

Improving the quality of life in low-income neighbourhoods occupied by tenants

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SUMMARY: *This paper begins by describing conditions for tenants renting accommodation in the centre of Lima. The paper then focuses on the activities of one NGO, CIDAP, which has been working with tenants to ensure equitable development within urban renewal and has been promoting alternative and participatory planning to secure decent housing for all.*

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I. INTRODUCTION

LIMA IS THE capital of Peru, containing the largest urban population in the country, the head offices of the country's public and private agencies, and offering an attractive city environment for anyone who wants to have all services and facilities to hand. In terms of meeting housing needs in Lima and elsewhere, the largest producers of housing and the main urban developers are the local residents who have built more than 30 per cent of the country's housing stock. In finding housing, low-income families have followed various strategies including owner-occupation, renting and squatting. In recent decades, there have been fewer opportunities for squatting, traditionally the preferred strategy for accessing housing by the neediest and economically weakest section of the population.

Urban centres have to be seen as neighbourhoods of opportunity for their low-income residents. Housing, even rented accommodation, may be handed on from generation to generation. Neighbourhoods are carefully chosen for their strategic location in securing livelihoods. In the absence of urban policies and plans to ensure that Lima is an environmentally healthy city, local residents, especially those living in the historic urban centre, have sought to prevent continuing environmental deterioration.

In Lima, as in other Latin American cities, the uncontrolled expansion of the city was not foreseen and no plans were made to maintain the basic infrastructure of the city. Major problems are simply dealt with after they have occurred. In this context, the CIDAP looks at how to make urban centres fit to live in, promoting and encouraging alternative and participatory plans

1. The term "slum" is used here because it is believed to be the term that best represents the physically degraded neighbourhoods occupied by tenants in the centre of Lima. It is often used in a negative sense, reflecting the very inadequate conditions within which people are living. It does not imply that there are high levels of delinquency or social degradation within these neighbourhoods.

2. This kind of contract is offered by one party and the other has no option to negotiate but has to either accept the terms or reject the contract.

to secure decent housing accessible to all. Effective proposals must learn from, and be built on, the livelihood and housing strategies developed and used by the most deprived sectors of the population. In this respect, metropolitan Lima offers a significant opportunity arising from the concentration of poor urban citizens who daily demonstrate their creativity by ensuring their own survival and that of Lima as a city. Learning from these experiences, CIDAP runs urban programmes such as "Urban Renewal in Lima" in slum neighbourhoods occupied by tenants in the centre of Lima, including the historic city centre.⁽¹⁾ One such programme that seeks to address issues related to central city urban settlements and rental accommodation is described below.

II. BACKGROUND

a. Legal Situation

RENTING AS A legal form of tenure dates from the last century. The legal framework governing rental housing has gradually been amended by successive governments. The current administration has brought about major changes in the housing regulations, starting with the removal from the constitution of the country of the right to housing. Specific legislation on tenants has reduced the protection of tenants in favour of property rights without seeking to establish equity between owners and tenants. The state now leaves the regulation of rental accommodation to the free market.

b. Current Policy

The legal framework is only one component within the central government's housing policy. In general, the state sees the provision of rental accommodation as being primarily the responsibility of the private sector although there is neither a strong nor an active policy to encourage such investment.

It is six years since these legal reforms were implemented but they have not had the expected impact, particularly with regard to changes in low-income rental accommodation. Some of the unexpected impacts can be exemplified by a recent upgrading or "slum clearance" programme undertaken by the Lima Charitable Organization (a state agency which administers buildings given to the state or reverting to the state in the absence of a private owner). The aim of the programme is for the direct beneficiaries, at present tenants, to become owners within a new housing development. The costs are to be met through a series of payments by residents adjusted to take account of individual household income. Interest of not less than 16 per cent per year is charged on the amounts owing and a further charge is made for insurance. Families earning an average of US\$ 100 per month are expected to make payments for a period of up to 15 years. It is not possible to change the terms of the sales contract before signing it, as it is on a "take it or leave it" basis.⁽²⁾ The tenant has

no option other than to accept or refuse. Residents are increasingly concerned about the situation of these low-income families, despite the fact that they qualified for and are now occupying the new apartments. They were forced to leave their own homes, and one of the eligibility criteria is that households have to relinquish all claims to the housing they formerly occupied. The organization which was formed when they moved to the new housing complex is trying to ensure fair treatment and observance of their right of occupation.

Lima city council is promoting private investment in rental accommodation and the greater involvement of the private sector in central city properties owned by the council. In order to strengthen city centre renewal, it is redeveloping the public areas, improving main roads, redesigning public squares, relocating and regulating informal traders, and improving basic infrastructure, including green areas. One impact of this strategy has been to increase the value of centrally located land and the authorities hope that this will encourage future private sector investment. However, these improvements do not include social development projects, for example, those protecting low-income informal sector traders so that they may have a safe place to work. Low-income tenants can no longer afford to rent the properties in which they are now living but the city council is not providing them with relocation or alternative support.

3. National surveys to measure living standards. Instituto Nacional de Estadística e Informática (1981), *Censo Nacional de Población y Vivienda*, Edición, INEI and the Instituto Nacional de Estadística e Informática (1993), *Censo Nacional de Población y Vivienda*, Edición, INEI

c. Trends in Renting

Between 1981 and 1993, the number of private rented dwellings with resident occupants rose by 2 per cent.⁽³⁾ In 1981, the total number of private rented dwellings in the country was 480,506, rising to 486,037 in 1993. The recent legal reforms and market orientated urban renewal policies have not caused any significant changes in people's behaviour with regard to renting.

Table 1: Occupied private housing in urban and rural areas by tenure regime

	1981			1993		
	Total	Urban	Rural	Total	Urban	Rural
TOTAL	3257124	2036712	1220412	4427517	3017681	1409836
Owner occupation- no further payments	2231634	1171379	1060255	2996079	1876967	1119112
Owner occupation- payments still being made	133240	131006	2234	188759	155912	32847
Use with authorization of the owner but without financial payments	241657	150374	91283	447534	292186	155348
Rented	480506	461433	19073	486037	449000	37037
Squatting	194452	171988	22464			
Other forms	170087	122520	47567	114656	71628	43028

Source: INEI - Censos Nacionales 1981 - 1993

4. Cuánto, S.A(1996), *Encuesta Nacional de Niveles de Vida*, ENNIV, Edición Cuánto.

Over the 12-year period between the 1981-1993 censuses, the number of private rented dwellings in the urban area fell by 12,433 units, whilst there has been an increase of 17,964 units in rural areas. The latest household survey conducted in 1994⁽⁴⁾ supports this trend, showing a greater rise in tenancy in the urban centres in the mountains than in Lima. In metropolitan Lima, 182,417 housing units are rented (16.5 per cent) and 640,559 housing units are owned (58 per cent); the category of owners includes dwellings in registered human settlements and small owners of slum property. The proportion renting accommodation is very high in some of the central city areas (see Box 1).

Box 1: Rental accommodation in Peru, Lima and selected neighbourhoods

- Peru:**
- **13 per cent of dwellings are rented;**
 - **18 per cent of households are overcrowded;**
 - **14 per cent of households have inadequate living conditions;**
 - **national housing deficit: 1,800,000 units;**
 - **present housing stock: 5,099,600 units;**
 - **96 per cent of the housing stock is occupied;**
 - **an annual production of 100,000 housing units is needed but the private and public produce 15,000 units per year.**
- Lima province:**
- **total population: 6,214,097 inhabitants;**
 - **16.5 per cent of dwellings are rented.**
- Lima district:**
- **total population: 342,455 inhabitants;**
 - **38.1 per cent of dwellings are rented;**
 - **dwellings in low-income neighbourhoods: 18,087.**
- Neighbourhoods covered by the CIDAP programme:**
- **Monserrate: 15 per cent of slums in Lima district;**
 - **Barrios Altos: 50 per cent of slums in Lima district.**

This increase in home-ownership is mainly the result of low and middle-income groups leaving rental accommodation because the regulatory framework governing tenancy does not protect them. In order to have security of tenure, they have to become owners. Successive governments, as well as commercial developers, have promoted home-ownership as the definitive, safe strategy for obtaining tenure. For this reason, most low-income groups have chosen to buy land on the outskirts of major cities such as Lima, "solving" their housing problems at considerable social cost.

d. Owners of Rented Property

In metropolitan Lima, the owners of rented property, especially in the centre of the city fall into two main groups, namely private and state. The private group includes real estate companies, the Church, private universities such as the Pontificia Catholic University (*Pontificia Universidad Católica*) estates un-

der administration, and other associations and companies. State agencies owning property include the Lima Charitable Organization and public universities such as the University of San Marcos, Lima city council and the Peruvian Social Security Institute. The largest landowners include the Lima Charitable Organization, the National University of San Marcos, the Church and Lima city council.

Prior to 1993, tenants of these large landowners had broadly similar terms and conditions. Tenants rented anything from a piece of land measuring between 20 and 40 square metres to a built area of 80 to 120 square metres, perhaps sharing a tap or washing place with more than 40 families or, sometimes, having their own bathroom. Families who rented only land had to build their housing with their own resources, using bricks and cement or cardboard and matting depending on the state of their finances. Generally speaking, these investments were not recognized but simply remained on the land, to the owner's benefit. The state of the buildings varies considerably in terms of structure and living conditions. Most tenants had only a spoken agreement and written contracts were rare. Despite the redevelopment of the central city area, there has been no significant support for the lowest income residents.

The religious congregations generally offer the greatest facilities for purchase although still not on a significant scale. Over the last few years, neither central government nor the city council have shown any inclination to sell land to the tenants but, rather, they have preferred to wait in order to see what would happen to land prices in the neighbourhood. The Lima Charitable Organization, with support of the government, announced a clearance programme for all low-income settlements in the central area. The Lima city council started proceedings for the eviction of tenants who were in arrears with their rent and, in some areas, intends to renovate its properties with substantial participation from the private business sector. Other owners with a substantial number of tenants, such as the National University of San Marcos which has hundreds of eviction proceedings pending, are also following these strategies and the Catholic University has begun assessing its properties to decide how to proceed. So far, many of the eviction orders have been stopped by tenant organizations which have been started since the adoption of neo-liberal policies and which have now been negotiating rent levels for several years.

III. TYPE AND EXTENT OF PROBLEMS FACED BY LOW-INCOME DWELLERS

a. Unfair Application of Urban Renewal Policies

THE CENTRAL SLUM neighbourhoods in Lima, especially those in the historic city centre, are the subject of contradictory town planning and urban renewal policies applied by the local and central governments and which arise from political tensions in the governing of Lima.

Local level. The process of urban renewal undertaken by local government in the historic centre of Lima focuses on the redevelopment of public areas – squares, avenues and roads – with the aim of making traffic flow more smoothly, reducing environmental deterioration and improving the city's appearance. It also seeks to promote attractive real estate prices, thus encouraging former owners who have abandoned their properties (now in need of renovation) to invest, and to interest private businessmen in property investment. It does not seek to regulate the property market.

These policies do not allow poor inhabitants of the city, especially those living in the slum neighbourhoods, to participate equally in the market. Such policies, where they have been part of urban renewal programmes in other cities in the world, have not reduced social segregation; and in Lima such divisions have been enhanced, with low-income households being pushed either towards the informal settlements surrounding the city or to already overcrowded accommodation elsewhere in the central area. There is a need for social housing programmes which enable households to obtain access to decent housing whilst preventing the continued uncontrolled expansion of Lima into areas unsuitable for housing with the subsequent loss of the few remaining green areas within the city.

Central government. Central government is now beginning to remove tenants from its properties in slum neighbourhoods. Its policy is to respect residency and offer tenants the possibility of purchasing units in newly developed buildings. The programme started with the construction of a housing complex comprising 226 units within the boundaries of central Lima. These buildings are occupied by eligible families who used to live in the rented slum dwellings owned by the state. The intention is to construct a further 11 buildings on land that becomes available through the demolition of existing structures. The strategy has been piloted elsewhere in Peru although it has not, as yet, substantially reduced the housing deficit.

The first group of eligible ex-tenants allocated units were offered non-negotiable contracts. They were informed of the price of the apartment, of the first year's instalment, of the repayment period, of the interest rate and the insurance premium. The tenants were not involved in any aspect of the decision-making and were told that if they did not sign the contracts on time, they would be charged interest for late payment. The transfers were also conducted without consultation, with the result that newcomers were ostracized by their new neighbours who resented the proximity of the new buildings. It has also been difficult for parents to find new schools and, in some cases, they have chosen to spend more on transport so that their children could continue to attend school in their former neighbourhood. Little consideration has been given to how low-income households can be most effectively integrated into their new neighbourhoods and how they can best maintain their livelihood strategies. For many residents, the centre of Lima is a strategic location for informal trading and income generation.

Whilst the new buildings are not far from the city centre, they are sometimes in middle income neighbourhoods and the newcomers face hostility from the existing residents.

Nevertheless, the programme may offer a viable solution to the regeneration of the central city. It is, therefore, hoped that the programme will be extended to other state properties, such as the national universities, and, perhaps, to private properties. Such programmes might prioritize housing for existing residents without excluding households on the grounds of lack of income or savings.

b. Lack of Protection for Slum Tenants in the Free Property Market

The latest statutory reforms, which include removing from the constitution housing as a right, now give priority to protecting property rights and land ownership. Tenants have rights neither to an adequate standard of housing nor to any degree of protection against arbitrary decision-making. Rents are established by the market.

Low-income slum tenants campaigned against these measures with demonstrations and targeted advocacy. With the support of NGOs such as CIDAP, they succeeded in extending until December 1997 the date when the legislation becomes effective. Subjecting tenancy to free market rules is already leading to evictions from private and government properties. If this policy is not changed, the number of evictions will rise and these families will move to the outskirts of the city or to already overcrowded areas.

c. The Lack of Access to Private Bank Credit

Private banks for housing loans will only lend to families with a monthly income which is greater than US\$ 800 and they charge an annual interest rate of at least 20 per cent. These rules prevent both low-income families from becoming owner-occupiers and small property owners from improving and extending their housing. The Housing Development Bank no longer exists and the only remaining loan programmes for housing (primarily state programmes) concentrate their lending activities in the settlements on the outskirts of cities such as Lima. These programmes subsidize interest rates and the cost of materials in order to increase access by low-income families. The element of subsidy in these programmes is difficult to assess and is generally available only to specific social groups, mainly at election time.

The country does have a national housing fund (FONAVI – *Fondo Nacional para la Vivienda*) but only 40 per cent of this is invested in public housing, the remaining 60 per cent going to other types of work such as basic service infrastructure, highways and amenities. The exact budget and expenditure amounts are not made known to citizens.

d. The Low Level of Unity Amongst Tenants in the Neighbourhood

The predominant cultural pattern in many low-income neighbourhoods is to suffer problems without seeking ways of resolving them in a systematic and sustained manner. Tenant families living in slum neighbourhoods in the central city experience many social problems including drugs, street violence and alcoholism. These factors, combined with overcrowded living conditions, inadequate basic service provision and poor environment (such as lack of ventilation and sunlight), exacerbate violence and aggression within and between families.

Attempts to strengthen neighbourhood organization and to involve tenants as citizens, and not merely as temporary residents of their neighbourhoods, have come mainly from local governments. Both the current and 1984-1987 local government administrations have had programmes to promote neighbourhood committees and councils although the population response has not been strong.

Organizations such as tenants' unions, defence committees and other associations arise spontaneously and are active in putting forward demands and achieving a high profile within the city. In general, these tenant organizations operate democratic decision-making processes, with participation from the tenants concerned and respect for residents' independence. However, there are other leaders who oppose these approaches, seeking publicity without having any concrete proposals and being little concerned with building democratic organizations to develop and implement plans.

e. Intermediate Level Organizations Demanding the Right to Housing

These tenant organizations are successful in negotiating matters such as rent levels, payment periods and the purchase of buildings with private owners. Some discuss broader issues such as relocation and statutory reform with the state. However, once some gains have been made, it is difficult for them to maintain the momentum. A number of attempts have been made to set up federations of tenant groups, however these have also been unsuccessful and national tenants' unions and federations do not exist in Peru. A major factor accounting for this is the level of poverty within low-income settlements. Whilst very often poverty can have a mobilizing effect, it can also demobilize people. If those living in low-income settlements cannot meet their basic needs and cannot reduce extreme levels of poverty, it is difficult for them to broaden their demands in relation to living conditions and demand that the state plays a leading role in facilitating change.

Despite this weakness, organizations such as CODEINBEL (the Defence Committee of Tenants of the Lima Charitable Organization), the Tenants' Union of Lima Municipality, and Huanan Poma de Ayala Association (which draws in some of the tenants from the University of San Marcos) have mobilized around particular

issues in recent years, thus achieving some strategic unity within their organizations. They have been able to bring about reforms in tenancy regulations, partially protecting slum tenants and those living in low-cost housing and encouraging central and local government agencies to develop urban renewal programmes in their properties in central Lima.

The situation of urban poverty, and an understanding of housing and tenancy issues and citizens' awareness of the process of social change must all be taken into account when assessing the development of organizations and seeking to strengthen their capacity to achieve change.

f. Buildings Liable to Sudden Collapse

The district of Lima has 72,091 dwellings⁽⁵⁾, of which 25 per cent are in an advanced state of deterioration. Twenty per cent of these deteriorated slum buildings, according to state sources, need to be demolished, with severe consequences for residents, both tenants and small owners. It is estimated that 2,230 families would have to be evicted and 3,279 families rehoused. These assessments reflect government concerns to prevent a recurrence of the 27 sudden building collapses which occurred in 1996, leaving 15 people dead and 300 injured. However, they are not backed up by major programmes to care for and protect these families. According to official calculations, an investment of US\$ 136 million is necessary to address the situation in central Lima and to achieve urban renewal without social marginalization.⁽⁶⁾

g. Legal Uncertainty over the Ownership of Rented Premises

Many owners who had abandoned their properties to tenants or administrators have died without leaving a will, making it difficult to buy and sell such properties and delaying the process of urban renewal in central Lima. In view of this situation, tenants are bringing adverse possession proceedings to gain ownership of these buildings and secure tenure for themselves and their families.

IV. STANDARDS OF RENTED ACCOMMODATION

STANDARDS OF rented accommodation vary. Rented housing from the republican period (after 1843) is most common in central Lima; buildings from the days of the vice-royalty (from 1535) were lost in the earthquakes which shook the city.

Rented accommodation from the republican period is generally let in units of between 20 and 40 square metres (now further sub-divided), with internal heights varying between 4 and 5 metres. The living quarters are usually divided into two main areas, a living room and dining room; and a bedroom, kitchen and toilet. In a few cases, there is also a bathroom. In housing complexes arranged in two rows, known as tenement buildings,

5. Data provided by the Peruvian National Civil Defence Institute.

6. Data provided by the town council of Metropolitan Lima.

there is a communal water point located on the central corridor, with a tap, which is also used to flush away excrement.

These buildings have adobe walls at the first floor level, with wall thicknesses varying between 0.40 and 0.60 metres, whilst the units on the second, third and fourth floors are built of wattle and daub. Families make alterations to meet their basic needs and to accommodate expanding families. The most common alteration or innovation is the installation of a loft between floors which divides the total height into two. This relieves overcrowding but the quality of the overall unit remains poor.

Housing standards have now altered. In new buildings, the average unit has an area of 60, 100 or 120 square metres, with a height of less than three metres between floors. In these buildings, tenants are better able to manage their living conditions.

V. STRATEGY OF CIDAP

THE DIFFICULTIES ENCOUNTERED by slum tenants are due in part to the lack of town planning and housing policies designed to tackle the social issues of the homeless and to find lasting solutions which will be accessible to these people. International development cooperation and local NGOs have made up for the ineffectiveness or absence of such policies by providing technical assistance to relieve the complex and problematic situations in both urban areas and the housing stock, tackling aspects such as tenure, construction techniques and institution-building.

For there to be a sustained improvement in living conditions in rental accommodation in low-income neighbourhoods, residents' organizations must act as catalysts and agents of change, working together and developing links with other development issues and agencies. The urban renewal programme developed by CIDAP in Lima is thus adopting a strategy which includes:

- Reducing the risks associated with the physical decay of buildings by giving tenants and small owners access to loans for materials and technical assistance. Neither local nor central government offers loans for improving the quality of rental housing in slum neighbourhoods and CIDAP is operating a small revolving loan fund for materials and technical assistance, complementing families' own investments in housing improvements.
- Legalizing tenure of the land and the building occupied by tenants to make their possession and residence rights clear and to give them an opportunity to become owners, either individually or in association with other tenants.
- Strengthening the various levels of organization within neighbourhoods to coordinate efforts and put forward systematic proposals for improvements.
- Influencing public policy by activities such as drawing up

proposals, campaigns and demonstrations on a national and international scale.

- Establishing a consultation forum between the state and civil society groups (including tenants, NGOs and small business owners) in order to plan and implement neighbourhood improvement initiatives.
- Linking informal property markets in low-income neighbourhoods and the developments within residents' organizations seeking to secure positive changes in living conditions. For example, supporting families which sub-divide their properties to rent to other families or students.

This strategy has been based on the demands of local residents themselves who, as tenants and small owners, are trying to ensure secure living conditions. The strategy is also an effective complement to the existing organizational dynamics and capacity of local leaders who have a strong role as negotiators and pragmatic developers. The possibility of securing legal ownership has a mobilizing effect on slum dwellers and CIDAP is channelling their energies towards improving living conditions in rental accommodation **primarily** by strengthening their organizations.

In the first place, it is clear that CIDAP is dealing with an urban tenancy situation in which the primary groups are tenants and owners (of the various types mentioned previously). The state (central and local government), apart from being a property owner, must play a second role as regulator and statutory authority but its approach is still discouraging and inefficient. The business community also, apart from being a property owner, must play a second role as investor, promoting development.

To date, NGOs such as CIDAP have acted as a link between community organizations and the other groups involved in urban development, providing a forum for consultation and opening up a dialogue around development issues. The following section briefly introduces CIDAP and describes one of their programmes in more detail.

VI. THE RATIONALE FOR THE URBAN RENEWAL PROGRAMME

CIDAP WAS FIRST established 19 years ago to help address the situation of excluded urban groups whose basic need for adequate living conditions was being ignored. Its mission is to help change these urban neighbourhoods with the participation of the low-income residents, the people who make cities. Within this process, CIDAP believes there is a need to more clearly define the roles of the various agencies, both of the state and of civil society. CIDAP is also involved in running a service provision programme in low-income neighbourhoods including those in the new settlements on the periphery of the city and those in the older slum developments in the city centre.

7. Harms, Harms and Peter Pfeiffer (1993) (editors), *Barrios Céntricos de Inquilinato: Análisis de tres ciudades La Habana, Lima, Rio de Janeiro*, Edición CIDAP

The urban renewal programme run by CIDAP in Lima was first set up seven years ago with financial support from Misereor, a German NGO. Urban growth means that there is little land left in the centre of Lima, however many homeless residents still see this area as an attractive one in which to live and find a livelihood. The first phase of the programme was provided for by CIDAP's participation in a three-city study entitled "Central Districts Occupied by Tenants, Analysis of Three Cities: Havana, Lima and Rio de Janeiro".⁽⁷⁾ This work made a substantive contribution towards refining working hypotheses and strategies. To secure the necessary skills transfer and replicability of the programme, CIDAP worked both with the former local government and local tenants. Whilst the state policy of liberalizing the property market in urban centres made it more difficult to find ways of working together, the cooperation combined with CIDAP's other ongoing activities resulted in a municipal investment in the rental neighbourhoods of more than US\$ 150,000 in just one year.

The collaboration strengthened CIDAP's links with residents' associations seeking to resolve their housing needs and secure their right to decent housing. The programme is now in a second phase of consolidation and assessment of results with levels of organization being stronger and more clearly defined. With regard to changes in the neighbourhoods, people are investing and improving their buildings gradually and small property owners are investing in new developments. Furthermore, with respect to tenure, meeting the needs of tenants has become a symbol of solidarity in the neighbourhoods and local residents can be mobilized around this symbol.

The programme has a number of specific characteristics:

- The methodology is participatory (by means of workshops, meetings and so on) which, in CIDAP's experience, ensures both the success and sustainability of programmes and projects.
- Gender cuts across the whole schematic and operational structure of the programme. One of the first results was the achievement of gender balance in the leadership of neighbourhood organizations. In the second phase of the programme, neighbourhood organizations led by women have demonstrated their management capacity and ability to achieve the goals set. One of the strongest organizations of tenants living in state properties is the Defence Committee of Tenants of Buildings Belonging to the Lima Charitable Organization (CODEINBEL) which is led by a black woman and directed by a board made up primarily of women heads of household (80 per cent of the membership).
- Housing improvement projects, as well as housing complexes, are designed by means of participatory workshops which start with a systematic assessment of the problems relating to the housing currently occupied and which develop proposals for housing, public areas and service provision. CIDAP believes

that housing and neighbourhoods must be designed by those who are to live there.

- The programme assumes that the management of housing and neighbourhood services will be transferred to the local residents and taken on as part of daily reality. One of the aims is to initiate a process which will enable local residents to improve on the management model developed by CIDAP. Another component for ensuring a sustained impact is the revolving solidarity fund which encourages residents to come together to buy or renovate buildings and land. Local government is being encouraged to promote a similar system through its municipal fund.

VII. PILOT PROJECT OF THE URBAN RENEWAL PROGRAMME: SAN MARTIN DE MONSERRATE HOMEOWNERS' ASSOCIATION, LIMA (EL CHAPARRAL)

THE CASE STUDY presented below shows the results achieved and strategies followed by one of the most vulnerable groups in central Lima (small homeowners who were tenants) for improving their living conditions and quality of life, as part of a sustained process of consultation mainly with NGOs and the state.⁽⁸⁾

8. One of the main sources of information in carrying out this study was an interview conducted with the two main leaders, Mrs Fedi Pariona and Mr Teodoro Aguila who were involved in the activities of the San Martín de Monserrate Homeowners' Association and who are currently still leading the organization.

a. From Tenants to Owners

In 1969, about 50 tenant families survived a fire in a block that they had occupied for some 40 years. The accommodation was in the first block of the Jr. Angaraes complex in the district of Monserrate in the centre of Lima. This disaster left them without a secure place to live and they constructed temporary shacks with poles and matting, using materials recovered from the ruined building, on land on which the block had once stood. To improve the quality of housing and security of tenure, the residents organized a housing association with voluntary membership. This organization began negotiations with the owner of the land with a view to taking it over. Ten years passed and nothing was achieved, with all efforts being undone by a second fire on the same plot.

In July 1989, the families once again began negotiating the purchase of the land they occupied. The tenants found out, informally, that the owner was to sell the land to a property developer. This news mobilized the families and they agreed to buy the land, without worrying about how much area each family would have. The main motivation for the purchase was a reluctance to move neighbourhood and the need to find an affordable home.

b. Financing System for Land Purchase

Following various meetings and debates organized by the residents' group leading the move towards ownership, it was agreed

9. The national currency until 1990. When the new government came in, it was called the new Sol, which has been in circulation ever since.

to stop negotiations with the owner of the land and invite all the tenants to a meeting to explore how they could become home-owners. Amongst the various unanimous decisions reached by the residents, it was decided to begin collecting savings to prove to the owner that they would be able to buy within the suggested period and that there was no need for him to sell the land to another institution. Planned payments were calculated by the residents to enable them to raise the required funds. Using numerous strategies such as pawning clothes and other items, obtaining loans from relatives, friends or money-lenders and saving, households tried to collect the agreed amount of 2,120,000 intis⁹ per family (US\$ 219 at the time). In November 1989, 35 families were able to pay off the total cost of the land namely, 74,200,000 intis (US\$ 7,665.29 at the time); from that date they became co-owners of the land they occupied, amounting to 3,194 square metres. Seventeen other families were not able to get the money together and could not, therefore, become co-owners. Box 2 describes events from the perspective of Mrs Fedi Pariona, one of the community leaders.

Box 2: An interview with Mrs Fedi Pariona, leader of the San Martín de Monserrate Home-Owners' Association, July 1997.

On 18th July 1989, by pure chance, we found out that the whole tenement was for sale; the owner, Mr Falconí, was allowing people from outside the chance to purchase within two months... We sent a letter to the Falconí family (as there were five owners) asking them to give us a chance. They were not keen and I had to offer to sign a document saying that I was in a position to buy the 3,194 square metres of land...

I spoke to my relatives, Dr. Solomon Zorrilla and Dr. Cano, immediately and they told me that, on the third day, I had to send a letter undertaking to purchase the land, but on behalf of everyone and not just myself. We did send that letter of Mr Falconí, who answered with a notarial letter giving us until September [to come up with the money], two months' hence. He was giving us the same 60 days as other buyers.

All I did was to start holding assemblies here on the land to tell everyone that there was a problem that involved a lot of people. I told them that we could buy the land between us, a little bit for everyone. Assemblies were held throughout August — it was a problem to get all the money together, as it came to 54,000 Soles, without excise tax or anything.

We had two months of sacrifice, as I said, many people sold their things. People were in despair telling me that they were short of 10 Soles and what should they do. There are poor people here who have done what they can with a tiny bit of land, with seven or eight children in the family, who struggle to get the money going out to work in the street every night.

I ... decided that the only way was to have a bank book; anyone who wanted to have a little piece of the lot would have to bring a bank book showing credit of more than 50% of the price (we had worked it out between 40 or 30 families) which was more or less 3,000 Soles each... I waited until 27th September to call the last meeting of everyone who had registered and there were 35 of us. The notary came right here on

that day to do all the paperwork, including the purchase contract. Mrs Dina, Mirian and Graciela Padilla and Lidia Tasayco were there. We were almost all women, the only man was my husband. I think that women are more determined to take up arms; I know that men work hard, but they are a bit afraid of problems.

We had quite a lot of discussion with Mr Falconi's family, because they thought that we had no chance of getting all the money together, as each lot would cost each of us 2,120 Soles at 1989 prices... Thanks be to God, the purchase was made even though there were some quarrels and little problems which came up. In the afternoon of the 28th, the money was taken out and the purchase price was paid.

After the purchase, the squatters never paid anything, we never got anything from them, so the sale was on 29th September 1989 and one or two months later a lawyers letter was sent by the new owners advising the others that they had a specific time to find somewhere else to live, but they never took it seriously, they said it was not right and we were guilty of fraud. They made up stories, like we never charged you anything for your houses, we do pay for the water, etc. and some objected that others had never paid. Some squatters were reasonable and left, because they had somewhere to live in another neighbourhood, there were about twenty-three of them, including Mr de la Cruz who had his candle workshop on the land, but a house in the Rimac neighbourhood. There are seventeen families left, not counting the additional relatives who have moved in with them. These people are claiming that only a Court Order can make them leave.

10. The legal term for a family or individual occupying land or a building without paying any sort of rent.

11. A *quinta* is a block of one and two-family flats with a common central area or passageway onto which each flat opens.

c. Squatter Families⁽¹⁰⁾

Eight years have gone by and these 17 families have not left the land and more families are being accommodated. So far, they have firmly resisted withdrawing from the land. They brought legal proceedings against the 35 owning families seeking the right of repurchase of the land. The case went on until 1994, when the judiciary decided in favour of the owners. Despite losing the legal battle, these squatter families continue to occupy the land and live alongside the 35 owners. This coexistence has led to tension and friction between squatters and owners, making it difficult to live as neighbours. With a view to allowing both squatter and owner groups to achieve the goal of decent housing, CIDAP intervened as a mediator, exploring a number of different proposals for resolving the situation:

- The squatters should become owners. This proposal did not get very far because the area is small even for the 35 owners because of the preferred arrangement around a common central area.⁽¹¹⁾ In addition, they want to keep the terraced roofs to build housing for their children or other relatives.
- They should be compensated and helped to move elsewhere. This proposal is being followed up and has caused a certain number of squatters to move out.
- The local government should relocate them on land with ba-

sic facilities. This idea was not successful due to changes in staff at the town hall and a lack of support.

- The municipal government should relocate them. This proposal was not successful either because the administrator of municipal land is preparing other proposals to encourage the private business sector to invest in the area.
- Proceedings should be brought against each squatter family in order to evict them legally. As advisor to the association, CIDAP is discouraging this idea, inasmuch as it involves compulsion and a lack of solidarity. More recently, the owners have shown a preference for this option because tension between squatters and owners is getting worse. If this option is chosen, CIDAP will not undertake legal proceedings to evict the squatter families in accordance with its institutional principles of defending the homeless and standing against eviction. The owners understand the position taken by CIDAP and will be assessing their legal position.
- Start the process of demolition and gradual redevelopment so that the owners can take up residence on their plots and the squatters would feel obliged to relocate. This process was initiated but suffered some legal setbacks when an action was brought against the owners by squatters, to stop demolition. Despite everything, matters went ahead and the owners proceeded to gain authorization for demolition in the following manner. They requested support and assistance from the civil defence authorities and the city council to relocate the squatter families saying that the buildings were unsafe to live in. This proposal was accepted by the civil defence authority and the city council who responded to the owners concerned by drawing up reports and resolutions allowing all precarious buildings on the land to be demolished, to protect all occupants from further fires or disasters. Any squatters who have somewhere else to live would be encouraged to leave. In accordance with its responsibilities, the city council would shortly carry out total demolition to ensure that no family (owner or squatter) will remain on the land thus risking their lives; the gradual construction of permanent housing should then proceed smoothly.

d. Providing Advice and Support in the Process

The first technical advice came from private companies specializing in legal and architectural matters. They worked on the programme until 1994. Following difficulties with costs and payments, the legal advisors were dismissed. Further difficulties arose when the advising architect died and the technical file on the housing designs was lost by the city council.

The occupied land is located in one of the neighbourhoods where CIDAP's urban renewal programme is taking place. CIDAP first established contact with the group, initially to overcome the situation of civil and social decline. Then the association

leaders asked to be included in CIDAP's programme and provided with legal, technical and social advice. They have continued to be part of the programme and are one of the more autonomous groups with a strong management capacity.

e. Achievements

The residents' organization and CIDAP set up a multi-disciplinary team for the strategic planning of the development of the housing complex and the monitoring process. An immediate priority was water and sanitation. Until the beginning of this year, water supply and waste water disposal for all of the 55 families occupying the land relied on communal wells which were in a dilapidated state and which had become sources of contamination. None of the families opted to have a toilet at home as they were not yet permanently settled and any investment they made would be wasted.

CIDAP carried out a programme of training and awareness-raising about living and housing conditions, and it was agreed that one of the first activities would be the construction of a communal sanitation block including a set of washbasins, showers and toilets so that the contaminated wells could be demolished and so that they could obtain clean water supplies and dispose of waste water without contaminating the environment.

It was possible to build the communal block using the revolving loan fund for equipment provided by CIDAP. An initial group of 15 owners took on the loan and then the remaining residents paid back the first group. The loan is still being paid off and the bathrooms are operating. The residents continue to use these communal sanitation services during the housing construction and, when this is complete, the block will be used as a communal facility in the central park which they want to establish.

f. Gradual Preparation for Building

In addition to the immediate need for improved services, there was a strong desire for housing provision. The CIDAP team and the leaders organized a programme of action to assess the technical and legal documentation needed in order to start the design of the housing complex. It was agreed that this should be of the *quinta* type. Community members were involved in assessing the most cost-effective use of the land, with the suggestion that a medium-rise building should be built to accommodate additional families now squatting on the site as well as the 35 that were already there. Shops would be located on the ground floor and this would help to generate additional income for local residents. However, this proposal was not accepted. Despite the fact that they are property owners, the residents feel more secure if they can begin constructing their houses from the ground up and if they own the roof terrace area. This decision reflects the culturally inspired desire to remain at the ground level.

After various debates within the organization and a technical assessment by CIDAP, it was agreed to back the proposal for a complex around a common central area despite the fact that

the floor area (an average of 55 square metres per family) and frontage would be smaller than the regulations allow. The plan also included a clear central area providing an open space for air and ventilation. In an area of some 184 square kilometres around the neighbourhood, there is only one park covering one square kilometre, an area which is clearly inadequate for recreation and to act as a "green lung" for the neighbourhood.

The proposal for the *quinta* resulted in a participatory design workshop at which CIDAP used participatory methodology to encourage the beneficiaries to put forward their ideas on how they would like the plan to look. Following this process and using the same methodology, drawings were prepared for three types of housing based on the families' needs. Once the families supported the proposal, they agreed to mark out the housing lots on the land and start demolition (despite having no authorization) and gradually settle in the permanent area. Some 30 per cent of the families have taken up their permanent plots but the others cannot proceed as their lots are occupied by squatters.

g. The Housing Unit

The housing units were designed using the same participatory methodology. The participatory design workshop resulted in the development of three housing models which met the needs of the families with a small room for a sewing workshop or shop, at least two bedrooms, a small patio/terrace and a bathroom. One of the models included an outside staircase so that each floor could have an independent entrance.

Families were quite free to draw up a design for their housing if they preferred and some of them did so, bringing their plans for incorporation into the overall plan. There were also residents who came up with designs which did not meet the minimum technical considerations for adequate living conditions. By means of interviews and meetings, these proposals were improved and a satisfactory solution was reached from both the technical and the owner's point of view.

Residents wished to build their houses gradually, in stages. With this in mind, they have approached CIDAP individually for loans from the revolving loan fund for materials; the first loan would be for construction of a basic structure together with a bathroom area.

h. What Needs to be Done

Once the total demolition of the unsafe buildings has been completed, with the relevant and special authorization issued by the municipality, total clearance will be effected. If the squatters refuse to move, they will be notified by the city council that they should withdraw peacefully and gradually. It is hoped that the technical plan will be approved by the city council and the respective building licence granted so that building of the housing units may commence. CIDAP will continue to provide technical support to ensure that the buildings are of good quality and costs are kept under control. With council approval, ar-

rangements will be made for independent ownership of each of the housing units.

VIII. CONCLUSION

IN THE OPINION of participants, the urban renewal programme is an important source of knowledge, keeping a check on the progress and constraints of what is being changed, as well as of what is about to be changed. The opinion and assessment of participants is of vital importance in the process of designing and developing programmes and projects. As far as CIDAP is concerned, residents' opinions are a vital element in the success of programmes with respect to the participatory methodology adopted and evaluations.

The local residents confirm that the programme provides advice and support as a subsidized contribution to the development process, and the population only covers the building and operating costs and materials where required. When necessary, this advice and support is supplemented with academic or social consultancies carried out by other private and public institutions.

According to the opinions and remarks expressed by other NGOs working in the urban environment and in slum improvement, the programme has had an impact on the population over the last few years, raising the profile of urban renewal and tenancy issues as well as protecting inhabitants without a secure roof over their heads. With regard to the programme's impact on public opinion, it has succeeded in raising awareness of the existence of problems of poverty, poor quality neighbourhoods and tenancy in urban centres. However, it has not yet been able to bring about significant changes in public policy.