

Survey self-building of houses in Lima. The Role of assisted self-help housing in three planned *barriadas* in the peripheral urban areas of the metropolis.



Nuevo Pachacútec

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(New maps 2008)

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(January 2003)

1 INTRODUCTION

1.1 The area of research

The purpose of this research is to become familiar with the useful aspects of the processes relating to the self-building of houses by families, also called self-help housing, as well as to houses with a workplace and a (small) business, all to be found within the marginal peripheral urban areas of Lima (in particular in the locations: Villa el Salvador, Huaycán and Nuevo Pachacútec) as part of the mainstream of the metropolitan urban development (see Figure 1). Residents, groups of residents, small businesses, local authorities, the government and non-governmental organisations (NGOs) are all participants in the integral development of the cities and neighbourhoods, in which *self-building and self-urbanisation* are the driving forces behind the urban development for the majority of the population.

The study within this research examines the co-operation and solidarity between the participants of the process. The relationships between these participants are essential for realising the houses, the housing areas both as part of the ongoing urban development. A large number of problems have been encountered in the areas investigated, among other things concerning all kind of social conflicts, e.g. between the families that invaded land illegally on the one hand and between the existing residents and the local government on the other hand. Other conflicts are about the constraints in services and infrastructures in existing urban areas. These problems arise from a lack of economic potential, of both the population and the local authorities, with respect to the development and the upgrading of the urban situations. The lack of an adequate political culture leads sometimes to ‘nepotism’ (or old boy’s network) among authorities, also as a consequence of lacking professional working methods. Another consequence is the lack of a residents’ organisation that is sufficiently strong to realise and organise improvements to the standard of living. However, one can find experiences in Peru with community based organizations (CBOs) to be replicated in other regions and countries.



Figure 1. Lima with 4 planned barrios (added in 2009)

1.2 Execution: co-operation, interviews, questions

The study was carried out in April 2002 by Dr. Jan Bredenoord (Urbanetwork, the Netherlands), with the assistance of Mr. Paul Pilco Dorregaray (journalist, and working for EcoCiudad, Lima, Peru), Arch. Liliana Miranda Sara (Forum Ciudades para la Vida, Lima, Peru), and Mrs. Petra Hofman (Technical University of Eindhoven, the Netherlands). The research was supported for a part by the City-bond Utrecht (Netherlands) – León (Nicaragua) in order to gain information on self-help housing to be used in the urban development area León Southeast (6,000 plots for housing), León, Nicaragua. The municipality of León participated with the gaining of information in the first half of 2002 through a research visit in Lima of Arch. Enrique Lopez (project director León Southeast land for housing programme). The City-bond Amstelveen (the Netherlands) – Villa el Salvador was involved relating to the exchange of information on some environmental issues (Mrs. Evelien Eshuis, director of Milieu & Recreatie, Amstelveen).

The research was written in October 2002 and finally updated in January 2003¹ owing to the Peruvian government's initiative for a progressive house building programme in various parts of the country. The new housing programme called *Mi Vivienda*, which has been running since August of this year (2002), is intended for the various socio-economic groups of society, and can have significant impact on the housing markets in the future.

Interviews were held with local officials of the above mentioned areas, some NGOs and CBOs, residents, and officers of the (national) Building Materials Bank (BANMAT). The latter is a main provider of loans for self-builders in the whole country, but actually the Bank is facing financial problems because there are arrears with the paying-off of the loans granted to the self-builders.

The areas researched were the municipal districts of 1) Villa el Salvador, 2) Huaycán in the municipality of Ate, 3) the Pilot Project Nuevo Pachacútec in the municipality of Ventanilla, and 4) Pamplona Alta in the municipality of San Juan De Miraflores (see Plate 1); the latter is an irregular new urban settlement, while the three first mentioned ones are 'planned *barriadas*'². All these are urbanised areas now, being part of metropolitan Lima. The planned *barriadas* and the irregular settlements are of equal importance at the level of the metropolis.

Using an inquiry form, representatives of groups and organisations were asked about the objectives and activities of the participants in relation to the process of self-building the houses, the houses with a workplace and small businesses. The objective of the questionnaire was to reveal the collaboration that actually took place between the residents, in its group as well as in the neighbourhood.



Plate 1. *Pamplona Alta*

¹ In 2009 some new maps were added (indicated)

² 'Barriadas' is synonymous to '*pueblos jóvenes*', (both in Spanish), meaning new peripheral villages. In the municipality of San Juan de Lurigancho (see Figure 1) one can also find planned *barriadas*, but these are not in this Research.

1.3 Background information

This study was carried out in order to obtain information regarding the process of *self-building houses and self-urbanisation* and the conditions under which these concepts might be successfully realized. Both concepts are essential if concrete results are to be achieved in the urban development by the population. It might be necessary to strengthen the initiatives of the population and to promote an integral district development for urban and environmental themes with the cooperation of the involved organisations. After all, the self-building by residents and businesses can lead to an organised *model for self-management*. Such possibilities can contribute to the development of the community too.

It is essential that the local authority and the NGOs support the local population in taking initiatives on housing issues. The role of the NGOs however, is not linked automatically with the tasks of the local authorities. It is necessary to define the roles of the NGOs in the areas of urban development and neighbourhood management and to reinforce the role of the financiers. There are many NGOs working for the people and for the country's development, but not all are focusing on housing related themes. Some NGOs work on a structural basis while others work more incidentally, or temporarily, depending on external funds and international programmes.

The role of the local authorities in Peru is a crucial factor in the current process of decentralisation. From this point of view it is expected that the housing policy that is to be carried out, will in part be transferred from the national to the local authorities. Spatial planning and urban management will be less effective without a well functioning local government, as this is the only management level that can develop and execute policies at neighbourhood and district levels. At present the local authorities are not able to guide the urban development in an autonomous manner as they lack the financial means to improve the quality of the housing and living conditions of the (poor) population.

It is expected that in the future the population will play an active part in the proposals formulated by the urban management. Nevertheless, it might be taken into account that not all local authorities have the necessary technical and strategic capacities to solve the city's problems and its surrounding areas, which could result in a too slow implementation of developing and renewal processes. In this respect the municipality of Villa el Salvador has shown to be one of the most progressive experiments of the adequate functioning of local governance. Villa el Salvador has, for example, by using a by-law, set up the participative mechanisms of the urban participation and the community development at a neighbourhood level. The periodical municipal 'participative budget system' can therefore be seen as a good example for other cities.

1.4 The political situation in Peru in relation to housing and planning

The autocratic regime of ex-president Fujimori (1990-2000) had dominated negatively the housing policy of the 1990s; actually, during this decade no integral policy for public housing was developed, while political decisions were generally characterised by extreme centralism at state level. During this period the only houses that were built were either in the private sector or family-houses that had no government involvement whatsoever. Only a small section of society having higher incomes (the upper and upper

middle classes) could benefit from government help. Due to the lack of an integral housing policy no housing programmes for people with low-incomes were developed; only the Building Materials Bank was functioning as government instrument of housing policy (see below).

The (present) government of Toledo (2001-2006) is trying to find an answer to the 'failing housing policy' of the 1990s and as a consequence of that, is confronted with great difficulties, e.g. because housing institutions were eliminated by the previous administration (Fujimori), except for the state Building Materials Bank (BANMAT). Although the Toledo government is changing its housing policy and is taking important steps, there is still an insufficient shift of housing policy tasks and revenues towards the local government level. With the launch of the National Housing Plan the government has embarked upon an ambitious building programme through the *Mi Vivienda* agenda. The objective is to realise an average construction of 6,000 houses by the end of this year (2002) in the area of Lima and a further 12,000 in the rest of the country. It must be said that these numbers are far too low.

As part of the National Housing Plan the *Mi Vivienda* Fund consists of loans to be given by the *Building Materials Bank*, as well as subsidies which the Ministry of Public Housing and Building plans to issue. The *Mi Vivienda* Fund (540 million soles) is meant for the development of housing modules, each of which should be no more than US\$ 8,000 and are planned for families with lower incomes. The commercial banking sector is the most important executor of the (foreseen) *Mi Vivienda* agenda. Families willing to take part in the programme will have to prove their incomes to these banks. The total value of the house will have to be repaid through monthly payments of 63 to 118 dollars at an annual interest rate of 12.5% (2002). The *Mi Vivienda* programme also gives loans to people from the middle class who meet the requirements for the loans, and the *Building Materials Bank* does the same for the lower middle class through a loan system at a 7% and 8% interest rate.

During the last decade the government of ex-president Fujimori promoted a well-prepared campaign throughout the country in providing title deeds for plots. The positive aspect of this process is that it enabled (theoretically) low-income families to get access to loans who might (therefore) improve their living conditions. This programme, however, was merely a political ploy to pave the way for re-election. With the return of democracy in Peru, during the transitional government of Valentín Paniagua (2001) a number of functions was returned to the local authorities that had previously been removed from that level during the Fujimori regime. Within this new framework the national *Commission for the Formalisation of Property Rights* (COFOPRI) began an organisational reformation that was to make the housing policy of the current government possible. This process is still ongoing.

The matter of landownership has a long history of conflict in Peru. One of the political instruments for improving the future of the poor is the issuing of title deeds for plots of land. The formalisation is very important for the promotion of investments for improvements to houses and small businesses that can be set up within the houses. The investments that are made by families without title deeds are not secure and therefore limited. Mrs. Petra Hofman of the University of Eindhoven, conducted a study (2002) in a district south of Lima, in Villa María del Triunfo, examining the effects of the formalisation of housing by families with low incomes. Her conclusions showed that the formalisation of land and housing for families who took part in the study is accepted and appreciated. These families, however, are unable to improve their living conditions quickly as they do not have regular incomes and stable working situations that are necessary for getting access to the loans issued by the government. However, in general there is

hope that the housing policy in Peru will bring about important reforms in the next few years, though the legalisation of landownership will take much longer.

1.5 Urban poverty

Statistical data (Indice de Desarrollo Humano Perú, or INEI) show that 54.1% of the Peruvians live in poverty and that 14.8% have to endure extremely poor conditions. This means that 3,792,505 of the more than 25 million Peruvians are extremely poor. Of the mentioned number of extremely poor, 29.6% live in urban areas, including Lima, and 70.4% in rural areas. From the latter rural group a high percentage, mainly being young families in search of better living conditions, will probably move to the urban areas along the coast of Peru, mostly unaware of the lack of facilities and services there. Through their great efforts and sacrifice these people are looking for an urban future for themselves and for the families they hope soon to have. These days already 70% of the Peruvian population live in urban areas, and it is estimated that in the course of time 9 out of 10 Peruvians will live in cities. The Lima metropolitan area is slightly less poor than the rest of the country (45% and 54%, respectively). Lima, however, has fewer extremely poor people (4.7% versus 14.8% at national level). It cannot be ruled out that the rural areas will exert greater pressure on the cities in the coming years. It has been calculated by the INEI that in 2015 the population in the whole country will reach more than 31 million. This increase will largely take place in the marginal areas of cities and on the slopes of the mountains (e.g. in metropolitan Lima) where the very poor migrants are by and large concentrated. This 'demographic pressure' is a great problem and is very difficult for the central, regional and local governments to solve. It is estimated that Lima will continue to grow by 125,000 people per year (INEI) and that the self-built houses and workplace houses will be a form of security for a large part of this population (in terms of their living conditions). Sociologist Mario Zolezzi Chocano (DESCO, Lima) points out that poverty in Peru, as well as in many other parts in the world, is closely related to housing.

The Peruvian economist Hernando de Soto states in his book *The Mystery of Capital* (Lima 2000) that the formalisation of landownership has played an essential role in the socio-economic development in the countries of the West. Making legal private property might contribute to an essential reinforcement of development processes in countries of the South too, according to De Soto's expectations. The *ILD* (the '*Instituto Libertad y Democracia*', headed by De Soto, established in Lima) already carried out some research between 1988 and 1990 into the formalisation of landownership, and also made propositions for drawing up basic legislation in the country which was to lead to this formalisation of landownership. The objective of this initiative was to combat poverty from a new perspective that would bring together all physical and financial possibilities in Peru for the development of small to medium-sized businesses in the cities. This meant that loan programmes with low interest would be introduced for a large part of the population, so that these people could improve their living conditions. This was in connection to the promotion of the economic, productive and joint activities, as can be seen in the developments in Villa el Salvador, and to a lesser extent in Huaycán. It is clear that the work of De Soto influenced Peru's governmental policy on housing through the years.

A preliminary conclusion is that the self-building in the first phase of the social-economic process can be described (temporally) as follows: *space to live and work --> self-building/ formalisation of landownership --> professional training (in the construction sector for example) --> access to work and loans --> good up to date training for the next generation.*

1.6 Land occupation: political conflicts and interests

In Peru the self-building of houses cannot be seen as separate from illegal land occupations in the cities by large groups of the population who have no roof over their heads. The occupation of large areas referred to *eriazas* (wasteland), or areas that belong to third parties, often led to violence. Apart from the land ownership, the residents of irregular areas had to fight (with the local government and especially the utility companies) for their right to live in the area, to build and improve a house, to obtain basic services such as drinking water and sewerage, and finally: to make a living.

Later, the land occupations became consolidated neighbourhoods (but not in all cases) and communal areas were created, such as playing grounds and small parks. New confrontations occurred, but this time they were between new homeless migrants and residents who had already settled and were intent on protecting the land that was intended for schools, parks, communal facilities and services. Besides this, there were political conflicts at the local government level. In some of the conflicts concerning land occupations the police used deterrents such as tear gas and truncheons to chase the occupiers off the land, supported by armoured vehicles and even helicopters. It should be mentioned here that the new coming groups of homeless are generally the result of the increased number of separated families, largely descendants of the first generation of land occupiers.

In general, the explosive increase in the growth of the cities resulted in a shortage of basic services and facilities. These new residential areas were initially not connected to water networks, nor a sewer system, nor did they have electricity, medical centres and tarred roads. It took sometimes more than 20 years for these residents to have all these services realized in their neighbourhoods. And today there are still settlements that have been in existence for over 30 years which still lack some of these very basic facilities. These situations are to be found in planned *barriadas* as well as in irregular settlements, although the average circumstances in the latter are worse.

This harsh reality clashed with the aspirations of the homeless, causing increased pressure from the population over the years. The system of political nepotism did not play a positive role herewith. The neighbourhood organisations met great opposition and a destruction of the organised social coherence took place, while land speculators and traders of plots would be in control of the land. After the crisis the residents' organisations recovered gradually, but the negative effects of this period are still noticeable, seen in the lack of trust and solidarity, dishonesty and political opportunism of the leaders and the population.

During the 1950s and 1960s Lima grew very quickly as a result of the influx of large groups of greatly impoverished people from the rural areas. This process gradually decreased in the 1970s. However, as a result of the disruptive violence that started in the mountainous regions in 1982, both in Ayacucho and Huancavelica and in other inland cities, the number of homeless people that left for the big cities, to Lima in particular, increased considerably.

1.7 Consequences of the migration to the cities (e.g. low urban densities)

In Lima the migration of people from rural areas to the urban centres took on an extreme form. The capital of Peru is a metropolitan urban area with a population of some 8 million. The city has three valleys, being flat areas, which have been entirely urbanised. According to planners and urban development experts the urban density is low. These days in Lima peripheral urban expansion is at stake, particularly on the edges. In many cases these expansions are informal; the people that need space for housing simply take the land at the mountain slopes, which is technically seen, however not without difficulties. The land capture is small scale –plot by plot–, but with great impact at the scale of the whole metropolis. Mass invasions (as was the case in the 1970s and 1980s) are not common anymore.

The government has tried incidentally to influence the informal urban development by stimulating the construction of vast new urban areas, in order to prevent illegal capture of land elsewhere. The new urban land developments are ‘planned neighbourhoods’ (or planned ‘*barriadas*’) and compete with the many illegal land developments. In and around Lima one can find 3-4 *planned barriadas*. In this study only 3 *planned barriadas* are presented (see Figure 1):

- Villa el Salvador, south of Lima at 25 km from Lima’s city centre..
- Huaycán, east of Lima at 30 km.
- Nuevo Pachacútec, north of Lima at 35 km.

The latter, still in its initial phase, is the urban development Pilot Project Nuevo Pachacútec, that started in 2000 and is being supported by the State through the establishment of a State project bureau, responsible for urban planning and investments in infrastructures. The location is part of the municipality of Ventanilla, but the local government is not occupied with the planning and development. It is to be expected that the municipality of Ventanilla will be involved with all aspects of urban management later. All mentioned planned *barriadas* are to be considered as suburban residential areas, seen the distances to Lima’s city centre; initially there was no employment in the areas, but all local governments strived (later) for the development of productive areas for businesses and small industries. The development of Villa el Salvador was the first new suburb with state help in the 1970s; and the development of Huaycán the second in the 1980s. The commitment of the national government –with the help of the Lima administration- on the urban planning in metropolitan Lima, did (eventually) not stop definitively the illegal capture of land at the peripheries, but certainly offered alternatives for many families. Families in unplanned or irregular settlements mostly do not have a legal land title, and are confronted with all kind of constraints, such as lack of water, roads, public services, etc. Public security can be a great problem in irregular settlements too. The *planned barriadas* have influenced the urban planning in the metropolis really: through the offering of land, the subdivision of land into parcels and the conveyance of the plots to the families, a legal situation was and is being created, which is beneficial for many.

The land-use though, is a point of public interest and so is the need for densification the urban areas. Peruvian architects and planners generally believe that it is necessary to increase the density in the urban areas in and around Lima. The concept of the *compact city* has been introduced; however there is no policy that can realise this in a systematic way, while the pace of individual constructing a house and making use of the plot optimally, can be low. Within several zones of the urban area of Lima multi-storey

houses have been allowing the occupants to rent out rooms or floors, thereby helping to improve the income of these families. The Peruvian architect Jorge Burga conducted a study for the government aimed at finding possibilities to increase the density within the various residential areas. He stated he has observed the difference between the *natural process of self-building* with low density and central zones for increasing density within the older neighbourhoods with higher densities.



Plate 2. Densification plan in existing neighbourhood (Arch Burga, 2002)

In Villa el Salvador and the adjacent municipality of Villa María del Triunfo some densification processes were going on, but it were the families themselves who built one or two extra storeys to obtain better economic possibilities and to supplement their incomes. Architect Burga says that as part of a (possible) local housing policy this process does not only have physical consequences, but moreover, can improve the living conditions in existing residential areas. Within his studies for densification of an existing urban area it is suggested that with the realisation of multi-storey houses on raised paths as high as the second floor, extra storeys can be built for smaller apartments. However, this possibility is theoretical, given the fact that there are still normative limitations that the government institutions have not yet considered. It is said that those responsible should come up with technical solutions for an adequate urban development at a general level. An increase in density is possible if houses have one or two extra storeys, generally in houses that have been completed in a conventional way. In the long term the desired density is only possible if families have already achieved a certain social economic stability. Consequently so, the desired urban growth meets its limits, if self-help housing is the only housing solution.

Within the metropolitan area of Lima, including the adjacent area of the province of Callao, it is necessary to build multi-storey houses on land that belongs to the state or that is private property. As this process is of major importance in gradually eradicating the housing shortage, it is essential that the private sector and the NGOs also take part, as well as the residents' organisations. This process supplements the proposal of the central government through the *Viviendas para todos* programme, the objective of which is to build 20,000 houses and housing blocks in 2002. It is without a doubt necessary to promote pilot projects to increase urban density. This process will mean new organisation models and exchanges of experiences, which should also contribute to improving the quality of life of the local population. The migration to the cities will undoubtedly increase in the future and that means a sharp growth in the demand for land for housing.



Plate 3. Private housing in VES (high density)

The help of the government, however, meant not only finding a solution to landownership for houses with the associated technical requirements, but also that it is necessary to promote employment, of which there is currently very little and is therefore necessary for these people with low incomes. First of all it is necessary to stimulate local economic activities, so that the people with low incomes will ultimately be able to buy and improve their houses themselves and, what's more, be able to help improve the neighbourhood where they live. In the case of Villa el Salvador the development of the economic and productive space (business parks) is an example that can be copied elsewhere. However, in Huaycán and Nuevo Pachacútec (the latter still in progress) one currently cannot count on space for economic developments and adequate financial support to promote the activities in an effective manner. It is important to mention here that Huaycán was a housing scheme that had been set up in 1985 by the municipality of Lima. One of the largest reserved sites was intended for a business park. This productive core area has a good infrastructure, however, the production does not meet the demand of the existing market in Huaycán. In the case of Nuevo Pachacútec where there was already a good organisation of small businesses, the legalisation has not been finalised yet.

In connection to the limited availability of land which under good geographical circumstances can be used for housing particularly in the peripheral areas of Lima, people build their houses on mountainsides many times without taking into account the required technical recommendations. The urgency of these problems, which have developed during a period of over twenty years, have led to the government doing everything in its power to take basic measures for drinking water in the short term, in collaboration with a technical aid organisations (temporary systems for drinking water) and with the assistance of SEPADAL, a state institution that is responsible for drinking water. This has yielded a great public investment for improving a large number of settlements that lacked these facilities.

1.8 The phases of the self-building process

One of the study's results is that in Peru there is no current State concept for assisting the *self-building of houses*. However, *self-building* is most definitely a phenomenon that often occurs in Peru, but not in all sections of the population. The self-building process becomes visible in an individual manner through the work of the families (in other cases groups are formed) and then *self-management and self-control* could become a possibility. In order to be able to understand this concept it is suggested that this process begins

with self-building and then changes to more complex and more autonomous levels. Three phases can be distinguished, which can also occur simultaneously.

First initiating phase

The first phase is the true self-building of houses, in which the family who has acquired a plot builds their own house with the help of family members and friends, who have some experience in construction. This is a basic form of self-building; the pioneering phase in which no professional help is needed yet. In this case the construction is still simple; there is little attention for the foundation and cheap building materials are used. In this phase it is clear that provisional material is used in the house (carton, rush mats, sheets of corrugated zinc, plastics etc.).



Plate 4. Phase 1.

Second phase

In the second phase it has to be assumed that the family has already settled and has the regular income necessary to get a loan from a private organisation or from the *Building Materials Bank*. They will need technical help and the family takes part in the purchase of the building materials, appointing a works manager/foreman as well as looking for staff (friends or family) who will do the most difficult jobs (erecting columns, laying roofs and/or building storeys), all in order to reduce the costs. It is not easy to answer the question of whether the families will get a loan to build their house. In Peru it is possible to borrow money, for instance from the *Building Materials Bank* and several NGOs. A large number of families choose to build without the help of these institutions. They therefore work, save and build gradually.



Plate 5. Phase 2.

Third phase

The third phase of the self-building of houses (when the house has already been erected, sometimes various storeys) needs the participation of professionals. In this phase it is necessary to follow technical standards in order to continue with the development or to make changes to the structure of the house, however it does need the approval of the council. This part of the construction may still involve the family's full participation, however it does require the approval of the participants for the desired style. Individual finishing of a dwelling is mostly possible, in order to lower the building costs. This is the final phase of self-building.



Plate 6. Phase 3.

The described phases are intended for families with a low income; it is possible to acquire an immediate income by renting out the above floors or part of the house, and thereby gradually increase their social economic level. There are specialists in the country who conduct research into designing new visions for structural processes (e.g. on densification) but in new approaches there is limited self-building, but perhaps there could be *self-building within a framework* in the future. This type of work involves a more technical approach and is referred to as *systematic construction*; this implicates multi-storey houses with more complicated elements. It is the field of architects, engineers and of building companies. It is also far too expensive for people with a low income. There is moreover, a more sociological vision, such as that of Mario Zolezzi, researcher at the NGO DESCO, who states that the independence of families with low incomes is the most important element in achieving welfare and development within the community.

Building methods for houses with prefab elements can be used in the short term and at a low price. The Colmena foundation, for example, originally from Bolivia, builds houses with *prefab elements* which people can expand later. This is not really a direct form of self-building, though it is a good way of starting the construction of a building. This part could be investigated in the future, implementing foreign experiences with the use of prefabricated elements.

For a large part of the population self-building is the only way to obtain a home. However, the family needs a basic income in order to be eligible for an official loan. The description of the various phases shows that self-building of the home is a process involving all generations. The first true form of self-building is realised by the families (the parents, children, cousins and friends). If there is no co-operation within the family it is difficult to turn the operation into a success. The *Building Materials Bank* would like houses to be built gradually, but this depends on the financial situation of the interested groups of families.

The process of self-building of houses can take years, sometimes even decades. In most cases the next generation will probably not have the energy that the parents had to continue with the construction, to achieving a desired economic stability that enables them to build and complete the house. The second generation may choose to *subcontract the work* or rent temporary accommodation until enough money has been saved for the necessary parts of their own home.

It is necessary to find advice from an engineer or architect so that the self-building process can be completed and the house meets adequate technical requirements. Furthermore, it is necessary that the city council gives the planning permission in advance and carries out effective inspections. For the majority of the population the first phase of self-building is the only way to live or even survive in a 'decent shelter' with a minimal guarantee of habitability. Building with cheap, bad quality materials involves the risk that in the next phase of the basic construction changes will have to be made that in the long term will prolong the building time and will result in additional costs (for the families).

The non-government organisation DESCO has a strict policy to help families in obtaining loans:

- 1 It is essential to communicate directly with the family.
- 2 It is necessary for the family to have a regular income (reliability).
- 3 It is better if the family has a title deed of the plot (this can be arranged through COFOPRI)
- 4 Small loans of \$ 200 to \$ 2,000 are needed to improve or extend a home.
- 5 Co-operation from neighbours is recommended.
- 6 Professional help in self-building, for example from an engineer or a works manager/foreman. Building advice/inspection on site.
- 7 A good product/quality ratio.
- 8 Individual contracting and flexibility.

DESCO's work philosophy is as follows: *promote local development, social integration, abolish inequality and promote urban management*. The primary aim of DESCO is to achieve an adequate social development at an area level and neighbourhood level. Improving the urban management (with respect to the area and the environment) is one of the responsibilities of the local authorities, and the emphasis should be on the following recommendations:

- 1 Apply quality standards on an as low as possible level.
- 2 Sound building inspection required. This is currently not being done.
- 3 Reduce and simplify the issues.
- 4 Grant small loans for the gradual construction of the house.
- 5 With respect to housing quality: develop programmes for the improvement of houses and neighbourhoods.
- 6 Promote the construction of *houses with a workplace*; a combination of house and (small-scale) business.
- 7 Increase the capacity of the local government as a form of *strategic operation* for the execution of postponed objectives.

1.9 Reservation of space for economic activities.

Within the urban expansion generally insufficient space is reserved for economic and productive activities. In Villa el Salvador there is a zone for the development of these activities, which is in line with the planning strategy that is developed by the local government. In the future it will be possible to increase the density of this zone. In Huaycán and Pachacútec there is no strategic policy for the economic and productive development such as the one in Villa el Salvador. In other zones such as in Pamplona Alta in the municipal district of San Juan de Miraflores, located between Villa el Salvador and central Lima, all areas that are intended for public services were used for the construction of houses. In the future it will be difficult to add economic and productive activities to the already productive existing areas, as no account is taken of space for an adequate multi-function development, which is a disturbing reality.

In Huaycán the space for productive activities is limited and in the future private land will have to be bought to provide new areas for the various productive activities, trade activities and/or services (within the zone). As a result of the great demand for land for the building of houses, there is hardly any reserved space left for this purpose. Moreover, the environmental problems associated with productive activities, do not allow a mixture of housing and (industrial) production, because not all economic activities are clean, particularly if these take place within the home. In order to find solutions to this, a strategic policy at local level should preferably be developed where space is reserved for the building of houses, for

employment and other necessary facilities such as health care, culture, education and recreation. A strategy for changing this trend is to develop market research, which can show that space for business parks and employment are absolutely necessary, and consequently that plots for employment will have to be made available for the next generation.

1.10 The role of education

There are two ways of fitting education in this process of self-building houses, as well as of self-management and urban management within the municipal organisation. Self-building is of course also an economic activity that results in trade and supply. The demand for houses for the entire country is 1 million units now. Despite the fact that the government started with the new housing programme it will be difficult to meet this demand. There is a potential private construction market in Peru. The rules of the game, however, tend to mainly benefit the commercial participants as banks and building companies. In the future education sector could offer the following two possibilities:

Firstly:

Professional education at secondary school level could also create possibilities for adults. This proposal would provide an additional outlook as well. Better education and technical training result in better quality houses, while saving is becoming a possibility for people with low incomes. Their added experiences and education will open up the employment market, to these people. Programmes and courses should be developed in cooperation with the construction sector. This is why the organisation *Servicio Nacional de Capacitación en la Industria de la Construcción* (SENCICO) should reconsider its activities for the working class with smaller incomes, whereby the vocational training is not held at the same time as the standard daily working hours. Furthermore, these courses can preferably be given in communal areas of one's own community organisations. In this way education can be brought to the attention of the local population, so that the people's technical know-how and above all the quality of their homes can be improved. Education is the responsibility of the central government, however it should be available locally.

Secondly:

An interesting development will be to provide professionals, who have enjoyed a higher or a university education, and are civil servants, with (specialised) knowledge through special training programmes. The creation of training courses in *local management* (spatial planning, building and living) and *strategic planning* will in the relatively near future enable *strategic teams* to be formed within each municipality. The realisation of educational programmes in urban management and urban participation (for engineers, planners, urban development specialists, sociologists, lawyers and financial specialists) will create conditions conducive for the development of planning in the country. There are many professionals in Peru who do not work in their own professional field because there are no jobs where they can develop their skills or because the salaries are too low. With such additional capacities it will be possible to improve the public administration, regional management and NGOs that are involved in the urban development. It should be noted that the development of *knowledge and skills* should be part of the decentralisation process, a goal which the central government has set for itself for the next few years.

2 SURVEYS IN THE MUNICIPALITIES

2.1 The capital Lima.

The majority of the recently built *pueblos jóvenes* are located close to the periphery of the capital Lima. The houses have generally been built using rush mats, wood, carton and all kinds of discarded material. Lima has grown due to the large wave of migration of the 1950s and 1960s, when considerable numbers of people moved from the countryside to the city. This growth still continues today, albeit to a much smaller extent. More than 8 million people live in the area of the capital Lima, of whom it is estimated more than 50% live in villages or neighbourhoods with poor quality houses. People migrate to the city hoping to be able to change their social circumstances. The majority will eventually succeed in achieving their goal. First of all they have to find somewhere to live as well as employment to provide an income. Once they have found somewhere to live, they gradually build their homes, a process that can take years.

Family ties are of major importance for the completion of the house. The closer the family is, the better the possibilities for defying one's difficult social circumstances. After many sacrifices and political confrontations the government has in some cases taken action in building an infrastructure and providing basic facilities, as was the case in, for example, Villa El Salvador and Huaycán. It is important to stress however, that the government has not done enough with regard to planning and urban development in the peripheral areas of Lima. This is why there are so many irregular, unplanned settlements.

The vast metropolitan area of Lima, with housing and all other main urban functions, have expanded in the three valleys of Lima (Chillón, El Rimác, Lurín), at first in the plain areas near the rivers, while later this has happened on the mountainsides in the periphery of the city. These settlements are illegal, but because local or national government have/had no planned alternatives for housing, and as there was great social pressure and limited time, this resulted in the recognition of land ownership (to be given to self-builders) by public organisations such as COFOPRI.

Over recent decades there have been numerous land occupations in Lima. These kinds of invasions (involving large groups of around 3,000 to 4,000 families) usually take place shortly before the elections. Sometimes the people occupied areas that were reserved for communal use by the residents of a settlement or agricultural land in areas designated for (later) urban expansion. Sometimes this would lead to violent confrontations with the occupiers eventually being driven out. Just before the presidential elections of 2000 some 10,000 homeless families occupied agricultural land in Villa El Salvador and neighbouring private land. In order to solve this situation the government came up with the *PROFAM* programme, an initiative that was labelled as a political manoeuvre to win votes for the Fujimori government. Due to the pressure exerted by the city council of Villa El Salvador and the residents organisations, who fought to keep the agricultural areas, it was suggested that the occupiers should be moved to the desert-like areas of Pachacútec in Ventanilla. These events are a clear example of the national government's absence of a plan for building houses in which, furthermore, the local authorities play a part.

2.2 Villa El Salvador.

South of Lima is the city of Villa El Salvador, which was founded in 1973 during the military regime. The city was built in the middle of a desert and formed part of a modern planning process led by the national government and was aimed at meeting the existing demand for houses. First of all main access roads were built and land was handed over to families, without any houses being built or basic facilities. Drinking water was supplied by tank lorries during the first years of development. After a heavy earthquake, which destroyed the city of Huaraz in Ancash, 10,000 people migrated to the capital in 1971. They formed the basis for the settlement of the new urban core that had been started outside the capital's existing urban area of that time, into the southern direction. At present Villa El Salvador (also called VES) has a population of 350,000. The annual increase in population in Villa el Salvador is 3%. 60% of the population is younger than 25 years of age. A large part of the houses still have not been completed. Some of the original residents became micro entrepreneurs and joined forces with the aim of setting up a business park (an area that has been reserved for productive economic activities with communal facilities for the promotion of products ('Feria')). Villa el Salvador is considered a large test case in the self-building of houses and setting up micro businesses with the participation of the local authority and private organisations. The programmes for spatial planning carried out by the local authority and DESCO progress only slowly due to the fact that for the execution they need both financial means (from the government) and co-operation of the population.

Self-building of houses and houses with a workplace

It is fully up to the residents how and when they complete their houses. The management of land in Villa el Salvador shows a typically urban layout. Every 'residential area' consists of 16 *manzanas*, while every *manzana* (which is a 'building block') has 24 plots of 90 square metres each. Every residential area (also called super-*manzana*) has its own central area which includes a park for children, a recreational area, a school and a community centre. Furthermore, there are areas for business and other facilities/services.

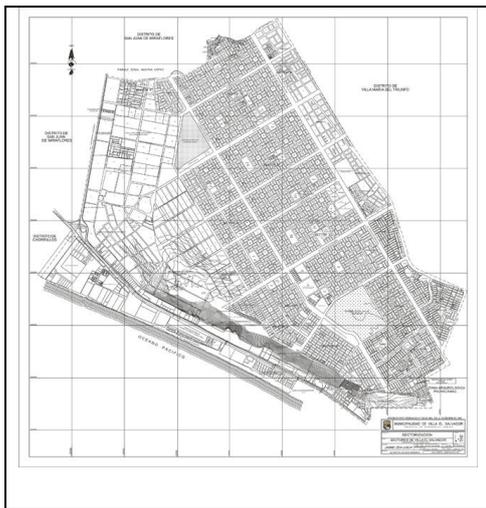


Figure 2 Map of Villa el Salvador (added in 2009)

Ms. Antonia Huayhua, a resident of Villa el Salvador, said that her family began building their house in 1971. In 1983 they started with the construction of a first storey. There are now seven family members. They did not organise a loan and completed the construction through their own means and have since managed to save money. The Building Materials Bank did not yet exist in the 1970s and 1980s. Due to the current poor economic situation, it is not (yet) possible to build a following storey.



Plate 7. Mrs Huayhua in front of her house, being interviewed

In Villa el Salvador there is a large industrial estate with sub zones for the light metal industry, wood and leather working, carpenters, etc. There is an association of entrepreneurs that works closely together with the local authorities. An office has been set up for the local development of business, the activities of which involve promoting products and improving activities. Self-building has not been an issue for a long time now and the entrepreneurs can build or have their workplace built on their plots of land. The few areas that have been designated for commercial activities are small and this situation makes it more difficult to increase employment. Entrepreneur Adrián Curi is manager of CURISA, a company that specialises in the production of metal furniture for kitchens of restaurants. He has a plot of land of 500 square metres, and on it in the back is an apartment measuring 80 square metres. He is a member of the Association of Metallurgical Companies (APEMIAVES) and is busy improving the production process used by the associated members. His company is not a large one but has already been in operation for 18 years. There are four permanent staff and sometimes, when there is a lot of work, 10 people work there.



Plate 8. Mr. Adrián Curi in his workplace

Spatial planning of urban area

The local authority of Villa El Salvador has an urban development plan as well as a communication plan and works with an annual budget that has been set together with the population. There is a development vision, which has been set down in the *Plan for the integral development of Villa el Salvador until 2010*. In this case interviews were held with the municipal officers Mr. Néstor Ríos Morales, director of Municipal Affairs, and Mr. Samuel Pedroza, director of Public Works. In Villa el Salvador there is no more room for further city expansion.

There is a clear policy in the area of spatial planning, for both maintaining the residential areas and the industrial estate. The current standardisation enables the construction of four-storey houses, as well as the construction of buildings for industrial purposes in the business park. It is possible to build two or three-storey houses but this is also more difficult than the first building phase. If additional storeys are built on top of the first one a staircase would have to be built outside the building to ensure the privacy

and independence of the families. This is the most complex phase of the self-building process. The internal distribution of the space and the willingness of the families to live in a limited area often remains. It is a phase which puts the relationships within the families to the test, but it is through strong relationships that improvements are achieved.

Population participation

The population take part on two levels:

- 1) the neighbourhood level
- 2) the city level

The building of apartment blocks and residential areas enable people to visit each other to discuss the existing problems in their sector and for steps to be taken by the local authority to solve these problems. In recent years the local authority has developed a strategy in the area of participation, in which the residents are involved in the development through organisations that represent them (e.g. FEPOMUVES and APEMIVES).

The analysis of the problems in this zone takes place according to themes in which representatives of the council, the population and the NGOs that are active in the area participate on an equal level.

At local authority level the formulation of the Integral Development Plan up to 2010 was started in 1999. In that same year the *Meeting (by zone) about the Development Plan up to 2010* was held, during which the future vision and the objectives for development were recorded and the first consultation of the population was held. The Development Plan up to 2010 was approved. At the first consultation, organised by the local authority, some 50,000 participated in voting.

The local authority carried out the *Participative Budget* in 2000 (in March 2000 the first population consultation regarding the execution was held). In order to increase the budget and to have better analysis models at their disposal, an international meeting was organised to discuss the Participative Budget, which was attended by specialists from Brazil (San André and Porto Alegre), Venezuela (Guyana), Uruguay (Montevideo) and of the Urban Programme of the United Nations. The activities that had been given priority in the Participative Budget commenced in 2000.

Economic Development Plan

Villa el Salvador has an advanced economic development plan. There is a *Management for encouraging entrepreneurs of the business park*. This is the first of such a plan in the country (1997) in this part of urban management. The official responsible for this office is the economist Luís Esquivel Torres. The local authority mainly focuses on giving support on developing the economic production as the latter is the only way in which the incomes of the people can be improved.

In collaboration with the various segments of industry plans have been drawn up for trade and industry. For example consultations according to several themes were organised. The collaboration between the local authority and small businesses forms part of the proposal which aims to create employment in the entire district. The presence of storage spaces, markets, mixed activities and logistics activities are clear examples of the fact that the local authority is closely associated to these processes. However, the challenge is to include this multitude of activities in an integral development proposal. There is a project, set up by the German town of Tübingen, for textile fabrics workshops that use ecologically grown cotton. This project was set up as part of a desired sustainable development.

Thanks to the interest shown by foreign partners and the capacity of the local authorities to put this help to good use, they succeeded in getting help from Italy interested in improving the production capacity of the business park. What's more, Spain has agreed to promote technological development in the use of wood for the furniture industry for export, mainly to Europe.

The local authority believes that the co-operation between residents, businesses and the NGOs is the strategic core task in the integral development of the district. If one of these parties does not take part in the process it is likely to result in severe limitations to the initiatives for the development.

Quality of the municipal administration (Team for the strategic development)

The quality of the municipal administration in VES is very high as there is an organisational structure which gives priority to the population taking part in the decision taking. There is a close collaboration with leaders of the population (neighbourhood level and higher), leaders of business organisations, NGOs and sectors of the community. The execution of the participative budget is currently in a consolidation phase. VES will remain an interesting test case in which experiments are carried out in improving the actions of local governance.

2.3 Huaycán's participation system

Huaycán was founded in the 1980s and is therefore a fairly new town, located in the Ate district. The town currently has a population of 120,000. It was founded in 1985 by the municipality of Lima through the establishment of a planned urban development process. Right from the beginning a local authority gradually started to control the urban management, and began to delegate the responsibilities to the population organisations a little later. Together with the population, the municipal council developed the so-called UCV (housing units in the neighbourhood), which consist of a block of houses on approximately 1 ha. of land. Each block consists of 60 plots of 90 m². And that is also how the UVC was set up as *housing units with business purposes* which were situated in the main streets. As time went by the Housing programme of Huaycán was brought under the responsibility of the municipal council of Ate. What's more, in Huaycán, in contrast to the *manzanas* in Villa el Salvador, the UCV have their own internal communal space. The main entrance to the houses is on the inside and the entrances open onto a space of 4,600 m², which is intended for education, health care and recreation. This idea is closely related to an existing neighbourhood organisation model that was realized in other urban areas.

From the beginning of the land occupation the people lived in temporary huts of rush mats and carton. Very gradually they began to build houses using proper building materials. There are still houses of only one floor and with rush mats/carton, which certainly stand out among the completed four-storey buildings.

In contrast to other settlements, Huaycán was developed in an orderly and systematic manner. These days on the mountainsides surrounding Huaycán there are temporary houses of residents who settled there. This created a legal problem between the central management and COFOPRI; the latter organisation had given the people titles to ownership despite the fact that there are local arrangements to protect the mountainsides. There are now several proposals for relocating the families elsewhere in the neighbourhood, but there is a lack of space suitable for housing.



Plate 9. Houses built at mountain slopes near Huaycán

Self-building of houses and houses with workplace

The residents are personally responsible for the extent to which the houses are completed. The Building Materials Bank granted loans for the self-building of houses to many families in Huaycán. One plot is 90 m² and 60 plots make up a UCV. In the past 15 years 25,000 plots were made. An average of six people live in a house.

The national government has set aside an area in Huaycán for production activities. With the help of the president's office a *production centre* was built in business park No. 1 (in Huaycán there are 3 such parks). The *business park* consists of 94 plots of 140 m² each, intended for making clothes, carpenters' workshops, shoe production, crafts, light metal industry and food production.

Spatial planning in the urban area

At urban level there is a spatial plan for the zone lay-out. According to sociologist Oscar Butteler of the NGO Eco-ciudad there is no planning system or strategic action for Huaycán, nor is there any government policy for social housing that would at the same time give direction to the area's economic development. Butteler works there as a social worker and has recently published an article on Huaycán.



Figure 3. Map of Huaycán.

Population Participation

The population is represented by the *CUAH (Policy formulation group of the Urban Population in Huaycán)*. There is an organisation structure at neighbourhood level in which the CEC (Central Executive Committee) is the highest level of representation the people have in communicating with the government and private bodies. The UCVs are below this: 25 UCVs (comparable to a district) form a *zone group* and its core group (management) is the *CEZ (Executive Zone Committee)*. At neighbourhood level 50 plots form a *UCV (Housing Unit of the Community)*, which is different to the set-up of the housing blocks in other settlements.

At the various levels of participation the communication is an important aspect of the development of the CUAH. Within the CUAH problems are discussed such as employment, production, trade, city cleaning, maintenance of parks and gardens, public works, environment, safety, etc.

The Association of Small Industrial Businesses in Huaycán has a greater degree of participation as it runs the Business Park No. 1. The small businesses from the light metal sector have developed a vision for the future and thanks to the efforts of leaders such as Luís Garma Ballón the organisation acquired a *Strategic Proposal for the Development of the Business Park No. 1 in Huaycán until 2006*. It is hoped that through contacts with high-level government officials, private businessmen and NGOs a loan can be arranged for expanding the activities, which will enable them to win a small part of the internal market.

Economic Development Plan

The municipal council of Ate has no plans for developing the economy within Huaycán. Town councillor Julio Núñez believed that it is necessary to form a group of experts in strategic planning that could also be used for training in municipal administration in Huaycán. This is particularly necessary as Huaycán has no financial resources of its own.

Quality of the municipal administration (Team for the strategic development)

The municipal council of Ate does not possess the technical capacities to anticipate the future demands of Huaycán. It will be necessary to set up a strategic group that will work on the future development, with the emphasis on social-economic development. As the population in Huaycán is very active and well organised, there will be ample possibilities for asking the population to co-operate.

2.4 Nuevo Pachacútec Pilot Project

The Nuevo Pachacútec Pilot Project (PPNP) is the result of a political solution that came mainly from the demand for housing from 10,000 families who had occupied agricultural land in Villa el Salvador during the government of Alberto Fujimori. In Pachacútec there have been two cases of major occupations of land. The new town was founded officially in 1985, during the government of president Alan García. After the first occupation there was spoken of land being designated to housing associations of lower ranks of the army and police and to the population organisations of the homeless who set up associations or housing cooperatives.

The second occupation of land resulted in the relocation of thousands of families who had occupied the agricultural land of Villa el Salvador. In 2000 the government started the Programme for Family Plots (PROFAM), and that is how the PPNP came about. The area is situated in the city expansion area of the Ventanilla district, the development axe of the metropolis into the North.

From the beginning there was no drinking water and no sewage system in this pilot project and this resulted in a serious environmental problem. The access roads are not paved and water is supplied by tank lorries. Many families have to travel for more than two hours on a bus to get to work. The supply of electricity is provisional and there is both great unemployment and serious poverty. These constraints are partly due to the problems of starting up the development process.

A technical committee, part of the department of the Minister of State for Housing, has recently prepared the urban development plan and the land division for the PPNP and they are now busy working

on issuing the titles of land ownership. Today almost 9,000 families live in the pilot project of whom the majority come from various districts of the capital Lima. A recently held survey by the department of Health Care revealed that only 15% of the families come from Villa el Salvador.

The planning zone for a business park exists on the level of urban planning. An organisation of micro entrepreneurs has been set up, however their economic and financial needs are larger than the hope to actually be able to start their micro businesses there.

Ventanilla was founded in the 1960s as a satellite town of Lima, some 30-40 km. from the capital. In those days the so-called ruling council took the initiative to build core living areas with basic amenities and a minimum infrastructure for the people who did not have a home. The *Ciudad Satélite Ventanilla* project was based on a temporary development vision, being independent from the city of Lima, with regard to not only housing but also creating jobs. Ventanilla, however, is now known as a dormitory town, where the majority of the population is looking for a job or works outside the town. In both cases much time and money is lost through travel.

During the meeting with deputy Mayor Luís Alvarado about the development of Ventanilla, he indicated that the municipal council is not involved in the Nuevo Pachacútec pilot project. The reason for it is that it does not have the resources to organise the cleaning operations. The PPNP was established on 25 July 2001 by decree no. 037-2001-MTC and is situated northwest of Ventanilla. It covers an area of 2,792 hectares. There are living areas divided into 5 zones. The NGO Alternativa is active in the area, thanks to the financial support of the German Ministry of Technical Co-operation. As part of this (provisional) drinking water systems have been installed (storage tanks and networks of pipes supplied via tank lorries).

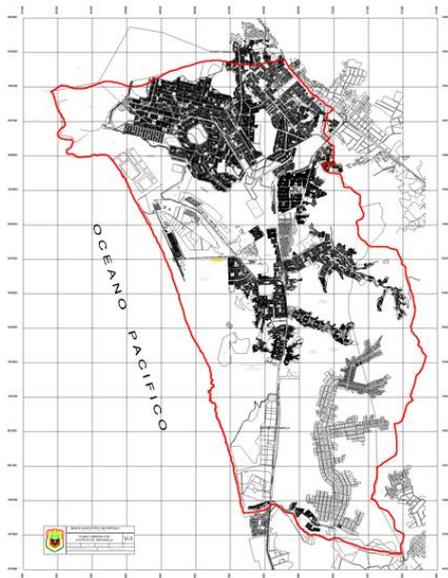


Figure 4. Map of Ventanilla and Nuevo Pachacútec (Added in 2009)

Self-building of houses

It is the families who are responsible for completing the house. The Nuevo Pachacútec pilot project has a total of 10,500 plots for self-help housing, being a future urban area for around 40,000 inhabitants. The majority of the initial houses are in bad condition, which can be expected in this self-help housing area that is in the first phase of its development, and only a small percentage of the people have used durable

building materials yet. The use of wood is quite usual; wood and other building materials can be purchased in various outlets for building materials. The use of wood can be dangerous in case of fires. So far, there has not been a Building Materials Bank's office in the area, despite the fact that this is a programme in which the central government was closely involved. The plots generally have a surface area of 120 m²; there is enough space for small horizontal expansions on the long term.



Plate 10. PP Nuevo Pachacútec

Spatial planning in the urban zone

The PPNP was from the beginning the responsibility of the Minister of State for Housing. The organization for land titling, COFOPRI intends to submit 5,000 title deeds by the end of 2002. The technical staff of the project have formulated a development plan which will be discussed by various groups of the government and the population. In order to draw up the plan, meetings about the development of Nuevo Pachacútec have been organised. The NGOs active in the area are helping in drawing up specific proposals. Nuevo Pachacútec has 5 zones and every zone has living areas with 28 to 40 plots per housing block. Each housing block and every living area has a residents' board/council and it is hoped that in the future the population will hold elections for the central residents' council, a body representing the 5 zones. During a recently held referendum the General By-Laws were approved, a first step on the road to consolidating the population organisation.

Water is a problem and the lack of drinking water and a sewer system is a frequent complaint of the Pachacútec populace. The households normally dig a latrine in their backyards, solving the problem of lack of a sewer system only on the short term. The final land division plan is expected soon. The spatial planning of the project is based on areas for houses, houses with an additional business purpose, houses with a workplace, markets, schools, business parks, etc. There are currently two state schools for primary and secondary education in addition to three catholic schools.

The future economic possibilities are focused on consolidating traditional fishing (as the area is close to a bay); tourism to an ecological area and a group of islands in the nearby Ocean, with a variety of animal life in the sea. This may help to boost local employment, but not on the short term; this is why the population have to depend on employment that is offered in the metropolitan area. The municipality of Ventanilla is busy with an economic development plan for its whole territory. The PPNP has an office that consists of three teams: technical, social work and titles of land ownership. This project office is not located in the area but in the central city of Lima.

Population participation

In April 2000 the first community leaders were elected. The NGO Alternativa works with social workers who promote the development of the neighbourhood and the consolidation of the social organisational structure of the population. Johnny Palomares, specialist in community and industrial operations, works for the Minister of State for Housing and believes that the organisational model of the *UCVs* in Huaycán can serve as a model for Pachacútec too. It should be made clear that the space where the locals meet and have their daily contacts is located in the central part of the *UCV*, in contrast to other forms of organisation of the population.

Paul Pilco Dorregaray, previously social worker at the NGO Alternativa, says that the residents of Pachacútec play an active role in the PPNP because of their needs and the lack of social programmes from the government. However, the major obstacle in the area is communication. There will have to be better communication channels between the technical workers and the population in order for them to jointly look for solutions to the existing problems in a systematic way.

Economic development plan

There is no economic development plan for Pachacútec. However, there are many ideas. The PPNP recently organised a meeting for the local population in order to determine the production and economic possibilities. The results have not yet been collated, though the first indications show that a major part of the population is active in some sort of small-scale activity such as traditional crafts, recycling, carpentry, light metal work. The municipal council of Ventanilla, unfortunately, is not yet involved in this process.

Quality of the municipal administration (Team for the strategic development)

As the PPNP is responsible for technical management it works with a group of architects and engineers, social workers and an administrative staff. Meetings have been planned with NGOs (Alternativa and Coprodeli) and with other population organisations and leaders in order to come up with action plans for activities in the area. It is desirable, however, that the municipal council of Ventanilla plays a more prominent role in the process and takes part in the integral development of the PPNP.



Figure 5. Map of Nuevo Pachacútec (2008) (Added in 2009)

3 CONCLUSIONS

3.1 The role of the central government

The local authorities generally receive very little financial support from the central government for carrying out strategic tasks, formulating visions for the future and improving the quality of the municipal authority. The city councils all together receive only 3.8% of the total annual national budget. If we consider that the amount needs to be divided among 194 provincial (“rural”) governments and 1800 municipal districts, then it is clear that it concerns a rather insignificant amount. With such low funding the local authorities can hardly carry out even minor activities let alone pay staff salaries or the costs of the activities for the management and maintenance of the municipality.

The parliament is currently debating the new *Municipalities Organic Act and Regionalisation Framework Act*. The latter act will have a substantial influence on the political map of Peru from the moment local and regional elections are held (17 November 2002).

It is hoped that the debates in the parliament will lead to a considerable increase in the percentage of votes for the municipalities. An increase of up to 15% up to the year 2006 is hoped. However, in order to support this process well the capacity of the local authorities will have to be increased, so that they are able to participate in the (government run) bodies that are leading the way in sustainable planning and to focus on sustainable growth of the (municipal) districts that are proceeding with the agreed development plans.

The national government together with the local authorities is responsible for the execution of the educational programmes. Moreover, it is a task of the national government to develop a policy for national housing whereby, for example, the spatial planning of cities and the construction of housing blocks can be promoted through agreements with the private sector and loans for self-building.

Programmes for encouraging and promoting pilot projects with which, for example, urban management as part of the local government can be improved is another issue; studies can be carried out into improving the quality of living conditions and the spatial planning and into enabling the realization of a business park based on the current demand.

It cannot be ruled out that as part of the policy for national housing, housing programme pilots may be set up in rural local municipalities in order to discourage migration from the countryside to the city. These programmes for the development of the country will (have to) go hand in hand with providing the necessary basic amenities; schools, areas for traditional crafts and agriculture development, as well as technical assistance for agriculture and cattle breeding. This can create jobs and increase an individual’s income.

3.2 The role of the local government

The low quality of the municipal administration in the PPNP areas (of the municipal council of Ventanilla) and the one in Huaycán (of the municipal council of Ate) is the result of the limited financial resources; but one must be aware of the initial phase of the PPNP process. The municipal council of Ventanilla is not involved in the development of PPNP. The municipal council of Ate is only indirectly

concerned with Huaycán and has no team for strategic planning. A town councillor (a political position for Huaycán within the municipal system of Ate) is responsible for coming up with solutions to the problems of local residents. These problems mainly concern cleaning, maintenance of public green areas, the land parcels register and written operation approvals.

In the case of the council of Villa el Salvador a strategy was drawn up for the communication and participation, aimed at discussions with the various levels of district organisations (district and neighbourhood level) about the Municipal Development Plan. This includes interesting concepts in relation to the spatial planning and the participative budget. Thanks to these plans the decisions taken by the council and the population have a better chance of being adopted by central government.

At neighbourhood level the participation of the population is important for the execution of infrastructural works, roads, parks, etc. It is for this reason that there are many projects that have a good chance of receiving financial support. The participation of the neighbourhood and community leaders is very important in this process, too, in realising the intended objectives. This involves volunteers only, nobody receives any payment for the work and therefore certain activities aimed at improving certain services (sometimes) have to be postponed indefinitely.

The results of the interviews suggest that the municipal administration would function better if during the execution they had the support of a team for strategic operations. The tasks of such a team would include:

- Developing a vision for the future of the urban and economic development (10-15 years).
- Drawing up long-term development plans and an execution strategy for the short term (5 years).
- Implementing a strategy for the communication with representatives of the population, residents, micro entrepreneurs and social grassroots organisations.
- Executing a strategy for the economic development.
- Reinforcing the urban building inspection.

In the case of the PPNP it would be better if the (government) technical project bureau, which is now situated in Lima, were transferred to an area close to the location where the activities take place. Experience in similar projects has shown that these technical project bureaux should be close to the neighbourhoods in order to be able to respond to the wishes of the people, as well as to better monitor the urban consolidation process within the project.

The municipal council (of Ventanilla) should also be involved better in the process of planning and development of the community. The local authority has a strategic plan for its own territory and the PPNP should be included within it. It would, however, be good if the Minister of State for Housing were to set aside part of his budget specifically for the municipal council of Ventanilla so that it would be able to help a large section of the population by solving the many problems (cleaning of streets, maintenance of public green areas, urban control, the land parcels register, etc.) in the area of Nuevo Pachacútec.

Huaycán has a well structured population organisation. For political reasons the local sub office (or “zonal” office) is probably, metaphorically speaking, far from the population and something can be done about it providing there is a suitable strategy for the population. The *CUA* is the cornerstone of the population organisation. Putting together a multidisciplinary team for the strategic planning of the area would make it possible to strengthen the ties between the local population and the local authority, and that

in turn could lead to well co-ordinated plans and proposals for developments to the advantage of the entire population.

3.3 The role of the Building Materials Bank

The Building Materials Bank (BANMAT) is a tool of the government which grants loans to families for the purchase of construction materials for houses. The monthly repayments of the loan have a favourable interest rate. People with the lowest incomes are not eligible for loans from the Building Materials Bank. For this section of the population there are a number of small funds which have generally been made available through donations. The Building Materials Bank works as a revolving fund into which those who receive the loan repay their debt through fixed monthly amounts. In this way the repaid money can again be used for loans for the families who need them. The loan consists of building materials; no cash is given. The current system has a basic module (basic house type) which is applied throughout the entire country. What is missing is sound technical assistance, however there is supervision of the use of the materials.

As a result of the economic crisis many families got into financial difficulties and were unable to meet their monthly obligations. A very high debt was the result making it difficult for the Building Materials Bank to grant new loans; it is even possible that the whole system of the revolving fund will come to an end. The management of the Building Materials Bank is now working on implementing a loan system whereby a mortgage guarantee and flexibility in the event of debt can be introduced as new elements. For other changes small amounts are granted for making minor changes to the house. If the debtor meets the financial obligation on time he/she can have a bigger loan, and is supported by technical assistance and supervision throughout the entire process.

There are no banks where the people with the lowest incomes can get loans and the possibilities of the NGOs are limited. In the south of Lima DESCO works with very limited funds obtained through international collaboration. As part of the execution of its plans the Building Materials Bank could reinforce the housing policy of the government. That policy is now executed at a regional level or an attempt is made to follow local governments and NGOs. The idea is to include the technical proposals in the development programmes, taking into consideration that these bodies (often) have minimal technical teams available and because they are closest to the people with low incomes.

The conversations with officials of the Building Materials Bank did not give any clearness on the future role of the Bank. A restructuring of the whole organization was foreseen, but the representatives could not give detailed information on new headlines. Above all, any restructuring would require a political agreement at the level of the national government.

3.4 The role of the NGOs

In Peru the NGOs work together in various areas with the organised local population and they play a very important role in local and rural development. In general they concern themselves with setting up productive projects, training, pilot development programmes and the like.

At national level the NGOs, which are affiliated to the National Association of Centres, can make proposals for training programmes or the execution of concrete development projects. Many of the NGOs work individually at project level and use their own working method and work within their own fields. There are approximately 1,200 NGOs in Peru, not enough compared with the large number of municipalities that need help from these kinds of organisations. NGOs working in the country can have very profitable contacts with NGOs from (mostly) Western countries; the latter work as donor-NGO, while a local NGO will be a contract partner.

If a proposal for the development of an area needs to be formulated it is wise to work with an organisation that has experience and highly skilled personnel. This will often lead to (new) contacts and this is how crucial networks come about such as the Platform of Cities for Life (Foro de Ciudades para la Vida, FCPV, Lima), of which local authorities, NGOs, universities and government bodies are members. DESCO and the FCPV play a very important part in the housing sector and urban research in the area south of Lima and in other parts of the country. Municipalities can be member of the Association of Municipalities in Peru, AMPE, that can give support on urban management issues also.

DESCO has over 30 years' experience in Villa El Salvador, and the organisation has taken part in the development of programmes and projects in collaboration with the local authorities of this municipality. The programmes and projects have focused on the urban regeneration of the municipal district and the granting of small loans aimed at allowing people to build their homes themselves. DESCO can provide technical assistance for the integral development of the neighbourhoods or in the execution of large projects. The people have faith in DESCO and, what's more, an NGO can bridge a gap between the local authority and the people more easily. These organisations sometimes (together with the population) offer resistance to the plans of the municipal council. It would be better to work together on the integral development of an area through innovative and participative proposals. DESCO is working in other regions of Peru too.

3.5 The role of the families

In the process of self-building one's house the role of the family is important, and that is particularly the case when loans are granted. The guarantee that the self-building process will end successfully comes through the participation of all the participants. Sometimes the process runs smoothly but if something goes wrong unexpectedly due to family problems it may be difficult to continue the process.

For single parent families, often a mother with several children, it is practically impossible to carry out a self-building project; this may be because the mother has insufficient income to meet the requirements for obtaining a loan or because she does not have enough time to do the housekeeping. For these people there are too few possibilities for a loan and in most cases self-help housing is impossible. In general in these cases the loans granted by the NGOs for housing are used for the family's other needs (food, medication, clothes).

In the future the family will be the most important factor in the self-building of houses. Hopefully, the second and third generations will think differently about these matters. However, with the new

migrants the process of self-building proceeds in much the same way, with the participation of family and friends.

3.6 The role of residents' groups

Residents' groups are essential when a community is being formed in a neighbourhood. The stronger the residents' group, the greater the chance it has to successfully negotiate with the local authority, the national government, utility companies, etc. Sometimes NGOs try to help in the negotiating process, in which the main issues, as far as the residents' groups are concerned, are the improvement of streets, infrastructure, public safety, playgrounds for children and education.

The NGOs generally do not grant loans to groups but rather to people and families.

In the towns that were investigated the participation of the population takes place through elections of representatives per housing block (in Villa el Salvador) or per UCV (in Huaycán). In the future the role of residents' groups can be evaluated when pilot projects are started for the development of the area where they live.

3.7 The role of the business groups

The organised businesses/micro businesses are very important for the future development of the local economies. Both in Huaycán and in Villa el Salvador business associations work together in various ways on improving the local economy. Particularly in Villa el Salvador the local government has an active policy for the development of production and employment. As part of the Municipal Development Plan, and in anticipation of what was to happen, an industrial estate was reserved which today is totally occupied. For each type of production activity there is a spatial classification in the industrial area (wood, light metal, shoes, clothes and food).

The business groups have regular meetings with municipal officials to discuss various matters. During other meetings they exchange experiences and try to tackle the problems with the objective of coming up with joint proposals for the development. In view of the consolidation of this process the local authority has promoted the establishment of a services centre, situated at a stone's throw from the business park. The services centre has space where the products that are produced at the business park can be promoted, exhibited and sold (feria).

It is however important to bear in mind that the development of the businesses is limited as there is not enough room for new businesses to be set up there. It is therefore necessary to go ahead with implementing spatial planning for business parks and/or for the distribution of the agricultural land to be changed so that it can be used for trade, industry and/or services.

There are three business parks in Huaycán but there is no room for any future expansion. The municipal council of Ate has a zoning plan, however the existing areas that are eligible for the development of these activities are private property and the local authority cannot buy this land due to a lack of funds. Expansion of the economic activities in Huaycán are not possible in the short term.

The municipal authority of Ventanilla has formulated a strategic plan for improving streets and urban internal infrastructure with the intention of stimulating the local economy. The development plan of

Pachacútec has been drawn up by the project bureau and has not yet received the support of the local population. It is to be expected that this situation will change within a few years.

In conclusion we can say that the organised businesses have to maintain direct contact with the municipal organization. The local authority has to formulate a policy for the economic development at the district level whereby areas will need to be reserved for the establishment of small businesses or of companies who can breathe new life into the various levels of the local economy. As an example of what is possible, Villa El Salvador should not be forgotten.

3.8 The role of education.

During the study the future and the role of education has been mentioned a few times and how it should be co-ordinated with the business activities in relation to improving the production process. Another interesting fact is that in Villa El Salvador, Huaycán and even in Pachacútec everybody agrees on the necessity of stimulating technical education for improving the self-building process of houses, despite the fact that the land occupation took place at different times and that there are differences concerning the extent of development.

As education is primarily a matter for the national government, the local authorities do normally not take initiatives for technical or vocational training for 12 to 18-year-olds in neighbourhoods or for improving the municipal administration (technical and vocational training). The priority is the self-building of houses and the proposed vocational training for self-builders seems to be rather easy to realise. The NGOs can add and improve knowledge as they have the means to co-finance the projects. However, at the same time the national government could try to fulfil this need.

4 FINAL CONSIDERATIONS

Self-help housing in Peru is an important phenomenon, that is closely connected to the urban growth, that can be found on the urban fringes of the metropolis of Lima. During some decades self-help housing was also officially seen as a mayor activity and housing programmes by the State were in general absent. Professional housing organizations are not there, but some NGOs have developed social housing programmes, focusing on helping individual families with loans and technical assistance; the NGO DESCO is a good example of such an organization. It must be stipulated that self-help housing is mainly an expression of poverty, but not all self-help housing activities are in the low-income segment.

In the next few decades the cities in Peru will grow demographically, partly because of the ongoing urbanization trend, and partly because of the autonomous growth. In view of this growth, it will be necessary to pursue the government to establish a policy that is guided by an integral strategy for housing. And although this has recently been started, it should also be noted that this policy concerns only a small section of the population who do not have a house, and that consequently despite the new policy that is hopeful, the housing shortage will continue, for all segments of the housing market.

For as far as the decentralisation process is concerned and the responsibilities as part of the planned housing policy, it would be good if an education programme were set up in which graduates –working in the local governments- could get additional training in subjects related to municipal administration. The local authorities definitely play a major role in setting up this education programme, however if they do not have sufficient financial means to carry out housing programmes as part of a national government policy, any initiative will run the risk of failure during implementation. It is necessary to place this initiative of local authorities in a strategy that is carried out on two levels. Execution of education programmes and special trainings for municipal coordinators, should be in the hands of education institutes and through specialized coaches.

It is necessary that the housing policy adopted by local authorities can count on the national support of the AMPE (Association Peruvian Local Authorities). Through this body there are possibilities for the national government and the local authorities to work together. It is perhaps possible to set up a training programme for the *“Integral Reinforcement of the town administration as part of developing knowledge”*, in which a strategic team should take part (on a city level) and, furthermore, which should include an integral collaboration in neighbourhoods and residential areas.

Generally it can be said that the municipal authorities have to set up the policy for their land in an integral manner, whereby various responsibilities of participants in the process (population, utility companies, government bodies, NGOs) have to be set down clearly. If the various parties unite under the flag of a mutually agreed and participative plan, pilot projects for the integral improvement of the neighbourhoods can be set up, which does not only enable the self-building of houses, but also legalises every phase of the process.

The central government and the municipalities will have to promote ‘vocational training’ on the spot, (in community centres and at local technical schools), so that the knowledge can be applied during the self-building process. There should be a reorientation at institutes such as SENCICO (at training level) and ININVI (at study level) so that they fit in better with the needs of the local population in relation to new technical insights into construction. In Peru all aspects of the various phases of self-building have to be investigated because for a large part of the population the self-building of houses is the only way to improve their quality of life.

We must not forget that it involves hundreds of thousands of families who work in this manner, and they form an enormous market with an economic potential that is difficult to estimate. It is essential that these families obtain loans and technical assistance through an integral urban policy. The proposition is that self-building is the first phase in the following process: *space to live and work – self-building / formalisation – vocational training – possibility of obtaining work and loans – technical education that is geared towards the new generation.*

It is very important that pilot projects are carried out as part of the spatial planning in cities so that new organisation models can be developed not only for the improvement of the quality of life but also for the improvement of the environment, public areas and recreational areas. The new models may also result in employment.

(Actualising of document January 2003)

(Some figures are added in 2008)

Annex

List of interviewed persons:

Lima in general:

- Arq. Liliana Miranda Sara, Foro de Ciudades para la Vida, Lima.
- Paul Pilco Dorregaray, Eco-ciudad, Lima. (ex promotor social con Ong Alternativa)
- Julio Díaz Palacios, Foro Ecológico, Lima.
- Jorge Burga Bartra, Arquitecto. (Ministerio de Vivienda)
- Petra Hofman, Universidad Técnica Eindhoven, Holanda.

Huaycán:

- Oscar Butteler, Ecociudad, Lima.
- Victor Hogo Quispe Pérez, Comunidad Urbana Autogestionaria “Huaycán”.
- Tuvenal Lozano Roman, Comunidad Urbana Autogestionaria “Huaycán”.
- Luis Garma Ballón, Parque Industrial número 1 en Huaycán.
- Julio Núñez, Municipalidad de Ate, regidor en Huaycán.

Villa el Salvador:

- Martín Pumar Vilchez, Alcalde Municipal
- Samuel Pedroza Lucana, Municipalidad, director Servicios Públicos.
- Nestor Ríos Morales, Municipalidad, director Municipal.
- Sra. Antonia Huayhua, pobladora de Villa el Salvador.
- Adrián Curi, gerente de la planta Curisa (metalmecánica)
- Luis Esquivel Torres, economista Municipalidad de VES.
- Basilio Nou Puellas, gerente de Conforcentros (producción de muebles)

NGO DESCO:

(Centro de Estudios y promoción del desarrollo, Lima)

- Mario Zolezzi Chocano, sociólogo, programa urbano.
- Gustavo Riofrío, programa urbano.

Municipality of Ventanilla:

- Luis Alvarado, teniente alcalde Municipalidad

Pilot Project Nuevo Pachacútec:

- Juan J. Eduardo Cevallos Marroquin, director del PPNP
- Antonio Aragón, coordinador social PPNP
- Johnny Palomares Avila, gestión comunal y empresarial.
- Sra. Olga Aquino Rivera, pobladora de Nuevo Pachacútec.
- Sra. Carola Valero Valero, pobladora de Nuevo Pachacútec.

Building Materials Bank:

- Sócrates Sulópulos V. , gerente.
- A. Mejia.

Annex 2

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