Title: Social housing policy in Colombia: the step forward or backward?

Lenka Sobotová[1]

[1] Externado University of Colombia

FIGRI – Faculty of Finance, Government and International Relations
Bogotá, Colombia
Calle 12 ♯1 - 17 Este Edificio A Piso 4

E-mail: lenka.sobotova@uexternado.edu.co

ABSTRACT (max. 250 words)

Housing informality produces inequalities and exclusion in cities with regard to people's livelihood, locality and way of housing, socio-economic status or gender. In terms of responses to informality and its implications on people's lives, there exist a number of interventions tackling the phenomenon and its externalities worldwide; yet, ones of the greatest challenges for urban management remain the social exclusion and the integration of targeted population into a city.

While assessing the policy responses to informality, we consider the starting point recognition of the right to housing. This can be translated into the emphasis either on *in situ* regularization and urban upgrading, or on the resettlement policies and large scale housing programmes. The latter has been particularly adopted by many policy makers all around the world. Still, little has been researched about impacts of social housing policies on social reality and reproduction of inequalities in new settlements. *How do policy responses to informality influence inequalities in new settlements? Do they tackle or rather (co)produce social exclusion in settlements and within an urban society alike?*

This paper aims to answer these questions while exploring the particular context of Colombian social housing policy. It sums up the major observations and findings of the qualitative evaluation of the new policy, done in the period of February – June 2014 in Colombia, based on the policy analysis, a field research and semi-structured interviewing at the national and municipal level.

KEYWORDS (5 keywords)

Social housing, titling, social exclusion, housing policies, Colombia

AUTHOR BIOGRAPHY: (short, not more than 5 lines)

Human Geographer with a degree in the International Development and more than eight-year experience in the field of development and qualitative research with emphasis on participatory processes and community development in urban areas; Author of several publications of her work and research done in India or Colombia, particularly focused on informality, affordable housing and social inclusion; Since 2013 has been living and working in Colombia, where participated in projects focused on social housing policies, urban development and settlement upgrading.

1 Introduction (max. 250 words)

According to UN-Habitat estimates, 'it is expected that 7 out of 10 people will be living in urban areas by 2050' (UN-Habitat, 2010: 5). The surplus urban population may present a considerable number of urban poor facing diverse deprivations, vulnerability and informality of housing and income. For illustration, in 2001, the population of urban poor worldwide consisted of 924 million people (32 % of the world's urban population) (UN-Habitat, 2003: xxv). The "worst-case" scenario projects growth rates of the urban poor to continue rising from nearly one billion in 2005 to 1.4 billion by 2020 (UN-Habitat, 2010: 30). Policy responses to urban poverty and informality are clearly a priority.

Colombia, with more than 75 % of its population living in urban areas, has been reported one of the most urbanized states in Latin America. For more than the last fifty years, Colombia has suffered the devastating armed conflict that has changed its map. By 1938, 31 % of Colombians lived in urban areas; in 1951 Colombian population had grown over two millions and urban growth was already around 66 % (Ruiz, 2008). Furthermore, the emerging industrialization of the country in the 50s and 60s has had a considerable impact on population structures and its distribution (ibid). However, the following decades indicated decline over the migration, concentrating the displacement in intermediate cities, the population influx has contributed to the growth of the regional capital cities. Given the number of over six million of internally displaced persons (IDPs), the challenge of housing informality and poverty has become crucial for country's urban development.

2 Main Text (1500 words)

2.1 Conceptualizing housing informality and policy responses

While informality of housing has been increasingly observed across low- and middle-income countries, traditional policy instruments have encountered difficulties to address implications and consequences of this process. Up to now, policy responses have been mostly inadequate to cope with the prevalence of informality and its negative impacts in urban areas (Satterthwaite, 1997; 2008; Berner, 2001; 2007; 2012; Davis, 2007; Beall, Fox, 2009; etc.). The current policy-related understanding of informal housing lacks deeper and more comprehensive insight.

Based on the context, informal settlements are largely affected by housing policies, laws and systems at the global, national and regional levels, if they are not a result of these policies. Governments and official authorities rather obstruct the urban poor in terms of their basic needs – shelter and livelihood. The poor shelter means for a household a place to live; generation of an income; human efforts to create a home and a part of life history. To lose a shelter may result in a loss of income in the sense of being unable to reach a former working place or to lose a place of home-based self-employment. In addition, 'people who have struggled to build their homes in adverse circumstances are proud of their achievement' (Varley, 2002: 457). For them, a shelter is much more than an economic asset.

Having said this, urban poverty alleviation deals not only with the consequences of missing or inappropriate public policies, there is a need for recognition of restrictive nature of existing policies, rules and regulations (Hardoy, Satterthwaite, 1989; Satterthwaite, 1997; Berner, 2001; 2007; UN-Habitat, 2003; 2010). Inhabitants of informal settlements form a city; policy-makers and urban planners should rather learn to be more flexible and innovative to help building the 'cities of tomorrow'.

Resettlement, sites-and-services schemes or social housing and upgrading often dominate the current shift from eviction and demolition of informal settlements to more 'human' urban development policies. Since the 1990s, security of tenure for disadvantaged urban inhabitants has been increasingly encouraged in urban poverty alleviation. In fact, the accent on property rights for dwellers in informal settlements in order to prevent losing their human, economic and social investment has been advocated in the new generation of upgrading programmes (Werlin, 1999). Principally, market-oriented land and housing policies stressed by the World Bank emphasized individual freehold titling and tenure regularization had become a mainstream development approach (Payne, 2001; 2002; Durand-Lasserve, Royston, 2002; Varley, 2002). The 'full titling fashion' emerged to be renowned (either in combination with upgrading, social housing projects and relocation schemes).

Yet, this emphasis remains problematic. The conventional property rights and titling approaches have proven to be limited. Emerging criticism of regularization and individual freehold show their insufficiency, and 'the already achieved momentum suggest needs to be challenged' (Payne 2001: 421). In practice, the expectation that property rights and regulatory frameworks will achieve just allocation of land and housing when the beneficiaries will benefit equally appears tricky. For instance, the most vulnerable (renters, women, disabled or elderly) may have limited access to individual titles when legalization occurs (Durand-Lasserve, Royston, 2002). Similarly, social housing projects and site-and-services schemes show their limitations when it comes to social inclusion, urban security or social protection. The market-led solution to informality and urban poverty remains insufficient.

2.2 Overview of social housing policies in Colombia

In terms of the policy responses to urban poverty and informality, Colombia has been increasingly an example following the titling and regularization approach. Together with the level of the country's urbanization, partly result of the modernization policies and partly caused by the violence and the rural exodus, this emphasis calls attention. The attempt of this paper is to demonstrate the ambiguous nature of a new social housing policy as a result of the conjuncture over the last three decades. It delineates the social impact of the policy on the lives, security and daily routine of its beneficiaries and the urban development in the country as such.

In 1989, the so-called "urban reform" had started in Colombia, while the government adopted the new Urban Law. With the law has initiated the new era of Colombian social housing policies, further strengthened by the adoption of the new Constitution in 1991. The article 51 of the Constitution established the right of every Colombian citizen to decent housing (*derecho a la vivienda digna*). In the same period, the base of new housing subsidies were founded, putting emphasis on the property rights and land tenure. Since then, the Colombian government has been stressing the role of housing subsidies and individual titling to buy, built or upgrade.

In 1991, the newly established National Institute of Social Housing and Urban Reform (*Instituto Nacional de Vivienda de Interés Social y Reforma Urbana* - INURBE) became in charge of the administration of the new demand-driven housing subsidy. By 2003, partly because of the severe criticism over efficiency and corruption of INURBE, its functions were mainly transferred to the Ministry of Housing, City and Territory (*Ministerio de Vivienda, Ciudad y Territorio* – MVCT), while sharing some of the responsibilities with other public-private institutions working directly with beneficiaries at the regional level (*Cajas de Compensación Familiar*) or providing technical and financial support (*FINDETER, FONADE* and *Banco Agrario*). Between 2003 and 2008, due to the new scheme and another wave of violence and internal displacement in the country, the demand for housing subsidies in cities had increased. Such a development had led to reconsider the housing needs and to establishing of a new strategy to finance housing subsidies for the IDPs.

By definition, the IDPs present one of the most vulnerable and disadvantaged group of beneficiaries, having severe difficulties to save and complement the housing subsidy. Thus, the poorest of the urban poor were unable to meet the requirements of the contemporary subsidy programme. In terms of the urban poverty alleviation, the mechanism had failed to reach its objectives (DNP, 2014).

By implication, the new National Development Plan (2010 – 2014), within its emphasis on decent housing and sustainable urban development, introduced a new strategy to provide one million of new houses during its due period. To achieve the goal, the government had to adjust the housing subsidy scheme, incentivize the construction of social housing projects and foster the fiscal decentralization in the country (NDP, 2010). At the same time, it contributed to the on-going shift of the social policies oriented towards victims of the armed conflict and IDPs.

2.3 "Free Housing Policy" in practice

With regard to the emphasis on humanitarian assistance to victims and IDPs, in 2012, the Colombian government has passed the Law 1537, known as the Housing Law (*La Ley de Vivienda*) that has brought important changes into housing policies in Colombia. The new law is basically looking for to guarantee the right for decent housing to the population in situation of vulnerability (Ley 1537: 2012). Along with the previous housing subsidies to be complemented by beneficiaries' savings, it freshly establishes the possibility to provide 100 % subsidized housing *per se* to those who are recognized as the most vulnerable ones. In practice, the selected beneficiaries, mainly IDPs, extreme poor and victims of natural disasters, are entitled to receive a house in the place of their legal registry.

The Housing law has brought significant changes into the policy responses to informality in Colombia. It launches an unprecedented housing policy so-called "Free Housing" Programme '(*La Vivienda Gratuita*) that promises a number of changes in the Colombian urban landscape. First of all, the robust mechanism to target the most vulnerable population was created, empowering some reformed public institutions in charge of social protection and humanitarian assistance. Second, a complex scheme of interinstitutional cooperation was designed to operationalize the policy. Third, it combines the need-driven approach by targeting the poorest beneficiaries with the land market-led nature driven by land price and its availability for social housing.

In terms of the targeting, the data shows that the number of final beneficiaries to meet the policy requirements decreases within the process, starting from the selection of potential ones till the titling itself (DNP, 2014). According to the policy evaluation done in 2014, the reasons are various: a) lack of updated databases of IDPs and the poor; b) implications of the ambiguity of the policy to target population in situation of vulnerability while in practice the priority is given to the IDPs (not necessarily the same population); c) selected beneficiaries do not manage to present all required documents in time or in the actual place where they were assigned to receive the subsidized houses (ibid).

The evaluation has indicated the need to foster operational aspects of the policy design and interinstitutional communication in terms of cohesion and effectiveness among involved institutions. Moreover, the meeting of demand and supply within the policy is rather problematic. For instance, there have been cases when the social housing project financed by the Free Housing Policy did not coincide with the real number of beneficiaries identified for a particular site (either overcoming the number of houses provided or the contrary) (DNP, 2014). Simply, the market-led assessment of place and size of these projects did not meet the targeting based on the databases that lack updated information about the population in need and their location. In sum, the new housing policy attempts to fill the gap of the previous policies which failed to target the poorest; however the completely new approach has troubled considerably its expected outcomes in the mid- and long-

term.

3 Conclusion (max. 500 words)

The previous part outlines the most crucial findings identified during the policy assessment in 2014. Still, the list remains incomplete. On one hand, the regional differences should be taken into account as the policy has been partly designed to reinforce the decentralization process in Colombia; on the other hand, the social implications of the policy have been rather ignored or not addressed at all, leaving space for criticism and doubts about its real results. This criticism goes in hand with challenging the outcome of titling processes and regularization policies as such. In this regard, it is important to shortly summarize the bases of criticism of the Colombian Free Housing Policy.

First, as the popular name of the policy suggests, it is perceived as a distribution of title deeds to the poor for free. In order to avoid misusing of the policy, it was designed the robust targeting mechanism to identify the neediest population who cannot achieve other housing subsidies. Then, the reality has got more complicated: the policy is still misused while the poorest remain excluded in many cases for the reasons mentioned above. Second, overseeing the power of land market machinery in Colombia, the new housing projects, especially in bigger cities, ended up located in peripheries, on the cheap and vacant land, facilitating a rise of new ghettos and socially excluded settlements. Third, the Housing Law itself is quite vague about the provision of public services and infrastructure such as hospitals or schools. In reality, it affects the national budgeting to provide these facilities in the new settlements, leaving the financial burden often on local municipalities. Fourth, the same law defines the need for accompanying beneficiaries in the adaptation process in new settlements, namely 'issues of cohabitation and maintaining houses and public space' (Ley 1537, 2012); however, it is lacking a concrete framework for its implementation. Again, the allocation of resources for community or social assistance in new settlements grieves.

How do policy responses to informality influence inequalities in new settlements? Do they tackle or rather (co)produce social exclusion in settlements and within an urban society alike? The Colombia Free Housing Policy may be considered a hybrid policy response to informality: it searches to ensure decent housing to the poor, acknowledging their right to housing and, by consequence, to owning a house. Yet, the poor are targeted independently where they live, urban and rural areas alike, being identified through the newly designed targeting instrument. This has social consequences impossible to ignore.

The Free Housing Policy is openly considered the "policy of shock": relocating people who were identified by set social-economic indicators, not by sharing the place of living (as it is commonly seen in resettlement), to a new social housing site. This generates doubts, especially in the context of a country with experience of internal conflict. It is core to contemplate challenges regarding the process of social cohesion in new settlements that now mixes people with heterogeneous identities, histories and origins, changing their way of living from one day to another, leaving them mostly without any social or psychosocial support to adapt to new circumstances. At the same time, the projects and their reality have to be contextualized given the regional or municipal settings and the municipalities as well as national government should develop instruments to face such challenges, learning from the existing success stories and community-driven solutions to newly emerging local problems.

ETHzürich

References

Anzorena, J. et al, *Reducing urban poverty: Some lessons from experience,* Environment and Urbanization, 10, 167-186, 1998.

Berner, E., *Informal housing: Asia*. In Susan J. Smith, Marja Elsinga, Lorna Fox O'Mahony, Ong Seow Eng, Susan Wachter, Richard Ronald, editors. International Encyclopedia of housing and Home, Vol. 4. Oxford: Elsevier. 56 – 62, 2012.

Berner, E., *Of slums and gated communities: Failures of formal and informal land markets in developing cities.* Paper presented at the ISS/Development and Change Symposium 'Cities of Extremes', The Hague, 15-16 October, 2007.

Berner, E., *Learning from informal markets: Innovative approaches to land and housing provision*. Development in Practice 11, 292-307, 2001.

Davis, M., *Planet of slums.* London: Verso, 2007.

DNP, *Plan Nacional de Desarrollo: Prosperidad para Todos (2010-2014),* https://www.dnp.gov.co/Plan-Nacional-de-Desarrollo/PND-2010-2014/Paginas/Plan-Nacional-De-2010-2014.aspx, (Accessed April 4, 2016).

DNP, *Evaluación de operaciones y línea de base de los programas de Subsidio Familiar de Vivienda y Subsidio Familiar de Vivienda en Especie*, https://anda.dnp.gov.co/index.php/catalog/37/study-description, 2014. (Accessed April 4, 2016).

Ley de Vivienda (1537 de 2012), http://www.alcaldiabogota.gov.co/sisjur/normas/Norma1.jsp?i=47971 (Accessed April 4, 2016).

Durand-Lasserve, A., Royston, L., *International Trends and Country Context – From Tenure Regularization to Tenure Security.* In Durand-Lasserve, A., Royston, L. (eds.) Holding their grounds. Secure land tenure for the urban poor in developing countries. Earthscan. 1 – 36, 2002.

Durand-Lasserve, A., Royston, L*, The Experience of Tenure Security in Brazil, South Africa and India: What Prospects for the Future?* In Durand-Lasserve, A., Royston, L. (eds.) Holding their grounds. Secure land tenure for the urban poor in developing countries. Earthscan. 245 – 256, 2002.

Edelman, B., Mitra, A., *Slum Dwellers' Access to Basic Amenities: The Role of Political Contacts, its Determinants and Adverse Effects*, RURDS Vol. 18, No. 1, 2006.

Friedmann, J., *The Wealth of Cities: Towards an Assets-based Development of Newly Urbanizing Regions.* Development and Change 38(6): 987–998, 2007.

Hardoy, J.E. & D. Satterthwaite, *The legal and the illegal city.* In: Squatter citizen: Life in the urban Third World. London: Earthscan. 12-36, 1989.

Harvey, D., *The right to the city*. New Left Review 53, pp. 23 – 40, 2008.

Internal Displacement Monitoring Center, Country profile: Colombia. http://www.internal-displacement.org/americas/colombia/, 2014. (Accessed April 4, 2016).

Mitlin, D., & Satterthwaite, D., *Introduction.* In Mitlin, D., & Satterthwaite, D. (eds.) Empowering Squatter Citizen: Local Government, Civil Society and Urban Poverty Reduction. London: Earthscan. 3 – 21, 2004.

Mitlin, D., & Satterthwaite, D., *Addressing Deprivations in Urban Areas.* In Mitlin, D., & Satterthwaite, D. (eds.) Empowering Squatter Citizen: Local Government, Civil Society and Urban Poverty

Reduction. London: Earthscan. 245 – 277, 2004.

Moser, C., *Asset Accumulation Policy and Poverty Reduction*. In: Moser, C. (ed.) Reducing global poverty: The Case for Asset Accumulation. Washington D.C.: Brookings institution. 83 – 103, 2007.

Moser, C., *The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies,* World Development, Vol. 26, No. 1, pp. l-19.19, 1998.

Narayan, D. et al., *Can anyone hear us? : Voices of the poor,* Voices of the Poor No. 1. Oxford: Oxford University Press for the World Bank, 2000.

Neuwirth, R., *Shadow cities: A billion squatters, a new urban world.* New York and London: Routledge, 2005.

Payne, G., *Getting ahead of the game: A twin-track approach to improving existing slums and reducing the need for future slums,* Environment & Urbanization, 17(1), 135-145, 2005.

Payne, G., *Land tenure and property rights: an introduction*, Habitat International 28, 167–179, 2004.

Payne, G., *Tenure and Shelter in Urban Livelihoods.* In: Rakodi, C. and Lloyd-Jones, T. (eds.) Urban Livelihoods, a people-centred approach to reducing poverty. London: Earthscan. 151 – 164, 2002.

Payne, G., *Urban land tenure policy options: titles or rights?,* Habitat International 25, 415 – 429, 2001.

Ruiz Ruiz, Nubia (eds.), *Desplazamiento, movilidad y retorno en Colombia. Dinámicas migratorias recientes*. CIDS, Universidad Externado de Colombia. Bogotá, 2006.

Ruiz Ruiz, Nubia, *Colombia's urbanization process particularities.* Bogotá: Universidad Nacional, Bitácora 12, enero-junio 2008, 91-104.

Satterthwaite, D., *Urban poverty. Reconsidering its scale and nature*. IDS Bulletin, Vol 28, No 2, 9 – 23, 1997.

Unidad de para la Atención y Reparación Integral a las Víctimas (UNARIV), *Informe Nacional de Desplazamiento Forzado en Colombia 1985 a 2012*, http://www.cjyiracastro.org.co/attachments/article/500/Informe%20de%20Desplazamiento%20198 5-2012%20092013.pdf, 2013. (Accessed April 4, 2016).

UN-HABITAT, *Part 01: Urban Trends.* In: UN-HABITAT: State of the World's Cities 2010/2011. Bridging the Urban Divide. London: Earthscan. 4 – 51, 2010.

UN-HABITAT, *Global Report on Human Settlements: The Challenge of Slums*. London: Earthscan, 2003.

Varley, A., *Private or Public: Debating the Meaning of the Tenure Legalization*. International Journal of Urban and Regional Research, Volume 26.3, 449 – 461, 2002.

Werlin, H., *The slum upgrading myth.* Urban Studies, 36, 1523-1534, 1999.

Wratten, E., *Conceptualizing urban poverty.* Environment and Urbanization, 7, 11-29, 1995.