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Supporting shelter improvements for low-income groups

Jorge Anzorena

E&U: How did you first become involved with issues to do with low-cost housing?

JA: My father was an engineer and my sister an architect. I began to study architecture in Argentina (where my family lives), joined the Jesuits like my brother and then moved to Japan. My first two years in Japan were spent studying the language; I then completed my architecture degree and also studied theology. In 1974, I completed a PhD in Architecture at Tokyo University and had the opportunity to travel to Asia and to spend a month in Calcutta serving people who were found dying in the streets. It was there that I realized that my studies didn’t mean anything either to them or to the majority of the urban poor. I realized that I wanted to combine my architecture training with my concern for poverty. My architecture training had only equipped me to help the 3-5 per cent of the world who could afford my skills and the technology that they were designed to use; the remaining 95 per cent had to make do without professional skills. I wanted to work further with those 95 per cent.

In the meantime, I met Father Josse van der Rest. Father Van der Rest is involved in an organization called Hogar de Cristo (literally the home or hearth of Christ) which aims to reach the poor with both welfare assistance and justice. The organisation has a factory which produces prefabricated housing units made from wood. The cost is approximately US$ 14 per square metre and units are sold or supplied free to those who cannot afford to pay. Many low-income households in Chile have obtained housing through this organization (see Box 1).

Father Van der Rest was anxious to spread the ideas developed by Hogar de Cristo beyond Latin America and he invited groups from Asia to participate in some of the activities. Many of those who are now active in Asia participated in these early meetings. The ideas and discussions current in Latin America during the late 60s and early 70s were very stimulating for the Asians; communities in Latin America were both more organized and more politicized than those in Asia. In Latin America at that time there was much debate as to the role of housing in social change. The idea that improved housing would delay radical political change was being challenged by the understanding that material improvements to the situation of the poor could assist them in campaigns to improve access to resources and recognition of their rights.
Box 1: Hogar de Cristo

Hogar de Cristo is a private non-profit foundation which was founded in 1944. Since its inception, the foundation has focused on supporting the poorest families in obtaining access to housing. In the beginning, Hogar de Cristo organized the people through a savings programme and introduced them to housing cooperatives. Later the organization hired construction companies to build houses to its own design, finally (in order to lower costs still further) it formed its own construction company. With over 200,000 housing units provided through its programme, it is one of the largest NGO shelter programmes in the world. Branches are open in 22 cities throughout Chile.

Hogar de Cristo provides wooden housing units of 10 square metres; these are used to construct houses of between 10 and 40 square metres. The main factory is in Santiago but there are also manufacturing sites in Vina del Mar and Copiapó. The units have no windows, floors or interior sub-divisions. Roofing is from asbestos-cement, galvanized iron sheets or felt paper impregnated with asphalt. Three people can assemble a house of 10 square metres in less than three hours. Once constructed, the houses can easily be upgraded with the addition of further rooms and other facilities.

The units (excluding flooring) cost about US$ 14 a square metre. In order to facilitate housing investment, Hogar de Cristo also initiated a savings programme which then enables beneficiaries to obtain additional support from the government. For example, a family purchasing a house worth US$ 5,000 can receive about half this amount in a direct grant from the government and obtain a loan for between 12-20 years at 8.5 per cent interest for the remaining costs. In 1990, Hogar de Cristo estimated that about half of the households buying units received a subsidy.

The Asian group which met the Latin Americans at the SELAVIP meeting devised a small project to understand and publicize the housing situation of the Asian urban poor. They did this through the Human Development Office of the Bishops’ Conference based in Manila. I was put in charge of the programme in 1977 and began travelling throughout Asia, visiting and documenting the work of low-income communities in housing. I also joined SELAVIP, promoting interesting projects in Asia. The focus of Hogar de Cristo in Latin America was on mass housing production to support the claims of the people for land and services. In Asia the extent of need meant that this strategy was unrealistic. Thus, we decided that our focus would be on the documentation of efforts to improve low-income households’ and communities’ access to housing and the dissemination of this information and to support innovative people and projects.

The German private voluntary organization MISEREOR agreed to fund my early travels. In the interim, friends from Japan provided me with the funds I needed to start work. The funding from MISEREOR lasted for about six years; from then on, it has been possible to fund my work from some money saved from this grant and from support from friends; travel and accommodation costs are minimal. At present, about six months of my time is spent travelling throughout...
Asia (sometimes Latin America and occasionally Africa) while the remaining six months is spent teaching at Sophia University in Tokyo. Since 1977, my aim has been to contact all new groups emerging in low-cost housing throughout Asia to learn about their individual approach to the problem and the activities they are undertaking. I frequently re-visit groups to understand how their work is developing. I also visit Latin America but the documentation is less comprehensive and the groups I visit are often those which are particularly interesting for their innovative work. The SELAVIP newsletter developed from these first journeys; it reflects my personal belief that there is a need to learn from the work undertaken by all those active in low-cost housing, and that it is important to give this information back to the groups working in the field. In the newsletter, I include reports from the groups that I have visited describing their latest initiatives and activities. I also include summaries of other material which has been sent to me from the many individuals and organizations with whom I am in contact. From the outset, the intention has been to build networks between groups working in similar areas. A conscious decision was made at the start to always include the name and address of each group whose work was described in the newsletter so that groups can easily contact each other. Of course, there may be a temptation to try to retain information and the power that it represents but I try to remember at all times that the information does not belong to me.

At first the newsletter was short and distributed only to a relatively small number of people. However, interest grew and for the last two or three years, SELAVIP has been willing to support a more widespread dissemination. The newsletter is now about a hundred pages long and distributed to over 400 groups throughout the world twice a year.

E&U: Can you explain more about the work of SELAVIP?

JA: SELAVIP is a Belgian foundation, established by the family of Father Van der Rest (his grandfather had owned an asbestos roofing company). SELAVIP stands for Servicio Latino Americano y Asiatico de Vivienda Popular (Latin America and Asia Low-Income People's Housing) and it was formed at the initiative of the Hogar de Cristo Foundation in 1971. The Foundation supports urban low-cost housing throughout the world (although it works predominantly in Latin America and Asia). I am currently one of the directors of SELAVIP (an unpaid post). My role is primarily to forward to the Foundation any projects which they might wish to consider funding.

E&U: Why has the approach developed by Hogar de Cristo in Latin America not been more widely adopted in Asia?

JA: There are several reasons. First, there is little prefabricated low-cost housing although this approach has been used by the Grameen Bank in Bangladesh with 4,000-6,000 units a month. Second, seeing the huge needs of the masses, we opted to follow and support the efforts of local groups which:

* organized the people to resist eviction and obtain services;
* made accessible to the people government schemes;
* made formal financing schemes accessible to the poor; and,
* transferred to the people the necessary technologies.
E and U: How has the approach of SELAVIP developed since the organization became active in Asia?

JA: There is now much greater emphasis on providing funding for strategic interventions to change the policy environment faced by the poor, rather than simply providing funding for building more houses. For example, one issue being pursued is how local organizations might access local funds to support low-cost housing. In Ahmedabad, an NGO has been examining how residents in a local low-income community finance their own investment in housing. Finance has recently been made available for these residents to experiment with credit provision. In another project in India, the role of SELAVIP has been to provide guarantee funding for a housing cooperative whose activities were being delayed by government bureaucracy: the funding department would not advance a loan until land was transferred to the cooperative but the land transfer was taking longer than expected. Guarantee funding is necessary because local financial institutions are not prepared to support the projects of the poor. Such guarantee funding has also been used in Latin America; for example, SELAVIP provided US$25,000 plus a further US$75,000 of funding from the Belgian government to support communities working with SERVIVIENDA in Colombia (see Box 2). With this guarantee, up to ten times this amount could be raised in loan financing from the local bank. SELAVIP can and will continue to provide grants but there is a preference for funding to support a movement for low-cost housing, both in creating new groups and activities and through supporting those which already exist.

Box 2: Servivienda

Servivienda is a Colombian NGO which produces, transports and assembles houses for mainly low-income clients. Established some 20 years ago, in the first 15 years of operation Servivienda constructed 28,000 units. Current production is about 20 prefabricated units a day. There are three branches in Bogotá, Medellín and Cali.

The preferred building method is concrete panels. Many of its houses are sold on credit with the provision of loans facilitating the ability of households to afford to obtain access to housing.

E&U: What were community organizations and non-governmental organizations working with the urban poor doing in 1977?

JA: In 1977, working in low-income communities was very difficult in some cities in Asia. For example, very few were working in squatter areas in Bangkok. At that time, to begin to organize such areas was considered by government agencies to be subversive. One project in Bangkok which helped to change this attitude of government and NGOs was ‘Building Together’ initiated by Solly Angel and Paul Chamniern Vorratnchaiphan. This project was modelled on the work of FUNDASAL, an NGO working in El Salvador on a large low-cost housing project. Perhaps most important for its acceptance in Bangkok was the active involvement of staff from the Asian Institute of Technology who provided the project with respectability.

Following independence, many countries in Asia aspired to rapid
industrialization and encouraged urban growth. Without alternative accommodation available to poorer groups, squatter areas rapidly developed. In subsequent decades, inner city land rose in value and the evictions of squatter communities became more frequent. The first attempts at community organization were initiated against evictions threats in the late 1960s, often by Christian groups. One important initiative was the work of ACPO (the Asian Committee for People’s Organization), an ecumenical group which supported several schools for community organizers in some Asian countries. These schools trained individuals who then went into communities to encourage them to organize themselves in order to secure their needs. Their tool of change was to encourage the people to put effective pressure on the government to secure the resources needed by the community and to create independent people’s organizations. Their methods were influenced by those of Alinsky in the USA. In the Philippines, a protestant minister helped organize people in Tondo (the people formed a community organization called ZOTO, Zone One Tondo Organization) to successfully challenge the government; this case received a lot of publicity at the UN Conference on Human Settlements (Habitat) in Vancouver in 1976.

The strategies for community organization learned from Alinsky are implemented by strong organizations in the Philippines, India, Hong Kong and other countries. In many places this strategy resulted in violent repression of the community and of their leaders by the government. In Korea, the movement was suppressed for many years. In the Philippines it emerged with more strength but we could say that for this strategy to be successful one requires a government with an element of democracy or accountability.

This form of community organization is more successful in fighting against a common enemy such as stopping an eviction or obtaining services from the government. When new activities need to be developed in the community, a new type of leadership is required which is able to promote:

- housing savings clubs for thousands of people;
- sewerage systems paid for, built and maintained by the people themselves; and
- participatory research exercises by which the community empowers itself by knowing their problems and potential.

These people’s organizations, like any other organization, are subject to many problems but, judging by what I have seen in these past years, only organized communities have been able to improve their housing and environmental conditions.

**E&U: What are the major changes in the work of community organizations and non-governmental organizations since 1977?**

**JA:** First, the need to transfer the basic technical knowledge to the people is felt more and more, in order that they may understand and choose what is best for them. For example, many people in Tondo, after winning the right to stay in the place, lost their property because they could not pay the instalments through a lack of understanding of the technical aspects and of the consequences of the agreement. In another example, the people of Pakistan, with the help of the NGO, Orangi Pilot Project, can do to their sewerage system with one Rupee what the government is doing with seven.

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4. Two publications described in Book Notes in this issue of *Environment and Urbanization* give more details about the work of Orangi Pilot Project.
Second, there are only small openings for access to finance by the poor. For example, to encourage savings by the people, a project in Lahore, Pakistan asked prospective beneficiaries to save half the cost of the new houses. Once they could pay this amount, the remaining costs were covered by the project: however, only those able to save could benefit from improved accommodation.

Other NGOs in Pakistan and India began to lend money to the beneficiaries to build a small room and were able to recover their loans. In India, the central government made financing available for low-income households but this could only be obtained through local authorities who must guarantee 100 per cent repayment to the central government. Such projects have become part of the local political process and are often unsustainable. The local government borrows money for such a scheme but at the next election, one candidate offers to write-off the loans of the households who have benefitted in order to secure their votes. If this candidate wins, the local government must meet the costs of repayment from other sources. This reduces their capacity to take on further schemes and, furthermore, tends to reduce repayment rates on any other operative schemes on which they still have loans. Millions of dollars are potentially available for the poor but the political system is unable to deliver this to the poor in a manner which meets the conditions laid down by the central government.

E&U: What approaches have been adopted by NGOs to try to overcome this financing constraint?

JA: Several approaches have been followed by NGOs working with the urban poor. The first, adopted by Hogar de Cristo, is to reduce the cost of housing to an affordable price by using low-cost technologies. A second is to campaign for legislative change, either to improve access to land (in the first Peronist government in Argentina) or to legalize the building methods and technologies preferred by the poor. A third approach is to increase access to credit (either through guarantee funds or through direct loans) to enable costs to be spread over a longer period and thus to facilitate payment. A fourth approach is to bring government financing to the people with the NGO acting as an intermediary. This approach has recently been formalized in the Community Mortgage Programme in the Philippines. In Bangkok, a fund of US$ 50 million for land and housing for communities under the threat of eviction and in immediate need has been constituted and is administered by representatives from the people’s communities, the NGOs and the government.

Finally, in some countries, there may be a range of alternative local solutions: for example, the land-sharing schemes in Bangkok, Thailand, whereby land owners transfer a proportion of land to illegal squatters in return for having the rest of the area vacated.5

E&U: But is there not a continuing need for a subsidy as some low-income households are too poor to afford even the cheapest adequate housing?

JA: There is often a problem with some households who genuinely cannot afford to pay the full cost of any scheme. In most of the low-income urban settlements with which I am familiar, one can divide the population into those with the ability to help themselves and those (the “destitute”) who will need continual support perhaps because of

chronic illness or too high a ratio of dependents in the household. The other group (the “poor”) has a much higher potential for self-help; a single cash grant or perhaps the provision of credit can enable households in this group to greatly improve their standard of living and reduce their vulnerability. In general, the organizations with which I work most closely are concerned with the second category of the poor; they are providing one-off strategic interventions rather than continuing welfare. A continuing problem that these organizations face is how to distinguish between these two groups; even the “poor” would like as much assistance as possible.

Working with the destitute is easier since dependency is accepted on both sides of the relationship. It is often easier to raise money for welfare relief because it is less threatening to the rich. Giving limited support to those who are then able to help themselves is somehow more threatening. Perhaps this is because the rich believe that these groups will then fight for a larger share of the “cake”; perhaps it is because the rich often close their eyes to the extent of poverty. The reason why people are sick is “fate” and “no-one is responsible”; it is just “misfortune”. But something is fundamentally wrong with a society which cannot enable those who are willing and able to work to have access to the resources they need to meet their basic needs. In this situation, the critical issue is not charity but justice.

**E&U:** What is your experience with the use of credit in housing finance?

**JA:** The use of housing credit has been successful in a number of cases. The housing loans of the Grameen Bank (in Bangladesh) had allowed the building of more than 141,000 houses by August 1992, and the repayment is almost perfect. With such support, low-income households and communities may be able to improve their standard of living and also be successful in repaying the loan to the lending institution. However, three things must be remembered:

1. There is not much money currently made available for housing finance in poorer settlements. Both government and the commercial financial institutions should consider how more can be made available. The poor have shown repeatedly that they do have a capacity to repay loans.

2. Community organization is essential to strengthen the bargaining position of the community in respect of government. Government is so overwhelmingly important in determining the possibilities for residential improvement that communities need to acquire some additional skills and strength to deal with it. Finance alone is not generally sufficient to resolve all the problems faced by the urban poor.

3. Improved access to loan financing may simply make clearer the other, more fundamental problems faced by the poor. In particular, the problem of obtaining access to urban land which is well situated and affordable needs to be confronted soon.

**E&U:** Are there now more initiatives in credit for poorer groups?
**JA:** At present, there is more interest at both international and national levels in providing housing credit for low-income households but it is important not to exaggerate the size of such initiatives. Governments in the Philippines (Community Mortgage Programme) and Mexico (FONHAPO) have improved the supply of credit but it still remains small. In both places, around 4 per cent of central government’s housing investment funds are being used for housing through these programmes but they produce about 25 per cent of housing activity supported by the government. In general, we find very little interest in supporting improved access to housing credit for poorer groups.

**E&U:** You referred to new problems now being faced by the urban poor; what kinds of problems do you mean?

**JA:** Changes in global economic trends and activities have made life more difficult for the urban poor. For example, reduced government protection for domestic industries has meant that small industries have collapsed due to greater competition from abroad. Reduced job opportunities have been one result. A second trend evident in some Asian cities (for instance in Thailand, Kampuchea and Vietnam) is rapid industrial investment which, while beneficial in providing jobs, has resulted in rapidly rising land prices and the displacement of the poor. Corruption in government increases the likelihood of the poor being evicted from prime development sites. A third problem is that the labour requirement of some of the new factories is for unskilled labour and skilled workers are finding it more difficult to find work. However, there have also been improvements in the last decade. The rhetoric in favour of helping the poor has entered the language of government. In many countries, it is now more difficult for government officials to act openly against the interests of the urban poor. In the Philippines (for example), it is difficult for those in government to speak openly against the Community Mortgage Programme and in Indonesia there is a similar situation in respect of the Kampung Improvement Programme (the long running programme to improve services and facilities in the low-income kampungs in Indonesian urban centres). With political will, it is evident that much can be done. Individuals within government have been able to initiate important programmes to improve the lives of the poor living within their jurisdiction.

**E&U:** How can such activity be increased?

**JA:** This is an important question but I do not know the answer. The number of people and organizations remains small. I have some 400 contacts on my mailing list for Asia which represents most of those active in low-cost housing within the continent. Whilst this has increased since I began my activity (for example, in Bangkok, the number of key individuals has risen from one to six), it remains too small. I am not clear about how it can be multiplied further, but I feel that some exposure of university students to urban problems and people’s sufferings could help.

In the grassroots organizations there is more hope. When you see the eyes and listen to the talk of people working together in Pakistan, or in savings groups or participatory research groups in India and South Africa, or to the people who speak about the homes that they are building in all parts of the world, you are in touch with the energy...
which these projects generate. From them I learn; to them I want to pass back this information. We can grow together and help each other. Through contact with the people and through understanding more about their life experience, our own lives can become more universal.

Our common thread, what is shared between the organizations and individuals with whom I am working, is a desire for social change. We are sometimes successful in what we are struggling to achieve but there are also many problems. Within the Asian Coalition for Housing Rights (for example) there are now new possibilities with the opportunity of a grant to undertake an extensive training programme for those people who are working with the urban poor in Asia; of course, there are risks attached to such activities but we must continue to go forward.

E&U: How many of the groups and organizations that you visit are funded by SELAVIP?

JA: Money can destroy relationships. On every visit I make to a group, I try first to understand and appreciate what they are doing. The groups work in tense situations and often face government disinterest, which sometimes turns to hostility. I try to ensure that during my travels, I have sufficient time with each group to look at all the aspects of their work that they wish to show me. If asked, I could speak of other groups whom they might usefully contact. Lack of money is generally not a problem for good projects. When you find a person committed to a course of action, regardless of whether or not money is available, you have found a treasure.

At one time or another, many of the groups which I have visited have received funding from SELAVIP but none of the organizations are dependent on these funds. There are times when funding has been critical - for example, in the first stages of developing an organization when it is just becoming sufficiently established to employ its own staff. Many agencies only want to give funds once organizations are operational and successful; few are willing to take the initial step. In some cases, my personal contacts in Asia have meant that I am able to recommend to SELAVIP that they should support such initiatives.

E&U: What are the financial aspects of the forms of community organization which are now most common in Asia?

JA: There are three main models used for community organization among the urban poor in Asia. The models differ both in the tools that are used and in the organization's relations to the community. The first model is that used by the Asian Committee for People's Organization (ACPO) which has already been identified and discussed. Training is provided for community organization. An NGO stimulates and supports this change. NGO workers are funded but the community leaders undertake this work voluntarily. The second model is used by groups such as SPARC (in Bombay) and the Orangi Pilot Project (in Karachi). The group usually involves both middle-class professionals and salaried staff from the community who provide a range of appropriate services such as training, new technologies and indirect support. The third model is the provision of credit by an organization either of the second model or further removed from the community. Each model provides some kind of support for community organization and each type of NGO may provide additional

services for the community. In the first model, the main tool used is pressure on the government to deliver additional resources. In the second model the intervention is more varied; it may involve teaching new skills, or identifying and meeting specific needs. In the third model, the tool is finance.

A fourth model is the self-organization of low-income communities. This has happened in a few cases - for example a community of Hindu Pakistanis who came to India at the time of Partition (in 1947) have been successful in undertaking a range of initiatives to support their own development; or the Discriminated Burakumin of Japan; or the self-organization of settlers to invade land or to defend their settlement against eviction.

**E&U:** There is a growing number of official aid agencies and private voluntary agencies interested in addressing the needs of poor urban groups. Could you give some suggestions for them both as to how best they might do so and through what means they should actually interact with the urban poor?

**JA:** It is not enough to have compassion and a desire to help. We need to discover the treasures and the values the poor settlers have in order to respect them and to be able to work as partners in a very important task. Most of us will not be able to survive with joy in the conditions in which they live.

Try to learn their way of communication, through personal stories. Through them you will find a way to learn and then to share your knowledge with the people.

It is very important that the people participate in every stage of the programme: in the planning, in the management, in the evaluation. The way of proceeding will be different, but you will find something new happening.

A book written by Jorge Anzorena and Wendy Poussard, *A Time To Build: People's Housing in Asia*, Plough Publications, Hong Kong, 1985, 63 pages, is available from UNIYA, Centre for Social Research and Action, P.O. Box 522, King's Cross 2011, NSW, Australia. (Fax: (02) 356 3021).