Government and the municipalities[6] in the AMBA that participate in the *Subprograma*. Also in the Province of Buenos Aires, a complex array of programmes and actions has been developed in the latest decade by a variety of public entities and private parties. Although in a later section (3.3) we will go into detail regarding the various institutions and policies, for now it is suffice to say that the large number of programmes and actions produce a confusing landscape of institutional arrangements and actions that are not always tuned in to each other (Sparacino, 2006; Bettatis, 2009).

In addition, some authors mention other flaws of current housing policies, most notably the huge backlogs of social housing production schemes but also the remote locations of construction sites from central areas, which is likely to further increase socio-spatial segregation (Van Gelder, 2009). The latter effect is due to a lack of available state-owned land in central locations, but is also related to the

[6] These municipalities are: Avellaneda, La Plata, La Matanza, Lomas de Zamora, Morón, Quilmes, San Isidro, San Martín and Vicente López.

decentralised implementation structure of the portfolio of federal programmes (Fernandez Wagner, 2006b). The centralised policy coordination unit, in this case the SDUV, allocates the respective programme budgets by dividing it over local authorities that submit territorial 'bids'. The allocation of these budgets is to a large extent made on the basis of 'building quotas' that are centrally prescribed for each province and municipality after negotiation. Housing policy is to a minimal extent framed by state legislation that conditions the implementation method, management model and territorial distribution of the projected actions. Hence, the precise designation (project design and implementation) is left to municipalities, which makes the planning course subject to local political preferences and clientelistic mechanisms (Fernandez Wagner, 2006b; Van Gelder, 2009). A related shortcoming of the current social housing construction policy stems from its original purpose as an instrument to revive the economy after the crisis. In this sense, housing policy seems to focus on quantitative results without integrating the construction projects within the contextual environment (Del Río, 2009).

Despite the new directions that are taken by the post-crisis administrations, the magnitude of the informality problem has grown significantly during the last decade, most prominently in the outskirts of the urban region (Van Gelder, 2009). Nevertheless, it is evident that the government has taken a new interest in the issue of low-income housing, both by supplying low-cost housing developments at a scale unprecedented in recent history and by embracing a mult-facetted approach towards informal settlement upgrading. If this continues over time, there is hope that eventually the number of households living in precarious conditions will drop (Fernández Wagner, 2006b).

III. 2 Today's issues of informal settlements in the Metropolitan Area of Buenos Aires

III. 2.1 Current magnitude and geography of urban informality

At present, a multiplicity of estimates exists of the proportion of the urban population living in informal settlements in the AMBA. Accordingly, indications of the number and the growth of *informal settlements* vary significantly from source to source. The large variance and inconsistency between data can to certain extent be traced back to the definition of slums (see section 2.2.1), with different definitions producing different statistics. Another complication arises when trying to obtain quantitative

data, because slums (inherent to their very nature as irregular settlements outside of 'the legal') are difficult to quantify. Official census data contain inconsistencies because some municipalities possess inaccurate or dated registries (or do not register informal settlements at all), leaving a high degree of uncertainty regarding the real magnitude of the phenomenon. A number of indications are the product of the intuition of government officials, or are aggravated to give a higher sense of urgency to the problem (Cravino, Del Río and Duarte, 2008). In addition, a significant portion of Argentinean slum dwellers are illegal immigrants from neighbouring countries that are not eager to report their residential status to governments. Finally, the phenomenon of informal settlements is characterised by its high dynamics, with new land occupations occurring contineuously.

The most profound academic research with the aim of making an accurate estimation was conducted at the Universidad General de Sarmiento by Info Hábitat (2008). They added to the official census data from the Bureau of Statistics (INDEC) a number of other analyses that were based on own observations, to correct outdated data and definition inconsistencies. The research revealed that in many occasions the census data that was gathered on the basis of municipal data did not incorporate the newest slum areas that were not (yet) recognised as such by the respective municipalities. In contradiction to what census data indicate, the number of residents in *villas* and *asentamientos* looks set to rise when these 'sub registry settlements' are taken into account (Info Hábitat, 2008). As of 2006, the UNGS research registered a total of at least 819 informal settlements in the AMBA, housing more than a million people or 8% of the total population (Info Hábitat, 2008). The report also suggests that between 2001 and 2006, the total population increased with 6.6%, compared to a staggering 57,5% increase of people living in informal settlements (Info Hábitat, 2008)[7]. More recently, government officials of the Province of Buenos Aires estimated (using the UNGS data as a point of departure) that the number of people living in *villas* and *asentamientos* in Greater Buenos Aires exceeds two million, representing around 20% of the total population (*La Nación*, 2010[8]). According to official figures, in the CABA over 200.000 individuals or 7% of the total population

[7] Although it must be noted that census data from 2001 was used as a basis for the comparison, and that it is evident that this data underreported the number of *villas* and *asentamientos*, resulting in a higher growth figure.

[8] Morosi, Pablo. "Viven más de 2 millones en las villas bonaerenses." *La Nación*: 05 apr 2010. Last accessed on 8/3/2011 at: <http://www.lanacion.com.ar/1250717-viven-mas-de-2-millones-en-las-villas-bonaerenses>.

live in precarious settlements (CBAS, 2010)[9]. In addition, another 140.000 are estimated to inhabit squatted buildings, primarily abandonded factories (Kennedy and Tilly, 2005).

Table 3.1 – Development of the total population and the population in villas and asentamientos between 1981-2006.

Municipality	1981		1991		2001		2006	
	Total po-pulation*	Informal population	Total population	Informal population	Total population	Informal population	Total po-pulation**	Informal population
Autonomous City of Buenos Aires	2.922.829	37.010	2.965.403	52.608	2.776.138	107.805	No data	129.029***
Almirante Brown	331.913	1.916	450.698	13.885	515.556	36.524	555.589	51.749
Avellaneda	334.145	23.796	344.991	33.480	328.980	39.178	342.859	46.059
Berazategui	201.862	2.940	244.929	6.897	287.913	6.639	311.288	9.312
Esteban Echeverría	188.923	3.006	275.793	4.484	243.974	4.696	264.072	5.340
Ezeiza					118.807	18.331	136.124	59.571
General San Martín	365.625	26.070	406.809	45.843	403.107	73.289	421.419	81.109
Hurlingham	598.420	7.899	643.553	9.022	172.245	5.903	176.144	9.373
Morón					309.380	5.704	328.301	19.636
Ituzaingó					158.121	4.409	165.569	4.582
José C. Paz	502.926	15.902	652.969	19.028	230.208	8.963	250.941	22.857
Malvinas Argentinas					290.691	13.255	315.675	12.896
San Miguel					253.086	21.937	273.255	24.457
La Matanza	949.566	36.238	1.121.298	22.655	1.255.288	69.157	1.338.386	139.871
Lanús	466.960	45.209	468.561	62.589	453.082	49.000	463.564	68.344
Lomas de Zamora	510.130	28.198	574.330	40.972	591.345	92.597	616.921	74.471
Merlo	292.587	4743	390.858	3.244	469.985	1.751	512.875	11.157
Moreno	194.440	2.690	287.715	2.275	380.503	368	426.065	15.647
Quilmes	446.587	35.727	511.234	65.368	518.788	45.991	541.972	120.097
San Fernando	133.624	8.206	144.763	14.528	151.131	9.341	160.069	13.906
San Isidro	289.170	15.742	299.023	17.761	291.505	20.421	306.695	42.783
Tres de Febrero	345.424	10.874	349.376	12.316	336.467	28.859	345.880	14.608
Tigre	206.349	9.131	257.922	18.804	301.223	25.747	328.760	51.641
Vicente López	291.072	10.550	289.505	9.016	274.082	12.721	285.121	10.255
Florencio Varela	173.452	2.083	254.997	8.312	348.970	No data	390.163	27.134
Total Greater Buenos Aires	**6.823.175**	**290.920**	**7.969.324**	**410.479**	**8.684.437**	**594.781**	**9.257.707**	**936.855**
Total AMBA	**9.746.004**	**327.930**	**10.934.727**	**463.087**	**11.460.575**	**702.586**	**9.257.707**	**1.065.884**

Source: Cravino, Del Río and Duarte (2008), based on data from INDEC, the Provincial Directorate of Statistics of the Province of Buenos Aires, IVC and own data.

[9] According to the Corporación Buenos Aires Súr (2010), 180.000 individuals live in informal settlements in the southern zone of the CABA. This number excludes the population of *Villa 31 and 31bis*, which is estimated at 20.000.

* = Data corresponding to the population of 1980.
** = Data refer to population estimates made by the INDEC.
*** = According to the Housing Institute of the City of Buenos Aires (IVC) based on surveys conducted between 2001 and 2005.

The magnitude of the housing emergency in the AMBA in relative terms is clearly illustrated by the finding that between 2001 and 2006, out every one hundred new inhabitants of the metropolitan region no less than 60 settled in informal settlements against only 40 in the 'formal' city (Cravino, Del Río and Duarte, 2008).

III. 2.2 Slum characteristics in the Metropolitan Area of Buenos Aires

Like in any other city where informal settlements have developed, slum residents in Greater Buenos Aires live in varying levels of squalor and suffer the most intolerable of living conditions in the region. The precarious dwellings are mostly unfit for decent habitation, often lacking security, comfort, privacy and solid construction. Furthermore, slum dwellers are excluded from access to many of the urban amenities that are vital to citizenship. A considerable portion of the slums are still deprived from good drinking water, electricity and sanitation. Access to credit and economic activity is severely constrained due to land tenure issues, and (affordable) health and education facilities are inaccessible. In addition, some slum communities are exposed to severe health and safety risks because the lands where they live are polluted and/or prone to flooding and other natural disasters. The inequality and disparities are further fuelled by a vicious circle between the risks and vulnerabilities, perpetuating the decline of the neighbourhoods and the quality of life of the dwellers. The spatial location of many settlements combined with the limited access to urban amenities, inadequate infrastructure, and negative stigma are severe constraints to employment, which in many occasions has led to high incidences of crime and drug abuse. These conditions lead to further stigmatisation and exclusion of slum dwellers, and without external intervention this will inevitably result in a situation wherein many informal settlements are be trapped in a downward spiral. This section will highlight some of the most noteworthy common features of Buenos Aires' slums.

Property right issues and risk of eviction

Most of the land invasions that occurred during and after the last period of dictatorship took place on private lands that offered little economic return to the owners. The plots were either subject to the aforementioned statutory restrictions

that hindered formal development, or consisted out of garbage dumps or flood prone areas (Herzer *et al.*, 2000; Cravino, 2001; Almansi, 2009). As a result, most of the land occupants in the *asentamientos* that developed at the urban fringe nowadays face no or little risk to be evicted, in spite of not having formal land titles. This is not to say that the absence of formal titles is not an issue, since it impedes the access for resident to credit and employment markets as well as the right to urban services. In contrast, many *villas miserias* have developed on very centrally located and valuable lands that are owned by the state and are known to be highly lucrative for development (Cravino, 2001). Quite well known is the example of the well-consolidated *Villa 31* in the heart of the Autonomous City of Buenos Aires, where resident have lived under the constant threat of eviction by the city government. The land has an estimated land value of up to 6000 U.S. dollars per square meter (Scott, 2008). The discussions about land tenure rights in the inner city slums such as V*illa 31* have initiated, thanks to excessive media attention, a widespread debate about illegal occupants and their 'right to the city'. As we will see later in this research, most of the shantytowns in the CABA (that are officially recognised as such) are now being considered for in situ-upgrading projects. No clear official statements have yet been made in this respect about *Villa 31*, nor are most *villas miserias* in surrounding municipalities safe from eradication. Recent estimations suggest that up to 20% of all households in Greater Buenos Aires are living in irregular tenure situations (see section 3.2.1) and therefore are to great extent underserviced and impeded from access to credit, financial services and legal land trading.

Overcrowding and substandard housing

The vast majority of the inhabitants of the *villas miserias* live below the poverty level, and their situation is reflected by the quality of their houses. It must be noted that there are differences depending on the age and the degree of consolidation of the settlement. On the one extreme are the occupants that have lived in the *villas* for decades and have built their houses of brick masonry, with often two or more stories. The more recent occupants often only managed to raise precarious housing of sheet metal and cardboard. Many structures in the more consolidated *villas miserias* have three or four stories but lack the appropriate foundations, which resulted in several buildings to collapse. In addition, *villas miserias* often lack open spaces and contain a high number of single-room units that are sometimes cohabited by different families.

Particularly in the centrally located *villas miserias*, overcrowding is a serious problem. In conjunction with the precariousness of most building structures, overcrowding poses significant health and security risks to the dwellers.

Location on hazardous lands and pollution issues

The environmental situation of the metropolitan region of Buenos Aires has seriously deteriorated during the past decades, this being the result of patterns of land occupation that barely took into account the physical limitations and potentials of the ground, next to inadequate environmental norms and regulations imposed on industrial and household effluents and an overt absence of sanitary infrastructure and sewage treatment facilities (Clichevsky, 2002). As a result, ground, water and air pollution are now some of the serious problems faced by the inhabitants of the region, particularly in the poorer districts adjacent to river estuaries and industrial sites. Slum dwellers suffer disproportionately from the health effects associated with these types of pollution, since they are often located on river banks, flood plains, industrial areas and even former waste landfill sites. Unorganised waste and sewage disposal and unconventional ways to generate energy (gas, oil and firewood) in the informal settlements themselves is aggravating the problem. The unsanitary conditions have significant health implications for slum dwellers, with diseases ranging from respiratory problems to lead poisoning and skin cancer. The precarious housing conditions in these slums, compounded to the lack of potable water and sewage utilities and services to collect waste result in an even greater exposure to these risks.

The Matanza-Riachuelo watershed has been identified as the most contaminated river basin in Argentina, and most likely even that of the South American continent. The surface water contains concentrations of organic pollutants and heavy metals, including lead and mercury, far exceeding the levels that are considered safe for human habitation (Clichevsky, 2002). Many of the industrial plants in the catchment area, especially tanneries and slaughterhouses, use the river as an open sewer for their untreated wastewater. Coordinated policy action to address the environmental degradation of the river basin was frustrated for a long time due to overlapping jurisdictions and competency issues, with at least 22 institutions operating in the area [10]. Jumpstarted by a mandate made by the Supreme Court in 2006, an ambitious cleanup plan (the *Plan Integral de Saneamiento de la Cuenca Matanza-*

[10] Government of the City of Buenos Aires:
http://www.buenosaires.gov.ar/areas/jef_gabinete/riachuelo/ac.php?menu_id=24177

Riachuelo) was announced by the then president Néstor Kirchner. With the establishment of a river basin agency (ACUMAR), the plan incorporated institutional strengthening to support plan implementation. Since then a number of cleanup efforts have been undertaken and industries have been closed and/or converted, but in spite of this the river basin remains a serious source of health problems.

An informal neighbourhood in the *partido* of Avellaneda that occupies land between the Riachuelo river mouth and a petrochemical hub with several oil refineries has been appropriately nicknamed *Villa Inflamable* ('the flamable shantytown'). An epidemiological study revealed that more than half of the children in the neighbourhood had extraordinary high levels of lead in their blood. The same study also found statistical correlations between the presence of toxic metals in the area and respiratory, dermatological, neurobehavioral and other problems (JICA, 2003, in: Auyero and Swistun, 2008). Although there is no clear point of view regarding the exact source of the lead pollution and its effects on health in the area, the presence of many of the potential hazards to human health that are normally associated with oil refining processes is confirmed by the competent National Environmental Authority (SAyDS), affirming the culpability of the petrochemical industries (INPADE, 2008). But the relationship between the community of *Villa Inflamable* and the corporations that contaminate the environment (particularly Shell) is of a very ambiguous nature: many individuals in the neighbourhood depend on the petrochemical industries for employment and the basic services that they bring in the *Villa* (including a health clinic). In addition, confusion of uncertainty about relocation and a chronic distrust in local government impedes collective action and leads to ignorance on the part of the community (Auyero and Swistun, 2008).

The environmental characteristics of the Río Reconquista river catchment area on the other side of the urban region aren't much more favourable, and also along these banks a number of *villas* and *asentamientos* suffer heavily from intolerable levels of water pollution. The harsh conditions at least ensure that the occupied land is of so little value that squatting is tolerated and eviction risks are relatively low.

Another major environmental risk that primarily affects the residents of *villas miserias* and *asentamientos* is that of inundations. Approximately a quarter of the areas that are identified as *villas miserias* are located on low-lying and poorly drained land along the aforementioned Riachuelo-La Matanza and Reqonquista rivers, and are very prone to floodings (Clichevsky, 2002). The majority of the *villas* on

flood prone lands can be found in the municipalities of Lanús[11] and Lomas de Zamora[12], representing over eighty percent of the informal settlements that are vulnerable to flooding (CONAMBA, 1995, in: Clichevsky, 2002). The occurrence of inundations significantly increased in recent years, mainly due to urban sprawl in the catchment areas of the rivers. Both formal and informal urban expansion has overwhelmed the open spaces; a process that attributed to a more intensive hydrologic cycle. The increased imperviousness land cover retards the entry of water into the soil which causes peak runoffs.

Limited access to basic services

Particularly in the surrounding municipalities of the conurbation that comprise the Greater Buenos Aires area, residents of informal settlements suffer from the lack of adequate infrastructure, basic amenities and urban services. The absence of these services results in greater exposure to a variety of risks, including an increased vulnerability to diseases, issues with safety and security, vulnerability to environmental hazards such as floodings, landslides and fires and economic damage resulting from the substandard condition of transportation, public utilities, property rights, etc. (Cosgrove *et al*, 2005). Sanitation is a prevalent problem with the absence of public facilities such as drainage, garbage disposal and safe water. Historically, many of the slums in the AMBA have been denied access to water because of their precarious land tenure status (Almansi *et al*, 2003). Even in communities that were able to pay for the construction and usage of water services, water suppliers denied the provision of these services. Several motivations for this are mentioned by Almansi *et al.* (2003), including a perceived difficulty to collect fees for water usage and the assumption that informal dwellers are not willing to pay. In addition, services were refused as part of a broader policy based on the perception that slums are illegal and should not be supported. Finally, the privatisation of service utilities in the 90s led to the expansion of water systems being driven by commercial viability instead of delivering the rights to water (Almansi *et al*, 2003). The privatisation of water and sewer services in AMBA was reversed in 2006 through its transfer back to a state owned enterprise (see box 3.1), and since then more informal settlements have been connected to the network of potable water. Whereas in 2006 almost one third of the households living in *villas* and *asentamientos* in AMBA had no access to the water network, estimations from

[11] *Villa Diamante* and *Villa Caraza*
[12] *Fiorito* and *Villa La Salada*

2009 suggested that only 17,4% are not connected to piped water (UNGS, 2009). There has also been a significant increase in the number of households connected to the gas and sanitation, although the majority of households in slums remain underserviced (Sparacino, 2005; Kozulj *et al,* 2008).

Box 3.1 – The role of local NGOs in the improvement of water and sanitation provision

During the 1990s, the provision of water and sanitation to slums in Buenos Aires was seriously undermined by the restructuration and privatisation of utility companies, in addition to the poorly coordinated government programmes and political clientelism. In response, local organisations such as IIED-AL (International Institute for Environment and Development/América Latina) initiated pilot projects combining research with action to improve the living conditions of slum dwellers. An important component of the strategy of IIED-AL was to secure access to water and sanitation in informal settlements. The organisation set up a pilot project in the San Jorge barrio (neighbourhood) in the municipality of San Fernando, Greater Buenos Aires. They succeeded in establishing a collaborative network in which the local government, private sector and local community jointly developed a strategy to connect the informal settlement to the formal water network. The strategy was part of one of the first integrated slum upgrading projects in the conurbation, including land tenure regularisation, resettlement to an adjacent terrain to lower population density, a micro-credit scheme to enable housing improvements and various social initiatives. The collaborative approach leaded to agreement, and a financial mechanism was developed for delivering water and sanitation services to the San Jorge neighbourhood. Altogether, the project provided a learning experience because it worked with a participatory-based management model that created new power relations between the different actors. It also dealt with complex issues related to service expansion into settlements without formal tenure, where beneficiaries had difficulties paying connection and service costs. But the positive results achieved in Barrio San Jorge led the municipal government of San Fernando to use the project as a model for other slums in the municipality, and today 100% of the households within its borders are connected to the water system. Instead of scaling up the work by replicating the project in other settlements, IIED-AL focused on influencing local governments and private water utility companies to change their operating procedures. The collaborative approach was soon adopted by Aguas Argentinas, the utility company that was holding the concession to provide water and sanitation in a large part of Greater Buenos Aires. The precedent in San Fernando triggered them to create a specialised department within its structure to work in informal settlements.

The experiences of IIED-AL and other NGOs in Latin America underscore the importance of local partnerships between communities, municipalities and the private sector in providing basic services, instead of an approach relying on market mechanisms. In the 2000s, the provision of water and sanitation shifted to federal programmes, including PROMEBA, and many water concessions were renegotiated by the new government in 2006. In the Metropolitan Area of Buenos Aires, the responsibility for service provision reverted to the newly created public entity *Aguas y Saneamientos Argentinos* (AySA). The entity adopted aspects of the participatory management model that was used by Aguas Argentinas to extend their services to informal settlements. AySA's principal instruments for the expansion of services are the programmes *Agua + Trabajo* ('Water and Work') and *Cloacas + Trabajo* ('Sewerage and Work'). The methodology of the programmes stands out because they use labour from informal settlements to construct the network expansions.

Social exclusion and economic deprivation

Whereas Argentina used to be a country where income inequality figures where relatively low compared to other Latin American nations, income distribution has deteriorated progressively during the last two decades. This is evidenced by the Gini coefficient that has risen from 0.36 in 1974 to 0.46 (2010), with an extreme of 0.53 coinciding with the 2001 financial crisis (Altimir *et al.*, 2002; INDEC, 2006). Along with the significant rise of income disparities, the incidence of poverty in Greater Buenos Aires sharply rose throughout the same period. Against the backdrop of changing land markets and a new non-interventionist mindset adopted by the state, mounting inequality pushed more people into informal settlements (Van Gelder, 2009). Factors that are mentioned to have had a major impact on the escalation of urban marginality are the growing unemployment as a result of the successive crises and new economic models (Altimir *et al.*, 2002), and the strong association of social rights with employment in Argentina (Kessler, 1996; Auyero, 1999). Studies have suggested a strong link between spatial inequality and human capital, measured in education completion, and with the percentage of people with unsatisfied basic needs (Santos, 2005).

The deepening marginalisation of slum populations is partially explained by the existence of a self-perpetuating cycle: communities that find themselves living in the poorest conditions with limited access to housing, urban services, education and employment are subject to further impoverishment. Their access to credit and formal job markets is further limited due to stigmatisation, discrimination and geographic isolation (UN-Habitat, 2003). The depressed areas particularly deteriorated in the period of neoliberal restructuring and the state disengagement in the 1990s, which created a context of public neglect and exclusionary planning systems. In addition, several studies noted the constant degrading of the public health and education systems and the reduced supply of utilities to low-income groups, largely due to privatisation of state enterprises (Auyero, 1999; Van Gelder, 2009). In contrast, high income groups tend to enjoy an increasingly cosmopolitan lifestyle during the last decades, living retreated in the numerous gated communities and country clubs that sprawled over the suburbs. Most housing construction has been directed towards this group after state retrenchment in the 1990s, and in some occasions these rich communities are located immediately adjacent to slums (segregated only by a single wall) (Thuillier, 2004; Crot, 2006). As a result of social and economic exclusion, the Argentine society has been subject to a process described as residential dualisation (Furlong and Torres, 2000; Torres, 2001; Crot, 2006). In Greater Buenos Aires,

dualisation is particularly felt because both lifestyles can be found close to each other. Such highly visible disparities enhance the association of slum dwellers with the city's ills, such as crime and unemployment. The marginalisation of slum communities is further exacerbated because of the disaggregation into groups based on ethnic origin. Since many slum dwellers are (descended from) migrants from neighbouring countries, a strong stereotype exists that connects place of residence with ethnic origin, and intensifies marginalisation based on prejudices (Cravino, 2001). On the part of the slum dwellers, visible inequality and spatial segregation creates tension, frustration and a further sense of exclusion for the poor. This effect is even more pronounced in poor municipalities, as these local governments were more likely to grant concessions in favour of private developers when planning was decentralised (Libertun de Duren, 2007).

Crime and safety issues

In AMBA, the manifestations of poverty are also set in a context of rising levels of violence and insecurity and increasing drug-consumption and trafficking (Auyero, 1999). According to Bijlsma and Hordijk (2009), cities with high socioeconomic inequality appear to be more vulnerable to crime and insecurity. The metropolitan region of Buenos Aires is no exception to this, as violence levels have dramatically increased during the last two centuries, along with the increasing 'dualisation' of its society and the proliferation of poverty. Compared to other world regions, the cities in Latin American host many examples of demarcated communities that have descended into near-anarchy, and in which the rule of law can barely be effected because they are controlled by criminal gangs. Although Buenos Aires is still a relatively safe city, a number of the *villas miserias* in the AMBA are notoriously associated with crime, violence and narcotics trafficking, and since the last major economic crisis in 2001 they have also set the stage for the alarming rise of an inexpensive drug named *paco*; a toxic cocaine by-product. These rising levels of crime and insecurity are used to justify further socio-spatial segregation, which is disturbingly illustrated by the formation of highly secured gated communities, often adjacent to informal settlements (Crot, 2006; Bijlsma and Hordijk, 2009). The growing socio-economic inequality is reflected by the stark divergences in housing conditions. Moreover, high crime rates discourage investment in the low-income settlements themselves, and thereby perpetuate poverty and feed more crime (Kuiper and Van der Ree, 2006). For many of the inhabitants of slums, insecurity is perceived as the biggest issue.

III. 3 Chapter revision

In section 2.1 of this research, a number of common factors that contribute to the proliferation of informal settlements have been identified. We have seen that slum areas are often the result of a combination of factors, including population growth, positive net migration rates from exterior countries but above all high numbers of rural-urban migration that strain cities' capacity to provide housing and urban amenities. The rapid population growth of urban centres in developing countries generally outpaces the rate of formal job creation, which generates high unemployment figures, steep income inequality and the rise of informal economies.

In the absence of sufficient affordable housing units and adequate land release mechanisms, large numbers of urban citizens are left with no other option than to construct a shelter themselves in illegal settlements. The resulting spatial expansion of cities largely surpasses the capacity of authorities to provide these areas with adequate infrastructure and services. As a consequence, many informal dwellers are without access to tenured land of their own, clean water, sanitation, transport facilities etc. In numerous occasions, governments are reluctant to acknowledge such urban expansions in their formal spatial plans so that the areas remain excluded from development intervention.

In this chapter we have seen that the mechanisms that underlie the development and spread of informal settlements in the AMBA are no exception to what is described above. Like the majority of the Latin American countries, Argentina underwent a massive rural-to-urban migratory trend during the twentieth century while the provision of housing and services in urban centres (most notably in the AMBA) necessary to absorb these urban newcomers dramatically lagged behind. Economic progress was not sufficient to absorb the rapidly growing labour force, while income distribution gradually worsened during the century. In addition, housing policy was increasingly biased in favour of middle- and high-income sectors with the abolition of the *loteos populares* system of releasing land for development. With the exception of the latest two decades, government efforts to curb the rampant growth of informal settlements have been absent, incompatible or, at best, inadequate to the scale of the problem. Historically, the variations in trajectories of slum politics corresponded closely to the contrasting attitudes of regimes towards urban informality. Of the various policy approaches to informal settlements (as described in section II.2), governments experimented with negligence, forced eviction and slum razing (particularly during the military regimes), resettlement and

isolated legalisation programmes. More recently, slum upgrading programmes have been established that favour *in situ* interventions to improve living conditions in slums and support socio-economic and spatial integration of these areas. The implementation of slum upgrading programmes reflects a recognition on behalf of public authorities that slums will not disappear automatically, and that government support is essential to deliver a sustainable solution to the problem of informality in the AMBA. It also adopts the notion of slum upgrading as a 'best practice' following international debates and experiences, and embraces participative methodologies with a multi-sectoral approach that addresses the complexity of the issue and the various hardships associated with life in slums (see section 3.2.2).

Notwithstanding these developments, in section 3.2.1 we have seen that the number of dwellers in informal settlements is considerable, and research suggests that the number is still on the rise despite the adoption of a nation-wide strategy. It is therefore necessary to further increase the scope of slum upgrading policy, in order to reach a larger scale to invert the trend of increasing informality. To assess the potential for scaling-up, the contemporary slum upgrading policy needs to be analysed according to the factors that have been identified in the preceding chapter (section 2.3.3). The next chapter will elaborate on the programmes in place that aim to intervene in informal settlements to upgrade these. It will provide an insight into the institutional framework within which slum upgrading policy is developed. Chapter V will focus on the factors for scaling-up, and analyse to which extent the preconditions for scaling up slum upgrading policy are being met.

IV. Analysis: Current urban policies towards informal settlements in AMBA

IV. 1 The institutional framework for slum upgrading in the Metropolitan Area of Buenos Aires

The Republic of Argentina is a federal country in which political competences are divided and operated on three administrative levels: the national, provincial and municipal. A peculiarity in this system is the autonomous status of the City of Buenos Aires (CABA) since 1994, enabling it to function independently from the Province of Buenos Aires and uniting provincial and local competences within one government. During the last decade, the **state government** became more actively involved in the implementation of strategic programmes that address urban poverty, informal settlements and the housing deficit. These programmes are centralised within the National Housing and Urban Development Bureau (SDUV) since 2003, but in reality they have a decentralised implementation structure with the national government establishing programme objectives, distributing implementation 'quotas' and allocating budgets (Rodriguez *et al*, 2007; Cravino, 2010; Di Virgilio, Arqueros Mejica and Guevara, 2010). At the state level, Argentina has always lacked a general land policy, while land use regulations are fragmented and rather support the elitist notion of land as a source of wealth instead of an asset accruing to the entire population (Almansi, 2009). Exceptions to this are the regulations and directives that are utilised to support regularisation programmes, including the aforementioned *Ley Pierri* that addresses the legalisation of purchased private land in informal subdivisions (*Ibid,* 2009).

Most land use planning regulations are enacted at **the provincial level**, although these have only been adopted in a few provinces (including the Province of Buenos Aires). These regulations are mostly fragmented, scattered and outdated, but have always exerted a strong influence on the land market and the proliferation of popular plots (Reese, 2006; Almansi *et al*, 2005; Almansi, 2009). Most notably, in the Province of Buenos Aires the Land Use Planning Law of 1977 (N° 8.912) imposed a tight set of legal requirements for the production of urban plots, including the definition of minimum plot dimensions, the extent of present infrastructure and a flood elevation level above which all houses had to be built. As a result of the law,

the amount of available land for legal development was severely restricted land prices skyrocketed. As a result of the law enactment, much of the impoverished part of the population became excluded from the formal market. This led to the planned land invasions and the establishment of the *asentamientos* in the urban periphery (see sector 3.1.2). The 1977 Land Use Planning Law provision is still in force, and according to Almansi (2009) it obstructs the formalisation of many slums in the conurbation that are unable to comply with the urban land standards. Another important decree of the Province of Buenos Aires (Decreto Nº 3.637) defines Prioritised Urbanisation Districts[13], allowing to adjust land norms to facilitate the legal 'recognition' of residential settlements. Its usefulness lies in providing the necessary regulatory conditions to urbanise *villas* and *asentamientos* on land that is not defined as urban use (Di Virgilio, Arqueros Mejica and Guevara, 2010).

Finally, **local governments** produce legally binding development plans that define land use within (a confined area of) the municipality. Local governments are important actors in processes of land regularisation and formalising informal settlements (*Ibid*, 2010), and are the protagonists of programme implementation at the local level. Even when the occupied lands are state-owned, municipalities are responsible for implementing infrastructure works, public services and land tenure regularisation processes.

Not only do the different levels of government pursue various strategies and approaches, also between local governments there is a very diverse landscape of political agendas and priorities. This makes slum politics in Argentina a very complex issue with a dispersed set of arrangements and strategies. What the different government entities have in common is that the paradigm of brutal slum eradication has been largely abandoned and slum upgrading is slowly becoming the dominant discourse. The following sections will describe the arrangements and programmes that are currently of importance in slum policy-making in the Metropolitan Area of Buenos Aires. By doing so, it will make clear the legal and political landscape in which the concept of urban upgrading is embedded in the region.

IV. 1 National housing and informal settlement policies

At the national level, a set of programmes and actions are put into practice that implements Argentina's urban housing policy. The majority of these policies follow from a departure from the neoliberal doctrine in the years following the crisis, and

[13] In Spanish: *Distritos de Urbanización Prioritaria* (DUP)

indicate a more active role of the state. In a process of recentralisation, the government of President Kirchner brought the administration and allocation of funds, the distribution of implementation quotas and project supervision of these programmes back to the state level. The **National Housing and Urban Development Bureau** -**SDUV**- (*Subsecretaría de Desarrollo Urbano y Vivienda*) within the Ministry of Federal Planning is the unit that is responsible for managing these tasks. At the same time, most federal programmes have a decentralised implementation structure with the municipalities being the main actors as regards project design and implementation. The delivery of the programmes is delegated by the Federal Government to the provinces and municipalities, who are given considerable autonomy to implement and articulate the programmes in accordance with their own land policies. Therefore, Cravino (2010) prefers speaking of *controlled decentralisation* to describe Argentina's current housing policy.

According to Fernández-Wagner, three types of policies can be distinguished that together constitute current housing policy at the state level. They provide a set of intertwined, partially overlapping domains of action with varying management models and different jurisdictions (Fernández Wagner, 2004; Rodriguez *at al*, 2007; Bettatis, 2009).

The first type of policy is the principal focus of this research, and involves intervention in existing informal settlements to achieve *in situ* urban upgrading. They address the lack of infrastructure and housing quality issues, but also the social empowerment of the beneficiaries, environment impact mitigation and land tenure regularisation. The cornerstone of slum upgrading in Argentina is the **Barrio Improvement Programme** (**PROMEBA**). The PROMEBA was launched in 1997 with partial financing from the IDB, and seeks to integrate informal settlements into the wider city legally, phyisically and socially. It does so by means of a combination of interventions, including land tenure regularisation and the provision of infrastructure and services. In addition to the multi-faceted PROMEBA, a number of specific programmes have been developed that exclusively aim at informal settlement regularisation (the Arriago Programme) or improving safe water and sanitation provision (PROPASA) and infrastructure provision (Federal Programme of Housing and Basic Infrastructure Improvement[14]). Moreover, because PROMEBA does not involve housing construction and/or improvement, the programme is sometimes

[14] Translation of: *Programa Federal de Mejoramiento Habitacional e Infraestructura Básica*

complemented with the Subprogramme for the Urbanisation of Villas and Precarious Settlements[15].

Secondly, the period following the latest crisis saw the resurgence of policies with the intention to stimulate economic recovery and employment through the reinvigoration of the housing construction market. In 2004, the state launched several ambitious social housing schemes that can be identified as 'turnkey' policies (in Spanish: '*llave en mano*'). This type of policy is consistent with Neo Keynesian principles and is based on a supply driven approach instead of delivering housing units on demand. Public housing construction policy is implemented through the **Federal Programme of Housing Construction** –**PFCV**- (divided into two phases, PFCV I and PFCV II) with the aforementioned goals of spurring economic recovery and generating formal employment, besides addressing the large housing deficit that has been built up over the last decades. The scale of the PFCV in terms of budget and the projected number of housing units to be constructed is unprecedented in Argentina's recent history. The first phase of the plan launched to construct a total of 120.000 low-cost housing units for the whole country, of which 33.000 were targeted for Greater Buenos Aires and 5000 for the CABA. A second phase was announced in 2006 even before completion of the first, which added an additional 300.000 dwellings to be constructed across Argentina. In spite of several backlogs in terms of housing unit delivery, particularly in the CABA, the PFCV provided almost the same quantity of housing units in a two year timespan than had been built in the region in the preceding three decades (Cravino, 2010). Within the context of the Greater Buenos Aires region, the actors that are responsible for implementing the housing projects are the municipalities, with the Province assuming a complementary role as the driver of regulation, coordinator of activities of infrastructure provision and incidentally executing additional infrastructure programs (Cravino, 2010). One element of the PFCV that deserves specific attention is the Subprogramme for the Urbanisation of Villas and Precarious Settlements. Although this is clearly a subprogramme of the PFCV, it targets existing informal settlements for the construction of new housing units.

The third kind of policy is directed towards the financial support of self-construction initiatives by labor coorperatives. Again, the crisis was an important factor underlying this development because it catalysed the accumulation of proposals that were articulated by a popular movement that had become very influential at that

[15] Translation of: *Subprograma de Urbanización de Villas y Asentamientos Precarios*

time (Kennedy and Tilly, 2005; Rodriguez, 2009). At the end of 2003, one of the first steps of the post-crisis government reorganisation was the creation of the Federal Housing Emergency Programme (initially known as '*Techo y Trabajo*'), to promote the use of labour-intensive construction work on a small scale at the level of the neighbourhood. The programme provided the establishment of such labor cooperatives that were formed by beneficiaries of the workfare plan '*Jefes y Jefas de Hogares*' and unemployed people. As such, the programme promoted job creation and community participation next to the production of low-cost housing units.

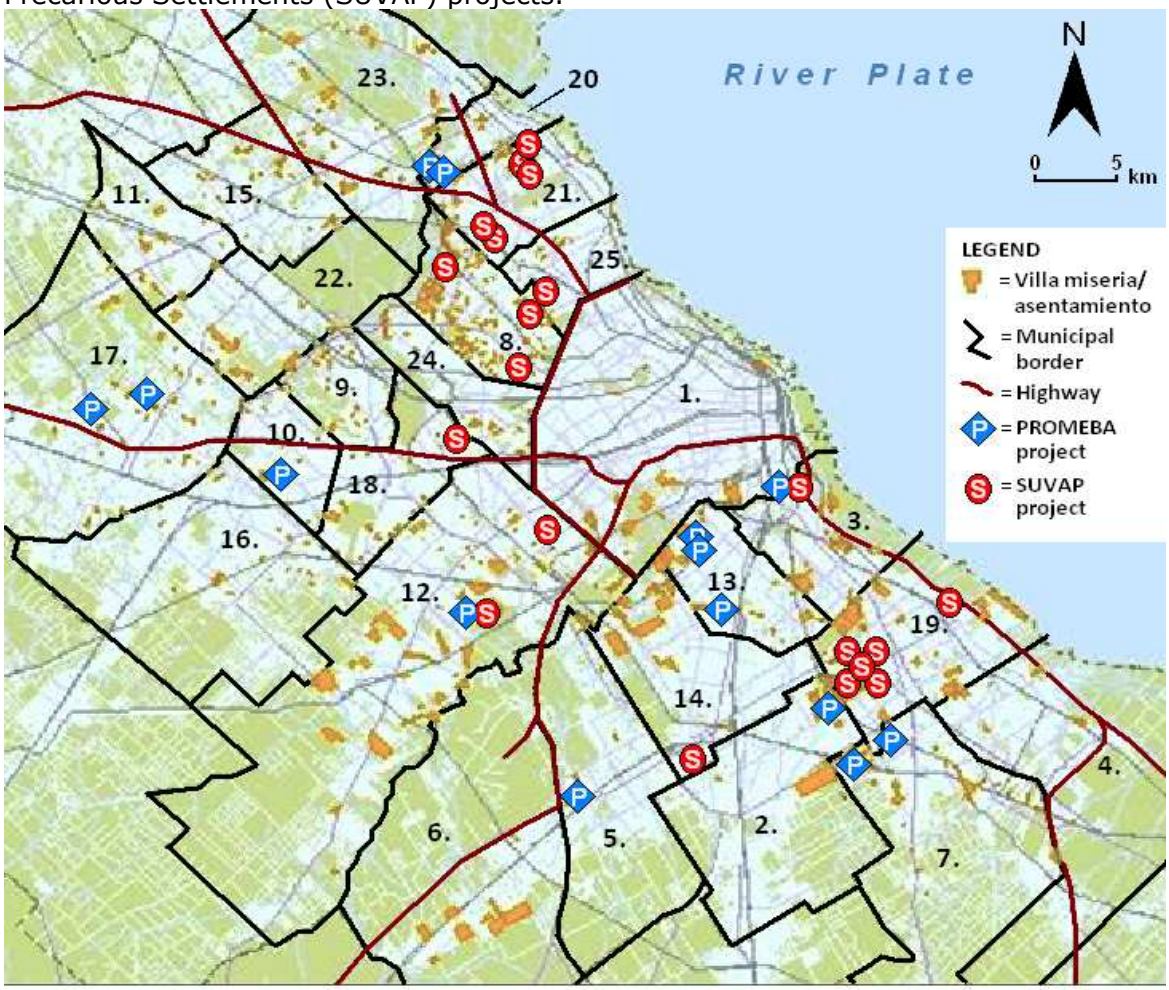
The following table provides an overview of the federal government's programmes that target either informal communities or the low-cost housing deficit. The remainder of this section will examine the features of the two programmes that promote integrated slum upgrading projects: PROMEBA and the Subprogramme for the Urbanisation of Villas and Precarious Settlements.

Table 4.1 – Delivery components of national programmes

Programmes at national level	**Land tenure regularisation**	**Constructing new housing**	**Improvement of existing housing**	**Urban infrastructure/ Social equipment**
PROMEBA	**X**			**X**
Federal Programme of Housing Construction (PFCV)		**X**		
Federal Programme of Housing Improvement ('Mejor Vivir')			**X**	
Urbanisation of Villas and Precarious Settlements Sub-programme		**X**	**X**	**X**
Federal Housing Emergency Programme ('Techo y Trabajo')		**X**		
Arraigo Programme	**X**			
Law 24.374 ('Ley Pierri')	**X**			
Federal Programme of Housing and Basic Infrastructure		**X**	**X**	**X**

Source: Rodriguez *et al* (2007, p.60)

Figure 4.1 – Localisation of informal settlements in Greater Buenos Aires and spatial distribution of PROMEBA and Subprogramme for the Urbanisation of Villas and Precarious Settlements (SUVAP) projects.



Source: Own elaboration, using background map and data from Info Hábitat (2011)[16]

IV. 2 The Barrio Improvement Programme (PROMEBA)

Objectives and components

The Argentine government has accorded priority to the improvement of the quality of life and the promotion of social inclusion of urban poor households residing in the

[16] http://www.infohabitat.com.ar/web/cnt/es/mapas/

villas miserias and *asentamientos* across the country. In order to do so, the National Housing and Urban Development Bureau (SDUV) pursues a strategy that aims to improve the habitat of selected households in a sustainable and comprehensive way, throught processes of regularisation and *in situ* settlement consolidation. The PROMEBA programme plays a fundamental role in this strategy, since its methodology is based on an integrated, cross-sectoral approach. PROMEBA consists out of four lines of action:

Table 4.2 – Lines of action of the PROMEBA

Component	**Actions and interventions**
Regularisation of land tenure	1. Financing of legal studies and land surveys 2. Support for legal and physical regularisation of land tenure 3. Delivery of registered ownership titles to beneficiaries
Provision of infrastructure and urban amenities; environmental rehabilitation	4. Financing of technical, economic, legal, environmental, and social studies for integrated implementation projects 5. Investments in: 6. sanitary networks 7. electricity 8. rainwater drainage 9. gas distribution infrastructure 10. roads and pedestrian networks 11. urban and community amenities 12. community green areas 13. community development projects 14. environmental impact mitigation works
Social and human capital development	15. Financing of fieldwork by multidisciplinary teams for the urban, social, environmental, and legal support to residents in the area 16. Help for the management of independent initiatives by residents 17. Articulation of relations among residents, state organisations and NGOs 18. Finance and support for projects for the development of the community's human and social capital aimed at containing and preventing the risk of vulnerable groups (through recreation, sport, training in job skills, and solid waste treatment)
Strengthening of institutional management capacity	19. Financing of training activities, urban planning, and new illegal settlement prevention plans 20. Setting up of monitoring, assessment, and management systems. 21. Nationwide illegal and informal settlements registry

Source: Palenque (2010)

Table 4.3 – Lines of action and financing of PROMEBA

LINES OF ACTION	**IDB** In thousands of US$	**STATE GOV'T** In thousands of US$	**TOTAL** In thousands of US$
Component 1 *Land tenure regularisation*	6.624	736	7.360
Component 2 *Provision of public infrastructure and equipment*	307.694	32.666	340.360
Component 3 *Increase of social and human capital*	20.142	2.238	22.380
Component 4 *Strengthening of institutional management capacity*	9.000	1.000	10.000
Administration	6.540	3.360	9.900
TOTAL	350.000	40.000	390.000

Source: SDUV (2011) http://www.promeba.org.ar/institucional/index1024.html

PROMEBA places significant emphasis on community participation in problem identification, project design and implementation, and eventually the maintenance of the projects to be completed by the programme. (Cosgrove *et al*, 2005). Community-based project management allows for the continuation of support beyond the execution span of the programme. It aims to generate a sense of ownership among beneficiary communities, which become project co-executing agencies. The planning process is based on a transdisciplinary approach requiring the engagement and participation of the various government agencies and the neighbourhood organisation, but also the utility companies, construction firms, NGOs and civil society organisations, professional associations etc. The executing units of PROMEBA also negotiate with utility companies and construction firms to employ local people for the execution of works in order to tackle unemployment in the targeted community and to stimulate the creation of community cooperatives (Almansi, Hardoy and Hardoy 2010).

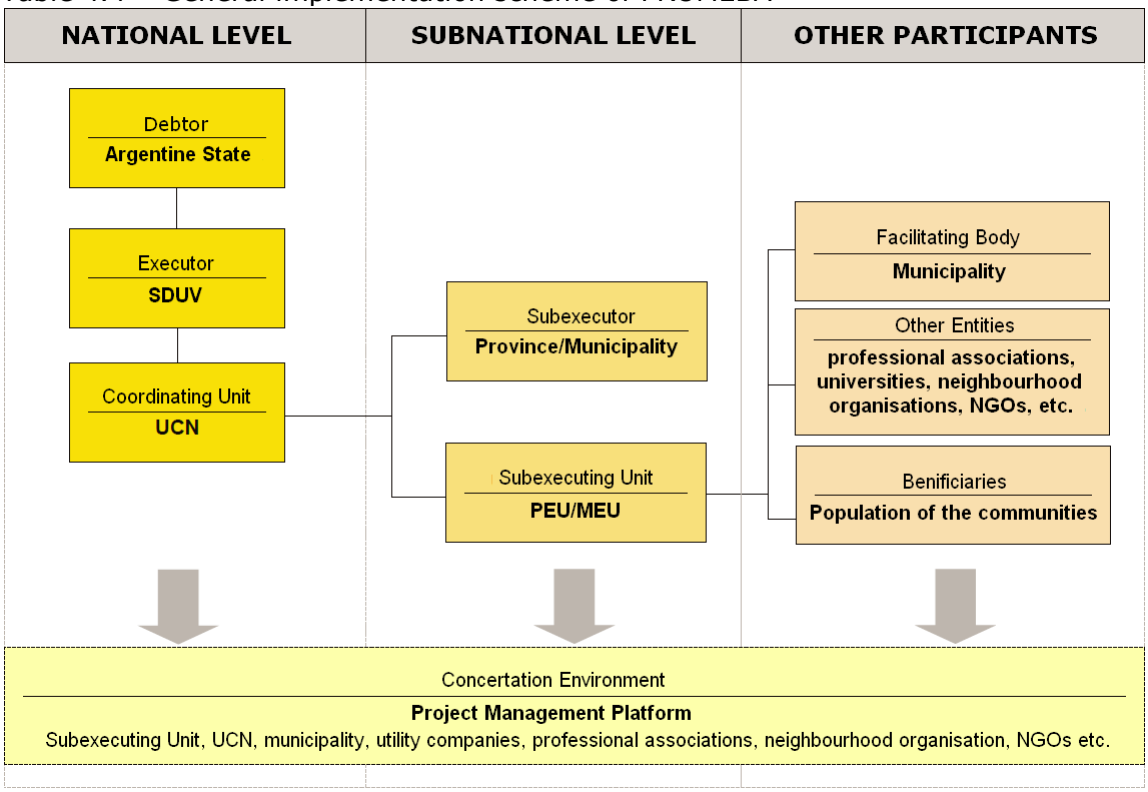
Institutional structure of PROMEBA

In order to support community participation, a decentralised structure is used for the implementation of PROMEBA so that decisions are taken at a low administrative level close to the citizens. The decentralised implementation structure also guarantees that the project design responds and adapts to local peculiarities. Given the decisive

role of municipalities in implementing the PROMEBA, resources are allocated for strengthening of management capacities and a local monitoring and assessment system (see table 3.3). Initially, the contractual agreement between the State of Argentina and the IDB provided that the funding was transferred to the Provinces in the form of a loan. This decision led to the exclusion of a number of provinces with the highest relative poverty from participating in the programme, because they could not meet the requirements for repayment. In addition, the Province of Buenos Aires and the Autonomoud City of Buenos Aires were not included until 2002. From 2007 onwards (with the introduction of the follow-up programme PROMEBA II) the funds is directly transferred to the provinces and municipalities in the form of a subsidy (Fernández Wagner, 2004; IDB, 2005).

PROMEBA was also established with the intention of designing operations that could be scaled up beyond the initial interventions that are targeted by the programme. It is designed to be a national model of decentralised, participatory and government-initiated slum upgrading that leads to the development of new partnerships and the adoption of new management models (Cosgrove *et al*, 2005).

Table 4.4 – General implementation scheme of PROMEBA



Source: PROMEBA (http://www.promeba.org.ar/documentacion/index1024.html)

The Provincial Executing Units (PEUs) and the Municipal Executing Units (MEUs) identify, design and carry out the individual projects within the PROMEBA. They are also responsible for managing the bidding process, contracting and inspecting the works as well as recruiting, training and supervising the field team professionals who formulate and implement the various interventions in a settlement. The subexecuting agencies (PEU or MEU) are provided funds to formulate one Comprehensive Executive Project[17] for each settlement, with the participation of the respective municipal government, utility companies and neighbourhood organisations. In addition, a multidisciplinary field team is contracted to manage the project. Such a team consists of professionals in four areas (urban, legal, environmental and social) and will work in the area during the pre-works phase, the implementation phase and the post-works phase.

The National Coordination Unit (NCU) within the SDUV is responsible for administering the programme funding, allocating resources and prioritising and approving projects. The NCU also supports and supervises the executing units (PEUs and MEUs) at the various stages of the project cycle, it evaluates their management capacity and it develops tools and methodologies for capacity building.

One of the principal achievements of PROMEBA is the creation of some degree of inter-institutional synergy between the state, the provinces and municipalities and the communities in which it intervenes. By participating in the programme, the institutions at the various levels make strong commitments to the integration of resources for settlement and housing policies that prioritise the poorest sectors of society (Palenque, 2008). In 2003, the SDUV made the decision to institutionalise the programme as government policy and gave it a long-term perspective (IDB, 2007). In addition, it endorsed a continuation of the programme through a PROMEBA II, which is again co-financed through a conditional Credit Line by the Inter-American Development Bank (IDB). The conditional credit line is for a 25-year period and reaches US$ 1.500 million, aiming to serve a total of 250,000 households in Argentina. The first loan[18] of US$ 350 million is for a 5-year period, with local counterpart funds totalling US$ 40 million, together aiming to serve 47.500 households.

PROMEBA does not focus on housing construction and improvement, since this can be done by the beneficiaries themselves after they obtained legal land titles. One of

[17] In Spanish: *Proyecto Ejecutivo Integral*
[18] Loan agreement 1842/OC-AR

the new targets of PROMEBA II is to establish a stronger coherence with other federal housing programs, with each program aimed to specialise in specific activities and interventions. PROMEBA II will continue to focus on neighbourhood identification and project planning, land tenure regularisation, the provision of public infrastructure and urban facilities and community strenghtening, while the *Mejor Vivir* programme and the Federal Programme of Housing Construction will finance housing improvements and housing construction respectively in the informal settlements in which PROMEBA is involved. Such an approach with the programmes being complementary to one another is expected to facilitate the relocation of households that are in environmental risk areas or cannot be given secure title. The table below outlines the disbursement schedule.

Table 4.5 – Disbursement schedule of PROMEBA in millions US$

Source of financing	**2007**	**2008**	**2009**	**2010**	**2011**	**Total**	***Pari Passu***
IDB	30	55	75	95	95	350	90%
Local	3	6	8	11	12	40	10%
Total	**33**	**61**	**83**	**106**	**107**	**390**	**100%**

Source: IDB (2005)

Project eligibility and current state of advance

The objective of PROMEBA is improving the quality of life of the poorest sectors of the Argentine urban society that reside in neighbourhoods that (partially) lack basic urban infrastructure, face environmental challenges and where land tenure is insecure. In order to identify beneficiaries, the programme works with the Unmet Basic Needs (UBN) method that measures poverty and precarious living conditions. PROMEBA works in neighbourhoods inhabited by a minimum number of 5000 persons were at least 75% of the population has UBN and where income levels are below the poverty line (Fernández Wagner, 2004). Conditions for individual project eligibility must be satisfied in two phases, a first that is part of the project draft to secure federal funding for the project and a second phase that is part of the project design for the procurement of works. The first phase includes physical and legal requirements, such as community size and the possibility for achieveing land tenure regularisation. The settlement must at least be two years of age and located on land that is either public property, legally acquired by the inhabitants (or an entity representing them) or in the process of expropriation in the course of Law 24.374 ("*Ley Pierri*"), so as to enable individual land titling. The feasibility of formalising land

tenure is an essential consideration during the eligibility process, and must first be assessed before the project receives finance. The corresponding land must also be integrated into an urban plan, and cannot be situated in areas with critical environmental issues, or where connection to services is unusually expensive. The requirements of the second phase include a relocalisation plan that is approved by the beneficiaries and a project design that is approved by 75% of the beneficiaries, a land tenure status that permits individual land titling but also a particular level of investment costs that will not exceed the limit of US$ 18.273 per lot. Institutional preconditions include a cofinancing and project implementation agreement that is be signed between the respective province and the National Coordination Unit, as well as secured additional funds to provide a housing solution for households that have to be relocated. Finally, a covenant must be agreed upon with utility companies to ensure the operation and maintenance of the services that they provide. Also, the construction of basic infrastructure must be feasible for the locations where urban upgrading under PROMEBA could take place.

Table 4.6 – PROMEBA I and PROMEBA II projects in AMBA

PROMEBA I				
	Municipality	**Settlement**	**No. of households**	**Investments in US$**
Completed	Florencio Varela	Don José Planificado	868	17.529.800,30
	Lanus	Villa Talleres	174	5.533.427,74
	Moreno	Satélite/ Santa Elena	481	10.253.517,86
	San Fernando	Hardoy/ La Paz	320	7.823.796,00
	Ituzaingó	Villa Evita	50	817.741,84
In execution	Avellaneda	Villa Tranquila	1.100	12.370.295,50
	Lomas de Zamora	Campito de Unamuno	443	19.573.846,40
	La Matanza	Almafuerte	1.436	18.216.678,52
PROMEBA II				
Completed	Avellaneda	Villa Tranquila - 2nd stage	-	852.586,72
	Florencio Varela	La Sirena	285	6.119.992,00
In execution	Almirante Brown	2 de abril – 1st stage	2.441	19.419.325,09
	Avellaneda	Villa Tranquila – 3rd stage	-	11.131.625,00
	Esteban Echeverría	El Jaguel/Area San Ignacio – 1st stage	3.005	3.651.639,04
	Lanús	Eva Perón – 1st stage	2.044	3.180.749,13
	La Matanza	Almafuerte/Villa Palito II – 1st stage	-	943.941,12

	Lomas de Zamora	Área Unamuno – 2nd stage		1.339.335,83
	Moreno	San Carlos	705	15.498.525,57
	Quilmes	Area el Tala - Calle 893	-	6.447.406,74
		Area el Tala - Nexo Agua	3.970	7.750.605,10
	San Fernando	Area San Jorge	1.111	28.223.119,10
		Villa Jardín	486	13.214.155,72
In bidding process	Almirante Brown	2 de abril – stage IIA	-	15.845.652,19
	Avellaneda	Villa Tranquila - 4th stage	-	1.397.223,12
	Esteban Echeverría	El Jaguel/Area San Ignacio – stage IB and III	-	11.920.545,57
	Lanús	Eva Perón – 2nd stage	-	8.348.430,00
	Quilmes	Area El Tala – Stage IIIA	-	6.930.294,35
	San Fernando	Area San Jorge – 4th stage	-	8.348.279,57

Source: PROMEBA (2010) http://www.promeba.org.ar/avance/index1024.html

Outputs, outcomes and impacts of PROMEBA

As of the beginning of 2011, 168 projects are completed under PROMEBA I across Argentina, while 7 are still in progress, together benefiting close to 59.474 families. PROMEBA II has intervened in fifty projects that have reached completion, while seventy are in the execution phase and 15 are still in the bidding process, reaching another 62.207 households. The table on the previous page lists the projects that are completed, or that are in execution in the Metropolitan Area of Buenos Aires. Surprisingly, only 5 out of 168 projects that reached completion under PROMEBA I are located in the Metropolitan Area of Buenos Aires. This relates to the later inclusion of Greater Buenos Aires into the programme (2002), while the programme does not operate at all in the Autonomous City of Buenos Aires.

An external evaluation of the outcomes and impacts of PROMEBA I was conducted prior to the preparation of its follow-up, which showed positive results in most of the areas where the programme directly intervened (in order to determine a Global Outcomes Index as a summary indicator of average progress in each neighbourhood, five outcome indexes where applied in the evaluation: security of land tenure, environmental sustainability, urban integration, habitability and sanitation, and expansion of social capital). The report only evaluated PROMEBA's impact in five regions other than the AMBA. Particularly with respect to the programme's performance on urban integration, the evaluation demonstrated that the indicator

stands out as very strong (IDB, 2005). These results could easily be verified with field visits, which confirmed that the barrios in which PROMEBA intervened can hardly be distinguished from the surrounding formal city. The evaluation revealed mixed results with respect to the programme's performance on social sustainability (the expansion of social capital), and found evidence that in some neighbourhoods the situation was even worse compared to the control group of barrios. The outcomes resulted in the decision that PROMEBA II should revisited the methods of its social component and earmark additional resources to strengthening that area (IDB, 2005).

In addition, it was found by the report that PROMEBA interventions had positive indirect impacts on poverty, health and housing conditions in the evaluated neighbourhoods (IDB, 2005). Impacts were most significant on poverty levels, confirming that the interventions not only improve living standards but also, over the longer term, attribute to the alleviation of urban poverty. The report mentions significant progress with respect to housing conditions (an outcome that PROMEBA only invokes to achieve indirectly), but that there are still many inadequate dwellings in terms of size and construction. This confirmed the need to better integrate PROMEBA with complementary programmes in the field of housing improvements and housing construction (IDB, 2005) or with micro financing and technical assistance to facilitate self-help construction.

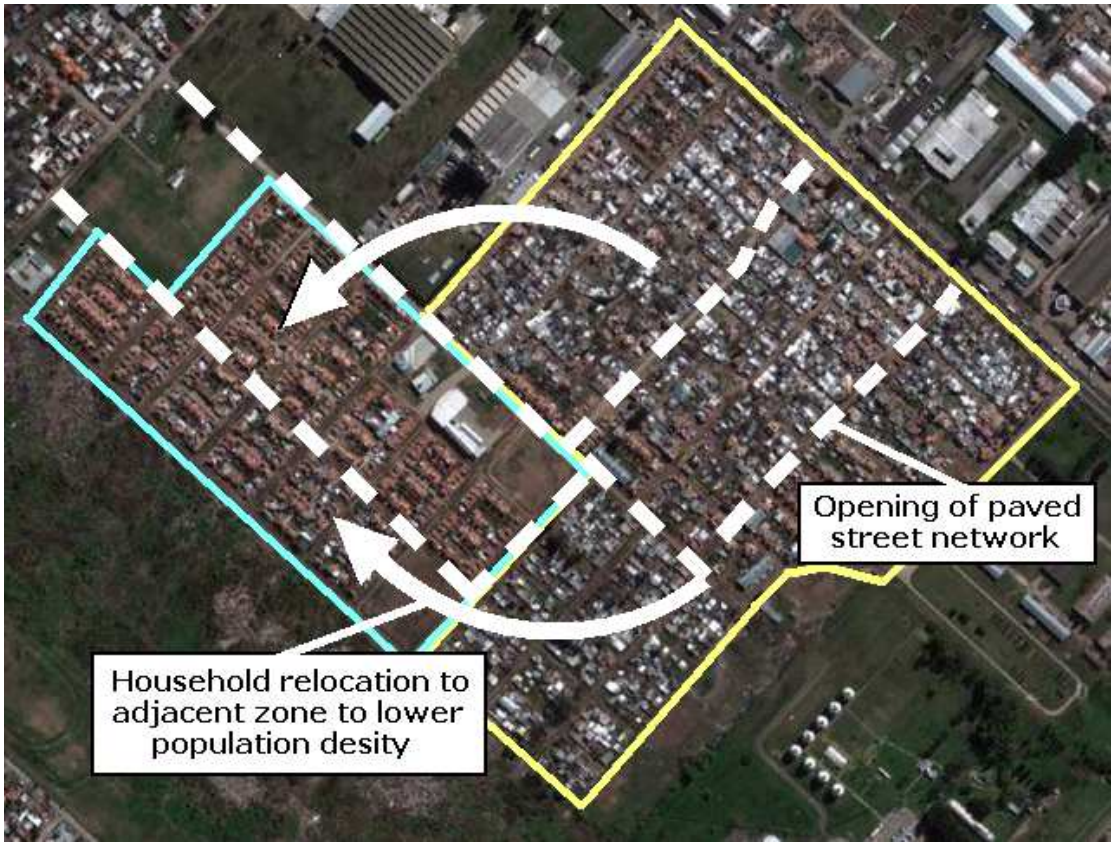
Finally, evaluation of PROMEBA I suggested that in most cases the programme created a strong synergy between the involved institutions and the different components that were financed under the programme because of its integrated character. By articulating actions in different sectors, the programme generated a strong integration of local policy-making in those municipalities that assimilated PROMEBA into their own management structure. This contributed strongly to the integration of funds and the mobilisation of additional resources, the emergence of a greater sense of belonging and ownership on the part of the municipal governments which contributed to the sustainability of the project, and finally established new platforms for community participation and dialogue (Palenque, 2008).

Box 4.2 – Two case studies involving PROMEBA projects

Barrio Almafuerte, La Matanza

The barrio of Almafuerte, also known as 'Villa Palito', is a *villa miseria* of approximately 42 hectares inhabited by close to 1500 families in the partido of La Matanza, Greater Buenos Aires. The settlement was founded in the early 1950s, but most people arrived in the early 1980s after being evicted from villas in the CABA during the latest military dictatorship. Until recently, the neighbourhood was deprived from basic services like water and sewerage, lacked tenureship and the houses were of very poor quality. In the late 1990, after years of unsuccessful government intervention, a group of people from the barrio took control and started to design an upgrading plan themselves to negotiate this with the municipality. After insisting repeatedly, the municipality agreed to cooperate and the first construction works began. As the works progressed and the results became visible, the community slowly regained confidence in the local government and a project management committee was formed composed of the municipality, local residents, the private sector and national and provincial institutions. An agreement was reached and a final development plan was drafted for the settlement

Figure 4.1 – Spatial layout of the Barrio Almafuerte urbanisation plan



Source: Own elaboration based on aerial photography provided by © Google Maps

including the reorganisation of the spatial layout of the barrio by dividing it into building blocks and parcels, the opening of streets and the relocation of families for these purposes. Preceding the interventions, an ordinance was issued based on Law No. 3637 of the Province of Buenos Aires to make the area a 'Prioritised Urbanisation Districts', so that it would be legally recognised and …

Box 4.2 (continued)

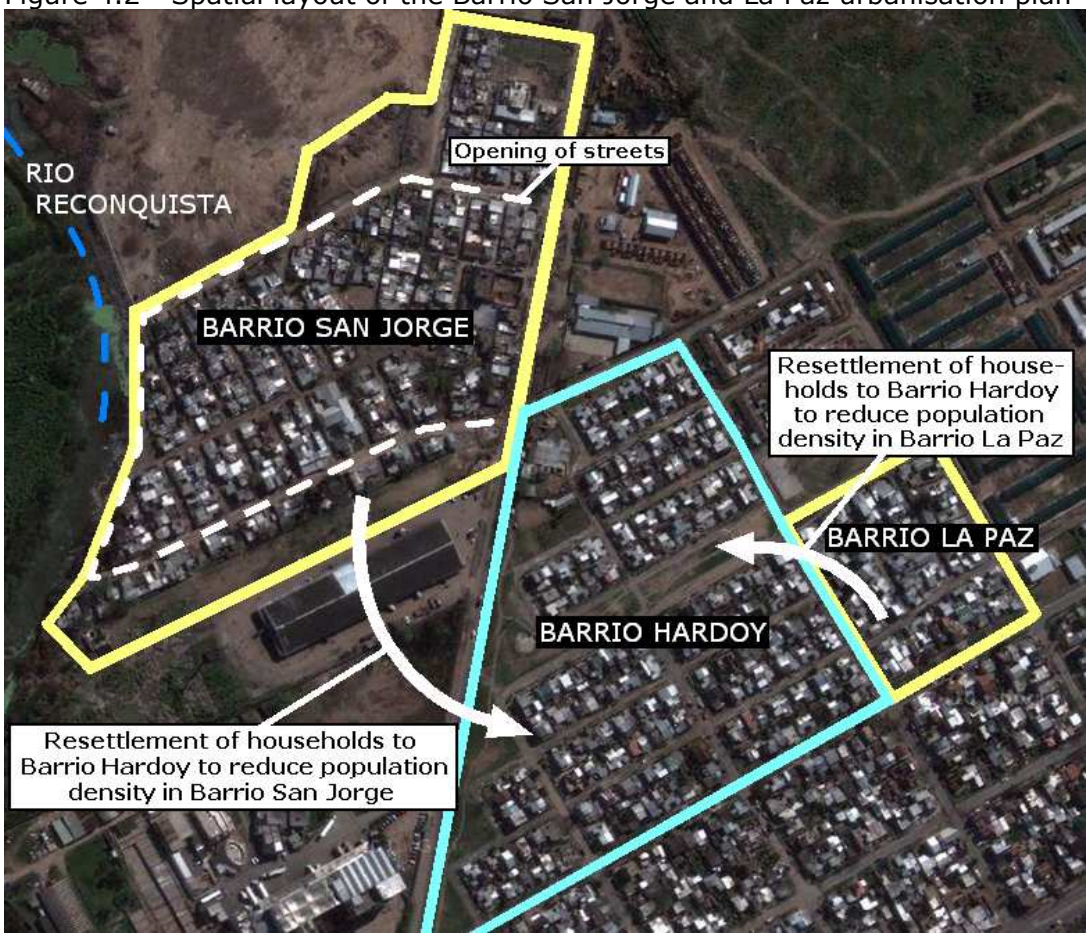
… incorporated in municipal cadastral maps in order to allow for land tenure regularisation and the construction and maintenance of public infrastructure and facilities (see section 3.3.1). In 2004, the area became eligible for the PROMEBA programme and the interventions started. The *villa* is currently undergoing formalisation and urban upgrading under PROMEBA. The upgrading interventions are complemented with the construction of 200 small affordable housing units in an adjacent area. These are constructed by labour cooperatives that were formed for this purpose under the Federal Housing Emergency Programme (*Techo y Trabajo*), and provide employment for 112 local residents. The project was designed to include the implementation of a grid structure with a street system that allows for free movement of vehicles and pedestrians and the entrance of public transportation, garbage removal, health and security services. Other elements of the project are the delivery of land titles to the occupants and the construction of a community centre with medical facilities, a kindergarten, a sports centre and a nursery. The houses in both the consolidated villa as well as the adjacent housing construction project will be connected to electricity and the water and sewage system. Finally, the project foresees in the provision of street lightning and the establishment of open space and parks. In this way the project enables the integration of the community as part of the city.

Barrio San Jorge, San Fernando

Box 3.1 described how the local organisation IIED-AL (International Institute for Environment and Development/America Latina) established a precedent for strategic cooperation between community, local government and the private sector in Barrio San Jorge in the municipality of San Fernando. The partnership that was formed to install a water and sewage network in the settlement was embedded in a wider lobby of the NGO for land tenure regularisation and integrated neighbourhood upgrading. As early as 1990, an agreement was reached with the Province of Buenos Aires, the munipality and the inhabitants of Barrio San Jorge, which led to the institutionalisation of an Integrated Neighbourhood Improvement Programme and the formation of a formal community organisation representing the inhabitants in the barrio to participate in the programme; the Barrio San Jorge Cooperative. Before IIED-AL started supporting the neighbourhood in 1987, the barrio had long been neglected by authorities despite several articulated promises and programmes. Housing conditions were extremely poor and the area had been prone to frequent flooding and serious pollution because of its location along the riverbanks of the heavily contaminated La Reconquista river. The settlement was also deprived from basic services and infrastructure and the community was largely unorganised. The relatively low risk of eviction related to the unsuitability of the land for formal development attracted many families to settle in the area and led to overcrowding. IIED-AL's support programme has been working uninterruptedly in the neighbourhood for over 20 years, with continuity, integration of actions and establishing partnerships with stakeholders being the main principles of their work. With support from government, international funders and the private sector, an integrated plan for improvement was formulated and executed in a collaborative manner throughout the 1990s. Among the implemented actions were the construction of a community centre, the installation of water and sanitation facilities, the creation of public spaces and the establishment of a microcredit funding programme with a Building Materials Bank to encourage housing improvement. In 1992, the municipality made an adjacent site of seven hectares available to lower the population density in Barrio San Jorge and the nearby Barrio La Paz, thereby founding Barrio Hardoy. The urban upgrading…

Box 4.2 (continued)

Figure 4.2 - Spatial layout of the Barrio San Jorge and La Paz urbanisation plan



Source: Own elaboration based on aerial photography provided by © Google Maps, and Almansi and Tammarazio (2008).

…initiatives that were carried out in the area led to a spatial reorganisation that made the settlements potentially eligible for tenure regularisation under PROMEBA. The relocation of families to Barrio Hardoy reduced population density in Barrio San Jorge and Barrio La Paz and it enabled the opening of streets and the reorganisation of land parcels in regular blocks and parcels. Within the framework of PROMEBA, land tenure was finally legalised in both Barrio La Paz and Barrio Hardoy with the titles being delivered to the resident in March 2010. Initially, San Jorge was not included in the programme due to the geographic restrictions imposed by the provincial Land Use Planning Law of 1977 (N° 8.912), and only benefited indirectly from PROMEBA. These problems have now been solved, and the process of formalisation and land tenure regularisation are since 2009 being undertaken under PROMEBA II. This required another 120 families to be relocated to the adjacent Barrio Hardoy. The implementation of PROMEBA in the three settlements "*opened up new opportunities for community organisation and marked the beginning of an active and ongoing process of citizen participation among residents*" (Almansi and Tammarazio, 2008).

IV. 3 The Subprogramme for the Urbanisation of Villas and Precarious Settlements

In the year 2005, the Subprogramme for the Urbanisation of Villas and Precarious Settlements (from here on: SUVAP [19]) was launched as part of the federal programmes of Housing Construction (PFCV) and Housing Improvement ('*Mejor Vivir*'). The SUVAP may qualify as a direct agreement between the National Government of Argentina and a number of selected municipalities in Greater Buenos Aires[20]. The programme targets to improve housing conditions in *villas miserias* in the conurbation that are located on lands that are not flood-prone and where the land ownership status eventually permits land tenure regularisation. The first phase of the plan incorporated the construction of more than 17.000 houses in twenty-one selected settlements, involving a total expenditure of 750 million Argentine pesos.

Objectives and components

While both SUVAP and PROMEBA have the strategic objective of consolidating existing slums by means of *in situ* development, the SUVAP differs from PROMEBA in having a focus on housing construction and improvements rather than providing incentives for and facilitating self-help construction like PROMEBA. The fundamental idea underlying SUVAP is a social and urban transformation that involves the replacement of squalid dwellings with new-built units. These works are sometimes accompanied by the provision of infrastructure such as water supply, sanitation and internal streets and footpaths, although not necessarily. In some cases, SUVAP coordinates and works in conjunction with PROMEBA and/or the Federal Housing Emergency Programme to elaborate on the housing aspect within a wider urban upgrading effort. The subprogramme programme seeks to:

- Improve the quality of life of the population in the *villas miserias* and *asentamientos* that suffer from a lack of basic infrastructure services and have problems related to the environment and tenure security.
- Consolidate the benificiary population in the area where they live through the regularisation of land tenure in favour of the occupants, providing basic

[19] Abbreviated from the Spanish 'Subprograma de Urbanización de Villas y Asentamientos Precarios'

[20] Participating municipalities are Avellaneda, La Matanza, Lomas de Zamora, Morón, Quilmes, San Isidro, San Martín, Vicente López, and the city of La Plata outside of the Buenos Aires Metropolitan Region.

infrastructure services, strenghtening public space, mitigating environmental problems and incorporating private sanitation infrastructure.

- Relocate those families that are located in urban areas exposed to high environmental risks.

In greater detail, it is important to note that the main purpose of SUVAP primarily appears to be associated with generating employment growth through the revival of the construction sector and reducing the housing deficit. The underlying design of the programme does not presume comprehensive urban interventions and neither does it entail the financing or training of local community organisations to enable them to manage the process and maintain the works. The final results of the programme in each region therefore appear to be directly linked to decision-making processes that are led by municipalities and their technical teams. Similarly, the scope of the planning process and the degree of involvement of the benificiary community varies strongly, depending on the role that the community is given by the project leaders (Gonzalez Carvajal, 2008). Accordingly, SUVAP must be positioned somewhere in between in the classification as determined by Fernández Wagner, because it focuses on *in situ* upgrading of existing settlements on the one hand, but has a top down implementation structure with limited possibilities for participative processes. Even though the programme entails the application of various intervention in a single location to locally improve housing conditions, the tasks of procurement, project management and the coordination resources remains the responsibility of municipalities (Bettatis, 2009).

Insitutional structure

The financing of projects is handled at the national level by the National Housing and Urban Development Bureau (SDUV) through non-refundable grants to municipalities, but each municipality selected the settlements in which it would intervene according to their own criteria, and then submitted the projects to the SDUV for approval. The SDUV can also conduct periodic audits to assess the financial and technical aspects of each project. At the local level, after designing the project the municipalities solicit bids from contractors, control the implementation and are in charge of project management. Because resources and capacities vary among the municipal governments, the management model that is adopted to implement the programme and the roles of the participating stakeholders is different for each territory.

Table 4.6 – List of projects under SUVAP in the AMBA

Subprogramme for the Urbanisation of Villas and Precarious Settlements – First phase			
Municipality	**Settlement**	**No. of built houses**	**No. of improved houses**
Avellaneda	Villa Tranquila	750	
La Matanza	Villa Palito	406	1.358
	Las Antenas	927	423
Lomas de Zamora	Barrio Obrero, Santa Catalina Arroyo del Rey, Arroyo Unamuno	1.500	
Morón	Villa Carlos Gardel	432	
Quilmes	Villa Novak La Odisea	541	
	Villa Totalgas, Bº 24 de marzo, Libertad:	113	
	Villa Veteranos I	26	
	Villa Veteranos II	46	
	Barrio 24 de Marzo (Totalgas)	113	
	Barrio el Monte/Matadero	1.800	
San Isidro	Villa La Cava	1.884	
	Villa La Cava Chica	246	
	Villa Uruguay	374	
	Villa Bajo Boulogne	650	
	Villa Covicom	94	
San Martín	Villa La Cárcova	1.181	
	Villa La Rana	1.024	
	Villa La Tranquila	105	
Vicente López	Villa Las Flores	1.498	
Total	**21 precarious settlements**	**17.608**	**1.782**

Note: Only the settlements that are situated within Greater Buenos Aires are enlisted

Box 4.3 – Two case studies involving SUVAP projects

Barrio Carlos Gardel, Morón

Barrio Carlos Gardel in the municipality of Morón was one of the initial 21 selected settlements that was included in the Subprogram for the Urbanisation of Villas and Precarious Settlements. Before participating in the program, the neighbourhood was known as 'Villa Carlos Gardel' and was comprised of several overcrowded 'monoblock' complexes encroached by a large area of precarious self-built dwellings. The settlement houses approximately 7000 persons of which 5400 lived in the monoblock complexes. The slum area was spatially isolated from the surrounding area due to the lack of paved streets, water supply and connection to electricity, and it had a reputation for crime and violence. Poverty and unemployment were also very high as a result of socio-spatial segregation. The neighbourhood originated as a transient settlement for slum dwellers, with the intention of housing them later in permanent housing complexes, as part of the Villa Eradication Plan from 1968. However, the permanent housing units never got built and the neighbourhood became their permanent shelter.

Figure 4.3 – Spatial layout of the Barrio Carlos Gardel urbanisation plan

Source: Own elaboration based on aerial photography provided by © Google Maps

In contrast to most other projects within the SUVAP, the municipality of Morón took the opportunity to propose a wider development plan that superceded the original purpose of the SUVAP funds. The municipal government simulteneously launched a 'Socio-urban Promotion Plan' that incorporated the SUVAP into a broader strategy that aimed to comprehensively intervene in the neighbourhood, using various resources and in multiple stages, not only to construct new houses but also to regularise land tenure, improve public spaces in general and construct community facilities. The project management model that was applied to manage the project also incorporated important participative components at the different stages of the development project. Inhabitants were allow to bring forward their own vision on the project design, which led to the improvement of the urban project by the beneficiaries that could adapt to real needs. The promotion of forms of organisation and coordination also promoted ownership, and it produced significant changes in the internal dynamics of the neighborhood and the organisational forms of the community (Gonzalez Carvajal, 2008). The project was completed in 2010, and included 482 finished housing units, internal paved streets with public lighting and the supply of urban services including drinking water, electricity and gas and sewage disposal.

Villa La Cava, San Isidro

Villa La Cava in the municipality of San Isidro is being touted as one of the oldest and largest shantytowns in the northern part of the metropolitan area. In 2001, the occupied area covered approximately 18 hectares and accommodated at least 1880 households (National Population Census, 2001). The illegal dwellings were built from the 1950s onwards, and initially the area was owned by a state-owned water utility company that used the land to excavate sand and rocks for construction activities, leaving a four-meter deep pit (in Spanish: *cava*). Since the initial establishment of the settlement, various housing solution proposals were advanced by the national, provincial and local governments, often coinciding with electoral cycles, but none of these resulted in a permanent solution for the settlement. The coordination between decision-makers at the various levels and the community of La Cava was poor, this in spite of efforts from neighbourhood residents and social organisations to create platforms for participation and collaboration. In 2001, the municipality of San Isidro became the legal owner of the land under the Arraigo programme, with the transfership contract obliging the municipal government to take actions to provide a permanent housing solution for the occupants. However, instead of adopting measures to regularise the neighbourhood, the municipality repeatedly proclaimed their intention to erradicate the slum and re-settle the residents outside the municipality. Even though the eviction plan was in contradiction to the legal obligations, infrastructure works and service provision halted to discourage the further consolidation of the slum. In the same period, a number of NGOs (APAC, CELS and COHRE) became involved in the area and initiated a project to strengthen community capacity through workshops, meetings, juridical assistance etc. in order advocate for water access and the resumption of previously abandoned urbanisation plans. Owing to continuous pressure from the community and the assisting project team, the settlement was eventually included in the SUVAP in 2005.

When the SUVAP started intervening in Villa La Cava, the barrio had very restricted access to public utility networks for drinking water and there was no sewage or drainage system. Electricity was available through clandestine connections. The density of houses was very high and internal movement impeded by narrow alleys. The project initially included the construction of 1884 houses, corresponding to the number of families according to the latest census. The municipality of San Isidro later scaled down the amount of housing units to 856, justifying this decision by claiming a lack of space to fit the number of units that was originally stipulated. Besides the provision of housing, the plan also included the establishment of a community health centre, access to basic services for the newly constructed housing units and street lighting. While the urbanisation project was due to run over a period of two years, as of 2010 (more than five years later) no more than 400 were finished. In contrast to the results achieved in Carlos Gardel, the plan for Villa La Cava leaves much to be desired. The proyected number of housing units way below the necessary quantity in terms of the number of households inhabiting the *villa*, which requires the relocation of a substantial part of the population. In addition, the decision-making process is ascrutinised for a lack of community involvement and information transparency. The inhabitants of the settlement have not been consulted and neither have they been informed about the plan design or possible relocation, which fosters insecurity. Project effectivity is strongly undermined by the absence of possibilities for participation in the design, implementation and monitoring of the project. Furthermore, the construction quality of the delivered housing units is inadequate and they remain underserviced.

Sources: SDUV (2007, 2010), CELS (2009)

IV. 4 Programmes of the Autonomous City of Buenos Aires

As mentioned before, the Autonomous City of Buenos Aires (CABA) works with its own set of policies and legal instruments as regards informal settlements since it was given the special status of autonomous city. In contrast to the provincial authority, the City government has (until recently) lacked effective instruments that allowed for the regularisation of informal settlements. Furthermore, federal policies including the PROMEBA and the Subprogramme for the Urbanisation of Villas and Precarious Settlements are not implemented within the boundaries of the CABA.

In spite of the handful of programmes that were formulated since the restoration of democracy in Argentina in 1983, advances have been very limited with respect to the legal inclusion of informal settlements into the formal city (Rodriguez *et al.*, 2007; Di Virgilio, Arqueros Mejica and Guevara, 2010). The first plan that was set up in the CABA with the explicit aim to construct a framework for transferring land ownership rights to its occupants was the *Plan de Radicación de Villas* in 1993. But no single project has been completed under the flag of this plan that leaded to the formal urbanisation of an informal settlement. A second element of the plan was preparing the works that permitted the opening up of streets, serving to physically integrate the settlements. Mostly in the 1990s, some advances have been made with respect to the construction of streets and the provision of other infrastructure and basic services. Most of the inhabitants of the *villas miserias* in CABA have access to clean drinking water and electricity. But the progress of the plan was severely obstructed by successive economic crises and various difficulties with accessing funds destined for the interventions (Di Virgilio, Arqueros Mejica and Guevara, 2010).

Even though the percentage of urban dwellers living in precarious conditions is rather limited compared to the surrounding suburbs in the conurbation (7% within the CABA against 20% in Greater Buenos Aires – see section 3.2.1), investments have always been relatively high. During the last decade, the lion's share of these investments was allocated for the construction of housing units to meet the enormous shortage of affordable housing units within the boundaries of the CABA. Actual housing production, however, has been dramatic and quantitative objectives have not been met by far. In fact, since the 2001 economic crisis most informal settlements within the CABA region have expanded significantly as more people were priced out of the formal housing market (Info Hábitat, 2008; Cravino, Del Río and Duarte, 2008).

Intentions to embark on a new approach have already been formulated in 2001 – when the *Programa de Radicación, Integración y Transformación de Villas y Núcleos Habitacionales* (PRIT) was implemented by law (*Decreto Nº 206/2001*). The programme pushed forward 'participation by the affected sectors' as a means to arrive at integral solutions to the problematic of slums, and implementation was also placed under the responsibility of the City's Institute of Housing (*Instituto de la Vivienda de la Ciudad* in Spanish, and abbreviated IVC), which is the responsible body for the housing policy in the CABA. However, integrative and participative approaches to urbanise slum areas have never really taken off in the CABA. In spite of investments being relatively high, various difficulties have leaded to results being meagre and interventions to be solely piecemeal by nature. In addition to the restricted number of housing projects that did reach completion, these interventions mostly included connecting informal settlements with urban infrastructure such as electricity, water, gas and sewer. Under the auspices of the IVC, there have not been any cases of land tenure regularisation (Rodriguez *et al*, 2007).

PROSUR-Hábitat Programme

In 2008, the City government headed by Mauricio Macri decided to entrust the Southern Buenos Aires Corporation (Spanish: *Corporación Buenos Aires Sur S.E.*) with the design and delivery of a new integral sub programme - named PROSUR Hábitat (*Programa de Regularización y Ordenamiento del Suelo Urbano*) - to address the problematic around *villas* and *asentamientos* in the southern zone of the city. The corporation (from now on referred to this text as *La Corporación*) is a state organisation that functions as an institutional instrument to strengthen integration of the poverty-stricken southern district into the rest of the Autonomous City of Buenos Aires (Feller, 2005). In addition to implementing the PROSUR Hábitat programme - which is designed to be executed within an eight-year time horizon – the other two core activities of the *Corporación* are stimulating economic development in the zone through promoting production activities, and executing various assignments that are mandated by other distinct city organisms. Examples of the latter are the construction of a public hospital in Villa Lugano and several health centres funded by the Cities' health ministry. Instead of managing a demarcated budget that is allocated for the programme beforehand, the *Corporación* principally guides public investments of other government agencies and works with an annual budget that fluctuates around two hundred million pesos per year.

By far the largest quantity of urban dwellers populating irregular settlements in the Autonomous City of Buenos Aires is concentrated in the southern zone: between 170.000 and 200.000 individuals are estimated to live in at least 30 informal settlements, representing approximately 22% of the total population in the southern zone (as a comparison, the percentage of slum dwellers in the entire CABA is 7%) (UGIS, 2009; CBAS, 2010). Through the programme, both spatial and social policies are carried out in order to achieve a better physical and socio-economic inclusion into the city. Two fundamental objectives of the programme are *integral urbanisation* and *active participation* by programme beneficiaries at the various stages of project planning and implementation. To moderate the participation process, for each individual project a project team is set up that communicates directly with the inhabitants. The dialogue between dwellers and the corporation is sought to find a consensus concerning the complex topics of plot subdivision and tenure regularisation, the opening up of the streets and the other physical works that are needed to be implemented to provide every household with basic services. Included in the programme are (CBAS, 2010):

- The opening of streets to enable access to the settlements and integration with the surrounding area and the improvement of streets and internal passages.
- Land subdivision in accessible plots so that they can be legally titled
- Provision of basic infrastructure.
- Improvement of existing dwellings that are recoverable.
- Construction of new dwellings for households that have to be moved due to the opening of streets.
- The provision of urban services and community facilities.

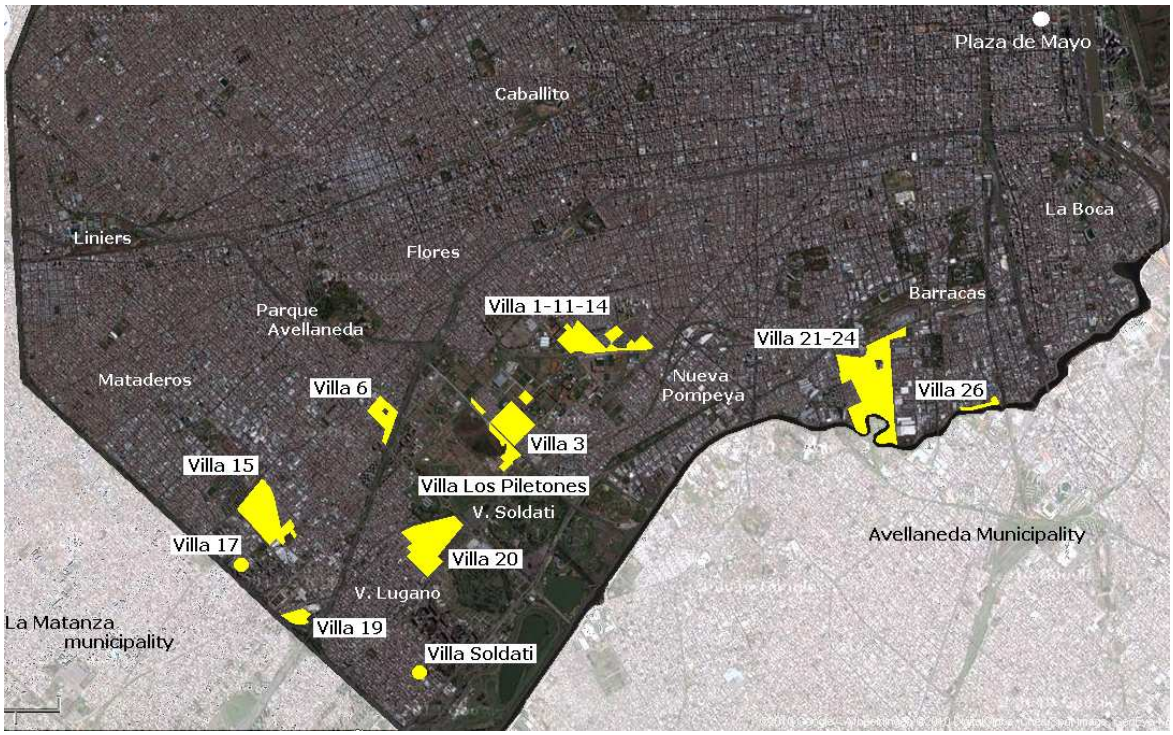
The domain of activities of the corporation does not include the delivery of low-cost housing units to meet the cities building deficit, this task remains with the IVC. It does however seek to replace dwellings that have to be demolished for enabling the opening of the settlements with road infrastructure, or those that are dangerously located in areas vulnerable to flooding. Because the other activities of the *Corporación* include the delivery of cultural facilities and economic functions it aims to comprehensively integrate the southern zone with the rest of the city. An important indirect objective of the PROSUR-Hábitat programme that is articulated by the recent city government is breaking with the culture of clientelism, one that has

been historically dominant in Argentina. It does so by introducing a new development paradigm with a strategic focus instead of pragmatic intervention by authorities in exchange for votes or political support.

Outputs, outcomes and impacts of PROMEBA

By the year 2011, three years after the implementation of the programme, several actions have been carried out and physical works have been completed. These efforts have all focused on *villas miserias* in the southernmost Villa Lugano neighbourhood, and included legalisation of *Villa 15* and *Villa 19* (see map), two small sized shantytowns that together house around a thousand inhabitants. In addition to transferring land tenure rights, internal streets in *Villa 19* have been constructed and paved and inhabitants received formal addresses to their houses. This facilitated them to receive mail, search for employment and enrol the children in education. Furthermore a health centre, a food court and a cultural centre and a day nursery have opened in *Villa 19*. Regularisation processes are being prepared in *Villa 3* and *Villa Piletones*, as well as the inclusion of the settlements into the water and sewer networks. Works in the other settlements are projected to commence in the period 2012-2020.

Figure 4.4 – Location of informal settlements in the southern zone of CABA.



Source: Own elaboration based on aerial photography provided by © Google Maps

V. Factors for scaling up urban upgrading in the AMBA

Traditionally, the successive Argentine governments have tried to alleviate the effects of poverty with isolated programs and actions at state or regional levels. Not only were these programs and actions poorly coordinated, they were also paralysed by regulatory constraints, prioritisation of economic development over welfare provision, strict top-down implementation structures but also strong traditions of political patronage. The idea of eradication of irregular settlements was discredited after the fall of the military regime in 1983, and in the following decades actions became gradually geared towards tenure regularisation and consolidation. But what actually took place was an increasing gap between the formal city and the informal settlements due to the segregating effects of privatisation and weak political instruments to urbanise slums. The result was a general disbelief among slum dwellers in the idea of obtaining property titles and a distrust towards politicians (Cravino, 2001; Schustermann *et al*, 2002). During the 1990s, only a few small pilot projects were effective in addressing the need of slum dwellers in an integrated way with interdisciplinary collaboration, mostly initiated by NGOs and local organisations. These experiences, combined with political change following the recent economic downturn and growing international consensus on integrated slum upgrading catalysed a new approach in Argentina. In the period after the 2001-2002 economic crisis, the state government commited to a multi-pronged strategy to improve the living conditions of the urban poor by adopting versatile programmes with various goals including addressing the low-cost housing deficit, the generation of employment and tenure regularisation and service provision in existing settlements to stimulate upgrading and to integrate these settlements into the wider city. As regards the upgrading and integration of existing settlements, the PROMEBA programme was institutionalised and became the principal strategy for slum upgrading on a nation-wide scale. PROMEBA utilises decentralised administrative structures with the aim of implementing the various projects at the community level. This approach demands municipal governments to take on more dynamic roles by working with communities, organisations and the private sector. Related to this, the PROMEBA places significant emphasis on community participation in the stages of identification, project design, implementation and maintenance of the projects to be completed by the programme. Only through a collaborative strategy, tasks and

responsibilities can be divided over the various actors to make the project feasible, sustainable and more cost-effective. Apart from being the instrument that took the previously ad hoc practice of slum upgrading to a nationwide scale, PROMEBA was also established with the intention of designing operations that could be scaled up beyond the initial interventions that are targeted by the programme. It is designed to be a national model of decentralised, participatory and government-initiated slum upgrading that leads to the development of new partnerships and the adoption of new management models (Cosgrove *et al*, 2005). This chapter will assess how the implementation and institutionalisation of slum upgrading policies have actually led to the scaling up of slum upgrading within the boundaries of the AMBA, in relation to the conditions for scaling up that were derived in chapter 2. Firstly, this section will appraise one of the conditions that is most crucial for slum upgrading going to scale, namely the existence of political will to really provide a solution to the issue of urban informality and the actual commitment to the strategy chosen.

V. 1 Political will, awareness and commitment

Until recently, Argentinean urban shelter policy lacked strategic coordination and coherent programmes with a long-term commitment to address the issue of informal settlements. Other non-strategic efforts have had little impact on the overall problem. A number of reasons can be given: first, the political history of Argentina has been the story of populist regimes interspersed with periods of military rule. As described in section 3.1, the political attitude towards irregular settlements continually changed between eradication, negligence and support. Subsequent governments worked with limited development planning horizons that only coincided with their political cycles and led to short-term goals. In addition, a pervasive culture of patronage (the individualised exchange of goods for political support) long formed the basis for resource allocation to poor communities in the form of isolated intervention. Political will to address the problems associated with informal settlements usually surfaced before elections, and led to the establishment of informal networks of reciprocal help between 'patrons' and the poor instead of well-rooted public programmes that would endure beyond the duration of political cycles (Fernandez Wagner, 2004). Thirdly, the privatisation of public services and 'reduced government' in the 1990s undermined social objectives to extend the provision of basic services to informal settlements. At the same time, responsibilities were transferred to lower authorities through decentralisation, but these were lacking appropriate resources and

management capacities to handle the issue (Cravino, Fernández Wagner and Varela 2002). Municipalities showed little interest to widen the scale and scope of their interventions because there was no available funds and no institutional capacity to support such strategies. Furthermore, a long history of top-down action at the municipal scale with little effect led to skepticism among the habitants of informal settlements towards collaborating with municipal governments (Schusterman *et al*, 2002). All these factors strongly impeded sustainability in Argentinean policy-making towards the shelter issues of the poor. This interferes with the long-term support that is required for slum upgrading processes to be effective.

Scaling up slum upgrading from piecemeal projects to strategic policy-making relies on commitment from institutions that endures beyond the duration of political cycles, since it requires a continuity of actions that goes beyond what can be achieved in a given political term. The implementation of PROMEBA in 1997 and the launch of its follow-up in 2007 both represented a change in the way resources are provided and allocated to specific long-term goals in the field of slum upgrading. Funding from the IDB via a conditional credit line (CCLIP[21]) ensures continuity of the programme at least until 2025. The target that has been set for the CCLIP is to benefit 250.000 households, which accounts for approximately 70% of the total quantity of households that are estimated by the SDUV to live in informal settlements in Argentina. The programme also aims to strengthen institutional capacity at the local level to encourage local administration to pursue own initiatives and complementary strategies (IDB, 2005; Palenque, 2010), albeit that Cosgrove *et al.* (2005) found that PROMEBA I had little impact on additional government investment on urban upgrading. As regards commitment, the programme's funding mechanisms are designed to provide incentives for provincial and local governments to maintain their roles in the project. This includes a loan-forgiveness clause for those provinces that adhere to PROMEBA projects (Cosgrove *et al*, 2005). The decentralised implementation structure also creates project ownership at the local level and secures a certain level of commitment to individual projects. In order to keep the funding targeted, for PROMEBA II the national government has decided to transfer resources from the CCLIP as a subsidy instead of a loan to the participating provinces and municipalities (IDB, 2005). From the above it is evident that urban upgrading policy is increasingly embracing the sustainability rhetoric and has built-in mechanisms to tie local governments and to curb clientelism. On the one hand, the

[21] Conditional Credit Line for Investment Projects

loan guarantee from the IDB and the operational conditions that are linked to the loan ensures continuity of the programme, while on the other hand the heavy reliance on external finance might pose a risk when funding is cut due to political change (Huchzermeyer, 2004).

Within the ACBA, the specialised office that is set up and charged with the implementation of PROSUR-Hábitat ensures the promotion of the social and spatial inclusion of the *villas miserias* in the City's southern zone. Even though PROSUR-Hábitat works with annual funding, and therefore seems to be more dependent on the local political climate in comparison to PROMEBA, the programme has directed actions to regularise neighbourhoods and broke with many decades of non-action in the city.

V. 2 Cross-sectoral, integrated approach

One of the defects of Argentina's informal settlement policies before the turn of the century was the fragmentation and inconsistency of actions and its corresponding resources. The disintegrated interventions both led to a collection of small-scale projects instead of energies channelled into more structural policies, and to scattered and narrow actions with no continuity. According to Schusterman and Hardoy (1997), the absence of continuity to the different interventions undermined the viability of community organisation and had negative impacts on the duration of relationships between institutions and communities. In addition, Fernández Wagner (2004) and Bettatis (2009) mention the superposition of numerous so-called 'hybrid' programmes that were highly subject to clientelistic practices.

In the 1990s, the major focus of policymaking at the state level towards informal settlements was placed on land titling, which became an isolated means of addressing urban poverty. Although a study from Galiani and Schargrodsky (2010) found evidence that land tenure regularisation had beneficial effects on a deprived population in Greater Buenos Aires (particularly in terms of housing investment and quality and the education level of children), the regularisation programmes also required excessive time and effort and were often hindered by a lack of political will and commitment exhibited by local governments.

The recent habitat improvement programmes that emphasise integral intervention continue to provide tenure security through formal processes of land titling, but this time as the culmination of a broader process of socially integrating the population living in informal areas, thereby ensuring their permanence in the regularised areas.

Particularly with the enactment of the PROMEBA programme in 1997, the national government made a stronger commitment to the integration of dispersed resources around housing strategies and anti-poverty policies. Added to land tenure regularisation efforts, not only did PROMEBA incorporate the provision of urban infrastructure, basic service and environmental improvements, it also proved to be a valuable instrument for the expansion of social and human capital. The case studies presented in box 4.2 mention the provision of health and educational facilities and recreational space in the communities where PROMEBA intervenes. Other projects include facilities for sports and culture, job training, addiction treatment and solid waste management. In addition, *multidisciplinary field teams* are contracted to manage the projects and provide social, environmental, urban planning and legal assistance to the community, but also to support independent initiatives of dwellers. They promote cooperation between government agencies and community actors and assist the formation of community organisations (IDB, 2005). PROMEBA intervenes in each neighbourhood through an Integral Executive Project (IEP) consisting of intervention proposals that are each related to the four components of the programme (land tenure regularisation, provision of public infrastructure and equipment, increase of social and human capital and strengthening of institutional management capacity; see section 4.2). Each of the proposals contains sectoral actions that are considered in all their aspects (environmental, social, legal etc).

One of the shortcomings of PROMEBA I was poor coordination with other policies that aim to intervene in informal settlements. This lesson was incorporated in the formulation of PROMEBA II, which aims at stronger ties with other complementary federal programmes (for example for the improving of housing) and policies at the local levels (*Ibid*, 2005). The connection of the programme with national, provincial and municipal institutions has created spaces for the articulation with other programmes and under-utilised resources (Kessler and Roggi, 2003).

As mentioned before, the National Housing and Urban Development Bureau (SDUV) within the Ministry of Federal Planning, Public Investment and Services is the entity in charge of formulating policies and programmes related to housing and urban development. Since a decade, the SDUV adopted a strategy towards slum and squatter settlements consisting of the provision of a comprehensive solution to the habitat problems in slums. The strategy focuses on the regularisation and consolidation of the occupied areas, and includes the provision of infrastructure and basic services, the improvement of existing dwellings and the provision of new housing, the regularisation of land tenure and property and the strengthening of

social capital. Although PROMEBA primarily focuses on land tenure regularisation, infrastructure and service provision and the strengthening of social capital, the SDUV aims to integrate the programme with other federal programmes that include housing improvements and construction (The Federal Programme of Housing Improvement '*Mejor Vivir*', the Federal Programme of Housing Construction and the Federal Housing Emergency Programme '*Techo y Trabajo*'), as well as the various provincial and municipal development strategies that deal with urban issues and housing.

The PROMEBA is assigned a fundamental role within this strategy by the SDUV. This is particularly because the programme finances the *Multidisciplinary Field Teams,* which contribute to the implementation of works and activities at the neighbourhood level. These teams have proven very effective in coordinating between governments, participating institutions, contracting companies and the communities themselves. They allow the programme to play an articulating role, and promote synergy between federal, provincial and municipal actions directed towards informal settlements (IDB, 2005; Palenque, 2010). Partly because of this, the SDUV has decided to give continuation to the programme through PROMEBA II, which is tied more closely with other federal programmes. The financing of housing improvements in neighbourhoods where PROMEBA is involved is performed through the *Mejor Vivir* programme, while the Federal Housing Construction Programme (PFCV) aims to finance the construction of dwellings that are needed for the relocation of families (*Ibid,* 2005).

V. 3 A supportive policy environment and a citywide upgrading strategy

Up until today, figures indicate that the problem of urban informality is still on the rise in the AMBA (Cravino, Del Río and Duarte, 2008; Info Hábitat, 2008; Van Gelder, 2009). Given the magnitude of the issue, the response that is provided by urban upgrading programmes (PROMEBA in Greater Buenos Aires and PROSUR-Hábitat in the Autonomous City of Buenos Aires) should for now be considered rather palliative than a structural solution (Romagnoli and Barreto, 2008), in spite of declared intentions to eventually cover 70% of informal settlements in the case of PROMEBA and essentially all *villas miserias* in the *Zona Sur* of the Autonomous City in the case of PROSUR-Hábitat. To paraphrase Almansi (2009), urban upgrading policy in Argentina follows "*the growing problem from behind, often falling ever further behind*

the scale of need" (Almansi, 2009)[22]. This is because the current urban land use system does not work well with the population growth of Argentine cities nor does it serve to include shelter provision for a significant impoverished part of the population. For years, the absence of an inclusionary land use and urban planning law in Argentina has led to increasing social, economic and environmental conflicts which are now more difficult to resolve. In recent decades, the spatial organisation of the territory has to a large extent been spontaneous, unplanned and biased, following market supply and demand, and without the State to assume its responsibilities that are tied to the public interest. During the 1990s, urban policy (and more specifically housing policy) in Buenos Aires became increasingly reshaped under neoliberal ideology, meaning less state involvement, privatisation of public services and commercialisation and globalisation of the land market. All these changes facilitated a transformation of the urban landscape, with investments largely concentrated in high-income areas and a worsening of the housing crisis for low-income households. The cost of living in the metropolitan area raised as a direct result of the higher costs of privatised public services and increased private investment in new residential areas for the elites in the urban periphery. The changes deeply plunged into the housing and urban land market and resulted in increasing social polarisation, with the rich and poor now competing for the same land and in the context of an absent integrated planning system (Cravino, Fernández Wagner and Varela, 2002).

The governmental reforms following the 2001 economic crisis included a renewed effort to focus public spending on the poorest households. Under the presidency of Nestor Kirchner, the government expanded its presence in the housing market through a programmatic approach with the principal aims of generating employment in the construction sector and reducing the housing deficit. This strategy was built around the Federal Programme for the Construction of Housing (PFCV), which captured approximately 70% of federal spending oriented towards urban development in the AMBA in 2005 (Rodriguez *et al*, 2007). A second aspect of the new turn that was taken was the re-nationalisation of the main water company in 2006 to ensure that more households could benefit from the access to drinking water. Finally, slum upgrading programmes and projects became one of the principal means to reduce urban poverty by addressing the poverty problem in its most visible form: informal settlements.

[22] Almansi (2009), pp. 412

Despite these efforts, however, the federal government's current strategy has been critised for its predominant focus on the delivery of new 'turnkey' housing units through competitive bidding by private companies, and the strong emphasis on the quantitative output (Clichevsky, 2002; Fernández Wagner, 2006, Cravino, 2010). One of the core deficits of the PFCV is its inability to benefit all households equally, as it largely fails to reach the lowest-income households due to the costs of the delivered units and the requirement of repayment by the beneficiaries (IDB, 2006; Van Gelder, 2009). Designation of the housing construction projects and their beneficiaries is left to the municipalities, which not only leads to the projects being planned in remote locations but in addition implies that the programme is subject to political clientelism (Fernández Wagner, 2006; Van Gelder, 2009). In spite of the unpreceded quantitative performance of the PFCV, the programme could not bring a halt to the ever increasing number and proportion of city residents who are forced to live in *villas miserias* and *asentamientos* (Fernández Wagner, 2007). The lack of an urban land policy with regulations for land development and zoning of land use for the construction of new houses is a systematic impediment to reducing the quantitative deficit of affordable housing. In a context of growing commercialisation of the urban land market, the results of the current policy appear to be limited primarily to the visible aspects of urban poverty, without covering the extremely complex socio-urban issues that are underlying the problem of urban informality.

Access to land for housing low-income groups is a key factor, and its articulation with national housing policy is a significant challenge (Rodriguez *et al*, 2007). In fact, the existing programmes do not have effective mechanisms for the release and creation of new urban land for low-income sectors. In many occasions state-owned land reserves are used, but most of these areas are already occupied. Municipalities and provinces only possess a very limited stock of land, while the conventional mechanisms of land bidding encourage speculative real estate processes (*Ibid*, 2007). According to Fernández Wagner, Varela and Silva (2004), one possible way of addressing the issue of land is the development a set of actions and complementary interventions by municipalities. Zoning, for example, can be an effective countermeasure against processes that account for the social fragmentation. The incorporation of strategic municipal development plans do not only permit the inclusion of slum upgrading and housing construction programmes into local land use plans, but can also expand legal access to urban land for the low-income sector. Instead of merely correcting informality through ad hoc responses, inclusive urban

development plans can prevent informality in the way poor sectors access urban land.

There is yet another dimension to the problem of an absent urban development system. A number of municipalities in the AMBA (particularly those that are located close to the core of the agglomeration) lack available land for the relocation of households as a consequence of slum upgrading, and for addressing the current or future demand for housing. The current system does not provide for intermunicipal territorial planning to coordinate the actions of neighbouring municipalities, often resulting in delays of projects because within the boundaries of a municipality a housing shortage cannot be solved (Fernández Wagner, Varela and Da Silva, 2004; IDB, 2005).

V. 4 A conductive legal framework

State policies governing urban land use function within a legislative framework that regulates the subdivision, design and development of real property. In Argentina, given the federal government structure, land-use regularisation falls within the jurisdiction of the provinces, and can be delegated to municipal authorities. Until the 1970s, land-use regulations imposed minimal restrictions to the creation of new land for urban development. This permitted land subdivisions in the urban periphery into small, affordable but often underserviced plots. The *loteos populares* became the principal means by which the low-income sector could legally access urban land for its housing needs (see section 3.1.2). In 1977, the Province of Buenos Aires enacted Executive Decree N° 8912 in an attempt to curb the spread of this type of low-income urban development, and placed rigorous physical requirements on land subdivision and building structures – determining land use, a minimum lot size of 300 square meters and maximum occupancy of lots, the layout of the necessary infrastructure, width of roads and reserved land for public areas etc. as conditions for approval for land subdivision –, and prevented formal development in certain areas that were low-lying or under-serviced by infrastructure (Brakarz, Greene and Rojas, 2002; Almansi, 2009). From then onwards, the norms and standards for urban development excluded a considerable part of the population from access to the formal land market and forced them to illegally erect their shelters in areas often unsuitable for housing. In addition to reinforcing spatial segregation and exclusion of the poor, the land use regulations are still in force and are a major impediment to the implementation of slum upgrading programmes since they exclude a large

number of settlements that are unable to comply with the standards. The plausibility of full land tenure regularisation is a *sine qua non* for intervention by PROMEBA, and is in many cases legally obstructed by the requirements on land subdivisions imposed by land use planning regulations (Executive Decree N° 8912 in the case of the Province of Buenos Aires, while other provinces and municipalities adopted similar laws: Brakarz, Greene and Rojas, 2002). It is evident that provincial and municipal regulations are inadequate to meet housing and urban services needs of the low-income sector. The regulations concerning the division of lands are generally strict and inflexible, while authorities can be dogmatic regarding compliance to these norms. The elevated standards result in high development costs and ultimately become barriers to the legalisation of illegal properties. While land ownership is often required for access to tenure rights and urban services, the very administrations that seek *in situ* solutions to informal settlements often erect legal barriers making access to land more difficult (Durand-Lasserve, 1996). Only in few cases, titling approvals are made as exceptions to the provisions contained in Law 8.912, which makes the process dependent on the discretion of civil servants (Almansi, 2009). It is therefore preferable that upgrading programmes are embedded in a conductive legal framework that (if required) can deviate from established systems. Almansi (2009) identifies the mismatch between such systems and the urban and environmental conditions in slums as a great challenge for urban upgrading policy in Argentina. She suggests that legal frameworks act as facilitators and promoters of equitable land development, and that it responds to the urbanisation needs generated in large urban areas instead of condemning a part of the population to informal housing solutions.

V. 5 Ensuring security of tenure

In Argentina, the process of securing land tenure has been made an integral part of upgrading approaches, including PROMEBA in Greater Buenos Aires and PROSUR-Hábitat in the Autonomous City. In fact, the feasibility of land tenure regularisation serves as one of the prerequisites for settlements to be eligible for upgrading under these programmes. In the majority of projects, some process of tenure regularisation was already in progress when PROMEBA was launched and applied to these settlements. At the same time, the issue of land tenure is one of the greatest impediments in implementing upgrading policy in the region. As for the eligibility criteria that are being applied to target beneficiary settlements, they require that

projects are located on government-owned land or on parcels that are acquired beforehand by the occupants. Settlements that are located on private land are excluded from the scope of the programme, limiting its application for a wide range of the target population. In addition, the regulatory framework governing land use in Greater Buenos Aires imposes major obstacles for the regularisation of settlements due to physical and environmental restrictions. Administrative procedures to circumvent these restrictions are complex and proceed slowly, demanding the involvement of multiple agencies with different competencies. According to Almansi (2009), there is in some cases a lack of awareness of existing national legislation that can streamline proceedings related to property transfers. An example that she brings up is the existence of a 20-year possession law that authorises competent government agencies to transfer land to third parties, enforced by law or executive decree.

As a result, the utilisation of PROMEBA to alleviate urban poverty in settlements in Buenos Aires is rather limited in proportion to its application nationwide: Only 8 out of 175 upgrading projects under PROMEBA I were implemented within the conurbation, benefiting less than seven thousand households of a total of 59.345 benefiting from the programme[23], with similar proportions for PROMEBA II.

A variety of studies have made a case for providing land tenure security as an effective means to integrate informal settlements into the 'normal' fabric of the city, socially and physically (Besley, 1995; Hoy and Jimenez, 1997; De Soto, 2000; Imparato and Ruster, amongst others; see section 2.3.1). Others however have emphasised the difference between full legalisation and providing *de facto* tenure security, and related the first to excessive bureaucratic processes that can slow down the process and present difficulties for the programme to go to scale (Durand-Lasserve, 2006; Imparato and Ruster, 2003). This certainly applies for PROMEBA, which works within a fragmented regulatory framework governing land use, and attaches complex procedures to upgrading projects. The progress of land tenure regularisation processes is also influenced by the political dynamics of the jurisdictions in which informal settlements are located. In this sense, the Province of Buenos Aires showed greater ability to employ legal instruments to the end of land tenure regularisation. The government of the Autonomous City of Buenos Aires on the other hand lacks such instruments, which largely affected its efforts to upgrade informal settlements within its boundaries (Di Virgilio, Mejica and Guevara, 2010).

[23] Calculation based on data from http://www.promeba.org.ar

The onedimensional emphasis on land tenure legalisation, which is a *sine-qua-non* prerequisite for intervention, acts as a major constraint for the programme's scope. It should therefore be considered to regard the provision of property rights as a long-term objective, while intermediate options that at least provide *de facto* tenure security should be sought to streamline processes and enlarge the scope of PROMEBA. In this manner, both land titling and slum upgrading can progress simultaneously, with neither made to wait for the other.

V. 6 Decentralisation and community participation

In section 2.4.2, the argument was discussed that slum communities can be a very effective developmental force with the potential to initiate and manage community-driven processes themselves, if properly supported by governments. According to the literature on the topic, it is crucial that governments acknowledge and work together with community organisations in slum upgrading projects in order to identify problems and devise strategies for solving them (UN-Millennium Project, 2005). To this end, a decentralisation of resources and responsibilities to local governments is essential for ensuring good coordination. Furthermore, decentralisation recognises that local governments have better access to local knowledge about constrains and resources and allows for better project management and monitoring. Finally, it is suggested that local governments are more accountable because they operate closer to their constituents (Imparato and Ruster, 2003), and for that reason decentralised service delivery is effective for curtailing bureaucracy, unresponsiveness and corruption.

Decentralisation

In response to the failures of centralised housing policies, the Argentine government has increasingly shifted its emphasis to more decentralised approaches. With PROMEBA, the state government sets a broad policy but allows provincial and local governments to identify the sites and to design and carry out the projects. These actions are accomplished through stakeholder input of various degrees, both in terms of information, visions and desires as well as resources.

The division of tasks and responsibilities between the national (NCU), provincial (PEUs) and local (MEUs) agencies as described in section 4.2 ensures that delivery of infrastructure and basic services, land tenure security and community participation occurs on a level where actors are familiar with the peculiarities of the region, while

overarching programme goals and performance standards are set at national levels as well as the allocation of funding. PROMEBA enters the domain of the municipality in a 'closed' form, which generally contributes to the fulfillment of the project's requirements, responding to infrastructure demands that are present within an area (Lentini *et al*, 2007). PROMEBA's funding mechanism is designed in such a way that it simulteneously creates incentives for local administrators to maintain their roles in the project and to encourage local initiative to finance the project (Cosgrove *et al*, 2005).

Fernández Wagner, Varela and Silva (2004) analysed that a great diversity exists in the ways project management teams are inserted into the local government structures in which they are embedded. These differences reflect different attitudes, policy agendas and technical skills, and to certain degree influence the successfulness of the intervention and the sustainability. In some cases, the project management staff is incorporated into the management structure of the respective municipal government. This permits the integration of the project into local policy-making and stimulates the articulation of resources. The programme then becomes a means to complement an integrated local policy and interacts with other programmes and actions.

One of the lessons learned during implementation of PROMEBA I is that Municipal Executing Units tend to lack technical capacities to formulate, manage and supervise projects in a participative manner (Fernández Wagner, Varela and Silva, 2004). In response, PROMEBA II has earmarked additional resources to strengthen institutional management capacity (IDB, 2005).

Community participation

In the design of PROMEBA, Argentina and the IDB agreed that throughout the project cycle participation from the beneficiary community must be encouraged in order to meet the goal of fostering community ownership. Within the PROMEBA programme, community participation is articulated both as a means to project implementation as well as an end in itself. It is incorporated as a means to identify solutions that meet the local demands, to effectively carry out the works in a settlement and to ensure the sustainability of project interventions through community-led management and maintenance of facilities. In addition, it is also intended to facilitate the process of relocation when this is required (Brakarz, Greene and Rojas, 2002). Participation is an end in the sense that the programme explicitly aims to strengthen the organisation of beneficiary communities and their self-management abilities to serve

the future development of projects and to collectively develop solutions to problems related to the habitat (Lentini *et al*, 2007). PROMEBA contemplates supporting participation by project beneficiaries in the phases of identification, prioritisation, design, implementation, monitoring and maintenance. During the process cycle, a number of mandatory workshops are required by the programme for project formulation (a neighbourhood hearing as part of the public consultation exercise) and during implementation to agree, evaluate and formally close the project (Lentini *et al*, 2007). In the aforementioned process phases, the community is expected to be involved either directly or indirectly and to varying degrees. In evaluative studies, particularly during the early phases of the project cycle community participation was often reported to be minimal, with residents largely taking a consultative role (Cosgrove *et al*, 2007). The multidisciplinary field teams that are allocated by the programme to each individual upgrading project are assigned with the tasks of coordinating among the different actors, and facilitating community participation. The exact functions of the teams are described in the programme as: (i) providing social, environmental, urbanistic and legal assistance to community residents; (ii) support the development of community's own initiatives; (iii) articulate the relationships between community actors and government authorities and NGOs; and (iv) cooperate with organisational networks that support the social integration within the neighbourhood. PROMEBA expects beneficiaries to participate through what it calls 'Representative Entities', which can be neighbourhood centres, civil society organisations (CSO's) etc. (Kessler and Roggi, 2003).

A number of studies concluded that PROMEBA does not entirely achieve the expected results with respect to participation and community strengthening (Clichevsky and Chiara, 2000; Kessler and Roggi, 2003; Cosgrove *et al*, 2005; Barreto and Romagnoli, 2006; Lentini *et al*, 2007; Rodriguez *et al*, 2007). As noted earlier, community participation during the earlier phases of the project was often limited to consultation (Cosgrove *et al*, 2005; Clichevsky, 2006; Rodriguez *et al*, 2007). A study of the National University of La Plata linked a lack of commitment on behalf of project beneficiaries to the lack of early involvement in decisions about the project design (UNLP, 2006, in: Lentini *et al*, 2007). Project evaluations confirm that the adopted participation models were always specific to each project, depending on the local policy environment, the personal values of the professional staff involved and occasionally on earlier experiences with existing community organisations within the history of a project or a neighbourhood (Lentini *et al*, 2007). Fernández Wagner, Varela and Silva (2004) mention that a multiplicity of political actors has little if any

previous experience with collaborative approaches, and particularly municipal governments lack institutional capacity to work with communities. Furthermore, project evaluations suggest that the predominant orientation towards participation is rather traditional; focusing on households and assigning subsidiary roles to organisations (Lentini *et al,* 2007; Rodriguez *et al*, 2007). According to Clichevsky and Chiara (2000), actions that fall within the social component of PROMEBA have a central role in achieving social integration at the scale of the project. Although the programme assigns an important role to Civil Society Organisations with regard to the elaboration of social development proposals, these are in practice developed exclusively by the Provincial Executing Units (Clichevsky and Chiara, 2000; Kessler and Roggi, 2003).

Among the positive elements that are mentioned are the effective mobilisation of beneficiary communities to assist in land titling processes and their involvement in tasks of maintenance of the implemented works, community activities and management of community funds. These results were particularly evident in cases where beneficiary communities were more directly involved in the design and implementation of the works (Brakarz, Greene and Rojas, 2002). In addition, the measures of the programme's social component that aim to facilitate and strengthen the organisational capacities of community groups increase the sharing of information and help the members to articulate their demands and negotiate them with local authorities and utility companies.

Various lessons have been learned from the implementation of PROMEBA I, and certain flaws with respect to community participation have led to adjustments of PROMEBA II in order to incorporate the lessons learned (IDB, 2005). More resources are allocated to extent institutional capacities of the executing agencies, and the project cycle has been adjusted to include an interphase preceding the preparation of the project design, aiming to improve coordination among participating institutions and expand the direct involvement of municipal governments, which are now given primary responsibility for the design, execution and monitoring of the projects (*Ibid,* 2005).

V. 7 Enhancing financial sustainability through mobilising non-public sector resources and cost recovery mechanisms

Section 2.5.2 described various methods to reduce and retrieve the costs of slum upgrading. The burden on public funds imposed by slum upgrading can be

considerably less in comparison to other strategies such as public housing construction and relocation, being one of the main reasons why the approach offers a feasible solution to the problem of urban informality. It is important to consider affordability when scaling up slum upgrading efforts and designing strategic programmes, and more particularly to mobilise the popular sector in terms of resources and labour to reduce the investment and maintenance costs of the various interventions. Nevertheless, an important argument that is raised by Berner and Phillips (2005) is that relying completely on the self-help capabilities of the poor is unrealistic. A preferable strategy is regarding the development potential of slum dwellers as a complementary tool, not as an alternative to accessible urban services and a redistribution of wealth. They caution that marginalisation and exploitation also take place within informal settlements, and full cost recovery is not desirable if this would lead to social segregation as a result from structurally disadvantaged groups being 'edged out' of upgraded neighbourhoods. Capacity to pay must always be taken into account when designing a project, and full participation with governments and NGOs actively reaching out for the weaker groups is an important tool to avoid exclusionary upgrading.

As stated before, for slum dwellers it is often difficult to afford the connection charges and pay consumption fees of the utilities that are delivered in a slum upgrading project. These can be significantly higher in unplanned settlements that are located in remote areas. For this reason, it is necessary to use other payment facilities that are negotiated with utility providers to meet the conditions for connections in slums. PROMEBA operates both as a facilitator for the establishment of social tariffs by utility providers and the conferring of government subsidies, and as a guarantee for all project beneficiaries to be connected to the urban services that are included in an upgrading project. To this end, the programme included a Social Interest Tariff proposal (Karol *et al*, 2005; Fernández Wagner, 2007), arguing that:

> "(…) the normal use of essential public services is a privileged quality indicator (of urban life). The impossibility of payment of the public services tariffs and taxes, in the situation of socio-economic emergency that the population is undergoing, alters the sense of intervention of PROMEBA, putting at risk its sustainability. (For that reason), the tariff agreements – in the absence of national regulatory frameworks for applying a Social Tariff to the public services concessions – constitute a transversal axis that goes across all the development phases". (Karol *et al*, 2005)[24].

[24] Karol *et al.* (2005), pp. 7

In spite of this, Almansi (2009) identifies the fiscal burden that is placed upon project beneficiaries after land regularisation as one of the main difficulties of PROMEBA. She finds that the additional costs of participating in the programme (including property taxes and utility services) occasionally leads to the expulsion of the poorest families. After land tenure regularisation, the land is appraised by government officials to determine tax and service charges. This appraisal seems to be based on physical characteristics of a plot, including location and inclusion into infrastructure networks, instead of capacity to pay. Even though most municipalities reduced tax payments for the target population of PROMEBA, many beneficiaries were still not able to afford living in the upgraded settlement and were forced out (Almansi, 2009). A similar conclusion is reached by Fernández Wagner (2004). He states that there is a clear contradiction between the target population as defined by the eligibility criteria of the programme and their obligations to pay for the land titles, taxes and services, which undermine both the financial as well as the social sustainability of the projects. The result is often a substitution of families for others that are capable to pay for the increased costs of living in the upgraded settlement. Fernández Wagner (2004) refers to an inquiry carried out by municipal technicians providing evidence that up to 40% of the land has been sold in anticipation of imminent upgrading intervention. Problems related to unwillingness to pay were particularly acute during Argentina's economic crisis (De Lavergne and Gabert, 2005). In their evaluation of PROMEBA I, the Inter-American Development Bank took notice of the fact that the crisis produced a fall in real family incomes, and that the applied cost-effectiveness ceilings exceeded the likely maximum willingness-to-pay levels of beneficiary families, and recommended the setting of a new ceiling for the remaining projects (IDB, 2005).

A distinctive characteristic of PROMEBA in comparison to slum upgrading programmes in other countries is that it tends to cover a small number of *villas miserias* and *asentamientos* at one time, only gradually incorporating new neighbourhoods into the programme (World Bank, 2006). The technological solutions that it develops affect only a very small part of the population, and are relatively costly when compared to sums per-household that other upgrading programmes spend. If the same budget were allocated to low-cost techniques adapted to local financial means, the benefiting population would certainly be much larger (De Lavergne and Gabert, 2005; World Bank, 2006). Furthermore, the Argentina Country Management Unit of the World Bank suggests that the financing challenge can be dealt with by "*phasing the costs in planned increments over a substantial period of*

time", as in other Latin American countries. This would better stimulate investment of non-public actors, including the project beneficiaries, to complement public expenditures, while allowing for working in a much larger number of informal neighbourhoods at once (World Bank, 2006).

V. 8 Ensuring access to credit and self-help facilitation

The premise of the slum upgrading approach is that it recognises the incremental building practice of the poor, therefore requiring limited public resources to be spent on housing itself. It is of key importance, however, that local development initiatives are appropriately supported with technical assistance and that self-help construction is facilitated. Micro-credit and other facilities to expand access to consumer credit are necessary to fully exploit the potential of a slum upgrading project, but developing systematic financial access for slum upgrading on a city-wide or national scale is a great challenge (UN-Habitat, 2009b).

Section 2.4.2 identified four different sources of housing finance that have emerged in recent decades (UN-Habitat, 2007): (1) governments; (2) shelter micro-finance institutions; (3) community-led funding initiatives and (4) the private sector. In Argentina, where access to credit has been difficult for low-income sectors since the 2001 economic crisis, micro-credit for housing improvement to beneficiaries of slum upgrading interventions is not directly incorporated into any federal programme addressing informal settlements. In the Autonomous City of Buenos Aires, the PAV (Law 341) is the only programme that makes credit available to community based organisations for community-led housing construction, but not to individual households for the incremental improvement of their houses. Direct micro-financing for housing improvement through banks and other private sector agencies is practically non-existent in Argentina. Several small-scale credit operations exist that operate in low-income areas, but these are initiated by NGOs and work with grants from (international) charities and/or government funding. A well-documented example of a credit fund programme for housing improvement is one was set up with the help of IIED-AL[25] in Barrio San Jorge in the municipality of San Fernando, Greater Buenos Aires. The programme was later expanded to adjacent neighbourhoods when additional finance was secured, including a provision from the national government. In the programme's most recent phase, the management of the funds was decentralised into separate neighbourhood funds in three communities.

[25] Instituto Internacional de Medio Ambiente y Desarrollo–América Latina

Since the decentralisation of the fund management, loan allocation improved and the repayment of loans increased. In this way, the initiative has not only been very successful in catalysing housing improvements in the area, but also helped to strengthen community capacity when management of the project was delegated to the grassroots level. The availability of the credit fund also facilitated the relocation of a number of households to Barrio Hardoy to enable upgrading intervention by PROMEBA. Initially, the programme included a Building Materials Bank that provided supplies and technical assistance, but the bank was later forced to close due to the effects of the economic crisis and a loss of funds. In spite of a moderate economic performance (with a proportion of the loans in default, particularly during the economic crisis), the programme has been an important component of the development process of the area, supporting community participation and housing improvements in the neighbourhoods (Almansi and Tammarazio, 2008). The *Fundacion Pro Vivienda Social* is another NGO that has financed housing improvement in informal settlements by micro-credit since 1992 in the municipalities of Moreno and Jose C. Paz. With 96 per cent repayment, the financial performance of the programme is satisfactory (World Bank, 2006).

The isolated projects that have been implemented in Greater Buenos Aires, and a set of examples of a larger scale from neighbouring countries (World Bank, 2006) demonstrate that housing micro-finance can be profitable, or at least support slum upgrading in a cost-effective way. Currently, only a fraction of the effective demand for shelter micro-finance is being met, which calls for an improvement of housing finance mechanisms and additional support to micro-credit initiatives. To underpin city wide scaling up of slum upgrading, the development of systematic financial access is highly desirable, and incorporation of micro financing into PROMEBA and PROSUR-Hábitat should be considered.

VI. Conclusion

The issue of slums is present in many cities in the world today, making it a highly debated topic within development studies. Governments, multilateral development banks, international organisations and academics have highlighted the importance of facing the challenges that slums create, and have developed and debated a range of strategies over the years to tackle the problem of urban poverty and its physical expression in the form of slums. In recent years, the slum upgrading strategy has been hailed by many as a 'best practice' that has the potential to provide a sustainable solution to the issue. A number of pilot projects have demonstrated the effectiveness of the approach in terms of improving living conditions and alleviating poverty, and its feasibility in terms of required resources and amount of time. Nonetheless, a number of potential barriers have been identified that hinder slum upgrading from moving from piecemeal interventions towards a programmatic approach that achieves an appreciable scale in a given context. In recent times, the problems related to scaling up draw much attention from researchers in the area, in the search for methodologies and tools that can effectively provide a solution to slums on a city or nationwide scale. This thesis identified and described the most important and frequently mentioned preconditions that are needed to enable slum upgrading going to scale, and used these conditions as an analytical framework to assess the potential of reaching scale in the case study area. It analysed the content of slum upgrading strategies in the Metropolitan Area of Buenos Aires, as well as the political, legal and institutional environment in which the approach is embedded. A number of lessons can be drawn from the analysis, of which some stem from positive experiences with the approach while others can be derived from shortcomings.

VI. 1 Lessons learned

First of all, a scaling up approach is critical to attain more stable and effective solutions that are consistent with the reality of urban informality in the study area. A strategic programmatic approach has the potential to provide a direction to policy-making towards informal settlements, integrate resources and generate a manageable methodology to increase the impact of interventions in slum areas.

This paper identified that **political will** to develop a slum upgrading strategy and **commitment** towards acknowledging and addressing the problem are crucial to ensure the (effective) implementation. To this end, slum upgrading programmes must have a strategic nature that transcends political cycles and ensures a sustained flow of resources over a longer period of time. PROMEBA works in a long-time frame and explicitly embodies the will to promote urban and social inclusion of the majority of informal settlements throughout the country on a sustainable basis. The flow of funds from the Inter-American Development Bank is guaranteed for a 25-year period through a Conditional Credit Line for Investment Projects (CCLIP). Informal settlements in the Metropolitan Area of Buenos Aires have existed for almost a century, but have increased in recent decades as a result of growing income inequality, the effect of the macroeconomic crisis, continuing immigration from neighbouring countries, a chronic housing deficit in the low-income sector and exclusionary land policies and regulations that limit the access to land via the formal market for a large part of the population. The proliferation of slum areas in the region has learned that informal settlements are no temporary phenomenon that will eventually disappear without comprehensive government intervention that promotes the social and spatial inclusion of the urban poor. Also within the Autonomous City of Buenos Aires, a specialised office is set up and charged with the implementation of a comprehensive policy programme (PROSUR-Hábitat) that promotes the social and spatial inclusion of the *villas miserias* in the City's southern zone. Even though PROSUR-Hábitat works with annual funding, and therefore seems to be more dependent on the local political climate in comparison to PROMEBA, the programme has directed actions to regularise neighbourhoods and broke with many decades of non-action in the city.

Secondly, the analysis learned that a **cross-sectoral and integrated approach** is key to effectively improve living conditions in slums, alleviate poverty and articulate resources to create a reinforcing effect between the various interventions. Both PROMEBA and PROSUR-Hábitat aim to implement a structured and interrelated set of actions with a strong internal cohesion. In addition to physical interventions such as road construction, the provision of other infrastructure and environmental mitigation, the projects include a range of social services, land tenure regularisation and actions to strengthen institutional capacity. Furthermore, PROMEBA II has a stronger articulation with other policy federal and provincial programmes, for example the

Subprogramme for the Urbanisation of Villas and Precarious Settlements, to facilitate relocation of households. By focusing on creating social capital, communities are involved from the outset and contribute to the implementation of the works the management and maintenance after the project is completed.

As regards the **policy environment in which slum upgrading operates**, the market-led restructuration of urban space of the 1990s and the privatisation of urban services all had drastic impacts on the spatial structure of the cities. Increasing competition for land accelerated the socio-spatial segregation of the population, with growing numbers resorting to illegal settlements that were underserviced and not connected to basic infrastructure. From 2003 onwards, the Argentina government embarked on a policy to produce 'turnkey' housing units at a large scale in order to curb the rampant development of informal settlement patterns. The focus of this policy remains on a supply-driven approach of low-cost housing production, with the principal aim to generate employment in the housing construction sector. Although this approach has proved an effective means to generate employment, it reduces the housing deficit only in a quantitative aspect without meeting the real needs of the poor. Furthermore, the policy lacks an integrated view of the social nature of the production process of the habitat and the city itself, and the delivered housing units are often too costly to benefit the low-income sector. The sustainability of the housing construction policy is questionable, and might even have adverse effect on socio-spatial integration. Access to housing via the formal market is still difficult for a great part of the population (a part that increased after the wave of unemployment and the fall of wages during the crisis and the resulting difficulty in getting mortgage finance), and as a consequence the number of households in informal housing situations grew over the last decade. Hence, urban upgrading policy is following the growing problem from behind.

One of the main challenges to scaling up is the **legal framework** governing land use in the region. Provincial and municipal regulations are often inadequate to meet housing and urban services needs of the low-income sector, and no specific regulations exist providing for the urban regularisation of existing informal settlements. The Land Use Planning Law of the Province of Buenos Aires (Law 8912) stipulates an array of conditions regarding land subdivision, and many informal settlements fail to meet the required standards. This excludes a great number of

informal settlements from participating in the PROMEBA programme. Similarly, the government of the City of Buenos Aires lacks legal instruments to efficiently transfer property titles to project beneficiaries. There lies a great challenge in adapting legal frameworks so that these provide a favourable environment for sustainable development, acting as facilitators of equitable land development.

Both PROMEBA and PROSUR-Hábitat adopted **land tenure regularisation** as a core component to upgrading. Legalising land tenure is necessary for the formal incorporation of slums into the city, because squatted areas are not recognised as formal parts of the city and are not eligible for improvement and service provision. Evaluations of projects that entitled land to occupants have demonstrated the existence of positive causal effects on investments by beneficiaries to improve housing. At the same time, the issue of land tenure is one of the greatest impediments to slum upgrading. The eligibility criteria of PROMEBA include the requirement that projects are located on government-owned land or on parcels that are acquired beforehand by the occupants. Settlements that are located on private land are excluded from the scope of the programme, limiting its application for a wide range of the target population. Furthermore, land titling occurs through complex bureaucratic procedures that often slow down a project's progression.

One of the strengths of PROMEBA is its **decentralised implementation structure** that allows for each project to be adapted to local circumstances, and contributes to building social capital managing projects at the grassroots level. A third positive aspect is that the incorporation of PROMEBA projects into local policy making enables articulation with complementary actions and additional resources. On the other hand, municipal governments are often found to lack institutional and technical capacity to work with communities. PROMEBA II has earmarked additional resources to strengthen this capacity. In other occasions, **community participation** is effectively mobilised to assist in land titling processes. Beneficiaries are also involved in tasks of maintenance of the implemented works. The measures of the programme's social component that aim to facilitate and strengthen the organisational capacities of community groups increase the sharing of information and help the members to articulate their demands and negotiate them with local authorities and utility companies. Since the PROSUR-Hábitat has only been operating recently, little can be concluded with regard to participation within that programme.

Slum upgrading can be considerably cheaper when non-public resources are mobilised. Even though full cost recovery can never be achieved, elements of **financial sustainability** must be incorporated to ensure that scaling up remains an attractive option. PROMEBA covers a small amount of neighbourhoods thoroughly at one time and channels significant amounts of public resources in comparison to slum upgrading programmes in other countries. A more incremental implementation method should be considered that utilises non-public resources more efficiently. Furthermore, even though most municipalities reduce tax payments for the target population of PROMEBA, and residents pay negotiated tariffs for utility services, many beneficiaries are still unable to afford living in the upgraded settlement and are forced out. The result is often a substitution of families for others that are capable to pay for the increased costs of living in the upgraded settlement.

To unleash the vast potential of the urban poor to improve their livelihoods, **access to credit** is key. Micro-credit can provide critical elements of institutional support and help to creating financially self-supporting and sustainable urban upgrading programs. Micro-financing is not incorporated in upgrading programmes, and is only provided locally by organisations that are partially funded by the government. Facilities to access credit should be expanded to fully exploit the self-help potential of beneficiaries of slum upgrading projects.

Project evaluations have confirmed that PROMEBA is an effective instrument to alleviate urban poverty and improve the living environment of the poor. Particularly with regard to the physical inclusion into the city, positive results have been achieved. However, the programme attends a too small amount of settlements to provide a perceptible solution to urban informality in the region. In fact, there is no evidence that the number of people living in *villas miserias* and *asentamientos* is declining. To this end, it is necessary to prepare projects for a greater number of neighbourhoods. The political will to work on a greater scale has been articulated through the implementation of PROMEBA II, and programme funding is secured for a 25-year period through the CCLIP. The programme is also better integrated with complementary policies and increasingly supported by municipalities that are technically competent to manage upgrading projects. On the other hand, slum upgrading policy is not fully supported by a general urban development policy that

promotes a social and distributive approach to land use, in order to prevent the formation of new informal settlements and facilitate the regularisation of existing ones. The main challenge seems to lie within the legal framework of land and habitat policies that guide processes that lead to increasing spatial and social inequality.

VI. 2 Recommendations

During the last decade there has been a change in the way in which slums are being acknowledged in the area, particularly by policy makers at the national level. Slum eradication or negligence are no longer dominant strategies, which is reflected by the endorsement of upgrading policies that seek in-situ solutions to the problems associated with informal settlements in Argentina. It is important to give continuation to this approach by following administrations, to ensure that resources remain available and new arenas are created to face the issue. Particularly in the Autonomous City of Buenos Aires, where *villas miserias* are a highly contested issue, it is essential to anchor the PROSUR-Hábitat programme and provide a sustainable framework for inclusionary planning that takes into consideration the interests of informal dwellers.

The case study demonstrated that slum upgrading policy must be supported by an institutional structure that makes it easier to implement such a policy, and that sufficient technical capabilities must exist at the level where slum upgrading projects are implemented. Even though the implementation of PROMEBA is highly decentralised, the institutional component of the programme needs to be strengthened to improve the performance of the programme and optimise the various processes in the planning-cycle. Otherwise the complexity and great amount of efforts needed at the local level to design and implement upgrading projects can become a threat towards the continuity of the approach.

Argentinean housing policy has a strong bias towards the supply-driven construction of housing units at a very large scale. It is evident that this approach has many significant outcomes (such as generating employment in the construction sector), but it is questionable if these actions are really benefiting the low-income sector as the produced units are often unaffordable and are not meeting the needs of the poor with respect to location and access. Not only would allocating the resources destined for housing construction towards in-situ housing development be more cost-effective,

it would also provide a counter force to spatial segregation and keep the social and economic networks of the poor intact.

The most significant threat towards scaling up slum upgrading policy is the mismatch between the objectives of slum upgrading policy and the legal framework related to land use planning. The regulations in place pose barriers to the legalisation of informal settlements under PROMEBA, and as a consequence a great number of settlements are excluded from the programme's scope. In other situations, excessive bureaucratic processes that are needed to achieve conformity with legal requirements substantially slow down processes. Finally, strict regulations are the principal cause for the existence of slums in the first place, since they exclude a significant part of the population from the formal land use market. It is a great challenge to adapt the legal frameworks so that it provides a favourable environment for sustainable urban development and facilitates equitable development.

Finally, in comparison to slum upgrading strategies in other countries PROMEBA develops relatively costly technological solutions with a strong focus on physical works. Meanwhile, the programme works in a very limited number of settlements at a time with a short time frame for each project. In order to foster sustainability, it should be considered to rely more on incrementally developing a neighbourhood and the more effectively mobilising non-public resources (including self-help development and external investment), while benefiting a greater number of settlements at once.

VI. 3 Discussion and suggestions for future research

This research paper began with the notion that over 1 billion people are living in informal settlements around the world. It then acknowledged that slum upgrading is a viable low-cost approach that it is widely acclaimed as a 'best practice', not only to reverse the trend of growing urban informality but also to cover other poverty related development targets that are envisioned in the Millennium Development Goals. Although slum upgrading largely builds on community-driven development, this paper took account of the fact that governments are assigned a strong role in slum upgrading processes, in order to support and facilitate self-help development through the improvement of tenure security, the construction of basic infrastructure and the provision of urban services. Governments are also able to influence the land and housing market mechanisms that have given rise to slums and perpetuate them.

The paper then proceeded to discuss the increasing need from national and city governments to move interventions from project-based to programmatic approaches. This shift does not only require increased allocation of resources and a robust political commitment, but also *"a better understanding of the successful experiences of national governments in establishing and instituting policies and programs for slum upgrading and prevention"* (World Bank Institute, 2010). An important component of creating a better understanding is the analysis of a policy's strengths and weaknesses. The results of analysing and evaluating the principles, implementation methods and tools of slum upgrading programmes, as well as the political, legal and institutional framework in which they are embedded can add to the discussion of how to face the challenge of informal settlements in the cities of today.

The most important lessons of this paper have been summed up in the previous section. This research was limited to a single case study, and while the findings support existing empirical research respecting the preconditions that need to be met for scaling up a slum upgrading programme, a side note should be added that for each regional context the relative importance of each factor might vary somewhat. For example, in countries where local administrations are traditionally weak and little space exists for citizen participation, more could be expected from a centralised implementation to guarantee a programme's advancement. Implementation methods for each area will be most effective if they are appropriately tailored to the local context with attention to cultural, socio-economic and political specificities.

There is another limitation to the present research, as in the examined case the policies were put into place under times of a transitional political climate at the various government levels. Following the 2001 economic crisis, the administration of Néstor Kirchner prioritised tackling extreme poverty and unemployment, and stressed the need to increase transparency and accountability in government. This implies that additional research is needed to examine the long-term sustainability of the implemented policies and programmes in order to verify if they endure beyond changes in political regimes. It remains to be seen whether a programme such as PROMEBA will be an agent for institutional change in itself, and if it actually creates a new enduring type of relationship between the various institutions and civil society, interacting in a decentralised structure.

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