

URBAN DEVELOPMENT AND SELF-HELP ACTIVITIES IN LEÓN, NICARAGUA

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1 Introduction

For several years, the municipality of León in Nicaragua is successfully striving to achieve sustainable urban and rural development. Part of this success is due to a socially-oriented *land policy*, which stimulates individual self-help housing and social housing projects. This *land policy* is implemented through the León South East Plots Programme (LSE Plots Programme, 1998-2008), which delivers an average of 500 plots per year to low-income households. The plots are sold for the individual construction of houses by the families themselves or by construction workers. Additionally, non-governmental organisations (NGOs) also build and sell plots with dwellings to low-income households. These two activities provide hundreds of households with new possibilities for the improvement of their socio-economic situation. Presently, the building of neighbourhoods is the most important issue, together with the planning of infrastructure and basic urban services, such as schools, health services and sports facilities. At the same time, the municipality takes care of tasks related to public policy, such as the elaboration of future visions and zoning plans and the co-ordination with *local actors*.

The ongoing participation of inhabitants and entrepreneurs, with their skills of self-help construction and self-organisation, is considered essential, and is in agreement with the desired future urban development of León. In most cases, the self-help construction process appears spontaneously because low-income households do not have any other alternative in the housing market. Therefore, the municipality has incorporated self-help processes within local policies and urban planning strategies. This helps local NGOs and local government to support the creation of small associations.

Because the development of León's economy faces many difficulties, local government is keen to initiate a new strategy for economic development. Besides the above-mentioned LSE Plots Programme for housing, high priority will be given to economic development involving all interested parties and potential participants. Eventually, this should lead to a renewed Plots Programme, with the objective to develop land for economic activities. In this scheme, branches of local businesses or associations can play an important role. This chapter presents the significance of self-help construction and self-organisation processes as part of local development strategies and the battle against urban poverty. The working philosophy is based on strengthening local potentials in order to benefit all: individuals and households, as well as housing and job

associations. In this vision, the municipality's main role is providing technical and organisational knowledge, and bringing local actors together.

The Development Process in León since 1990

Initially the Municipality of León focussed on the realisation of housing projects on a small scale. Before 2000 the support of Nicaragua's central government was very limited. However, León was able successfully to obtain assistance from international city links with Hamburg, Zaragoza and Utrecht. An example of this was the William Fonseca housing project built in the early nineties; a small-scale development which could not satisfy the large demand for dwellings from the growing population in the whole city.

Due to growing demand, low-income households were illegally settling at the outskirts of the city by building slums; a process which produced conflicts with existing communities. Between 1988 and 1995, the municipality purchased land to avoid these problems, and simply divided it into plots for self-help housing activities. In many cases, the plots were freely given to households, and as a result of this the exploitation of these simple land developments was negative. In some cases, the absence of plans for infrastructure and other facilities led to difficult negotiations with water and electricity companies.

The method of urban development described above did not lead to the structural improvement of the living and work conditions of the local population. During the preparation of a new integrated urban policy, together with a corresponding strategy for its execution, it became clear that two elements would be important:

- Developing an integrated vision for the whole urban and rural area of the municipality, which should be the framework for social and economic development (the provision of space and infrastructure for all desired activities).
- Searching for and involving local initiatives and entrepreneurship as building blocks for the execution of the local (municipal) policy.

Since 1995 the municipality has been working with these two elements to develop the city and the adjacent rural area in an integrated manner. The municipality is assisting inhabitants and entrepreneurs with the aim that these actors could create chances for themselves. But this assistance is quite limited, as a result of the weak financial situation of municipalities in Nicaragua. However, giving responsibilities to inhabitants and entrepreneurs to make small achievements is the only way possible to provide perspectives and a sense of worth to households. This new approach gives them small-scale perspectives through a step-by-step method in a middle to long term programme. However, across the entire municipality the impact can be larger, in view of the (potential) large number of beneficiaries.

The core business of local government in housing policy is based on the earlier mentioned LSE Plots Programme. Expanding this socially-oriented policy towards specific economic goals implies the development of local communities, as well as the creation of their corresponding economic space. Improving the position of small local enterprises is one of the main goals to improve local productive conditions and to generate local employment. Although there are some hopeful developments in León, the successful achievement of the

economic goals is a long-term task that has not been be appreciated until recently.

Note: The urban development process of León since 1990 has been described by Bredenoord, (2005).

2 Socio-economic Profile and Opportunities

Population, income and work

The second largest city of Nicaragua, León is located 90 km. north of Managua, approximately half of the way towards the border with Honduras. The area of the municipality is 862 km², of which only 3% is urban land. The estimated population was 210.000 in 2004, of which 165.000 were living in the urban area (Sources: Plan Estratégico de León, 1999, Téllez, 2004) The municipality expects an average annual rate of growth of 3%. The average number of residents per dwelling is between 5 and 6. The economic situation is very difficult, as expressed by income indicators: 41 percent of the local population earns less than US \$ 85 on a monthly basis; 26 percent between US \$ 85 and 170; and 25 percent more than US \$ 170; while 8 percent claimed to have no income at all (López, 2000). The main economic sectors include carpentry, leather and furniture manufacturing, food preparation (bread, milk, fruits, etc.), personal and professional services and transport. Most of the industrial production is closely related to the goods produced in the rural area.

A study of the labour market (Téllez, 2004) showed that in 2004, 51 percent of the potentially economic active population was officially unemployed, a total of 53.085 inhabitants (25.480 men and 27.604 women). However, around 50 percent of the 'officially' unemployed are developing economic activities in personal services and small trade, which are not officially registered. In the whole León region, cattle breeding, fishing and shrimp-culture are potential economic activities, while in the urban area tourism, furniture manufacturing and the processing of milk, leather, fruits, vegetables and nuts are the activities with the highest potential.

Decentralisation of governmental tasks

In 2003, the national government of Nicaragua elaborated a progressive national economic development plan (*Plan Nacional de Desarrollo, 2003*), which is based on the promotion and utilisation of regional potential. The idea is to invest in major specialisations in regions offering the best potential, and especially in those that have good co-operation between the government and private businesses. It is a challenge for each region to develop its own potential in close cooperation with regional and local stakeholders.

For the national housing policy, developed since 2005, the government invited the regions and main municipalities to establish partnerships. Although the National Development Plan and the housing policy (*Plan Nacional de Vivienda, 2005*) do not imply a direct transference of competences and means to regions and municipalities, they can be both seen as a first step. It is expected that more steps will be taken in the future to decentralise governmental tasks to the lower levels of governance. This might be also the case in relation to policies

concerning the welfare of communities and education. It is presently not very clear which governmental tasks will be transferred to regions and municipalities.

Municipal Planning in León

Since 1995, the municipality of León has been very successful in implementing integrated planning policies for the municipality as a whole. The Strategic Municipal Development Plan (2004) is the most recent example. The latest Municipal Economic Development Plan (2006) recommends focusing on production-chains: from raw products/materials to final products; for example from cattle to meat products and from leather to shoes. On the other hand, in León there is demand for new industrial areas with modern facilities. The municipal strategy to promote industrial production aims at supporting entrepreneurs and promoting new employment. For this goal, the municipality is trying to bring economic actors together in order to gather sufficient financial means to provide new industrial spaces for the establishment of new companies or the expansion of existing ones.

In order to develop a professional municipal housing policy, the municipality of León is preparing new housing policy documents (“*Diagnóstico*” and “*Documento municipal de política de vivienda*”) in close cooperation with a programme supported by the *Association of City-bonds Netherlands – Nicaragua*. This programme provides technical and organizational assistance for 15 municipalities and there is a cooperation with the national government and the national association of housing NGOs. Main results are to be expected in the year 2007.

Sustainable Development and Participation

Physical planning in León is based on the concept of sustainable development. The Local Agenda 21 (UN, Rio de Janeiro, 1992) is based on the assumption that future development must be supported on three “pillars”: economy, community and environment. Following Agenda 21, León has formulated its own sustainability definition with corresponding criteria.

Under the present circumstances it is important to improve municipal organisation in León in order to promote local housing construction and economic development. The self-help activities of individuals and entrepreneurs should be supported in every possible way. Therefore, the participation of individuals, communal and commercial organisations in the main local planning processes, as well as the definition of priorities, has been implemented. As an example, the municipality initiated a process of participation for organisations of residents and entrepreneurs, associations, welfare institutions and NGOs, for the municipal budgeting (*Presupuesto participativo*) decision-making process.

Municipal management in León functions at two levels: (1) city/municipality and (2) neighbourhood/urban project. At?/On the first level there is co-ordination between the municipality and private ‘actors’ such as organisations of citizens and entrepreneurs, co-operatives, welfare organisations and (other) NGOs, which together form the Municipal Development Committee (*Comité de Desarrollo Municipal, CDM*). The *execution of the guidelines of municipal policy* and the determination of priorities are their main tasks. At the second neighbourhood level, it is also important to co-ordinate co-operation between all actors, where several participants should invest in area-focussed projects. The

local NGOs play a very important role in the LSE Plots Programme, since they are building housing projects within LSE areas on a relatively large scale.

3 About Housing in León South East

Housing Policy of the Municipality

In 2005, the municipality of León started implementing a local housing policy, which was later given a high priority in view of the development of a national housing strategy in 2006. In general, housing is seen as a private matter. The municipality has to assign land for housing developments and to elaborate zoning plans for new urban areas, like the one in León South East (LSE). The municipality also provides building permits and performs building control; the traditional public tasks of local governments.

With its active land policy, the LSE Plots Programme provides an essential impulse for access to housing by certain social groups. In fact the LSE Programme forms part of the local housing policy for lower and middle income groups. But most construction activities are done by households, NGOs and small contractors.

Several NGOs have been very successful in obtaining subsidies for housing projects in LSE for low- income households. In order to obtain subsidies from national government the municipality will develop its housing policy. The hopeful contacts with governmental institutions like FOSOV (Fondo Social de Vivienda) and INVUR (Instituto Nicaragüense de Vivienda Urbana y Rural) provide new perspectives. An important aspect of municipal housing policy is the foreseen establishment of a bank for building materials (in 2006), considered an important instrument to assist households with the self-help housing process.

The León South East Plots Programme

The LSE Plots Programme provides plots for the construction of houses with the accompanying official land titles. When a household is able to obtain property for the construction of a house, it gets at the same time a perspective for the future, because it will be able to start a small business or other economic activity. Some households can purchase the plot by paying it off in one term, but in most cases a payment arrangement is authorised by the LSE-project. When the plot is completely paid, the household gets the legal property title. The LSE Plots Programme has already developed and sold 2500 plots (by the end of 2005). Some plots were bought by NGOs for the construction of houses for low-income and middle-class households. The prices of the plots are between US \$ 450 and 1500. Their plot area varies between 150-160 m², and 200-250 m². The cheaper ones have streets without pavements, while the most expensive areas the streets have a hard surface and footpaths are provided.

About Self-help Housing

Self-help housing construction activities are generally undertaken by households or by individuals with the help of household members and friends. The first phase is in most cases the pioneer-phase, in which they usually do not use professional help. The households often build simple accommodations with cheap materials

like poles, cardboard, plastic and old zinc sheets. This first dwelling, often constructed in the backyard, is only a temporary shelter to be used while the household is gradually building the house at the front of the plot. When a household has a regular income it is able to buy building materials gradually.

But there are many technical problems during construction: In León houses must be earthquake resistant, but in most cases the households do not know how to build them in this way. Technical assistance should be available, but this is not the case at present. The most difficult parts of the construction of the house -- the foundations, the construction of pillars and the construction of roofs -- should be the work of professionals, but the households generally ask relatives and friends to help in order to limit the costs, although many households have members with some experience in construction. Sometimes, a household hires professional carpenters and other construction workers for special tasks. Some households do not want to go to a bank or a NGO for construction loans, because they do not want to make financial commitments.



Young people involved in constructing a community centre in León South East

Housing Projects by NGOs

Several NGOs have implemented successful housing projects in LSE. Part of this success is a result of the subsidies that they obtained from the central government, through INVUR. In some cases the houses are being sold to households for very low prices because of subsidies or private donations. In other cases the prices of the houses are reduced because of the help of volunteers in the construction. Households may contribute with their own labour in order to reduce the costs of the house.

The cost that the household eventually pays is generally given in the form of a loan with the character of a credit arrangement or a mortgage. The quality of the

houses varies: it may be small and built with simple materials; in this case it is generally a starting unit to be enlarged through the years. In other cases they are complete houses with durable materials at obviously higher prices. The use of prefabricated elements is very common, but the quality of the houses is lower than the average.

Several NGOs are working in LSE in housing construction, including Caritas, Fundapadele, Habitat for Humanity and Ceprodel. Other NGOs are expected to work in the future. A Mexican company, Arnecom, is realising a housing programme in LSE for its own workers and the UNAN University will do the same for its academic staff and other workers. Each of these NGOs has its own policy and criteria related to their different target groups. The main differences relate to the quality of the houses, their prices and the donations. The municipality is trying to co-ordinate these policies within the framework of municipal housing policy.

Community Development

Since the eighties in Nicaragua an organisation has existed, known as *Movimiento Comunal*, based on the organisational structure of the Sandinista Party FSLN. In every neighbourhood they assist with the establishment of a committee of residents and the election of its members. These neighbourhood committees organise activities for health care and capacity building, among others, and have communication with the local municipality, water and electricity companies and local NGOs.

Central government strives to establish a more independent neighbourhood organisations, not connected with a particular political party. In León they deal with two independent neighbourhood organisations and a co-ordinating one. For urban development goals there is a co-ordinating organisation known as ACOPOE which has the followings tasks:

- Management of the community centre.
- Providing information to the residents and the identification of their problems.
- Communication with the municipality and other organisations.
- Organisation of public health campaigns and cultural and sports activities.
- Organisation of courses and training for residents.

Other possible future tasks are:

- The formation of a public safety team (in co-operation with the police)
- The formation of a (waste) maintenance team (in co-operation with the municipality)

The neighbourhood committees are autonomous, but good co-operation with the municipality is always an advantage, a process which requires a cooperative approach on both sides and a municipal budget assignation for its implementation.

Most residents of León South East are very interested in developing the neighbourhood environment, including the street pavement, public illumination and green areas in streets and playgrounds. The municipality is trying to involve the residents in such initiatives and has appointed a social worker to promote

community development and neighbourhood activities. As a result of this, an association of residents with legal character has been established, uniting existing neighbourhoods with new ones in the '*Neighbourhood of the Poets*'.

The maintenance of public spaces and facilities is a basic municipal task, but its execution can be contracted out to resident organisations or local companies, and this could bring work to the neighbourhood, giving impulse to community development. Other possibilities for community development are the establishment of small associations for specific tasks, such as the construction of a small group of houses or workshops.

4 Self-help and the Role of Associations

Self-help (housing) concepts are essential for improving the circumstances for living and working in these contexts. Self-help can include the activities of individuals, households and associations. Within the frame of associations it is easier to get loans and to organise training programmes. Therefore the stimulation of associations is always a good strategy.

Self-help housing processes are worldwide phenomena and may appear in very different ways, depending on the culture, building methods, local materials, family bonds and local leadership. In Nicaragua, family bonds are important, but there is also a large number of single mothers. Because the construction of houses requires specific knowledge, self-help housing is not a solution that applies to all. When there are strong family bonds and the help of friends is possible, self-help activities can be very successful. In other cases the support of NGOs is desirable, since they can offer possibilities for loans, technical assistance and training programmes.

When there is professional support for self-help activities, residents can develop technical knowledge in construction and eventually maintain their houses properly and expand them gradually. These activities normally make them proud of their houses. Mutual construction of houses is being stimulated by the NGOs Habitat for Humanity and Ceprodel; a process which greatly lowers the cost of a house. Even single mothers are involved in this type of co-operation, which also involves their household members and friends.

The Building Materials Bank in León

The planned building materials bank in León will provide a new credit facility for low income households for the construction of dwellings by a step-by-step method. The households do not get money but building materials, and the value of the materials determines the amount of the loan. The building materials bank will also supervise the construction and the technical quality of the house. The municipality of Utrecht did a pre-investment study for the establishment of this bank. The municipality of León prepared the business plan and successfully applied for subsidy at INVUR. Partly due to this subsidy the building materials bank will be established in 2006. The bank will function as a revolving fund, in the same way as the Plots Programme.

Housing by Associations and NGOs

The establishment of associations of residents for housing purposes has been done by NGOs on a small scale. The municipality could benefit from reliable associations, for example, by offering profitable contracts with the building materials bank, which highlights the importance of working in groups. Housing activities promoted by Associations and NGOs give various credit facilities. Until now one can find four different possible ways for the obtaining of credits for the construction of houses:

1 Housing by Ceprodel credits

The NGO Ceprodel is presently working to establish an association of 45 households in LSE, with the goal of promoting housing and economic activities among its members. Their philosophy is based on the model *Barrio Cooperativo*, a successful 30 years-old experience in Uruguay. Ceprodel will give organisational and technical expertise to the households and at the same time will provide corresponding loans. Ceprodel obtained by the end of 2006 an international loan from the Bank of the Municipalities in The Netherlands (*Bank Nederlandse Gemeenten*) of EUR 300,000,- for the construction of new houses and private house improvement.

2 Housing by Habitat credits

A second initiative is the one of Habitat for Humanity, an international organisation working in Nicaragua since 1984, which has different offices in the country including one in León. They are constructing minimal houses through a method based on working in small groups. The houses have a floor space of 36 - 42 m², and their total costs are approximately US \$ 3.000. The households pay approximately US \$ 25 per month, over 10 – 15 years, but without interest. They also use a revolving fund for the loans, so the money can be used again and again. Both Ceprodel and Habitat use the philosophy of creating sustainable communities, in a social and economic way.

3 Housing by Fundapadele donations

The local NGO Fundapadele (*Fundación para el desarrollo de León*) is constructing a large amount of simple houses for very low income groups in León South East and is mainly donating these houses to the families and they involve the labour of the benefited families with the construction. Donations are possible as a result of obtained subsidies from INVUR-FOSOV and other private donations.

4 Housing by Corporate programmes

The earlier mentioned corporation Arnecom realised a vast housing programme for their employees near the location of León South East. They realised the programme with profitable credit facilities for the families.

5 Participants in Urban Land Development

For efficient processes of participative land developments, it is important to know who are the actors/participants and what are their interests, in order to stipulate the rules of the game and to bring all forces together. Land development can be an *urbanización* for housing or a land development for the establishment of (new) businesses. Small businesses in León are above all family businesses. A family business can provide continuity, but this is not always a guarantee of success. It

is important to assist these businesses when the directions of these companies are being strongly supported by their employees.

Land Development for Housing (Urbanizaciones) in LSE

There are three models of land development for housing purposes:

- The municipality purchases the land, divides it into plots and sells these to households from the municipal target groups. This is the main practice of the LSE Plots Programme.
- A private person or land developer purchases the land, divides it into plots and sells these to households, by mutual agreement with the municipality. However, this way requires an agreement of co-operation.
- A private person purchases land and develops it without consulting the municipality.

Since the two last mentioned possibilities could be present in the near future, the municipality should try to combine these actions with municipal planning and gear all activities to one another. A disadvantage of municipal housing policy is the exclusive focus on target groups, on the one hand, and the requirement of establishing a closed form of land exploitation within the LSE Plots Programme, on the other hand.

When private parties are involved in land development (with or without building dwellings) they evidently try to deal within the free housing market, which results in houses or land for middle and higher income groups. However, the demand for expensive plots is very limited, while the demand for cheap plots and houses is huge. Nevertheless, the involvement of private parties in the total housing production in León will grow and the municipality should be prepared to deal with this process. Eventually all private developers will ask the municipality for help for the development of technical infrastructure and public facilities.

Land developments cannot be realised without the involvement of the companies for public facilities like the water company and the electricity company. In Nicaragua one cannot expect that companies to provide the necessary facilities immediately, because there is a structural lack of financial means. In the existing land development schemes in LSE additional investment was provided by the European Union, which was executed with the help of the UNDP in Nicaragua.

Within this framework, the LSE Plots Programme acted as a motor of development for all the infrastructural measures. With such an urban programme it became possible to ensure the adequate steering of urban growth.

Land Development for Economic Activities

Bringing together the different actors for the development of a new industrial area is an essential challenge for the municipality. In León this is very difficult because the actors are not aware of the crucial investment needs. As a consequence there was no common land development for economic activities in past decades. However, the new spatial possibilities made possible by the León South East expansion plan could create new prospects for the combined interests of the different parties. The LSE expansion plan can be very favourable because of:

- The excellent possibilities for connecting the location with the main road to Managua and the relatively short distance to the existing city.
- The advantage of the common infrastructure; for new neighbourhoods and for economic land development in LSE.
- The LSE-project is remote from the area that is often affected by the discharge of ash from the volcano Cerro Negro.

The possible ways of land development for industrial activities and businesses are:

- The municipality purchases land and develops it to sell the plots to companies and co-operatives. The financial risks for the municipality are high and this could only be done with the help of the national government.
- A private developer or NGO purchases land and develops it to sell the plots to companies or co-operatives. This activity can be expected only when there is a possibility of making profit.
- A public-private company is established for this goal with the participation of the municipality, central government, infrastructure companies, associations of entrepreneurs and co-operatives.

The last mentioned possibility is the best one, but there is no experience with such a complex partnership in León. Nevertheless, such a partnership would appear to be necessary and possible with the help of the state through the National Development Plan. The municipality will probably take the initiative for this, without taking unnecessary risks at the start of the process by following a step-by-step method which includes:

1. Bringing the participants together and elaborating a first agreement of co-operation (“intention to participate”).
2. Developing a physical plan for the establishment of the professional branches with higher potential in a combined location in León South East, with the corresponding infrastructure and environmental protection measures.
3. Calculating the probable expenses (the purchase of the land, the deployment of infrastructure) and incomes (by selling the plots).
4. Making a definitive agreement of co-operation, and fixing the contributions of the different participants in the exploitation and the formal start of the partnership project.
5. Commonly requesting subsidies from the state and foreign donor agencies.
6. Executing land development.

Carrying out these steps can be foreseen during 2006/2007, but there are some limitations. The main problem has a political character, while the absence of local commitment is another discouraging aspect. But the local and regional potentials are very promising and may represent the start of a new perspective.

6 Developing Local Knowledge

The municipal role in housing and planning has gradually changed from an executing role to a policy making and facilitating one. Strengthening local

government can be done with concrete project support, as it is done with the LSE Plots Programme for Housing. An additional Economic Plots Programme could hopefully be implemented through the active and stimulating role of the municipality, bringing together all of the participants with economic potential in a common site development located in the vicinity of the Plots Programme for Housing.

The stimulation of self-help housing and other self-help activities, together with the promotion of public-private partnerships, is a fundamental activity of the municipality. The present land policy for housing and the future public-private land policy must be explored in order to stimulate the local and regional economy. The management of participative land developments can be improved by training the managers of local government. Training of private actors and associations with public-private developing processes is also important, in order to improve their business management and their abilities to co-operate with private as well as public partners.

Knowledge Development in Municipal Instances.

The training of municipal managers should be done for the two earlier mentioned levels of planning and execution: (1) city/region and (2) neighbourhood/project. At ??city level training should include the development of an integrated vision for the future; the different plans must be kept up to date. With an adequate vision for the city, the different municipal sectors can receive adequate steering, while priorities can be determined and projects and investments at the neighbourhood or project level can be legalised. Therefore, knowledge development within the municipal organisation is crucial for the achievement of the main goals of urban planning.

Knowledge Development of Inhabitants, Entrepreneurs and Associations

An adequate positioning of self-help concepts in urban planning implies the need for the training and education of households, groups and associations. This is the case with people willing to work in the construction of houses and houses with a workshop. People working in self-help housing and getting professional training simultaneously can improve their position in the labour market, especially in the construction sector. The sector of professional education could offer an intelligent match in this process.

Furthermore, the management of small businesses and associations can be improved with adequate training; they can be assisted to improve their product and marketing, as well as with the introduction of modern managerial skills. People willing to start a small trade need to follow courses in book-keeping and business administration. Local professional education could play a role in this process.

The *Escuela Taller* in León is offering courses for construction skills. The technical school *La Salle* stimulates innovative technical designs of students, which can also be used in the field of self-help housing. The local school for tourism is training young people to improve tourist services in hotels, restaurants and recreational facilities.

6 Final Recommendations

Looking back at the hopeful results of the LSE Plots Programme, it becomes clear that the continuation of this programme is necessary in order to develop the city in a proper way, providing new perspectives to households and entrepreneurs, while using their social and economic potentials.

The LSE Plots Programme and Civil Society

The LSE Plots Programme has been the developing motor of the South East expansion of the city of León. It stimulates inhabitants, entrepreneurs, companies and NGOs to contribute to the construction of houses and the development of new communities. As a result of the mentioned programme, illegal land occupations are no longer common. After 2008, the Plots Programme (1998-2008) may act as an independent programme, benefiting from the revolving fund and international experiences with city-links.

Establishing good co-operation between all parties and groups within the LSE *urbanizaciones* is a main goal of urban management. Social development processes are still going on in the LSE neighbourhoods, and urban management authorities are willing to facilitate bottom-up community development in these areas. The social and economic potentials of the growing LSE communities are increasingly visible.

Public-private Partnership for Economic Projects

The existing Plots Programme for housing has offered a positive development model during past years, under circumstances in which the local authorities were able to purchase land for land developments. However, the present circumstances are changing, since private landowners are not always willing to sell land to the municipality, a fact which implies a major change in the involvement of landowners and developers. There is also a trend towards higher prices for the purchase of land for urban development. Public-private partnerships for land development, with purposes of both housing and economic development, are considered indispensable in view of the increased legal difficulties of land expropriation for these goals.

Public-private partnerships are even more important in order to develop land for exclusively economic activities, since it demands larger investments for the purchase of land and the development of infrastructure. This means that a vast area must be reserved and equipped within the León South East district. This process requires a close co-operation between the interested parties; all participants must be involved from the initial phase onwards. New forms of co-operation require good urban management on different levels. Associations may form a very important factor in economic development in León and therefore they must be stimulated by all possible means. This chapter has presented a model for the participation of the several actors in process of urban development of León and for the step-by-step method.

Knowledge Development and Social Emancipation.

Municipal management in León has been developing at the two levels described above. The *Comité de Desarrollo Municipal*, which functions at the highest

municipal level, is very significant for the integration of the interests of local communities, working associations and businesses. The improvement of the municipal organisation to work in a more professional manner is considered crucial. The social emancipation of inhabitants, small entrepreneurs and other population groups through knowledge development is closely connected with the actual needs and can bring social and economic emancipation closer.

Final Analysis

After presenting the main features of the recent activities and processes of urban development in León, the overall conclusion is that existing self-help and self-organisation activities have great importance in the city life, and that the León South East development programme can be considered as effective in achieving its goals. Economic development, however, does not have strong foundations and concrete results are presently lacking. The municipal government should try to bring all actors together for the development of new industrial and business areas, for which León South East offers good spatial potential. Nevertheless, it becomes clear that there is not a firm enough foundation for a strong and endogenous process of economic development. The challenge for the municipality is to make a break-through in this bottleneck bringing all participants together to initiate an area-focused economic project using all combined efforts.

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