INTERNATIONAL COOPERATION FOR HUMAN SETTLEMENTS

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Half of all urban dwellers and eight out of every ten rural inhabitants in developing countries live in inadequate and badly equipped housing, crowded together and subjected to unacceptable environmental conditions.[1] This means that in the countries of the Third World alone more than 2,300 million people live in housing that is without (or has only insufficient) services and that is marked as well by varying degrees of deterioration. The need to construct new units to absorb the natural increase in the population, to overcome gradually the qualitative deficit indicated above, and to renew existing stock makes housing and complementary services the major investment that must be made if one of the basic needs of the population is to be met.[2] "A house is something more than a simple or complex construction, detached or grouped, forming an agglomeration that might have diverse forms and functions. Defined as a dwelling, this construction is converted into an essential aspect of man's existence as a social being and his way of life on earth."[3]

The majority of the researchers who live in developing countries and study human settlements agree that the situation there is rapidly deteriorating. Many national and international officials are rather more optimistic in their assessments. As a result, the proposals made by each of these groups to overcome the catastrophic situation in housing and complementary services are also at odds with each other.

This paper is based on studies and direct observations made in various countries of Africa, Asia, and Latin America during the 1970s.[4] The emphasis, however, is on the countries of Latin America. The analysis is focused on the relationship between governments and multilateral agencies in the general area of human settlements because these agencies have a great influence on policies for the sector and on their implementation. This influence is inversely related to the level of development in the Third World countries. Unless we understand the role and attitudes of these agencies, academic studies of these issues will have little bearing on the real world.

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It is often said that we should forget about Habitat—the United Nations World Conference on Human Settlements (Vancouver, June 1976); that Habitat had no impact because it lacked well-defined objectives and because problems were not discussed and, instead, too many recommendations were approved. It is also said that the governments of the wealthy countries and the multilateral agencies are not really interested in the problems of human settlements, which are of concern only to local governments and to a few peripheral ministries with little or no political power to demand priority considerations in national and international programs. Finally, it is claimed that the recommendations were arrived at and ratified by the various governments although the majority of them really had no intention of carrying them out.[5] There is some truth in these claims. However, it does not make sense to forget about Habitat. To deny the effort that was made and to forget that these governments ratified sixty-four recommendations for action at the national level and nine for action at the international level would be quite simply to say that it was all a grand farce; that, for instance, congresses of the United Nations have no other aim than to sign declarations that no one, or only a very few, has the intention of honoring.

Habitat was, no doubt, very ambitious and perhaps it lacked a precise and definite focus, but the recommendations made covered, generously and amply, a vast and complex area.[6] If only a few of those recommendations were to be carried out, we could deal with the causes of rapid urbanization and its problems with much greater optimism. The truth is that most of the governments in question pay no attention to the problems which, in June 1976, they formally committed themselves to facing. This stance had its effect on the weight finally given by the United Nations to its technical agency responsible for human settlements and, consequently, on the limited funds that were approved for that agency's work.

This lack of response and interest contrasts with the attitude of the United Nations Intergovernmental Commission for Human Settlements. The majority of the fifty-six governments which made up the commission in 1979 were among those who a year before had not even bothered to reply to the request of the U.N. Secretary General for suggestions and critical appraisals of the programme presented by the United Nations Center for Human Settlements (Habitat). However, that lack of interest did not prevent the representatives of a number of those governments from asking the recently established Center to undertake so many different activities that it is easy to conclude that their intention was to do nothing. In addition, in a series of regional seminars organized in 1978 and 1979 by the United Nations Habitat Foundation, concerned with the theme of financing human settlements, representatives of the various governments asked for more technical and financial as-

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sistance in planning and constructing such settlements. This type of assistance, however, has been of little help in meeting the most urgent needs for housing and services of the 50 percent of the Third World population that lives in unsatisfactory shelter, with no utilities and in the worst possible environmental conditions.

One of the difficulties facing the various governments and agencies is that of reaching a consensus on what needs to be done and especially on how and where to do it. That consensus seems to be fundamental to the definition and implementation of a wide and flexible strategy for improving living conditions for that 50 percent or more of the Third World's population. It is possible, nonetheless, to anticipate certain tendencies and attitudes that will affect, with different intensity, the majority, if not all, of the developing countries.

First, the recent decline observed in the rate of population increase of some countries and of some of the largest areas of the world will not be accompanied by an immediate relaxation in the rate of increase of the urban population and, above all, of its spatial concentration. The urban situation in most developing countries may be described as either very unstable or just unstable, and a number of countries, the least urbanized, do not seem yet to have reached their highest rate of urban population growth.[7] Even if the rates of population increase forecast for the year 2000 are in almost every case lower than those observed during the seventies, many countries still have rates that would double the urban population every twenty years or so.[8]

That wealthy nations, institutions, and peoples will spontaneously decide to share their wealth and their technology with poor nations, institutions, and peoples is such a remote illusion that no great change is likely to occur in the transfer of resources on a world-wide or regional level. If this prediction is correct, although it can undoubtedly be modified by unforeseeable relationships between blocks of nations, many nations—possibly not less than thirty or forty—will be faced with excruciating difficulties just in maintaining their present pitiful levels of employment, literacy, housing, and health.[9]

For various reasons, many governments will prepare documents relating to urbanization policies, but few of these will be put into practice. Despite this, new institutions, ministries, and departments will be created on national, regional, and local levels for the supposed purpose of finding solutions to the problems concerning human settlements, housing, environment, etc. The documents outlining policies on human settlements that will appear during the coming decade will probably not attack unemployment or the extreme differences between poverty and wealth that are reflected in the quality of housing, in access to basic services, and in the quality of the environment in which the rich and the poor live. It is unlikely that, during the next decade or the following

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one, we will witness great changes in the existing distribution of wealth and in the present pattern of under- and unemployment in the poorest countries. Possibly there will be a certain improvement in the general standard of living, but differences between the rich and the poor, between rich and poor countries, will become more marked.

The city of the developing world will be self-generating. A high and increasing percentage of the areas built will be out of the effective control of official plans, codes, and regulations. We already have seen the construction of agglomerations of five, ten, twenty or more million inhabitants in the form of expanding patches of unofficially constructed dwellings surrounding areas of officially regulated construction.

Very few of the countries now in the process of developing will, in the near future, have sufficient economic capacity to commit the necessary resources to meet the population's basic needs for housing and services consistent with their own building codes. And, even if they had the economic capacity, it would not guarantee social commitment. It is possible for governments capable of sustaining such programs to opt for other, more dubious investments and for governments really wanting to carry them out not to be able to do so.

The inflexibility with which the official planning and construction of cities in developing countries is carried out demonstrates clearly the weak connection between those who study, finance, and decide the future of cities and the true actors, the people, who actually build the cities but have no say in the decision-making process. A dialogue between these two groups could introduce new and realistic ideas into the field concerned with building human settlements, which has not been characterized by its ability to assimilate new and effective approaches. Planners, national and international officials, and builders are not generally prepared to work—nor are they interested in working—with informal sectors that often are vast in size, have a dramatic capacity for mobilization (sometimes covering entire districts of a city) and, despite their poverty, have significant purchasing power because of their number.

The rather simplistic attitude that seems to prevail in the public sector is possibly based on the belief that, by doubling or tripling the number of projects currently being undertaken, the situation of human settlements in developing countries might be substantially improved. The majority of the governments and agencies do not seem to see—or do not wish to recognize—that the most serious problems stem from the poverty in which a large part of the population lives; from the distribution of wealth and the opportunities for employment generated in those countries; and from the contradictions existing between a rural situation that is invariably backward in social, economic, and political terms and

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the comparatively more advanced urban areas. Moreover, in some countries the problem does not involve a lack of capital, but rather the proper use of it. The play of national and international private interests in conjunction with those of certain public sectors, in the last analysis, determines the spatial and socioeconomic characteristics of the urbanzation process in each country. Its principal actors are those who govern, the construction and real estate firms, the consultants, the finance companies, the banks, the suppliers of building materials, and the professionals. Their joint strength is such that major problems are seen in a limited way with no attempt made to eliminate or minimize their causes.

Since governments seem incapable of applying the types of policies and incentives that would permit, at least, a gradual process of improvement in particular situations, they repeat approaches and methods that have not worked in the past. Among these are, for example, urban master plans and sometimes sectoral investment plans to attract new capital to urban areas; or subdivision, zoning, and building regulations to direct and correct the physical growth of metropolitan areas that are doubling their population every twelve, nine, or six years, and which, in ever-increasing numbers, are being built by their own inhabitants, who disregard official norms.

Despite the failure or very limited success of urban plans, some agencies continue to encourage new plans, to update others, or to refine the existing analysis of a problem. Only rarely do agencies try to convince governments of the need to confront, step by step, the causes of the problems and buttress their positon with technical and financial assistance. It is obvious that planners and national and international officials are not unaware of the differences that exist between the use that the majority of the inhabitants of a city make of the space encompassing their house and neighborhood and the use projected by architects and urban planners in their designs. Can it be said, however, that they are conscious of the widening breach, observable in developing countries, between the theory of urban planning and actual practice? Have they ever evaluated the results achieved from an urban plan with reference to its objectives? Do they understand the reasons and the consequences of the difference between the two? Or is it that the failure of urban plans is nothing less than the direct result of the excessive cost of proposals in relation to available resources? And, finally, who really has benefitted from urban plans?

It is not possible to insist on rigid and static urban plans and unreal and discriminatory regulations in the face of the development of agglomerations of two, six, or ten million inhabitants, which are increasing at an annual rate of five, six, or seven percent. Broad and flexible strategies are needed and periodic experimentation with new approaches in which, furthermore, social objectives are given absolute

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priority. An urban plan is not, therefore, sufficient. Most urban plans have been no more than costly and superfluous exercises, isolated from experience at the local level and having no consideration for the needs and possibilities of the majority of the population.

The agencies, in order to increase or assure the support of the governments, who are their principal contributors, try to show that they are indeed abiding by the postulates of the seventies by giving priority to programs emphasizing action and by favoring projects that benefit the "poorest of the poor." In this way, throughout their history, they have unthinkingly given rise to projects that were later abandoned and then often replaced with others that dealt only superficially with problems and never raised questions about their causes. It is not easy to understand why agencies abandon courses of action undertaken only a few years before without the benefit of an evaluation or, at least, publication of the results they expected from these projects as a means of validating the reasons that led the agencies to initiate them.

Some agencies announce policies that afterwards are not implemented or do not involve true changes in orientation. For example, on the basis of the assumption that their credit capacity would expand, between 1979 and 1982, at a rate of 5 to 7 percent a year, the Inter-American Development Bank (IDB) was planning to invest between 10 and 15 percent of its annual resources in urban development projects, which meant between 817 and 1,225 million dollars between 1979 and 1982, or between approximately 200 and 300 million dollars annually. For the first time in the history of that institution, urban development seemed to be receiving a high priority, along with programs for rural development, energy and hydraulic resources, as well as programs to strengthen the external sector through an emphasis on industrial production.[10] Four considerations had to be kept in mind with respect to urban development in connection with this proposal: (a) the creation of urban jobs; (b) technical and vocational education; (c) the improvement of health through potable water and drainage projects; and (d) the promotion of integrated urban development projects oriented toward the lowest income sectors and to be located in cities of intermediate size. However, loans for potable water and drainage represented 7.9 percent of the total loans granted by the Bank between 1972 and 1976 and 9.2 percent between 1961 and 1976, while education received 5.1 and 4.4 percent, respectively, during the same two periods. That is, the commitment to invest between 10 and 15 percent of the annual resources between 1979 and 1982 did not represent a percentage change in the traditional policies of the Bank.

The European Development Fund, despite its short and limited experience in the area of human settlements and housing, has identified major problems in its programs that might well serve as an example to

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other agencies.[11] Some of these are: (a) errors in the socioeconomic criteria used to identify the population targeted by the projects; (b) projects not always adapted to the needs and lifestyle of the intended beneficiaries, who do not participate sufficiently in the location and technical characteristics of the project; (c) differences between the cost of project and the intended beneficiaries' ability to pay; (d) norms for the construction of the infrastructure are based on those prevailing in industrialized countries; as a result, construction and maintenance costs, as well as those involved in the importation of technology and materials, are high; (e) norms for the construction of housing are inordinately high, with excessive costs being involved in the construction of foundations and walls; (f) inadequate use of local materials; (g) use of construction companies that utilize capital-intensive technologies; (h) excessive land costs; (i) regulations and norms that prevent the utilization of local materials; and (j) rigid criteria and costly and slow financing procedures.

Representatives of some agencies have said that their institutions only respond to requests from member countries and do not determine the priorities of each government as to what projects will be financed. If that is the spirit that prevails in the agencies, the postponement of socially progressive programs promoted in certain countries by governments opposed to the international policies of the most important members of those agencies is incomprehensible. The majority of governments traditionally ask to have financed programs that focus on economic growth, postponing social development and side-stepping popular participation. Even programs that could qualify as progressive—for instance, human settlements, which includes or could include sectors as important for local economies and local and regional employment as the building industry and the building materials industry—are not given just recognition. Almost no one seems to worry about the meaning that the specific location of human settlements, better services for the people, better housing, a more adequate environment, and a popularly based community organization have or could have for a society and a national and regional economy in the process of developing.

Many agencies have participated, through financial and technical assistance to governments, in the construction and administration of human settlements. The Social Progress Trust Fund financed some limited housing projects from funds appropriated by the U.S. Congress for the work of the Alliance for Progress. These funds, administered by the IDB, were to be channeled into projects for social development. The emphasis was placed on housing projects supposedly directed at "low-income" groups. Frequently the projects were constructed in locations isolated from places of employment and they lacked educational facilities and community services. Seldom did they benefit the low-income groups, for the simple reason that access to them was costly. Quantita-

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tively they had no impact on the housing situation, not even on the "middle-income" groups of a smaller metropolitan area. The overwhelming majority of loans were for projects in the largest metropolitan areas of Latin America. Once the monies of the Social Progress Trust Fund were gone, projects in this sector were discontinued beginning in 1968, despite the fact that the IDB continued receiving requests for loans. Some representatives of IDB feel that the type of project financed was not justified, because countries went into debt to provide housing for sectors of the Latin American middle class, which had access to other possible sources of credit. IDB's involvement in this sector has decreased to such an extent that in 1977 only two projects were approved; in 1978 and 1979 no loans for housing were approved; and in 1980 only one.

A new stage began in the early seventies as a consequence of the increasing participation of the World Bank Group in the urbanization sector, which includes housing and urban transportation. The World Bank Group approved an initial loan for this sector in 1972. It was a sites and services project in Dakar, with another in Thies (Senegal). An ever-growing number of sites and services projects were financed in various developing countries, as well as loans for urban transportation projects.[12] Beginning in 1975, the rehabilitation of slum dwellings, sometimes as part of a project aimed at a particular slum, at other times in conjunction with sites and services, became a matter of primary concern.[13] Several of the projects approved during the last few years included programs to generate employment by granting credit to artisans and small businessmen and by constructing a basic social infrastructure, such as schools and health centers, and by attempting to regularize the tenancy status of land on which these buildings stand.

Other agencies continued or began activities in this sector during the seventies, though the scale of their operation was much smaller. The emphasis of the Central American Bank for Economic Integration continued to be on the construction of finished dwellings for middle-income groups, and that of the Caribbean Development Bank on the reinforcement of second mortgage programs. Because of the scale of their operations and the approach taken, the programs of these two regional banks have not had an impact on the general housing situation in their respective areas of operation.[14]

Sites and services programs were promoted with such energy by some of the agencies that many governments incorporated them into their official estimates of the construction of new units, as new housing. The sites and services projects raise problems that the agencies cannot resolve and which go beyond their capacity to intervene, in spite of the fact that, in theory, they bring together two of the crucial aspects of projects of this type: popular participation in planning and administration of the project and control of the transfer and/or sale of the property

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lots, which amounts to control of the utilization and transfer of land. In practice, these two conditions are met only rarely, especially the first.

Sites and services projects were promoted in all Third World countries that were willing to accept them. The design of the projects and the planning guidelines were very similar, and rarely took cultural, climatic, and environmental differences into account. The average cost of a site including services could be estimated at 1,500 dollars around 1976–77, too high for a large percentage of the inhabitants of the large metropolises of the countries in which the projects were carried out.[15] As most governments do not control the increase in value of urban land and the agencies do not insist on the need for such control, and as investment in land and in the construction of basic infrastructure constitutes almost the total cost of a sites and services project, the only way to bring down the cost of a site with services is either to reduce the services even more, to the point of almost eliminating them, and/or to buy land at lower prices, which generally means in suburbs that are more and more distant and are worse from an environmental standpoint.[16] It is impossible to reduce the size of the sites any further.

The contribution of the agencies from their inception until 1979 (inclusive) to potable water and waste water disposal in Latin America has doubled the amount available in loans for urbanization and housing.[17] Of the multilateral agencies operating in Latin America, only the World Bank and the IDB granted major loans for projects in sanitation engineering (known as "proyectos limpios"); these constitute a good investment because recovery by the government is easy since the beneficiaries of the projects can be easily identified. However, the majority of loans in this area are for potable water projects. It is harder to recover an investment in waste water or sewage projects since the method of taxing the user—generally a tax assessed on the owner of the lot, based on the frontage of the lot—involves families in any one district whose ability to pay varies widely. In addition to their being urgently needed, potable water and drainage projects do not threaten particular interests in the same way that housing projects do. In a general way, global loans for this type of project in Third World countries grew as a whole, from year to year, and during the 1977–78 biennium, they exceeded 700 million dollars annually. By contrast, projects aimed at modernizing garbage collection, another among the most urgent needs of modern cities and a vital one in the very low income sections, have received almost no attention whatsoever.[18]

In their eagerness to encourage new projects, and in the belief that successful projects will be duplicated by the government in other cities or by the government of another country, the majority of the agencies insist on finding short-term solutions and have postponed the financing needed to face the causes of the problems. However, as a

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former official of the United Nations in the area of housing once said, the demonstration effect of any project in this area is of doubtful validity. In fact, he did not remember any case in his own country—a country in South America—in which a successful project promoted in one city by a national or multilateral agency had been replicated in another. Moreover, many dramatic situations which arise daily in Third World cities—as in the case of the illegal occupation of land—could be changed if governments, which are the recipients of financial and technical assistance, were disposed to bring about legal and institutional reforms.

Fifteen multilateral agencies have granted loans for a total of 88,484.4 million dollars since they began operating—one toward the end of the forties, seven during the sixties, and the rest during the seventies, up to and including 1978.[19] Of the total amount, 7.5 percent was distributed among the sectors that have a direct impact on human settlements, using a spatial criterion in the location of the investments and in the areas influenced by the programs: 1.8 percent was granted to urbanization, housing (including sites and services and upgrading of slums and squatter settlements) and urban transportation (1,640.8 million); 5.2 to potable water and drainage projects (4,611.8 million); and 0.5 percent to the building materials industry (442.3 million).

Nine of these fifteen agencies approved loans to Latin American countries for a total of 34,703 million dollars from the time they began their operations to 1979, inclusive. The World Bank Group granted 48.4 percent of that amount (16,811 million), the IDB 45.7 percent (15,856 million), and the Central American Bank for Economic Integration 2.6 percent (899 million). Of that amount (34,703 million), 3.4 percent (1,173.7 million) was allocated to urbanization projects (which include housing and urban transportation), 6.8 percent (2,369.5 million) to potable water and drainage projects, and 0.3 percent (104 million) to projects in the building materials industry, essentially for cement plants.

In 1978 it was estimated that the total amount loaned by these agencies for the three sectors we have labeled as having direct impact on human settlements could reach, by 1982, between 2,500 million and 3,000 million dollars for Third World countries. This amount would depend in great part on the activities of the World Bank Group. If this agency was able to devote 10 percent of its total loans for that year to these three sectors, that figure could be reached. It also would depend on the programs of the other multilateral agencies and, in particular, on the importance given to these three sectors by the IDB, the Asian Development Bank, and the European Development Fund, and on the possibility those agencies would have for obtaining the resources they count on in their expansion plans.[20] In addition, bilateral programs of the United States, Canada, France, Holland, Sweden, and Germany

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and, to a lesser degree, those of other Western European countries have granted loans and technical assistance for projects with a direct impact on human settlements, but the sums have been, in combination, much smaller than those of the multilateral agencies combined.[21]

It is difficult to compare the volume of those loans with the need for investment in housing, urbanization, urban transportation, potable water, waste water and drainage, garbage collection and disposal, building materials and social infrastructure in human settlements in developing countries. Information on the general housing situation and on the construction of new units is vague, and even more inadequate is the knowledge that we have, at the local level, of the qualitative deficit in housing and about the regional production of indispensable building materials. We know much less about the variations in the cost of city land and about the capacity of 30, 40, or 50 percent of the lowest income urban and rural population of each country to invest in housing or to pay for indispensable services. How much do countries invest in housing construction, and who invests? What social groups are the real beneficiaries of technical and financial assistance? How realistic are the plans for housing and the construction of housing? What relationship exists between the type of city that is built in a country and its economic capacity, between the urban and productive systems of each region? Who is responsible for what duties in a national policy on human settlements?

An important international effort was begun in 1981. The goal is to provide potable water for the world's population by 1990. No one believes that this goal can be achieved in every country. It may take three or more decades. But that goal has been agreed upon by governments and multilateral agencies, including specialized departments of the United Nations; greater coordination and cooperation is being developed. Nothing comparable exists for housing. Housing and many of its complementary services—like social services in general—do not constitute a priority for governments and agencies. For governments, human settlements continue to be a local, not a national, problem. It is the municipalities that are responsible for urban plans, but they lack economic and political power to carry them out, even to finance the most basic efforts. Governments address the problems of human settlements as if they were a sector of national programs when in practice they reflect concrete situations that cannot be isolated from more general socioeconomic and environmental problems.

There are no national or international pressure groups interested in the question and no serious attempts are being made to control the speculation that has become part of the urbanization process. In many countries of Latin America and in the majority of the developing countries, the building industry is in its infancy. Human inventiveness and

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human energy are its most important elements. Moreover, the building industry is concentrated in the large cities and there are cases which show its resistance to participating in the bidding for housing projects at distant locations. If to that picture we add the fact of scarce public and private investment in relation to need, we should not be surprised if the urbanization process in Latin America and also in other developing countries is characterized by negligence on the part of public officials and general improvisation. Although possibly more people die annually as a consequence of the unhealthfulness of the environment in which they live than from hunger, governments have not decided to act with the required urgency and pervasiveness. No importance is given to the relationship between an unhealthy environment and low productivity, absenteeism, and work-related accidents among workers living there. Who really takes seriously the impact of living, working, and playing in a sordid and inadequate environment on the social life and on the motivations of human beings?

The time has come to do away with the rhetoric of the last few years and to reflect on the implications of the situations described for the future of financial and technical assistance programs. The most urgent need is to rethink entirely the responsibility of the government to the people and the role of the agencies in the area of human settlements. Many public officials feel that progress is being made; that the tens or hundreds of conferences, seminars, and short courses that are organized annually throughout the world are a sign of interest; that the existence of a U.N. Intergovernmental Commission for Human Settlements, made up of the representatives of fifty-six governments, who come together annually to determine policy for the technical agencies of the United Nations in the area, is another sign of the desire to find solutions; that there exists a willingness to act and that the action plans that are being prepared are signs of this. Such gestures simply reflect an ideological use of information and enormous resources without meeting the minimal conditions to set certain basic and essential projects in motion.

The governments of Latin America, individually or collectively, have frequently announced their intentions to better the human environment, and they recognize the right of the people to adequate housing. Since the most serious cause of environmental problems in the settlements in those countries is directly linked to the extreme poverty in which a high percentage of their inhabitants live, there are very few courses of action open. They are the following:

a. Reduce unemployment and increase the real income of the population without increasing the cost of housing and services, accepting the fact that "shelter" and "potable water for everyone" are real objectives.

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b. Introduce redistributive policies that will earnestly involve the more affluent sectors of each nation in financing services to the lowest income sectors. The most direct measures would be a progressive tax on the holding of vacant lots, a direct tax on luxury housing to be calculated in terms of square footage in excess of certain dimensions, a value-added tax on real estate (land and housing) to be applied at the time of each transaction and which will take into account the rate of inflation between transactions, and progressive differential rates for the use of services in terms of accessability and the amount of consumption. Tenement housing and slum dwellings should be expropriated without compensation, rents being then used to make improvements. Some of these measures are already being used by national and local governments in Latin America, but their application is weak and their control negligent.

c. Reduce construction and administration costs of human settlements, especially those for housing and basic services, until it is possible to reach levels compatible with each national economy and in accordance with norms that take into account geographical characteristics and regional idiosyncracies. It would be necessary to encourage the production of those building materials that are utilized by the lowest income sectors, to revise official building regulations for housing in those sectors, and to initiate small loan programs for the improvement of housing and/or of the sources of employment, with community backing for projects that improve the situation for the community at large.

d. Begin literacy programs; open technical training courses in those activities connected with the building industry, without doubt one of the principal local sources of short- and medium-term employment if it is properly organized; and encourage the development of community organizations with the goal of achieving representation of the popular sectors in local administration and in a participatory democracy.

e. Regularize the illegal occupation of land; severely punish real estate speculation, and discourage unnecessary subdivisions, which are the basic causes of the high cost of urban and suburban land, of the high cost of construction and administration of settlements, and of the accelerating trend toward the destruction of the natural landscape in the areas being urbanized.

Not many governments in Latin America, or, for that matter, in the developing countries, are disposed to back firmly any of these lines of action, although they are mentioned in official documents, in political speeches, and in calls for action, which their representatives endorse easily but without any real commitment at international congresses. Most governments and agency representatives are inclined to favor economic growth as an immediate goal, leaving the satisfaction of certain basic needs such as that for shelter, potable water, and a decent human environment for some uncertain and never well-defined future.

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They do not realize, or do not want to recognize, that there are no physical limitations standing in the way of beginning to implement those courses of action, nor limitations in human resources, and that detailed information is not required and neither is exhaustive research. Many of them can be set in motion in almost all developing areas with the existing data. There are, on the other hand, sociopolitical obstacles and national and international interests that stand in the way of elementary decisions and actions, deflect public attention away from the real problems, and end up delaying indefinitely the introduction of a solution to social problems and basic needs.

Given the low priority that social problems have for the majority of governments and taking for granted that the agencies will continue to prefer the expansion of their bureaucracies and the ever-widening variety and geographic dispersion of their projects to concentrating on a very small range of actions undertaken in depth, what can international cooperation do to improve human settlements in developing countries? I can find no better answer than to return to the first paragraphs of this article: if only some of the recommendations approved by the governments at Habitat were to be implemented, we could begin to act and we could establish some few, but essential, recommendations for a socially more just approach. The four recommendations approved in Vancouver that I consider essential are the following:

D.3 "The unearned increment resulting from the rise in land values resulting from change in use of land, from public investment or decision or due to the general growth of the community must be subject to appropriate recapture by public bodies (the community), unless the situation calls for other additional measures such as new patterns of ownership, the general acquisition of land by public bodies."

E.1 "Public participation should be an indispensable element in human settlements, especially in planning strategies and in their formulation, implementation and management; it should influence all levels of government in the decision-making process to further the political, social and economic growth of human settlements."

C.9 "National housing policies must aim at providing adequate shelter and services to the lower income groups, distributing available resources on the basis of greatest needs."

A.1 "All countries should establish as a matter of urgency a national policy on human settlements, embodying the distribution of population, and related economic and social activities, over the national territory."[22]

The multilateral and bilateral programs for financial and technical assistance for human settlements can play a modest, but equally important, role once the individual governments and the multilateral agencies define their intentions clearly, that is, their objectives and responsibilities.

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Governments must define their objectives in the general area of human settlements and demonstrate the intention of implementing them gradually, step by step, through institutional and administrative changes. Given the present reality and the progressive deterioration of human settlements, the impact of existing, as well as any anticipated, financial and technical assistance not only will be minimal, but in many cases totally negative. Since resources to finance the construction and administration of human settlements must come essentially from within each country, tax reforms are indispensable. It is necessary to enact laws regarding urban and suburban lands, laws that reevaluate the concepts of property and inherited privilege. Regulations and codes that are realistic and conditioned by the collective capacity of a society and not by a minority must be elaborated, and the production of certain building materials must be promoted. If governments do not manifest their intention to initiate these changes, even the best examples of financial and technical assistance are irrelevant and only serve as temporary palliatives.

Multilateral agencies, for their part, cannot continue to scatter their scarce resources to the four corners of the earth, resources that are totally insufficient to stop the deterioration of human settlements. Nor can they continue to finance projects that touch only peripherally the massive problems involved in rapid urbanization. Several of the middle-income countries (between 390 and 3,590 dollars per capita, in 1978 dollars)[23] do not need financial and technical assistance for the construction of their human settlements. A few governments, such as that of Venezuela, do not ask for it. Among those that do, there are several that also dispense it to still poorer countries. Some governments request financial assistance from international and regional banks to explore projects that might meet resistance in their congresses, even though that particular activity did not constitute a priority and there was no intention of continuing it, at least in the immediate future. Some countries with higher incomes request financial assistance in order to concentrate their own resources on other projects. In purely national terms, the position of those governments could be justified. They are acting in accordance with their own interests, making the most of the advantageous terms of the multilateral loans. But in terms of one of the most serious social and environmental problems that society is facing and which will require the mobilization of financial and human resources without precedent, as well as an unprecedented generosity, it becomes difficult to justify such a position.

We cannot understand the magnitude of the housing problem of 40 percent of the urban population of Latin America, and 70 percent of its rural population, nor of more than 50 percent of the world's population and of the resources that ought to be mobilized, without a global perspective. The forces that give impetus to the process of contempo-

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rary urbanization—that is, the external and internal influences that affect the development or the stagnation of each region of each country and determine their quantitative and qualitative differences—cannot be understood if we are not conscious of the structural changes that are being produced and of the relationships between the great world blocs. For that reason, it is easy for certain countries to solicit and obtain financial and technical assistance, even for sectors which traditionally have constituted as low a priority among the agencies as those having a direct impact on human settlements. Assistance is granted on the basis of political interests and rarely in relation to real human needs.

If governments and agencies accept the fact that the costs of construction and maintenance of human settlements ought to come from the countries themselves and that the role of the agencies is essentially one of assistance and not of initiation of policies, I believe that multilateral and bilateral funds and resources should be concentrated on a few and very select activities. Naturally, there will always be discrepancies between the governments and the agencies as to which, among those activities, ought to be favored.

Two steps appear to me indispensable before we begin to select those activities. The first requires a change in attitude on the part of nations having a middle or advanced level of development, which means sufficient internal resources to build and administer their cities and towns without seeking multilateral and bilateral financial and technical assistance. In this group, countries that have sought and continue to seek such assistance to build housing and complementary services are Argentina, Brazil, Mexico, Costa Rica, Cuba, and Uruguay in Latin America, and several Arab countries. With respect to the first three, the loans received are insignificant as far as their programs are concerned, and none of them needs technical assistance in this area. If they do not invest the necessary sums in the construction and administration of their settlements, the reasons are internal: other investments and expenditures of arguable priority for the socioeconomic development of the countries, outmoded municipal tax systems, and no real intention of distributing the national income in a more equitable manner, among others. It will not be possible to overcome, nor even to reduce substantially, these problems with the credits and external assistance that they may be able to obtain. The majority of the Arab countries with larger incomes, on the other hand, may need short-term technical assistance, but it is questionable whether they need credit. The elimination of these countries from the competition for financial and technical assistance in what, up to now, has been such a low priority area, would permit concentration of the extremely scarce resources on the countries of lesser relative development. Some of these countries are precisely those confronting the most serious short- and middle-term problems, whether

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because of the size of their population—India, Indonesia, Pakistan, Bangladesh, and Nigeria, for example, or because they are confronting the highest growth rates in national and urban population, as is the case with the countries of East, Central, and West Africa and some countries in Central America and the Caribbean; or because they lack the minimum indispensable resources.

At the same time multilateral agencies ought to begin to take another step. Suppose that in 1982 their combined lending might reach a total of 2,500 to 3,000 million dollars (1978 value) for projects in the three sectors with a direct impact on human settlements (a figure which, in light of the evolution of the loans in 1981, seems improbable), and that beginning in 1983 they could increase them at a rate of 5 percent per annum, which would be equivalent to between 13,814 and 16,576 million dollars for the five-year period 1982–1986, inclusive. And let us suppose that as a counterpart to this credit, national governments contribute a matching sum toward the achievement of the projects. That would mean an investment of between 5,525 and 6,630 million dollars a year for five years, without taking into consideration possible private sector investments in the establishment of some building industries, in urban transportation, and in potable water and waste treatment plants, for example. This does not include public and private investments in projects that do not receive multilateral loans and that constitute the official sector of each country, as well as investments of the informal sector. According to the multilateral agencies' most recent programs, analyzed for 1977 and 1979, 3 percent would go to urbanization, housing and transportation projects, 5.6 percent to potable water and drainage, and 1 percent to the building materials industry, which in practice means for the construction of cement plants. Given the inclinations of the agencies during the most recent years, the amount earmarked for housing would be channeled to sites and services projects and/or the improvement of slum dwellings with the provision of complementary services. But are those the real priorities? Isn't a model city being promoted (model in the sense that there is the intention to duplicate it) without the participation of the people? With this type of project being insisted on, isn't a mass of the population perhaps being condemned to live apart and without access to necessary contacts? And isn't a narrow perspective, without any sense of the future, being confirmed, unless it is thought that it is possible to act on human settlements without acting with society?

It is always possible to give *something* to a family—a site, almost devoid of services, far from the places where one can earn a living, in a city of a low-income country—or to improve a slum dwelling with an investment of $300 or less per unit and to convince oneself that one is on the road to an adequate solution. In the final analysis, even in projects of

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this type, agencies insist on recouping the investment by requiring payment from the tenants, which means that millions of families are excluded or they participate in those programs by sacrificing other basic necessities, such as food.

It will not be easy to find an answer to the questions posed. On the one hand, some bureaucrats, operating out of departments organized to implement well-defined projects which require substantial investments and a large period spent in negotiations, will hardly be disposed to accept criticism and to change the direction of their programs. Opposed to the predominant tendency are those who believe that the approaches favored by the multilateral agencies—sites and services and improvement of slum dwellings—do nothing more than shift an additional burden onto those who have nothing. This latter group proposes a strategy to satisfy the basic needs of the people by mobilizing the community and inviting its participation.

Unfortunately, neither the governments nor the agencies evaluate their respective housing programs.[24] Some agencies seem to measure the efficacy of their sectoral program exclusively by the number of loans they approve and by the ease with which the loan is repaid. They seem to be uninterested—at least insofar as the housing projects are concerned—in finding out whether other objectives of a more social nature may have been accomplished and in learning about the inhabitants and about their experiences during the different stages of the project. And if they have learned, as seems to be indicated by some changes in the projects within the two approaches indicated, the results are not publicized.

If the agencies were to coordinate better their activities among themselves, and if they were to define better their priorities and draw lessons from their programs, they could perhaps be more effective. Seen from the outside, the programs of the agencies relating to human settlements appear out of touch, disconnected from the social realities of the countries, and lacking in popular support, disconnected even from the most evident local experiences. There is no consensus among them at the level of strategy, a situation which is seen by some officials as a sign of merit.

This assessment brings me to the third, and without a doubt, most important step. Any student of the contemporary process of urbanization in Third World countries knows that neither the governments nor the agencies nor even the official private sector is the true builder of cities and rural settlements. The lower the level of development of a region or a country, the greater the percentage of houses that are occupant-constructed out of nonindustrial materials, and the greater also the percentage of the population not having access to the most basic services and to permanent employment. The percentage of housing built

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by its occupants with nonindustrial materials, out of keeping with official regulations and norms for construction and urbanization—usually known as squatter settlements—is rising in almost all the regions of the Third World at rates faster than those for urbanization and even than the growth rates of the principal cities. In some countries of the Third World, this situation persists and is burgeoning because the governments lack the social commitment to take the first steps toward its solution. In the majority of the countries the absence of social commitment by the government is matched by a small capacity for investment. Even so, in all the countries of the Third World there exist human resources, technical knowledge, and information and natural resources that could be utilized if the will to act existed. Without that will to act, however, the proposals I outline in what follows will make no sense.

If the governments and agencies accept the idea that investments and maintenance costs of human settlements in each country ought to come from national resources, that the agencies' assistance ought to be specialized, and that the three steps mentioned as preconditions for a far-reaching and generous strategy are to be implemented, then I suggest concentrating agency funds and counterpart funds from the governments on a few activities. They are the following:

a. Financing the preparation of official physical maps and tax registries for human settlements, beginning with, let us say, those having more than fifty thousand inhabitants and others whose rapid physical and demographic growth is anticipated, even though their present population is less than that. Those maps and registries are essential for updating and completing the existing tax systems and for establishing land uses and adequate building codes and a better control over the environment. Without these measures, the effort and cost of preparing a master plan seems useless. If this kind of program is well implemented, whatever loans may be granted to responsible national agencies could be recovered in a few years, perhaps combining a short grace period of three, four, or more years, depending on the scale of the agglomeration, for the preparation and organization of maps and registries, and another three, four, or more years for the repayment of the loan using the new local revenues. Only the local governments that adopt those means would be able to receive adequate technical assistance to initiate specific financial studies for a well-defined selection of projects.

b. Public works, such as potable water and waste water drainage projects, as well as investments in paving, electricity, telephones, mass transportation, parks and social infrastructure, figure among the causes of the added value to real property, whether or not it has buildings on it. The major part of the value added has speculative roots, although there always exists a close relationship between the accessibility of a district,

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the services that it has, its environmental quality, and the uses of it allowed by existing codes and regulations and the market value of real estate. But the rigid application of a value-added rate would affect those sectors of the population with scant buying power. It should be applied, then, in a differential way throughout districts of the city, being concentrated on agricultural lands that become urban (they are the ones that, as a general rule, have the greatest percentage increase) and on commercial and residential properties above a certain price. The correct application of a value-added rate can also thin out certain districts and bolster others, given the scant effectiveness of static controls, such as urban codes and regulations.

If they were adequately organized, differential rates indexed for inflation could be applied for the use of certain local services and the value added could be recouped for the benefit of the community. The possession of unnecessarily large lots, the holding of vacant lots, and the construction of excessively large and luxurious houses and apartments ought to be subject to progressive taxes on the former and heavy initial taxes on the latter. I do not see any other way to finance, on a short-term basis, the construction and administration of cities in developing countries than to apply, with redistributive ends, certain taxes which, moreover, are envisaged and accepted by the legislation of many countries although they may not be enforced.[25]

It is often suggested, on the other hand, that the first step is to mobilize local saving. Given the low income and chronic underemployment of most of the population in developing countries, the ability to save and, consequently, to invest in housing and to pay for basic services is limited to a fluctuating but rarely major segment of the inhabitants of each city.

c. A complete revision of the technology employed in the construction of human settlements is urgently needed. The cost of much of the technology employed is excessive in relation to the collective resources that can be mobilized for construction by the great majority of the developing countries.[26] In addition, the incorporation of that technology often favors certain districts of a city and ignores others; that is, it favors the social sectors that can pay and ignores many others, if not, indeed, the majority of the urban population. Two examples will do. In certain districts preference is given to a use of land and a type of architecture that requires the use of energy-intensive building materials—steel, aluminum, cement, glass, etc. The disproportionate use of such materials in the construction and furnishing of luxury housing forces up the price of domestic fuels for the lower-income sectors of the society. In every one of the examples that I am acquainted with, the improvement of mass transportation—which in most cities is already sadly deteriorated or in the process of deteriorating—is deferred while individual

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transportation is bolstered through the construction of new highways and central parking areas, and advantages are given to the automobile industry and to fuel.[27]

Another result of the technology employed is its isolation from the labor needs in each region. There is a strong correlation between the level of development of a region and the part played by materials in the cost of a square meter of construction. The lower the level of development, the greater the percentage of the cost represented by materials and the lower that of manual labor. Since construction is or can be, after agriculture, the second most important source of employment in the less developed regions, and since the income of nonskilled construction laborers is proportionally lower than that of the other productive sectors, savings on construction should come from a better utilization and selection of building materials, thus allowing for an increase in employment.

A third consequence of the technology used is its dependence on external sources, which is reflected in the increasing importance of materials and construction technology in imports, in the connection between foreign financing and the appearance of foreign construction firms with privileges that are not granted to local companies, and in the organization of the building industry in each country.

The attitude of most governments and agencies with respect to the technology used in the construction of human settlements has not favored the low-income sectors, which use, in the construction of their own housing, a limited variety of industrial building materials, all of them subject to local or national monopolies and to intense speculation. The production and cooperative marketing of a few, carefully selected building materials at the local level is essential for many reasons—for instance, to provide them at low cost to the low-income population (creating, at the same time, sources of employment in the *barrios*) and to reduce the importation of materials from outside each region, resorting to technologies that maximize the use of each region's natural resources. Nonetheless, some sectors of the population will still be unable to buy the more essential materials, even when their prices are substantially reduced. In the short run, and until a redistributive income policy is put into effect, the only viable mechanisms appear to be the exchange of materials for labor in cooperative production organizations, and/or direct subsidies.

A high percentage of houses during the next generation will be built by their intended occupants. This is a reality that governments, little inclined to accept patent facts, must openly acknowledge. The solution to the problem of access to urban land, the expansion of programs for the construction of public services to make them accessible to all urban and rural sectors, and the provision of the few building materials for roofs, walls, floors, windows and doors, latrines, sinks, faucets,

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and piping of two or three sizes, for example, constitute the most practical and realistic, even though not ideal, way to begin to approach the solution to the housing problem of the great majority of the people.

These activities are urgently needed and, because of their implications, will have a great impact on the future of cities. The collection and processing of waste materials is complementary to these three activities. It is perhaps, together with the provision of potable water and sewer services and plans to counteract the deterioration of the natural landscape, one of the essential preconditions for creating a healthy human environment, especially in the districts that have been built and will continue to be built outside of the official norms.

d. There has been practically no credit or technical assistance to support small shops and industrial plants, individual artisans and small tradesmen who have such importance in the economies of the small and medium size cities and in many neighborhoods of the traditional urban industrial centers. These businesses require only a small initial investment and a short period of initial growth to become established. They do not overburden the transportation system and, at the same time that they contribute to the needs of the local population, they satisfy a continuing demand for products and services, which, as a general rule, are inaccessible because of their cost and interruptions in supply when they are organized by larger-sized companies. They serve, furthermore, to train many wage and salaried workers, an essential concern in developing countries, where it is difficult to affirm that a particular technology is the most adequate and where it is absolutely necessary that certain activities depend on local technical resources. Since underemployment and its ensuing poverty is the major tragedy of the developing countries and the principle cause of the extremely low and steadily declining quality of the environment in the barrios of cities, as well as in rural settlements, programs with this orientation acquire a socioeconomic dimension of enormous significance. Not only are the costs of creating new jobs comparatively low, but they can become a decisive factor in maintaining stable family units that will neither be excluded nor rejected by society.

e. The training of urban administrators, the education of communities in the larger appreciation of urban problems and the existing methods and techniques and, above all, the participation of the popular sectors in the definition, implementation, and administration of plans and projects will have multiplying effects of unforeseen proportions. On a different level, the training of researchers and the urgent consolidation of regional work and action groups, and the training of urban "orientators" would serve to demonstrate that the world is not a cultural and ecological unit and that the growing universality of approaches and

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solutions has already had destructive effects by not taking into account the needs of the population at the level of the community.

The permanent technical personnel of the agencies, independent of their origins, are generally trained in the industrialized countries and oriented professionally to the ideas and values of the industrialized countries. Many of those with whom I maintain contact have lost the sense of the situation in Third World countries. They even seem skeptical about the possibilities of implementing programs and initiating projects based on ideas such as those treated in this paper (many of which have been discussed with them). Two possibilities ought to be considered: the first would demand a change in attitude in many of the agencies' technicians since it would call for a rotating system that would require, as part of its contract, working and living in the target countries during the completion of the projects selected; the second would require a change in attitude on the part of many agency directors since it involves the contracting of regional research centers instead of consulting firms from outside the region in which the project is implemented.

The scale and complexity of the problems of human settlements are such that they require a new and generous presentation. It is not by the application of reformist and partial approaches that we will begin to solve them. The great majority of developing countries have sufficient human and natural resources to stop the growing deterioration of the human environment and to resolve their essential problems. They simply are not using them or are using them incorrectly.

The multilateral agencies and the United Nations system should develop types of financial assistance that will not be negotiable, approving loans insofar as progress is made in some of the activities that have been singled out for priority. Direct loans should be made to communities for essential works, and small loans to borrowers to allow them to improve their housing and increase their production of crafts or the production of their workshops. These loans will undoubtedly benefit more low-income families than the loans made for large infrastructure projects, some of which are of doubtful economic priority and generally have no social priority. But without a doubt the success of any program will depend in good measure on the attitude that politicians and government and agency technicians have regarding the opinions of the different sectors of each national society, especially of the neediest sectors. Either they learn from them and work with them or the solution of the most urgent urban problems will continue to be postponed indefinitely.

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NOTES

1. Fundación Bariloche, *Catastrophe or New Society?* (Ottawa: International Development Centre, 1976).
2. Ibid.
3. Jorge E. Hardoy, "La vivienda de los pobres," *Revista Interamericana de Planificación* 10, no. 40 (Dec. 1976):5.
4. Jorge E. Hardoy and David Satterthwaite, *Shelter. Need and Response* (Chichester: John Wiley and Sons, 1981).
5. Jorge E. Hardoy, "The Recommendations of the UN Conference on Human Settlements and Their Viability in Latin America," *Habitat International* 3, no. 1/2 (1978):161–66.
6. An honest evaluation by someone who worked hard and well for the success of Habitat is to be found in Duccio Turin, "Exploring Change: What Should Have Happened at Habitat," *Habitat International* 3, no. 1/2 (1978):185–95.
7. In this situation are to be found El Salvador, Honduras, Guatemala, and Trinidad and Tobago, in Latin America; Angola, Mali, Mozambique, Niger, Nigeria, Sierra Leone, and Tanzania, in Africa.
8. United Nations, *Global Review of Human Settlements. Statistical Annex* (New York, 1976), table 1, pp. 22–49.
9. The World Bank includes a list of 38 low-income countries ($360 or less per inhabitant). Only nine in 1978 had a life expectancy at birth that was higher than fifty years; in only seven was the index for food production in 1976–78 greater than that for 1969–71, and in two it was equal; and in nineteen the annual rate of growth of the national product was 1.0 percent or less. See The World Bank, *World Development Report, 1980* (Washington, 1980), table 1, pp. 110–11.
10. Interamerican Development Bank, *Propuesta para un aumento de los recursos del Banco Interamericano de Desarrollo* (Washington, D.C.: December 1978), Section 4, esp. pp. 54–62. During its first years of activity between 1961 and 1966, the IDB gave far greater attention to projects having to do with potable water and sewerage.
11. Commission of the European Communities, *Summary of the Activity and Expansion of the European Development Fund of Housing Projects* (Nairobi: October 1978).
12. Sites and services: in 1973 in Managua (Nicaragua); in 1974 in Francistown (Botswana), Calcutta (India), and several Jamaican cities, among them Kingston and Montego Bay; in 1975 in San Salvador and other principal cities of El Salvador, Jakarta (Indonesia), Nairobi (Kenya), Lusaka (Zambia), three cities of the Givanju region of the Republic of Korea, and Dar-es-Salaam and two other Tanzanian cities; in 1976 in Kuala Lampur (Indonesia) and Manila (the Philippines); in 1977 in Madras (India), Abidjan (Ivory Coast), and a second project in San Salvador; in 1978 in La Paz (Bolivia), several cities of Colombia, Cairo, Alexandria and Assiut (Egypt), several Tanzanian cities, Rabat (Morocco), and Ciudad Lázaro Cárdenas (Mexico); in 1979 in two states in northeastern Brazil; in 1980 in urban centers in the Republic of Korea, in Burundi, Lesotho, Nigeria, and Thailand. Urban transportation: in 1973 for Kuala Lampur; in 1974 for Teheran and Tunis; in 1976 a second project for Kuala Lampur; in 1977 for Bombay; in 1978 for five metropolitan areas of Brazil and San José (Costa Rica); in 1979 for Bangkok; and in 1980 for Calcutta and for various urban centers in Nicaragua. (Information taken from *Annual Reports* of the World Bank, 1972 to 1980, inclusive.)
13. We see it in the Jakarta project of 1975 or in the one for Manila in 1976; in the ones for Madras and for Abidjan, and in a new project for Jakarta, all of them in 1977; especially in the projects approved in 1978, such as the one for Ciudad Lázaro Cárdenas and the ones for the Colombian cities; in new projects for Francistown and Calcutta and for Tanzania, in general; in projects for Ouagadougou and Bobo-Dioulassou (Upper Volta), Bangkok (Thailand), Nairobi and other Kenyan cities, and others; in 1979 in Cartagena, Molina, Tunis and Sfax, and in several urban centers in Brazil and Indonesia; and in 1980 in Guayaquil, Panama City and Colon, Bangkok, Manila, and several urban centers of Nigeria, the Republic of Korea, and Nicaragua.

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14. Since its inauguration in 1966, the Asian Development Bank has dedicated very few funds to housing projects: of its total loans between 1966 and 1978—5,404 million dollars—a mere 0.7 percent went to urban development and housing projects, 15.6 percent to potable water and drainage projects, and none at all to construction materials. Other agencies, such as the African Development Bank and the African Development Fund, have only granted loans to potable water and sewage plants or projects.
15. The total cost of a lot measuring $81m^2$ ($5.40 \times 15m$), including urbanization improvements and water and lighting services, in Guatemala City, as financed by the World Bank, was 1,749.06 quetzales (equivalent to dollars). Land costs took up 23.44 percent, 63.7 percent was spent in urbanization improvements and services, and 12.81 percent in construction (complement to urbanization). The monthly payment that the new owner had to make was $21.09 (US) and the family earnings corresponding to that payment was to be $105.00. Approximately 60 percent of the general population was not capable of making payments that would allow it access to the type of project just mentioned. See Hermes Marroquín, *Guatemala 1978. El problema de la vivienda popular* (Guatemala: CIDU, 1978), table VII-3-3, pp. 263–64.
16. Prices of land for projects such as the one mentioned in the preceding note increase conservatively by 25 percent per year in the case of areas relatively close to the city. In 1982 the purchase of the lot would represent a cost of 1,251.25 quetzales (dollars) and would be equivalent to 34.65 percent of the cost of the lot plus services. See Marroquín, *Guatemala*, p. 264 and table VII-3-3.
17. 2,369.5 million dollars for potable water and sewerage and 1,173.7 million dollars for urbanization, which includes housing and urban transportation.
18. Some recent projects dealing with sites and services and the improvement of slum housing include small amounts to render trash and garbage collection more efficient. I have found only one loan, granted in 1975 by the World Bank to the government of Singapore, for the modernization of the trash and garbage collection system.
19. Silvia Blitzer and Jorge E. Hardoy, "Aid for Human Settlements in the Third World, 1977 and 1978" (London: International Institute for Environment and Development (IIED), 1980), internal document. The World Bank Group granted 66.6 percent of that amount (58,419 million), the IDB 15.8 percent (13,988 million), the Asian Development Bank 6.1 percent (5,404 million), the European Development Fund 2.6 percent (2,308 million), and the United Nations Development Program 2.9 percent (2,613 million). Together those five agencies granted 94 percent of the multilateral financing that was made available.
20. This optimistic assessment does not seem to have any possibility of being carried out. In 1980 dollars, the World Bank loans for urbanization, housing and urban transport, and potable water and sewerage represented in that year half of what had been estimated. Silvia Blitzer, Jorge E. Hardoy, and David Satterthwaite, "The Sectoral and Spatial Distribution of Multilateral Aid for Human Settlements," in *Habitat International* (in press).
21. Concerning the expansion plans of the multilateral agencies, see the article by Andrés Federman, "Poverty's Strange Bedfellows," *South*, London (June 1981), pp. 7–12.
22. United Nations, "Report of Habitat: United Nations Conference on Human Settlements," A/Conf.70/15 (New York, 1976).
23. The World Bank, *World Development Report, 1980* (Washington, D.C., 1980), table 1, pp. 110–11.
24. There are, of course, exceptions. In late 1981, the World Bank completed an evaluation of their sites and services projects in a selected number of countries. In Argentina, an evaluation of some low-income housing was underway in 1981.
25. "The City of São Paulo (Brazil) had to invest 69,700 million dollars to eliminate, in four years, its accumulated deficit and to attend to its basic needs (between 1976 and 1980). In the meantime what was available for those years was less than 8,000 million dollars, including the State's investment in the city." Jorge Wilhelm, "Algunas contribuciones a la comprensión y al ejercicio del poder local," Foro Internacional de Asentamientos Humanos, Mexico, April 1980, p. 37. Wilhelm was secretary for planning of the State of São Paulo between 1973 and 1978.

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26. During the last few years, the cost of a square meter of construction has generally risen more sharply than the increase in salaries.
27. Two good examples of the negative impact of giving priority to individual transportation instead of improving mass transportation are the federal districts of Buenos Aires and Mexico.

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