THE UNIVERSITY OF LONDON

HOUSING POLICY, DEMOCRACY AND REVOLUTION:
Costa Rica and Nicaragua during the 1980s

A thesis submitted for the degree of Doctor of Philosophy
in
The University of London
by
Manuel Antonio Argüello Rodríguez

January 1992
Para Doña Dora
por esos primeros tres años
en que me dió
su fuerza y su cariño

Para Cuca, por todos los otros años

Para Floria
por estos últimos tres
UN CULTO PLENO
A LA VERDAD
VALE MIL AÑOS MAS
QUE CLAUDICAR

Pablo Milanés
Abstract

During the 1980s, living conditions in both Costa Rica and Nicaragua were severely affected by the debt crisis and by the low-intensity war directed against the Sandinista Government of Nicaragua. The fact that the two countries were ruled by different kinds of governments suggests that they sought to resolve their social problems in different ways; the thesis explores whether or not this was the case.

In Nicaragua the Government’s social policy was heavily influenced by the Revolutionary origins of the Sandinista regime and the subsequent decisions to adopt a mixed economy and politically pluralist approach to development. In Costa Rica, policy was influenced by the country’s long history of political participation, its advanced welfare state and the considerable role played by the state in the national economy.

The way that these different approaches informed housing policy in the two countries forms the central core of the thesis. The main finding is that with respect to issues such as land invasion, settlement servicing, community participation and public housing construction while there were differences in rhetoric, there were remarkably few differences between the practice of government intervention in the two countries.

In Costa Rica, governments constructed more finished housing units and the general quality of construction was higher; in Nicaragua legislation was introduced to control rents and to expropriated illegal subdivisions. Both governments tolerated land invasions and developed extensive patron-client networks for electoral purposes. In both countries, there was little in the way of real community participation and in both the disposal of public land was the main form of government response to the issue of homelessness.
Acknowledgements

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In Nicaragua I received the help of CRIES and INIES officials. Xavier Gorostiaga invited me to work in INIES-CRIES in 1985 and supported this research in the settlements of Managua during 1989-1990.

I also owe my thanks to many Costa Ricans and Nicaraguans who provided me with the raw material of the thesis. These include Ixi Jaime, Ninette Morales, and Bolivar Espinoza in Nicaragua. In Costa Rica I received the collaboration of Angélica Alarcón, Manuel Bejarano, José Gabriel Román and Jorge Mora-Oconitrillo.

Finally, I wish to thank the many residents of the eleven settlements who gave me access to their homes and never turned down a request for an interview.
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<td>Ministerio de Planificación y Política Económica (previously called OFIPLAN)</td>
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</tr>
<tr>
<td>SESVAH</td>
<td>Secretaría Ejecutiva del SVHA (Housing Ministry)</td>
</tr>
<tr>
<td>SNAP</td>
<td>Sistema Nacional de Ahorro y Préstamo (housing financial system)</td>
</tr>
<tr>
<td>SNFV</td>
<td>Sistema Nacional Financiero para la Vivienda (housing financial system)</td>
</tr>
<tr>
<td>SVAH</td>
<td>Sector Vivienda y Asentamientos Humanos (Housing Sector)</td>
</tr>
</tbody>
</table>
NICARAGUA:

'TRIUNFO' 19 of July, 1979

ALMA Alcaldía de Managua (Mayor's office)

BAVINIC Banco de la Vivienda de Nicaragua (Housing Bank)

CDC Comités de Desarrollo Comunal (Community Development Committees)

CDS Comités de Defensa Sandinista (Sandinista Defence Committees)

CIERA Centro de Investigaciones de la Reforma Agraria

CONIBIR Corporación Nicaragüense de Bienes Raíces

COSEP Consejo Superior de la Empresa Privada

COVIN Corporación de Construcción de Viviendas (state housing company)

CRAH Comités Regionales de Acción Habitacionales (housing committees)

DIRVI Dirección de Vivienda del Ministerio de la Construcción (housing direction)

DIU/INIES Departamento de Investigaciones Urbanas-INIES (urban research department)

DPEP Departamento de Propaganda y Educación Política del FSLN

DRVHAH Delegación Regional de Vivienda y Asentamientos Humanos (housing office)

EDUM Esquema de Desarrollo Urbano de Managua (urban plan)

ENABAS Empresa Nacional de Abastecimiento

EPS Ejército Popular Sandinista (army)

FSLN Frente Sandinista de Liberación Nacional (political party)

INE Instituto Nicaragüense de Electricidad

INEC Instituto Nicaragüense de Estadística y Censos (Census Institution)

INETER Instituto Nicaragüense de Estudios del Territorio

INIES Instituto Nicaragüense de Investigaciones Económicas y Sociales

JGRN Junta de Gobierno de Reconstrucción Nacional

JRM Junta de Reconstrucción de Managua

MICOIN Ministerio de Comercio Interior

MICONS-MCT Ministerio de la Construcción y el Transporte

MIDINRA Ministerio de Reforma Agraria

MINSA Ministerio de Salud

MINVAH Ministerio de Vivienda y Asentamientos Humanos (Housing Ministry)

SMP Servicio Militar Patriótico (army)

SMR Servicio Militar de Reserva (army)

SPP Secretaría de Planificación y Presupuesto (Planning Ministry)
CHAPTER ONE

PROPOSAL AND METHODOLOGY
Introduction

The 1980s allow a comparison to be made of the urban policies of two very different kinds of government in Central America. In Costa Rica, government continued the democratic, 'welfare state' tradition established in the 1950s. In Nicaragua, a new popular-based government had replaced a long-established dictatorship and was promising to develop a new socialist transition from capitalism. The policies of these two sets of governments towards housing the urban poor are the main focus of this thesis. How did these very different kinds of governments, both faced with severe economic problems, approach the housing question? How did the different forms of government and political system modify their initial formulation of housing objectives?

Both countries underwent radical changes during the period of study (Gamier, 1988; Gorostiaga, 1982 and 1987), and these changes produced a situation in both countries where the separation between civil society and state institutions was not clear (Coraggio, 1987c; Marchetti, 1986). As regards housing this evolved as a complex relationship between popular organizations and institutions in which local leaders could be salaried state officials while top level officials organized illegal land occupations in public and private land.

It was a specific time in which the two countries with very close economic, cultural and historical ties, but a very different forms of government, began a new phase which cannot be summarised by a simple two-part schema such as: 'technocratic-repressive' and 'assistance-reformism' (Castells, 1981:115); or by some ambiguous term like 'urban populism' (Castells, 1986:245). Theoretical definitions of 'transition process' (Gibson, 1987; Weeks, 1987; Ruccio, 1987), 'grass-roots democracy' (Ruchwarger, 1987), or 'democratic revolution' (Vilas, 1983; Coraggio, 1987c) have to be set against specific actions and practices in housing policy.

This context re-defined the traditional questions of the literature about housing policies in Latin America. Although the main questions and the main themes are similar, the answers have to evaluate different ideologies, traditions and institutions. In addition, the so-called 'information war', part of the 'low-intensity war', and the revolutionary propaganda produced a climate in which rhetoric could create a world absolutely opposite to everyday practice.

The new definition of the Nicaraguan state in 'transition' from capitalism, and the controversy in Costa Rica between an old model of welfare state and a new model called 'structural adjustment', are the framework for the particular questions on housing policies. Authors like Samillán (1987 and 1988) and IHCA (1988a and 1988b) developed a critique of the 'sandinista model' and its changes of 1987-1988. They suggested that the economic programme to solve hyper-inflation deepened the already dilapidated conditions of the urban poor. The cut-backs in social policies and central budgets of the Costa Rican governments since 1978 also directly affected the urban poor.

Some essential questions that emerge are: what were the aspects of the sandinista model in Nicaragua that show a 'transition' process in relation to housing?; how did the restrictions in the central budget allowed the development of housing projects and new services for the urban poor?; to what extent did they affect the so-called 'informal sector'? (Aburto, 1988b).
Also, did the 'structural adjustment' allow the maintenance of the welfare state in Costa Rica?; what were the patterns of state intervention in urban settlement under the last three governments?; was the housing programme of the last government a contradiction of the structural adjustment model or was it necessary for political reasons?

**Government in Costa Rica and Nicaragua**

There were three governments in Costa Rica between 1978 and 1990. The Christian Democrat administration of President Carazo ruled from May 1978 to May 1982, the Social Democrat government of President Monge was in power from May 1982 to May 1986, and the Social Democrat administration of President Arias from May 1986 to May 1990.

During this first administration Costa Rica suffered a deep economic crisis and a decline in the living standards of middle and low-income sectors. The Carazo administration began a reorganization of the state apparatus. It created a new regional structure of government, with new regions and new government committees in each region.

The following administration, the Monge government (1982-1986) maintained the basic state institutions, but abandoned the organization by sectors. This administration's main task was to control inflation and start the structural adjustment programme in order to get support from international banks and agencies, resulting in tight control on public expenditure.

The last Administration (1986-1990) continued negotiations and got agreements with the IMF and other foreign agencies. The deep economic crisis of the late 1970s appeared to be under control and a new phase of social policies was started. The administration also coincided with the worst period of hyper-inflation in Nicaragua, but also with the end of the War and the peace agreements of 1988.

The first year of the Carazo administration in Costa Rica coincided with the final year of the insurrectional War in Nicaragua, which brought conflicts and battles on the two countries' common frontier, thousands of refugees and the total collapse of the Central American Common Market (MERCOMUN), aside from the major role played by the government and people of Costa Rica in the fall of the Nicaraguan dictatorship. The final three years of this first Costa Rican administration of the period coincided with the initial ones of the National Reconstruction Government Junta (JGRN), before the direct intervention, the trade embargo and the escalation of the war against Nicaragua. From July 1979 to November 1984 (the month of the first general election) a Junta led by the Sandinistas governed Nicaragua. However, from the middle of 1980 the most important members of the opposition to the FSLN had resigned from the Junta. In April 1981 the USA government cancelled all loans to Nicaragua, and in December 1981, it started its covert military actions, and in January 1982 it vetoed a major credit from the Inter American Development Bank (IDB).

During the first three years the JGRN started a complete organization of the state apparatus. From 1983 Nicaragua suffered the most intense period of aggression, including guerrilla attacks from Costa Rica, and the use of Costa Rican territory for organizing rebel
movements. Costa Rica received thousands of refugees, particularly in the north, with a consequent pressure on housing supply in rural areas, small towns and intermediate cities.

The electoral period of 1984 in Nicaragua brought a new attitude towards housing and the urban land. In January 1985, the new National Assembly was installed. In May 1985 the USA Government declared a total embargo against Nicaragua. The War continued until 1988, when the five presidents of Central America signed the Peace Plan, and a cease-fire was agreed in Nicaragua between the Sandinista government and the counter-revolutionaries. The new electoral period of 1989 meant a further change in the government’s perspective towards housing, as regards both the electoral months themselves and the planning of programmes for the event of a Sandinista triumph.

Housing conditions in Costa Rica and Nicaragua

The emergence of a revolutionary government ended forty years of dictatorship with a final uprising of the urban population and which had brought Nicaragua in 1979 a deficit of 300,000 houses in a population of 2.7 millions. Housing was a major problem even before the earthquake which destroyed more than 75% of Managua’s stock (Téfel, 1978:2). The 1971 census shows that in the whole country more than 60% were in 'bad' conditions, more than 35% had no access to drinking water and more than 45% were without any sanitary facilities (Godoy, 1983). From 1979 to 1975, the National Finance System only allowed the construction of 26,311 houses which made up only 49% of the number destroyed in 1972 (Laínez, 1977:196). From this number 11,132 were simply 'temporal housing' built in 1973 (a donation from the USAID) which became 'permanent' and improved only by self-help (Blas, 1983:55). Without this special project of 1973, the average number of houses built was 2,530. The impact of private construction was never properly recorded, but from 1977, successive uprisings together with destruction caused by the government army probably diminished the average number of annual constructions.

In Costa Rica, the National Census of 1973 calculated a total of 330,857 'occupied housing units'. The total population was distributed in 472,179 households which were living in 330,857 homes. So, in 1973, 141,000 homes would be needed to accommodate independently all the households of the country. This obviously does not take into account the cultural, social or ethnic reasons for more than one family to live in one home.

The data in Table 1.1 does not show a critical situation, poor quality accommodation only made up between 14% and 16% of the houses in the Greater Metropolitan Area of San José (GAM). In the whole country the percentage rose to 23%, including all rural areas. Moreover, it included, along with houses classified as 'bad', others classified as 'average' or 'in normal condition', with more than one nuclear family living in them defined as 'overcrowded'. This means that the actual number of families needing a new home was less than the recorded percentages. However, during the following years the situation deteriorated badly.
Table 1.1. HOUSING QUALITY IN SAN JOSE AND COSTA RICA, 1973.

<table>
<thead>
<tr>
<th>Territory</th>
<th>Total (a)</th>
<th>Bad (b)</th>
<th>Average but overcrowded (c)</th>
<th>(b)+(c)</th>
<th>(b)+(c) as % of (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Rica</td>
<td>330,857</td>
<td>44,622</td>
<td>32,315</td>
<td>76,937</td>
<td>23.2</td>
</tr>
<tr>
<td>Greater Metropolitan Area of S.J. (GAM)</td>
<td>156,194</td>
<td>15,797</td>
<td>9,755</td>
<td>25,552</td>
<td>14.4</td>
</tr>
<tr>
<td>Metropolitan Area of S.J.</td>
<td>96,194</td>
<td>9,610</td>
<td>6,276</td>
<td>15,886</td>
<td>16.4</td>
</tr>
<tr>
<td>Rest of urban GAM</td>
<td>59,197</td>
<td>6,187</td>
<td>3,479</td>
<td>9,666</td>
<td>16.3</td>
</tr>
</tbody>
</table>

Source: OFIPLAN and DGEC (Census of 1973).

Between 1971 and 1975, the average number of houses built per year was 7,833 (SESVAH, 1979). INVU gave a different figure: 14,000 average per year, because of the inclusion of houses never registered by municipalities. However, in 1976 IMAS found 240 barrios of tugurios in the Metropolitan Area of San José (AMSJ), each of them between 0.2 and 0.9 hectares in size. By the end of 1979, the deficit was estimated at 94,000 houses in the whole country, or around 20% of the total stock (CNVU; 1983:Commission H).

Basic research questions

A. Government perceptions of the urban poor

Since the 1970s, a number of writers have been very critical of the myths about the urban population which lives in 'spontaneous settlements' or land invasions, particularly in relation to migration and socio-economic characteristics (Perlman, 1976; Argüello, 1981a:Part I). Rather than consider migration only from the country side to the capital cities, it is necessary to take into account different trends in the two countries studied. Natural disasters, and economic, political and military processes have all precipitated sudden changes in migration patterns.

Nevertheless, the general questions about migration and economic conditions are almost the same all the time: were the settlers and squatters migrants?; in what percentage?; from which part of the country?; were they from small towns, secondary cities or the rural country side? (Perlman, 1976:63). However, the pre-conceptions held about the people who live in these poor settlements can be different. In the case of Nicaragua, there has been a confusion in the terms used to define low-income sector settlements and illegal squatters. As in other Latin American countries, definitions of this kind of settlements are vague, and the same settlements are defined in different ways by different institutions (INIES-DIU, 1986; Valdez, 1988; Gilbert and Guggler, 1982:89). In the case of Costa Rica, not only government officials, but also academics have called the settlers 'marginals' and the settlements 'marginal barrios' or 'tugurios', without any precise definition (Argüello, 1981a). The three general view points summarised by Perlman (1976:14,15) are common in both countries, but evidence had shown that the urban poor were not mainly migrants or part of the 'informal sector', contrary to the conclusions of other authors.
in other countries (Dwyer, 1984:62). In the case-studies of this research, the geographical origins, family structure and age of the settlers are examined.

B. The attitude to self-help housing

Traditional questions in the literature on housing policies in Latin America deal with the relation between capitalist and non-capitalist forms of production on housing; the improvement of land invasions, shanty towns, and infrastructure; the consequences of self-help and upgrading programmes on the real standard of living of the urban poor; the new institutions created by the state to tackle housing problems, control popular unrest, and develop community participation.

Some of the questions that need to be addressed in the two countries studied are: what was the relation between different kinds of housing projects such as 'lots with services', buildings, upgrading?; how much financial support was available for each one?; what was the quantitative importance of self-help compared to other forms of construction?; which were the different forms of relations between the state institutions, political leaders, local leaders, and popular organizations in these different programmes?

In the case of Nicaragua, was the self-help state programme a form of collective exploitation?; can we say that the self-help housing policies accentuated the presence of the market, while at the same time generating new conditions for social organization and negotiation between the state and the users? (Fiori and Ramírez, 1987:13).

Did the 'historic programme' of the FSLN led the Nicaraguan government in a direction very different from the Costa Rica one regarding popular participation in the design, and development of self-help and upgrading housing programmes? Did the Nicaraguan government set up institutions similar to those set up by the Costa Rican governments or was it specially influenced by the other experiences of other Third World left-wing governments?

C. Housing and self-help programmes

Another set of questions relates to the housing programmes per se, and to how the different programmes improved the living standards of the settlers. It is essential to differentiate specific programmes (Gilbert, and Van der Linden, 1987), so the question is not in general terms whether the 'artisan' or 'capitalist' process is better for the poor (Burgess, 1982 and 1985). In the case of Costa Rica, each one of the three administrations emphasized different kinds of programmes. In Nicaragua, there were changes during the ten years, at least within the electoral periods and other times after the elections. Each of these phases has to be examined, however, when settlers acquired legitimacy, the evidence of the case-studies shows that they progressively improved the condition of dwellings in both countries. The general conclusion of Burgess (1982:91) that: 'the current fashion for self-help housing policies is no more than an ideological bluff', cannot be seriously supported. So the Burgess affirmations have to be turn into questions: were the self-help programmes really only isolated experiments?; could they be developed only
tied to the interests of specific sectors of capital?; did they inevitably mean lower minimum standards and legal restrictions?

Even if self-help housing programmes do mean a reduction of the labour force costs for the capitalist sector and an increase in exploitation (Pradilla, 1984c), these programmes, in their different forms, may still benefit the people who take part. Some ways in which the people can improve their standards which require examination are: 1.- the introduction of the lots on the normal -legal or illegal- real estate market. 2.- the subsidised building materials. 3.- the construction of infrastructure and new services. 4.-the new organizations inside the settlements and 5.- the new possibilities of financial support from government and non-government national or international organizations. These allowed improvement not only in general standards but also in house designs and environmental conditions.

As Turner (1982:99) has suggested 'the elementary resources for housing can only be used properly and economically by people and their organizations that they can control personally'. This was also the conclusion of the Cuban housing experience by the II Builders Congress (Segre, 1980:143). Was this the experience of the Costa Rican settlements, as was suggested by Solano (1988)? Which was the degree of efficiency of the Nicaraguan programmes under control of the revolutionary government?

D. Access to land

There are some questions in literature about access to land and its control by the state. Normally, these questions discuss the state’s purpose in residential zoning, urban planning, building standards, urban perimeters and the design process (Goodman, 1977). They consider these problems in relation to land markets and the power of planners and companies. In this regard one specific question is: how does the state handle the allocation of land to the poor given that most forms of access are illegal? (Gilbert and Ward, 1985) The relations between laws, their enforcement and housing policies have special interest here because of the different laws and political approaches of the two governments.

This research compares a typical capitalist situation in Costa Rica, with a conventional market and segregation by prices, with a changeable process in Nicaragua, where special powers could break the laws. However, the Nicaraguan mixed economy limited the conventional markets but could not control the development of new markets, including a market for land and houses operating in foreign currency.

An important aspect is the pattern followed by people when they made the invasions: did they try to build a settlement to live and, therefore, try to obtain legitimacy from the state?; or did they only use the invasions as a way of pressuring the government? If so, what was the purpose of the pressure?; did they want to gain access to official programmes or to change the programmes' conditions?; did they want to change the policies or just to obtain a house?

E. Rent Laws
There are some questions related to the laws on property and rent-control and to the relations between tenants and owners. The Nicaraguan government issued a series of decrees on land, ownership and tenants' rights from 1980 onwards, while the Costa Rican governments kept the same laws from the 1930s until 1988. The comparison contrasts the new Nicaraguan laws and their practical results with the new primacy of private property in Costa Rica. The questions try to set out the changes in laws applying to tenants and their results. How did the new rent laws affect tenants in Nicaragua?; how similar were their new conditions to those of Costa Rican tenants?; did the Nicaraguan tenants become a privileged sector of their society? were the new Nicaraguan laws influenced by Cuban laws? (Vega, 1986)

F. Improvement of Services

The development of services had been one of the central differences between the two countries over the previous three decades, with those in Nicaragua being far less advanced. The original aims of the revolution emphasized the need for radical changes, while in Costa Rica, the cut-backs in government budgets put at risk the quality and coverage of basic services, such as water-supply and electricity. This research discusses whether the governments' commitments to urban infrastructure and services generally increased or decreased. Did they really try to improve living standards, or did they merely respond to demands in order to maintain legitimacy? How did the politicians and the technicians interact?; to what extent was autonomy given to the agencies? (Gilbert and Ward, 1985:130). The eleven case-studies will allow a comparison of different settlements in respect of water-supply, electricity, drainage systems and degree of control by government and community organizations.

G. Popular housing organizations

The potential range of political activities among the urban poor is very broad. They can be based on low-level demands of a local nature or they can call for structural change; they can take the form of petitioning or they can erupt into demonstrations of rebellion (Skinner, 1982b:9; Henry, 1979:13). This research discusses the forms and levels of community participation. How much impact did community mobilization have upon the upgrading process? What was the extent of resident participation and how far did this participation increase the access to services?

Another question relates to the motives of the state, whether it is committed to helping the poor as much as it can with limited resources, or really concerned with maximizing social control by containing demands within acceptable levels. It is necessary to emphasize not only the structural characteristics of each city and society, but the different purposes of governments and political groups in the 'urban movement'. The Costa Rican governments never talked about a revolutionary purpose. The electoral process was supposed to be enough to ensure democracy. People's participation simply offered a new of getting better the physical results with the same amount of money or, in others words, benefiting urban poor with their own self-help and state support. In the case of Nicaragua, obviously the declared purpose was different. For this reason
there are questions about the original goals of the revolution (Coraggio, 1986:37-43-60), that have to be discussed as regard the popular involvement. Was there a direct involvement of the mass organizations in decision-making bodies at a local, regional and national level in the formulation of social and economic strategies and in their implementation? Did the FSLN seek its own perpetuation as the only political power by mean of housing or social policies?

Apart from the government's point of view, there are the perspectives of the organizations and opposition political parties to consider, and they raise the question whether there was any 'independent' involvement in the control and design of programmes (Turner, 1971;1987) or 'appropriate technologies' (Segre, 1980:143). This research discusses whether the organizations had any control over the housing programmes, or any say in the use of technology and building processes. Did they offer any alternatives to the government programmes?; did they have the power at the very least to discuss the terms and the general definition of the programmes?; and to what extent did the institutions have to negotiate with local organizations?

Some authors have analyzed different phases in the people's involvement and suggested that after stability is reached participation declines (Castells, 1981; Jaime, 1986; Solano, 1988). Was this the main pattern in both countries? Were there any specific differences because of the involvement of left-wing political parties? What were the relations between community organizations and left-wing political parties? Given the revolutionary triumph, how did the community organizations evolve?; did this evolution mean a loss of their character as a popular power?; how were the popular organizations in housing affected by the different stages of the Sandinista government?; did the electoral periods change the ways that people got involved? Were there particular phases in different settlements?

The questions about community participation are essential to addressing the overall question about housing policy, democracy and revolution. The comparison of the two countries allows discussion of whether the degree of influence that the Sandinista government had on the people's control over their own basic problems, accorded with the original revolutionary aims, or whether it followed a traditional pattern similar to that of some capitalist country which had no revolution.

METHODOLOGY

A. Documents and literature problems

During the 1980s, Central America became an area of great interest, both to journalists and academics. The Nicaraguan Revolution led academics to view the region from a new perspective. Some highlighted the revolutionary gains, while others stressed the new regional conflicts or emphasized the danger of a full-scale war. All this interest generated an enormous and diverse literature. Unfortunately, much of the writing was simple propaganda; it is difficult to find many serious critiques among the hundreds of articles and books about Nicaragua. By contrast, writing about Costa Rica has been much more critical and several authors supported
the traditional point of view that a capitalist and dependent government can achieve little beyond repression and the building of patron-client relationships.

In relation to housing policies three main types of documents are available: reports from ministries of housing and institutional officers; academic theses and books; and general views published in magazines. The most common form of information comes in the form of official descriptions of projects and proposals, with outlines of programmes and statements of general objectives. Annual reports also present some information about the main housing programmes, although they rarely include enough figures or factual information.

There are some academic reviews of housing policy in Nicaragua, but a lot of this literature is written by researchers who only went to the region for a few weeks. As a result, they had little accurate data and are too dependent on official sources, which regularly confuse facts with intentions. The same problem afflicts a significant number of the 'political' publications. There are also many documents about legislation on housing and urban development, not only in Nicaragua following the revolution, but also in Costa Rica, from the early sixties. The actual laws and regulations, and changes to them over the last ten years are also available. Some speeches in the National Assembly of Nicaragua or the Legislative Assembly of Costa Rica can be obtained as pamphlets or newspaper articles, but these contain little in the way of detailed analysis.

Much of the political analysis has been written from a basic theoretical perspective: the shift from capitalism to revolution is expected to explain everything. As a result, the special character of the Nicaraguan political process is often lost. Similarly, the literature on Costa Rica relies much on a single interpretation: the impact of external intervention on the economy and government. Transformation of the Costa Rican economic model, for example, is interpreted as a direct result of the IMF-AID policies, relegating internal origins and proposals to puppet actions (Garcia, 1989; Morales, 1989). While there are numerous reports on the general economic crisis and political problems (Bulmer-Thomas, 1988; Dunkerley, 1988), comparative studies of social policies are uncommon. There is some research on 'community involvement' in Nicaragua, but it seldom mentions the land invasions, particularly those of the electoral periods. The literature on community organizations and housing in Costa Rica is fragmentary. It lacks detail on organizational processes, procedures and political implications.

B. Statistics and data banks

The amount of information available in each country differs greatly. While in Costa Rica there is a lot of information in the census and periodical surveys, and in data banks in governmental archives, institutions, private organizations and universities, there is really little quantitative data about housing problems in Nicaragua. Of course while all the data from traditional sources (census, household surveys) can be criticized for the inaccuracy of their techniques and methodology, in Costa Rica, most of the data from academic institutions and even governmental institutions is accurate (Haringa, 1987). In Nicaragua, the problem is not only one
of accuracy, but an absence of specific data on particular problems such as housing. The only exceptions are general reviews of housing programmes (MINVAH, 1981a and 1981b; IIED, 1985) and a questionnaire survey conducted in the spontaneous settlements of Managua.

The definitions used to identify the settlements in official documents are a major problem, particularly in the case of Nicaragua, where 'upgrading' and 'spontaneous' neighbourhoods have different meanings in different documents (INIES-DIU, 1986). As a result, it is difficult to compare quantitative facts, such as migration patterns and dates of foundation.

One serious difficulty in obtaining data is due to its dispersion. During the last ten years the state apparatus in both countries has changed significantly. In Costa Rica, three administrations have transformed institutions and created new ones. Some programmes have disappeared and new projects started. In Nicaragua, a whole new state apparatus was set up after July 1979. During these processes, documents and quantitative information was moved, not only between institutions, but also from institutions to private archives, libraries or data banks. Unfortunately, an important part is now lost.

Different sources present fragmentary and contradictory interpretations of reality. A particular inconvenience and challenge is the fact that different sources can give different figures for the same items. The housing deficit is the best example of this, not only because of the lack of consistent and expert calculations, but also for political reasons (IHCA, 1989a; Amador and Iglesias, 1988). During the last administration in Costa Rica housing policy became the main programme of the welfare state; and consequently, a contentious issue in the electoral process. As a result, it is difficult to find statistics, let alone reliable statistics. In the case of Nicaragua, the compilation of data suffered badly from problems caused by natural disaster and war (Laínez, 1977; IHCA, 1988d). It is difficult to collect accurate information on housing in a war zone.
NICARAGUA

DEPARTMENTS:
1. MANAGUA
2. LEON
3. CHINANDEGA
4. ESTELI
5. MADRIZ
6. JINOTEQA
7. NUEVA SEGOVIA
8A. ZELAYA NORTE
8B. ZELAYA SUR
9. RIO SAN JUAN
10. CHONTALES
11. BOACO
12. MATAGALPA
13. MASAYA
14. GRANADA
15. CARAZO
16. RIVAS

Figure 1.2

HONDURAS

XOLOTLAN LAKE

MANAGUA

PACIFIC OCEAN

COSTA RICA

CARIBBEAN SEA

BLUEFIELDS

50 km

N
Figure 1.3
COSTA RICA
PROVINCES:
1. SAN JOSE
2. ALAJUELA
3. HEREDIA
4. CARTAGO
5. GUANACASTE
6. PUNTARENAS
7. LIMON

METROPOLITAN AREA
OF SAN JOSE

GREATER METROPOLITAN AREA

PACIFIC OCEAN
Figure 1.5
SAN JOSE:
Main Districts of the Metropolitan Area
C. Regions and sites

The definition of regional boundaries is extremely important in relation to data and information. Unfortunately, official regions and the 'urban areas' of Costa Rica and Nicaragua have often been delimited in different ways by different institutions.

Costa Rica is officially divided into seven provinces, 81 cantons and more than 400 districts. However, some institutions use other official divisions, such as regions and sub-regions. There are regions which cover the Atlantic coast with boundaries within the Central Valley and there is the Central Region, which includes most of the Central Valley and the Pacific Coast.

The problem can be illustrated best with reference to the capital, San José. Government employs two definitions of the urban area, the Metropolitan Area (AMSJ) and the Greater Metropolitan Area (GAM), neither of which coincides with the official definition of the city of San José which is made up of the four central districts of the central canton. The Central Region is larger than the province of San José and the Greater Metropolitan Area, but it does not include all the cantons of the province. The main urban centre which makes up the city of San José, has never covered all the Metropolitan Area. The local government, the Municipality of San José, has jurisdiction outside the official city, all over the central canton of San José, but does not cover the whole Metropolitan Area. The GAM corresponds more or less with the Central Valley, but it is still not a uniformly urban area (Carvajal et al, 1983). In spite of these new theoretical categories, the territory still maintains the original subdivision of the old colonial cities from the last century.

Nicaragua has been divided traditionally into 16 departments. In 1980 it was divided into six regions and three 'special zones', but local governments or Mayor's Offices continued to administrate the departments. Some programmes and articles examine problems of 'Greater Managua', comparable to GAM of Costa Rica, but the most important geographical delimitation for government programmes is the 'Third Region' which includes the urban centre of Managua and other small towns and departments, such as Masaya, Granada and Carazo.

The Department of Managua, which is much smaller than the Third Region, includes some rural areas north of the Managua Lake and some small rural towns on the south road (Pan American Highway System). The Third Region is divided into sub-regions, one of which coincides with the capital city of Managua, which concentrates most of the urban population of the country. Officially, Managua includes two 'satellite' cities located almost twenty kilometres from the city centre which was destroyed by the 1972 earthquake. The city itself was divided into zones from 1980 to 1987 and into districts from 1988. The zones were the smaller administrative sub-divisions and have a very important role in planning; e.g. the Director Plan for the city's growth. Other government institutions use the 'zones' as the unit for planning their activities. The sudden change made in 1988 made all these plans obsolete because the districts are larger and some include various zones.

Official data may be presented for the Third Region, the city of Managua or the Department of Managua, in different documents under the name of 'Managua' with no clear
explanation of the geographical limits. Significant quantitative incongruities can result. However, the city does not reflect a process of conurbation similar to that of San José and the other cities of the GAM in Costa Rica. Managua has been developed gradually over its rural boundaries. Since 1972 it has not had a typical centre, but various commercial and administrative centres in the middle of several neighbourhoods. Nevertheless, the city has clear geographical limits: to the north the lake (Xolotlán or Managua Lake), to the south the mountains, as well as to the west. The current growth towards the east, alongside the 'North Road', is still insufficient to link Managua with its satellite city of Tipitapa. The situation is similar for Ciudad Sandino, the other satellite city in the west, on the 'New Road to Leon'. However, both satellite cities, with Masaya and even Granada, as well as other small towns of the south pacific region, have a strong dependency upon Managua, and thousands of their inhabitants work in Managua.

This research is restricted in its subject to urban low-income sectors. It covers only the capital cities of San José and Managua and specifically, the Metropolitan Areas of the capital cities as they were officially delimited in 1986. These cities contain nearly a third of the total population of both countries and half of their urban population.

D. Techniques and informants

The present research uses a synthesis of information accumulated not only for this thesis, but also for earlier academic work. Over the last ten years the author has conducted interviews, surveys, direct observations and informal conversations with many residents of poor settlements in both countries. However, it is important to record some particular techniques that were applied during the latest round of fieldwork.

(a) Direct observation

The upgrading process and community participation can only be evaluated properly through direct observation over time. Without it, analysis can create an idealistic but wrong impression of the situation. Theoretical analysis of 'self-help', for example, often fails because of lack of direct observation, when the researcher's own point of view is mistaken for the perspective of the community (Burgess, 1982).

The main source for this research was the author's own direct participation: first, as a member of community organizations and as an adviser to regional organizations concerned with housing in Costa Rica; and second, as a researcher in institutions involved with housing projects in both countries. As a researcher on previous projects, he prepared maps of the settlements and recorded their special features: number of houses and households, water supply, health and education facilities, specific geographical limits, etc. Particular aspects of the upgrading and development process, such as the use of land for building, the spread of services and public transport, and locations in relation to hazards, such as floods and earthquakes, were analyzed by means of direct observation and informal discussions with local residents. In Costa Rica, personal involvement in community organizations from 1974 to 1982, provided a great deal of
information on the development of the main popular organizations involved in housing projects and self-help.

During the most recent fieldwork (from November 1989 to March 1990), the author conducted surveys of the state of services, the quality of houses, the upgrading process, and residents' involvement in popular organisations. This work was carried out not only in the specific case-studies, but also in a large number of settlements in Managua and San José, which were included in surveys conducted by INIES-DIU in Managua and INVU-MIVAH in San José in 1986-1987.

(b) Interviews with officials and community leaders

In addition to informal interviews and conversations with residents, interviews were recorded with community leaders, local authorities, founders or former residents, local government officials (such as school teachers and community health workers), owners of small local stores, non-government political leaders and researchers. This constituted the main source of qualitative information for this study in the eleven case-studies. The recorded interviews were transcribed and analyzed according to three basic issues: upgrading of houses, upgrading of services and people's involvement in the community housing organizations. Various types of interviews were used: informal conversations about a particular topic, formal interviews using prepared themes or questionnaires, recorded informal interviews and collective evaluations by teams of local officials. In addition, transcriptions of several interviews conducted by other researchers during the last ten years were also used.

(c) Surveys and quantitative evaluations

The main source of quantitative information for the case-studies was the questionnaire surveys carried out during 1986-1987. There are important differences between the surveys conducted in the two countries, but this quantitative information can be compared because it establishes changes in quantitative features, such as the number and type of houses and services over the same years.

In Nicaragua the INIES-DIU survey of fifteen settlements in Managua provides a huge array of data on individuals households and on their housing. The six case-studies were included in that survey, so the author's field-work of 1990 allows an evaluation of the changes since November 1986.

In Costa Rica the INVU-MIVAH survey presents basic data on the land invasions in the Metropolitan Area of San José in April 1987, including the five case-studies. The information is not as comprehensive as that in the Nicaraguan survey, but it covers family features, types and number of houses, services and community organizations. There are other quantitative studies of specific settlements carried out by local officials of the Ministry of Housing (MIVAH), the Housing and Planning Institute (INVU) and the Housing Special Commission (CEV). Additionally,
in Costa Rica Social Work and Sociology students have written theses using surveys on specific settlements.

E. The case-studies

(a) Case-studies of San José

In San José, the case-studies exemplify a range of housing projects for low-income sectors, but they are all partly self-help projects. Projects totally built by private companies with government financial support were restricted to middle-income sectors (Valverde and Lara, 1988; Jankilevich, 1979). The preliminary information for choosing the five case-studies of San José came from different sources. Contrary to the Nicaraguan cases, there was not a team research in San José, and the author himself selected the settlements. The chosen ones are among dozens founded during the last ten years that until 1987 were mainly scrap huts and lacked basic services. The author's own fieldwork during 1987 provided information include the main types found in the 30 main precarios in the Metropolitan Area of San José. The criteria for choosing the settlements were the same as those used in Managua. These settlements include the three largest land occupations and examples of housing projects from the three different administrations and the three main popular organizations.

The INVU-MIVAH survey in 1987 of 94 poor settlements of San José included the five ones included in this research. Some variables of this survey were processed and computed in 1990 specifically for this study. The five case-studies accommodate roughly 10,000 families and contain about 70% of the households living in shanty accommodation in the GAM (Granados, 1988). Their analysis allows a comparison of the changes in housing policies under the last three administrations. It also allows a thorough examination of different types of community participation in housing: from patron-client relationships to independent housing fronts, from individual solutions to upgrading community programmes, from invasions to legal acquisitions of land. These settlements reflect the whole range of government financial support and a mixture of organizations, leadership and geographical origins of their inhabitants.

(b) Case-studies of Managua

The fifteen settlements of the INIES-DIU survey contained most of the population living in new low-income settlements in Managua and represented 60 percent of the population of the 46 spontaneous settlements that existed in 1986. The INIES-DIU survey was based on a new taxonomy of the poor settlements of Managua. Instead of a random sample the INIES-DIU team selected the main settlements and different locations that represented the main zones, origins and forms of development. The sample excluded several small settlements made up of no more than 20 or 30 houses each.

Preliminary fieldwork in these settlements allowed INIES-DIU researchers to make maps and detailed accounts of the houses and plots. Then, they chose a sample of 20% of the houses,
totalling 933 units. The survey had two key concerns: household characteristics and employment. 3,500 people of 10 or more years old were interviewed. 11 The present research only uses some of the original INIES-DIU data. The information on housing and family features are used to characterize the fifteen settlements and to identify the differences among them.12 The six case-studies were chosen from these fifteen settlements. The six represent all types of origins and forms of development. They are located in the three zones which include the traditional poor barrios and the three main sub-centres of the city. They include two of the largest settlements. They also include land invasions from three periods: the time of the dictatorship; the 1979 election period; and the 1984 campaign. They further include land distributions by government and community officials, some of which became 'progressive urbanizations'. Other kinds of neighbourhood, such as 'illegal subdivisions' from the seventies (Téfel, 1978; Laínez, 1977) and state building projects (Curutchet, 1987), are not included.
F. Comparative research: the 'barrios' and the case-studies

(a) Settlement data bases

The data bases, reconstructed and reprocessed for this research provide a quantitative backdrop to and a framework for the selection of case studies. The case study communities were selected from a complete universe of 'settlements' in each city. The universe of neighbourhoods studied is composed of all settlements which have arisen from illegal land occupations or as a product of state directed relocations in the two capital cities: Managua and San José.

Within each settlement a household sample was similarly chosen on the basis of a household count. The number of existing 'houses' was determined and simple maps of the settlements were drawn. The number of families in each house was determined through consultation with local leaders. 20 percent of households were interviewed in Nicaragua and 25 percent in Costa Rica.

The questionnaires applied in both countries contained sections on housing and infrastructure quality, and on personal characteristics of the families: number, sex and age of residents, as well as, information on immediate and original precedence and timing of residence changes.

(b) Case study investigation

The case studies in Costa Rica and Nicaragua were chosen from the neighbourhoods included in the two surveys on the basis of three criteria:

i) They must include the largest neighbourhoods, constituting together more than 60% of the population living in neighbourhoods born from illegal land occupations, official relocations, lots without services donated by government or other similar organizations.

ii) They should include the main kinds of settlement type: spontaneous settlement, progressive urbanization, relocation of illegal invasions, state-based self-help projects, and delivery of non-urbanized or semi-urbanized lots.

iii) The settlements should all be well established and be included in official descriptions of the city. However the means by which each settlement achieved its present legitimacy should differ. Some case studies should represent communities where the struggle for stability and land possession had permeated all community activity. Others should represent settlements where the neighbourhood organizations, although still belligerent, were dedicated to the construction of infrastructure. A final group should include communities which had lost their initial drive and where recognised associations were dedicated to service improvement.

Interview guides were prepared which recognised the different kinds of neighbourhood. The guides specified the topics to be investigated in each settlement and the different types of individuals to be interviewed in each neighbourhood.

Conversations in each community were based on defined questions. The material was not to be quantified. The use of the topic guides allowed the results to be compared across
settlements and between the two countries. In some cases, especially in the "collective interviews"-similar to focus groups- the aim was to generate discussions while also eliciting details about key moments and events.

The main themes could be developed in successive conversations and it was not necessary to cover every topic in every interview. Some topics dominated conversations in one community, while having minimal importance in others. Some people knew more about some topics included in the guide and didn't have any information, experience or interest in others; exhaustive answers on every topic was never forced.

In some communities answers and comments about various sub-topics were immediately forthcoming, while in others it was more difficult to find someone with relevant experience or information. Attempts were made to complete the information in successive visits and interviews, to assure the satisfactory coverage of all aspects to be compared between countries. Of course some aspects had to be eliminated from the final comparative analysis.

The conversations through which the interviews were established were open and friendly with the common objective of broadening collective knowledge about the community and the policy applied to it. Tape recorders were not used when the guide was first applied and the early notes taken were on the names and addresses of people mentioned in the interviews. Tape recordings were made of the collective interviews. The importance and future use of the recordings was explained in detail.

The records were prepared into schematic reports of each visit with a synthesis of the topics covered and identification of the community type and interlocutors. Upon finishing the field work a synthesis was completed on each community. These 'reports' were the basis for neighbourhood and country syntheses.

The entire field work process took two months in each country, from the first contact with local interlocutors to the completion of the collective interviews.

(c) The interview guide
The interview guides were organized by general theme as follows:

**Theme 1: Forms of settlement development**
- Size, form and method of land occupation or distribution of the present community, and in the former one if the groups have been relocated. Method of delimitation of lots and equity in their allocation. Irregular ways of obtaining income through land distribution by local leaders or functionaries with control over the land;
- Decision-making style in the occupation and subsequent distribution of lots to new families;
- Method by which secure tenure or legality of land ownership was achieved. Role in this played by infrastructure installation and community service acquisition. Type of documents delivered, timing of delivery and their relative legality with the new government administrations.
Theme 2: Construction styles
- Governmental, private or self-help or others forms of construction. Upgrading projects and other externally influenced construction styles that modified the neighbourhood’s structure;
- Participation by individuals, family, local groups, brigades, external voluntary aid or local hiring of workers (and construction companies or local micro-enterprises);
- Origins of materials and types of transactions used to acquire them;
- Construction of collective and sanitary infrastructure;
- Cost of infrastructure and way in which this was distributed between the neighbours and the institutions;
- Cost and availability of land. How was land title obtained and how was it paid for? Use of state lands and degree of institutional control. Confrontations and negotiations with private property owners. Intervention by neighbours or local leaders in land negotiations. Relative legality of construction and its relationship to the legality of the land occupation, property titles or possession, legitimacy and legality in the possession of land and homes.

Theme 3: Key dates in community development
- Internal political ruptures, intervention of private external agents, consolidation of organizations and the community, stability achieved in each stage and its influence in programme introduction and acceptance;
- Date of offer and actual delivery of new installations and infrastructure and services. Choice of site on which to locate them;
- Relationship of internal neighbourhood changes with external events, announcement of government programmes, elections, institutional changes, changes of local or national government administrations, initiation of general or local urbanization or housing programmes, etc.

Theme 4: Neighbourhood consensus building
- Form of land occupation, negotiation with officials or private groups, collection of money and materials for local works, search for external aide, preparation of collective financing activities;
- Preparation or realization of demonstrations in council meetings and government offices. Organization of local meetings and visits of officials. Extent of neighbourhood involvement. Methods of arriving at decisions;
- Contacts with political parties, non-government organization and external aid agencies or private enterprises.

Theme 5: Development of community spirit
- Organizations, internal structure, committees and sub-committees. Roles of each in integrating neighbourhoods, relative information circulation, neighbourhood knowledge of the organization and their evaluation of it;
- Leadership duties, forms of leadership and criteria for distributing work among members and with other neighbours who are not committee members;
- Ruptures and readjustments, election timing, internal election procedures or assignation of responsibilities without elections. Degree of representativity by neighbourhood sectors and areas;
- Identification of the neighbourhood as a unit. Perceived stability or fear of eviction or relocation to other site and collective availability to defend the land if faced with state plans to the contrary.

Theme 6: Individual trajectory of leaders and their influence on policy
- Experience in other similar organizations, types of roles and leadership style (formal or informal) as well as size and dimension of his/her mandate. Knowledge of national housing programmes and policies and concrete experience with its application in other communities or areas;
- Participation in external parties or interest groups and relations with present work as a local committee member.

Theme 7: Local leadership
- Identification of contradictory and complementary roles;
- Roles concentrated in only one person;
- Committee membership.

Theme 8: Government officials
- Officials with local influence;
- Officials that assume local leadership roles or substitute for local leaders in tasks and decision making processes;
- Leader involved in patron-client relationships with external officials;
- Relative control of the community by institutions or local officials.

Theme 9: Experience with outside institutions
- Roles and activities developed and their relative success in neighbourhood formation, legitimacy and consolidation;
- Differences between official reports and local perceptions of institutional performance.

Theme 10: Method of confronting immediate problems.
- Recognition of collective needs, and organization of community demands;
- Ruptures between government and local organization, effectiveness of official procedures, availability of official information, attention given to petitions, official intervention to control organization or nullify local leaders.

**Theme 11: Community self-management**

- Programmes and actions to promote self-management procedures;
- Resources and obstacles encountered in local and regional institutions, types of contacts between local officials and communities;
- Institutional experience in community, programmes or concrete activities using self-management or participative methods;
- Use of institutional resources for self-management, bureaucratic delays or excessive procedures or difficulty in the location of interlocutors with sufficient decision-making authority on the use of material, technical or human resources in activities of interest to the communities and under their direct control.

(d) **Guides to interlocutor identification**

Profiles of potential interlocutors were drawn up. Profiles were made of governmental officials, national leaders, students or professionals and academics, politicians, and non-government organization leaders.¹³

Two types of interlocutors were defined: "opinion formers" and "informed personalities":

Opinion formers were people with local recognition whose opinions were specially listened to. These included both local and regional leaders whose community trajectory, recognized experience, professional level or external contacts influenced daily events. Such people included older people, especially if they were members of outside organizations or were governmental officials or 'intellectuals' with a long history of work in the community. Such people included primary and secondary teachers, health, religious and social workers, etc. Members of political parties, employees of large enterprises, local 'advisors' or 'delegates' from the Presidency, other government institutions and NGOs might also fall into this category.

Informed personalities included those people without any formal appointment or recognized institutional education, but who could recall the details of community life, its needs and resources, its potential organizational resources and their availability. Such people might be from outside the community (for example, officials or former neighbours, leaders or lot owners, members of local and national institutions) or from inside (local dealers ("pulperos"), teachers, church or committee members).

(e) **Processing of information**

The material collected in the initial interviews permitted the identification of documents and other materials (community maps, photos, newspaper clippings, reports, official instructions, etc) which the neighbours successively provided to illustrate their answers. This allowed the
further exploration of some guide topics during the recorded interviews by making specific reference to these materials. The informal interviews were summarised on a tape minutes after concluding the conversations.

The recorded individual interviews were not transcribed literally, but rather the answers were synthesized according to guide topics. Prior to the collective interviews, the interviewer analyzed the individual interviews to identify those guide topics that had been covered superficially or not at all. Some topics could be further explored and clarified in the collective interviews, but other topics could not be addressed by the informants of them due to objective neighbourhood conditions, such as, for example, scarce organization, multiple changes in lot or house owners, forgetfulness or lack of knowledge about details of the origin of older neighbourhoods, real ignorance of particular programmes, and, finally, contradictions between documents and oral information provided by leaders or officials.

The collective interviews were only partially transcribed. They were of special relevance help in determining the relationship between the official housing policy and its actual application in the neighbourhood.

The information collected in the case studies constitutes the study's core, and was complemented by archive research and recorded interviews with national leaders and officials. These interviews explored the programmes' details (financing, timing, scale, actual application, intervention techniques, specific activities, expected participation) and also the same guide topics as the neighbourhood interviews. This permitted the contrasting of information provided by officials with that collected in the case-study communities.

G. Comparative analysis and its technical limitations

(a) Comparative analysis

Comparative analysis has a long history in the areas of development, social movements, community activities and social policy studies, such as housing, infrastructure, organization (Cuenya, Gazzoli and Yujnovsky, 1979). National and regional comparative studies using a variety of theoretic, methodological and technical approaches are common in the Latin American literature of the past thirty years (Unda, 1990). The literature is dominated by comparative studies between countries, based on general secondary information, the analysis of one topic, process or site in each country, or the choice of various cities or a series of communities within each country, in order to obtain basic information on which to construct an interpretative synthesis on a national scale, that is then compared to the other countries (Lavell, 1991).

In many cases, they are not really comparative studies, but rather a collection of case studies where each author develops his own perspective (Gugler, 1988). These collections are concluded by some synthetic commentary, but are seldom based on really comparable material. The problem here is that equivalent forms of information rarely exists in the different countries. As such, the comparative synthesis tends to be truncated or restricted to the available level of existing information.
Two general types of comparative analysis can be identified: the first seeks to discover common aspects, and, thus, general tendencies (Argüello, 1993). The second emphasizes case by case variations or divergencies so as to explain in detail the distinct elements that characterize the individual cases (Mathey, 1990). Both procedures can be used simultaneously or given greater emphasis depending on the comparison’s objective.

The realization of comparative studies means that common themes and similar objectives must be defined. Even better it should mean the treatment of the same topics with similar methodologies and following a single study objective. Otherwise, case studies will be carried out along their own routes, and the investigation will be guided by the characteristics of individual cases, or worse, according to local study possibilities, such as availability and quality or level of detail of information.

Similarity should not be confused with comparability. A comparison can be carried out between similar or very different cases. What is important for comparison is the intention to understand the reasons behind the diversity between different cases rather than simply describing their differences. The relationship between diversity and changing patterns or contexts within similar basic structures is what makes the collective experience valuable. If the patterns refer to changes over time, then comparison permits the designation of successive stages and even the identification of factors that could accelerate or slow the arrival of those stages.

(b) Types of comparison and useful procedures

There are various types of comparison, but two predominate: the comparison of case studies having a correlative control group and the comparison of multiple cases without the use of a control group. In the first case some precise characteristics are isolated and their evolution is studied almost as a living laboratory. The evolution of the other cases is observed, so that the changes can be contrasted with the controlled case. In the second type, there is no control group. Rather, several diverse groups are chosen which are known to be different. It does not mean that nothing is controlled or that characteristics of special interest are not isolated. It simply means that hypotheses can be constructed from any case and various different cases might present similar key characteristics. In this way, ‘typical cases’ based on various characteristics can be defined and the comparison acquires much more flexibility.

Multiple comparison studies without a control group are most successful when they are preceded by careful typology of cases. If each case is representative of a wide group or type the comparison is enhanced. The case studies, then do not just have value in themselves, but are an expression of a whole group of cases. The abstraction of key characteristics or inter-related attributes in a process of change permits the definition of abstract models which mark stages, especially significant relationships and different types of tendencies. These tendencies, characteristics or stages can be evaluated or qualified prior to the choice of concrete case studies so that this might be based on a search for sites or analytic units with a range of variation marked by model or type limits. If the choice of cases is not based on previously established models, it
is convenient to define these during the research, so that one does not end up with juxtaposed, detailed longitudinal studies, but rather with themes, sub-themes or complexes or relationships that pass across horizontally between cases, although none of the concrete cases is described entirely as a unit.

The comparative analysis of multiple cases without a control group makes possible the discovery of links between contextual factors and local processes; but does not substitute for the small-scale detailed investigation or the specification of historical factors. It is an adequate method for identifying regularities imposed by the national dimension over local particularities.

(c) The advantages and disadvantages of comparison

The comparison of similar neighbourhoods between two allows analysis of the impact of each country's policies on relatively similar situations. Comparison permits the identification of neighbourhoods of the same type, in the same stages, with the same origin, same level of stability and legitimacy, and to observe how they are affected by similar policies by each government. This allows a legitimate comparison that would overcome the substantial macroeconomic political differences which exist between the two countries.

Comparison of each country's capital city allows the starting from similar perspective on policy application: both countries concentrate their attention on the capital city's population. The greatest financial, organizational and institutional impact is precisely in the capital. Both capitals have similar employment structures, organizational forms and infrastructure characteristics, that permit a comparison of policy impact on more or less similar populations.

The comparison of similarly defined strategic programmes in each country's capital city, allowed the isolation of specific characteristics of the programmes, populations or external circumstances that differentiated them. This permitted the overcoming of political rhetoric in both countries, which would have made comparison impossible, since both in general objectives as well as in global ideological definition, obviously, were easily differentiable. Nevertheless, upon analyzing the details of each programme (for example, its application methods, technical and budgetary assignations, the relative inclusion of the target population in each neighbourhood), it was possible to discover their similarities.

Besides the obvious advantages due to a greater informative wealth provided by the study of various cases, comparison has other positive aspects. However, it does not overcome automatically all the problems and distortions of isolated case studies. In a general sense, all analysis is comparative in that any attempt to identify causal processes or change dynamics refers to procedures in which diverse factors are inter-related and contrasted. In extreme cases the analysis of individual cases is developed using different methodologies and often using a diverse variety of sources, techniques, types and qualities of information, depending on local possibilities. At the other extreme, the study use some relatively similar techniques (a survey) with slight adaptations for each site, along with the collection of conventional secondary information, which is normally presented with many differences in level of aggregation and degrees of
reliability. Thus, the survey or other technique becomes the only common element in studies that seed to compare one topic between various sites.

Despite the above, and even where common techniques are not applied, the simple juxtaposition of case studies on similar topics brings important benefits to social research. Specifically, the simple juxtaposition of cases allows the observation of general tendencies and the avoidance of ethnocentric attitudes (for example, when very successful patterns are analyzed and presented as models to follow) when one observes how diverse countries, regions or communities advance along relatively similar lines and confront similar obstacles. The study of only one case can easily lead to inappropriate generalizations or over-generalized conclusion. Over-generalization and parochialism is one of the most serious interpretational problems that can be overcome by comparative studies (Gilbert, 1991).

The mere grouping of various cases often suggests patterns and stages, or abberations from a tendency, which could be interpreted to be “the tendency” if there were no comparative alternatives. The understanding of how processes which are considered immovable could change —by presenting more advanced stages of similar processes in other cases— permits the suggestion of changes or modifications in institutional actions or interventions. This could also permit the identification of key change elements and emphasize their impact on the acceleration of desired processes. When national studies are carried out, comparison allows the observation of profound variations between cases submitted to similar institutional or productive apparatus. This allows more complete explanation by facilitating the identification of key explicative dimensions in the diverse cases.

Comparative analysis is capable of discovering links between contextual characteristics and the relative incidence or success of urban dwellers' activities. Comparative studies should not only include successful cases of intervention, community action or integral community action, but also less successful cases as well as total failures, so as to be able to identify both negative and positive patterns, as well as, to abandon false assumptions (Trejos, 1992).

With regard to the limitations of comparison, it is necessary to remember that these include many of the deficiencies of isolated case studies. In addition, it presents some of its own problems related to the use of comparisons in the investigation and the interpretative synthesis.

In the first place, there are serious problems for standardizing information, especially the secondary data and the way in which each topic is conditioned by local, regional and national contexts. In the studies of various countries, especially, this is one of the central problems which frequently makes one case simply noncomparable with the other. In the use of census, household surveys or national accounts, it is obvious that few countries collect identical data. The national accounts, even when they use similar nomenclature are frequently produced through the use of different procedures. It would give totally different results if applied in only one country. Censuses are rarely up to date and do not publish sufficiently detailed information on small geographic scales (Torrado, 1983). In terms of definition, categories such as 'urban population', differ
profundly from one country to another and even from one census to another in the same country. The same occurs with household surveys and other periodic official statistics.

The generation of primary information through the application of surveys or other techniques does not eliminate all standardization problems. The application of surveys has a problem, besides the cost, the fact that the national teams in each country, or the regional teams, are not always satisfied with the basic information susceptible to comparison and force the inclusion in the questionnaire of more extensive and complex questions which introduce topics or sub-topics of local interest, but which are not really comparable. In this way, one ends up with more detailed information for each case but reduced bases for comparison.

Due in part to the above, comparative studies that privilege qualitative techniques have been preferred. Even so a common theoretical perspective must be used and careful management of concepts with potentially different meanings. The use of categories with ambiguous or multiple meanings, which abound in the social science literature, should be avoided at all cost. It is essential to separate empirical or classification categories with a capacity to produce significant taxonomies, from the theoretic categories which are the basis of interpretation (Raczynski, 1977, Pradilla, 1984).

The use of a common methodology does not necessarily mean that adequate information exists, that the techniques will be appropriately applied or, finally, that the general perspective of the investigation contributes to the comparative synthesis. Besides the data problems, there is a crucial distortion which arises when one begins the research on the basis of 'general theories' or macro explanations. These notions of what one wishes to discover will bias the research. The final synthesis, then, could be turned into a mere summary of what was assumed to exist beforehand.

Comparative analyses that utilize data bases that are generated by similar, but not identical, questionnaires are not sufficient to sustain the proof of hypothesis or the quantitative comparison of processes. They can only be used to provide a general quantitative, descriptive context. For the purpose of the analysis of each country and its internal differences, these data bases do generate enough information to act as a good bias for the choice of case studies for qualitative analysis. The comparative analysis technique which utilizes qualitative information generated by interviews with informant can be used when its application is identical and its procedures and instruments are specifically designed for comparison purposes. This requires direct control by the researcher and identical preparation of the interviewers to assure the adequate carrying out of interviews based on thematic guides rather than pre-coded questionnaires. It is best if a small team carries out the entire process to assure the quality of the information and the application of similar criteria. In the present research all the interviews and their processing was carried out by the author during four months in the neighbourhoods.
Notes:

1 The economic and political problems of the 'transition process' have been discussed by authors like Stahler-Sholk (1986); Pizarro (1985); Coraggio and Deere (1987); Marchetti (1986); Gorostiaga (1982); Fitzgerald (1985 and 1987) and Vilas (1984 and 1987) among others.

2 Specific discussion of this process in relation to different models of state and the government of Costa Rica can be found in Lavell and Argüello (1988). Also there are interesting debates in Garnier (1988); Rivera (1982); Herrero and Salazar (1987); and MIDENPLAN (1987).

3 Including support for the Sandinista guerrillas to get proper arms from Cuba, Venezuela and Panama, free use of the north boundary and some airports in the province of Guanacaste for the Sandinistas, plus diplomatic criticism and pressure from OAS against the Somoza dictatorship. See Dunkerley (1988: 626-627). For additional hypotheses see also Seligson and Carroll (1982).

4 Violeta Barrios de Chamorro resigned from the JGRN - 18 April 1980-
Alfonzo Robelo Callejas resigned from the JGRN - 22 April 1980-
Arturo Cruz resigned as Nicaraguan Ambassador to the USA - 14 November 1981-
Edén Pastora left Nicaragua - 8 July 1981-

Also on 12 November 1980 the COSEP - main organization of private enterprise- resigned from the State Council (Consejo de Estado), the equivalent of a National Assembly at that moment.

5 The National Institution for Census (Dirección General de Estadísticas y Censos) (DGEC) maintains updated detailed maps, which cover the total territory of the country, in scale ranged from 1:1,000 to 1:5,000. It prepares a National Households Survey (Encuesta Nacional de Hogares de Propósitos Múltiples, Empleo y Desempleo) every six months and the National Census every ten years. The last census was published in 1985.

6 Although the Nicaraguan Instituto for Census (Instituto Nicaragüense de Estadísticas y Censos) (INEC) publishes the Anuario Estadístico, it does not make periodical households surveys and the last census was published in 1971, before the earthquake, the reconstruction of Managua and the revolutionary war. All the data about urban population from INEC are estimated. Its usual source is the census and estimated growth index. There is no field research about migrations, but the Institute uses a general estimate of the population size from sources such as the Internal Commerce Ministry (MICOIN) and the Sandinistas Defense Committees (CDS).

7 This questionnaire survey has been the main data source for the project 'Spontaneous Settlements in Managua'. It was made by the Urban Research Department (DIU) of the Institute for Economic and Social Researches (INIES), which was an independent institute with international financial support. The author worked as an adviser on DIU from 1985 to 1987 and, in that capacity, directed and designed this survey.

8 The Metropolitan Area had its official delimitation changed every ten years, from 1963, because of the census special evaluations.

9 Cartago, the old colonial capital at the east of the Central Valley; San José, the capital during the 20th century; Alajuela, the main city of the west Central Valley; and Heredia. The latter has become in practice a suburb of San José during the last decade, because of the National University’s location since the late 70s. In the cases of Alajuela and Cartago the urban centres remain as consolidated cities, especially in relation to the traditional administrative and commercial activities.

10 The author used copies of the original questionnaires and prepared basic statistics.

11 There are two manuals: Manual de Aplicación and Manual de Codificación which explain every item of the questionnaires, including questions, categories, concepts, procedures, alternatives, standard codes, etc. The author wrote the first draft of both manuals in 1986. After trials in the field and prolonged discussions with the whole team, the author also wrote the final versions. These manuals were used for the final computation of some variables specifically for this research in 1989.
The computing processes used SPSS/PC+ as software. The initial programmes were prepared by the author during 1987. They were reorganized during 1989 for the particular analysis of this research. Information about data files and variable names, variable labels, value labels, missing values, variable numbers, settlement numbers, questionnaire numbers, location of each questionnaire, key variables and new variables made using arithmetic calculus are explained in the *Manual de Codificación* of the survey.

List of case study informant (by neighbourhood)

**Nicaragua**

San Judas: Ditter Cortés, Juan Domínguez, Lidia Díaz, José González, Félix Izaguirre, Ixi Jaime, Zobeida Marenco, Julio Villalta, Cecilia Obando, Roldán Morales, José Huertas, Damaris Montes, Irena Molina, Dionisio Carmona, Inocencio Martínez.


Pantasma: Pedro Juárez, Marta Moreno, Juana Pineda, Carlos Pineda, Franklin Morales, Raúl Guzman, Isabel Varela, Rita Cordero, Oscar Martín.

Santos López: Pedro Palacios, Mercedes Campos, Santana Espinoza, Henry Villareal, Adilia Chamorro, Alba Contreras, Danilo Argüello, Mario Murillo, Cruz Meléndez, Virginia Mora.

**Costa Rica:**


Metrópolis: Carmen Soto, Gabriel Román, Rigoberto Aguilar, Damaris Peraza, Greivín Cerda, Guillermo Fallas, Lili de Pineda, Lideth Campos, Sandra Zúñiga, David Pavón.


Introduction

Costa Rica had three different administrations during the period 1978 to 1990. Each adopted different policies. However, continuity rather than change was the predominant element in the constitution of the state apparatus. Institutions founded during the previous thirty years continued without major changes up to 1990, although some new institutions were created in each administration, particularly during the last one. Nor were essential components of the Costa Rica model even threatened. The concept of private property and in particular private land ownership for example was never questioned. A further consistent pattern was the way in which elections altered government decision making. There were different policies for different stages in the lifetime of each government. Each administration adopted different policies in the aftermath of their victory, in the short inter-elections period, and in the election campaign.

A major influence on government policy of the period was induced by the debt crisis of the late 1970s. Each administration adopted a programme of structural adjustment with an inevitably negative effect on real wages and government budgets. In contrast to the recession, the War in Central America, did not have a influence on Costa Rica although the country was affected by the tens of thousands of refugees that arrived from Nicaragua from the late 1970s.

Throughout the period housing policy was an element of social policy which was used as an electoral tool and to avoid social instability. Flexibility in negotiation, political control and low-cost construction were interlocking elements, but arranged in different ways during the three administrations. The international financial agencies were a constant presence and were immensely influential in modifying housing policy.

The perception of housing problems changed in each administration in relation to three processes. First, there was a decline in the ability of the poor make housing repayments and an increase in the number of land invasions and shanty towns in the Metropolitan Area of San José. Second, the urban poor organized local committees for housing which were affiliated to regional and national organizations, and organized demonstrations, strikes and meetings all over the city, which created considerable awareness of the problem in the whole population and a high profile in the media. Third, the housing problem was taken on as an electoral issue, as a major theme of the electoral campaign, and also as the main focus for social policy to alleviate the consequences of the structural adjustment programme that the international agencies had imposed. Despite these changes in perception little change occurred in the basic institutions of government nor in the legislation affecting housing. The Urban Planning Law continued without changes and also continued to be ignored throughout the decade. Except for the new Rent Law of 1988 and the Law for the Housing Finance System of 1986, the rest of the legal spectrum remained the same.

By the late seventies buildings in the poor barrios of San José, Puntarenas and Limón were dilapidated and overcrowded. Land invasions became for the first time a central issue in the Metropolitan Area of the country. Both popular movements and the construction industry
denounced this situation and demanded immediate government intervention. Housing policy became the most important issue of the elections of 1978.

This chapter examines the policies of the three administrations. It balances elements such as economy and finance; social policy and political control, building processes and electoral clientelism. It analyses the stated goals and real achievements of each administration in terms of housing, land distribution and servicing. It compares the type, quantity and quality of the programmes in relation to the demands and real impact of the popular organizations and of the construction industry.

**General aims and practices**

A. 1978-1982, the Carazo-Odio Administration

(a) **Political basis for housing policy**

After eight years of government by the National Liberation Party (PLN), the new Administration in 1978 was formed by the opposition party, the Democratic Renovation Party (PRD), which organized a political coalition called *Unidad*. This was politically conservative and economically neo-liberal. The new government tried to force reductions in the state budget and public expenditure, particularly in non-productive social policies. During the elections it had used as its slogan 'Promoción Humana'.

President Carazo and some of his advisers and ministers took a 'Christian Socialist' perspective and, understood *Promoción Humana* to mean increasing the standard of living and developing a proper environment, including houses and services, not simply basic conditions. On the other hand, some ministers, particularly those in control of the economy, took a neo-liberal perspective and, therefore, intended *Promoción Humana* to mean involving the people in the programmes, but as a work force, not at the level of decision-making. They emphasized their opposition to state intervention and 'paternalism' and so, they promoted involvement of the people themselves in the solution of their problems.

The neo-liberal economists advocated a form of *Promoción Humana* which meant a reduction in the state budget for housing, and encouragement for an unpaid work force in self-help schemes, and a reduction of basic standards (lots and house sizes, quality of construction, quantity and quality of services). They also tried to eliminate the need for basic infrastructure provision in private or public housing developments and advocated a direct relationship between government officials and the people without the mediation of local community organizations. *Promoción Humana* meant that families would build their own facilities on public land, which was sold to them through a mortgage scheme.

The traditional bureaucracy supported the proposals of USAID and the ideals of the liberal economists. They tried to find financial support to continue their basic programmes and to develop new 'sites and services' and 'lots without services' schemes. They advocated the USAID kind of self-help programmes or simply tolerated occupations of public land under state
political control to avoid instability or unrest during the critical conditions of the late 1970s. They recognized that housing conditions had reached at that time a very low level by traditional Costa Rican standards. There were several land invasions during the electoral period in Puntarenas, Limón and also in the outskirts of San José (Argüello, 1981a).

During the four years of this administration there was an open conflict between the Christian Socialists and the neo-liberal economists which was clearly reflected in housing policies. President Carazo decreed a 'national emergency' to solve the 'housing problem', and announced the appointment of a special minister and the beginning of a programme to eradicate 'tugurios'.

The President reorganized the institutions under a new structure made up of "Sectors", created the "Housing and Human Settlements Sector" (SVAH) and appointed a new Housing Minister to coordinate that Sector but with an Executive Secretariat (SESVAH) rather than a proper ministry. This new Secretariat began immediately to develop a theoretical perspective to support the Minister's initiatives and to reflect his Christian point of view under a modern theory of planning and urban development. The new Housing Minister explained that:

"We understand development as a fight against poverty. Everything else has to be seen in that perspective. Economic development is adequate if it reduces or eliminates poverty. It has to be reflected in the quality of life. There are problems with some settlements that could not be solved by building houses because the real problem is extreme poverty. Everyone talks about proper housing, but these people who propose 'sites and services' and self-help schemes, are not supporting proper housing. I do not believe in those kinds of programmes."

Both, the Minister's perspective and the traditional bureaucracy perspective could draw on support from the National Plan for Development of the Carazo Administration (PND/78-82) which included contradictory statements. On the one hand the PND/78-82 expressed the need to upgrade standards, while on the other hand, it emphasized the need to reduce costs. The main aims related to land and housing were:

1. To diminish the growth of the four central regions.
2. To promote the intensive use of land, to increase the average number of storeys in buildings, to support the construction of blocks of apartments and to use the enormous amount of undeveloped land inside the main cities rather than extend the city boundaries.
3. To build the required infrastructure.

The Executive Secretariat of the Housing and Human Settlements Sector tried to develop the new housing policy that the Government Programme required through decrees and directives from the Housing Minister. The SESVAH programme emphasized that 'sites and services' projects had to be upgraded to achieve a good quality. Contrary to normal practice in traditional 'sites and services' schemes, it suggested the involvement of the construction industry and the use of high technology to reach high standards:

"It is necessary to reach proper standards on weather protection, servicing, aesthetics and finish of the houses. Construction would have to be under the control of the private sector or of institutions with expertise in high technology for construction and design" (OFIPLAN, 1979:209).

*The 27th of June, 1979 through national media.
This same document established a special social sector for promotion: the urban tugurios and the low-income peasants. Housing programmes would concentrate their projects on this sector. Nevertheless, because of the low capacity for payments of low-income sectors and the reduced budgets of the appropriate institutions, the programme explained that a crucial policy decision was to give priority to 'sites and services' schemes based upon self-help and community participation (OFIPLAN, 1979:138). The PND/78-82's main goal on housing indicated:

"The government has to give financial support to housing solutions for the low-income sector. It also has to reduce housing costs through revision and adaptation of basic urban standards (land and housing). It has to encourage new construction technologies and reduce the costs of materials" (OFIPLAN, 1979:210).

So, the administration in its main policy document established a contradictory housing strategy where both high technology and high quality of construction were encouraged but at the same time the priority was given to 'sites and services' plus self-help schemes. In practice this meant disagreement between the Housing Minister and the top-level officials of traditional institutions.

(b) Contradictions between institutions: rhetoric and practice

In February 1979 the government issued a law to create the Sectoral Planning System. The new Housing and Human Settlement Sector (SVAH) included all the institutions related to housing, construction and related programmes, such as water and electricity supply (SESVAH, 1980:11). One year later, the Housing Minister declared that the Central Government did not have any control over the SVAH. The Minister explained that there was no institution which could enforce the law and develop projects in line with its principles and that the new secretariats did not have a proper budget.

Nevertheless, SESVAH prepared a series of proposals for a housing policy in line with the Minister's aims. SESVAH officials prepared designs and theoretical urban lay-outs for the new concept of 'human settlement', which included five to ten storey apartment buildings fully serviced, as well as sports parks, free areas, recreational sites, and commercial zones, and which were located on public land near main roads. However, other SESVAH documents suggested different financial schemes, with a lowering of urban standards to reduce the costs of land (narrower streets and less percentage of land on streets) and an increasing population density. They advocated the use of light industry and high technology to develop massive low-cost building projects (SESVAH, 1980:49).

On the basis of SESVAH proposals the Minister, with the President's support, gave a series of directives to his Sector's institutions. These directives tried to re-organize the Sector, to change the priorities and to assign tasks to each institution. They even tried to change the structure of the Housing and Urbanization Institute (INVU), created since 1954. To fulfil the Housing Minister's goals SESVAH proposed the "Immediate Action Plan". It designated state expenditures for 1980 and 1981 and defined as priorities the low and middle-low income sectors (though only families with enough income to pay for industrial solutions were included). This
general proposal was the origin of the main programme of the administration: the Housing Government Programme (PHG), which was declared by the Minister 'first priority' and which expected to receive financial support from government negotiations with foreign banks.

From the beginning of the administration different approaches were expressed, but a few months later these differences turned into a direct confrontation between the Minister and the presidents and directors of the main housing institutions. The Minister's directives did not take into account the programmes, projects and proposals of each institution or their contracts and commitments with international agencies. The directives ignored the institutions' hierarchy and traditional bureaucracy and also expected an almost immediate acceptance from private sectors and from the various political tendencies of the party in power, the Coalition Unidad. The response was in fact the opposite, with some institutions simply ignoring the directives. The institutions continued their own programmes and continued direct negotiations with international agencies, which did not support the Minister's policy and only gave money to support their own programmes and agreements. Internal confrontation became an open political debate when the president of INVU presented to the Legislative Assembly a proposal for a complete transformation of this institution, and therefore a fundamental change in the Housing Sector, without the Minister's knowledge and contrary to his directives. This was the last of a series of direct confrontations between the Housing Minister and the Presidents of INVU, IMAS and its Heads of Department.

INVU and IMAS continued with their projects which were realistic and had foreign financial support. The Director of Urban Department of INVU, for instance, suggested that the cost of building a house was five times the cost of providing a lot with services, so for the same price five families could be provided with a lot. He declared that it was necessary to change the minimum basic standards to reflect the economic capability of the country at that time. He also affirmed that through the use of self-help the government could save 50% of the costs (Silva, 1981:14-15). He directly criticized the Minister's and SESVAd's proposals. He declared that the proposal to eradicate tugurios was simply demagogy, because it was absurd to build fully serviced apartment buildings and expect that families living in tugurios could pay the mortgages. The Department's alternative was to give services and financial support to low-income families living in shanty towns so that they could improve their own shelters.

This proposal coincided with the views of advisers of the Organization of American States (OAS) working in the Planning Office (OFIPLAN). It also agreed with the perspective of USAID, the main financial supporter of self-help schemes, which also developed its own studies to support its programmes. By mid 1981 INVU increased its 'basic module' programme. It gave a lot with services and a basic structure (columns and roof) and the families had to finish their shelters and pay the costs through a mortgage contract. For this programme INVU received financial support from USAID and IDB, whose officials designed the whole package, including the interest rate, the repayments, and the period of repayments, the urban and housing designs and the responsibilities of the institutions (LA NACION, 07-06-81:4A).
These programmes were the only ones developed for low-income sectors, during the administration. Proper housing programmes were developed by Mutual Loans and Saving Associations for middle-income sectors. The Housing Minister’s proposals and SESVAH’s ideals remained only on paper.

(c) The housing deficit

Independent sources calculated the deficit for each of the years of the Carazo Administration. Table 2.1 shows the gradual increase in the number of houses built between 1977 and 1980, and then a sharp decline in 1981. However, the deficit grew rapidly during the period from below 60,000 in 1977 to more than 125,000 in 1981. There was no sign of house-building falling before the end of the period, but the population growth was accelerating far ahead of it.

<table>
<thead>
<tr>
<th>Year</th>
<th>Units built</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>16,872</td>
<td>59,946</td>
</tr>
<tr>
<td>1978</td>
<td>17,917</td>
<td>73,509</td>
</tr>
<tr>
<td>1979</td>
<td>17,939</td>
<td>87,050</td>
</tr>
<tr>
<td>1980</td>
<td>18,149</td>
<td>100,381</td>
</tr>
<tr>
<td>1981</td>
<td>12,546 [15,438(*)]</td>
<td>125,729</td>
</tr>
</tbody>
</table>

Source: TRIBUNA ECONOMICA May of 1983. #5, year one.

It was necessary to build 253,000 houses between 1974 and 1981, but the number built was only 127,000. The government action was obviously insufficient to improve the original situation, which was not critical (TRIBUNA ECONOMICA, May 1983, #5,1:4-5). However the situation deteriorated to a truly critical level during the four years of this first administration of the decade.

In 1980, the new Housing Minister calculated the deficit to be one hundred thousand. His declared goal was to “double or triple” the number of houses built annually between 1973 and 1977, which was eight thousand. The Minister’s figures indicated that the number needed per year was 12,000. By November 1980, IMAS officials said that the deficit was 125,000. In the AMSJ alone they estimated that the number of tugurios was 15,730 and that in the whole country 24,000 families lived in tugurios, huts or houses in a bad state. IMAS also estimated that many families rented small huts of cardboard, zinc and wood. At that time, some tenants also sublet

INVU recorded for 1981 a different number:15438 houses built. For all the other years INVU gave the same figure. INVU calculated the figure taking data from the ‘Anuarios Estadisticos’ of the ‘General Direction for Census and Statistics’ DGEC and corrected them by reference to its own calculation of houses built but not registered in Municipalities. Municipal registers are the basis for the DGEC information (Reported by INVU, April of 1989 Planes Operativos Cuatrimestrales). The sources of TRIBUNA ECONOMICA are also official, so there is no reasonable explanation for the particular difference that appears in the 1981 data, given that the rest of the figures are identical.
to make up their rent. IMAS officials said that even in INVU houses some tenants had to sublet to obtain up to 75% of the rent (LA NACION, 12-11-80:5A).

In May 1981, the Housing Minister gave to the Legislative Assembly these figures of the deficit in percentages (Table 2.2). Only 37% of the families located in low-income strata (low-low and low) had a standard house. Even if the percentage was higher in the 'medium-low' stratum, up to 40% of this group did not have a standard house and were classified as part of the deficit. The deficit adding these three groups of low income was around 93,000 and made up to 90% of the total deficit. If the general appearance was not critical, the situation of the three groups of low income certainly was.

Table 2.2. PERCENTAGE OF DEFICIT BY FAMILY INCOME STRATA.

<table>
<thead>
<tr>
<th>Strata of family income</th>
<th>low-low/low</th>
<th>medium-low</th>
<th>medium-high/high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>35%</td>
<td>38%</td>
<td>27%</td>
</tr>
<tr>
<td>Families with a standard house</td>
<td>37%</td>
<td>60%</td>
<td>80%</td>
</tr>
<tr>
<td>Deficit</td>
<td>57,776</td>
<td>35,078</td>
<td>10,317</td>
</tr>
<tr>
<td>Percentage of deficit</td>
<td>56%</td>
<td>34%</td>
<td>10%</td>
</tr>
</tbody>
</table>


Other figures from BANHVI for houses actually built during the last three years of the Government show a rapid reduction in house-building, which would only recuperate in 1984 (Table 2.3). These figures use data from the DGEC. These data do not show the kind of increase that the Housing Minister expected in 1980, but the whole period shows a significant rise compared to the previous four years. Between 1975 and 1978, data from INVU indicate that 63,565 houses were built, that is to say, an average of 15,891 per year. The same source shows 63,985 houses built between 1979 and 1982, which means an average of 16,246 houses per year, even though there was a sudden decline in 1982 when only 13,459 houses were built. This year (1982) shows the lowest annual figure since 1971 when only 12,000 houses were built, but 1971 was not exceptional for the 1970s.
Table 2.3 HOUSING CONSTRUCTION, 1980-1982.

<table>
<thead>
<tr>
<th>Year</th>
<th>Built</th>
<th>Expanded</th>
<th>Total</th>
<th>Built by INVU *</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>12,357</td>
<td>3,011</td>
<td>15,368</td>
<td>18,149</td>
</tr>
<tr>
<td>1981</td>
<td>10,448</td>
<td>2,733</td>
<td>13,181</td>
<td>15,438</td>
</tr>
<tr>
<td>1982</td>
<td>8,317</td>
<td>2,903</td>
<td>11,220</td>
<td>13,459</td>
</tr>
<tr>
<td>Total</td>
<td>31,122</td>
<td>8,647</td>
<td>39,769</td>
<td>47,046</td>
</tr>
</tbody>
</table>


* An special Department of INVU (Secretaría del Plan Estratégico) add data from DGEC and its own reports of houses built but never registered in Municipalities. BANHVI used data from DGEC only.

In fact the average of annual construction was gradually growing until 1980, even if the rise was not as fast as that of the population. The sudden decline of 1981-1982 was a complete change in the pattern, a return to conditions of the early 1970s. The total number of housing loans given by state institutions during the first five years of the period amounted to 65,000, or 13,000 per year. However, it did not mean that represented the number of new houses, because many loans were for extensions, for mortgage payments or to buy lots. Many 'solutions' that appear in official documents of this first administration were not really 'houses', but partial help for extensions or lots and new financial agreements between institutions and home owners. Many were also legalizations or proper deeds given to families that had invaded land since the previous decade. The number of housing 'solutions' provided by the SVAH rose during the first two years of the Carazo Government, though Valverde (1987:165) affirmed the contrary. In 1979 the number of loans was 120% of the previous year and the amount of money was 140% of 1978's figure. The number decreased in 1980, to a level only 75% of 1979's number, and this reflects the budget problems of the state institutions and the change in the conditions for loans.

INVU and IMAS were the institutions which dealt with low-income families. Their loans accounted for between 21.6% and 29.9% of the total number in every year from 1978 to 1981. In 1982 the general cut-back was very significant, as the total number of loans was only 78.5% of the previous year's which was also slightly down compared to 1980. In the case of INVU-IMAS the cut-back was even more intense: only 28% of the previous year. From almost 30% of the total amount of loans given in 1981, these two institutions gave only 10.7% in 1982. This meant that not only there was a decline in housing building, but there was also an exceptional decline among low-income families. The total actual amounts of the loans increased sharply along with the increase in costs of production, particularly of imports as a result of the sudden change in the exchange rate (Figure 2.4).
Table 2.4 HOUSING LOANS BY STATE INSTITUTIONS, 1978-1982.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Average sum in current colones</th>
<th>INVU-IMAS number</th>
<th>INVU-IMAS % of the total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>14,105</td>
<td>52,200</td>
<td>3,343</td>
<td>23.1%</td>
</tr>
<tr>
<td>1979</td>
<td>16,850</td>
<td>61,000</td>
<td>3,637</td>
<td>21.6%</td>
</tr>
<tr>
<td>1980</td>
<td>12,742</td>
<td>78,000</td>
<td>3,350</td>
<td>26.3%</td>
</tr>
<tr>
<td>1981</td>
<td>12,495</td>
<td>86,600</td>
<td>3,738</td>
<td>29.9%</td>
</tr>
<tr>
<td>1982</td>
<td>9,805</td>
<td>107,100</td>
<td>1,052</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

Source: Own elaboration base upon data from ILPES-OFIPLAN Franco and León (1983:tables 2 to 5).

However IMAS and INVU had different processes. IMAS almost doubled the number of its loans between 1978 and 1979 and the number rose again in 1980. The figure fell sharply in 1981 and 1982 when the total budget of the institution came to almost nothing. INVU shows a pattern of reduction from 1976. From 1978’s figure of 2,238 loans, the number fell to 95% of this figure in 1979 and to 82% in 1980. But in 1981 the number of loans rose abruptly to 117% or 3,362 loans. The amount of money that year was 207% of the amount in 1978. This shows how the available financial support for low income sector became concentrated in INVU rather than IMAS, and also shows the importance of those institutions whose Presidents had at that time strong public confrontations with the Housing Minister and SESVAH officials.

There were not the same patterns in the different institutions of the Housing Sector (SVAH) or in the various institutions of the Housing Financial System (SNAP). There were very important differences in relation to their different programmes and external or internal agreements and long term contracts with private companies. The SNAP gave only 2,238 loans per year between 1974 and 1977 and gave an average of 3,805 between 1978 and 1981, but in 1977 gave 3,381 and in 1982 only 1,482. The number of loans increased to 123% in 1979 (from 1977=100), but then decreased to 105% in 1980, to 94% in 1981 and to only 41% in 1982.

As a whole the SVAH was cut back significantly in 1980, stayed about the same in 1981, but then was cut back again in 1982. Even so, its involvement was much higher than under the previous government. The Carazo Administration gave over one thousand loans more per year (on average) than the Oduber Administration (1974-1978) contradicting with the interpretation of Valverde (1987:163). These increases in the government’s involvement in housing, and particularly in giving financial support through state institutions for private companies to build houses or for the families to buy lots and build by themselves, reflects the new role that housing had as an element in social policy. It changed substantially and became a central area of social policy, even under sharp cut-backs in public expenditures. However, the original rhetoric of the Housing Minister and particularly his predictions never became reality.
(d) Sites and services programmes

The programme of 'sites and services' originated in the early 1970s, as part of the Alliance for Progress. The first project of INVU was a 'pilot scheme' located west of the AMSJ, using its own funds and financial support from the Popular Bank. INVI developed between 1971 and 1973 a programme called 'basic solutions', but decided to stop because of lack of financial support (Aguilar, 1987:76-79). During the Carazo Administration this programme began again with various projects controlled by INVU and other institutions of the SVAH.

The main programme was called 'Urban Programme for Jobs and Community Improvement', organized and controlled by USAID officials who worked as advisers to INVU and the National Direction for Community Development (DINADICO / Dirección Nacional de Desarrollo Comunal). It was also known as the 'Urban Development Programme' (PDU). This programme expected to work for three years in 93 barrios of tugurios located in 13 districts of the AMSJ. It was designed in 1975 to begin in 1977 (USAID, 1976). Coordination problems delayed this programme, and so it began during the Carazo Administration, when it was approved by decree. In 1980 the PDU was the main priority of the government housing policy. It began studying 108 dilapidated sites of the AMSJ, but by the end of that year the programme had only established projects related to jobs and small industries. In order to continue, INVU had to put in its own resources due to delays in the bureaucratic procedures for buying land. The legal process of buying land by INVU took many months and finally became subject to a legal dispute after a series of unsuccessful auctions. The PDU spent most of the time of the Carazo Administration on basic studies of the sites without actually starting housing projects.

IMAS had a similar programme: the 'Community Companies Programme' which began in 1975 and became an electoral tool of the Oduber Administration in 1977, so the new administration changed its name and the institution responsible for it. This programme received 80 million colones from central government to develop 20 projects. However, the resources did not coincide with the programme calendar and lack of coordination put the whole programme into jeopardy. Its director resigned and denounced political pressures that changed the priorities, sites and calendar of the original programme (Ortiz, 1981:19-22). This programme never really began to build houses and only used some of its resources to help partially in some previous programmes of self-help developed by IMAS.

On the same day that the President announced the creation of the SVAH and the appointment of the Housing Minister, he also launched a new programme to eradicate shanty towns all over the country: the 'Programme to Rehabilitate Barrios' (PRB) which would be a central element of the social project directly controlled by the Presidency. It was a programme to improve conditions of shanty towns and land invasions. It offered basic services such as water supply, transport, electricity, building materials and legal tenure. It would be based upon the families self-help and community organizations which had to establish direct contact with a special office in the Presidential House. The presidential office to rehabilitate barrios would be the appropriate place for families living in dilapidated sites or in illegality to go for help (SESVAH;
1980:50). This was a programme to deal with critical cases and to avoid public unrest or political instability. Instead of staging demonstrations, the families had only to appoint representatives and establish contact with this office in the Presidential House. The PRB grew very fast. At the beginning it appeared as a small traditional programme under the control of the 'first lady', a typical charity programme for the poor. But, in a few months it grew and became the most important programme of the administration related to housing for low-income families. The PRB began with 30 barrios by mid 1979 and without financial support. One year later it controlled 50 barrios, particularly in the AMSJ (PRB, 1980:5). Few months later the whole office was transferred to IMAS and continued growing up to the end of the administration. It replaced PRECO, PROVIS and the PDU. Its director became the President of IMAS and her charity programme became the housing policy -in practice- of the whole administration.22

From the beginning the programmes of lots and services were never developed in line with their timetable and goals (Aguilar, 1987:72). On the contrary, they had three basic features: a selection of families by political pressure, sudden changes in financial conditions and total dependence on decisions taken by foreign financial agencies. This led to constant negotiations and constant pressure, with resignations of directors and changes of programmes or institutions. Sometimes it also meant the resignation of foreign officials (of USAID), under government pressure (Madrigal, 1989). There was never complete agreement between local and foreign officials about the dilemma between the relative importance of actually building something or simply providing lots with services. The PND was a compromise in which the USAID agreed to build a small basic structure and to give financial support to families with a percentage of subsidy that was higher than its original proposal. At the same time INVU and IMAS agreed to increase the interest rate for the lots with services programmes obtaining USAID financial support. However, the debate about the need of to build a proper house in line with traditional Costa Rican standards continued during the whole administration. The traditional bureaucracy agreed that it was not possible to build average houses fully serviced, or much less, the five or ten storey buildings of the SESVAH schemes. But, they would not however countenance the building of lots without services or basic urban lay-out, roads and proper water and electricity networks with individual connections in each shelter.23

B. 1982-1986, the Monge-Alvarez Administration

(a) Proposal for an 'integral' policy

The electoral campaign of the new President relied upon strong criticism of the previous administration, its failures and the sudden impoverishment of the population. The criticism was concentrated on the economic crisis, but also on homelessness and the lack of centrally organized and coordinated housing programmes. Among the National Liberation Party (PLN) groups there was agreement about the critical situation, the scale of the deficit and the institutional vacuum. However out of the electoral debate there emerged contradictory proposals for an integral housing policy.
President Monge had expressed from 1981 the direction of his future policy:

"It is necessary to have special plans for low-income families (65% of the population) and particularly for the extremely poor (10% of the population). (...) While a self-help programme could help, particularly for the poorest living in tugurios or rural zones, the only way to solve the problem would be massive construction based upon financial plans on a national scale. (...) Private companies would provide the most efficient way to produce houses, but with financial support from the State. With an integral housing policy the cost would be reduced through the industrial production of houses. Industrialization and appropriate financial systems must be the basis for a National Housing Plan" (Monge, 1981:100-101).

However, President Monge's Housing Sector team had a different approach. When the programmes and projects emerged there were various contradictory suggestions. The National Development Plan 1982-1986, which was the government central plan set out the following:

"Because of the institutions' lack of resources and the families' low capacity to pay, a decision has been taken to develop programmes of progressive housing, 'lots with services' and self-help. These programmes and projects would be elements of a planning scheme, so that their results would be proper urban developments and not lots on which new owners would simply build dilapidated huts" (OFIPLAN, 1982:28).

During the electoral campaign the PLN established a section responsible for housing made up for two groups; one of professionals to prepare an integral programme and one of politicians to work with local and regional leaders. The latter had to mobilize the political support of the urban poor during the elections and to structure the development of new housing programmes. Both would work together during the elections and after their victory. They formed the Housing Section of the PLN and founded the Housing Democratic Front (FDV), a civil association to lead local committees founded to demand houses and government intervention.

The professionals, who also became members of the FDV directorate, designed a proposal which constituted the first integral housing programme; it never came into practice as a single plan but it was the basis for some of the innovations during the third administration of the period in 1987. This proposal emphasized the necessity of a deep change of perspective without the influence of the liberal economists:

"The radical economicism, without a human perspective, conceives of houses as merchandise, as a long-term good, as a non-productive commodity, sometimes even as a luxury. This perception has to change, houses have to become real productive elements of the economy. The concept of 'house-productivity' has to be developed. It is also essential to change the origins of financial support and the way in which the negotiations take place, as well as the way resources are distributed" (Bertheau et al, 1981:5-6).

The proposal suggested the constitution of a Housing Bank and a form of relationship between state institutions and private companies that was developed after 1987, but never came into practice during the Monge Administration (Bertheau et al, 1981:15-16).

During the first year every state institution of the Housing Sector prepared their own proposals. In addition to giving priority to low-income sectors, the institutions emphasized that INVU and IMAS had to continue as the main institutions of the Sector and needed special financial support to develop their programmes. The resulting strategy would be to increase the budget for housing and to improve services and infrastructure in dilapidated old barrios. The new projects would be developed by private companies using low-cost technology and materials. As an innovation the proposal included Municipalities as elements of the institutional network.
(MIDEPLAN, 1983). The proposal for an 'integral housing policy' from the beginning of this administration was much more realistic and complex than the proposal of SESVAH for the previous government, but it never had financial support.

From 1982 the financial crisis deepened and the new government decided to cut even further the social programmes budget, which meant that institutions could only continue their basic programmes of 'lots with services' based upon direct foreign support. The PLN's electoral commitments with its own housing section led to a conflict inside the party and the government. National, regional and local leaders of the PLN put pressure on the institutions to develop more and better housing projects, but the response was always a few lots with or without services. Only a few months after May 1982, when the administration began, many new community groups had been founded and even the FDV (founded by PLN deputies elected during the last campaign) organized demonstrations and justified new land invasions.

(b) Emergency as an alternative to policy

President Monge issued a decree of 'emergency' in January 1983, and appointed a "National Council for Housing" directed by the Presidency and made up of the Presidents of the five institutions that formed the Housing Sector. This new Council would include also representatives of private companies and of "community groups organized for housing improvement". It would receive special financial support from the Special Fund for National Emergencies and would have special bank accounts to receive donations and transfer from national or foreign agencies. This Housing Council never developed an integral programme for the whole group of institutions, but each one remained isolated and controlled by their directorates and Executive Presidents. The Council's only achievement was a new programme of 'lots with services' which became a central element of INVU's programme. The old bureaucracy, under a new executive president, continued with their projects and tried to obtain new financial support from the emergency fund, but never accepted external control from a central council.

In 1982 the President of INVU defined that programme:

"This programme gives solutions to the low-income families. They will receive a lot fully serviced and build their houses by themselves. They will have professional advice from INVU and the new technology of 'cement-soil', recently developed, to build a low cost shelter with efficiency. Each lot will have water supply, electricity and sewers and the projects will have proper lay-outs" (LA REPUBLICA, 24-09-82:3).

At the end of 1982, the President of INVU condemned the conditions that external agencies attached to their financial support and declared that they did not allow the creative development of new solutions. She asked for a new kind of support in local currency and without conditions. Also she asked central government to simplify the extremely bureaucratic procedures, for example for buying land and making contracts with private companies (LA NACION, 25-09-82:15A).
The funds promised in 1982 were never actually allocated and the new programme of INVU was always very small in the face of sharply increasing demand. New land invasions all over the AMSJ took place during the elections and in the first months of the new government. These were partially under the control of the FDV but many were independent or led by left-wing political parties (SEMANARIO UNIVERSIDAD, 28-05-82). In July 1983 the Vice-President announced a new decree of emergency which reflected the critical situation and the government's concern to avoid social unrest rather than any interest in developing an 'integral housing policy':

"Without a strong national effort there could be a social explosion at any moment which would destroy the country's stability and democratic system. The programmes to alleviate social problems are only basic justice and allow the defence of national institutions. Already there have been some cases of street violence, some spontaneous and others provoked by political agitators, but all of them are social explosions that have to be stopped" (LA PRENSA LIBRE, 08-06-83).

Through emergency decrees particularly for housing the government began an attempt to create national stability and social peace. The Government did use the police to repress political opposition and particularly left-wing groups that organized community groups or led demonstrations and land invasions. At the same time, however it began to allow organizations controlled by the PLN to develop land occupations on public land. This had a number of consequences:

1. The real needs of the population began to be solved by means of the distribution of public land that was bought with special emergency funds.

2. Through the FDV or FCV the process of urbanization was accelerated, avoiding the bureaucratic procedures of land purchase or urban development.

3. The basic conditions of USAID and other foreign agencies were avoided, given that this informal emergency procedure allowed high subsidy, unlike those of the agencies.

4. The process did not require financial support for institutions and gave the government new popular support, which was expected to be also future electoral support.

Through emergency decrees the government distributed public land and relocated small land invasions and old shanty towns on large public lands. Special funds gave the families basic conditions, such as stand pipes, electricity and basic food and medicine. The large amounts of money announced by the ministers and the Vice-President were never actually granted, but they gave the government credibility and encouraged the families to restrain their activities and to try to negotiate to obtain land as far as possible.

Meanwhile, INVU tried to obtain new financial sources through new laws, even though its directors knew that this was only a partial answer. House-building was reduced to 'basic solutions' by INVU which depended almost entirely on USAID funds. Proper houses continued to be built by private companies with financial programmes from Loans and Savings Mutual Associations, but only for medium to high income families, given the high interest rates and conditions of these loans. The INVU President established agreements with housing groups to gain their support in her pressure for more resources, particularly, to obtain 3% of the Central Government Budget. The INVU President said that without that level it was impossible to develop
an integral policy or address the basic needs of the housing sector (SEMÁNARIO UNIVERSIDAD, 11-03-83).

Some professionals and foreign experts denounced government practice (Delucchi, 1983:6) because of the dilapidated conditions of the new sites. The first "National Congress for Housing" which was created by one of the first emergency decrees as a forum for housing issues, also declared that this type of self-help programmes, under the control of organizations linked to the PLN, only contributed to the deterioration of urban conditions and manipulation of the people in need (CONAVI, 1984:resolutions). This Congress gave as an alternative a scheme of 'integral policy' similar to the original proposal of the FDV professionals, but this was never put into practice during the last two years of the government.

(c) Housing construction and the housing deficit

During the first six months of the government, as is usually the case, the institutions continued their normal programmes and many were simply stopped due to lack of funds. The government's perspective and practical proposals were given months later by the Vice-President. In February 1983 he said that 71% of the people lived in poverty, 57% were homeless or lived in overcrowded conditions, the housing deficit was 104,000. The Vice-President explained that 26,000 houses had to be built each year for four years and calculated that the cost would be three billion colones. The government planned to invest 1,250 millions in low-cost housing during 1983, 1,000 million through INVU and the rest through IMAS. He expected also that the government could provide 10,000 'solutions' including 'lots with services' and loans for repairs, reconstructions, expansions or purchases of land (LA PRENSA LIBRE, 03-02-83).

A few months later IMAS announced its programmes for 1983 and 1984. The IMAS Director of Housing declared that during the previous three years there had been an alarming growth in shanty towns. Since 1981, when IMAS had estimated the existence of 30,000 shanty dwellings, the increase had been 66%. He claimed that in 1983 at least 50,000 families were living in tugurios.

With the new offer of financial support IMAS expected to build 3,797 houses in 1983; so far by April of that year IMAS had only received resources for 552 houses. The new offer of 250 millions colones, from the Vice-President, would be used to build the remaining of 3,245 houses. The plan was to use one hundred million in the AMSJ to build 1,750 houses or 54% of the total for the year.28 Obviously, the highest expectations of IMAS were only a fraction of the needs that IMAS itself calculated. However, the reality was even worse when the offer of financial support was not fulfilled. A few months later the Vice-President gave a new speech offering only 350 millions to INVU (instead of 1,000 million) but the same amount (250 millions) to IMAS. At the same time, the INVU President said that the Housing Sector was not able to function, not only in the public sector, but also in the private sector, due to lack of financial support and high costs. High-ranking officials agreed that during 1982 less than 5,000 houses were built (LA PRENSA LIBRE, 08-06-83).
In 1983 the DGEC calculated a deficit of 220,000 houses (MIDEPLAN, 1983). This was almost double the figure that the government expected to build. The IMAS Director of Housing estimated that the deficit including the number of overcrowded 'average' houses amounted to 226,386 units. INVU estimated 237,000 (Delucchi, 1983:5). This meant that around 57% of the population needed some help to improve their conditions which were below official normal standards. Other sources agreed about the critical situation of the sector:

"The National Bank System reduced its investment in housing: from 6,097 in 1978 to 1,884 in 1981 (reduction of 69%). INVU reduced its investment: from 2,978 in 1978 to 1,977 in 1981 (reduction of 31.3%). The rest of the Public Sector also reduced its investment: from 10,509 to 5,784 during the same period (reduction of 50%). At the beginning of 1983 there were 6 projects of lots and services in the AMSJ with 3,460 lots given, but the costs were very high: 19% interest rate, short terms and only for families with incomes above five thousand colones" (In 1983 one US$=48 colones)(Ramirez and Vargas, 1984:17-22).

In September 1984 the Government announced its plan for 1985: to build 15,000 houses with an investment of 5,000 millions colones. In October of 1984 the Government announced yet another massive plan to build houses. It expected to build 20,000 houses. Vice-President Aráuz called this plan the "Consolidated Housing Plan" and said that there would be 1,500 million colones made up of contributions from various institutions. A new Housing Minister would be appointed and priority would be given to 16,000 families living in tugurios. The special Emergency Fund and other institutions would give 400 million to eradicate tugurios. He also explained that a new emergency decree would allow the use of many public lands and simplify procedures. The Vice-president Aráuz-Aguilar estimated that the deficit stood at between 100,000 and 125,000 houses (LA NACION, 24-10-84:8A).

In October 1984, the President of the Costarican Construction Chamber (CCC) reported that 80% of the homeless did not have the capacity to meet loan repayments and the other 20% would have serious difficulties. As they would not have guarantees for personal loans, they would need special programmes. He suggested 'lots with services' and self-help with the private sector building basic structures.

In February 1986, President Monge reported that the deficit stood at 100,000 units. This was the month of the elections and only four months from the end of term of office, so any new 'decree of emergency' to get extraordinary funds would be too late to change the pattern of his government. Officially the deficit grew from 105,000 in 1980 to 122,000 in 1985 (LA REPUBLICA, 06-08-85:3). The new programme planned for 1985 would in fact be just beginning when the Monge Administration finished in May 1986. During the last months, the period of elections accelerated some real emergency actions, different from any plan or programme announced by the Vice-President or the President himself.

The presidency negotiated with the civil association linked to the PLN to allow new land occupations and to relocate small shanty towns in bigger pieces of government land. Thousands of families therefore went to public land and built their scrap huts without any type of services, urban lay-outs or government help. Immediately some social institutions and the PLN candidates began to offer new programmes and housing projects to tackle the emergency.
However the quantitative result was not strikingly low compared to the previous government. Officially during the Carazo Administration 65,000 houses were built. Table 2.5 presents information from official sources for both the Monge Administration and the subsequent Arias Administration.

<table>
<thead>
<tr>
<th>Year</th>
<th>Built</th>
<th>Expanded</th>
<th>Total</th>
<th>Built by INVU *</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>8,787</td>
<td>3,205</td>
<td>11,992</td>
<td>14,460</td>
</tr>
<tr>
<td>1984</td>
<td>11,311</td>
<td>3,416</td>
<td>14,727</td>
<td>16,522</td>
</tr>
<tr>
<td>1985</td>
<td>9,471</td>
<td>3,041</td>
<td>12,512</td>
<td>14,681</td>
</tr>
<tr>
<td>1986</td>
<td>10,356</td>
<td>2,945</td>
<td>13,301</td>
<td>15,567</td>
</tr>
<tr>
<td>1987</td>
<td>13,021</td>
<td>3,481</td>
<td>16,502</td>
<td>15,638</td>
</tr>
<tr>
<td>1988</td>
<td>13,925</td>
<td>3,366</td>
<td>17,291</td>
<td>-----</td>
</tr>
<tr>
<td>Total</td>
<td>66,871</td>
<td>19,454</td>
<td>86,325</td>
<td></td>
</tr>
</tbody>
</table>


* A special Department of INVU (Secretaría del Plan Estratégico) add together data from DGEC with its own reports of houses built but never registered in Municipalities. BANHVI used data from DGEC only.

During the four years of the administration the total of all types of houses built amounts to 61,230. This is the most optimistic figure, including from 1983 to 1986. If the sum used the figures from 1982 to 1985, the total would be 59,122. These figures are based on INVU estimates, not on the figures officially recorded by DGEC, which are always less than the INVU ones (INVU, 1989:table 14).

The pattern is similar for all the financial institutions: after a deep decline in 1982 (only 13,459 'solutions') there is a progressive recovery up to a peak in 1984 (16,522), then a decline to 88% in 1985, and growth during the next two years to around 94% of the peak year. This means that the last year of the Monge Administration and the first of Arias show almost the same figure. The same pattern appears in relation to the 'solutions' given by INVU and IMAS, but then the latter only reach 1,935 'solutions' over the four years including all of its programmes. This figure is very low compared to the 3,797 planned for 1983 alone and absolutely irrelevant compared to the 55,000 applications that had accumulated by 1984.

The figures for INVU present a different situation. INVU did not reduce the number of 'solutions' but changed their quality. The figure for the whole Monge administration was over five thousand more than the total for the previous government, but the number of houses was less than half, while the 'financial support' grew to 144%, as shown in Table 2.6.
Table 2.6 HOUSING 'SOLUTIONS' BY INVU, 1978-1987

<table>
<thead>
<tr>
<th>Year</th>
<th>Houses</th>
<th>Financial support</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>1,869</td>
<td>1,275</td>
<td>3,144</td>
</tr>
<tr>
<td>1979</td>
<td>1,489</td>
<td>1,254</td>
<td>2,743</td>
</tr>
<tr>
<td>1980</td>
<td>1,190</td>
<td>1,166</td>
<td>2,356</td>
</tr>
<tr>
<td>1981</td>
<td>1,734</td>
<td>1,628 (6,282)</td>
<td>3,362 (11,605)</td>
</tr>
<tr>
<td>1982</td>
<td>52</td>
<td>817</td>
<td>869</td>
</tr>
<tr>
<td>1983</td>
<td>255</td>
<td>4,733</td>
<td>4,988</td>
</tr>
<tr>
<td>1984</td>
<td>2,065</td>
<td>3,920</td>
<td>5,985</td>
</tr>
<tr>
<td>1985</td>
<td>817</td>
<td>4,139 (3,189)</td>
<td>4,956 (16,798)</td>
</tr>
<tr>
<td>1986</td>
<td>1,033</td>
<td>4,137</td>
<td>5,170</td>
</tr>
<tr>
<td>1987</td>
<td>335</td>
<td>1,674</td>
<td>2,009</td>
</tr>
</tbody>
</table>

Total for each Administration appear between brackets.


These figures for 'financial support' included loans given to families in many 'lots with services' projects, but not the costs of more than ten thousand families living in the 'informal' lots and services projects controlled by FDV or FCV. These families also received some financial help from the emergency funds through IMAS or directly through FDV and the PLN.

The data show that during the first two years of the Monge administration INVU almost stopped building and that 65% of all its constructions were concentrated in the year 1984. But other programmes expanded rapidly in 1983 and continued with gradual changes up to 1987, when INVU was almost closed during the Arias Administration. The total declined strongly during the last year of the administration in 1985 and remained low in 1986 and particularly in 1987.

One month before the elections, when housing was the central issue, the government announced its final huge programme: seventy projects all over the country and 1,400 homes. Once again, the project would be supported by emergency funds and be under IMAS and INVU control. Each family would receive 100,000 colones and the community organizations would help to develop self-help programmes (LA NACION, 06-12-85:12A). It was obviously an electoral offer and began almost immediately but never reached the original figures.

C. 1986-1990, the Arias-Sánchez Administration
(a) Housing policy as an electoral promise
Apart from their electoral promises, the new government did not come to power with any programme for housing. It did not have a general policy outline, except for strong determination to find resources, re-direct resources and re-organize the whole SVAH. A new Housing Minister,
with clear political support from the President, began the new administration with a very heterogenous team made up of professionals, community leaders, old bureaucrats and some friends. They did not have a particular ideological framework, as did the first administration; nor did they have a series of programmatic proposals, as had the previous one. They did have a political will to build houses and commitments to both the construction industry and popular organizations. There were many proposals inherited from previous administrations and plenty of ideas from representatives of different sectors in the Housing Minister’s team, but the Minister did not have a general blueprint to integrate old and new ideas using the same old institutions, laws, bureaucratic procedures and financial restrictions.

The first action was an attempt to control the Housing Sector institutions, which had failed completely in the last eight years. At the same time, the minister tried to find new resources from foreign agencies, by trying new countries and sources. They had to prepare new legislation to reorganize the housing finance system and to set up new efficient procedures to speed up the process of decision making and the actual building process. The team began to write the proposal for the Law of the Housing Financial System which included the creation of the Housing Mortgage Bank.

During the electoral period the candidates of PLN had made agreements with popular organizations, not only with those linked to the PLN from their foundation, but also with former left-wing groups and independent ones. During that period and after the elections (the 'transition' months from February to May) thousands of families invaded or were allocated public land by government officials, popular organizations and candidates. Therefore, the first priority was to improve their conditions and start proper housing projects in those places. In addition, these organizations or the local ones created in the new sites, continued to have strong support and capacity and had their own representatives on the housing minister’s team. This team was the real power, and minister’s closest advisers, while the presidents, directors and traditional bureaucracy of the SVAH had nothing to do and nothing to say.

The electoral promise was to build 80,000 houses in four years, so the minister’s main goal was to fulfil that commitment, or at least to produce reasonable figures to maintain his credibility and extend his control of the major organizations. Building the first house of the 80,000, rapidly became an obsession, not only for the minister, but also for the President and, above all, for the thousands of families who had spent many months living in extremely dilapidated conditions. The electoral period and the dry season were over, so they needed improved roads, drains, water supply and transport almost immediately. Against this background, the 'directives' set up in the Housing Programme of the PLN (1985), written to criticize the absence of an 'integral policy', never came into practice. The PLN programme proposed actions that were completely impossible after the electoral period with the enormous land occupations and pressure from the popular organizations. Only the proposal concerning the financial system would be developed through a new law and institution.

The PLN main directives for housing were:
1. To integrate all the institutions of the housing sector under an integral policy in line with the National Development Plan. This means to strengthen INVU which would define policy in collaboration with the Central Bank, the Treasury, the Planning Ministry and the Ministry of Transport.

2. To design clear directives for a new financial system.

3. To transform housing into a productive activity through the reactivation of the construction industry and better distribution of wealth.

4. To build 20,000 houses per year, based upon the land reserves owned by INVU, particularly Guararí located south of Heredia, Yurustí located south of San José and Guarco near of Cartago. These reserves were created by the Monge Administration and constituted three big 'satellite cities' fully serviced. The Government would ratify loans with BID for INVU and ICAA for new housing programmes in Pérez Zeledón, Limón, Puntarenas and Liberia (PLN, 1985).

The PLN had defined as its priority low-income households and argued that homes should be built in the same areas where they lived, to avoid migration and uprooting (PLN, 1985). Under the administration low-income families did become a clear priority and housing was used to reactivate the construction industry, avoiding 'lots with services' programmes, emphasizing the use of high technology and building thousands of proper houses. However, the uprooting of families did take place since the electoral period and over-concentration in the AMSJ, where occupations of land reserves began in 1985, provoked new waves of immigration to San José.

Contrary to the initial proposal, INVU was never strengthened. The new housing minister tried to control it by appointing himself Executive President of INVU, but he did not have a specific plan and could not even obtain support to make SESVAH into a proper ministry. So, the ministry was never legally established and the minister continued to work through emergency decrees and from an 'executive secretariat', the SESVAH, created under the Carazo Government.

The proposal to use public land reserves and the proposal to avoid relocation of families were themselves contradictory. From the middle of the Monge Administration the FDV began to concentrate families into large public landownings. This continued after the election and in the first months of the administration, led by the housing minister himself. Many small shanty towns or tugurios and families affiliated to community organization from all over the Greater Metropolitan Area of San José were concentrated into a few large landownings.

The original proposal to build 20,000 houses was rapidly interpreted as 20,000 'solutions'. Furthermore, they were not to be built only by government institutions, but to include private constructions which could use loans from any institution of the National Financial System.

The traditional institutions continued with their programmes, while the housing minister and his team worked by decree and tried to find resources to begin projects in the land reserves occupied by thousands of families. INVU developed new projects of five-storey buildings for middle-income sectors and assumed responsibility for some of the new projects in land already occupied. Some areas were owned by INVU and it had already designed projects for low and middle income families. With the new changes these projects had to be modified for the families that occupied the land, most of whom could not pay the normal costs of INVU projects.
The Minister succeeded in his efforts to reorganize the financial system and to create the Housing Mortgage Bank, but he failed to obtain support to approve the Law of his own Ministry and to control or to change INVU and IMAS, not even being Executive President of the former.

The first formal programme of the new administration was the "Immediate Action Plan" (PAI) to deal with the urgent cases, which meant nearly all of the land occupations which had occurred during the previous three years. This first attempt showed that with all the bureaucratic procedures, legal barriers and controls, it would be extremely difficult to build thousands of houses as was promised within an acceptable timescale given the constant pressure from families living in tugurios and their organizations. In addition, the construction industry had suffered its worst recession in history during the previous years and needed immediate financial support to avoid its almost total disintegration.

This first programme provoked new confrontations between the new minister and the old bureaucracy and finally the former decided to develop his building programme within a new institutional framework, avoiding the traditional SVAH and developing strong links with the Housing Mortgage Bank and the construction industry.

(b) The crisis and the institutional response

INVU was in the most serious financial crisis of its history, and the difficulties that would be involved in changing its laws and internal organization to produce an efficient new institution were counter to the Housing Minister's goal to build 20,000 houses during his first year in government. The decision was taken to abandon INVU and to create, by emergency decree a new executive office to organize the programme and establish links with private companies, avoiding laws, controls and bureaucracy. The Minister's office, called Ministry of Housing (MIVAH), but without a legal existence, pointed out that:

"The rigidity, and sometimes the obstruction, of legal, administrative and technocratic structures became obvious. The formal institutions could not change to allow the informal sector access to housing. It was considered that the transformation of old institutions was not enough to develop the enormous programme that was on the agenda, as had been demonstrated with time" (MIVAH; 1989:5).

Traditional INVU bureaucrats reacted with open and strong criticism of the Minister and tried to explain the reasons why they failed to satisfy the minister's demands:

"INVU became a sort of mutual association that had to give social services. It received all the clients rejected everywhere. However, everyone expected efficiency similar to a private company. Most of the 'clients' could not pay for houses or loans with average conditions. In addition, INVU offered many services that could not be charged for, such as urban planning and controls on private developments. INVU has never been simply an institution to build houses."

The conflict continued up to the end of the administration. INVU never received sufficient financial support but it did not change its structures and constitution, even when it was taken over for almost two years. The proposal of the Intervention Commission was rejected because it reiterated that INVU had to be the main executor of housing policy and also take responsibility for the low-income sector. So INVU continued with some building projects for the middle-income sector.
sector, some traditional bureaucratic functions and a few 'lots with services' programmes, while the projects of PAI and others for the low-income sector were transferred to the new executive office created by emergency decree: the 'Special Commission to Eradicate Tugurios'(CEET), that a few months later became the 'Special Commission for Housing' (CEV).

The CEET would be the executive office of MIVAH, which did not have a legal existence in the technical sense. However, because CEET had been created through emergency decree, it could avoid most of the legal controls of government institutions. For example it could establish contracts, buy land and materials and actually develop complete projects of thousands of houses without major controls. The only control that remained was that of INVU over the subdivision of landownings for urban development purposes. This would cause a major problem for CEV to finish its projects and complete legal sales with every family through individual mortgage contracts. The CEET began in 1987 and rapidly became the most important institution of social policy in the Arias Administration. INVU and IMAS would be merely secondary offices that helped CEV to develop the projects. IMAS had almost disappeared during the Monge Administration and ran only a few self-help projects. It had given up working in the main land occupations organized by FDV in 1983 and those later ones of the electoral period. When the CEV was created, the initial decision was to give IMAS responsibility over rural projects, but these projects were also soon under CEV control.

The CEV Directorate was made up of the Housing Minister, the Managing Director of INVU and the President of IMAS, but it was really only an executive office with its own hierarchy under the direct control of the Housing Minister. Meanwhile, MIVAH was reduced to the minister's office, after its financial department was changed to BANHVI and its information department was changed to the Special Commission for Emergencies. The original funds for CEV came from the Emergency Commission, the Central Government Budget and profits of RECOPE and others and came to about one thousand million colones. These kinds of resources allowed CEV to be very efficient and to start dozens of projects simultaneously late in 1987. The political decision was to give high percentages of subsidy and to build first and then negotiate with families for individual contracts.

The sudden reactivation of the construction sector included every type of associated private company: marketing, developers, builders, materials producers, importers, retailers. Dozens of medium and small construction companies began to prepare projects to present to CEV. Local leaders and cooperatives prepared their projects, reached agreements with professionals to ask CEV for financial support and immediately start to build. Statistics for employment and production in the construction sector after 1987 show the enormous importance of the programmes, but it was not the institution of BANHVI that allowed this significant change in urban development and construction, as some authors have interpreted (Molina, 1990:44). It was the special irregular working conditions of CEV, its nearly one hundred projects and the lack of control over its finance system until the end of the administration. Additionally, in many projects CEV built only houses, not the whole infrastructure which had to be completed progressively by
other institutions. However, these institutions did not have the resources to attend to every project and only responded to popular pressure or during electoral periods.\textsuperscript{48}

In 1989, everything began to change when BANHVI assumed control of the financial system and even began to control the CEV. As BANHVI began to control the procedures it suspended CEV operations until the original projects completed their individual mortgage contracts to ensure the continuation of the financial system, as a consequence of which many projects were stopped. When the original emergency funds were exhausted and CEV had to use normal resources from BANHVI, its goals and programmes had to be changed.\textsuperscript{49} From 1989 CEV could not simply build houses, it had first to get legal permission to subdivide landownings into lots and to establish individual contracts with specific families or 'clients', who had to agree to and comply with the mortgage conditions. BANHVI stopped payments to CEV until the families living in new houses in those projects already finished signed mortgage contracts. The initial impact on construction was reversed. Many companies did not receive their payments and stopped building in 1989.\textsuperscript{50} To meet the BANHVI conditions the CEV had to change its structure and functions. During 1989 its major activity was to complete their formal agreements with families (‘formalizar’). Thousands of families were already living in their new houses but could not pay anything because they had no deeds or any type of contracts.\textsuperscript{51} BANHVI executives put pressure on CEV because the administration was coming to an end and they had legal responsibility for the resources already spent by CEV without any kind of formal control.\textsuperscript{52}

(c) Housing construction and the housing deficit

In 1986, when the new administration began the DGEC had published the new census figures carried out in 1984.\textsuperscript{53} This allowed a more precise approach to the real problems of housing. The census found 68% of houses to be in good condition and 23% in moderate condition from a total of 500,000 all over the country. As many as 90% had metal roofs and 60% had wooden walls. More than 36% had concrete or brick walls, which meant a better material but not necessarily adequate for regional weather conditions. There were almost 20,000 houses built with other materials, including 9,000 tugurios or only 1.8%.

However, the census reported that 25% of the houses had only one room shared by a family of five to ten members. 65% of the families were nuclear (a couple and children) and another 2% included one other member of the family, normally one of the grand-parents. 7.5% were extended families and 5.4% were made up of only one person. This means a very low level of overcrowding, because the average family had only 5 members, and most were two adults with children. The 1.8% of tugurios reported by the census (9,000 families altogether, 4,000 in urban zones) did not include the main shanty towns formed by land occupations in 1985 and 1986. In 1984 there were 3,200 tugurios in San José, almost the same figure as these new ones. The new Government said after the elections that 21% of the families who needed homes did not have the capacity to pay for anything, 40% could only pay for basic programmes ('lots with services'), 22%
could pay for basic houses (such as those of INVU or IMAS) and only 17% could pay for a normal mortgage from the Banks of Mutual Associations (LA NACION, 23-02-86:6A).

MIVAH estimated that in 1986 the deficit was 130,000, that is 25% of the national stock estimated at 509,000 units. From that figure 90% were houses in 'bad' conditions incapable of repair and the remaining 10% was the number of houses needed to get rid of overcrowded conditions. Dilapidated houses were 22% of the national stock, which amounted to more than 100,000 most of them (76%) in rural areas (MIVAH-Memoria, 1989:3). In September 1986 the government reported a new figure for the deficit: 218,000, which was used by the Deputy Housing Minister to create pressure for the approval of the new Housing Bank Law (LA NACION, 27-09-86:6A).

Out of the figure which was given during the elections of the houses to be built (80,000), 17,000 were expected to be built by private owners. Another 33,000 were to be financed by banks of the National System (SBN), Mutual Association (SNAP), INS or CCSS at normal interest rates. This means that at least 50,000 would not be for low-income families (Lara and Valverde, 1986). At the end of the first year the government reported a figure for houses built that was obviously false. The official report said that state institutions had already made more than 20,000 financial transactions, including 5,830 by INVU and 2,339 by IMAS. This was improbable, given the financial problems of these two institutions. Later, it was also contradicted by new official figures. Years later INVU would report 5,170 'solutions' in 1986 and 1,033 in 1987, which totalled 7,179 over two years with a sharp reduction in 1987 (INVU, 1989). Out of this figure only 1,368 were proper houses, and it was much less than the minister's figure.

During the first year MIVAH began only a few projects and continued some started years before which concentrated families on already occupied public land known by the people as the 'precarios'. The Executive President of INVU reported in May 1987 that 4,300 families had been relocated on INVU owned land to start a self-help project (LA REPUBLICA, 23-05-87:7). In 1987 CEV started nearly one hundred building projects, including the thee major 'precarios' and gave the Minister something to report. In February 1988 the Housing Minister announced that more than 35,000 houses had already been 'built and given' and so the deficit was now only 95,000. However, this was also false, because the figure was for the number of financial operations during the last 21 months, so most of them were not houses and it was absurd to say that they had been 'built and given' to the families. Months later, during his official annual report to the Legislative Assembly, President Arias said that 42,000 houses had been built. As a result, opposition parties made a detailed field research to locate and confirm the President's figure. This research demonstrated that the figure was also wrong, because the exact number of houses built by state institutions was only around 6,000, and together with all the other financial institutions, the number of financial operations was 26,000. MIVAH's official report said that 15,000 families had been provided for by its programmes between May 1987 and May 1988 (MIVAH, 1988:2). In May 1988 the political decision had been taken to provide thousands of families, but the projects were only starting, contrary to the Minister's proclamations.
In June 1988, one of the major housing organization, a former left-wing group called COPAN, undertook detailed field-work to find out how many projects and houses had been built and the stages of projects’ development. They asked MIVAH to report the addresses and conditions of all the projects. Their research revealed that out of the 28,000 houses that MIVAH reported, less than 4,000 houses had been completed. There were only 25,892 new electricity users and 23,662 new water users, but 80% of the families living in tugurios had individual connections. COPAN established that there were at least 14,000 tugurios, half of them in the two main precarios of San José (Los Guidos and Metrópolis). COPAN estimated that during the first two years of the Arias Government less than 15,000 houses had been built (Trejos, 1982; Amador and Iglesias, 1988:74).

The INVU figure for 'new houses built', including public and private sectors for the years 1986 and 1987, was 31,295, of which 57% was built by the private sector alone. Half of these did not even use resources from Mutual Associations (which received BANHVI funds) (INVU, 1989:table 15). In December 1988, the government reported that 50,000 houses had already been built and that another 30,000 were in the process of development. MIVAH also reported that the houses damaged by Hurricane Joan had been rebuilt (LA EXTRA, 23-12-88:3). This information contradicted official information from BANHVI, which reported that between 1986 and 1988 -including six months of the Monge Government- there had been 47,000 financial operations, of which 37,000 were for new houses, the rest were for expansions. The Minister’s figure was almost twice the figure from of BANHVI, in spite of the fact that the Minister was President of the BANHVI Directorate (BANHVI, 1990: series 35 to 40).

MIVAH continued to pursue its original goal using wrong data. Its annual report for 1988-1989 (MEMORIA, 1989) said that 60,000 houses had been completed. The report said that the CEV alone had built 4,902 houses. It was the electoral period once again, so the opposition strongly criticised this report. This figure was in fact unbelievable. The official figure, given to the media in January 1990, was 76,858 houses built between May 1986 and December 1989. The report said also that 15,000 more houses were under construction and would be finished before the elections. In January 1990, one month before the elections, MIVAH gave the magic figure: 805,448 houses, the original goal had been reached!

The conditions in the field were different. While some few projects had been completed with standard infrastructure and full community services (electricity and water, pavement roads, public transport, schools, etc); most were unfinished. Many projects had dozens of houses half built and no infrastructure at all. Many had complete infrastructure, but not houses. Some continued to have dirt roads, illegal electricity and makeshift water networks (individual connections). A few projects had only started in 1989, while the families that occupied the land since 1986 or 1987, still used stand-pipes and were still living in scrap huts built shortly after the occupation. They still used dirt latrines and did not have any community services. As a whole, there were almost 8,000 houses in process of construction and another 7,000 programmed, but still not initiated. CEV only built about 7,000, which was much less than the number originally
planned: 18,000. In addition, most of these were built in the main precarios, so they did not have basic infrastructure and many were still in process. CEV officials estimated that they would finish between 10,000 and 13,000 by May 1990, when the administration was due to end. They also said that CEV could continue building 4,000 per year if they could revert to the original conditions, which meant emergency funds and no controls. A detailed analysis of official data shows that the financial operations with middle-low and low income sectors, come to less than 40,000. Those for low-income sector alone were less than 30,000 all over the country during the four years.65

BANHVI’s report on the operation of 1987 and 1988 shows a clear priority given to low-income families. Table 2.7 shows that more than 30% of BANHVI operations were for families who had less than a minimum salary, or less than US$200 of monthly income. More than 47% of the families had a monthly income of less than US$ 400.

<table>
<thead>
<tr>
<th>Income strata</th>
<th>Number of actions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than one minimum salary (ms)</td>
<td>1,478</td>
<td>30.1</td>
</tr>
<tr>
<td>from 1 ms to less than 2 ms</td>
<td>2,362</td>
<td>47.9</td>
</tr>
<tr>
<td>from 2 ms to less than 3 ms</td>
<td>910</td>
<td>18.4</td>
</tr>
<tr>
<td>from 3 ms to less than 4 ms</td>
<td>167</td>
<td>3.4</td>
</tr>
<tr>
<td>from 4 ms to less than 5 ms</td>
<td>9</td>
<td>0.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,935</td>
<td>100</td>
</tr>
</tbody>
</table>

Minimum Salary (legal) in 1988 was 17,316 colones (US$201)

Source: FOSUVI-BANHVI.

The constructive impact of the Arias Administration contrasts sharply with the 'lots with services' programmes developed during the Monge Administration and particularly with the abrupt reduction in investment of 1982, the last year of the Carazo Administration. However, the jump was not extraordinary in terms of the total number of 'solutions' during the whole administration. The final figure is not much higher than those reached during the previous three administrations. Even if the goal of 80,000 had been built, it is not much more than 63,000 (1974-1978), 65,000 (1978-1982) or 61,000 (1982-1986). More than 200 hectares were given for only four of the projects in San José. The government started projects to build proper concrete houses fully serviced to eradicate every old tugurio. However, at the end of the administration many new land invasions began and there were no new housing projects using emergency funds.
The overriding influence of finance

A. Prices and costs of available solutions

Between 1978 and 1982 income per capita in Costa Rica fell by about 20%, private investment fell by one half, per capita family consumption went down by 25%, unemployment rose to 24%. Public external debt quadrupled and the country broke its commitments with international agencies. The construction sector suffered an increase in costs of 400% and interest rates went up by 300% (PLN, 1985). Official data said that in 1982 51% of families had a monthly income equal to or less than 4,000 colones.*

By the end of 1981 a ‘social interest house’ in the city of San José cost approximately 150,000 colones. With the easiest financial terms (15% interest rate, a period of 20 years and repayments of less than 33% of the income) it would be necessary to have a monthly income of 6,000 colones to buy it. The official income structure of that time shows that 67% of the population earned less than that. Under normal market conditions (26%, 10 years, and repayments of no more than 33% of income) a family would need a monthly income of 10,400 colones to buy the same house. Almost 85% of families had an income of less than that (LA TRIBUNA ECONOMICA, May 1983, #5).

The Ministry of Planning (MIDEPLAN) analysis for the Government Programme 1982-1986 found that between 1980 and 1982 the percentage of low-income families rose from 41.7% of the population to 70.7%. In urban areas alone, it rose from 24.9% to 58.1%. Unemployment remained at a level which was not considered critical (9.1%), but in the ports it was very high (MIDEPLAN; 1983:Plan orientador based upon the National Development Plan 1982-1986). At the same time a series of reports found that housing costs increased 8.3% in 1979, 13.5% in 1980, 73.3% in 1981 and 81.0% in 1982 (LA NACION, 21-06-83:6A).

In January 1985, the ‘Popular Organizations National Conference’ brought together many local leaders to discuss local and national issues, particularly poverty and housing. They tried to determine the major problems and suggest solutions. Their evaluation said:

‘Poverty has grown during the last few years to dangerous levels. 150,000 families are now effected. At the same time 1.2 million suffer some problem related to housing. To solve this problem in four years, it is necessary to build 104,000 houses, that is 26,000 per year. In June 1977 the cost of the ‘Canasta Basica Salarial’ for a family of six people was 376 colones, in June 1982 the cost is 3,367 colones. This means an increase of 357%. During the same period the average salary increased only 122%’ (Encuentro, 1985).

The Retail Price Index for the construction of ‘popular houses’ changed from 125.3 in 1978 to 143.2 in 1979 and to 171.9 in 1980. This means an increase of 137% in two years. But, in 1981 the same index increased to 281.5 and it was 520.2 in 1982, the last year of the first administration of the period. The general retail prices index presents a similar pattern.

Figure 2.1 presents the indices for popular housing and for other goods. The house-price index increased sharply in 1981 and 1982. From the start of the second government until half

*US$ 468 using the official exchange rate, but only US$ 100 using the average ‘free’ market exchange rate.
RETAIL PRICE INDEX AND 'POPULAR' HOUSE PRICE INDEX, 1978-1987

Figure 2.1

COSTS OF CONSTRUCTION AND SALARIES 1980-1989

Figure 2.2

Sources: DGEC/BANHVI-FOSCV/INVL/MTBS
Own elaboration.
way through the third the rate of increase slowed down a little. The house-price index was always a little higher than the retail price index, which means that popular houses were becoming a more expensive commodity.

Figure 2.2 shows the indices for the prices of construction and salaries (average and minimum). During the period salaries increased very little. The average salary fell by 15% between 1979 and 1983 and only returned to the 1979 level in 1984, halfway through the second government. These basic conditions, high prices and low salaries, strongly reduced the real demand for houses. Only with high subsidies could a state programme of proper houses succeed. However, the political decision during the first two governments was to lay out resources only under standard financial conditions, which meant, short periods and high interest rates. The index for the construction sector rose continuously from 1980, when it was already almost impossible for low-income families to pay for a house under standard financial conditions.

In August 1983 INVU expected to develop 9,000 'solutions' in self-help projects, but they already had more than 15,000 applications. At that time, out of every 25 applications INVU received, 20 were for self-help projects. But each family had to wait three years, on average, to get a lot in a self-help project. The government declared a national emergency and said 'it would not tolerate any more invasions', but many people could not pay or wait for INVU to give them a lot (LA NACION, 29-07-83).

B. Forms and origins of financial support

The SVAH institutions had their own budgets fixed by their constitutive laws. These budgets only allowed for a few building projects, because most of the money went on administrative expenses, such as salaries, maintenance of buildings, transport, etc. These budgets came partly out of the central government budget and partly from a special programme: the Family Allowances Fund. By the mid 1970s a first attempt to coordinate the SVAH institutions was the project called 'National Fund for Housing' (1974), but a strong opposition developed from the private sector because of its fear of new taxes, particularly on building materials, and the expansion of state building companies. They argued that the market was already extremely depressed, so an expansion of the state’s building capacity would ruin private companies (Valverde, 1987:107-108).

Ten years earlier, the Legislative Assembly abolished the article in INVU’s original law which required that 3% of the Central Budget should go to INVU. In addition INVU also lost funds that Municipalities had to give to the Office for the Metropolitan Area of San José, after a new law relieved the local governments of these payments (Salom, 1989). INVU had various programmes, including house-building, mortgage loans, savings and loans, 'lots with services', and self-help. Its funds came also from various sources, including specific taxes, transfers, loans, donations and permanent agreements with foreign agencies. The resources from the Family Allowances Fund had a special importance because they were very cheap. This Fund was the only government agency (apart from the Emergencies Funds) that gave resources without applying market
conditions. Its allocations were virtually donations, with a very low interest rate and a very long period, in effect a very high subsidy.

At the beginning of the period the Central Government almost cancelled its normal transfers to INVU, and nearly 80% of INVU’s budget came from the Family Allowances Fund. In 1980 the government gave new funds to allow INVU to survive, but the transfers were reduced again at the end of the first government (Table 2.8). Set against the enormous growth in prices, a small increase in current colones meant a decrease in real terms. At the beginning of the Monge Administration INVU was on the verge of bankruptcy. It needed emergency funds and a complete administrative reorganization to survive.°°

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Emergency (++)</th>
<th>Balancing entries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>28.9</td>
<td>22.6</td>
<td>-----</td>
</tr>
<tr>
<td>1980</td>
<td>69.1</td>
<td>22.5</td>
<td>-----</td>
</tr>
<tr>
<td>1981</td>
<td>114.3</td>
<td>21.7</td>
<td>-----</td>
</tr>
<tr>
<td>1982</td>
<td>151.4</td>
<td>6.7</td>
<td>-----</td>
</tr>
<tr>
<td>1983</td>
<td>431.3</td>
<td>47.3</td>
<td>226.7</td>
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<tr>
<td>1984</td>
<td>433.2</td>
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<td>226.7</td>
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<tr>
<td>1985</td>
<td>301.7</td>
<td>80.0</td>
<td>78.7</td>
</tr>
<tr>
<td>1986</td>
<td>481.2</td>
<td>83.4</td>
<td>121.0</td>
</tr>
</tbody>
</table>

(+) Millions of current colones (++) From 'Family Allowances Fund Programme'.

In 1980 and 1981 INVU received funds from other autonomous institutions, such as the oil refinery (RECOPE). In 1982 a special law and a new programme with foreign resources provided new funds. From 1983, the central government had to give 'balancing entries' as a counterpart to foreign loans and donations from IDB and USAID. These balancing entries became a major source of resources for INVU for the rest of the decade. Table 2.9 shows how from 1984 the emergency funds were once again a main resource, during the second part of the Monge Administration.

The low importance of housing at the beginning of the period is shown by comparison with other areas of social policy, such as education, health and social assistance. Obviously, housing was not the first priority or even the second. Table 2.9 shows that Education, health and social assistance received much higher percentages of the Central Government Budget. In addition, in the case of health the figure only includes the Health Ministry and not the Social Security Fund which is an 'autonomous institution' with its own funds.°° Throughout the decade 'education' always took first priority while 'health' lost its relative importance for the central budget. At the same time 'assistance' increased its percentage of the budget. This meant that some
health services were cut, while direct financial help to very poor families increased and 'housing' had a changeable pattern. From 1980 to 1982 there was positive growth in the housing budget, particularly in relation to the Central Budget as a whole, which fell sharply during the same years. While the housing budget grew by 194%, the central budget as a whole was cut by 32.1%. Much of the increase was connected with the Programme to Rehabilitate Barrios which was directly controlled from the Presidential House. However, the traditional housing institutions suffered sharp reductions in their budgets and allowances from central government. In 1977 official data estimated that investments from state institutions as a whole reached 485 million colones (constant base=1976), but by 1981 they had fallen to 250. This was a cut of 48.5%. From 1983, with the new government, the situation deteriorated sharply. There was a sudden increase in the whole Central Budget but state investments in housing declined almost to nothing. This downward pattern for housing changed only with the third administration.

<table>
<thead>
<tr>
<th>Year</th>
<th>Housing</th>
<th>Education</th>
<th>Health (+)</th>
<th>Social Help</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Annual change</td>
<td>% Annual change</td>
<td>% Annual change</td>
<td>% Annual change</td>
</tr>
<tr>
<td>1980</td>
<td>0.3</td>
<td>27.3</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>1981</td>
<td>1.3</td>
<td>194.0</td>
<td>-32.1</td>
<td>9.5</td>
</tr>
<tr>
<td>1982</td>
<td>2.7</td>
<td>112.5</td>
<td>-24.6</td>
<td>33.4</td>
</tr>
<tr>
<td>1983</td>
<td>0.2</td>
<td>-15.7</td>
<td>71.1</td>
<td>21.3</td>
</tr>
<tr>
<td>1984</td>
<td>0.1</td>
<td>-27.8</td>
<td>20.2</td>
<td>20.6</td>
</tr>
<tr>
<td>1985</td>
<td>0.5</td>
<td>-59.1</td>
<td>-21.8</td>
<td>22.2</td>
</tr>
<tr>
<td>1986</td>
<td>2.6</td>
<td>469.6</td>
<td>23.6</td>
<td>19.6</td>
</tr>
<tr>
<td>1987</td>
<td>2.6</td>
<td>6.9</td>
<td>-7.4</td>
<td>21.6</td>
</tr>
<tr>
<td>1988</td>
<td>4.4</td>
<td>75.1</td>
<td>5.11</td>
<td>21.1</td>
</tr>
</tbody>
</table>

Three other areas are absent: Community Development, Employment and Economic Regulation. (+) The budget of the Social Security Fund (CCSS) is not included. (++) Total changes of the Central Government expenditures.

Source: BANHVI-FOSUVI -1989- Based upon data from the Contraloría General de la República.

In 1980 when SVAH was created, the government found extraordinary resources to finance the Mutual Associations and institutions of the SNAP. For INVU (the PHG) the government originally allocated 512 million colones (US$60 million) from a loan by the Deutsch Bank, but it was never given to INVU. In 1980, INVU established an agreement with USAID. This agreement was originally for US$ 11.4 million, but INVU received only US$ 8.4 million. A new offer of a donation from USAID, for 65 million colones to build 3,500 'solutions' between 1981 and 1986, was never fulfilled. INVU only received some basic funds to begin the 'Programme for
Urban Development' (PDU) and then it had to get a new loan from BID (for 17.3 million colones in 1983) to continue with this programme (Aguilar, 1987:91).

The original proposal of the first housing minister was that 54% of the extraordinary funds would be used by INVU in low-income housing programmes and 37.5% would be given to the Mutual Associations, but the priorities changed. The minister realized that without financial support the Mutual Association System would go bankrupt, so he decided to give US$ 25 million to these associations for middle-income housing projects built by private developers. Because of the increase in costs the Mutual Associations lost most of their market and because they had fixed interest rates during their first years they lost their capital:

"The index for housing increased 54% in 1982. The retail prices index increased 81.75% and the general prices index grew by 79.11%. So, the interest rates (active and passive) fixed by the Central Bank at around 30% were negative. It was worse if the interest rate was 18% (as were those of the CCSS), but even the Mutual Associations (SNAP) which charged 30% or 33% had negative rates" (Franco and León, 1983:19).

Originally 67% of the funds were assigned to low-income families, but at the same time the conditions for mortgage loans were changed. The institutions raised the minimum payments that they would accept and thus the higher level of income. More families with higher incomes were accepted and so the funds went in a greater proportion to middle-income families. The Ministry of Planning in its evaluation for the second government found that:

"Almost all the funds of 1983 were directed to supply the demand of the middle and high income families. Low-income families were not really a priority" (MIDEPLAN; 1983:4).

Some extraordinary funds were used also to finance the PDU, which was a programme of USAID and not only for housing. Some delays in the USAID procedures halted the initial steps of the programme, so the Minister agreed to use 20 million colones to support the original basic studies of this programme. By mid 1981 INVU announced that it did not have any more resources for its housing projects or to pay salaries, because at that time it had received 21 million colones, which was only 14% of its total budget for 1981 (LA NACION, 26-05-81).

During the first years of the first administration the liberal economists concentrated their activities through the Central Bank (BCCR). Extraordinary housing funds had to be deposited in the Central Bank and then distributed in line with economic and political decisions, but the Central Bank officials always had a strong influence on the financial decisions of every Sector, including the Housing Sector. They even criticized offers to give extraordinary funds for housing. In 1980 the BCCR only gave 295.7 million (out of the original 512 promised for this year) and offered 128.1 for 1981 and the rest for 1983 (the next administration). In fact, by 1982 the BCCR decided to retain the funds because of their general monetary and financial policies.

Out of 1,024.8 million colones that the minister originally promised for the first two years, only 414.4 million were used during the four years. The BCCR criticised the minister's decision to expend most of the funds to finance Mutual Associations and middle-income sectors during a major financial crisis. They argued also that agreements with the International Monetary Fund (IMF) would not allow that kind of expenditure. Specifically the Government had an agreement
with the IMF to reduce central government expenditure by 16% in real terms and to reduce
government investments for 1982 by 8% (Carta de Intenciones al FMI, November 1982).

MIVAH's Memoria (1989) provides a summary of the financial situation at the beginning
of the third administration:

"Investments in housing had been 3% of GNP but had been only 60% of the amount considered necessary.
SNAP institutions continued suffering from the deep crisis of 1981-1982, when the passive interest rate rose
sharply but the mortgages had a fixed interest rate" (MIVAH; 1989:3).

From the beginning the search for resources was the first priority, though after one year
the funds still came from traditional sources. In September 1986 USAID gave the first 4.9 million
of US$ to build houses (LA NACION, 13-09-86:5A). IMAS continued developing projects that
began in 1985 with resources from the National Commission for Emergencies and other
institutions also continued small projects (LA NACION, 28-02-87:8A). Among the new resources
the government created a new 'instant lottery' which one year later gave one hundred million
colonés to the housing budget.69

The most important financial change was the creation of the 'National Financial System
for Housing' (SNFV), which included the creation of the Housing Mortgage Bank (BANHVI) and
its basic funds: the Housing Subsidy Fund (FOSUVI) and the National Financial Fund (FONAVI).
The law gave both funds permanent sources and allowed them to receive donations and loans
from international agencies. FOSUVI would receive 3% of the National Central Budget every year
and in 1987 some extraordinary funds totalling 1,627 million of colonés (US$ 20 million).
In addition it received 33% of the resources of the Family Allowances Programme (US$ 20
million). FONAVI had to different sources:

1. Short-term: 25% of the pensions programme of the CCSS (976 million colonés in 1987); funds from the
   'instant lottery' (Law #7055, December 1986).

2. Long-term: Donations from foreign agencies. USAID offered at the beginning US$ 50 million, but gave
   much less than that during the four years of the government.

However, whether it actually received these funds depended always on the political
decisions of the Executive power, the Central Bank or the Directorate of the CCSS and
international agencies. It was not a real permanent and secure fund, but one that had to be
negotiated every year and could be effected by political changes or circumstances. In 1987,
BANHVI received only 40% of the amount that the law assigned it, because Central Government
never gave the 3% of its budget that the law stipulated (SEMANARIO UNIVERSIDAD, 05-05-
88:7). In 1989, the future Housing Minister (1990-1996 administration) blamed the Arias
administration for breaking its own law. He said that BANHVI had not received 5,785 million
colonés assured by the law (LA NACION, 09-07-89:4A). By May 1989 BANHVI had received
7,800 million colonés, including 4,000 million for FOSUVI which financed the low-income
programmes. By that time BANHVI had given 15,000 loans of 400,000 colonés each (average).
30% of these loans went to families which had less than one minimum salary and 40% to families
which had between one and two minimum salaries.
The third administration developed a complementary programme of private foundations, which developed their own projects using foreign sources. The Costa Rica-Canada Foundation for Rural Housing spent US$ 10 million, working with cooperatives, most of them in secondary cities. Another foundation called FUPROVI used resources from Sweden (US$ 6 million) in projects located in the old _precarios_ of the AMSJ (LA REPUBLICA, 11-11-87:53). From February 1988 both foundations worked together on some projects using new funds from Sweden (LA EXTRA, 02-08-88:5).

After the creation of BANHVI and FOSUVI, the funds for CEV projects came from FOSUVI and no longer directly from the National Commission for Emergencies. This meant new financial controls and procedures which almost stopped CEV projects. CEV had built thousands of houses but did not have proper legal mortgages with the families. The total amount already invested was hundreds of millions of _colones_, so BANHVI stopped giving funds to CEV. These irregularities and bad procedures, and the strong dependence of the new financial system on political decisions were criticised by a conference called by BANHVI and various private associations. This conference's conclusions (CCC-ACOVI-BANHVI; 1989:5-6) asked for changes to the law because Central Government could close FOSUVI without any say of the Legislative Assembly and FONAVI was totally dependent on USAID resources and policies. This meant that FOSUVI was subject to whatever financial restrictions the Central Bank decided and FONAVI had become only an instrument of USAID, so the decisions taken by deputies in creating BANHVI were being overridden by both the Presidency and a foreign agency.

### C. Loan conditions

The original proposal of the first administration divided its total budget into percentages to be given to various economic strata. SESVAH prepared studies to subdivide the families with needs and define the strata limits (SESVAH, 1980:23). The original proposal tried to allocate the biggest percentage to low-income families with high subsidy, and a mortgage-loan system for middle-income families.

The programme for low-income families (PHG) allowed applications from homeless families only. The families had to have a permanent income and had to make a commitment to live permanently in their new shelter. Additionally they had to be accepted for one of the SNAP institutions. The monthly payments had to be less than 35% of their income and the families had to earn a monthly income of more than 2,500 _colones_ in the low-income stratum and more than 4,500 _colones_ in the middle-low income stratum (US$295 and US$530 respectively). The maximum period would be 20 years and the repayments would increase gradually. For low-income families the total price had to be no more than 80,000 _colones_ (US$ 9,415), and they had to pay a 10% deposit and 12% interest (annual). For middle-income families the total could rise up to 140,000, the deposit had to be 15% and the interest rate 14%.

In 1979, the National Banking System (SBN) and other institutions gave mortgage-loans up to 160,000 _colones_ with an interest rate between 10% and 15%. They gave up to 80% of the
The total value of the building and the monthly repayments had to be no more than 30% of the monthly family income. By the end of 1981, the total had risen to 250,000 colones, the interest rate up to 26% and the repayment period reduced to between 6 and 12 years.

At the end of 1979, the Mutual Associations gave up to 125,000 colones with an 18% interest rate and a 20 year period. They financed up to 90% of the total value and only allowed repayments of less than 25% of the family incomes. By the end of 1981, the total amount of the loan had risen to 200,000 and 400,000, with interest rates between 21.75% and 26% and a period of no more than 10 years. This meant that for the low-income stratum the deposit was one hundred dollars, which was equal to a monthly minimum salary. So, most of the poor homeless families could not afford even the lowest mortgage-loan costs.

INVU and IMAS were the only institutions which had projects for the low-income homeless, but in 1982 73% of the families could not afford a standard house in an INVU project. Even in IMAS programmes, a family needed an income of more than 2,760 colones (US$ 323) to get a mortgage-loan. In 1983, a report on the housing financial conditions prepared by external experts (from ILPES) working for MIDEPLAN said:

*The houses from INVU (Chapultepec, A-55, 571-A and 3-A) are out of the reach of 70% of the families. The 571-A, which is the cheapest, with a 20 years period, and 14% or 16% interest rates cannot be bought by 73% of the families. Solution A-2 and A-3 cannot be reached by 50% of the families. Even lots and services cannot be paid for many low-income families (30%). The only available programme was lots without services, but it was closed from 1983. All the types are offered at the same price all over the country, so there is a huge concentration in the area of highest incomes: the AMSJ* (Franco and León, 1983:7).

In 1983, only INVU, IDA or IMAS offered programmes for low-income sectors. The periods varied between 10 and 20 years, interest rates between 9% and 31% (26% average). Even the Projects of Lots and Services had an interest rate of 19%. A loan of 300,000 colones, with a 19% interest rate and 20 years period, to build a house of 50 m² required a monthly payment of 4,850 colones and a family monthly income over 16,000. At that time the average salary was 5,250 colones.

Franco and León (1983:8) said about IMAS projects:

*a. building in IMAS project: excluded 45% of the population.
b. building in own lot: excluded 33% of the population.
c. only the loan for 'housing improvements', which varied between 10,000 and 50,000 colones covered the whole population*

In October 1984, the Popular Bank for Community Development (BPDC) charged 19% interest, the CCSS 20% and the Mutual Associations 21%. To build a house of 500,000 they gave 425,000 with a 12 years period and interest rates between 18% and 22%. Families had to pay legal costs of 20,000 and a first deposit of 75,000 colones. As a result, the families required a monthly income of 22,000 or more. The programmes of 'lots with services' and basic solutions (AID, Monge Administration) required a minimum monthly income of 7,000 colones of 1985 and had a 20 years period and 19% interest rate.
At the beginning of the Arias Administration the alternatives for obtaining loans were the same as under the last two governments. The BPDC gave loans at 18% interest of up to one million colones. Loans of more than one million had higher interest rates, up to 32% for 3 million. INVU had two alternatives: Savings and Loans Programme and Progressive Housing. The first had serious problems with more than 14,000 applications and receiving only the AID financial support, so AID imposed its own conditions: houses of less than 350,000 colones and 20.5% interest. The second programme offered from lots to lots with 'basic module' and cost up to 105,000 colones. For the latter a family needed a maximum income of 23,000 to pay 3,000 monthly. The other institutions (CCSS, INS, SBN, Mutual Associations) charged more than 20% interest with periods varying between 12 and 20 years, which meant higher monthly repayments restricted to middle-high incomes (LA NACION, 31-06-86:4).

One year after the new government began the Savings and Loans Programme was closed. The other institutions continued with interest rates and repayments available only for middle-high income families. Many private companies and developers had complete barrios finished with hundred of houses but no clients. They used credit from the National Bank System with 22.5% interest and 15 year periods. A family needed 43,000 colones of monthly income to buy that kind of house because the lowest monthly payment was 12,000 colones, which obviously excluded most of the population (LA NACION, 30-07-87:1 D-3D). The average monthly payment to buy a house from INVU rose from 883 colones in 1980 to 6,279 in 1986. At the beginning of the decade this was 54% of the average salary but by 1986 it had risen to 75% (LA NACION, 15-11-87:5A).

The creation of CEV and BANHVI completely changed the financial conditions. They created new financial options, an almost interest-free bonus and high subsidy houses. The original proposer of the bonus system explained that:

*The bonus system is a subsidy, but it is not a gift. The bonus is a complementary loan with a free-payments period during the time of the first mortgage. The debtor must pay interest after finishing the payment of the first mortgage. At that time the family has also to begin payments of the bonus as a first mortgage."*

At the end of the decade, the housing financial conditions and particularly the 'bonus' became political and electoral issues. The political parties discussed the levels of interest, payments and costs of the bonus and its viability (LA REPUBLICA, 30-12-89:8). MIVAH explained how the bonus operated:

*The bank gives a 'bonus' to the family which is non-negotiable. It is a credit to complement other mortgage loans given in market conditions. The bonus is a second credit with special conditions: it does not charge interest and has a period of 15 years. Families have to make individual applications through the authorized institutions of SVAH* (MIVAH, 1989:4).

One bonus or 'total subsidy' was available for families that had up to one minimum salary. A partial bonus was available for families with incomes between 1 and 4 minimum salaries. After the end of the first mortgage the families would pay 10% interest rate for the bonus. The families
could not already own of a house but they could own a lot. It gave wide opportunities to rural families or poor peasants that owned small plots.

In the land occupations of the AMSJ (known as precarios) the bonus had to be used to buy the lot and build the house, because the lot was public land. FOSUVI funds were available for families with salaries up to 4 times that of a construction worker (44,720 colones of July 1989). Up to 60% of the population could apply to receive FOSUVI loans.

FONAVI’s short-period funds were loans through Mutual Associations. The long-period loans were directly controlled by BANHVI. If the family also had a bonus, then it had to sign for two mortgages: the first for the amount that the family could afford according to its income, the second for the amount of the bonus.

Although there was a Law to regulate the working of BANHVI, the AID established special conditions, which were in contradiction to the law. AID established more restrictions than the national law for FONAVI loans: under AID, 70% of the funds had to be used for families under the 40 percentile of income (31,100 colones in July 1989 =US$348.6), and the other 30% for families located between the 40 and 60 percentile of income (47,000 in Julio 1989=US$523.1).

In 1989, MIVAH officials criticized the Central Bank for its lack of support for housing projects. The Deputy Housing Minister said that “banks must not stop their programmes for housing, they are essential elements of the system, BANHVI must not be left alone” (LA NACION, 09-07-89:4A). However, the National Bank System official replied by saying that the real problem was the reduced incomes of the families. They charged 25% interest and no more than 35% of the family income as monthly payment. This meant that for a loan of one million colones a family needed a monthly income of 70,000 colones to pay 21,000 per month (LA NACION, 16-07-89:5A).

A basic house of 40 m² cost around 540,000 colones and required a first deposit of 27,000 plus legal costs and registration. If such a loan had a 15 year period and 24.5% annual interest rate the monthly payments would be 10,740 colones, which would require a family monthly income of 43,000 (LA NACION, 29-12-89:14A). This meant that apart from the bonus and FOSUVI, the rest of the programmes and institutions continued with their restrictive conditions which excluded most of the population, particularly the homeless and residents of precarios. The funds used by CEV, which were interest-free, the FOSUVI bonus and some FONAVI loans were the only ones that allowed wide access for low-income families to proper houses. The other institutions used market conditions which excluded most of the population. They conceived of houses as a commodity and loans as investments, so they expected profits, with interest rates and repayments according to market conditions.

D. Ownership and mortgages: homes as commodities

During the first two administrations there was a division between income strata in terms of their housing loans. The middle and high income sectors received mortgage loans and acquired ownership at the moment that the legal document was signed. The low-income sectors
received loans from state programmes which retained ownership for the state until the debtor had finished their payment of the loan. State institutions built houses and gave them to families without requiring them to sign legal documents of ownership. In some projects, for example, INVU had originally only a simple list of families living in the houses. Then INVU officials began to prepare legal documents and the family began the payments, and years later INVU prepared deeds and registered the new ownership once the family finished its payments. If a family failed to pay, INVU simply evicted it and gave the house to a new family and INVU retained the ownership of the house.

The procedures for acquiring ownership were completely separate from those for building and allocating homes. Families made payments as if they were rent payments throughout the period of the mortgage, without any legal control of the lot or the house. They had to pay everything first and then begin the procedures for obtaining ownership. The programmes of lots with services had an easier way of allocation, INVU or IMAS officials simply distributed lots to families that applied and then began formal procedures. During the Monge Administration the use of emergency decrees and agreements with popular organizations prolonged by years the period over which families held the land without any formal control, sometimes even without an accurate list of families living in the site. This practice continued during the first two years of the third administration in the precarios of the AMSJ and after that in the CEV projects.

CEV worked with its own funds in projects located on INVU or IMAS-owned land and it built houses and gave them to the families without any legal procedure. Only local officials had a list of families and allocation could change several times because of local decisions. When a popular organization controlled the land, its leaders or officials allocated families and controlled the only information available about possession of lots or houses. They distributed free lots and even evicted families without any kind of government control or legal procedure. Sometimes power struggles among local leaders ended with evictions by force, without any government, legal or police intervention.

During these years the land continued as INVU or IMAS property, though they did not have any control or even information about the local situation. The directorates of FDV, FCV or COPAN were the real owners of the land between 1983 and 1986. After that some local leaders took control in precarios previously managed by FDV and FCV while COPAN continued as the real landlord until the end of the period. From 1987 some precarios became CEV projects and CEV officials replaced local leaders, but everything was illegal because the land was legally INVU or IMAS property. In early 1987, the INVU-MIVAH study identified the real owners of precario land as shown in Table 2.10.
Table 2.10 LAND OWNERSHIP IN THE PRECARIOS OF THE GREATER METROPOLITAN AREA

<table>
<thead>
<tr>
<th>Original owners</th>
<th>Number of settlements</th>
<th>Population</th>
<th>% of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperatives and civil associations</td>
<td>6</td>
<td>1,398</td>
<td>2%</td>
</tr>
<tr>
<td>Private</td>
<td>12</td>
<td>4,893</td>
<td>7%</td>
</tr>
<tr>
<td>Central Government</td>
<td>13</td>
<td>10,486</td>
<td>15%</td>
</tr>
<tr>
<td>Local Government</td>
<td>35</td>
<td>13,282</td>
<td>19%</td>
</tr>
<tr>
<td>State Institutions</td>
<td>35</td>
<td>39,146</td>
<td>56%</td>
</tr>
<tr>
<td>Unknown</td>
<td>3</td>
<td>699</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>69,904</td>
<td>100%</td>
</tr>
</tbody>
</table>


This real ownership of 1987 changed as a result of CEV intervention and the political decision to create individual owners and apply a mortgage system to every family, though it was only at the end of the third administration that BANHVI forced CEV to complete the legal procedures. The Housing Minister said that:

"when a precarista receives a proper house, this means that the real income of its family increases, because it could use part of it for different needs" (LA REPUBLICA, 12-11-86:2).

The reality would in fact be the opposite. This is because the family would have to take one or two mortgages even with the special conditions of the bonus. As a result, the family income would be reduced compared to the time when they lived without paying land, rent, water or any services. The new system meant the formal acquisition of the property (lot and house) through legal agreements and clear financial conditions. If the family failed to pay it would be evicted. New mortgage payments plus costs of services (such as water, electricity, transport, ownership tax, local tax, community services, etc) would reduce the family disposable income for other needs.

The new policy to create house owners was part of the rhetoric of the first administration and was among the directives of the first housing minister, but became a reality only at the end of the third administration when CEV began the signing of mortgage contracts. INVU and IMAS also began to change their old practice but it was a slow process because there were thousands of old contracts plus hundreds in the new projects and both institutions lacked appropriate management systems and resources. CEV concentrated its officials during the last six months of the third administration on the process of formalizing mortgage contracts, but it could not finish before the end of the government in May 1990.71

The goal was to change old practices of state ownership to standard financial procedures with private companies, through legal mortgage contracts, legal ownership and clear terms that individual families accepted at the moment when they bought the house-commodity. This was a
central element of international agreements with financial institutions and a basic feature of the third administration housing policy.

E. The growth of housing arrears

To survive the new policy of property and mortgages, families tried to occupy first land and then houses and would accept any agreement, even if they could not afford to pay for it. They simply occupied lots and agreed to verbal conditions, then once the process of legal acquisition was completed and they had to begin payments, they would negotiate or pay if they could afford it. Some local leaders and even CEV officials advised families to sign any mortgage contract and then organize a collective negotiation to avoid eviction if they could not pay.

To get formal agreements many families simply gave false information about their income, to fulfil the basic conditions (the repayments were always a given percentage of income, so they had to have the minimum income). This had been a common practice with INVU for decades, but not with collective negotiation. Families simply stopped making payments and INVU had hundreds of cases which could not be evicted because they were such a high percentage of the entire stock of INVU 'solutions'.

Throughout the period, before May 1990, many families already had arrears in their repayments, but because the procedures to sign formal mortgage contracts had only started, this was not a major financial problem for BANHVI, as it was for INVU. INVU recognized in September 1987 losses of 83 million colones because of arrears. However, INVU's biggest problem was the bureaucratic structure of its management system. In 1988, out of the 1,400 million colones of its budget only 400 million could be used for investments, the rest was simply running costs (LA NACION, 15-11-87:5A). At the end of the period, in March 1990, COPAN complained that delays in formalizing mortgage contracts were the main reason for lack of repayments. COPAN said that 15,000 families were waiting to pay, but INVU was failing to sign contracts and to complete previous formal procedures. INVU replied that the number of families in arrears was only 1,495 (LA NACION, 05-03-90:5A). The arrears index through the decade did not change in relation to the economic or financial crisis. The changes present a pattern different from that of the interest rates (active or passive) of the housing financial system or the Central Bank, and different also from the pattern of changes of the exchange rate.
Table 2.11 INTEREST RATE, EXCHANGE RATE AND ARREARS BY INSTITUTION, 1980-1989

<table>
<thead>
<tr>
<th>Years</th>
<th>Interest rate DECAP</th>
<th>Interest rate BCCR</th>
<th>Exchange rate ( x ) colones = US$ 1.0</th>
<th>Real arrears index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>active</td>
<td>passive</td>
<td>active</td>
<td>passive</td>
</tr>
<tr>
<td>1980</td>
<td>15.0</td>
<td>14.0</td>
<td>14.0</td>
<td>12.0</td>
</tr>
<tr>
<td>1981</td>
<td>23.5</td>
<td>21.0</td>
<td>23.5</td>
<td>20.5</td>
</tr>
<tr>
<td>1982</td>
<td>28.5</td>
<td>23.5</td>
<td>25.5</td>
<td>21.5</td>
</tr>
<tr>
<td>1983</td>
<td>26.5</td>
<td>23.0</td>
<td>26.0</td>
<td>22.0</td>
</tr>
<tr>
<td>1984</td>
<td>22.5</td>
<td>20.0</td>
<td>21.0</td>
<td>18.0</td>
</tr>
<tr>
<td>1985</td>
<td>24.0</td>
<td>21.0</td>
<td>25.5</td>
<td>20.0</td>
</tr>
<tr>
<td>1986</td>
<td>22.5</td>
<td>19.5</td>
<td>24.0</td>
<td>20.0</td>
</tr>
<tr>
<td>1987</td>
<td>24.0</td>
<td>24.0</td>
<td>24.0</td>
<td>21.0</td>
</tr>
<tr>
<td>1988</td>
<td>26.0</td>
<td>26.0</td>
<td>26.0</td>
<td>22.5</td>
</tr>
<tr>
<td>1989</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
<td>22.0</td>
</tr>
</tbody>
</table>

Source: BANHVI-FOSUVI (1990) Based upon BCCR and institutions' information.

Arrears are related to the existence of credit or loans. When the economic crisis deepened, during 1981 and 1982, the arrears index decreased. There were no proper housing projects, but only very cheap 'lots with services' or 'lots without services' and families could therefore afford to pay for them. When there were loans to buy or build houses, with large amounts for proper housing projects, some families failed to pay. This indicates a strong relation between arrears and ability to pay and suggests that many families agreed to conditions that they could not afford.

Table 2.11 shows the arrears index for all SVAH institutions, not only INVU. This suggests that it was not simply a problem of management or bureaucracy but a real problem of inability to pay by the families. Families signed agreements at any opportunity, and then paid when and if they could. The arrears index rose or fell according to the existence of programmes; when there were programmes, some people could not pay, but still signed formal agreements and took the house.

Delays in payment because of inability to pay were a constant problem for INVU and other low-income housing institutions. The amount of arrears increased sharply when CEV and BANHVI tried to charge for the land and houses in the old precarios, where thousands of families had been living since 1983 or 1985. At the end of the period delays were also caused by the management problems of CEV and its internal changes in response to pressure from BANHVI. During the electoral period a public debate on the bonus and housing financial issues was a cause of further delays in repayments.
In 1990, the Executive President of INVU complained that by December 1990 arrears would amount to more than 110 million colones. He said that new procedures had created delays in repayments that made it impossible to use 1,400 million colones from SFNV in housing programmes of the SVAH institutions (LA NACION, 06-03-90:8A). This kind of delay to the institutions would increase the costs of every single house which would then have to be charged to the new owners. In some projects, the houses became so expensive that their whole proposed income-stratum had to be changed, now they would not be low-income houses, but middle-income houses, with no actual change in the building or urban lay-out. Thousands of families could not afford the new houses because of bureaucratic delays of months or years.

The third administration could not develop an efficient procedure for formalizing mortgage contracts between BANHVI and the families, even though the main feature of this administration was the efficiency in house-building and development of housing projects. Thousands of families received their houses and then lived in them for months or years paying nothing because they did not have a formal agreement with BANHVI or any other financial institution. This problem deepened after the opposition candidate offered to make the 'bonus' a 'gift' but without a specific proposal to explain exactly what he meant. Many families simply refused to sign agreements before the elections and so, they did not pay anything for many more months, even after the elections and after the end of the Arias administration.

The procedure to formalize mortgage contracts became very complex because it required information that only each household head could obtain, personally, in the appropriate institutions, such as for example the Property Registry Office or the Public Registry Office. In addition the changes in costs meant changes in families' allocations and new procedures. INVU had to give legal approval for the subdivision of land, but only after the urban lay-out and houses were finished. So, in some projects BANHVI could not sign individual mortgage contracts with families because the lots and houses did not even legally exist as individual properties.

After CEV had finished the legal subdivision of the projects, the document had to be sent to BANHVI to prepare the 'bonus' and then to an authorized bank to prepare a mortgage contract and pay to CEV. Finally CEV had to send its officials to each house to get the family's agreement and signature. The change of the system during the last two years of the third administration and particularly during the electoral time worked only partly, but after CEV had spent all its original resources and completed the projects in the old precarios the whole system began a new stage.

The new financial system was to be organized by BANHVI and families would have to finish the legal procedures first, before they received the house or lot. The private companies and developers would have to build the house and prepare legal documents before selling it. Then the families signed mortgage contracts, the companies received their payments and the families the houses, simply in the normal way of private business, not as a traditional state programme.

The new financial system was not a state housing programme, it functioned as a normal banking system where clients needed minimum permanent incomes and job stability to get a mortgage contract and failure to pay would mean repossession and eviction. Every family had
an individual contract and legal responsibilities to be dealt with in court, not by state housing institutions or by the Presidency or the Legislative Assembly.

This was a major change suggested or imposed by international agencies to ensure the continuity of the BANHVI as a condition of lending or donating their funds. But also, it was a major goal of the Housing Minister and one of his successful projects. The process of structural adjustment in housing during the third administration meant a complete change in the financial system, after seven years of emergencies.

**The role of the construction industry**

Between 1978 and 1981 the private sector increased its share of the total number of houses built. It's share went up from 41.3% to 62.5%, while the total number of construction went down. So, the recession was more intense in the public sector. The emphasis on self-help and 'lots with services' during the first two administrations added to the recession in the construction sector, because traditionally most of the state houses were built by the private sector. Self-help programmes normally used traditional materials such as wood and self-made cement blocks, so the building materials industry also suffered from the change from proper houses to 'lots with services' programmes.

MIDEPLAN (1983) found a depressed situation before the deep crisis of 1981. From 1973 to 1980 the growth-rate in GNP declined from 7.7% to 1.2%, while that of the construction sector dropped from 3.3% to -0.4%. From 1977 to 1981 the average growth-rate of employment in the construction sector was 6.8%, while the average for the 1980s decade was 3.5%. However, from 1977 to 1980 the growth-rate was 12.7%, and the strong fall is explained by the situation of 1981 when employment fell back sharply with a growth-rate of -6.7%. The recession in the construction sector was very deep by the middle of the period, when private companies were using only 30% of their capacity (LA NACION, 03-10-84:8A). The Central Bank held back funds for the Mutual Associations during the first administration and this added to the recession in the construction industry which only regained its strength when the CEV began its projects in 1987. Table 2.12 shows the GNP in the construction sector.
### Table 2.12 GROWTH AND DECLINE IN CONSTRUCTION ACTIVITY, 1980-1989

<table>
<thead>
<tr>
<th>Years</th>
<th>GNP in construction prices of 1966</th>
<th>GNP construction index base 1980</th>
<th>Construction as percentage of the GNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>602.7</td>
<td>100</td>
<td>6.3</td>
</tr>
<tr>
<td>1981</td>
<td>471.9</td>
<td>78.3</td>
<td>5.0</td>
</tr>
<tr>
<td>1982</td>
<td>321.4</td>
<td>53.3</td>
<td>3.7</td>
</tr>
<tr>
<td>1983</td>
<td>336.5</td>
<td>55.8</td>
<td>3.7</td>
</tr>
<tr>
<td>1984</td>
<td>415.9</td>
<td>69.0</td>
<td>4.3</td>
</tr>
<tr>
<td>1985</td>
<td>439.2</td>
<td>72.9</td>
<td>4.5</td>
</tr>
<tr>
<td>1986</td>
<td>453.1</td>
<td>75.2</td>
<td>4.4</td>
</tr>
<tr>
<td>1987</td>
<td>452.1</td>
<td>75.0</td>
<td>4.2</td>
</tr>
<tr>
<td>1988</td>
<td>471.0</td>
<td>78.2</td>
<td>4.2</td>
</tr>
<tr>
<td>1989</td>
<td>492.0</td>
<td>81.6</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: BANHVI-FOSUVI (1989) Based upon data from CCC.

The GNP and the amount of production in construction suffered a dramatic fall between 1980 and 1982. They would never recover the level of 1980 throughout the whole decade, even with the public investments from 1987 which brought a new pattern of growth. The construction sector received funds during the first two years of the first administration through the Mutual Association and only a little help from AID during the second government.

In 1981 the growth of the materials price index was 47.7% compared with just 17.2% the previous year. In 1981 there was a fall of 53% in relation to 1980. The companies association reported a decline in employment of 47%, just in the formal sector. As a result many companies collapsed, sacked their employees and sold their equipment abroad (LA TRIBUNA ECONOMICA, May 1983, #5-1). ILPES experts working in MIDEPLAN found in 1983 that:

"In Costa Rica, before the economic crisis, the construction sector accounted for 6.5% of the GNP. In 1982 it fell to a third of that percentage. The public sector was a third of the construction sector and fell less than the private sector. Public expenditure in housing as a percentage of the whole public expenditure fell from 4% in 1978 to 3% in 1981" (Franco and León; 1983:2-4).

The same authors said that at least 15,000 families on the waiting list for self-help programmes would qualify to apply to projects of proper housing. They suggested that some changes in the management of state programmes would help the construction industry (Franco and León, 1983:5).

The construction industry through its main association (the Costarican Construction Chamber -CCC-) developed a strong relationship with the Mutual Associations during the 1970s and the first government. The Housing Minister's directives of 1980 reduced profit tax for companies that produced houses according to SVAH designs. Taxes on building materials were
also reduced to support the construction industry (SESVAH, 1979a:10-11). Some leaders of the Construction Chamber became top-level officials of the first government. Furthermore, many of them were high ranking members of the PLN and developed close ties with CEV and BANHVI officials during the third government. During this government the President of the CCC became Executive President of INVU. Changes to INVU’s management system and to the CEV system of project management were both proposals of the CCC. However, even in 1987 delays in the government financial support to building projects provoked criticism from the President of CCC:

"The builders are living in recession and unemployment, the market is depressed. The knowledge is being wasted, the equipment is inactive and the energy that we the builders could introduce to the economy is not being generated" (LA NACION, 09-11-87).

Throughout the decade companies had to confront an unstable market which did not allow steady growth in efficiency and capacity. They also had to manage the bureaucratic procedures and strong legal controls. In 1989 the CCC denounced the "financial collapse of the programme for 80,000 houses" which meant a new recession for the construction sector (LA PRENSA LIBRE, 17-08-89:4). CEV had improved the procedures for agreements and payments, but there were still many causes of delay for final recovery of investments and the new BANHVI controls stopped the rhythm of the first two years of CEV.

The growth in the construction industry when CEV began its projects was extraordinary. During the second half of 1987 there was a growth of construction (in square metres) of 35.4% compared with 1986. As regards houses of less than 70 m² the growth was even more spectacular: 84%. The same pattern could be observed in the use of building materials. 8.7% more cement was sold in 1987 than in 1986, and the number of construction workers increased by 19% in the same year (MIVAH, 1988:43). From 1987, CEV projects brought about the development of many small companies without experience, knowledge and planning capabilities, which caused delays, management problems and increasing costs. Some companies made their own investments and built houses, but then they failed to find clients, and as their financial costs rose steeply they either went bankrupt or suffered big losses (CCC-ACOVI-BANHVI, 1989:9).

Political opposition to the PLN government in 1988 protested that "while inflation as a whole reached 11% in Jun 1988, the construction sector during the same period had inflation of 20%" (LA NACION, 26-09-88:16A). However, at the end of this government they had to recognize a substantial deceleration in prices of the construction sector. During the last year the index was 12.6%, similar to that of inflation as a whole, according to data from the Economy Ministry (LA NACION, 09-02-90:10A).

During the first administration the construction companies argued that the maximum costs specified by SESVAH would not be enough to build according to SESVAH’s design patterns. In addition, because delays in procedures would increase their costs, the required urban lay-out and services were inevitably excluded from the low-income projects. So, the companies continued with traditional designs, lay-outs, patterns and materials: detached or semidetached, single storey houses, in rectangular designs of two or three bedrooms (between 48 m² and 72 m²). They used
cement blocks, reinforced concrete, timber frames and metal roofs. Some designs used pre-cast concrete modules, columns and other components such as wooden windows and doors. Some projects also used self-supported asbestos roofs.

Urban lay-outs kept to the simple rectangular or curve designs that followed the contours of the site. Normally the green areas (a percentage required by law) would be on low sites, near small rivers or in areas that were inadequate or even liable to flooding. Instead of being used as recreational areas these zones were normally abandoned or used as public rubbish dumps. The only designs that followed the patterns of SESVAH were five storey buildings that INVU developed and that only middle and middle-high income sectors could afford (young professionals for example). They charged very high interest rates (30% or 33%) and required permanent high incomes. In the second half of the first administration low-income groups had only the options of 'lots with services' which at their best only used the 'basic module'. This included water toilet and bathroom, concrete columns and around 36 m² of roof; the families built the rest.

The second administration (1982-1986) eliminated the rhetoric about 'human settlements' and urban lay-out and also reduced the number of traditional building projects. Most of the 'solutions' were simply 'lots with services' and tolerated invasions or land distribution controlled by popular organizations related to the party in government (PLN). Some of these informal self-help projects experimented also some with high technology, pre-cast modules that could be put together on site without any urban lay-out or preparation work.

The third administration offered quantity (80,000) but not a specific quality. Nonetheless, it continued traditional patterns and from 1987 developed some new ones based upon pre-cast concrete modules using high technology. The new Housing Minister tried to lower the basic legal standard to reduce prices. Using the basic standard a lot would cost 150,000 colones, so the proposal aimed to reduce it to 80,000 colones to use the rest on houses from 30 m² to 36 m² (SEMARNARIO UNIVERSIDAD, 13-05-88:23). INVU and IMAS continued traditional projects of concrete blocks houses (Table 2.13), but CEV encouraged the companies to develop several new designs, materials and processes.

Even when the original plan accepted self-help as the basic form of construction, the designs used concrete modules, with metal frames and roofs, and precast concrete columns and walls. These elements required some expertise from the builders, so the families helped by cleaning the site and doing other simple secondary jobs, while formal employees of private companies built the houses.

To increase the speed of building processes some companies abandoned basic standards of construction and developed some designs which failed to meet them. In some projects the extensive use of self-help without professional advice also lowered quality to dangerous levels. Professional's associations criticized these practices and presented new proposals for strict control of basic standards (LA NACION, 01-03-89:14A; LA REPUBLICA, 09-03-89:8A). Some projects began to deteriorate rapidly, almost immediately after they were completed, and this provoked a wide public criticism (LA PRENSA LIBRE, 11-05-89:6; LA
REPUBLICA, 15-03-89:118). Formal traditional companies and the main association, the CCC, also criticized CEV for its lack of control over new small companies which developed new barrios very fast but also with very low quality (LA NACION, 04-03-88).

Table 2.13 STATE PROJECTS BY TYPE OF SOLUTION AND MATERIALS, 1980-1984

<table>
<thead>
<tr>
<th>Institution</th>
<th>House type</th>
<th>house area</th>
<th>area of the lots</th>
<th>Building materials</th>
<th>floor</th>
<th>internal walls</th>
<th>exterior walls</th>
<th>roof</th>
<th>ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>INVU</td>
<td>Type 3</td>
<td>62.12 m²</td>
<td>150 m²</td>
<td>concrete tiles</td>
<td>plywood</td>
<td>blocks stuccoed front</td>
<td>timber-frame and iron</td>
<td>plywood</td>
<td></td>
</tr>
<tr>
<td>Type 5</td>
<td>51.54 m²</td>
<td>125 m²</td>
<td>rough concrete</td>
<td>Durpanel</td>
<td>rough blocks</td>
<td>fibre-cement</td>
<td>none</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapultepec</td>
<td>40.46 m²</td>
<td>90 m²</td>
<td>smooth cement</td>
<td>Durpanel</td>
<td>rough blocks</td>
<td>asbestos</td>
<td>none</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-55</td>
<td>53.70 m²</td>
<td>125 m² or 140 m²</td>
<td>concrete tiles</td>
<td>Durpanel</td>
<td>blocks stuccoed front</td>
<td>timber-frame and iron</td>
<td>none</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMAS</td>
<td>Type 1</td>
<td>49.50 m²</td>
<td>140 m²</td>
<td>smooth cement</td>
<td>Durpanel</td>
<td>blocks stuccoed front</td>
<td>galvanized iron</td>
<td>none</td>
<td></td>
</tr>
<tr>
<td>Type 2</td>
<td>49.50 m²</td>
<td>140 m²</td>
<td>smooth cement</td>
<td>Durpanel</td>
<td>block's base wooden panels</td>
<td>galvanized iron</td>
<td>none</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type 3</td>
<td>40.50 m²</td>
<td>140 m²</td>
<td>smooth cement</td>
<td>Durpanel</td>
<td>blocks and wood</td>
<td>galvanized iron</td>
<td>none</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centre for elders</td>
<td>27.32 m²</td>
<td>changeable</td>
<td>smooth cement</td>
<td>Durpanel</td>
<td>wood</td>
<td>galvanized iron</td>
<td>none</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: Cost of IMAS's houses includes only materials, it is a self-help process of building / US$ 1 = C$40.5

SOURCE: INVU and IMAS (Memorias) -annual reports and designs-

However, there were some new high technology designs and also some new designs which used local materials and new materials of low cost and environmentally friendly (LA NACION, 24-11-86:6A). Among the latter there was a new foundation to develop bamboo designs and research (LA PRENSA LIBRE, 12-08-89:5; LA NACION, 06-03-90:4C).

The new experiments and designs were used only in a few small projects. Most of the CEV projects used precast concrete and self-supported metal or asbestos roofs and traditional materials such as concrete blocks, timber frames and metal roofs. The main companies which used precast concrete designs offered low prices and very fast building processes, so they normally won the contracts and satisfied the government's needs.
Rental housing

A. The Rent Laws

Costa Rica has a long history of protectionist rent laws, a history which was broken only by the introduction of the new Rent Law of 1988, and its implementation in 1990 (Law #7101, LA GACETA #197, 18-10-88). In the early 1930s a law was introduced to protect tenants during a time of economic crisis and increasing prices. Housing policy was developed completely separately from this rental legislation and state programmes took no account of changes in the rental housing sector.

All recent Costa Rican government programmes have given encouragement to owner-occupation. In recent years even state housing has been sold. The original Rent Law of 1939 and its subsequent reforms had always been considered 'protectionist' in favour of the tenants because it restricted the owner's rights to evict or to raise the monthly rent. The contract (which could be simply verbal) banned any rise in rent for five years and in terms of tenure was considered to apply indefinitely. The owner had few legal grounds for evicting the tenant: non-payment of the rent; partial or total subletting; the use of the house for illegal activities; serious damage of the property; the owner's own or immediate relative's need of the house; and total reconstruction. Even then, the owner had to give the tenant five months notice through the appropriate court or judicial office. Subsequent proceedings in court could be prolonged for years without any change to the original contract or cost for the tenant. Even though rent arrears and subletting were specifically banned by law, 'tolerance' on the owner's side would be considered as a legal agreement by the courts.

For decades owners criticized this law as 'over-protectionist' and said that it discouraged investment. The law was a major cause for the lack of low-income rented housing and for homelessness. These arguments were only influential in formulating a new rent law in 1988. In practice the advantages for the tenants were less than clear because tenants simply did not understand their rights. As such, certain private associations and popular organizations organized seminars and published information to advise for tenants groups (for example, Argüello, 1985b). These organizations argued that the tenants' lack of legal knowledge produced a situation no different to that which would have evolved in the absence of protectionist laws. Home owners and private building companies and developers maintained a strong public campaign for years to change the old law. They prepared new proposals and lobbied in the Legislative Assembly without any opposition from tenants.

The owners and their legal advisers had developed over the years some efficient instruments to evade the law. The main legal instrument was the 'contract for renting' which set up special terms of agreement between the owner and the tenant. These contracts normally included articles that specifically contravened legal stipulations. They permitted annual increases in rent and included extra grounds for eviction. These contracts were illegal, but because of their ignorance of the law and lack of advice the tenants signed the contracts. Only a few tenants
Figure 2.3 HOUSING TENURE, 1963-1984

**COSTA RICA**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Owned</th>
<th>Rented</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>231.153</td>
<td>130.121</td>
<td>55.377</td>
<td>45.655</td>
</tr>
<tr>
<td>1973</td>
<td>330.837</td>
<td>199.372</td>
<td>75.907</td>
<td>55.578</td>
</tr>
<tr>
<td>1984</td>
<td>500.031</td>
<td>329.011</td>
<td>103.401</td>
<td>67.619</td>
</tr>
</tbody>
</table>

**San José Province**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Owned</th>
<th>Rented</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>86.411</td>
<td>45.098</td>
<td>30.997</td>
<td>10.316</td>
</tr>
<tr>
<td>1973</td>
<td>126.901</td>
<td>75.529</td>
<td>41.895</td>
<td>11.477</td>
</tr>
<tr>
<td>1984</td>
<td>192.073</td>
<td>120.141</td>
<td>56.481</td>
<td>15.451</td>
</tr>
</tbody>
</table>

Source: DGEC, National Census
signed knowing that the contracts had no legal value, and that the court would apply the Rent Law.

The new Rent Law (October, 1988) maintained existing levels of protection for so-called 'social interest housing' and for small scale commerce accommodation. All other rented property, houses, and office and industrial or office accommodation continued to be regulated by the normal Civil Law for contracts between legal persons. There would be new grounds for eviction, increases in rent would be legal, the length of the contract would be only 30 months, and 'tolerance' of non-payment would no longer be legally accepted in court. The rent could increase by up to 15% per year and any judicial judgement would be retroactive, which meant that the new level of rent decided by the court would have to be paid from the date the conflict began.

Some private associations working for popular organizations believed that private companies would concentrate their resources in building houses outside the non-'social interest' houses to evade the Rent Law (Valverde, 1988:17-18). The legislation would have the effect of reducing the supply of low-income houses, contrary to the arguments of the private companies during the debate on the new approved Rent Law. The law did not begin to operate until 1990 because various appeals stopped its immediate application.

B. The decline in rented housing

In the twenty years between the 1963 and the 1984 national census, there was a reduction in the percentage of the rented housing, not only in the country as a whole, but also in the province of San José (Figure 2.3). In the country as a whole, the percentage of rented houses fell from 23% in 1963 to 20% in 1984. The reduction of only 3% points in rented houses while ownership increased by 9% points meant a sharp fall in other forms of tenure: 6%.

Data for the province of San José shows a major reduction in rented housing, from 36% in 1963 to only 29% in 1984. Ownership presents a pattern similar to that in the country as a whole, with an increase of 10% points during the whole period. San José province concentrates most of the urban population, the capital city and the only city of around one million inhabitants. In 1963, this mainly urban population had a proportion of rented housing 13% higher than the national proportion, but by 1984 this difference was reduced to 7 points. The increase of ownership is explained by the reduction in rented housing, and not by a reduction in other forms of tenure; many of the old precario families were in fact tenants who became owners of the houses built by CEV, at least for as long as they could afford the repayments.

Basic urban services

Basic urban services were never part of the formal housing policy. During the first administration the legal creation of a Housing Sector included institutions such as SNAA, for water supply and ICE, for electricity, as well as the relevant ministries and local governments. However, this was only a formal inclusion, because they continued their isolated development.
During the decade the institutions developed their programmes without any coordination or control by housing ministers and were never included in specific proposals, studies or programmes originating from the housing ministry or SESVAH. Nonetheless, in the last 20 years the quality and quantity of some of the basic urban services had been outstanding and they had extended their coverage of the country. Particularly in the Metropolitan Area of San José there had been almost complete coverage by the basic services, although new land invasions and poor settlements created new areas which were uncovered and where lack of services persisted.

From the early 1960s urban legislation established basic norms for urban development of new barrios or industrial zones, but developers and even institutions found ways to evade them (Argüello, 1981c). OPAM and MIDEPLAN continued presenting proposals and establishing boundaries, norms and basic standards, particularly from 1978, but with little success. However services such as water supply, electricity, health and education grew parallel to the growth of cities all over the country.

A proposal by OFIPLAN to build the so called "Integral Services Units" (UIS) south-east of the city of San José was ignored, even though these were similar to the SESVAH theoretical designs for a new city and its 'human settlements'. Proposals for a recreational plan for the whole Greater Metropolitan Area (GAM) which contradicted earlier zone designs for industrial development also had little success (OPAM, 1979 anexos:3).

There was no change in ownership or responsibilities for the urban infrastructure during the period. Road and public transport stayed under the Ministry of Transport, most of the water services (water supply, drains, etc) stayed under the ICAA (previously called SNAA), and electricity and communications stayed under the ICE. Local Governments had to provide cleaning services and some community services, always with inadequate resources. There were various proposals for partial or complete privatisation of these services, but with little success, until May 1990. After that, the programme of the new government included privatisation as one of it main features.

A. Drinking water supply.

Upto 1961 the water supply and sanitary systems were under the responsibility of the Ministry of Public Works and Transport (MOPT), some Local Governments and Community Associations. In 1961, the Legislative Assembly approved the law to create the National System for Water and Drains, although some Municipalities continued to control their own water systems. Although there was a huge opposition to the new law, the Executive Power found enough support in the Legislative Assembly to create this Institution as a condition for a loan from foreign banks. Municipalities, Community Organizations and thousands of families criticized the move because other conditions of the external loan were price-increases and a loss of control by local groups and local governments over their previous investments in drains and water networks.
In 1975, the Central Government changed the original law to create an autonomous institution (called AYA), with new management systems and control over its own budget independent of the Central Budget. This new reform gave the AYA power to develop its own long-term programmes for development or reconstruction of drains and water networks. A few Municipalities maintained control over administrative procedures, but had no control over planning or any right to obtain external loans for development (Romero, 1988:137).

In July 1979 AYA (then called ICAA) fixed the boundaries for a restricted zone for new buildings, inside the Metropolitan Area of San José. Outside that zone the AYA banned any new buildings until the completion of projects to supply enough water. These projects would supply enough water for the expected demand of the AMSJ until the end of the century. However, independent observers criticized the programme and emphasized that there were serious deficiencies in the water networks which meant a very high percentage of losses and danger of pollution. In 1983, the National Conference for Housing analyzed the conditions of drains and water supply and concluded:

"The fact that there would be enough water for the whole AMSJ, does not mean that there are adequate systems for distribution, storage and treatment. There is not a proper budget for development of new networks, and reservoirs or for maintenance in relation to urban growth" (CNVU; 1984:papers).

The Metropolitan Regional Plan (GAM, 1983:43) said that the theoretically existing supply was 368 litres per day per inhabitant (l/d/i), with an average consumption in residential areas (with meters) of 231 l/d/i. This suggested high losses because of leakage or inadequate use (upto 48%). However potability was very high, even by international standards: 98%. The Orosí Project and its connection to the AMSJ network was inaugurated in 1986 and ICAA abolished building restrictions for the whole of the AMSJ.

Figure 2.4 show the accessibility of 'occupied housing units' to drinking water networks from 1963 to 1984 (census periods). In the country as a whole the total number of houses grew by 1.43 from 1963 to 1973 and 1.51 from 1973 to 1984. The number of houses with individual connections to water networks grew faster in both periods: 1.63 in the first one and 1.67 in the second. The percentage of houses with individual water supply rose from 68% to 78% from 1963 to 1973 and increased even more to 86% by mid 1984.

Urban zones show better conditions than rural ones, and particularly in the most concentrated area of urban population, the province of San José. The total number of houses in San José grew faster than in the country as a whole (1.47) during the first period and again also from 1973 to 1983 (1.51), which suggests a steady immigration process. Accessibility to drinking water was very high in the province of San José since the early 1960s (including rural and urban zones). In 1963, 81% of the houses had individual water connections. This suggests almost total coverage in the cities of the province because normally rural areas have more difficulties in getting water networks. In 1973 the percentage grew to 90% with a growth ratio of 1.62, and during the last ten years up to 1984, maintained almost the same growth (1.6) to reach a percentage of coverage of 96%.
Figure 2.4
SUPPLY OF WATER AND ELECTRICITY
1963-1984

![Graph showing的趋势 and statistics for water and electricity supply in Costa Rica and San José Province from 1963 to 1984.]

**COSTA RICA**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total of houses</th>
<th>Water -individual-</th>
<th>Electric lighting</th>
<th>Electricity for cook</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>231,153</td>
<td>157,967</td>
<td>126,135</td>
<td>58,627</td>
</tr>
<tr>
<td>1973</td>
<td>330,857</td>
<td>258,849</td>
<td>219,277</td>
<td>112,868</td>
</tr>
<tr>
<td>1984</td>
<td>500,031</td>
<td>434,345</td>
<td>415,463</td>
<td>243,031</td>
</tr>
</tbody>
</table>

**San José Province**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total of houses</th>
<th>Water -individual-</th>
<th>Electric lighting</th>
<th>Electricity for cook</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>86,411</td>
<td>70,721</td>
<td>62,254</td>
<td>43,421</td>
</tr>
<tr>
<td>1973</td>
<td>127,129</td>
<td>114,801</td>
<td>103,618</td>
<td>77,576</td>
</tr>
<tr>
<td>1984</td>
<td>192,071</td>
<td>184,672</td>
<td>176,726</td>
<td>133,631</td>
</tr>
</tbody>
</table>

Source: DGEC, National Census
The number of houses without individual water connections in 1984 was less than 7 thousand, most of them probably tugurios which were 4,500 in the same year. The rest were probably rural houses in remote areas of the province, in farms or isolated alongside rural roads. The situation worsened in 1985 with new precarios, but later these precarios were transformed in CEV projects, which included individual connections.

B. Sewerage

The main drainage system of the central canton of San José was built in 1925 and continued functioning. During the 1960s new networks included extensive zones of the Greater Metropolitan Area of San José (GAM) based upon loans by BID, but the main rivers continued as major collectors or open drains. At the beginning of the 1980s the drainage network covered 57% of the total number of houses with individual drinkable water supply (GAM; 1983:251). This meant that almost half the population used septic tanks and drainage in their lots instead of sewers.

Figure 2.5 show the changes in the number of installations of sewer systems in the country and in the province of San José between 1963 and 1984. There was a clear proportional increase in the use of sewers and septic tanks as against latrines, though there was also an increase in the actual number of concrete latrines used. The high ratio of the growth is apparent if compared with the growth in the total number of houses. During the first inter-census period the total number of houses grew by 1.43 while the number of houses with 'sewer or septic tank' grew by 2.13. During the second period the ratios of growth were respectively 1.51 and 2.27.

This reflects very high investment in public networks, sewers and treatment installations, as well as changes in the control of designs and in the economic capacity of the families who bought new buildings during those 20 years. The percentage of houses with sewers or septic tanks grew from 30% in 1963 to 44% in 1973 to 66% in 1984 in the whole country.

San José province shows the same pattern to the extend that different forms from sewers and septic tanks almost disappeared. The ratio of growth was less than that for the whole country but the point of departure was higher: 44% in 1963. This percentage grew to 62% in 1973 and to 81% in 1984. In the urban zones of this province the percentage was more than 90%.

In 1984, 61% of the houses with 'wooden latrines' were tugurios of the city of San José. Of the houses without any system at all 66% were tugurios as also were 90% of the houses with 'other forms'. At that time there were 277 urban tugurios in San José, including the land invasions during the first administration and particularly the relocations of tugurios to government properties from 1983, during the Monge Administration.

During the 1980s, some projects to build new sewers, including the main drains of the whole GAM, were interrupted due to lack of resources. Consequently, some small rivers and the main two rivers of the GAM continued as open drains. This has remained a source of pollution, particularly for hundreds of low-income families who live alongside these rivers. The sewer network covered 60% of the whole Greater Metropolitan Area by the end of the decade.
Figure 2.5
SEWERAGE SYSTEMS, 1963-1984

Costa Rica

San José Province

Source: DGEC, National Census
C. Electricity network

Figures 2.4 shows changes in the degree of the electricity networks during the last 20 years. The pattern of growth is similar to that of the water supply. During the two inter census periods the network grew faster than the total number of houses.

In the country, the percentage of houses with individual electricity connections was 54% in 1963 and grew to 66% in 1973 and to 83% in 1984. The percentage of houses which used electricity to cook was lower (25%, 34% and 48%), but during the last period it grew by a larger ratio (2.15) than the number of houses with electricity (1.89) and particular in relation to the growth in the total number of houses: 1.51. This means that there has been a process of change from other forms of cooking to the use of electricity.

In the province of San José the original percentage of houses with electricity connections was higher: 72% (1963). The proportion grew to 81% in 1973 and to 92% in 1984. In 1963 50% of the houses used electricity to cook and the proportion grew to 61% in 1973 and 70% in 1984. In San José the ratio of growth has been less than that for the whole country. This means a higher growth ratio of the services in rural areas and secondary cities.

The significant coverage of the electricity network is explained by constant investment since the early 1950s and even before, not only in the building of the network but also in the building of various hydroelectric dams. The national network and major projects for producing and distributing electricity (as well as telephones and other communications systems) were built with a series of foreign loans over thirty years, but also the Institute for Electricity (ICE) has been a model of good management among public companies in the country's modern history.

The service of public electric lighting in San José started only in 1884, but during the twentieth century the network grew rapidly, particularly after the complete nationalization of electricity companies at the end of the 1950s. ICE was created in 1949 (Law #449) and its law of constitution made it responsible for the production of energy that the country needed for industrial development and residential growth. From the beginning the strategy was to develop a series of large hydroelectric dams to produce cheap electricity from national resources. Original plans estimated that industrial development would use 44% and residential growth 33% of the whole production. In early 1980 the consumption per capita of electricity was 231 KW/H per year and the coverage of urban zones was 95% (GAM; 1983:272).

D. Transport and rubbish collection

Private developers working for the first administration or in private projects did not meet basic urban standards according to the law or the new directives from SESVAH. The projects had little provision for public transport systems, and were actually designed for private transport, without bus stations, and with narrow roads, etc. The designs were in a typical middle class layout, while the families were from low-income sectors and needed public transport.

When the number of housing projects decreased, families suffered from further declining standards. 'Lots with services' projects kept their dirt roads for years, so it was impossible to
introduce public transport to the barrios, and families had to walk to the main roads. These projects gave basic urban services, which meant water supply, electricity, drains and community services, but during the rainy season transit (even by foot) became very difficult. Some of these projects also restricted the water supply to some stand-pipes for various years due to lack of coordination between institutions. In addition, rubbish collection was ineffective because this is a responsibility of local government which normally had very limited budgets, so new barrios increased demand but Municipalities did not obtain any more equipment.

The main *precarios* of the AMSJ created critical conditions for the local governments, particularly from 1983, when the second administration began to concentrate community groups in large public areas. In 1985 and 1986 thousands of families were relocated into two large public areas (owned by INVU) with only some stand-pipes. The creation of CEV and its intervention in these places began a process of improvement, first in the amount of urban services and then through the development of proper fully serviced houses.

One of the main goals of CEV was to coordinate government institutions to improve the services and general conditions of the old *precarios*. CEV officials said that coordination with ICE or ICAA was easy, but it was almost impossible with local governments. According to the new law CEV did not have to ask permission from local governments for its buildings and barrios, but as the Municipalities would have to take on rubbish collection, cleaning and community services, they formally rejected new projects. This led to conflicts and subsequent negotiations. Municipalities were prepared to provide new services only if the CEV gave them extra resources, but CEV neither had the resources nor the legal power to give funds.

Conflicts between CEV and Municipalities were sometimes very serious and Municipalities simply stopped some projects from developing. Sometimes they made agreements and sometimes the families continued without local government services after CEV finished its work. The situation varied according to the number of families, the original conditions of the barrios and the capacity of the Municipalities, but there was a clear lack of proper coordination and of a central institution to control development of the Metropolitan Area of San José.

At the end of the third administration, the enormous growth caused by new projects concentrated in some cantons of the AMSJ and the lack of controls on new developments caused a wide debate among professionals and officials from the government, universities and private companies. This debate became a formal conference at the end of 1989, the resolutions of which suggested the creation of a new central authority for the AMSJ.

**Conclusion**

During the administration of President Carazo low-income sector housing policy was completely different from the original declarations made by the Housing Minister. Finished homes gave way to ‘sites and services’, financial constrains led to middle-income groups relying upon financial institutions such as the Loans and Savings Mutual Associations. Many new land invasions took place in San José and in the coastal cities. These subsequently became ‘projects’
of INVU or of the Programme for Rehabilitation of Barrios. Negotiations between local leaders and officials of the PRB normally took months and despite the official programmes many barrios of the AMSJ continued without solutions, legality, relocation or services. The forthcoming elections led to some new projects, but some local leaders decided to begin negotiations with opposition candidates in the hope of securing better conditions during the next administration.

The Carazo administration never developed a centrally coordinated housing policy. All institutions which formed the Sector of Housing and Human Settlement continued to act independently. Each institution developed independent negotiations and agreements with foreign agencies, while the Housing Minister developed speeches on the new human settlements. Lack of coordination and individual decisions were the main institutional features of housing policy during the Carazo Administration.

In spite of various proposals and constant advice from experts and professionals, the Monge administration limited its housing policy to a new kind of land distribution controlled by politically linked organizations. As complementary strategies the government developed a media campaign to destroy independent initiatives and used the police to repress public demonstrations and strikes led by left-wing groups. However, as the 1986 election approached the government opened up new avenues of negotiation with every independent organization.

INVU and IMAS continued with their 'sites and services' projects and launched new financial programmes to expand houses, buy lots or re-negotiate mortgages, therefore increasing the number of 'solutions' without an increase in the budget. INVU only built half as many houses as under Carazo, but provided two and half times as many other kinds of 'solution'. This allowed the Monge Administration to produce very high figures, but actually very low costs by solution, which meant a sharp decline in the quality of the housing programme. In political terms the shift to lower quality solutions can be seen either as a reasonable decision or as a decision forced by the enormous quantity of applications compared to the available budget. President Monge allowed the development of 'informal' self-help programmes controlled by the Democratic Front, using public land and emergency funds. His administration made land available to very poor families and provoked criticism of international funding agencies, such as USAID.

The Arias Administration introduced a change in housing policy by increasing the number of housing solutions after a period of sharp decline and by giving greater priority to low-income sectors. The combination of using emergency funds with an efficient organization allowed thousands of proper houses to be built. The special programme of CEV transformed all the existing precarios of the Metropolitan Area into formal housing projects. The Arias administration also created a new housing finance system which applied a special 'bonus' highly subsidised for very poor families. However, by the end of the administration lack of financial support changed the original terms of the loans. Intervention by the Central Bank and external pressure from funding agencies led to an increase in interest rates. The poor were unable to satisfy the new financial requirements laid down by BANHVI and were therefore excluded. New land invasions were developed by community groups during the last electoral period of 1990.
Notes:

1 The Costarican word for 'shanty town' is 'tugurio', which was defined as "shelter built with scrap materials" by the General Direction of Census and Statistics (DGEC, 1984). This term has been normally used to describe new land invasions even if the people built their huts with new materials.

2 Ley de Planificación Urbana #4240 (15-11-68), Ley de Inquilinato #7101 (18-10-88), Ley del Sistema Financiero Nacional para la Vivienda #7052 (13-11-86).

3 Partido Liberación Nacional (PLN) Social-democratic party founded in 1951 by José Figueres. In our own analysis of government 1974-1978 we said: "The Housing deficit increased, while the water supply in poor barrios decreased along with rubbish collection. Drains and sewers were also dilapidated in popular areas of the cities. As a result, the urban movement grew up and the organizations became stronger. There were many strikes and demonstrations in barrios and intermediate cities, many under left-wing parties control. While the trade unions continued in peace, the barrios exploded. The movement strongly criticized the government and the PLN, the political party in power from 1970, which lost support among the poor, as the electoral results of 1978 reflected" (Taller de Coyuntura; 83:116).

4 Sector Vivienda y Asentamientos Humanos (SVAH), created by Decree #10458-P-OP (LA GACETA #162,31-08-79). Secretaría Ejecutiva del Sector Vivienda y Asentamientos Humanos -SESVAH-.

5 Transcription of a recorded interview by the author to the Housing Minister on 12th of December, 1980.

6 José Manuel Valverde, who was an official of SESVAH during the Carazo Administration and its Director at the beginning of the Monge Administration, developed his study of the Housing Policy 1978-1982 under the assumption that these decrees and directives constituted the policy. He did not take into account other proposals and practices developed during the same period, so he failed to understand the real processes (See Valverde;1987).

7 "The budget of the Sectors' Secretariats came from the formal budget of their institutions, but they already gave the money to develop the National Development Plan, so there is no money for subsequent studies and projects" (Recorded interview by the author to the Housing Minister señor Jorge Carballo W. in October 1980).

8 Directriz #03-VAH (24-12-80), Directriz # 12530 (24-04-81), Directriz: reorganization integral del INVU (05-09-80).

9 Valverde (1987:110-111) suggested that: "The 'Government Programme 1978-1982' proposed a concentration on 'lots and services' schemes and redefined INVU as a financial institution rather than a constructor. It meant that the State's role would be to give support to the private sector and that the low-income sectors would have to solve their needs by self-help". Valverde did not take into account that the institutions had their own projects, hierarchy and goals, as well as support from international agencies and private sectors. They had proposals and programmes which covered every item: legislation, finance, organization and functions. The INVU hierarchy in particular never accepted the Minister's proposals and boycotted his policy upto his resignation.

10 "Project to Reform the INVU Constitutive Law" and creation of the "National Fund for Housing Security" File #8693, Asamblea Legislativa, 12-05-80. Presented by Ing. Montesalegre, President of INVU and with the support of the deputies señores H.Rojas and M.Romero from the United Coalition Party -in power-.

11 In November 1978, the President of INVU, señor Borbón, declared that there was an absence of housing policy, only four months after the new government's inauguration. Consequently he had to resign. On 8 October, 1979, a new INVU President was appointed, señor Montalegre. He prepared the Law project and blamed the Housing Minister for the lack of new policy and the continuation of the policies of the National Liberation Party. For that reason, at the beginning of 1980 he had to resign. On 7 August, 1980 a new President for INVU was appointed. Less than one year later, the Housing Minister resigned (10-07-81) when he realized that the Central Bank used in a different activity the fund that he needed to accomplish his agreements with DECAP and private companies. On 15th, August, 1981 a new Housing Minister was appointed. He was during the previous ten years the manager of the main Loans and Savings Mutual Building Association (for middle income groups), the Mutual de Ahorro y Préstamo, which meant a total change of perspective in the Housing Sector.
LA NACION (12-11-80:5a) "The President of IMAS says that the solution is not to give houses, but to give training to the people. The President of INVU insists that a big subsidy is necessary".

Author's recorded interview with the Director of Urban Department of INVU, Leonardo Silva King on 9 May 1980.

The author designed and developed, as AID adviser, a nation wide research to estimate the potential demand for the main programme of AID and INVU, called 'basic module': "Survey of Housing needs in the urban zones of Costa Rica" (Research project AID-596-0000-C-00-2010-00).

BANHVI used data from DGEC only, which are taken from Municipalities' registers. An special Department of INVU (Secretaría del Plan Estratégico) added together data from DGEC and its own reports of houses built but never registered in Municipalities. For this reason INVU figures are always bigger and more accurate.

It includes the National System for Loans and Savins (SNAP), the banks of the National Banking System (SBN), the Popular Bank for Community Development (BPDC), the National Institute for Insurance (INS), the National Institute for Housing and Urbanism (INVU) and the Institute for Social Help (IMAS).

The amount of 'solutions' per year could not be used to calculate new 'deficits' by reducing it from the original figure of deficit. In fact sometimes 'solutions' meant lots given to families who would build a scrap hut, so it really meant to increase the figure computed as 'deficit'. The official definition of 'deficit' includes shelters which are considered inadequate, so for example, a new barrio of one hundred huts could be annotated as 100 'solutions' and at the same time as 100 families of the 'deficit' by different institutions. The official data have many of these contradictions.

Valverde (1987:165) suggested that INVU and IMAS "also had decreasing numbers of solutions, in contrast to the government expressed goal of giving more support to low-income families". In fact, these data show a different pattern: increments every year uptil 1982, the last of the government.

The National Youth Movement (MNJ) organized voluntary work in Villa Esperanza, Pavas as part of this project. Houses were built by self-help and voluntary work with second-hand materials and some scrap. Some companies also gave new materials, such as metal for roofs. INVU gave assistance, such as training workers and developing the urban lay-out, but never gave professional assistance to the families. The author worked as volunteer for two weeks as part of an international programme with german young people in this place. LA REPUBLICA (05-02-70:1).

This programme gave this description of social problems in 1976: "During the period 1973-1976 the urban poor saw a reduction in their real incomes of around 22%. Basic food which takes about 80% to 95% of their income rose by 88.7%. The minimum salary of the industrial worker (non-trained) rose only 60% to 73%. In 1976 there are more than 240 tugurios in the AMSJ on sites of 0.2 to 9.6 hectares. There are many huts of only one room with various families" (AID; 1976:1-4).

For example, Public Auction #983, INVU. LA GACETA #69 (10-04-80:25-26).

Programa de Ayuda Mutua y Empresas Comunitarias (PRECO), which was the new name for a previous failure, the Programme for Social Interest Housing -Programa de Vivienda de Interés Social- (PROVIS), that was under the control of DINADECO during the Oduber Administration.

In 1980 and 1981, the author worked as adviser to the Director of this programme señora Sary White, as a researcher of the National University in surveys applied in Puntarenas and Limón with funds from AID.

According to recorded interviews by the author with the Director of PDU (12-05-80), the Director of Urban Department of INVU (09-05-80) and señora Sary White -Director of PRB and President of IMAS- (02-04-80). An analysis of other areas of the urban policy can be found in Argüello (1981a:48-56).

The goals of this proposal were both, to design a policy and to underline housing as a electoral issue. Its authors explained that homelessness and political instability were in a critical situation at the end of the Carazo Administration, so they needed both to capture the people's anger for electoral purposes and to convince the president and PLN high ranks that it was a real problem that needed urgent solutions. (Author's interview with señor Jorge Bertheau -20-11-89).
The new financial resources would be:
1. Upto 25% of the Social Security Pensions Fund (CCSS), plus credits for development from the Popular Bank (BPDC), credits from the National Insurance Institute (INS) and a new fund for unemployment.
2. A new tax on profits surpluses.
3. Annual central government budget.
4. Forced investment of 5% of private companies profits in shares of the Housing Bank.
5. Forced investment of 2% of the state institutions' budgets.


In practice the only representative of such groups was the President of FDV. The Minister of the Presidency was appointed as head of this Council and in charge of the SVAH. So there was no new Housing Minister appointed.

LA NACION (12-01-83).

Proposed law to obtain new sources to support INVU (Ley de Fideicomiso para la Vivienda) -never approved-.
The INVU President explained that it was only to obtain funds quickly to solve immediate problems, without claiming to replace normal sources or make up for additional sources that were needed. (Interview by L.F. Cordero to señora Clara Zomer, President of INVU) SEMANARIO UNIVERSIDAD (11 to 17 of March, 1983).

LA NACION (25-03-83:8A). Statement by señor Martin Delucchi, Director of Housing of IMAS. The first stage of 250 houses would be to solve the emergency after the earthquake of March, 1983. The plan in the AMSJ would be concentrated in Paso Ancho, Río Azul and other barrios south and north of the centre of San José.

Among the main projects of the AMSJ were: Corina Rodríguez and La Guapi in Alajuela (577 and 525 houses); Bribri and Lomas del Río in Rincón Grande de Pavas (917 and 350 houses); Gregorio José Ramírez in Alajuela (1003 houses) and Cocori and Izcarú in Cartago (1000 and 364 houses). LA NACION (01-10-84:8A).

LA NACION (03-10-84). Statement by señor José Manuel Agüero Echeverría, President of the Cámaras Costarricense de la Construcción (CCC), the major organization of private companies and consultors. He would be Executive President of INVU from July 1987, and was a high rank member of the PLN since the late 1970s.

The Administration changes on 8th of May, every four years, so it is impossible to give exact figures because the statistics of each institution are prepared annually. However, normally the first six months of each administration simply continue with the previous projects. The new government really begins in January or even February.

Valverde (1987:tables 1 and 27) recorded only 17048 'solutions' (15113 from INVU) for the four years. This difference is caused because he did not include a series of programmes, such as loans for repayments of mortgages, 'lots with services' and others. So, the real figure was arbitrarily reduced.

There were some professionals who had worked during the Carazo Administration and prepared the SESVAH documents, who supported the ideals of 'human settlements'. Others came from the construction industry and private organizations and supported massive construction, precast modules and high technology. Others were the theoretics of the Monge Administration, who wrote the One Hundred Days Scheme and proposals for an 'integral policy'. There were also some founders of the FDV and FCV, local leaders and even representatives of a former left-wing group:COPAN which established an electoral alliance with the PLN.

The whole housing programme of this administration has to be supported by national savings and not foreign resources, except for donations which do not involve any new commitments for the country. The first challenge is to find and to re-direct resources so that they enable the construction of 25 thousand houses and provide another 7 thousand each year until 1990" Statement by the new Housing Minister. LA NACION (31-07-86). Special report on housing, #4. The new law to create the Housing Mortgage Bank (BANHVI) was signed by President Arias on 13-11-86.

In 1988, the leaders of the United Coalition Party (in opposition) pointed out: "INVU had to be intervened half way, after its directors had to resign because of their strong disagreement with the new Housing Minister. The lack of order and its instability is reflected by the fact that INVU had three executive presidents" Statement by Deputy Rodolfo Méndez Mata, chief of the opposition in the Legislative Assembly. LA NACION (26-09-88:16A).
36"Immediately after being appointed, the Housing Minister went to Europe with the President and said that the trip was to find new resources, without even knowing the needs. After that, he only came sometimes to the meetings of the INVU Directorate. INVU Directors formally communicated to him that the institution did not have funds to begin new projects or to continue some unfinished projects started during Monge Administration. For many months there appeared in the meetings’ records promises to find new resources. A few months later, the Minister began to inaugurate houses in projects that had already been inaugurated during the previous administration without being finished" Statement by Alberto Franco Cao, former member of the INVU Directorate. LA PRENSA LIBRE (26-06-89).

37The quantity of 80,000 is not extremely impressive if compared with a total of 60,000 built during the previous administration, even if only 20,000 of that amount were for low-income families (Lara and Valverde, 1986).

38"INVU expected to build 75 buildings for more than one thousand families, but later lack of funds and administrative problems delayed the construction and only a few were built during the administration. LA PRENSA LIBRE (08-06-88), LA PRENSA LIBRE (27-28-06-89), ACOVI-CCC-BANHVI (1989:2 -Commission Two-).

39The Law of the Housing Financial System underwent a long period of negotiation in the Legislative Assembly. The first draft went to discussion during the Carazo Administration and continued in commissions during the whole Monge Administration. The main disagreement was about the creation of a new Housing Bank, as many wanted only some changes in the existing system of Mutual Associations controlled by one of the nationalized banks (the Agricultural Credit Bank of Cartago -BCAC-). A new Bank controlled by the Central Bank and the Housing Minister would be a very strong political tool that the opposition did not want for the PLN. Finally, negotiations allowed the concentration of an enormous amount of resources and the creation of the Housing Mortgage Bank, many of the new sources for which were former sources of INVU that had been cut since the 1960s. The new Law was approved in October 1986, the same month that the 'Special Commission for Housing' was created. (See Legislative Assembly records).

40"The necessity of a Ministry to direct housing policy and to coordinate work with the new housing financial system, was emphasized by the Minister Fernando Zumbado, during the signing, by President Arias, of the new Law to create BANHVI" LA NACION (14-11-86:4A).

41Señor Jorge Vargas C. was Director of FOSUVI-BANHVI and was one of the members of the original minister's team who prepared, negotiated and organized the Housing Mortgage Bank. He was interviewed (recorded) by the author a number of times on 19-12-89, 11-02-90 and 12-02-90.

42"Statement by Arq. Zuleica Salom, Director of the Urban Department of INVU since Monge Administration and previously Deputy Manager Director and Member of its Directorate. Recorded interview with the author (21-12-89).

43"The Minister abandoned the Presidency of INVU to assume the Presidency of BANHVI. Another President was appointed and immediately developed a conflict to the death with the Minister. As members of the INVU Directorate we denounced what was happening and so President Arias sacked us. Afterwards, President Arias decided to take over INVU, but little changed" Statement by A. Franco Cao. LA PRENSA LIBRE (27-06-89).

44Programmes of the Departments of 'Progressive Housing' and 'Organized Groups'.

45For example lending technicians, material laboratories, topography and transport. IMAS began some projects with financial support from CEV, but a few months later CEV controlled most of these projects. Information given by señor Oscar Madrigal, Director of CEV, interviewed by the author on 05-12-89 and 12-12-89.

46The National Oil Refinery (RECOPE). Original funds came from AID (Programme PL 480): one hundred million colones to improve basic services in land occupations that were originally INVU projects. Information given by señor Oscar Madrigal, recorded interview with the author.

47The whole programme was based upon high subsidies and new resources. It was absurd for the Minister to answer criticism on the increase of public expenditure by saying: "to have a significant increase in the sector's activity the new financial system does not require new public funds and it has not asked for them". LA NACION (30-11-87:FORO).

48Some critics estimated these costs -never computed or accounted for by the government statistics- to be more than 56,000 million colones -700 millions US$. Statement by J.Corrales Q. LA NACION (05-06-87:15A).
Señor Oscar Madrigal said: "The 1984 Census established the there were 35 thousand tugurios, so the goal was to eradicate 40% (10 to 13 thousand) during the Arias Administration. The plan was to build four thousand houses per year" Recorded interview with the author.

Señor Jorge Vargas said: "The cost of that 40% at 1987 prices, was around 5 thousand million colones, and CEV had only 9 hundred million, but anyway they began with everything. In the most optimistic calculation the CEV programme has 2 thousand million deficit, and its officials solve it with financial manoeuvring because there are not enough resources in Costa Rica to pay that amount. Also it is necessary to add the costs of infrastructure and services that CEV did not build. The goal was to build 14 thousand houses in three years in sites occupied by consolidated shanty towns, without taking into consideration any of the subsequent problems: deeds, services, legal procedures, urban development, overcrowding of existing community services, transport, jobs, etc" Recorded interview with the author.

50*The Manager of BANHVI said that it will not pay one thousand millions colones to the CEV until it finishes formal agreements (sign deeds) with 4 thousand families. IMAS’ Executive President said that 105 projects could be paralysed. The National Association for Housing said that because of lack of new funds to pay the construction companies they will stop 20 projects in San José and Alajuela* LA NACION (22-02-90, report by R.Moya).

51*Interest for delays in finishing formal agreements and the beginning of repayments in projects supported by BANHVI reached almost one thousand millions colones per year. Almost 3300 finished houses could not be given to families because of the high costs, there are not enough families that could pay the new costs caused by delays* Report by O.M.Cokyeen. LA NACION (05-01-89).

52Señor Miguel Murillo, Manager Director of BANHVI said: "The BANHVI had to take decisions that expect companies and families understand. It is necessary to finish the ongoing projects. There are more than eight thousand million colones already expended in these projects. It would be irresponsibility to began new ones before completing formal contracts and mortgage with the families assigned for these houses" LA PRENSA LIBRE (05-09-89:4). Señor Jorge Vargas support this statement during a recorded interview with the author.

53The Dirección General de Estadística y Censo gave special reports on housing to major newspapers. LA NACION (04-05-86:2A and 12-05-86:2A, report by S.C.Nieto), LA REPUBLICA (05-08-86:2 and 26-10-87:5).

54*President Arias proclaimed Housing Year from 9 May 1987. He reiterated that there had already been built 20,587 houses* LA REPUBLICA (09-05-87:2).

55LA REPUBLICA (14-05-87:6 Special report on the first anniversary of the administration). One year later the housing minister would give contradictory figures. He reports 42,399 houses built during two years, out of which 8,550 units were the responsibility of INVU and CEV together. LA PRENSA LIBRE (17-05-88:2).

56Even in 1989 some of these projects were not finished, for example Corina Rodríguez, Gregorio José Ramírez, La Guapii, Los Duraznos and Paraiso. LA PRENSA LIBRE (28-06-89:11).

57Figure obtained by señor Rodolfo Méndez from PUSC, based upon the COPAN research. LA NACION (01-10-88:6A). The official in charge of ‘information’ of MIVAH said that they *include projects approved in the drawing-table and were waiting for resources to be found and new evaluations of real demand* LA PRENSA LIBRE (28-09-88:10).

58Programmes for low-income sectors during 1987:
1. Critical Zones: Los Guido, Metrópolis, Los Diques and La Capri. Each with more than 600 families.
2. Immediate Action Plan: Tugurios of the AMSJ. Originally 3988 families from 16 places. Seven would be relocated to INUV or IMAS properties. Another seven would be relocated in properties that INUV would be buying and two would be part of the ‘pilot scheme’. The number gradually increased upto 4300 families. MIVAH selected 23 groups to be deal with immediately because of their dangerous conditions and sites.
3. Special Projects: Started by IMAS during the Monge Administration and abandoned due to lack of funds.
4. Organized Groups: Projects and properties controlled by COPAN.
5. Pilot Scheme or ‘Oscar’ Scheme: This ‘pilot scheme’ originated since late 1984, after a Decree of National Emergency. IMAS was responsible and was offered 128 million colones. However, these funds were never delivered and the scheme was reduced to two projects. The new administration changed its name to ‘Oscar’ (The President’s name: Oscar Arias) and gave it financial support. This programme included mainly small projects developed by Civil Associations affiliated to DINADECO, the so called "Associations for Integral Development" (ADI) founded since the early 1960s, most of them in rural zones.
The CEV began in February of 1987 with: Immediate Action Plan, Critical Zones and Organized Groups according to the information of señor Oscar Madrigal, Executive Director of CEV (Author's recorded interview).

59LA NACION (19-04-87:6A) "In this moment there are 25,000 houses in construction, of which 10,000 have the extensive involvement of the major Popular Organizations". Statement by the Housing Minister.

60MIVAH gave two reports, one with 28,632 houses and another with 36,133 houses. COPAN pointed out that:
1. There are projects recorded twice, some of them with a different figure each time.
2. In Los Guidos the report's figure is 3,100, but there are only 500 houses. The rest are scrap huts.
3. In Guaraní the report's figure is 1,100 - built or in construction - but there are only 35 finished.
4. In Monte Alto MIVAH reported 305, but there is only a caterpillar tractor working.
5. In La Capri MIVAH reported 2,000 houses, but there is only basic infrastructure (roads, drains, electric poles).
6. In San Cristóbal, Hatillo the report's figure is 160 houses, but the project does not exist.
7. In Hatillo 9 MIVAH reported 624 houses, but this is a project designed by the previous administration, but never started. COPAN found only 3,924 houses from the MINVAH report of 28,632. In addition 2,000 houses built during the Monge Administration were made available after 1986 (Trejos, 1988:2).

61LA NACION (25-03-89:6A), LA REPUBLICA (04-05-89:8A) Reports on the political debate about this figure.

62LA PRENSA LIBRE (04-01-89:7), LA NACION (21-12-89:2A) Reports on the official data and Minister's statements.

63Between 21-12-89 and 25-12-89 the author visited every project on the original list given by MIVAH in 1988 and also the new ones started after that. During the visits to the projects located in the AMSJ, señor Jorge Mora Oconitrillo (former Director of Housing in MIVAH) and señor José Gabriel Román (former official of FDV and MIVAH) participated. They introduced the author to local leaders and described the stage of each project at that moment.

64Author's recorded interview with señor Jorge Mora Oconitrillo.

65Information given by señor Oscar Madrigal, CEV Executive Director. Author's recorded interview.

66"Until 1983 INVU received 3% of the National Budget. This would mean in 1983 more than 500 millions colones. From May 1982 INVU only made a few auctions (to buy land), and approved regulations and the Director Plan for GAM. The programmes which used BCIE funds ran out of money. So, the self-help programme is essential" SEMANARIO UNIVERSIDAD (11 to 17 of March, 1983). Report by L.F.Cordero based upon interviews with INVU Directors.

67This institution (Caja Costarricense del Seguro Social) controlled the public hospitals and surgeries all over the country. Under the law which set it up, it received its resources mainly in direct monthly payments from workers and companies.

68The Central Bank specifically said: "the government must not expand the credit for housing as happened before because this put at risk the agreements with the IMF" Statement by the Directorate of the Central Bank in December of 1979, quoted by Valverde (1987:150).

69Government officials reported that these funds would be used to finance the projects located in the largest precarios of the AMSJ and other projects from the last administration (LA NACION, 07-05-87:2A).


71MIVAH and CEV officials estimated that up to 2,000 mortgage contracts of houses built by CEV would be signed by February 1990, the elections month (Author's recorded interviews to Jorge Mora and Oscar Madrigal).

72The opposition candidate, Rafael Angel Calderón, then elected President (1990-1994) make his offer during the candidates debate (by TV) on 4 November, 1989. It led to articles and public debate in the media. LA NACION (29-12-89), LA REPUBLICA (30-12-89).
An additional obstacle is that the Property Registry Office does not accept more than five lot-registrations by each person at the same time. So, if you have a project of 200 houses, you have to register in groups of five and join the queue 40 times. Statement by Francisco Murillo, Administrative Director of CEV. Recorded interview by the author.

Law #6 from 21 September, 1939 and Law #680 from 3 September, 1946 and their reforms.

A detailed analysis of the new law's consequences appears in "Conclusiones del Seminario de Análisis de la nueva Ley de Inquilinato". This seminar was organized by the Supreme Court. The main resolutions and comments were compiled by señores Lic. Roberto Gutiérrez and Lic. Gerardo Parajales. The seminar was supervised by Dr. Olman Arguedas and Dr. Jorge Rojas representing the Supreme Court (July of 1989).

Still in January 1990 there was no decision by the Supreme Court on an appeal that argued that this law was unconstitutional. This appeal from October 1989 appeared in the Judicial Bulletin #207, 2 November of 1989.

Projects for North Park and South Park were abandoned, the East Park were partially developed (INVU; 1980).

Law #2726 (14-04-61) to create the Servicio Nacional de Acueductos y Alcantarillados (SNAA), years later called Instituto Costarricense de Acueductos y Alcantarillados (ICAA).

An analysis of that conflict, the conditions of the plan and its results can be found in Argüello (1983a:209-213).

Project OROSII that would supply 1.8 m³/sec of drinkable water and Project CHIVAS with 200 lt/sec.

Author's recorded interviews with Francisco Murillo and Oscar Madrigal, Directors of CEV in 1989.

The conference was called Seminario sobre la Problemática del Desarrollo Urbano en la GAM, and its Resolutions were published on 15-12-89. The author went to this conference as representative of the National University. Comments and resolutions were also published in LA NACION (17-12-89:14A).
CHAPTER THREE

THE PRECARIOS AND THE HOUSING PROJECTS IN COSTA RICA
Introduction

A key factor in housing policy from the beginning of the period was the constant pressure applied by popular organizations and community groups. Land occupations and various forms of public demonstration had become crucial elements in electoral campaigns and in the general process of political competition. However, in spite of the politicization of housing the different programmes introduced by the three administrations did not all improve housing conditions. Indeed, some housing policy actually lowered popular living standards.

The case-studies show the effects of the different policies adopted by the three Costa Rican administrations. The survey settlements are representative of housing conditions in the shanty towns of San José in the early 1980s.

This chapter analyzes the formation of the *barrios* and describes housing conditions at the end of the second administration. It also describes changes in housing policy during the period and examines in detail the new housing policy of 1987 and its impact on housing conditions.

Formation of the *precarios*

Up to 1987 one of the few housing alternatives facing low-income sectors in the Metropolitan Area was to invade land. Private rental housing for poor families was in decline and the government's construction programmes had either collapsed or been reduced to 'sites and services' schemes. Since the mid-seventies the economic crisis had deepened and thousands of families had spent years on government waiting lists without any reply. Community groups began to apply strong pressure from 1976 and kept it up through the elections of 1978 (Argüello, 1983). By invading land the families forced local governments and the housing institutions into a negotiating position. The invaders sought either improvements or relocation to government projects.

From the beginning of the first administration several groups organized land invasions in the south of San José to draw attention to their needs. They did not want to begin a proper state project on the invaded land, land invasions were simply a way of demonstrating their homelessness and of gaining priority in the government's few projects. Invasions occurred in a traditional area of poor settlements, only five kilometres south of the Central Park. The area invaded was close to an INVU housing project which had been used to relocate shanty dwellers from the city centre between 1963 and 1966. Ten years later this area had deteriorated badly and its houses were overcrowded. Relocation had meant that many families had lost their previous jobs around the marketplace or in the city centre. New repayments levels plus the costs of basic services had led to increasing debts, and to rising levels of sharing and subletting. Many left the project and in 1979 some of the families occupied land nearby.

This land invasion was named *Los Nietos del Presidente Carazo*. After two weeks the new settlement had more than 200 huts. Thirty percent of the families came from *15 de Setiembre* and 21% came from *Aguantafilo*, a neighbouring settlement. Many families explained...
that they could not pay INVU or had been sharing or subletting in INVU or private houses. The government’s response was ambiguous. At first IMAS officials said that it was not their responsibility, in spite of the fact that many of the families had been on their ‘waiting lists’ for years. Some months later, however, many public demonstrations, strikes and negotiations forced INVU into making an agreement with the local community representatives.

This was the first of many small invasions in the area. Las Promesas del Presidente Carazo was formed by families from 15 de Setiembre and Los Nietos (Aguilar, 1983:20), but later many more arrived from the whole city. Some of these families had occupied the land as a form of pressure to get the government’s commitment to develop new projects and to give them priority. They did not want to continue living in Las Promesas because the settlement occupied a narrow and dangerous site alongside a heavily polluted river. Every family occupied only a lot of 9 m² and built flimsy cardboard and wood huts. This was a new form of invasion in Costa Rica and very different from the tradition of occupation that had emerged in the country’s two major ports. During the 1970s hundreds of families in Puntarenas and Limón had occupied land, but they had organized the occupation months before and designed the street plan carefully. The invaders wanted to stay in the invaded land, to obtain tenure and to build and consolidate their settlements.

In the new land invasions in San José, INVU procedures and negotiations dragged on for many months and the community organizations began to apply pressure through demonstrations in front of INVU or the Presidential Residence. They had many public confrontations with the police, and their leaders were jailed sometimes for weeks or months. In the last year of the Carazo Administration hundreds of families were still living in extremely dilapidated conditions, despite formal agreements to relocate them to INVU or IMAS new projects. A few families had been relocated to new self-help projects established by PRECO or PROVIS. In response to the demonstrations IMAS developed a media campaign accusing the invaders of being politically motivated and of being land speculators (LA NACION, 28-09-81:5A; LA NACION, 03-03-82:11A). The PLN, in the opposition, complained that there were 50,000 people living in tugurios in San José, “fertile land for the communist agitators.” Many families responded by joining housing community groups and invading land in large numbers.

The first of these large invasions occurred during the electoral campaign of August 1981. It occupied an area of 30 hectares in the south-east of the city. Ownership of the land was not completely clear, but it was apparently private land located on a high hill near to the city’s main rubbish dump. Community leaders distributed the land and denied any link with political parties; the leader was a cleric from a Christian group who conducted most of the negotiations with the police (LA REPUBLICA, 04-09-81). In a few days 400 huts had appeared (LA PRENSA LIBRE, 29-08-81). As in other earlier invasions the leaders claimed that they could not pay high rents and were living in overcrowded accommodation. They had no other option but to invade land, even if the land was a polluted hill side subject to landslides during the rainy season (LA PRENSA LIBRE, 01-09-81). In 1980 some families relocated in government’s projects returned to their
original land invasion because they could not afford the monthly repayments to INVU. Many other families also returned to their previous sites the following years.\(^7\)

During the succeeding Monge Administration invasions continued in spite of the negotiations and control by the Housing Democratic Front (FDV) and the Costa Rican Democratic Front (FCV). Many independent community groups invaded public and some times even private land and argued that "they could not pay rents or were evicted" (Semanario UNIVERSIDAD, 28-05-82). In places, such as Rosister Carballo and Nuevo Amanecer, local leaders linked to the FDV distributed land with the formal approval of the Presidency. They had proper lay-outs based upon 90 m\(^2\), streets with sidewalks and formal procedures for distribution. Invasions continued in 1983 and 1984, in every case local leaders blaming high rents, lack of government projects for the poor and overcrowded conditions in shared homes or rooms (LA NACION, 04-05-84; 11-06-84; 21-11-84). During the elections period of 1985 independent community groups invaded public land despite a formal agreement between the PLN candidate Oscar Arias and the directorate of the major housing fronts to discourage them (LA NACION, 01-03-85; 30-04-85).

In 1986, formal agreements between the three major housing fronts, FDV, FCV and COPAN, and the newly elected President promoted new land distributions but at least gave the new government some time to organize its programmes without further demonstrations or land invasions. While this agreement slowed down the invasion process, it left thousands of families concentrated in three large public areas waiting for the new projects to be completed.

**Socio-economic characteristics of the precarios**

Between 1986 and 1987 a team from INVU-MIVAH produced an 'inventory of precarios' located in the Greater Metropolitan Area. This inventory is the best information available on the living standards of the low-income families who organized housing community groups.\(^8\) This survey found that there were 129 settlements containing slums of which 104 contained nothing but tugurios. The final report of the survey covered only the 104 wholly dilapidated settlements. The information does not cover every area invaded during the previous two decades, but is more or less complete with respect to the 1982-1987 period. It clearly excludes large invasions from the time of the Oduber and Carazo administrations which had been eradicated or transformed into 'sites and services' projects, for example Los Nietos de Carazo and Las Promesas.

**A. Location and migration**

The survey population had different origins. Some settlements had been established by families from nearby barrios and with additional families arriving subsequently from more distant districts, or from the rural areas and even from abroad. Other settlements began through the relocations of whole communities. In three of the sites the families were members of associations defrauded by private developers and INVU had to relocate them in public land. The largest precarios contained dozens of groups from all over the city who were affiliated to the major housing fronts or were simply sent to the settlement by a PLN deputy or party leader.
The 104 settlements were located in 18 different cantons, but 65 were located in only five cantons and 29 were concentrated in just five districts. Just four precarios contained 48% of the population and Los Guido alone contained 18% and San Pedro de Pavas 13% of the total precario population. This extraordinary degree of concentration caused serious imbalances in the demand for community services, particularly as local governments received no additional financial support and the new families did not pay local taxes for years. The population of the precarios amounted to 10.5% (average) of the total population in each canton, but in a few cantons the percentages were extremely high. In Desamparados it was 24.4%, in La Unión it was 36.7%, in Cartago it was 13.6%, in Paraíso 19.8% and in Goicoechea it was 11.5%. It meant that these Municipalities had to give services to hundreds of new families, that amounted up to a third of the total population, without any new resources. The effect was that the services, such as schools, health centres, hospitals, creches, were overcrowded and deteriorated severely in a few months.

The concentration was particularly high in some few districts, but it did not mean that the migration rate was very high. In reality, the families of 34 new precarios came from the same districts, which meant from barrios nearby given the small scale of the districts, so most of the families had only moved about ten kilometres. Most of the changes of place were within the AMSJ, and 68% of the barrios were composed of families from the same canton where the new precario was located. So only in the biggest barrios was there a real new concentration of population, and in general the Municipalities had already to serve the same families, because they were already living in the same canton. Overcrowded conditions would only occur in the specific schools or health centres that were close to the barrios.

However two cantons were particularly badly effected, Desamparados and Goicoechea. The location of two large precarios, meant that a high percentage of the whole population of each canton was living in one district and also most of them came from outside the canton because there were relocations from all over the GAM. Both Municipalities had strong confrontations with central government officials, from CEV and MIVAH. Local councillors made agreements with local leaders to put pressure on central government or simply refused permission for new buildings (LA NACION, 22-01-89:8A). After 1987, when CEV began to develop its projects in these sites, new families arrived from all over the country, expecting to get a house more easily than in their towns of origin. The districts of San Miguel de Desamparados and Ipí de Goicoechea would need many years and considerable investment in public services to meet the new demands they faced from 1985 and 1983 respectively. On the other hand, the whole panorama of commercial activities changed, because suddenly there were thousands of families building wooden homes through self-help using local shops for their everyday needs. The families had to finish off the houses built by CEV, so very soon there were new workshops and shops selling concrete blocks, wires, pipes, iron frames, wooden windows and doors, etc.

The number of inhabitants per barrio varied according to the year of occupation, because in some years there were massive invasions and relocations. A major concentration appears in 1981, mainly caused by the invasion of Río Azul, and in 1986. Out of the precarios existing in
1987 (Figures 3.1 and 3.2) 43% were set up in 1986 and the percentage of population was 57%. Most of the 45 barrios that began in 1986 were built almost completely during the transitional period, between February and May 1986. However, the predominant pattern was not one of massive invasion. The pattern was for groups to form of a few families (normally between 30 to 50) that gradually grew up to around one hundred. These families organized a community group and invaded land or affiliated themselves to a major housing front, so officials from that organization allocated them in a precario. It was not a condition that families should come from the same area, in some community groups the list of members included relatives living in different places of the AMSJ.

Some of the sites of invasions and relocations were inadequate or even dangerous for residential use. Some of the problems were:

1. a danger of floods from rivers nearby
2. a danger of landslides from sharp slopes or dikes, high costs for columns and foundations.
3. a location in very wet lands
4. a location near, over or under dangerous sites: rubbish dumps, high tension electric lines, etc.
5. a location on public roads or railways
6. a location that was dangerous because of industrial use, airports or water dams.

Lack of infrastructure aggravated problems caused by sharp gradients or very wet low lands, or the proximity of rivers or dangerous sites. Table 3.1 shows the kinds of gradient of the precario land in 1987. The biggest problem for residential use affected 18% of the population and 18 barrios, but around 70% had acceptable conditions.

<table>
<thead>
<tr>
<th>Relative gradient</th>
<th>Number of barrios</th>
<th>population</th>
</tr>
</thead>
<tbody>
<tr>
<td>flat</td>
<td>34</td>
<td>15%</td>
</tr>
<tr>
<td>flat or slight slope</td>
<td>25</td>
<td>52%</td>
</tr>
<tr>
<td>slight slope</td>
<td>23</td>
<td>13%</td>
</tr>
<tr>
<td>slope in sites</td>
<td>4</td>
<td>2%</td>
</tr>
<tr>
<td>hill, strong slope</td>
<td>18</td>
<td>18%</td>
</tr>
</tbody>
</table>


B. Demographic and economic features

The families living in the precarios were mainly nuclear families, young couples with children. Their degrees of poverty varied a lot, from extremely poor shanty dwellings to wooden homes in new materials belonging to public servants or middle income families. The families from the early 1980s were poorer than the members of housing community groups which formed the three major precarios during the electoral period of 1985-1986. The latter had greater ability to
YEARS OF ARRIVAL
PRECARIOS OF THE GAM

1000

100

10


YEAR

ITEMS

Figure: 3.1

POPULATION AND HOUSING DENSITY
PRECARIOS OF THE GAM

2000

1500

1000

500

100

0


INHABITANTS X BARRIO
HOMES X BARRIO

YEAR

ITEMS

Figure: 3.2

Own elaboration
Source: INVI-MIVAH
pay and many who had permanent jobs and stable incomes could contribute themselves to the building of two or three bedroom concrete houses.

The survey shows that only in six small sites was there a significant percentage of single parent families, with predominantly women heads of households working at least part time. In these barrios other women took care of the children. Out of the whole population 85% were considered 'nuclear' families, mainly 'married' couples with children, though some of them could share the home with some other relative. The average number of people per home (sometimes simply scrap huts) was 4.8 in 1987 and this figure is constant regardless of the year of foundation or the place. The INVU-MIVAH survey shows smaller numbers of homes per barrio in the precarios founded before 1979, but this means only that they were in small old undisturbed places that made no trouble because most of the biggest land invasions (more than 150 families) from the late 1970s and early 1980s were relocated.

Many of the barrios had conditions typical of recent land invasions; poor building materials and basic services. Thirty six barrios (including the largest) used mainly scrap materials in the shelters. However, many others had new wood or even concrete buildings, as shown in Table 3.2.

<table>
<thead>
<tr>
<th>Table 3.2 BUILDING MATERIALS USED IN THE PRECARIOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
</tr>
<tr>
<td>------------------------------------</td>
</tr>
<tr>
<td>concrete/wood and zinc in good/regular conditions</td>
</tr>
<tr>
<td>concrete, zinc and wood in bad conditions</td>
</tr>
<tr>
<td>wood in average and bad conditions</td>
</tr>
<tr>
<td>wood in bad conditions and scrap</td>
</tr>
<tr>
<td>scrap or junk materials</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>


The building materials used reflect the different incomes of families. Almost 10% had large well-built houses in new concrete blocks or wood. At the bottom of the scale another 10% had only scrap dwellings of cardboard, plastic or junk wood. In the middle of the scale there are two groups with around 36% of the homes that also showed contrasting conditions. Most of the houses were very small (from 16 m² to 30 m²), with the exceptions concentrated in the oldest barrios, but the lots were of very different sizes, from very small of 30 m² to ones of 250 m², similar to the average sizes of formal urban lots in middle-income barrios. Most of the lots were between 120 m² and 150 m² in size.
C. Services and infrastructure

The INVU-MIVAH survey presents a broad picture of the infrastructure becoming rundown from over-use, but it also shows improvements in some places, such as new ballast or asphalt roads and community centres. Most of the families did not pay for any services (74%), but they had water and electricity. Apart from their everyday expenditures (food, transport, etc), they made a weekly or monthly payment to their community groups or the major housing fronts, particularly in the places controlled by COPAN, FDV or FCV. However, these main organizations supplied better services, such as individual water supply and electricity, public transport, community centres and schools. The poorest precarios received food and other basic goods from government organizations and most of them received some building materials from IMAS, INVU or political parties.

In 1987, the biggest barrios had electricity, but there were still 74 of the 104 without even illegal connections. The legal connections developed by ICE were charged collectively to the community group which organized their own procedures to charge the users. They used a number of ways of charging the families, including counting the number of light bulbs and other electrical equipment. Other community groups paid from their collective funds. Normally the community groups using illegal connections only allowed the use of light bulbs and small equipment such as radios or TVs, but not refrigerators or cookers, but in the larger precarios the families had electrical equipment in relation to their individual income.

The illegality of the barrios was the reason given by ICE for not installing standard street lighting, 83 barrios with 80% of the population did not have street lighting. This made for insecurity and distress particularly during the rainy season nights on dirt streets. This contrasted with the general conditions of the city, where from 1980 more than 94% of the population had individual electricity connections and public lighting (OPAM, 1983:272).

Most of the families had individual water connections -legal or illegal- (55.5%), but there was still a significant number using stand-pipes. Most of the homes had one of these forms of water supply near their homes as shown in Table 3.3. Other forms, such as rivers, wells or fountains were not usual in the GAM, so families only used them in exceptional cases. The rivers would probably be polluted because they are normally open drains for the whole city. For that reason many families without stand-pipes or water networks had to use water supplied periodically by trucks. Nationwide, the water supply conditions were much better; in 1984 more than 80% had individual legal connections.
Table 3.3 WATER SUPPLY

<table>
<thead>
<tr>
<th>Type of supply</th>
<th>Number of homes</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>individual connections</td>
<td>4,807</td>
<td>55.5</td>
</tr>
<tr>
<td>individual or stand-pipes</td>
<td>1,725</td>
<td>19.9</td>
</tr>
<tr>
<td>stand-pipes</td>
<td>1,734</td>
<td>20.0</td>
</tr>
<tr>
<td>river</td>
<td>75</td>
<td>1.0</td>
</tr>
<tr>
<td>fountain or well</td>
<td>137</td>
<td>1.6</td>
</tr>
<tr>
<td>none (water-truck deliveries)</td>
<td>173</td>
<td>2.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,651</td>
<td>100</td>
</tr>
</tbody>
</table>


One of the main problems in *precarios* was the lack of proper sanitary systems. In 1987 the percentage of families using latrines was very high, and only a few *barrios* used as a norm septic tanks, as shown in Table 3.4. A third of the population still used collective latrines. These conditions did not improve significantly during the last administration because the CEV houses did not provide septic tanks. The families had to build their own sanitary system, so most continued using individual latrines.

Table 3.4 SANITARY SYSTEMS

<table>
<thead>
<tr>
<th>Type of system</th>
<th>Number of barrios</th>
<th>population</th>
</tr>
</thead>
<tbody>
<tr>
<td>individual latrine</td>
<td>60</td>
<td>66%</td>
</tr>
<tr>
<td>collective latrine</td>
<td>34</td>
<td>29%</td>
</tr>
<tr>
<td>open drain or river</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td>septic tank</td>
<td>5</td>
<td>4%</td>
</tr>
<tr>
<td>none</td>
<td>2</td>
<td>0%</td>
</tr>
</tbody>
</table>


The fact that the main *precarios* were transformed into projects on the same public land they had been occupying for years increased the danger of diseases caused by extreme pollution, even after their projects were officially finished.

In some of the main *precarios* the new projects used the same improvised lay-outs that community groups had developed during their occupation. Some had asphalt or ballast streets in lay-outs approved by local governments, so CEV simply built houses in the lots previously distributed by local community groups or the main housing fronts. In some other *precarios* CEV built the houses in various stages, so the families released some parts of the site for the CEV to build houses, and then once they occupied the new houses, CEV began a new stage in their
previous site. In these projects CEV built basic infrastructure, such as asphalt roads, concrete sidewalks, standard public lighting, sewers and drains, but many families continued using concrete latrines instead of septic-tanks. Before the beginning of CEV activities, half the population had only dirt streets and more than 20% of those were in bad condition (Table 3.5), even though the survey was done during the dry season.

<table>
<thead>
<tr>
<th>Table 3.5 ROAD CONDITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of roads</td>
</tr>
<tr>
<td>dirt road in bad conditions</td>
</tr>
<tr>
<td>dirt road</td>
</tr>
<tr>
<td>ballast in good conditions</td>
</tr>
<tr>
<td>ballast in average conditions</td>
</tr>
<tr>
<td>ballast in bad conditions</td>
</tr>
<tr>
<td>asphalt road</td>
</tr>
<tr>
<td>concrete walks</td>
</tr>
<tr>
<td>none</td>
</tr>
</tbody>
</table>


Public transport in the barrios depended on the community organizations and their negotiations with private companies. Some local companies refused to go into the barrios because of the lack of proper asphalt or ballast roads, so the families put pressure on the Ministry of Transport to get the minimum conditions for the buses to go inside the barrios, particularly in the larger ones that occupied 50 to 70 hectares. These negotiations were almost always a success: 92% of the population (81 out of 104 barrios) had buses coming into their barrios or less than 500 metres from them.

Commercial services in the barrios were also private. Many families had small shops in their houses and some built proper shops on corners. In the main precarios when the CEV projects began, some of these shops became restaurants and bars because of the enormous new demand caused by dozens of construction workers. In 1987 83% of the population had proper shops with standard services, but many of the small barrios used the shops in barrios nearby. Most of the CEV projects did not have any designated places for commercial use or bus stops, so they continued using the ones previously established.

The location of precarios near the centres of districts or cantons allowed them easy access to primary or secondary schools, health centres and surgeries: 45 barrios (43% of the population) had these centres less than 500 metres from their sites, 33 barrios (31% of the population) were located less than one km. from these services. The main precarios had to build their own schools and health centres because the ordinary local centres could not take in
thousands of new families. In seven barrios (24,425 people or 35% of the total precario population) the primary school activities used community centres, churches or health centres. From 1988 some new schools were built in the major projects, but some of them were still too small. Half of the sites were located less than one kilometre from Community Child-Care Centres (CEN-CINA!)*.

**Government projects after 1987**

From 1987 the CEV transformed the old precarios of the Greater Metropolitan Area into government projects. While they kept the location of the largest land occupations, the CEV relocated every small slum into new public land. The basic conditions improved dramatically for these families who had invaded land and built very small scrap huts (some of only 6 m², as for example in Los Sobrinos). However, some land occupations on larger places only improved through the building of basic services, such as water networks and electricity. Their homes built by self-help with small loans from IMAS or INVU never reached the quality of the standard government projects. In some places many families abandoned the site after months of heavy rain with no sign of improvement.

The distribution of projects was never planned. In some cases institutions already had land for future projects, in other cases new projects were the result of land invasions. Some new places were acquired through negotiations, and some through auctions. Sometimes local community organizations did their research and then offered INVU or CEV various alternatives, at other times private companies or developers did the same thing. As a result, CEV projects were distributed almost at random, without a pattern, as the result of many decisions made by dozens of agents throughout the decade.

The CEV projects show an enormous spread all over the AMSJ and GAM, but the main three projects are located less than 8 kilometres from the city centre: north-east and south-east and west. The CEV concentrated its funds not only in the AMSJ, but in the city of San José. During 1988 and 1989 BANHVI located between 70% and 80% of its loans inside the GAM, particularly inside the province of San José (BANHVI; 1990a,b,c).

As regards to the dispersion of the families among the projects and all over the GAM it is important to take issue with the claim by Molina (1990;112-115) that the CEV deliberately dispersed the population of the precarios among the projects to destroy their community organizations and, therefore, weaken their resistance to government policies. Evidence from the projects shows that there was no such dispersion. If it is true that in some cases all the families living in a precario were not relocated together to a new project, the decision to do that had a number of causes, including the families own choice:

1. Each project had only one or a few kinds of 'solutions' for financial and technological reasons. It is easier to develop a project of only one type of house and it also makes it easier for

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*Centros de Educación y Nutrición- Centros Infantiles de Atención Integral (CEN-CINA!).*

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preparing budgets, deeds and repayments. As a result CEV officials allocated families in projects according to their ability to pay, according to their stratum of income.

2. Leaders of the projects and their immediate supporters chose some projects or type of 'solutions'. Some of them strongly rejected specific designs or places. Some of them even prepared lists of families that they considered 'trouble-makers' and put pressure for them to be given a different place. Some leaders negotiated first a small group of solutions for their immediate supporters and themselves with the agreement of local officials of CEV.10

3. The projects took years in the process of building, so families were gradually relocated from small precarios according to different criteria, such as ability to pay, critical conditions of their huts, political or electoral pressure, relative success of negotiations or simply because they already lived in the place.

4. New invasions occurred during the third administration and some families were affected by natural disasters, so CEV or MIVAH local officials gave them priority and relocated them in the project immediately available. Most of these decisions were made by local officials of various projects working together, without the intervention of superior officials or central offices.

5. Most of the population of the precarios were controlled by the main three housing fronts, and some projects remained under their absolute control. Neither INVU officials, nor CEV officials, nor even MIVAH high level officials had information on the particular procedures used by local 'officials' of the housing fronts.

6. Out of the total population in precarios more than 30% were allocated in four main projects. The families went to these places before the existence of CEV, during the second administration, so their location could never be explained as a political decision taken in 1987 by a CEV official to destroy their organization.

The dominant feature of the whole housing allocation was concentration, not dispersion. That is obvious merely from looking at the cases of Los Guido, Los Cuadros and Metropolis. The houses built during the last years of the third administration had a huge concentration, despite declarations to the contrary by the Housing Minister.11 It follows the same pattern as the traditional projects from INVU in previous decades.

The whole history of INVU constructions (from 1955 to 1987), as shown in Figure 3.3 had a pattern of concentration in San José: 66.2% or 20,221 'solutions' were located in this province. Meanwhile, in 1984 San José only concentrated 38.1% of the whole housing stock (DGEC; 1984:census). The concentration in San José province was broken during the last decade, but only to build inside the boundaries of the GAM, which include parts of other provinces, such as Alajuela, Cartago and Heredia.

BANHVI data from the last years of the third administration show that between 40% and 45% of the houses were built in San José, between 12% and 19% in Alajuela and between 11% and 16% in Cartago. The allocation of loans from the SNFV inside the AMSJ was between 60% and 80%, but this same area only included 32.6% of the whole population of the country (DGEC; 1984). 89% of the total of 'solutions' of INVU from 1978 to 1987 were located in urban zones.
Figure 3.3:
Houses built by INVU
1955-1987

Provinces

San José
20221

Limón
1223

Puntarenas
3054

Guanacaste
1191

Cartago
1313

Alajuela
2260

Heredia
1283

Source: INVU, 1989
Figure 3.4
CASE-STUDIES
IN SAN JOSE
At the end of the period there were two different conditions. Some projects remained with their previous urban services because the CEV projects had only built houses. Some still had individual dilapidated wooden latrines next to the new pre-cast concrete houses, so the sanitary problems continued. Others had changed completely or were in process of change from precarios to real urban projects which were fully serviced with asphalt roads, concrete sidewalks, a bus service, schools, health centres, public lighting and standard activities of middle income barrios, although the families were from low-income sectors and had now to begin paying their BANHVI loans.

The initial resistance from Municipalities to accepting new precarios became open confrontation when CEV began to build houses without developing the basic infrastructure. Local councillors protested at the dangers to the families and some refused to allow new buildings (LA NACION, 22-01-89:8A). Since the beginning of the administration Municipalities had asked the CEV to get permission for the development of the sites, so that they could demand the building of dikes and proper foundations, but the Housing Minister refused to follow the procedures.12 At the end of the period, in 1989, CEV directors confirmed that they knew the deficiencies of their projects, but they did not have the resources to help the Municipalities. They recognised that the costs of building the basic infrastructure after building conventional concrete houses would be much bigger than the costs of using conventional formal procedures, which meant preparing the land first, then building the basic infrastructure and then building the houses. They simply said that CEV had money for houses only.13

The last official account said that there were 130 new precarios in May 1990, at the beginning of the new Calderón Administration. During the first year of this government the Housing Ministry planned to relocate 700 families that lived in extremely poor conditions 14. At the same time, the interest rate had risen to very high levels (BANHVI had raised it from 22% to 28% and the other financial institutions even higher), while INVU had suffered a new cut of 600 million colones from its annual budget (US$ 6,000) and had suspended all its programmes, including the 'sites with services' projects.15
Profiles of the Case-studies

This section examines the five case-studies in detail. First, it presents the case of Garabito, which is an example of 'sites and services' schemes developed during the Carazo administration and continued during the Monge government. Its normal growth and new land occupations nearby were to cause new relocations and new projects during the third administration. The second case is Los Cuadros, which exemplifies the policy of the Monge administration. The other three case-studies reflect the involvement of the housing fronts during the electoral period of 1985-1986 and the results of their agreements with the Arias government.

A. 'Sites and Services' in Garabito.

This project was one of the first attempts of 'sites and services' starting in 1980 by providing basic urban infrastructure. Its location was north of the city, in Colima (Tibás canton) and occupied 141,000 square metres. Its lay-out was based upon lots of 90 m². Its total cost up to 1983 was 15.6 million colones (US$ 325,000):

a. 4.2 million for the land cost
b. 6.6 million for basic infrastructure
c. 4.8 million for administrative and design costs

The project sold lots for 45,800 colones (in 1983 US$954) with an interest rate of 19% and 20 years term, but the families had to begin repayments immediately, so they to pay for both their current place and the lot while they built their new shelters. Alternatively, they had to live in the lots just in scrap huts to avoid double payments. INVU offered small loans for materials, but again the families had to start repayments immediately. Many families got these loans to build their shelters, but could not pay, and a few months later received summons or eviction orders so began to develop a new community movement to stop these procedures.

In 1983 Garabito had 300 families relocated from different zones of the AMSJ, particularly from land invasions south of the city, including Las Promesas, Los Sobrinos, and Juan Pablo II. Some of these low-income people worked in the public sector (20%) and 40% were self employees working mainly in services. Of the heads of households 43.5% had only occasional jobs, but the level of stability was significant: 39% had permanent jobs. The unemployment rate was average for the AMSJ conditions (Calderón et al, 1983; INVU, 1984).
The main occupations found by the INVU survey of 1984 are shown in Table 3.6. The category 'others' included people working in a series of occupations, such as mechanics, drivers, carpenters, cooks, etc. This meant low-salaried and unstable jobs.

<table>
<thead>
<tr>
<th>Occupations</th>
<th>percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>industrial workers</td>
<td>18</td>
</tr>
<tr>
<td>domestic servants or employees</td>
<td>10</td>
</tr>
<tr>
<td>construction workers</td>
<td>8</td>
</tr>
<tr>
<td>office boys</td>
<td>8</td>
</tr>
<tr>
<td>street seller</td>
<td>7</td>
</tr>
<tr>
<td>security guard</td>
<td>5</td>
</tr>
<tr>
<td>others</td>
<td>44</td>
</tr>
</tbody>
</table>


The families tried to improve their basic conditions through self-help but their basic infrastructure was very poor, with dirt streets, and a lack of bus services, drains or sewers. At the end of 1983 there were public demonstrations and media criticism:

"There is no school, the public lighting is very bad, the roads are blocked by mountains of soil from the lots, there is no bus service nor night-time vigilance" (LA PRENSA LIBRE, 08-09-83; 30-09-83).

The building of the infrastructure was under the responsibility of a private company and the families used some contracted workers, although it was a self-help project (Aguilar, 1987:105). The INVU survey of 1985 found that the barrio was unfinished, the streets were in bad conditions and most of the shelters were shanty dwellings or tugurios as shown in Table 3.7.

The homes considered 'in development' had a higher stage of construction than those considered 'part-built'. The former lacked some elements, such as latrines or still used plastic or scrap materials for parts of the roof or walls. They could be simply four walls and a roof with a dirt floor, without internal walls or proper windows. The latter were only basic structures near or around the shelter that the family occupied, simply a roof and columns or one isolated wall of cement blocks that covered one side of the scrap hut. Some were simply concrete foundations.
<table>
<thead>
<tr>
<th>Table 3.7 STAGE OF HOUSING CONSTRUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>type of construction</td>
</tr>
<tr>
<td>finished houses</td>
</tr>
<tr>
<td>houses 'in development'</td>
</tr>
<tr>
<td>'part-built' houses and huts</td>
</tr>
<tr>
<td>huts (built of cardboard or wood)</td>
</tr>
<tr>
<td>Source: INVU; 1984.</td>
</tr>
</tbody>
</table>

The basic infrastructure was still unfinished in 1985; there were still some dirt roads without drains, or sidewalks. There was no sewerage system, so every family had to build latrines or septic tanks. Half of the houses had wooden latrines and only the 'finished' homes had septic tanks. The progressive process of self-help was very slow, contrary to INVU predictions, and in spite of the fact that at least a quarter of the original families had left the place.¹⁷

In 1985 there were new financial conditions which were very difficult to pay:

a. minimum family income $= 22,901 colones (US$ 394)
b. lot average cost $= 60,000 colones (US$ 1,033)
c. loans for building materials $= 20,000 colones (US$ 344)

Interest rates and repayment periods were the same as 1982, but many poor families could not reach the minimum income and gave false information. This increased the arrears for INVU or IMAS, and brought more conflicts and evictions, but thousands of families presented their applications for 'sites and services'.¹⁸ The arrears rate was in fact very high in early 1985, in spite of individual negotiations and eviction orders that the families stopped through public demonstrations in the site.

One of the main housing fronts (the Costa Rican Housing Front -FCV-) which controlled the local community groups, started new negotiations with INVU and after months of demonstrations and media reports reached new collective agreements for the whole barrio.¹⁹ The data used to negotiate with INVU gave evidence that many families were not original residents, but families who had bought the lots. Many original families sold the lots and shelters before the deadline of the eviction order, so the new families received the lot and the debt with INVU and the officials simply changed names in their records. Some of the families who sold were living in the same barrio, sharing another lot or house with friends or relatives. Also the survey showed that some families began to share their lots, or to sublet a room to meet the monthly payments. The local community organization, linked to the FCV, did not have a significant involvement in this barrio after the negotiations with INVU. Their leaders got involved in the internal dispute of the PLN during the campaign to choose a presidential candidate, so they really became party supporters from mid 1985 to May 1986.

By the end of 1985 all the lots were sold but there were more families than lots or shelters and during 1986, some families from Garabito began new land invasions in places
nearby. The location of this barrio alongside a river-bank, and therefore on public land, was appropriate for some families to begin some new land invasions. These new invasions were not based on the original community group, but some of their leaders advised the new families in organizing their own community groups.\textsuperscript{20}

By mid 1986 the water and electricity networks were finished and the main roads completed with asphalt, but near the old Garabito there was a number of new land invasions mostly originating from Garabito and from a large low-income barrio called León XIII (a previous INVU housing project). These new small land occupations were hardly organized and occupied municipal land alongside the river or public land owned by INVU, which was reserved for future use for León XIII families. The new precarios were called: Colonia del Río, Los Angeles, Precario Norte and Precario Norte A y B.

In all these cases the families built very small scrap huts to demonstrate their homelessness. There were no proper lay-outs, only some irregular pedestrian walks following the contour-lines of the gradient. The available space was very small or the slope very steep, so they did not expect the development of new projects in the site. The same as the tugurios of 1979, they only wanted to get priority among the thousands of families waiting for one of the 80,000 houses offered by President Arias.

The new land invasion alongside Garabito was named Bajo Garabito, because it occupied low-lands alongside the river. Fifty families occupied the slope which was normally used as a rubbish dump by the families of the barrios nearby. Most of the families came from Garabito, where they were sharing or renting.\textsuperscript{21} In 1987 Bajo Garabito had no public lighting except in the street which separated them from Garabito, from where they connected their makeshift water and electricity networks. Lack of space prevented them building individual latrines, so they distributed ten collective latrines alongside the low-lands, by the river. Originally this expansion organized its own community group, but after internal disputes over the use of funds it was dissolved. The INVU-MIVAH survey of 1987 found that barrio Los Angeles was only 23 families; they also failed to organize a community group, but they built their individual illegal connections to water and electricity networks. They also built four collective latrines but all the drains were open dirt ones.

Colonia del Río had 50 families who originally occupied a street of León XIII, they developed a better community group. They also built water and electricity networks, and twenty collective latrines. Precario Norte and Precario Norte A y B were 11, 30 and 24 families who were well organized, and they had the same basic services. These better organized small barrios had strong links with the FCV,\textsuperscript{22} and were selected for relocation to one of its housing projects (Los Guidos) but sudden changes in the FCV projects prevented their relocation.\textsuperscript{23} In 1988 all these precarios were relocated to CEV projects. Most of them to La Lucia, and almost all the families from Bajo Garabito to La Eulalia.

Some of these families had lived originally in 15 of Setiembre and invaded in the so-called Las Promesas, from where they were relocated to Garabito and then invaded in Bajo
Garabito. In 1988 CEV relocated them in various projects, including Umará where in 1990 were living the main leaders of Las Promesas and some of their closest supporters.24

In March 1990 there were no tugurios or scrap huts in Garabito or Bajo Garabito and the other small land invasions of 1985-1986 in the zone. Many homes in Garabito were still unfinished, and in a state of never-ending development, but the basic infrastructure was finished. This was a prototype 'sites and services' project from the first administration effected by the original financial conditions and by the need of families to get loans without the ability to pay. The electoral period of 1985-1986 allowed some families to begin a new process of invasion-relocation and to reach finally really improved conditions in the CEV projects of 1987-1988. In 1989 these families had to sign new mortgage contracts with BANHVI with new financial conditions and repayments after four years of paying nothing for housing or services. The changes in the Costarican economy and government from May 1990, and the economic constraints imposed by the structural adjustment programmes, (which also led to changes in BANHVI financial conditions), could bring for some a new process of eviction, invasion, and relocation if there were any new housing projects. Alternatively, some families could improve their financial capabilities by subletting or sharing. Or finally some others could suffer the simpler process of eviction-invasion.

B. Los Cuadros: the endless precario-project

At the beginning there was the invasion of Mozotal, led by a community group linked to the FDV, but without the approval of the FDV directorate. Community leaders had made formal applications to INVU and had become formal members of the FDV, but two months later they invaded because "the INVU procedures were too slow".25 However, after the invasion FDV officials began to advise the invaders. At the same time another community group invaded in Maiquetía. These families had informal links with various left-wing parties, but not with the FDV which immediately established contact with local leaders to control the process. A few weeks later there were new small land invasions in Purral and in Calle Fallas, where community groups had no links at all with external organizations, but the FDV did again send its officials to advise the families.26 As a result, by mid 1983 there were four small land invasions, with extremely dilapidated conditions and eviction orders from courts, because all the land was private. The FDV took responsibility for the four places and began negotiations with the Presidency to avoid public confrontations, police intervention and political embarrassment.27

The FDV reached an agreement with the President who gave a decree on 29 July 1983. By this decree the farm called Las Cuadras (33 hectares) owned by INVU would be transferred to IMAS. The government would give IMAS 100 million colones, from emergency funds, that had originally been assigned to INVU. IMAS would have the responsibility for developing this new project but FDV would organize the relocation from the four original invasions and many other community groups linked with the front. Invaders and community groups from all over the GAM would be relocated to this new barrio, called Los Cuadros, using trucks from the Ministry of
Transport. ICAA would provide daily water-trucks and materials to build (by self-help) the new huts and also IMAS would provide some basic goods, such as bread, milk and medicines for the families. The FDV organized the relocation and distributed the communities, each in their separate space, in small areas to leave most of the land for IMAS to begin the building of basic infrastructure and proper houses.  

The ‘100 days programme’ of the Monge Administration was insufficient for the amount of families who organized housing community groups during the electoral period and put pressure through land invasions or through the FDV officials. Left-wing housing organizations also grew during the first two years of the Monge Administration and organized public demonstrations and strikes, not only in the locations of the housing community groups, but with thousands of families in the city centre. The FDV controlled dozens of housing community groups, most of them organized during the electoral period and made many specific agreements. The PLN and the President came under pressure not only from left-wing groups, but particularly from FDV groups. A high ranking official of the FDV explained that:

"The FDV had a dilemma: if you have a base of dozens of thousands of families, you cannot meet your obligations with a few projects of one hundred houses. As a result some community groups left the FDV. To avoid this the FDV directorate precipitated some land invasions and tried to control invasions organized by independent groups, and then relocated the families in Los Cuadros. As a result this farm, without basic urban infrastructure, was used to solve every small conflict by giving the families a piece of land immediately."

With Los Cuadros the government housing policy changed from formal 'lots with services' programmes controlled by autonomous institutions such as INVU or IMAS, to informal 'lots with services' controlled by a housing front, a civil association linked to the PLN. It was not a planned programme, but a result of lack of programmes. It was an immediate political solution for a more comprehensive problem, avoiding civil unrest without actually developing a housing project. The site became the point of concentration of hundreds of families from dozens of places all over the GAM. It was not actually migration, but a government organized segregation of poor families to a place in the city fringes which allowed their political control.

In Maiquetia the families organized the precario called Nuevo Amanecer, using the slogan of President Monge’s electoral campaign. They invaded in late May 1983, and in few days were more than 1,000 people. They distributed lots to every family and made an application to IMAS. Originally they were a few families from Maiquetia, but then some families came from different places of the AMSJ where most of them shared or rented homes (Semanario LIBERTAD, 24-07-83). In Mozotal 137 families invaded in July and few days later there were more than 160. They used anything from camping-tents to scrap materials, but some families did also build small houses with new wood and zinc. All the families were from the same barrio and had organized a housing community group since three years before, made applications to INVU and began to search for a proper site. They were the best organized group relocated to Los Cuadros. In

*Recorded interview of the author with señor José Gabriel Román (November, 1989).
Purral, 30 families occupied one manzana which had been abandoned for more than 10 years. Two days later another 30 families came, but they did not have a proper community group. In Calle Fallas there were only 17 families and the land was only half manzana, but a week later there were 60 scrap huts. The people from Mozotal and Maiquetia were the first relocated because they had the better community organization. Second came the people of Purral because Los Cuadros was near their original place. The people from Calle Fallas were only two weeks in their precario, before their relocation and re-organization (Salinas, 1984).

FDV officials organized local committees for vigilance, health, sports, construction and sanitation together with IMAS officials. IMAS gave immediately metal sheets and other materials, as well as fifty concrete latrines and sinks. From the beginning the government decision was criticised by the director of INVU as well as by politicians from the opposition politicians and even from the PLN. However, the relocations continued. IMAS officials began designing the urban lay-outs while the ICAA built some stand-pipes and ICE electricity connections for some minimal lighting (LA NACION, 14-08-83:4A). However, for many weeks they did not have any rubbish collection, public transport, water, electricity or community services. One month after the first relocation there were 600 families in the site living in zinc and wooden huts, but without water, so IMAS sent a water-truck every day. IMAS announced that from October 1983 they would begin to build the urban infrastructure, which would be a pilot-scheme (Semanario UNIVERSIDAD, 09-09-83). The FDV officials allocated six community groups alongside the road to wait for the basic lay-out. After that each group received its area and distributed lots. Other groups linked to the FDV were relocated and finally there were eleven groups from all over the GAM with very different levels of income.

There was a big difference between the people from land invasions (the poorest) and the members of community groups linked to the FDV, most of whom rented or shared houses, but could afford to meet conditions for state projects. Many of these groups, which never invaded land, were made up of public servants with permanent jobs and incomes, and members of the PLN. During the first weeks the number of families gradually grew, but later some of the original families left the place because of lack of facilities. When IMAS began its pilot-scheme new families arrived, including some refugees from El Salvador and Nicaragua and some families began to rent rooms, and sell huts, lots and improvements -fences, huts, drains-. In November 1983 there were 780 families and the IMAS began to prepare the land to build pre-cast concrete houses in the site. IMAS planned to build 800 houses costing 175 million colones, but soon the financial conditions were to change its plans. At the same time local conditions sharply deteriorated to a critical situation because of the lack of basic facilities during the rainy season (LA NACION, 07-11-83:6A). In March 1984 the government declared a 'National Emergency in the canton of Goicoechea', so that IMAS could get new resources from emergency funds to begin the building and to help the families. IMAS made a commitment to begin, in two

*Author's recorded interview with señor Bernal Pané, CEV local official.
weeks the first 400 houses, build water connections, develop a preventive medicine programme and expand the nearest school. But two months later only the school had been expanded and IMAS had built only three wooden houses for its local offices and stores. The tractors and the work were stopped. The families continued living in extremely run-down conditions.33

The local community organization supported by FDV officials began public demonstrations and invaded the IMAS local offices to get more building materials to begin the building of their houses. Another group of around 50 families left the site to invade better sites in Tibás and Heredia. The eleven committees of each area were relatively independent of FDV officials and continued with a gradual distribution of land.*

Originally IMAS planned that the families would work in their houses, organized in groups according to specific tasks and that local leaders would be in charge of these groups under the orders of IMAS’ professionals. IMAS planned to reproduce the structure of a private building company using the local leadership and organization. IMAS local officials would receive information from local leaders on the progress of the buildings and then they would distribute more building materials and finally they would allocate the families according to their working record. However, this organization allowed the development of privileges for some families and friends of some of the local leaders of the eleven community groups. As a result, there were strong accusations of corruption which once again gained media attention.34

From 1983 to 1986 the work only continued during short periods after big public demonstrations gained media attention and political criticism. In January 1986 IMAS began to install the first new designed ‘modules’ of pre-cast concrete panels. IMAS planned to build 285 houses with big cranes. The families were organized to work in makeshift workshops and help with the assemblage of the enormous concrete panels. They also had to finish ‘details’ such as floors, windows, doors, drains, latrines, stairs, internal walls, etc. They also had to make electricity and water connections but later on, because the ‘modules’ could be installed without any previous infrastructure. Soon after the election the work was once again suspended and the half assembled concrete cubes were abandoned (LA NACION, 07-07-86). During the months of transition between governments some new land invasions occurred near Los Cuadros advised by leaders of the FCV, and with the agreement of central government. As a result there was a new conflict between local councillors and the central government, particularly with the new Housing Minister.35

In February 1987, after six months of the new Arias Government, many families of Los Cuadros were still in the same critical conditions, and many others decided to relocate their huts inside the ‘modules’. Local leaders planned this occupation of the ‘modules’ so that they could get more space to reorder the original distribution of huts and to put pressure on the new government. The leaders faked an invasion to provoke the occupation.** Hundreds of families,

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*Author’s recorded interview with señor German Rojas, local leader and founder (25 November, 1989).

**Author’s recorded interviews with señores Germán Rojas and Juan Vega.
allocated south of the old main road, continued building their own houses, and after that gradually abandoned their huts. They used zinc sheets and pre-cast concrete panels and columns provided by IMAS. The urban lay-out was only partially finished and the drinking water pipes were located alongside the open dirt drains. Most of the lay-out had dirt streets, but concrete sidewalks semi-destroyed during the construction process. ICE built standard public lighting south of the road, but the families made illegal individual connections. In 1987, 137 families still lived in the original scrap huts, with makeshift water and electricity networks using collective meters. Originally community organizations paid for these services with collective funds, but from late 1987 they stopped payments. Every family had concrete or wooden latrines. From 1985 the full lay-out was complete, but only the south area was partially built. The whole north zone had just the unfinished 'modules' and the original huts with no proper delineation of streets. They had just some dirt streets which in some places were swamps, in some places soil-banks or occupied by dozens of huts. Unoccupied lots were used as rubbish dumps or open latrines and were a constant source of pollution. From 1985 they had a bus service which used the old road through the barrio and they also had a school and health services nearby (INVU-MIVAH, 1987).

From 1987 MIVAH began to work in the place and by mid 1988 dozens of new houses were in process of construction. In the south area MIVAH helped to finish many houses and to repair parts of the urban infrastructure. In the north MIVAH began the building of basic services, urban infrastructure and houses for the rest of the families. From November 1988 CEV began to work in the south area and from April 1989 in the north area. CEV officials began to collect information on the features of the families and found that many were newcomers, only about 10% came from the original precarios. Most of the families were either members of community groups that were gradually allocated to the site or individual families who came to the site and were given lots by local leaders. Many of the original families had left between 1983 and 1989. During 1989 MIVAH officials relocated dozens of families from small precarios and helped them to build shelters using second-hand zinc sheets. This area was not considered part of the barrio, so there was no plan to build for them.

In November 1989, dozens of families still lived in the original scrap huts and many of the 'modules' were unfinished or completely transformed by the families who occupied them. The 'modules' were of two storeys and each unit included two homes. The builders needed big cranes because of the heavy eight square metre panels. The 'modules' were designed for sloping ground but many were assembled on flat ground, so the enormous panels created very high useless spaces on one of their sides. Lack of previous soil studies caused serious problems two years after the original installation, because the 'modules' were extremely heavy and the land had been a rubbish dump for years. Danger of land-slides forced the evacuation of some families.

Some families built their huts inside the unfinished 'modules' and others finished their construction using scrap materials, second-hand metal sheets, wood, plastic or cardboard. During

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*Author's recorded interview with Bernal Pané and the CEV team (22 November, 1989).
1989 some 'modules' were finished in accordance with CEV designs, but many others were completely transformed, expanded or used partially as shops or workshops by the owners without any professional advice or help. Changes to the 'modules' reflected the incomes and economic potential of the families. Successive sales created bigger differences of income among the residents. Some newcomers invested in their 'module' almost the same amount as the 'module' cost. Some 'modules' had standard windows, doors and sanitary systems, others were simply a dilapidated concrete cube finished off with junk.

In November 1989 there were 280 'modules' and 137 original scrap huts in the north area. They had some stand-pipes and concrete latrines, but proper infrastructure was still under construction. Some of the 'modules' were used only on their first floor because their ground floor was almost permanently flooded. In the south area there were 477 concrete houses, but there were at least 60 other families renting rooms and there were some new scrap huts on the lowlands, near the river. CEV officials estimated at least one hundred families living in rented or shared rooms. The families built the PREFA houses with materials from IMAS, with self-help and some salaried workers. These also reflected the economic differences in incomes. After four years some had iron and concrete fences and had been expanded while others suffered extreme deterioration. Some families built a first floor and rented the ground floor and there were many expansions for workshops. During the electoral period of 1990 the CEV speeded up the process of construction by using various private companies to build houses and urban infrastructure, and to finish the 'modules', but the original plan was not to be finished before the end of the Administration in May 1990. The main task for CEV officials was to formalize mortgage contracts before May 1990.

In January 1990, only one month before the elections there was a big new land invasion inside the boundaries of Los Cuadros, on some very steep and dangerous slopes. Most of the families came from Los Cuadros where they shared or lived with relatives. Most were very young families with young children. They cut three metres wide terraces and built four m² scrap huts, dirt pedestrian walks, some stand-pipes and electricity connections. Many huts were built on soil-banks from the terraces, so it would be very dangerous to live there during the rainy season when the walks became open drains.* During the electoral campaign the government would not ask for eviction orders, so there were many land invasions, such as the one in Los Cuadros. In March 1990 the community organization of the whole barrio Los Cuadros occupied the local offices and held the local officials until the Housing Minister made a new commitment. They complained of new delays because of lack of payments to private companies working there. They suspected that after the elections the government would just suspend the work once again. The Minister finally agreed to make big new investments in the place, but then the PLN lost the elections.

*The author had a meeting with the new local community group and residents on 10 and 11 March 1990.
C. Official invaders in *Metrópolis*

The origins of *Metrópolis* can be traced to the internal conflict between the FDV and FCV and the negotiations involving them, COPAN and the PLN presidential candidate Oscar Arias in 1985. The candidate needed to unify the PLN and to get support from the housing community organizations, so he offered immediate financial support, and a commitment to build 80,000 proper houses and to assign one large farm to each of the three major housing fronts. The fronts’ directorates would give public support to the candidate of the PLN and would mobilize their community groups during the elections. The agreement established that the fronts’ directorates had to renounce new invasions, particularly those on public land that was to be used for middle-income housing projects. The fronts were to find some large farms suitable for building thousands of houses on each, so that the government could start the procedures to buy them. After some weeks of the electoral campaign and negotiations, the candidate decided to assign the farm *Los Guido* to the FCV, *La Esperanza* to COPAN and *San Pedro* to the FDV. The first two farms were already in INVU’s ownership, but the last was private. During this process the conflict between the fronts continued and some small independent groups organized land invasions. Some community groups changed their leadership and organization (from FDV to FCV or COPAN and vice versa). Some groups specifically asked for space in the three large farms assigned to the housing fronts, and threatened to invade immediately.

The PLN candidate Oscar Arias promised to buy the farm *San Pedro*, in Pavas in the extreme west of the city, and managed to get funds from the central government budget. He arranged a political meeting to give formal documents of ownership to hundreds of families during the electoral campaign. The FDV leaders selected the families and planned a systematic distribution of lots. They changed many times the ‘definitive’ list of families and the order of distribution of lots. They accepted demands from independent groups, and assigned a number of lots to national leaders of the PLN, deputies or Ministers.

The families had very different origins, income levels, occupations and experiences. Some were extremely poor families from Pavas, members of a local community group that asked for 150 lots and threatened to block the occupation organized by FDV. Some dozens were police officers that FDV leaders thought would be useful to have as residents for security reasons (The police officers had low salaries and so could not pay standard house-prices, but their jobs were secure and they could afford low-income housing projects. FDV organized various housing groups with hundreds of police officers from police stations in the Metropolitan Area of San José). Some were municipal employees that were assigned lots for two reasons; first, because a FDV official and the President of San José Municipality requested them; second, because this would ensure better community services for the new community. Some were members of a left-wing group that

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*The meeting was in San José, on 17 January 1986, two weeks before the elections, with more than two thousand families and members of FDV. The candidate gave them ownership titles for *San Pedro.*

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threatened to invade. Many others were families who came individually to FDV central offices or to PLN.

The FDV officials were all PLN members and received salaries from the Government or from partidas específicas, so they prepared the land occupation in coordination with MIVAH officials. Metrópolis was the name that MIVAH officials chose for the new barrio. FDV leaders designed a provisional lay-out and assigned zones to each community group, with the idea of distributing the zones one by one, while the families built an area for collective latrines and sinks. They organized ten groups of 150 families each and expected to conduct an orderly distribution over some weeks. They planned to use only a small part of the farm (only five of the forty hectares), so that the definitive lay-out and the urban infrastructure could be developed over the rest without interference from the families.

On 7 February 1986, a few days after the elections, the FDV began by distributing lots alongside the old road to members of the police, so that they could prevent any invasion. Five days later an independent group tried to invade and the police stopped them, but further negotiations allowed their allocation in the site. However, this incident precipitated the occupation by the other nine groups (each of 150 families) without any regard for the original lay-out and the designed procedures. From then on, the local FDV leaders decided to organize a new organizational structure, split off the FDV, and to deal directly with the new Housing Minister.

After May 1986, when the government formally started, hundreds of new families were relocated. This was the first time that shanty dwellings were built with the personal participation of the Housing Minister and the first political decision of the newly elected government, which at that moment had no programme for housing. The relocated new families decided to organize a different barrio, to separate themselves from the original invaders of San Pedro. This was called Oscar Felipe. They also organized their community group and negotiated directly with the Housing Minister.

One month later there were 1,500 families and by mid 1986 the local community association counted 2,200, which was when MIVAH began its relocations.* The figures are not exact because some reports included both San Pedro and Oscar Felipe, and others gave separated statistics. In 1987 some reports estimated 2,400 families, but the next year other estimations were 1,550, 1,600 and 1,700 families in San Pedro plus 150, 165 and 250 in Oscar Felipe.** Officially, in 1987 there were 1,600 families and 7,560 people in Metrópolis and 300 families with 1,500 people in Oscar Felipe (INVU-MIVAH, 1987). The census of CEV of January 1988 found 1,263 families and 5,741 people (CEV-Peraza, 1988). There was a reduction in the population between 1986 and 1987 that local leaders explained as caused by the extremely dilapidated conditions of the first year. However there were always threats of new invasions and

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*According to documents of the local association and interviews with Carmen Soto, its President.

the local association organized groups of 200 people for vigilance to prevent them. From the first year residents and institutions condemned the threat of new invasions. In July 1988 CEV conducted a family survey for the allocation of the 'first phase' of 365 houses, because the whole project was to be 1,523. According to this survey, most of the families (66%) were from the AMSJ and 58% were from the central canton of San José. Almost everyone came from inside the boundaries of GAM, but at least 20% were born in rural zones (CEV-Peraza, 1988).

The original financial support was half a million colones from the FDV and the same amount from private donations. The PLN gave electric wire, concrete sinks and latrines to begin the provisional buildings. The families expected their proper houses to be built almost immediately, so they only expected to live in makeshift huts a few weeks. They built wooden and metal huts in 42 m² lots, and every ten houses had a collective latrine and sinks area set apart from the huts to avoid pollution. They opened up some dirt streets and pedestrian walks to the main ballast road. Five months later, delays in the formal construction process and the rushed distribution of lots created serious problems in the collective areas, so the families began to build individual water connections, sinks and latrines in their small lots. This caused a severe pollution of the occupied area and dangerous sanitary conditions, particularly because of flooding.

In July 1986, the community organization began to demonstrate and organize pickets in front of the SVAH institutions and the Presidency. Further negotiation allowed the immediate construction of legal public lighting and individual electricity connections, and brought a new formal agreement with the Housing Minister (LA NACION, 04-06-86). The first lay-out design was ready at the end of 1986, but upto September 1987 there was no financial support for the buildings. The Housing Minister's new commitment was to begin the construction of 365 houses in March 1988 under CEV control. In August 1988, ten out of the forty hectares were in the initial stage of construction, but the rest of the area was completely occupied by shanty dwellings. This same month there was a big demonstration by 1,550 families because by that time the formal agreement said that 66% of the houses would be finished, but only 95 were finished and none were occupied (LA PRENSA LIBRE, 12-08-88).

According to the final designs the project was to cost 700 million colones, and the families who were allocated were to pay in relation to their income, from 175,000 colones to 485,000 colones for houses of 50 m² to 60 m². The original programme divided the houses into three groups: 165 houses only 'rudimentary finished', 144 'medium' and 57 'completely finished', but the numbers were changed many times.

The procedures of construction were very inefficient and slow. The families had to clear the space for the new buildings and to rebuild their huts somewhere else. Then they had to demolish their huts to clear new space and to work on their proper houses. In addition the land was inadequate for residencial use because of its wetness and clay-soil which made for very high cost in building drains, sanitary systems and roads. Moreover, the original designs had not considered changes in the land-level, so the whole lay-out had to be redesigned during the process of construction, causing more delays and higher costs.
By January 1990 the first phase (24% of the houses) were finished and the second phase were being built very quickly under the pressure of the elections. The first phase was fully serviced with public lighting, asphalt roads, green areas, concrete pedestrian walks and pavements, water and electricity. Many of these houses reflected the differences among the families. Some were transformed into shops or workshops, others had concrete fences and iron frames in windows and doors. Some of the 'rudimentary finished' were still in that state with plastic or cardboard windows and wooden latrines.

During the last months of the government the CEV officials' main task was to complete the mortgage contracts of the families living in the 'first phase', and there were no plans to develop new phases. In March 1990, CEV officials expected to complete the first two phases, but did not have financial support for the rest of the families. Dozens of families relocated by MIVAH during 1988 and 1989 did not have any option and occupied some old scrap huts or new ones built by MIVAH officials at the time of their relocation. However, these families did still expect to get a home in the site, as they knew that the area was now fully serviced and that they only needed financial support to build their new homes, but they did not expect a new project before the second year of the incoming government, which would be in 1992.

D. Los Guido, the invaded project.

In the Los Guido, estate owned by INVU, was concentrated 18.8% of the precarista population of the GAM in 1987 (INVU-MIVAH, 1987). From early 1986 the land was controlled by housing organizations linked to the PLN. According to the electoral agreements between the PLN and the housing fronts, this farm was to be given to the FCV, so INVU began to give contracts to some families of FCV community groups and to actually relocate them before the elections. However, FDV leaders decided to invade the land only weeks after the elections.

The CEV (1988:ii) described the process in three stages and forms of occupation:

1. Relocation of the families that already had a sale contract with INVU. INVU had a self-help project for 1,200 families from 16 community groups. Out of these only 78 families were allocated between December 1985 and January 1986.

2. Invasion organized by FDV and subsequent negotiations and relocation led by FCV, plus the arrival of a new group called 'Balcón Verde' in March 1986.

3. Constant and steady growth because of the arrival of individual families, community groups and families allocated by FDV and FCV, and families allocated by the Central Committee of the barrio.

The population grew very fast. After the first 78 families, the FDV allocated 300 families in March 1986, but some days later the total number was 900. An IMAS-INVIU socio-economic study estimated 1,278 families in June 1986. CEV also recorded a very rapid process of growth:

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*Author's recorded interview with Oscar Madrigal, CEV managing director, March 1990.

**The author interviewed señor Luis Paredes and señora Lilliam Retana in January 1990.
by June 1986 there were 1,253 families and by March 1987 the number has been doubled (2,517 families) and by August 1988 there were 3,000 families.

The FDV appointed one of its top level officials to organize the occupation, as it did in Metrópolis, but at that time the FDV did not have the organizational capability to control dozens of community groups. Moreover, hundreds of families did not have direct links to the FDV, but to another housing association led by local PLN leaders from Goicoechea. FDV officials informed the families that they had central government approval, and gave them basic instructions about the occupation process: the size of lots, leadership structure, expectations of immediate assistance, etc. In particular they assured them that there would be no police repression. In fact there was no police repression, but there was an immediate reaction from the FCV leaders and the community groups which had been given contracts by INVU. The same day they make a public demonstration and concentrated hundreds of families south of Los Guido, in the entrance to another public farm called La Capri, and threatened to invade at once. They had to confront the police, but further negotiations with the officials of both governments (Monge and Arias Governments), particularly with the Housing Minister designated, allowed the FCV to relocate 700 families to Los Guido one week later. The FCV also obtained the Housing Minister’s promise to relocate them in La Capri after the completion of a housing project.

There is no clear evidence of President Monge approval to the invasion, but obviously the arrangements had taken many weeks and it drew open condemnation from various housing community organizations. COPAN “asked for the immediate eviction and criticized the government for not preventing land invasions” (Solano, 1988). President Monge immediately gave a decree to stop eviction orders from INVU. The occupation controlled by both the FDV and FCV continued with the help of the Housing Minister of Monge Administration. However, as in the case of Los Cuadros, the INVU directorate condemned this procedure.

The FDV invasion began in the north-east of the estate which was and divided into small areas to allocate to each community. Each area was named with a number and the families appointed a local committee. The whole FDV zone was called ‘the numbers’. Originally, FDV officials distributed lots of 8x18 metres and asked the families to build during the following seven days, but later local leaders took decisions without any central control. The families came in groups from different communities or individually, so there were hundreds of families, preparing the place, building fences and making huts during the first two weeks. Some leaders allocated the larger lots to their friends or themselves, and some families subdivided their lots and sold part or gave it to relatives. The site was very big (70.4 hectares), so some invaders took lots in different areas. Middle-income people also bought one or two lots and began to build proper concrete houses. As a result there were many disputes over the expansion of the lots, the change of lines of fences and families having a number of lots.

The FCV occupation began in the south-west, and they called their areas ‘the letters’, to differentiate them from the ‘numbers’ of the FDV invaders. The FCV members did not consider themselves precaristas, because of the government’s agreement and help in their relocation.
Their area was smaller, so the lots were very small too. In addition, FCV officials tried to accommodate hundreds of families in a very small site so as to allow the building of basic infrastructure. The families assumed that their allocation to *Los Guido* was only provisional and expected that after a few months the project of *La Capri* would be finished and they would be relocated. However, the proposal to relocate them to *La Capri* was rejected because of their low incomes. The Housing Minister’s commitment was only a political one, to avoid popular unrest and new invasions. He had offered lots and houses to families that could not afford to pay for them. Later, in 1987, CEV had to find new places for the poorest families and allocated to *La Capri* some families from a higher income group. In 1990, most of the original families were still in their same places from 1986.

In August 1986, conditions were extremely poor because of lack of basic services, the rainy season and poverty. They had no water supply, proper roads, electricity or building materials. The Archbishop of San José denounced the whole situation in strong terms:

*These people’s situation is very sad. They do not have food, latrines or health services. We request the government not to provoke these critical conditions because they are against human dignity.*

By the end of 1986, the seven areas under FDV control had only received a few trucks with ballast and some help to mark out the streets. They had negotiated with private companies to have bus services throughout the *barrio* and some children were allowed in CEN-CINAI nearby. They only had two stand-pipes every one hundred metres, and they had water supply only at nights. Water-trucks from ICAA supplied some extra water, but not when it was raining, because of the dirt streets, which meant that many families fetched water from a polluted river (*LA PRENSA LIBRE*, 29-10-86).

The families located by FCV, on the contrary, had better conditions, water supply, proper roads, electricity connections and help to get food, medicines and building materials. The other groups of families also got some materials, not only direct from central government, but also from politicians and deputies who helped them in their negotiations with institutions. In August 1987 the main roads were improved with ballast, and there were individual water and electricity connections, though some areas still had only stand-pipes. Also in that month CEV began to build the first stage of the planned 600 houses of the initial project. These differences reflected the conflict among the housing fronts and their links with different sections of the PLN. The internal conflicts of the PLN sections continued for months during the new government, but then both FDV and FCV almost disappeared and local leaders developed a new organizational structure together with the local Municipality.

The changes of families because of sales and the arrival of new families with better incomes, changed the economic structure of the *barrio*. In June 1986 82.5% of the families had less than a minimum salary, but in March 1987 the percentage was only 43.3% (CEV, 1988:v). The families were young and small, most of them couples with children. At the beginning there were many heads of households with unstable jobs, but later this condition also changed (Mejia and Rivera, 1987). By mid 1987, the Ministry of Health research found that 48% of the population
were under 15 years old and that 24% of the families did not have social security, which meant they had no permanent formal job.54

CEV reported that private companies would build houses in groups of fifteen, with the help of the residents who had to finish them. CEV chose 'prefa' houses of 48 m² built with rectangular concrete panels and columns, metal roofs and timber frames. The owners had to pay 134,000 colones after the completion of the mortgage contract. CEV also announced that the lots would be 140 m² and that the first 600 houses would be given to the poorest families, particularly to single women with children. At that time the estimated number of families was 2,660, with 15,000 people (LA REPUBLICA, 07-08-87). Two months earlier the Ministry of Health officials said that there were 16,900 people (LA NACION, 11-06-87).

When it came to is, ability to pay was the main criterion for allocating the families. CEV conducted socio-economic studies and assigned the houses according to income strata, against community groups demands in favour of the old, the poorest and the single women with children (Alarcón, 1989). The size of lots and the lay-outs were unaltered since the invasion. CEV simply built the houses along the roads that were designed by local community leaders in 1986. Only the dangerous or very small lots were changed. Some families had to be relocated to open up proper streets or to give them a minimum width.

The project did not develop in accordance with any programme. There was no proper lay-out or infrastructure. Various proposals were rejected by the community groups, particularly the design of a lay-out with 'modules' similar to those of Los Cuadros. MIVAH wanted to allocate a smaller number of families and to completely change the existing lay-out so as to build two storey pre-cast concrete buildings (two homes each), but the families preferred the more traditional design of the 'prefa' house.55 The project began when CEV officials set up offices in the barrio and took direct control of it, with no involvement of community groups. They organized the whole process of construction and distribution of houses. This change in the control of the barrio happened between mid 1986 and mid 1987, with constant disputes between the local groups of the seventeen areas of the two zones previously controlled by FDV and FCV.

Officially the project began in January 1987, but the actual building work began in August 1987. The families cleared the land or moved their huts to allow the private companies to build the basic new constructions. The companies built the concrete walls and roof, but the families had to finish the rest, including electricity and water installation, internal walls, doors, windows and sanitary systems. One year later, the first 600 were still in process of construction but many had already been distributed.

The CEV evaluation of 1989 indicated that there were two different zones: 'the numbers' (nine areas) and 'the letters' (eight areas).* Each had an 'area leader' and the process of construction was organized by area, so some of the area-projects were finished and while other

*Author's recorded interviews with CEV local officials from 1987 to 1990: Bernal Pané, María Ester Mejía and Aída Rivera in November and December 1989.
were in different stages of completion. The zone of 'the numbers', previously controlled by the FDV had been almost entirely organized since the beginning, so it was easy to build the houses in the lots distributed by the original leaders. The zone of 'the letters', whose families had expected to be relocated to *La Capri* had a chaotic lay-out, with very small lots and some dangerous locations, so many families had to be relocated and the building process was slowed down by many interruptions and disputes.* Some lots were only 10x6 metres, and had two or three huts, which made it impossible to build an average 'prefa' house. This process continued until March 1990. From this date the CEV officials had orders to work only on the process of formalization, that is completing the mortgage contracts and getting the signatures of the owners.

In March 1990 the 'numbers' had a new school, but many children continued using local churches because the school was too small. There were no other community services in the 'project' and the *barrios* nearby were overcrowded. The main problem was the lack of proper infrastructure, particularly of drains and septic tanks.

In May 1989 there was a new land invasion on private land nearby which was violently evicted a number of times by the police. Finally 20 families occupied a street in *Los Guido* and CEV officials negotiated with them their relocation to public land outside of San José, near *Tres Ríos, Cartago* province. A new process started similar to the one that began in *Los Guido* in 1986. CEV local officials reached an agreement with the families: the families had to reorganize their community group and CEV would give them help to develop a new *barrio* in public land. CEV officials relocated to this new place one hundred families from different *barrios* including the recent invaders. All they had was a promise from local CEV officials to help them in future projects. CEV officials did help them to transport some materials and the families built scrap huts, but they had no water supply, electricity or transport in their new place.

In December 1989, another group of families invaded a small piece of land, which was reserved for building community facilities, but "nobody evicted them for electoral reasons." By this time the Ministry of Transport was building asphalt roads in the *barrio*, although there were no proper drains or sidewalks. The decision to build asphalt roads before the completion of the houses and drains, was against the advice of local officials and private companies, but it was a political decision taken by central government. During the month of the elections there were small invasions in the *barrio*, each of a few families (two to five), and the land owners of private farms (coffee plantations) employed some private security guards, including some residents of *Los Guido*. By March 1990 all the houses were assigned, but there were 60 families from the 'letters' areas who had the ability to pay but could not be allocated because of the project's lack of resources. At least 200 families were still awaiting the completion of their houses and still living in their original huts. But *Los Guido* was officially finished.

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*Author's recorded interview with señores Manuel Salinas, Carlos Elinca and Francisco Reyes, local leaders.

**Author's recorded interview with señora Maria Ester Mejía, CEV local official.
E. Guararí: the housing association project.

The farm La Esperanza ('The Hope') is located in San Isidro, near Heredia city, to the north-west of San José. From 1985, this farm of 70 hectares, owned by INVU, was a disputed site. COPAN and others community groups demanded the government to build basic infrastructure to allocate thousands of families from the north-west of the AMSJ.

COPAN had suffered years of repression, because of its left-wing declarations, but from 1984 opted to do hunger-strikes and to negotiate with the government and candidates of the PLN. The government had offered 300 lots in La Esperanza since their hunger-strike of 1984 and had ratified the offer in May 1985. The presidential candidate of the PLN also committed this farm to COPAN in the electoral agreements of 1985.

In late 1985, La Esperanza was invaded by an independent community group (without links to the FDV or the FCV) after suffering a fraud from private developers and evicted from a previous invasion of a private farm. After their eviction, this group was offered lots in an INVU small project, but that land was also invaded by another independent group. As a result, they demanded places in a future project that INVU expected to develop in La Esperanza, and invaded the farm to secure their tenure. COPAN denounced this new invasion and linked the families to the FDV, so its leaders mobilized hundreds of members and evicted violently the original invaders. There were not any police intervention, and both, COPAN members and original invaders, remained in the place, separated by an old road in two public farms owned by INVU. Both land invasions continued for months and were called with different names: Guararí, controlled by COPAN and Terranova which was independent, but later formally linked to FDV.

In 1986, after the elections, new families linked to the group of Terranova, invaded land nearby, owned by the National University. The families developed rapidly a new shanty town and IMAS bought this land. Later the three invasions became CEV projects, but Guararí would be always controlled by COPAN.

In April 1986, after the invasion of Los Guido, the new government signed an 'agreement to avoid invasions' with the directorates of the three main housing organizations the FDV, the FCV and COPAN. They ratified their previous agreements and committed themselves to prevent land invasions. Months later COPAN denounces plans of invasions by FDV, which were denied, but other small independent community groups did not have any agreement with the government and the invasion was their alternative for secure tenure (LA NACION, 11-11-86:8A).

In November 1986, the new Housing Minister negotiated with COPAN the control of the whole farm La Esperanza and CEV assumed the development of new projects in the other places. In December 1986 the Minister published and open letter with details on the final agreements for the development of a housing project under COPAN control:

*The whole farm Guararí, located in Heredia will be given to COPAN, which agreed to include 400 families that had previous contracts with INVU. These families will be under the procedures and methodology used by COPAN in its self-help programmes.*
This same agreement gave COPAN 65 millions colones to build 1,300 'solutions' in different places, including Guararí, to be developed during 1987. In 1987, new agreements between the Housing Minister and COPAN, promised 35 millions colones from CEV to build basic infrastructure in Guararí. COPAN assumed the lay-outs and buildings' designs for 1,170 families and also agreed to use the norms defined by INVU for low-income sectors housing projects. In April 1987, there were in Guararí 150 families members of COPAN and 30 in Terranova, which also included 41 families in a waiting list. The third group, called Palacios Universitarios included 109 families (INVU-MIVAH; 1987). CEV developed a project called La Lucia to relocate families from Terranova in a site nearby.

One year after the initial invasion, COPAN families had wooden and concrete houses with metal roof and traditional designs. There were not any scrap hut, but the families said there were 'provisional', while waiting for the new project. Most of them had septic tanks and a few concrete latrines, individual water and electricity connections. All the buildings had good quality and COPAN charged a monthly fee for the services. The organization used collective metres to pay electricity and water. They also had bus service from Heredia city to the place of the community centre, at the entrance of La Esperanza. At that time, COPAN had finished the designs for a complete development of the 70 hectares, which included thousands of houses fully serviced, schools, community centres, CEN-CINAI, parks, libraries, play-grounds, and green areas. COPAN built a large community centre and offices for the central organization. The designs were prepared by staff and students from the School of Architecture, who also constituted a private company to work with COPAN and financial support by CEV.

A member of COPAN directorate was living in the place to collect the payments and organize local activities with thousands of members from the zone, which also paid monthly fees to the organization and had weekly meetings in the community centre. COPAN control over the whole farm obstructed the growing of Terranova and other land invasions. These families also had a poor level of organization and lacked of financial support to develop community services. The INVU-MIVAH (1987 survey found that there were only a few stand-pipes and wooden latrines, though they had electricity connections and a collective metre. There were not rubbish collection from the local Municipality, so they threw it in the low-lands near the river. They used the same bus of Guararí, which was essential because the nearest school, community or health services were more than two kilometres from the site.

In early 1987, began the construction of the first stage of 36 houses, which were finished and distributed by 1988. COPAN asked many families to work in the place to obtain the right for a house in the following stages and projects. Local leaders organized voluntary work during weekends with hundreds of families, cleaning the place and helping in the foundations' building, but the houses were build by salaried workers.

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"The author directed a field work with students of the National University in Guararí in early 1987."
The precise number of families living in the place or taking part in activities cannot be
determined because COPAN, relocated some families in others of its projects and allocated or
evicted families from Guararí without control from any official institution. Many residents in 1990
did not know about the original process and only came to the place after the first 36 houses were
finished. Other local families had contradictory figures because there were many changes in the
waiting lists controlled by COPAN officials.

Together with the project of Guararí, COPAN began other five projects in 1987, but
continued its conflictive relationship with INVU and its pressure through hunger-strikes. By mid
1988 COPAN also criticized the government because of its false report to the Legislative
Assembly and develop an extensive field-work to establish the exact amount of houses actually
built until May 1988. Particularly, in Guararí the government reported 1100 houses, but only 36
had been built in the pilot-scheme (Trejos; 1988, Iglesias and Amador; 1988). In addition there
were 263 houses in process. This meant that only 3% had been finished and other 24% of the
whole project of 1,107 was in construction (Revista RUMBO, 11-10-88:10).

COPAN agreement with INVU included details about the costs of houses and, therefore,
the financial conditions and the income stratum of the families that could be allocated. As a result,
many families who worked during months would not be allowed to obtain a house because of
their reduced family income. Most of the families of the original invasion in Guararí, for example,
did not get any of the 36 first houses finished in 1988, and continued in waiting lists, together with
thousands who worked and paid monthly fees for years. CEV officials said that the lists given to
them by COPAN officials changed many times, because after CEV socio-economic studies many
families in the original lists did not qualify, so CEV had to ask COPAN officials to give new lists
of members with enough family income and stability. The agreement between INVU and
COPAN of August 1987 established:

*The beneficiaries of COPAN must have the same financial conditions than the INVU ones, according to
the internal procedures and regulations of INVU. Families without the qualifications must be excluded from
the project. COPAN must allow INVU to develop socio-economic studies in any moment.

COPAN must report to INVU and CEV the number of lot assigned to each family and the costs of each
particular 'solutions'. The families would sign a mortgage contracts and receive financial support from
BANHVI to pay COPAN and CEV.*

Most of the families did not know about this agreement. Since early 1989 there were
denounces from families that had paid COPAN for years and did not have the basic qualifications
to receive a house in the project, so they organized independent groups to demand solutions.
This groups worked in the place undercover and some of their members suffered from direct
repression from COPAN officials, some were also evicted and their shelter semedestroyed or
assigned to other families. Many others were removed from the waiting lists, which were unofficial

*Author's recorded interview with Aida Rivera, from CEV.
and only under COPAN officials' control *. From mid 1989 this confrontation grew and became an open dispute through the media:

*We had to do raffles every two weeks which gave COPAN 75,000 colones monthly and sometimes 200,000 colones. We had to be involved in public collects, political demonstrations and meetings organized by the directorate, before and after the electoral campaign* (LA PRENSA LIBRE, 07-06-89).

From July 1987, some former leaders of COPAN had made similar accusations, but this organization continued in control of various projects due to the political agreements between the Housing Minister and COPAN directorate after the enormous involvement of the latter in the electoral campaign supporting President Arias **.

By mid 1989 only the original 36 were finished (the pilot-scheme, known as Guarari Uno). Other 260 houses (Guarari Dos also known as El Carao) continued in process of construction after delays in the provision of building materials. In March 1990, 75 of these houses were also finished and also were finished a new school and a new health centre and CEN-CINAI. There were also an asphalt road with concrete sidewalks and proper drains from the entrance to the pilot-scheme throughout the farm. Local private constructors planned to begin new five stages in May 1990, with the beginning of the new government ***.

In December 1989, the CEV director report that their only agreement with COPAN was for 1300 solutions for the whole projects of the Arias Administration, but they would not fulfill that amount because of lack of resources. He said that the new stages, after El Carao would be responsibility of the new government, so COPAN had to negotiate everything with the new Housing Minister ****. At the time, the whole 70 hectares continued almost empty, protected by the families living in the pilot-scheme and in the original 'provisional' invasion. COPAN leaders continued organizing big meetings in the old community centre with thousands of families annotated in the waiting lists.

In early 1990 the Executive President of INVU declared that COPAN had ignored the agreements, because in their projects were living many families which did not have capacity to pay. He also said that COPAN changed the families of original lists in the only project where CEV was signed mortgage contracts (LA NACION, 05-03-90:5A). In late 1989, CEV obtained control over some barrios originally under COPAN, after public confrontations and intervention of new local groups and high level officials from INVU (MAPU, 1989).

COPAN continued during the last year of the third administration with its traditional demonstrations and pickets, particularly against INVU and CEV, but always maintained a friendly relationship with the Housing Minister. COPAN accused INVU of extreme bureaucratic procedures and demand the right of the families to began repayments immediately. COPAN leaders said that

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*The author interviewed families from a group controlled by MAPU -a new housing group organized by the Trotskyist party- and visited the site to participate in a meeting with señora E.Castro, their leader.

**Author's interview with the architect in charge of El Carao in March 1990.

***Author's recorded interview with Oscar Madrigal, December 1989.
INVU’s delays would cause increasing costs, so they took legal action against INVU. INVU replied that the insistence on immediate payments was absurd because of previous agreements (of January 1987) gave the families several years free of payments after the signature of mortgage contracts, and only in 1990 the mortgage contracts had been formalized. In fact, the agreements established ‘four years free of payments from the signature of mortgage contracts’ *. At the end of the administration, COPAN established new negotiations with the new housing minister, but for thousands of families Guararí was only a hope.

Conclusions

In the late 1970s many land invasions and community struggles produced dozens of new shanty towns in the Metropolitan Area of San José. During Carazo administration ‘sites and services’ programmes were few in number and were too expensive for most of the homeless families. The number of ‘solutions’ in state projects of ‘sites and services’ were always incomparable with the demand, thousands of families were on official waiting lists. Many of these families used land invasions as a way to get priority in state projects. Unfortunately, even when they obtained a plot in a ‘sites and service’ programme, the repayment terms and interest rates were too onerous for poor families sharing or renting rooms. Many families could not afford to repay their loan while building a basic shelter. The result was that most of these projects became legal tugurios. Many families who had acquired debts that they could not pay, stopped their payments and tried to avoid eviction through political negotiations and pressure. Others sold their lots, subdivided or shared them, or rented part of their shelter so that they could repay the original loans. Many of these families launched new land invasions of public land, normally near the state projects where they had been relocated from previous tugurios. Garabito is an example of the ‘sites and services’ schemes started during the Carazo administration and finished during the Monge government. Its population launched a series of small land invasions during the electoral period of 1986.

In the way up to the 1981 election, hundred of families had begun to organize housing community groups to develop collective activities. Some left-wing parties and the PLN organized their housing community fronts to transform the housing problem into an electoral issue and to win support from the homeless. The Monge government had a commitment to thousands of families all over the country to introduce the ‘integral housing policy’ which the PLN had promised during the electoral campaign. President Monge was also committed to the FDV leaders who had become PLN deputies and councillors. His government continued with the ‘sites and services’ projects, but began also allowed the FDV to relocate hundreds of families to publicly owned land. Los Cuadros was the first example of this practice. This allowed the President to bypass the demands of international agencies with respect to cost-recovery in low-income housing programmes. The government used emergency funds to build more houses, and to build basic

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*Agreement between COPAN and the Housing Minister, signed 29-01-87. LA NACION (06-03-90:8A).
infrastructure in some of the new 'informal' state projects. This practice allowed the FCV to grow rapidly up to thousands of families and hundreds of community groups. However, the number of solutions was very little and during the 1985 electoral campaign the housing problem the main political issue.

There were small land invasions and agreements with the PLN candidates to develop new projects under control of the housing fronts, but internal disputes in the PLN led to the invasion of Los Guido by the FDV, which also organized the occupation of Metrópolis. The new Arias administration had very specific agreements with the fronts and used extraordinary funds to develop dozens of projects. This allowed the continuation of Los Cuadros and the development of Los Guido and Metrópolis under control of CEV. Another electoral agreement allowed COPAN to act as a building company. COPAN built hundreds of houses, but run into problems because it had a commitment with thousands of families, who had paid monthly fees for years without realizing that they would never be able to obtain a proper house under the financial conditions land down by COPAN. At the end of the period, CEV took over some COPAN projects, but other, such as Guararí continued under COPAN control.

In 1990, in Garabito was complete finished, with normal infrastructure and community services, but the houses were self-help build, so they did not have the quality of the projects built through CEV by private companies; in Los Cuadros was incomplete, hundreds of houses were still in process of construction and there were not proper infrastructure some areas of the settlement; in Metrópolis the CEV developed first the whole infrastructure but dozens of houses were still unfinished and the families still living in their original huts; in Los Guido both the houses and the infrastructure were in the last phase of their construction; and in Guararí COPAN developed basic infrastructures, including new schools and various community centres, and the two first phases were finished, but thousand of families were still only in the waiting lists.
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<td>FDV, ASPROVIGOI and FCV controlled the placa in 1986. Disputes and ruptures in local community groups that control particular areas ('numbers' and 'letters'). Eviction of FDV and FCV in 1987. COPAN controlled the whole process, including the eviction of original invaders. Other small invasions nearby with very low level of organization. Some new 'clandestine' community groups in Guarari from 1989. COPAN violently repress any disagreement or new independent leaders.</td>
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<td>FEATURES</td>
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<tr>
<td>DRAINS AND SEWERS</td>
<td>Standard drains and sewers. Concrete septic tanks and water closets.</td>
<td>In the 'prefas' standard drains and sewers, concrete septic tanks and water closets. The same in CEN-CINAI. Still in 1990 wooden latrines in 'modules' and scrap huts.</td>
<td>Still in 1990 some latrines in scrap huts. In the 'prefas': standard drains and sewers, concrete septic tanks and water closets. The same in schools and community centres.</td>
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<td>Municipality truck and waste land</td>
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<td>Municipality truck and waste land</td>
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<tr>
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<td>Bus service in the site, throughout the main road -asphalt-. Two entrances</td>
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<td>Bus service in the site, throughout the main road -asphalt-.</td>
<td>Bus service in the site, throughout the main road -asphalt-.</td>
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<tr>
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<td>New CEN CINAI and various schools and community centre in the site.</td>
<td>New CEN CINAI and various schools and community centre in the site.</td>
<td>New CEN CINAI and various schools and community centre in the site.</td>
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Notes:

1 "It was made up of families evicted from four tugurios located in the city core in 1963 because this area was to be redeveloped. In 1964 INVU built 278 houses with a donation from Alliance for Progress and USAID. Two years later INVU built a similar quantity and then, in 1979, INVU built new houses to relocate families from the land invasion called 'Grandchildren of President Carazo' (Los Niños del Presidente Carazo) -1979 was the UN 'International Year for Children'. The original four groups were: Bajos de la Penitenciaria Central, Callejón de la Puñalada, Cañada Sur and Corazón de Jesús" (Aguilar, 1983:1).

2 'On Thursday 1th March, some families began together the occupation, others came later and followed us. The families came from barrios nearby: Cristo Rey, Alajuelita, Cuba, Sagrada Familia, Higuito, Desamparados, López Mateos, Aguantafilo, 15 de Setiembre, but there are also a few families from distant places, such as León XIII, Pávados and Tres Ríos' LA NACION (02-03-79:12A), LA NACION (05-03-79:10A), LA NACION (10-03-79:8A). Reports and interviews with local leaders and invaders.

3 'Our resources hardly covered our annual programmes, this kind of situation is out of our reach' Statement by the President of IMAS (LA NACION, 02-03-79:12A).

4 During 1980 and 1981 the author was adviser to the Las Promesas community organization, particularly during the months when its president, señor Eduardo Morales Avilés, was in jail. As adviser of Las Promesas the author was in regular contact with many small community organizations of the area and their leaders. Some of them founded in 1981 the Housing Democratic Front linked to PLN. Eduardo Morales was one of its founders and original leaders.

5 The author worked with community organizations that prepared land occupations in Barranca and Chacarita (Puntarenas) from 1975 to 1980 and in La Colina and Cieneguita (Limón) from 1978 to 1981. In Barranca the author designed the lay-out based on lots of 200 m² and directed the allocation of families with the community organization. In Limón the lots were even larger: 300 m². See Argüello (1981a and 1983a).

6 A PLN councillor of San José Municipality (1978-1982) and candidate for deputy -elected- to the Legislative Assembly (1982-1986), señor Guido Granados, recorded the main tugurios of the AMSJ. Señor Granados was a founder of FDV and was linked to local leaders of the land invasions.

<table>
<thead>
<tr>
<th>name of the site</th>
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<td>Curridabat</td>
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LA PRENSA LIBRE (22-02-82:2).

7 One example is the case of Calle Chapulines (LA NACION, 07-02-80:8A).

8 The author made direct use of the questionnaires of the survey. The information was standardized, processed and computed in 1990. For the confirmation of some basic data the author used reports, news, other surveys and his interviews with local leaders during the field-work from October 1989 to March 1990. CEV officials conducted new surveys after 1988 in some of the places, but by that time they were new projects and the families had changed as well as the conditions.
There was not really a 'time for invasions' as Molina (1990, 74) describes the process, because the larger places were not land invasions. The major barrios were land distributions by legal civil associations linked to the government and the PLN. Out of the whole population in the survey 35% were living on public land given by the government to the main housing fronts through electoral agreements.


"The Central Regional would have 50,000 solutions and the rest of the country 30,000 according to the normal distribution of population" Statement by the Housing Minister SEMANARIO UNIVERSIDAD (24-10-86:15).

"The Minister said that they received the precarios from previous administrations: 'If I begin to ask permissions and to follow traditional procedures, the year 2000 will come and we will have nothing built here'. CEV will continue its projects normally" LA NACION (02-02-87:8A).

Recorded interviews by the author with Oscar Madrigal and Francisco Murillo, Directors of CEV (December, 1989).

LA REPUBLICA (30-12-90:3A). "Area Metropolitana rodeada de Tugurios" Reports by V.Barrantes with statements by the new Deputy Housing Minister, señor M. Fournier.

LA NACION (25-01-91) Statements by señor Miguel Murillo, Manager of BANHVI and señor J.L. Delgado, new Executive President of INVU for the Calderón Administration.

The amounts of the loans were 5,000, 10,000 and 15,000 colones, with periods for repayments of 5, 10 and 20 years and interest rates ranging between 6% and 35% (Aguilar, 1987:110).

Information from the author's survey for FCV.

In 1983 INVU had 25,000 applications for their programmes, 15,000 were for 'lots with services' projects. IMAS had approximately 55,000 applications for its low-income projects" (Valverde, 1987:168 footnote).

The author organized a group of voluntary students to help the FCV during the negotiations with INVU. The students worked together with local members of the community group to establish the real economic capability of the families who received eviction orders (dozens of families). The author designed and computed a survey to support new proposals of FCV. By mid 1985, INVU accepted redefinitions of individual debts and withdrew eviction orders.

In March 1990, the author interviewed señor Eduardo Morales Avilés, former President of Las Promesas community group and founder of FDV, who now was a formal shop-owner in Umará, near 15 de Setiembre.

Officials from the FDV and then from the FCV, particularly señora Nora Soto, organized local community groups in Colonia del Río, Precario Norte and Precario Norte A y B. The control of these land invasions and their formal links with the main housing fronts caused strong confrontations between national leaders and officials in both these organizations. This prevented the completion of the original plan for relocations. Information from recorded interviews of the author with señor Manuel Salinas and señora Nora Soto.

The estate called Los Guido (owned by INVU) was invaded by the FDV in 1986 before the FCV planned relocations.

Author's recorded interview with señor Manuel Salinas, who was regional coordinator of FDV in 1983 and previously had been trade-union leader and member of the Costarican Popular Front (FPC), one of the new left-wing political parties born in 1971 (Interview made in September 1984).
26 Mozotal and Purral are north-east of San José, in the canton of Goicoechea. Calle Fallas and Maiquetía are to the south-east of San José, in the canton of Desamparados. In the case of Purral there was a previous violent failed attempt by the police to evict the families, but then the families were relocated without police intervention.

27 The opposition used the crisis to criticize the government: "The communists believe that it is time to make real the government promises and the PLN promises. The slogan "Volvamos a la tierra" could not be translated into any clear language, nor any specific reality" LA NACION (28-07-83:Editorial). The President’s spokesman declared that "the government will not tolerate more land invasions" LA NACION (29-07-83).

28 Other original groups came from Tibás, Calle Blancos and Guadalupe. The latter because of political negotiation with the PLN deputy of the canton (Goicoechea, where Los Cuadros is located) and his local supporters, who complained that the FDV had not consulted them previously. The FDV assigned him a part of the land, so that his supporters could relocate housing community groups that they controlled. The FDV also offered places to precaristas from La Paz, Desamparados, but they declined the offer because the place completely lacked facilities. (Recorded interview of the author with M.Salinas, September 1984). La Paz had 321 tugurios in 1981 and they applied to IMAS, without any answer. They lived in dilapidated conditions, using only one stand-pipe for the whole group of families, and without any help from the Central Government or the local Municipality.

SEMANARIO UNIVERSIDAD (From 6 to 12 November, 1981) Reports by J.M. Rojas and N.Solis.

29 The community association of Mozotal sent an open-letter to the Deputy President Armando Aráuz and the Presidential Minister Fernando Berrocal: "Communique #2. This land was occupied on the 21th July 1983 in a peaceful way, we are democrats and know that this land does not have an owner" LA PRENSA LIBRE (27-07-83).

30 The families of Purral and Calle Fallas invaded on the 26th July, 1983. There was a policeman in Calle Fallas, but he left on the second day of the invasion "which proved it was wasted land". The families refused advise from the communist party (PVP) and began contacts with the FDV. LA PRENSA LIBRE (28-06-83).

31 "The Executive President of INVU, señora Clara Zomer received a verbal notice with a promise of compensations for the INVU losses. The INVU Directorate made a formal complaint because of the improper procedures. Local leaders from PLN and UNIDAD -opposition- in Goicoechea also made public complaints, as well as land owners near the place that would lost their opportunity for urban development of their land" LA NACION (14-08-83) Report by Lidiette Brenes.

32 "At the end of 1983, most of the buildings are scrap huts but there are many wooden and zinc huts. Most are in plastic, cardboard and junk materials. There are some few stand-pipes in collective sinks. The families form long queues waiting to wash their clothes or collect drinking water. Each community group has some collective latrines and individual electricity connections, but each family is only allowed to use one light bulb. Recently there has been an epidemic of diarrhoea and other sanitary related diseases among the children" Morales and Valverde (1983:22-25) REVISTA APORTES, #13.

33 "They receive drinking water from 10 pm to 6 am in their stand-pipes. The electricity is allocated in groups of one hundred families and the bills are for more than 32,000 colones which nobody can pay. There is a high rate of criminality, prostitution, assaults and robberies. The government scheme to pay for community work gives them very low incomes and more than 45% are unemployed" LA NACION (07-05-84:8A) Reports by G.Cubillo.

34 In 1988 CEV officials re-started the work in this site and received a lot of evidence of these corrupt practices from the first three years and during the electoral period. Señor Bernal Pané was CEV local official from 1988 to 1990. Recorded interview of the author on 14 November, 1989.

35 There were the invasion of Nazareno (led by the FCV) that became a CEV project, and then a project of FUPROVI; the invasion of Nazareno II and La Nena, with 200 families from Nazareno. The latter was planned by leaders from Los Cuadros who sought advice from FCV. (Author’s recorded interview with Manuel Salinas, coordinator of FCV).

36 This design for a two bedroom house of about 48 m² using small rectangular pre-cast concrete panels and concrete columns assembled in the site was known as PREFA. It was used profusely from 1987.

37 In Los Cuadros Norte there were 40 new houses in process, in La Lupita -south area- 15 houses, in Nazareno II 40 houses. During the Monge administration 800 houses had been built by the families. (Amador and Iglesias, 1988).
38 There is no financial support to finish the water network, drains and sewer system. There is a one year delay in the building of the school. CEV said that MIVAH fulfilled its goals, but other institutions failed. The financial cost to finish the project is more than 38 million colones that CEV does not have. LA NACION (05-03-90).

39 This particular decision meant that some public farms could not be used, such as Los Guido, for which INVU had designed a project of 1,700 houses for middle-income sectors. There were some alternatives, such as the farm called La Caja owned by the CCSS and the farm called San Pedro in Pavas. Information from the author’s recorded interview with señora Zuleica Salom, then director of urban affairs of INVU (December, 1989).

40 Special assignments (partidas específicas) from central government budgets have been used traditionally in Costa Rica to maintain patron-client relationships. Some regional political parties have financed their existence with the election of one deputy who negotiates his votes in exchange for partidas específicas to fulfil his campaign promises: to build a school, the fence of the church, a football pitch, a community centre, etc. An important portion of the central government budget is for partidas específicas for every deputy and normally the party in power obtains more and bigger specific assignments. The PLN used this political tool for 30 years, particularly in Los Cuadros and to support the FDV and FCV. In the case of San Pedro, the assignment allowed 50 million colones to be given to the Pensions Fund of CCSS, so that the CCSS would buy 50 millions colones in IMAS bonus and IMAS would use 33 million to buy San Pedro and the rest to buy other farms for its programmes.

41 In 1985 the FDV trained a group of local leaders of each committee to lead the occupation. The community groups in the first list were: Luchemos Juntos de Barrio Cuba, León XIII, La Amistad, 15 de Setiembre, Claret, San Sebastián, Hatillo, San Lorenzo de Desamparados, Corazón de Jesús de la Uruca, Grupo de Tibás and El Progresso. Then some new groups such as Libertad II and the FDV began to organize special groups for the occupation. At that time the FDV was reduced to a few groups that could find nod solution, and others that had left the FCV, such as Sagrada Familia and Rosister Carballo. As a result, the FDV could concentrate everyone in San Pedro. The original groups prepared for the occupation were: Fifth Police Station, Luchemos Juntos, Third Police Station, Libertad II, La Amistad and Police Patrols. In total 150 families. (Information from documents of the Central Committee of Barrio San Pedro Civil Association, given to the author by its leaders).

42 Molina (1990:76) misinterpreted the process when she said that this was "an invasion of public land", it was not an invasion, but a distribution by government officials and the families already had received written contracts from the elected President Oscar Arias-Sánchez and his Housing Minister Fernando Zumbado.

43 Some authors agreed in saying that the first relocation was 'to clean' central areas of the city and to hide the poverty in the fringes. Molina (1990:76) said that "because it is located far away from the city, the site allowed to hide little the proliferation of tugurios in visible zones". Trejos (1988) said that "MIVAH gathered together small precarios from the visible places and moved them far away, to Pavas, a new city of 3,000 shanty dwellings".

In reality, at that time San Pedro de Pavas had only about 1,500 families. A more accurate explanation was given by officials and local leaders who participated in the process: "In July 1986, the second month of the new government, there were still no plans or specific programmes to fulfill the promises from the electoral campaign, but there was a strong political pressure to begin with something. President Arias wanted to inaugurate the first house as soon as possible, so he put pressure on his Housing Minister. The Housing Minister decided to use some trucks from the Transport Ministry and employees from MIVAH, and to call the media to announce the beginning of the Immediate Action Programme (PAI)".

Author’s recorded interview with señores José Gabriel Román, who organized the relocations of FDV, and Jorge Mora Oconitrillo, director of CEV in the place and later Director of Housing of MIVAH (December 1989 and February 1990).

LA NACION (18-06-86:19A) "The Housing Minister visited the precario La Luisa, to begin officially the PAI and receive the families’ appreciation".

44 They called their area of the farm by the name of the President’s son: Oscar Felipe Arias.

*150 families from a tugurio one km north of La Sabana, will be relocated to Pavas in two months. We will use funds from the National Emergency Fund for the transport. First they will have lots and 15 months later houses. The farm already has water and electricity" Statement by the Deputy Housing Minister. LA NACION (18-06-86:19A).

‘From 19 July 1986 they are in Pavas. In November 1985 the first families invaded alongside the motorway, the first 20 organized a committee. There are now 165 families and they have 8 stand-pipes. They expect 750,000 colones from AYA to build the water network, they have 10 concrete latrines and expect houses in 8 months".

SEMANARIO UNIVERSIDAD (25-07-86:12)
The FDV denounced imminent invasions in Sagrada Familia, Guadalupe, La Capri and Desamparados. There are members of the police prepared to prevent such invasions. Statement by the Deputy Housing Minister.

Because of the clay-soil during the rainy season the latrines were flooded and in the dry season they fell down. An average family had to build three latrines per year, so there were latrines everywhere. It caused severe pollution and skin and stomach diseases. Most of the families were effected by the so-called latrine fever. Author's recorded interview with José Gabriel Román. See also LA PRENSA LIBRE (16-09-87:6) Reports by A. Orozco.

"Rudimentary finished" meant only walls, floor and roof, without windows, doors, sink, toilet or internal walls. "Medium" included basic services, such as toilet and concrete sinks. LA PRENSA LIBRE (09-12-87:28).

Author's interviews with Damaris Peraza and Jorge Mora, local CEV officials (November 1989). The author visited several houses in process of construction to inspect these problems together with CEV engineers, builders and private consultants in November 1989 and January 1990.

We knew that the farm had been sold to INVU seven years before for 26 million colones, but there were no proper deeds one and a half years after the invasion. When the invaders began procedures to register their lots, INVU also began its procedures in some areas, because legally the farm was subdivided. The former owners had big debts with banks, so the INVU purchase was to cut their losses. INVU had sales agreements with many families who bought each lot for 30,000 colones, but after the invasion INVU charged us 50,000 colones" (Author's recorded interview with señor Eugenio Montoya, leader of the invasion, 6 December 1989).

Deputy Guido Granados, who was President of FDV, suggested the idea to various local community groups. He lost his political influence by the defeated candidate in the PLN internal elections. President Arias would not support him as President Monge had, so the tried to save the FDV by making the invasion" (Author's recording interview with Eugenio Montoya, leader of the invasion).

The FDV and Guido Granados supported Carlos Manuel Castillo, and he lost against Arias. Castillo had offered Granados a Vice-presidency, so Granados knew he would not have any opportunity with Arias. However, he solicited Arias the executive presidency of IMAS or that of San José Municipality or the Housing Vice-Ministry; but Arias rejected his advances, so he knew that the FDV would not get any support" (Author's recorded interview with señor Eugenio Montoya, leader of the invasion, 19-12-89).

There were 50 families in the IMAS area and 28 in the area called La Victoria. The former were families with applications to IMAS projects, the latter were only a few from a community group called Calderón Fournier, located in Aguantafilo, which had 90 families. Aguantafilo was one of the invasions in the south of the capital city during the Carazo administration, that became a project and was now overcrowded. When INVU relocated them they changed its name to La Victoria. Originally, INVU had plans to relocate 16 community groups from the AMSJ (Author's recorded interview with señora Aida Rivera, Director of Social Area of CEV -17 November 1989-). Rafael Angel Calderón-Fournier was Foreign Minister during Carazo Administration, and would be President 1990-1990.

Out of these 900 families, 500 were from community groups that were members of FDV and another 460 were members of the Metropolitan Association for Housing. This group was not part of FDV, but its leaders were members of the PLN, particularly its founder, señor Eugenio Montoya, who was local leader of PLN in Goicoechea. Señor Montoya explained that:

"The Association of Guadalupe agreed with the invasion but many families already had a house and others did not want to suffer total lack of facilities in the site of the invasion (a coffee plantation in rainy season). After the invasion the first goal was to order the lay-out for the lots' distribution and get water, lighting and transport. It was necessary to relocate some huts when the Minister of Transport agreed to help in the building of a central road throughout the farm and some secondary streets (the road was 11 metres wide and the streets 8 metres wide). Soon there was public lighting but the water took some time to come. First we founded the Housing Association of Goicoechea (ASPROVIGOI), that was involved in the relocation of families to Los Cuadros -in groups of 15 families or groups of 25 families-. This association disappeared because its main leaders did not want to invade. So, we founded a new legal civil association called Metropolitan Association for Housing which one year later invaded Los Guido together with the FDV" (Author's recorded interview on 5th January 1990).
53 One of the invaders explained: “I received a telegram with an invitation for a meeting at the FDV central offices. At this meeting they said that we will give us lots, but that we would have to build huts immediately with our own materials. They asked us to be in Los Guido the Wednesday of the Holy Week, late in the afternoon. We did not know that it was a land invasion. We thought that the government and the elected President knew”. The FDV central offices were in the same building as the offices of the PLN for the AMSJ. SEMANARIO CONTRAPUNTO (06-07-89:23).

54 The FDV invasion changed the balance reached during the electoral campaign, when a 'Campaign Command' controlled the housing fronts activities. The FDV was occupying Metrópolis, its own farm, but Los Guido had been assigned to the FCV. COPAN also denounced invasion attempts in Corina Rodríguez, a farm assigned to their families after its series of 'hunger strikes' of 1985 (COPAN; 1985a:1).

55 In October 1983 INVU bought the farm La Capri, located in San Miguel, Desamparados, eight km. from San José centre. La Capri is 55 hectares large, of which 60% is adequate for residential use, that is 33 hectares. Originally, because of invasion threats, INVU prepared designs for a project (middle-income families) to begin by late 1986. The original design included 52 buildings for 24 families each. Later on, INVU modified designs to build two storey double houses of 50 m² each, for 1,600 families and 250 houses of 40 m² for one family each. Finally they prepared a new design with lots of 10x15 metres and two storey flats with independent entrances (two in each building) for low-income families.

The project began in July 1987, and the building of urban infrastructure began in January 1988. The farm would be given to FCV families with stable jobs from five community groups. However, the designs were too expensive for the FCV families. They only had average incomes of 11,000 colones and the designs costs required families incomes of 20,000 colones. In March 1990 the building of infrastructure was finished and most of the houses, but they were still empty, however they were assigned to police officers of the Metropolitan Police of San José. CEV planned to build 1,850 houses, including 750 families from FCV groups and 450 police officers. (Information from author’s interviews with local leaders of La Capri, CEV local officials and direct observation in January 1990) See also CEV (1988).

56 The Minister Vidal Quiroa gave transport and building materials for the relocation of people from a small land invasion of San Juan de Dios, near Desamparados (Author’s recorded interview with Manuel Salinas from FCV, 02-02-90).

57 There had always been programmes to eradicate tugurios, but using housing programmes and community groups as electoral tools began under the Oduber Government. In Los Guido, INVU had a project, but this massive invasion everywhere caused an enormous imbalance for the district. We have criticized this process since Los Cuadros (Author’s recorded interview with señora Zuleica Salom, Director of Urban Department of INVU, 21-12-89). See also LA NACION (15-04-86:5a).

58 The sources did not completely agree about the original process, but there are some basic coincidences.

* First there were: ‘area 4’ with families from Guadalupe, led by Eugenio Montoya; ‘area 6’ with 50 families linked to the Catholic Church, led by Francisca Campos; and ‘area 7’ with families from various communities. The new residents called relatives or friends and many families from barrios nearby came to take lots. Others came because of the rumour of ‘very cheap lots’ and some others were sent by deputies, ministers or politicians who gave them letters asking for a lot from the local leaders* Alarcón (1989:10).

*During the first months were allocated 150 families of refugees (from Central American countries) linked with the fronts* Rivera (1988).

*Many were Nicaraguan refugees, including the president of the Nicaraguan Refugees Association. At first there were around 100 families of 'nicas', but by 1989 there were only 40 Nicaraguan families* (Author’s recorded interview with María Ester Mejia, CEV local official (18-12-89).

59 Newspapers of that time had reports and condemnation of sales, frauds, violence and pressure over families or local leaders. They also showed local leaders replies to some false accusations. See LA NACION (28-08-86:3A), LA NACION (18-05-87:12A), LA NACION (26-01-87), LA NACION (11-07-87), LA NACION (05-07-87), LA REPUBLICA (12-07-86:38), LA REPUBLICA (07-08-87), LA EXTRA (27-01-87), LA EXTRA (28-01-87) LA EXTRA (22-01-87), LA PRENSA LIBRE (10-07-86:3), LA PRENSA LIBRE (29-10-86), SEMANARIO LIBERTAD (23 to 29-05-86:6-7), SEMANARIO UNIVERSIDAD (30 to 06-05-89), SEMANARIO UNIVERSIDAD (06 to 10-05-89).
CEV relocated around 600 families in three different projects, according to their income level: La Eulalia, La Jenny and Los Canizaros. In the first project, La Eulalia, in the canton of La Unión, Cartago province, CEV developed a project of 39 m² houses in lots of 98.5 m², in a farm of 53,000 m². The families were from very different places and community groups: 33 families from Barrio México, 99 families from Cristo Rey, 46 families from Barrio Cuba, 44 families from 1 de Abril, 47 families from Bajo Garabito and 36 families from other places (CEV; 1988). In December 1989, this project was finished and the families were living in the place, but they had still not signed the mortgage contracts with BANHVI.

The Archbishop of San José said that it is not just that around 650,000 costarricans, which make up 25% of the total population, lack a basic shelter. The Church cannot be indifferent." LA NACION (28-08-86:8A).

Victor Lascares, President of FCV, has influence in the government and obtained some goods for Los Guido, but only distributed them in the area of 'the letters', under FCV control. They already had water, electricity and many building materials" LA PRENSA LIBRE (29-10-86).

These local leaders began to negotiate directly with the Government, but some of them were also evicted from the site and accused of fraud. "To give one lot they asked 2,000 or 3,000 colones, at the beginning. Now some lots have been sold for 300,000 colones. The FDV charged 350 colones for the electricity connection" Solano (1988:88).

At the same time "the Health Ministry built a new CEN-CINAI, gave dozens of concrete latrines and water tanks, and assigned a doctor, who was to be working in the local church" Statement by G.Ross from the Health Ministry. LA NACION (11-06-87:2A).

MIVAH Director of Housing, señor Manuel Morales and the Housing Minister adviser señor Jorge Bertheau, were violently evicted from the barrio. Señor Bertheau was the designer of the 'modules' and owner of the private company that would build them if the families accepted the proposal. He already had the agreement of the Housing Minister. The original INVU project allocated 1,700 houses on this area and MIVAH wanted a similar quantity, but at that time there were already 3,200 families in the site. (Author's recorded interview with Eugenio Montoya, who led the eviction).

This 'negotiations' included the abolition of the previous community group and change of its leader, who had links with the PVP and other left-wing parties. Author's recorded interview with Señora Aida Rivera, Director of Social Area of CEV and previously local official in Los Guido.

The decision was the President's, who ordered the construction" Author's recorded interview with señor Oscar Madrigal, Executive Director of CEV in December 1989.

In the province of Heredia 300 'solutions' would be given to COPAN in the farm La Esperanza. There is not water supply in the place. The lots would be distributed after the completion of basic infrastructure developments" (Agreement to ratified the deals of 7 November 1984, between the government and COPAN, signed on 15 May 1985). SEMANARIO COPAN (#35:3).

During the first five years of the decade frauds by private developers became very common. Hundreds of families paid for months or years for lots and houses in future urban developments, only to find that the company was only a fake or their owners claim bankruptcy because of changes in interest rates. Most tried to recover their investments taking legal actions, but dozens organized community groups and invaded. Normally, invaders in private land were evicted by police, so they invaded the second time in public land, particularly during electoral periods.

This same month, COPAN celebrated their agreements with both governments and gave a party for the outgoing Executive President of INVU, who negotiated with COPAN during the hunger-strikes. SEMANARIO UNIVERSIDAD (Form 25-04-86 to 01-05-86).

1 Point 1. Letter from the Housing Minister Fernando Zumbado to COPAN on 03-12-86 (Document MVAH 378-86).

Agreements from 18-02-87 and 28-08-87, signed by the Housing Minister, the President of INVU and the President of COPAN. The agreements were approved by CEET on 11-06-87 and by INVU on 20-08-87 (Official records).
This COPAN official (señor Fernando Cáceres) was a foreign student (formally), but lived in the farm since the original invasion. He was accused of fraud and then replaced, from 1989 by señor Juan Manuel Iglesias, the third in control of the private company that COPAN became during the Arias Government.

The author interviewed residents in November 1989, among them señores L. Cascante, R. González and F. Díaz.

Fausto Amador, COPAN coordinator, said that they are working in six projects, particularly in Corina Rodríguez in Alajuelita and Guararí, where they are organizing the families in self-help projects. LA NACION (19-04-87:6A).

This hunger-strike, during the first two weeks of May 1988, finished with ratification of the previous agreements, between the President of INVU, the Housing Minister and COPAN. LA NACION (23-05-88:5A).

Some families had to pay between 8,000 and 18,000 colones on monthly fees. They demand a official investigation on a fraud of more than one million colones. LA NACION (09-07-87:5A), LA NACION (14-07-87:5A). Among the accusers was señor Carlos Coronado, former candidate to the Presidency in two occasions representing the OST and PAP, two political parties controlled by the COPAN directorate.
CHAPTER FOUR

LOCAL HOUSING ASSOCIATIONS IN COSTA RICA
Introduction

Community groups developed new characteristics during the decade of 1980s in Costa Rica. The control that traditional community associations asserted over community demands since the 1960s declined severely. Many new independent groups openly expressed their needs, particularly their homelessness. Their influence became noted during the 1980s, as they organized land invasions, established regional and national housing fronts and mobilized during electoral periods. The PLN was highly influential in the development of these housing groups and gained their full support in the 1986 elections. In return central government gave the groups a commitment to improve their housing situation.

This chapter analyzes various forms of involvement by community groups and housing national organizations in the definition of state policy and in its outcomes. It describes the development of the three main housing organizations, their political links and structural changes, their proposals and internal procedures. It analyzes their relations with government institutions and with national political parties. Finally, it examines the people’s involvement in these organizations and their relative influence in the process of decision-making.

Priorities and tasks: the place of housing

The Juntas Progresistas were founded in the early 1940s by leaders of the Popular Vanguard Party (PVP). The Juntas Progresistas were registered as legal associations and became the main form of organization of the PVP during the 1960s. A Federation was established (FENAJUP) and grew very fast to control 300 juntas all over the country.

From the early 1960s the Juntas Progresistas reflected the internal crisis of the PVP, particularly its political directives on the relationship between the party and the mass organizations. The PVP tried to use the Juntas Federation to maintain its own presence in the political scene and during electoral periods. This divided the Juntas and caused hundreds of resignations of local leaders who rejected the PVP leadership. Many Juntas simply disappeared and others were reduced to one or two members. Some others organized a different Federation to avoid the PVP control. By the late 1960s FENAJUP had lost most of its earlier influence (Argüello, 1983a:206-217).

By the mid 1960s, the government’s introduction of new legislation and the establishment of a specific institution to control community organizations had as central goal the obstruction of PVP’s influence over community groups. The National Direction for Community Development (DINADECO) which would develop the Associations for Integral Development (ADI), was the government’s alternative to FENAJUP. It was not only a national reaction, but an international proposal linked to the Alliance for Progress and the USA government’s response to the Cuban revolution. From 1967 DINADECO conducted an aggressive campaign against the so-called

*Federación Nacional de Juntas Progresistas (FENAJUP).*
'communist Juntas' and its officials organized hundreds of ADIs all over the country, particularly in San José, where the Juntas had been concentrated.

DINADECO also developed Specific Associations for Development (AED) and Community Development Committees (CDC) which tried to involve community leaders in voluntary work supported by government institutions. These organizations were strongly controlled by DINADECO officials. During the first 10 years they developed hundreds of small projects in the communities, including housing projects for poor families, building and repairing of basic infrastructure and community facilities. They were highly involved in local political activities. Deputies and councillors all over the country obtained 'specific assignments' from the central government budget to develop local projects controlled by local party leaders. Many municipalities worked together with local Integral Associations to get special financial support for their programmes. The ADI, AED or CDC became merely instruments of a political system based upon a client-patron relationship.

Local leaders only had to organize a meeting every two years to appoint members of the community association. This directorate of seven was normally reduced to two or three persons who conducted formal procedures to obtain financial support. Salaried officials from DINADECO controlled and regulated their activities, including the repression of left-wing local leaders and their expulsion from the leadership (Argüello, 1981b:102). This double system of local community organizations (ADI, AED, CDC) and DINADECO, allowed the National Liberation Party (PLN) to control the local political system for almost ten years.

During the seventies, various new left-wing political parties begin to compete with the PVP and organized their own community organizations for the control of communities. These left-wing parties focused their community work on the development of land invasions and independent self-help housing projects. Their influence, however was weak in conventional barrios, due to the overwhelming presence of the PLN organizers, councillors and deputies. For some local politicians, the community associations became the first step in the career to become a councillor. DINADECO became a crucial political instrument for the traditional parties. The director of DINADECO became a political figure, and since the mid 1970s, being DINADECO director assured him a future appointment as deputy to the Legislative Assembly. By the late 1970s, during the Carazo Administration, DINADECO had 300 officials and more than 700 registered associations with more than 95,000 members (Mora-Agüero, 1988).

The Carazo Administration, which defeated the PLN in the 1978 elections, tried to neutralize the power of DINADECO and the associations, which functioned almost as PLN local committees. The government cut back the financial support to DINADECO and assigned it new tasks, particularly the organization of a new housing programme: the Urban Development Programme, supported and directed by USAID officials. From 1978 onwards, DINADECO officials

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1Such as community centres, churches, sport centres and parks, bus stations, public lighting, water and electricity networks, nurseries, play grounds, green areas, roads, health centres and primary schools.
had to concentrate their work on this project, coordinating it with INVU, IMAS and local
governments. This sudden change and lack of financial support through partidas específicas,
caused a sharp decline in the associations' activities. However, during the 1980s, DINADECO still
managed hundreds of community groups all over the country.

Throughout the Carazo administration the PLN tried to develop new community
organizations from outside DINADECO, that is from the opposition. The PVP also developed new
groups during these years of decline in the capacity of control by DINADECO. Other left-wing
parties also organized community groups, including the new housing community groups organized
by the Socialist Workers Organization (OST), a Trotskyist political party. PLN and PVP local
leaders came together to organize a conference to discuss the housing problem and the
conditions for development of community organizations. They wanted to evaluate DINADECO
activities and criticized the Carazo government’s lack of support for local community development
projects. DINADECO successfully obstructed the realization of such a conference, but local
leaders from all over the country established a new national organization independent of
DINADECO, but largely led by PVP leaders: the National Union of Associations for Community
Development (UNADECO)*. This permanent dispute allowed the growth of many new local
associations, not just those normally created by DINADECO officials. Many more were
encouraged by local organizers of the PLN, the PVP and other left-wing parties. By the end of
the Carazo Government in 1982, there were 918 ADIs, 110 ADEs and more than 3,000 CDCs,
as well as 30 cantonal unions and one federation of associations. These encompassed more than
200,000 formal members all over the country, with 203 ADI, 44 AED and 4 cantonal unions in
San José alone.8

Opposition parties also encouraged many housing community groups with no legal status,
which became members of the new housing fronts, although never associations. Many community
groups invaded land and after that established links with officials and leaders of the fronts, but
they never develop into associations or established links with DINADECO. The main influence
on housing policy came from the housing fronts and community organizations independent from
DINADECO, which continued with little activity during the second administration. It was only in
the last administration of the period, that ADIs were encouraged to develop their housing projects,
and IMAS developed dozens of projects in rural areas under the control of local ADIs. In 1987,
a new official report said that there were more than 6,000 organizations linked to DINADECO with
more than 300,000 members all over the country. But the change in housing policy began when
community organizations concentrated their demands on housing and freed themselves from the
control of DINADECO officials.

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*Unión Nacional de Asociaciones de Desarrollo Comunal (UNADECO).
Political parties and housing community organizations

A. The PLN and its housing fronts: the FDV and the FCV

Official reports stated that the FDV was an initiative of PLN regional leaders, and that it was a proposal given to the presidential candidate in 1980. However, local leaders and founders claimed it to be their initiative. At the end of the Carazo administration, they began to establish contacts with opposition politicians, particularly with the regional leaders of the PLN, because it was the last year of government and their negotiations with the government were going very slowly. They foresaw the end of the administration and a change of the party in office with no formal government response to their demands.

In 1981, the FDV was founded by these local community leaders, with regional politicians of the PLN and some professionals working with the PLN in housing. From the beginning, the FDV was a housing organization and an electoral structure of the PLN. It was an organization whose members were community groups led by local leaders linked to the PLN. It had an executive committee and the 'communities council' made up of presidents of the community organizations. For the PLN it was a very important electoral tool to neutralize left-wing housing organizations, particularly to stop the fast growth of COPAN as a housing front. Legally, it was a civil association whose central goal was to obtain better housing conditions for its members. This legal registration allowed the FDV to receive funds directly from government budgets, specific assignations or donations. The funds would be used to develop the organization and to buy some goods, particularly building materials.

The local leaders tried to fulfil specific agreements with the PLN presidential candidate and to prevent police repression of land invasions. They organized dozens of new housing community groups during the electoral period and the transition period, before May 1982. Their professionals prepared the proposal for an 'integral housing programme' which would be developed during the first 'one hundred days' of the Monge Administration (Bertheau et al, 1982). The proposals criticized the PLN's previous housing policy and suggested to the Monge Administration new tasks such as: the use of free public land owned by institutions not related to the SVAH; the reduction of fees for construction permits and legal procedures; the restriction of basic urban standards; and the allocation of new resources to build proper houses in the state projects.

From 1983, the FDV conducted a strong campaign of pressure on the Monge Administration, using demonstrations and declarations through the media. Members of its executive committee criticized the government's lack of support to INVU and the conditions of INVU's 'lots with services' programme. They said that this programme did not address the needs of the poor and only allowed the government to avoid public unrest. These activities encouraged the people to organize new community groups to express their demands. From 20 March 1982 to 15 August 1984, the FDV organized five demonstrations and occupied INVU and IMAS. They also encouraged families in INVU projected to stop payments to demand better
services (Granados, 1984). This fast growth changed the original make-up of the FDV, with the inclusion of hundreds of families with no political links to the PLN, and even members of other traditional parties, except for 'communists' who were openly barred (SEMANARIO UNIVERSIDAD, 28-05-83). From the original 2,600 member families who had INVU contracts for 'lots with services' projects in 1981, the FDV grew to 20,000 families by mid 1983 (Esquivel, 1983).

Table 4.1 STAGES OF DEVELOPMENT OF FDV, 1980-1987.

<table>
<thead>
<tr>
<th>Stages</th>
<th>Dates</th>
<th>Key event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial organization</td>
<td>1980 to March 1982</td>
<td>19-03-82 first demonstration</td>
</tr>
<tr>
<td>Rapid growth</td>
<td>May 1982 to May 1983</td>
<td>18-05-83 occupation of INVU</td>
</tr>
<tr>
<td>Stagnation, criticism by PLN, COPAN and the media</td>
<td>May 1983 to August 1983</td>
<td>Land invasions and relocation in Los Cuadros</td>
</tr>
<tr>
<td>New development, winning the competition against COPAN</td>
<td>August 1983 to May 1984</td>
<td>Split of the directorate: Granados against Láscares-Salinas</td>
</tr>
<tr>
<td>Internal competition during the PLN elections for presidential candidate. Fight against the FCV</td>
<td>May 1984 to January 1985</td>
<td>27-01-85 Arias nominated for the PLN, negotiations to relocate FDV members in public land</td>
</tr>
<tr>
<td>New stagnation, decline and isolation of the directorate</td>
<td>January 1985 to August 1985</td>
<td>Negotiations with Arias, FCV and COPAN. Electoral campaign</td>
</tr>
<tr>
<td>Invasion in Los Guido and relocation in Metrópolis.</td>
<td>August 1985 to May 1987</td>
<td>New local community groups in both sites, formal closure.</td>
</tr>
</tbody>
</table>

Local leaders became FDV officials working full-time for the organization controlling dozens of community groups, but most of these local organizations had formal links only with the FDV central directorate. Regional political leaders of the PLN had no real control of the whole organization. Many community groups established formal links with the FDV in order to get lots or houses in government programmes. After months of waiting in vain they began to put pressure on the FDV officials and to threaten them with resignation. The pressure from the community groups and the competition with other community organizations, in addition to the lack of solutions by the government, brought rapid changes in the FDV's tactics. The national leaders began to give support to land invasions and local officials began to actually organize small land invasions. They knew that the government did not have the resources to develop thousands of new houses. Hence, they demanded President Monge's support for the acquisition of land to accommodate dozens of community groups, and begin self-help programmes. The result of these negotiations was the massive relocation at Los Cuadros. This initial relocation only increased the demands from thousands of member families while the FDV 'central directorate' became involved in the internal political elections of the PLN. This double situation reached a critical moment with the split of the central directorate and the organization of a new group in 1984, the Costarican Housing Front (FCV).15
Figure 4.1: PARTY-PEOPLE-GOVERNMENT: the PLN and the FDV.
Figure 4.1 shows the structure of the FDV, but not the formal description of the organization according to constitutive documents. In these documents the 'general assembly' appears as the head of the organization. In practice, the 'central directorate' took the decisions and communicated them to the community organizations through the zone officials. The 'central directorate' and the FDV President were always in command and in direct connection with the PLN hierarchy and with the government, particularly President Monge. The 'general assembly' functioned only to involve community leaders in demonstrations, or to inform them of the progress of negotiations with the government, for example, during the relocation to Los Cuadros or after the occupation of INVU. Local officials had direct access to government institutions and communicated the final outcome to the community groups. After the split in the 'central directorate' and the foundation of the FCV, the FDV began a process of decline. Many community groups left along with some officials and the most experienced of the local community leaders. Without the support of the new PLN leaders, and with competition from its former local officials, the FDV lost most of its control on the local community groups. It only survived during the last months of the Monge administration because of new electoral negotiations and candidate Arias' promises of a new housing policy.

In late, 1984 the FDV controlled only 43 community groups with 8,000 families in the AMSJ, while the new FCV leaders had gained strong links with 35 groups and 4,000 families. At the same time, COPAN had 31 groups with 6,000 families (Ramírez and Vargas, 1984). The FCV leaders supported Arias during the internal campaign, so his triumph gave them the support of the PLN's main leaders. This meant new financial support and a direct involvement in the electoral campaign. It also improved their capacity to organize new community groups and obtain formal promises from the future Housing Minister. However, the electoral agreement with Arias inhibited the development of both the FDV and FCV because they accepted the Arias proposal to relocate their community groups in three large public estates, to concentrate all their efforts in the elections and to wait for the next government. The internal structure of the FCV, as shown in Figure 4.2 was very simple. The local leaders, who originally founded the FDV became, a new 'directorate'. They were also the only officials working full-time with community groups and their voluntary leaders. They had direct links with the Arias faction and after May 1986 with the Housing Minister. The FCV never made public demonstrations or strong media declarations against the government and only threatened a land invasion after the FDV invaded Los Guido.

Both the FCV and the FDV were totally dependent on financial support from political leaders of the PLN. Deputies, ministers or candidates found the resources to pay for their salaries, administrative costs and also their office in San José. Most of the time, the only link between community groups and the fronts was a simple visit or a phone call to the office in San José to collect information on the process of current negotiations. There was no real process of collective organization or popular involvement in the formal organization's activities. As a result, the closure of the central office or even the telephone through lack of resources would mean almost the disappearance of the whole organization. The local committees in both the FDV and
Figure 4.2: FCV, the Party and the Government
FCV were formed by two or three leaders in contact with the central office, who organized weekly meetings with some of the member families. Many committees had dozens of families as members, but only a few got involved in local activities, and even fewer in decision-making. The only exception was the land invasions, where the whole community became normally involved in defending the land and demanding basic services.

The central activity of the community groups was to get funds for their leaders' visits to government institutions, the central office of the FDV or the FCV, or prepare public demonstrations. They never gave money to the central directorates and only after their allocation were these funds used to buy building materials or pay for electricity and water. Even after the occupation of Los Cuadros, Los Guido and Metrópolis, the community groups kept their own separate organizations, funds and demands. Some of these groups simply disappeared after their allocation, and many conflicts arose over the use and loss of funds by different small community groups with no intervention from the central directorates of the fronts. Local leaders used the fronts structure to get in contact with the government or advance their own political careers. Many became local candidates of the PLN and councillors in their Municipalities. Others became government officials after their success in the general elections.

Both the FDV and the FCV allowed hundreds of community groups to get in contact, develop collective pressure and express collective demands. They grew because of their electoral importance in 1981-1982, and their massiveness became an electoral factor in 1985-1986. The Arias administration with its massive land distribution, housing programme and extended local control through local officials of the CEV completely destroyed the FDV. The FCV survived because of the electoral interest of new prospective candidates in 1988, who gave new financial support and offices. This new phase began with the same old FCV founders together with new community groups from land invasions and unfinished projects of the Arias administration. The failure of the PLN in the 1990 elections allowed this organization to gain new importance for the party, reflected in new funds, new officials and new community members.

B. The OST and COPAN

When the Socialist Workers Organization (OST) was founded in 1976, there were still only a few small land invasions in the AMSJ. There was little pressure from community organizations, which were mainly controlled by the traditional communist party, the PVP. IMAS or INVU used to eradicate the small land invasions from the city centre to their projects south of San José, such as the INVU 15 de Setiembre group of projects. The OST and other new left-wing parties became involved in housing protests in the two ports of the Atlantic and the Pacific. The OST developed strong links with a regional party in Limón, the atlantic port, in competition with the PVP, during the invasion of barrio Limoncito in 1977, but did not develop a housing organization (OST, 1978:27).

In 1978 the OST began its electoral campaign in San José and started up some community groups, but still housing was not the main demand. They took a radical view which
saw their work in the communities as a means to develop the party for the envisaged revolution in Costa Rica, and saw the housing problem as having no solution before the revolution (OST, 1976:5). For the OST leadership, the community organizations were only one of several forms for the development of a revolutionary party, as it was their participation in the general election. They tried to develop trade unions and organize community groups led by workers. These groups were centres of political discussion. Their demands evolved as forms of political propaganda. This was not a patron-client relationship, but a process to organize a revolutionary party and lead the collective demands of the working class (OST, 1976b:14 and 1978:28). This activity was the only link between the OST leadership and the housing problem during the Carazo administration, although there were many land invasions in San José led by local leaders. Housing was not a priority for the OST which only developed housing groups during the electoral campaign of 1982.

The OST participated in the 1978 general elections without success, but the Nicaraguan Revolution triumph of 1979 gave them a new perspective on the Costa Rican process. In January 1980 its First Congress declared that Costa Rica was in a 'revolutionary period', so the OST began a new stage (QUE HACER, January 1980). However, the rupture of its links with the 'IV International' (Trotskyist) also changed the political discourse of the OST leaders, who began to develop new tactics. For the 1982 elections they created a new political party the People's Action Party (PAP), and a broad mass organization to avoid the radical stigma gained by their 'Trotskyist' declarations and slogans. The broad mass organization was named National Patriotic Committee (COPAN) and included various small groups, such as students and women, led by OST members.

First they tried to use the legal structure of the Integral Associations (ADI) to develop community projects and demands for better basic services. This was a tactic to use formal legal organizations to channel funds from the government to organize for the next elections (OST, 1978:29). From 1981, to challenge the FDV activity in the communities, OST members began to create some housing community groups and to organize a new regional organization in the AMSJ: the Housing Coordinator. The Housing Coordinator was nothing more than the OST section for housing with a new name and it became the main group of COPAN. Some authors interpret this process as a complete transformation of the OST (Ramírez and Vargas, 1984:33), but in fact it was only a change of name and tactics to gain more influence among local leaders. The OST's original directorate became the directorate of PAP and COPAN, and the same was true for their sections, leaders and members. The PAP was considered by OST members as the "electoral section of COPAN" (Madriz and Coronado, 1983:100). This was a traditional political tactic used by banned communist parties, not only in Costa Rica, but in many other countries.
November 1980 | VI Meeting of the Central Committee (OST): encouragement of criticism and discussion of the different revolutionary strategies. Against simply theoretical propositions and in favour of practical solutions

November 1980 | Foundation of the Housing Coordinator with some community groups linked to the OST and media coverage on the Housing Coordinator initial actions

March 1981 | Foundation of the National Patriotic Committee (COPAN). Preparation of the 1th of May demonstration with members of community groups. COPAN leadership.

August 1981 | II Congress of the OST: official closure of the OST and foundation of the new party: the PAP. Preparation of the electoral slogans and candidates.

Table 4.2 OST-COPAN-PAP: BASIC CHRONOLOGY

After the enormous development of the Housing Coordinator during the 1982 elections, it was known as COPAN. The other sections of COPAN almost disappeared, as did the formal political life of the OST. COPAN concentrated its activity in the AMSJ organizing community groups and asking INVU for improvements in its 'sites with services' projects. COPAN maintained the normal publication of its magazines and newspapers from the OST's time which allowed a continuing ideological debate and criticism of government housing policy. COPAN members collected signatures to present to INVU as formal applications for its housing projects. They tried to negotiate with INVU presidents offering support to the institutions if INVU accepted their applications. In November 1982, the COPAN had 7,745 members in San José alone and several hundreds from the rest of the country (COPAN, 1982a:1-2).

From 1982 to 1984, COPAN actions were similar to those of traditional left-wing parties. The leadership maintained its control over the new political and mass organizations, but it was almost entirely involved in the organization of housing community groups. The leadership accepted the self-help programmes as the only viable alternative and criticized other left-wing groups for their idealistic and theoretical views (Coronado, 1983:1). After criticising left-wing parties, COPAN began offering support to INVU's proposals and policies. It organized demonstrations with thousands of families asking for more resources for the INVU housing programmes and priority for the members of its community groups who as from 1982 had formal applications with INVU. The old revolutionary aims were gradually abandoned and the whole organization became a national housing front, although it maintained the old leadership. However, from 1983, the government responded with police repression and support for the FDV, initiating a period of gradual decline for COPAN. Dozens of families and many community groups evicted the OST-COPAN activists and established links with the FDV.

By late 1983, the police repression and media criticism reduced COPAN to only a few community groups in San José. To survive as an organization the leadership used new tactics; from open confrontation with the government, they turned to negotiations and more peaceful methods. The leadership organized a series of hunger-strikes with strong international support using their contacts from the OST days. The leadership began a different kind of criticism, not a political, but moral one: against corruption, for democracy and for religious, national and
Figure 4.3: The OST-PAP-COPAN
traditional values (Trejos, 1983:1). They began strong criticism against communism and against the FSLN government and leadership in Nicaragua. At the same time, they began negotiations with various political parties, including the PLN and the traditional communist party, the PVP, in preparation for the 1986 elections (LA NACION, 29-09-84). From late 1984, the hunger-strikes allowed COPAN to establish negotiations with the Monge administration. This allowed COPAN to organize new housing community groups and demonstrations asking the government for the land and resources offered during the negotiations. However, by mid 1985, COPAN organized new hunger-strikes because of the government’s failure to fulfill its commitments.

By mid 1985, COPAN openly renounced political or electoral involvement and emphasized that its objectives were restricted to the housing problem. It also censured the FDV and FCV involvement in the PLN internal elections (Semanario COPAN, 05/12-05-85). However, almost immediately, in December 1985, they began negotiations with the PLN candidate and established new electoral agreements with the PLN, the FDV and the FCV. Their support for the PLN during the elections completely changed their old image, and the organization began to develop a new structure. The leadership maintained the traditional hierarchy but began to establish a building company and a professional section for the development of housing projects for thousands of families (Revista COPAN, 1986 #4:5).

From 1986 they organized new demonstrations and criticized the government for its delays, and would not allow the CEV or INVU to control their projects. They established new offices as a private building company and organized self-help projects using government funds. They maintained established top-down relations in the housing organization and the private company, and were also prepared to develop new hunger-strikes, as for example in 1988 for delays in the delivery of government funds to their projects (LA NACION 23-05-88).

Some authors have interpreted this whole process as a take over of the housing organizations by the PLN (Lara and Valverde, 1988:18). In reality, however, the PLN controlled the FDV and FCV from their beginnings, and the OST-COPAN maintained its independence during the whole period. COPAN adjusted its political and ideological proposals to survive as an organization, and it developed different structures, but its original party structure and leadership remained, as shown in Figure 4.3. Most of the original members of the directorate became managers of the private company, and the members of the secretariat became presidents of PAP and COPAN both the civil association and the private company. The original sections of the party kept a low-profile, except for the foreign relations’ section, which was essential during the hunger-strikes in putting pressure on the government. Many members of the original party left the organization, as well as many families of the community groups, but the whole structure continued into the 1990s.

C. Left-wing parties and housing groups

During the 1980s, the PVP controlled some old Juntas Progresistas and continued to use its federation to organize mass activities. It also legalized some old juntas as ADIs, to benefit from
government funds and legal protection against police repression. These community groups developed local activities and demanded improvements in their services, but never organised big public demonstrations. The PVP also set up a new structure, their federation of ADIs, called UNADECÓ, to criticize DINADECÓ and the PLN's political control over the ADIs programmes in housing and community services.

In October 1982, the PVP set up a new structure specifically for housing: the Housing National Front (FNV), to compete with COPAN and FDV, although it achieved little success. This front strongly criticized the INVU's 'sites with services' programmes, but never developed its own alternative proposals. In early 1983, they had an open debate with INVU officials, in which they demanded more resources for the building of proper houses and increased taxes on foreign companies, national land-owners and coffee exporters (Revista APORTES, 1983 #13:11). Some of the FNV community groups organized land invasions which were successful, but as INVU would not accept applications from the FNV, they remained as land invaders until the third administration when CEV developed housing projects on these sites.

The basic structure of the PVP (Figure 4.4) and its mass organizations related to housing were very simple. The 'communities section' of the PVP organized community groups with different names and legal status. The original one was the progressive juntas and their federation, a second attempt was UNADECÓ, and the final one the FNV. The three reproduced the basic vertical structure: officials and section leaders at the top, local community groups and party members at the bottom. By 1984 the FNV had disappeared and the split in the PVP almost finished any party involvement with housing organizations. The PPC, one of the two new parties after the PVP had split, put together a new proposal on housing problems in 1987. They recognized however, that they had other priorities and preferred to keep a low-profile in housing (Semanario LIBERTAD 5/11 June 1987).

Other left-wing groups from the early 1970s had almost vanished by the early 1980s and had not developed their housing community groups, apart from the Workers Revolutionary Party (PRT), a new Trotskyist organization. This party developed some community groups with former COPAN members in some COPAN projects, but they suffered from COPAN repression. The PRT section for housing organized the Movement for Urban Popular Action (MAPU) with semi-clandestine community groups in the late 1980s. They denounced the government's agreements with COPAN, and particularly the frauds that thousands of families suffered in COPAN projects. However, their activities had no influence on the housing policy of the period.

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Figure 4.4: The PVP and its community organizations
Land control and distribution: the fronts and the *precarios*

A. Organization in the land invasions

In late 1984, Ramírez and Vargas (1984:25) found a high concentration of housing community groups in the AMSJ: 69 out of the 147 community groups. In many barrios there were more than one committee and there were internal disputes between the fronts. The number of member families of community groups were approximately 10,000 which was almost 10% of the whole population of the AMSJ. In spite of the enormous activity of the fronts, there were 18 independent community groups all over the country and 7 in the AMSJ alone. Many of these community groups conducted land invasions between 1984 and 1986, including the invasion of *Los Guido*; or were relocated to *Los Cuadros* from 1983. Many others were relocated to *Metrópolis* after the 1986 elections. Their relative independence from the FDV and the FCV allowed many community groups to establish their own structures and financial systems, but there were also some cases of frauds and internal disputes (LA NACION, 31-12-84). By late 1987 there were many different forms of organization and internal structures in the land invasions of the AMSJ. Some did not even have any kind of organization at all.

The INVU-MIVAH survey of 1987 found that 20% of the *precarios* had no organization or representative to negotiate for them, and local CEV officials had to appoint them. The relative presence of the fronts was also very weak, 70% had no contacts with them, although they had a community group. The involvement of women was very important, 25% of the committees' presidents were female. Table 4.3 shows the kind of organization in the land invasions of the AMSJ in late 1987.

<table>
<thead>
<tr>
<th>Type of organization</th>
<th># of precarios</th>
</tr>
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<tbody>
<tr>
<td>Independent local committee, with no external contacts</td>
<td>36</td>
</tr>
<tr>
<td>Members of COPAN</td>
<td>3</td>
</tr>
<tr>
<td>Members of FCV</td>
<td>11</td>
</tr>
<tr>
<td>Civil association (Law #218), ADIs-ADE (DINADECO)</td>
<td>14</td>
</tr>
<tr>
<td>Led by local councillors (Municipality groups)</td>
<td>4</td>
</tr>
<tr>
<td>Progressive Juntas (FENAJUP) under the PVP</td>
<td>2</td>
</tr>
<tr>
<td>In process of forming, but still powerless</td>
<td>3</td>
</tr>
<tr>
<td>Closed down (internal disputes, frauds, evictions)</td>
<td>3</td>
</tr>
<tr>
<td>With no organization, committee or contacts</td>
<td>21</td>
</tr>
<tr>
<td># of Precarios which gave information (out of 104)</td>
<td>97</td>
</tr>
</tbody>
</table>

Source: INVU-MIVAH survey of 1987 in the AMSJ (computed by the author).
The FDV had disappeared and its community groups were concentrated in Los Guidos and Metrópolis. Some had become civil associations and others ADIs. COPAN never approved land invasions, except in Guararé to obstruct other invaders, so there were very few COPAN committees among the precarios. Many of the ADIs under DINADECO were really independent committees, because from 1985 this institution had lost control over the local associations. Some of these ADIs were also under the PVP's control. The main feature was the lack of external contacts and the existence of new committees to represent the invaders in negotiations with government officials. Most of these invasions were small and from the electoral and transition periods of 1985-1986. They invaded land and waited for the Arias programme to begin, at a time when the fronts did not really exist.

B. The community organizations in the case-studies

In Los Cuadros the original community groups were reorganized by FDV officials but kept their leadership. The FDV organized a central committee with representatives from these community groups, and the FDV official became the head of this central committee. This official was their only contact with the FDV directorate, the government and political patrons. From 1984 local leaders of each area organized fund-raising activities to pay for basic services, such as water and electricity. They also prepared the families for the beginning of IMAS's building programme and later the self-help projects.

During the Monge administration Los Cuadros was the main place for relocation of housing community groups and invaders, so it grew very fast. There were many conflicts among different community leaders from the beginning, but the vertical structure of the FDV gave cohesion to the whole place (Figure 4.5). The split on the FDV led to a change in the local coordinator, but its structure remained through the second administration. However, in the electoral period internal conflicts increased and the FDV abandoned the place, as did IMAS officials. By the end of the administration many community groups had disappeared, particularly in the areas were the self-help projects were finished and the families had their new concrete houses.

From May 1986, local leaders began a new form of organization which had no links with the fronts. It was a very simple structure of four or five local leaders who represented the south and the north areas respectively and called themselves a central committee. They began demonstrations and strikes, but internal conflicts inhibited their development as representatives of the whole barrio. They also began negotiations with the new government and made direct contact with the Housing Minister. The government tried a new approach in Los Cuadros. Officials of the CEV set up an office there and took direct control of the community's affairs which the original FDV official had held from 1983. CEV officials appointed new local representatives in each of the 12 areas and encouraged the community's involvement in the self-help project (Figure 4.6). The local community leadership was never involved in decision-making for the whole place. They organized the original land invasions and negotiated their relocation, but then the
Figure 4.5:
LOS CUADROS; 1983-1986
Figure 4.6:
LOS CUADROS; 1987-1990
control by FDV officials blocked their development. Later, CEV officials encouraged their involvement in voluntary community activities but replaced any local leadership. The new relocations and invasions at the end of the period allowed the organization of new local community leaders. After the electoral period of 1989 and the defeat of the PLN, the local leadership organized meetings and strikes independently of local CEV officials, including the occupation of the CEV offices and the closure of roads nearby.

In Los Guido, the original invasion was prepared by the FDV and ASPROVIGOI, so there were two main leaders in this area. One was a traditional community leader who had founded local civil associations and ADIs in the canton of Goicoechea since the early 1980s, the other was the official whom the FDV directorate appointed. There were also some small independent groups which developed their own community groups in the place. During the first two years they organized a central committee with representatives from dozens of community groups, but the real structure always followed the three original organizers of the invasion (Figure 4.7). However, their contact with the government was through the FDV directorate until the end of the Monge Administration. On the other hand, in the occupation of the other area of the estate, the FCV led various community groups which had no connection with the FDV. Further community groups relocated by direct intervention of PLN officials had no connection with either the FCV or the FDV.\(^{18}\) The existence of three separate structures and dozens of community groups from different origins and places hindered the development of a strong community organization for the whole barrio Los Guido. These three groups all demanded community services and the intervention of the local municipality, and were in constant conflicts. There were many changes of local representatives, evictions and conflicts between the particular committees. The FDV official was finally evicted, by leaders from ASPROVIGOI and new local leaders from the barrio, who established links with the local FCV leaders. The FCV and the groups led by PLN officials, established direct contacts with the new Housing Minister and obtained better services and financial support from the central government from May 1986. The political links with the Housing Minister were essential for obtaining more and better building materials and immediate water and electricity connections. There were clear differences in the barrio between the FDV area and the FCV area. Months later, the start of CEV projects also led to a rupture with the FCV, and the whole barrio began a new phase with active involvement by local councillors of the Desamparados Municipality.

Figure 4.8 shows two phases from 1989. In the first phase the local municipality controlled the organization of a new central committee with representatives of every community group on the barrio. The elected leaders were the same as from the original invasion, except for the FDV official (who had been evicted), although local councillors with a prospective political career in the PLN assumed a central role. This central committee established direct contact with the Housing Minister and CEV officials. The second phase began with the direct intervention of the CEV. Local CEV officials set up their offices in the barrio to begin the housing project. They took over from the local municipality and developed a direct contact with the old community.
Figure 4.7: LOS GUIDO; 1986-1987
Figure 4.8:
LOS GUIDO; phases 1989-1990
groups, while some leaders of the central committee maintained their political contacts with the housing minister.

This direct intervention by CEV in the organization divided the structure in its many parts and allowed the local CEV officials to take control. However, during the first months the central committee was strong enough to resist CEV control and even force the change of CEV local officials. They also organized demonstrations against the use of 'modules' as basic designs of their houses and evicted from the site the MIVAH officials who supported the relocations of hundreds of families from the place. They defended their original distribution of land and did not accept any new lay-out. When the construction of hundreds of houses actually began, it was easy for the CEV officials to negotiate directly with the families or representatives of every small area. Without the interference of strong leaders they could organize the construction, the distribution and the formalization of mortgage contracts from their local office. They visited the families daily and organized small meetings with representatives of the construction companies. They allocated the families according to their level of income through individual negotiations. In addition, the new electoral campaign divided the local leaders who worked with different parties, particularly the PLN and PUSC, while the construction process remained under CEV control. After the elections the original leaders, who were members of the PLN, lost support and the PUSC local leaders began negotiations with the new Housing Minister.

In Metrópolis, the FDV directorate appointed the official responsible for organizing the whole process. He developed a detailed plan for the occupation and after that created a strong local organization which survived the closing of the FDV. This reproduced the vertical structure with the FDV official at the top. Every community group appointed representatives to a council which elected the directorate of the registered civil association (Figure 4.9). This leadership in the directorate organized 'special commissions' to promote the community involvement in collective activities, such as sports and recreation. The directorate controlled the building process and through the FDV official had direct links with the Housing Minister. From the Housing Minister came particular directives to the directorate and constant communication on the development of the original agreements. The building process was again the responsibility of CEV, and its local officials again set up their office in the site. During the first year this vertical structure allowed a very fast reaction from the community when the leadership called for demonstration or general meetings, but it also allowed an easy control by the CEV as soon as the building process began. From 1987, CEV officials followed their normal procedures and some members of the local civil association directorate became officials of MIVAH and CEV. This meant the end of the local organization.

In Guarari there was no real local organization, and COPAN officials controlled everything, from the original invasion to the construction with its company and professionals. There were no community groups and no involvement of local leaders in decision-making. The whole process of negotiation was concentrated in the original OST leadership, and they appointed the officials responsible for its six projects, including the Guarari.
Figure 4.9: METROPOLIS; 1986-1988
In Garabito there was a small community organization which was a member of the FDV until 1984, and then a member of the FCV, but there were few community activities and almost no popular involvement. The FDV organized demands to INVU and led the defence against the evictions, but this was also a FCV action, not really a community activity. From 1986 there were almost no community activities and the new invasions had very poor organization.

With the land invasions of the late 1970s in San José the housing problem became an electoral issue. The opposition party, the PLN, had reorganized its housing section in the same way that left-wing parties had been doing since the 1950s. The PLN and President Monge promised more financial support and immediate solutions for thousands of FDV members. But many others, families, many members of COPAN, also competed for plots in the INVU 'sites and services' projects. Many community groups became members of the housing fronts, but many others mounted their own independent pressure, making numerous applications for lots and launching their own land invasions.

The changes in housing policy put forward by the FDV during the Monge administration never came into practice. However, from 1981, the FDV and COPAN encouraged community groups whose pressure forced changes in the government's attitude toward housing. From 1983 the government gave control over large areas of public land to the FDV and repressed the COPAN demonstrations, only negotiating with COPAN and the FCV on the eve of the elections. Throughout the Monge government, community groups kept up their pressure through demonstrations, protests, land invasions and hunger-strikes.

In 1985, the PLN candidate used the fronts as an electoral tool, but also responded by building thousands of finished houses. The PLN fronts were finally destroyed, but COPAN survived as a nation-wide housing organization and as a private building company. It continued to build its projects and never allowed government institutions to interfere. Its leaders negotiated directly with the Housing Minister and blocked attempts of CEV intervention.

During the twelve-years period individual families and local community leaders were little involved in the process of decision making. However, effects of their direct action, such as land invasions and political protests, gave their leaders the power to negotiate. This process seemed to have grown in significance by 1990 when many families began land invasions and organized new community groups. This meant that the new PUSC government would face strong pressure, not only from the opposition parties, but also from hundreds of families acting through their own new forms of community organization.
Notes:

1 The National Liberation Party (PLN) was founded in 1951, but its founders led the country de facto for 18 months, after the triumph in the civil war of 1948. PLN candidates have been elected for presidency in six periods of four years each since the 1953 elections. Between 1953 and 1990, the PLN permanently maintained control of around 40% of the Legislative Assembly.

2 The Partido Vanguardia Popular (PVP) had been the traditional communist party of Costa Rica, founded in the early 1930s by señor Manuel Mora Valverde. It had strong links with the Soviet Union from its beginnings and was outlawed during the 1950s, after its defeat in the civil war of 1948. Nevertheless, it continued political activities through various forms of popular organization, and gained complete legality in 1971. During the seventies it had to confront severe criticism from various new left-wing parties and in early 1980s suffered a profound and destructive split.

3 According to the Law of Associations #218, from 8 August 1939.

4 *By 1961 FENAJUP had five Juntas involved in all its projects and paying normal monthly fees. Another eight to ten Juntas were formal members but gave irregular payments. Around 40 had occasional contact with FENAJUP officials. By the mid 1960s there were more than 300 Juntas involved in FENAJUP programmes, as a product of the popular unrest against the creation of AYA and centralization of the water supply system, led by FENAJUP and some Municipalities. By the mid 1970s, FENAJUP almost did not exist, after some years of internal dispute and confrontation with DINADECO* (Argúello, 1983a:215).

For an analysis of FENAJUP’s origins and development from the PVP point of view, see also Mora-Agüero (1986a and 1986b) and Zeledón (1987).

5 Law on the Community Development #3859 of 7 April 1967. This law and its regulation became official from the 1th January 1968, when DINADECO was officially opened.

6 *During the period 1971-1975 the associations received from partidas específicas 22.2 million colones, around 12 million through credits from the government and 11.4 from the income tax. The associations invested 75% of all these resources in local infrastructure and community services. Only 1.8% was used on housing, on the water supply 3.2%, and in electricity networks 4.1%* Mora-Agüero (1989:72).


8 According to official data of associations registered in DINADECO, September 1982.

9 The founder and president of the FDV, señor Guido Granados said that the FDV was founded during the invasion of Río Azul, when he organized a meeting with regional leaders of the PLN in the AMSJ. However this invasion was led by a church leader with no links to the PLN. The FDV did not exist the week of the invasion and Granados only made a visit to the site some days after the invasion. LA NACION (01-09-81) LA REPUBLICA (04-09-81).

10 Author’s recorded interviews with local leaders and founders of the FDV, señores Manuel Salinas, Eduardo Morales, Víctor Láscaris, Nora Soto and Luis González, in 1984 and 1989.

11 Víctor Láscaris was president of the community organization of La 15 de Setiembre and then leader of the invasion in Los Nietos, and became councillor in San José Municipality; Manuel Salinas was the leader of the invasion in Aguantafilo and Los Nietos; Eduardo Morales was president of Las Promesas, Julio Paliaguirre of Hatillo, Luis Picado of Río Azul and Nora Soto of Los Sobrinos.

Guido Granados was Councillor in San José (1978-1982), coordinator of the PLN branch for the AMSJ and deputy to the Legislative Assembly representing the province of San José (1982-1986), Julieta Todd was Mayor of San José and local councillor, René Castro was president of the PLN Young and the UCR Student Union, then Vice-minister in the Home Office. Other professionals who were founders and members of the PLN housing branch were: Jorge Bertheau, José L.Molina, Carmen M. Romero and Alejandro Esquivel.

12 Registered through the Law #218, which regulated civil associations without the involvement of DINADECO. The official date of foundation is June 1981. REVISTA APORTEs (#3, March-April 1983:10).
13 Months later other proposals were:

1 to President Monge:
   a: to give INVU 550 millions and IMAS 250 millions from import duties, as promised by Vice-president Aráuz.
   b: to order the Minister of the Exchequer to give 450 millions to INVU from the central budget
   c: to approve the loan for US$2 millions from BCIE with legal support from the Central Bank (BCCR).
   d: to use US$ 5 million from the Reagan Programme for housing.
   f: to create a new 'housing fiscal stamp' (Timbre de la Vivienda) to get new resources for housing.
   g: to use 0.10 colones from the difference between prices of buying and selling US dollars.
   h: to use 100,000 from the next programmed rise of salaries (civil servants) to finance INVU
   i: to use 25% of the public land, particularly the estate owned by the Social Security Institution (CCSS), which would allow building solutions for 8,000 families.

   (Letter to the Minister of the Presidency, señor Fernando Berrocal -head of the SVAH- 18 January 1983).

2 to INVU:
   a: a payment-free six months period in the 'sites with services' projects.
   b: to give the families ALL the building materials needed in the 'basic modules' projects, not only 50 cement sacks.
   c: to reduce monthly payments in 'sites with services' projects, because 61% needed subsidies.

   (Letter to Clara Zomer, INVU Executive President, 18 January 1983).

14 'The PLN is culpable for the bureaucratization and concessions to the civil servants. IMAS used 80% of its budget in salaries. INVU wanted to use 18 millions out of the 150 for 'lots with services' to pay salaries. We call 'institutionalization of tugurios' this plan to change tugurios from illegal occupation to a legal one, with larger lots that the residents had to pay for, so they could never build a proper house. Lack of coordination caused overcrowded conditions in schools, community services and local transport. We denounced all these during the demonstration of the 27 January 1983' (Recorded interview with señor Alejandro Esquivel, former President of the FDV).

15 Officially it was a 'civil association' (Law #218) named Asociación Ciudadana de Vivienda Popular.

16 Officially, Fausto Amador’s -the OST leader’s- rupture with Trotskyism was in 1979 (COPAN Revista Teórica, 1989 #2-3-9), but in 1982 a member of its directorate unsuccessfully tried to develop new links with the IV International.

17 Information based on the author’s recorded interviews with local leaders, FDV, IMAS and CEV officials. Among them Manuel Salinas, Bernal Pané, Germán Rojas, Juan Vargas, Lucía Fonseca, Luis Fernández and Bernardo Paredes.

18 Information based on the author’s recorded interviews with local leaders, FDV, FCV and CEV officials. Among them Manuel Salinas, Eugenio Montoya, Aída Rivera, Ester Mejía, Francisca Campos, Oscar Madrigal and José Román.

19 Information based on the author’s recorded interviews with local leaders, FDV and CEV officials. Among them José Gabriel Román, Carmen Soto, Rigoberto Aguilar, José Rodríguez and Damaris Peraza.
CHAPTER FIVE

NICARAGUA: GENERAL AIMS, TANGIBLE REALIZATIONS AND
MATERIAL RESULTS OF
THE HOUSING POLICIES TOWARDS THE URBAN POOR
Introduction
The Triumph of the Nicaraguan Revolution on July 19, 1979 generated a belief that the new government would introduce radical changes into society. The defeat of the dictatorship, and the revolutionary programmes espoused during the years of guerrilla war, supported the hopes for deep changes, new policies and the beginnings of grassroots democracy. New housing policies would raise living standards for the urban poor, as well as for the masses in general.

An analysis of Sandinista housing policy requires a complete review of the revolutionary rhetoric, which formed the ideological basis of the forthcoming programmes, and its confrontation with the reality of house building, land distribution, servicing, legislation and popular participation. Nicaraguan housing policy during the 1980s had three main elements: urban reform, which included proposals to control access to land and housing, to expropriate illegal subdivisions and to distribute housing to Sandinista supporters; building programmes that included apartment complexes and progressive urbanizations; policies to use the enormous quantity of waste land in Managua for self-help programmes, tolerated land invasions and the development of recreation areas and the construction of state buildings. Such a programme required new institutions, nationalization of the housing finance system, reorganization of the urban planning network, and a restructuring of local government.

This chapter examines the development of this housing programme with special reference to the urban poor. It describes the original aims of the revolutionary programmes and the new institutional network. After that, it analyzes the specific proposals and their concrete results. Finally, it evaluates the changes that occurred in housing and servicing conditions.

Policy objectives
The Historic Programme of the FSLN was the first document expressing the aims of the revolutionary movement. It was written a decade before the actual Triumph and includes a specific section on housing:

*The Sandinista Popular Revolution:

will introduce an Urban Reform which will give every family an adequate house. It will stop the speculation in urban land (illegal urbanization, rented housing, etc.) that exploits the needs of working class families in the city and their right to a proper roof over their heads;

will construct adequate houses for the peasants;

will reduce the charges for water, as well as those for electricity, sewer and street cleaning. It will apply programmes to extend these services to the whole urban and rural population.*

These objectives have two central issues: a radical change in the treatment of urban land and the extension of housing and servicing to the whole population. While it is obvious that giving every family a house had to be a long-term aim, one never fulfilled in any country and clearly dependent on financial possibilities, the new treatment of urban land needed only a clear political
commitment. The issue of urban land is crucial because it established a real qualitative difference from housing policy in the rest of Central America.

A further important statement of policy was the declaration by the ‘Tercerista tendency’ group of the FSLN. Made in 1978, a year before the Triumph, it is significant because this group became the most powerful element in the Sandinista Government. It expresses clearly several elements of housing policy:

*Proper housing will be a right of the people.

The Sandinista Government will take care to build cheap, good and safe houses for workers, civil servants and teachers.
There will be no more houses built like cages or match-boxes.
We will work together so that the barrios will have sports grounds, recreation areas, playgrounds, paved roads, public lighting and nurseries, so that working mothers will have somewhere to leave their children.
We will fight to eradicate shanty towns and illegal subdivisions.
The residents will be organized to decide on everything related to their barrios.
The Sandinista Government will control rent levels, landlords will not be able to raise their rents and nobody will be evicted.*

These are the goals to be evaluated after ten years of Government. They express not only general aims, but also make clear statements on servicing, rent controls, evictions and even the type of housing that would be encouraged. They also emphasize the central role of community organization as a source of local power. The housing goals of the Revolution, mainly expressed through MINVAH’s documents, were transcribed in dozens of articles and papers, regardless of whether they had actually been put into practice. Several authors took them to illustrate the achievements of the process.*

The overall aim was to provide the whole population with adequate housing and services. Obviously, this goal could not be achieved through political dictate, much depended on the resources available, resources clearly reduced by the effects of the War of Liberation, natural disasters, and the economic constraints of the early period of reconstruction. However, the aims regarding the eradication of shanty towns, the expropriation of illegal subdivisions and the creation of community and local power, could be achieved through political decree. The same is true with respect to control over the land market, the building industry and the housing finance system.

Some planners expected to develop a massive building programme. The *Programme of Economic Reactivation in Benefit of the People* identified the following as major objectives for the new MINVAH:

*(a) Initiation of a territorial ordering of human settlements with the goal of reinforcing production, improving the life conditions of the population centres of the interior of the country...

(b) Planning and massive construction of popular housing in the city of Managua in order to attend in part to the deficit inherited from the Somoza dictatorship....

(c) To impel an Urban Reform that permits the distribution of the benefits of urbanization to all social sectors...* (quoted by Williams, 1982:279).
These general aims continued to appear in official policy statements in the middle 1980s. At the end of 1986, for example, after the institutional reorganization which followed the election of 1984, the Mayor's Office in Managua and MINVAH published a programme to guide urban policy. The main goals of the 'Urban Development Scheme for Managua' (EDUM) were:

- To ensure the people's access to adequate housing, which means land, infrastructure, and services in addition to houses.
- Housing investments will be distributed territorially so as to promote production, support agrarian reform and extend the urban benefits to the rural zones.
- There will be a rational distribution of resources to maximise supply within the economic possibilities of the country so that it will benefit the greatest number of families.
- The priority will be housing programmes of maximum social impact, such as up-grading, amplification and progressive urbanisation schemes.
- There will be enforced involvement of popular organizations in the building process and management of self-help programmes.
- The housing programmes will be coordinated with the planned growth of the cities.

(MINVAH-ALMA, 1986).

The only real change in this plan was the omission of a massive building programme for Managua. Instead, the EDUM emphasized self-help, progressive urbanisation and an amplification or reconstruction programmes.

Even after ten years of Government, the Housing Division of the Transport Ministry (MICONS), formally adopted the policy aims given by the Planning and Budget Secretary (SPP), reproducing the original general statement. In spite of major changes in economy and society. The aims for housing continued to be very similar. The only real change was the link established between housing production and economic growth.

- The State should be an instrument of power for the majority of the population.
- The National Economy is to be oriented and planned in the interests of the entire society
- The population should be an active agent in development.
- Housing is a social good, a right of the people.
- Housing production must be linked to national economic production.
- Priority targets are low-income groups, supporting production, and the worst served zones.

(Morales and Torres, 1989:20).

Policy in practice

A. The construction industry

The construction industry suffered a radical change because of the nationalization of its key sectors. The Government nationalized the main materials industries and the financial sector and the real state companies. It did not nationalize the construction industries or the consultancy
and design agencies, but real work opportunities were reduced to state projects. These included the new main state buildings, military infrastructure, production projects and, finally, state housing. The main contraction was in private housing work since the new state institutions concentrated design and consultancy. The new state enterprise for housing construction was COVIN and for administration and real estate business CONIBIR. MINVAH and the Ministry for Construction controlled general policies.

Investment in construction did not decrease during the period, as Figure 5.1 shows. Both the total investment in construction and the specific investment in the construction industry showed little change, not only in absolute but also as a percentage of the GNP.* Investment fell slightly in 1982, but immediately began to rise again up to 1987. From then on, the general crisis of the economy and the new structural adjustment caused an abrupt decline (LA PRENSA, 04-02-90). Productivity of the construction industry also declined, both public and private. Evidence of this emerged when the Government decided to regain the productivity levels from the dictatorship period. The trade unions reaction and political discussion of the Government's purpose became a central issue in the media for months in 1987.?

Overall activity in the construction industry did not reflect the severe restriction in housing construction, thanks to its work in state buildings, production and military projects. On the other hand, the private construction industry strongly reduced its activities. The impact on the design and consultancy companies was severe. Many companies closed and sold their equipment, and many professionals emigrated. The private professional organization had more than 150 members and 30 companies in 1976; by the end of 1989 it had only 10 companies and 20 members (LA PRENSA, 07-04-89). New graduates from local universities during the period normally went to work in the state institutions, avoiding private practices that were in severe decline. In 1989 the Government proposed a complete reorganization of the sector to confront its crisis as a result of the structural adjustment of 1988. It tried to incorporate private companies and new investment coordinated by a new council that included representatives from professionals, state companies, universities, private associations and companies (BARRICADA, 06/07-10-89).

During the decade, it seems that Government decisions sharply restricted formal private house building. As a consequence, the private construction industry reduced its activities and its capacity to influence Government policy. The construction sector as a whole survived through public contracts. As an independent sector, the industry (particularly the almost vanished private materials industry) lost its capacity to pressure the Government and to influence decisions about housing programmes. However, from 1989 the Sandinista Government tried to expand private investment and, therefore, to open new spaces for negotiation and new channels for the private sector to develop its own projects, in both housing and infrastructures.

*The reason for the extraordinary change in 1987 is because the data were an estimation for the ‘Economic Plan 87’, the real percentage of the GNP and the total construction investment were smaller.
Figure 5.1
Source: SPP-Balance Global.
(Own elaboration)
B. Building prototypes

The original documents of the FSLN strongly criticized the traditional prototypes of low income housing programmes.* They aimed for a concept of housing that included not only basic services, but also communal services and they wanted to encourage a collective form of living. Their initial proposals tried to develop integrated projects rather than detached individual houses. However, the projects that were developed never fulfilled this ideal, even in the few houses the Government actually built.

During the early years, MINVAH developed a project of multistorey units, using prefabricated elements and conventional industrial materials. Initially they planned to build 550 units in the central core of Managua, but then the number was reduced to only around 70. Some projects for duplex units were also abandoned.

Most of the constructions were only basic modules that had to be finished by self-help or local builders working with rudimentary technology. The materials bank programme developed basic pre-cast units, using wood and fibre-cement panels to build 36 m² modules for some self-help projects of the progressive urbanizations programme. Innovative designs or building processes were the exception. The international or local brigades that helped during the first years had little knowledge or experience to change the traditional patterns. Additionally, most of the original projects were approved before the Triumph, so their designs had to be respected. Moreover, some projects given by foreign agencies or countries brought the typical low income design, well known all over Latin America.

MINVAH and COVIN initially used three building systems:

- The Wooden system consisted of rectangular panels. It had windows, a timber frame and metal roof. It was easy to build and used local raw materials. However, it needed high technology to avoid waste and provide security and durability. In rural zones it became too expensive because of the lack of adequate technology.

- The Sandino system used pre-cast concrete panels and columns. The asbestos roof was self-supported and did not required timber or metal frames. It was both easy to install and cheap. Unfortunately the local technicians did not recognize that it required many imports, depended on high technology and was climatically inadequate. Moreover, it was also fragile and dangerous because of its asbestos roof.

- The Monolítico system used concrete built on site using two types of cast. One metal cast was used to build the columns and beams, the other, made with metal and plywood was used for the walls and roofs. It allowed houses to be mass-produced and needed few workers. It also allowed for the building of two storey houses or for adding a first floor later.

The 'Scheme for Urban Development of Managua' (EDUM) recommended any of the last two systems.® However, these systems would be economically viable only in mass production,
so they would heavily increase the import of metal, cement, asbestos, etc. They had the effect of raising the external debt and increasing pollution.

At the beginning, technicians and professionals were in control of the 'new' state companies, so they tried to develop new patterns for houses and settlements. Some designers emphasized the ideal of community life, with open patterns and open common areas. They avoided the concept of fences between houses and backyards. However, they continued using industrial materials with many imported elements.

Williams (1982:284) gave a description of these innovative experiences:

"In Managua -one year after July 1979- the first project for the consolidation of a squatter settlement was past mid-completion. In the barrio José I. Gómez, 463 houses were being constructed in an open pattern with communal areas between them. One-half of the houses had been constructed on open land adjacent to the existing neighbourhood. The CDS had been active in the preparation of the land and in supporting the governmental construction teams. Plans called for moving the residents from the old houses into the new or into temporary shelters while the old area was demolished. The ground was to be prepared and the remaining houses constructed for those living in temporary shelters. This project demonstrated MINVAH's policies of active mass organization participation and of minimal dislocation in dealing with the problems of squatter settlements. Wherever possible, squatters' settlements were to be rebuilt on or near their present locations."

Despite the planner's ideals, many families would not tolerate open prototypes, so they transformed their houses of basic modules into the conventional single house, with concrete, iron or wooden fences, depending on their income. After a few years the changes showed a family's income and desires. The poorest maintained the initial open shelter; they cooked in the open air and lived in a fragile house. Others could pay for strong fences and walls, iron frames for windows and doors, and new rooms. Many used the front room or window as a small shop or a workshop. These survival activities progressively transformed the whole barrio, contrary to the planners' ideals.

Some authors tried to demonstrate the revolutionary gains with detailed descriptions of particular projects (Curuchet, 1987), but failed to note their limited impact and their many drawbacks. Williams, for example, argued that:

"The housing programs of MINVAH reflected two principles: integrated planning and the maximization of limited resources. Housing programs that addressed the needs of the workers in the productive sectors were emphasized, as were programs that integrated urban marginal populations and reinforced the development of the mass organizations. In housing construction, MINVAH concentrated its efforts in two areas: the actual construction of housing projects, and the development, production and distribution of housing materials" Williams (1985:391-392).

The evidence from the settlements denies these proclaimed principles. The building systems were conventional ones no different from counterpart schemes all over Latin America or from those used by the Somoza regime after the earthquake. The use of expensive materials in the construction of multistorey buildings also denied these principles. Integrated planning was obviously impossible given the sudden changes of the first five years and it became absurd with the inflation rates. In any case, the 'mixed economy' principles were in theoretical contradiction to 'integrated planning'. Without controlling private land and with a free real estate market operating the planners had very little powers.
C. Illegal subdivisions and land ownership

Immediately after the Triumph, there were 400 'illegal subdivisions', all over the country, with a population of around 462,000 inhabitants (Morales and Torres, 1989:8). Williams (1985) reported 50,000 houses in these settlements in 1980 and IIED (1985:43) reported 38,000. Other sources established that in Managua alone, there were 67 repartos (Arróliga, 1983:3), although IIED (1985:39) enumerated two hundred.

The Illegal Subdivisions Law confiscated thousands of houses located in areas which lacked adequate minimum services. Land owners illegally sold lots without infrastructure. MINVAH was placed in charge of these areas and also became responsible for the problem of the mortgages which many families had been paying to the illegal developers. The latter had extracted very high interest rates and, in dozens of cases, families had paid much more than they actually owed. MINVAH assumed control of the debts and had to organize appropriate procedures for the families to continue their payments. MINVAH had to make an evaluation of the property, including location, quality of construction, services, etc. The intention was also to create a public fund, so that new projects could be developed and the services could be completed in the former illegal subdivisions, now called intervened subdivisions. After months of evaluations, MINVAH started a 'pilot scheme' to give property titles to households who had paid off their debt.

By mid 1980, the experience gained allowed the first reforms to the scheme and changes in the laws (EL NUEVO DIARIO, 14-08-80; LA PRENSA, 14-08-80). MINVAH's evidence suggested that 50,000 people lived along the lake shore, from Acahualinca in the west to the Airport area, in the east, alongside 15 Km of shoreline. 80% of the intervened subdivisions had no services at all, 54% were single women households and 40% of the population were illiterate (BARRICADA, 02-08-80).

The IIED (1984:44-45) recorded that in 1983 MINVAH controlled 34,434 houses and 12,163 lots. Williams (1985:390) reported that 30,000 families had mortgages administered by MINVAH, mainly acquired from former private banks. They were of different amounts and were at different stages of repayment. Only a few months after the confiscation of land and houses, the Real Estate Nicaraguan Corporation (CONIBIR), was reporting urgent financial problems because of the families' non-payment. Later on, the Government waived the debts and, unofficially gave ownership to the households (LA PRENSA, 27-08-81:10).

In 1987, there were hundreds of eviction orders outstanding on families living in the former illegal subdivisions and in the self-help schemes called progressive urbanisations. The Mayor's Office of Managua interpreted the crisis in these terms:

"During the first years of the Revolution, the former MINVAH or any CDS leader, gave land without adequate legal provisions. Now, when the situation is stable, the Alcaldía is discovering that many of the plots given out have legal owners, with the proper property titles. The most grave problem is taking place in some progressive subdivisions, which have legal owners and which MINVAH or CDS leaders distributed without their agreement" (EL NUEVO DIARIO, 12-08-89).
The return of many families that had never had any legal or formal problem with the Sandinista Government, but whose land or houses had been appropriated, escalated the crisis. Some authors, on the basis of the initial goals of the Revolution, made a wrong diagnosis of the meaning of private land under the Sandinista Government. In view of the tolerated land occupations, for instance, suggested that there was a complete change in the concept of private property. The evidence of the last five years of the decade suggests that the rights of private land owners continued. Only the extreme pressure from the public and the media on the eve of a new general election provoked the Government into action. The lack of local organizations and the disappearance of special committees for housing had speeded up the legal procedures. After months of public pressure against the evictions, the Government finally issued a decree that suspended evictions from former illegal subdivisions.

Media discussion during this period gave extraordinary importance to evictions. Political leaders and candidates in the general elections discussed the crisis as a frontal attack by the 'Somocistas' against the Government. They demanded the immediate abolition of 'Somocista' laws and the instantaneous grant of property titles for everybody. However, even the official deputies criticized MINVAH for the inadequate legal resolution of this problem during its eight years of existence. The opposition parties argued that new Government statements were only political rhetoric and the new actions were motivated by electoral considerations. The Mayor's Office of Managua published its own view of the role that it had played:

a: its function regarding rent problems had been always as a mediator.

b: as regards BAVINIC houses, it had established suitable procedures for negotiating illegal occupations and stopped eviction orders.

c: there was a special new Plan to give lots, it had given 200 during 1989, but it did not support any kind of illegal invasion on vacant land.

The elections led to the direct participation of the Mayor, who was candidate for a new term. During the electoral meetings the Mayor, local candidates for the Council and the Managuans developed a routine of handing out lots and legal titles. Many families secured the tenure of their plots more than twelve years after their occupation. Dozens of settlements were legalized and hundreds of households obtained written cancellations of their debts. From 1988 this was the main job of the Mayor's Office, but it intensified during the last months of the electoral period.

The Mayor declared in the middle 1989 that:

*During this year 50,000 property titles will be given in progressive urbanizations, intervened subdivisions and spontaneous settlements that will be urbanized. This number includes around 14,000 cancelled debts all over Managua (BARRICADA, 29-06-89:1-5).

In fact thousands of titles were given, but they never became legal. After the Sandinista’s defeat of 1990, Laws 85 and 86 were passed to sort out the procedures for giving the families legal registered titles. In eight years MINVAH had only been able to give them written guarantees.
of ownership, titles which in fact were illegal! Even in Ciudad Sandino, where the ‘pilot scheme’ for illegal subdivisions started in 1980, the current estimation is that nine thousand families do not have a property title.  

D. Rental housing

The new Rent Law sought to protect tenants and to control rent increases replacing the ineffective 1977 Rent Act. This new law enforced a reduction of rents in Managua: 50% for rents of less than C$500 (US$ 50), 40% for rents between C$500 and C$1,000. It decreed strict limits for annual rents from 1980, but the law did not apply to State property or to property with foreign tenants. Evictions were permitted when there had been a lack of payments for three months; partial or total subletting; the use of the place in illegal activities; serious damage caused by the tenant; the owner’s own or immediate family’s need of the house; or an approved proposal for total reconstruction. These grounds are no different from others rent laws from Central America.* However, the procedure to obtain a legal order for eviction was very slow. It laid down the requirement of previous meetings between tenant and owner in the presence of the local MINVAH representative or the local committee for housing.** If there was no agreement, the owner could begin legal proceedings in court.

Before the new Rent Law was approved, many landlords tried to evict their tenants. They also put pressure on tenants to leave after the laws had been ratified, but before they came into force. After that, they continued to evict tenants using procedures established by the new laws. Faced by so many evictions the Government decided to suspend the laws and to stop court cases from mid 1981. New reforms were approved in August 1981 which compelled owners to register rental contracts with MINVAH. However, the reforms gave the right of eviction after only 60 days of lack of payments and did not change other grounds for eviction.  

Owners attempted to evade the new regulations through fictitious declarations of sales and through demanding the use of the houses for relatives. By mid-1982 Managua courts had issued hundreds of eviction orders. The Local Committees for Housing tried to slow the process and accumulated dozens of requests before presenting them to court. To avoid further losses, landlords not only pretended to sell their houses, but actually chose to do so. They complained of the extremely low monthly payments resulting from inflation and MINVAH controls (EL NUEVO DIARIO, 05-07-82).

In 1980 there were supposedly 5,000 rented overcrowded rooms with deficient services all over the country (cuarterías), with 150,000 inhabitants (BARRICADA, 02-08-80). The Rent Law of 1980 had outlawed the letting of cuarterías, a point reconfirmed in November 1981 (BARRICADA 2-11-81). Criticism of this widespread form of rented accommodation had started before the Triumph. Some with extremely inadequate conditions were burned down soon after

*The Costa Rican law from 1939, for instance.

**Comités Regionales de Asuntos Habitacionales (CRAH).
19th of July, and the families relocated. Nevertheless, thousands of families continued living in very small, poorly serviced, rooms and serious overcrowding was especially rife along the Lake shore. The residents organized local committees to pressure for better services through the local delegate of MINVAH, but this procedure was always very slow, and in the end it proved very difficult to obtain any improvement at all. In early 1982 a report indicated that some of these rooms were only four to six square metres in size and had no services at all. They had only one or two common toilets and the families fetched drinking water from a stand-pipe. The tenants had to pay rent on a daily basis and did not have any written contract, the owners threatened tenants with eviction if they missed payments and the owners did not pay the water bills.17

In Managua, many rented rooms of this kind were found along the North Road and close to the lake shore, but many were found in the old barrios in the east of the city. Rather than decreasing the number of cuarterías was on the increase. From the beginning of the Revolution the renting of rooms proliferated in Managua. Large, old well-built houses became unfurnished cuarterías. MINVAH received many complaints, during the first three years, from tenants who paid very high rents, even in MINVAH houses that were subletting as cuarterías, but MINVAH's capacity to enforce the Rent Law was very limited (BARRICADA, 18-05-82). In early 1983, modifications to the Rent Law were discussed under which rents could be converted into 20-year mortgages held. However, there was strong opposition from poor home-owners who needed to rent out part of their houses.

The rapid deterioration of the economy after 1985 and the devaluation of the local currency soon reduced rent levels to absurdly low levels. Sometimes, the monthly payment was not even enough for the owner to pay the property taxes. Formal real estate business in local currency came down almost to nothing. Local prices changed everyday according to inflation rates and dollar values in the black market. Some companies or individual owners rented houses in 1987 only in dollars. They charged between US$100 and US$200 for wooden or concrete houses located in middle income barrios. They usually sold a wide range of houses costing from US$1,000 to US$2,500, but the newspapers advertised houses varying from three to ten thousand dollars.

MINVAH did not have any power to control sales or rents in dollars. Everyone living in a house controlled by MINVAH could sell after paying off the debt. Besides, after MINVAH formally cancelled the debts every family could sell or rent their house in dollars without MINVAH or Government control. Only a specific complaint to the tribunal could allow MINVAH to interfere. As late as 1987 the Housing Minister explained that there was no law to regulate the rent in dollars or any foreign currency, for instance, in Costa Rican colones (EL NUEVO DIARIO, 03-02-87). Many families were prepared to pay high rents in foreign currency even for homes located in land invasions (EL NUEVO DIARIO, 02/03-02-87). MINVAH and its CRAHs limited their interventions to the evaluation of reasonable charges, but they could not force any reduction. From February 1988, the Government issued a decree to ban transactions in foreign currency, specifically as regards houses. Nevertheless, according to official sources, the renting and sale
of houses in dollars increased with the inflation. In fact from 1987, new transactions in local currency almost disappeared.¹⁸

Some landlords reacted against the Rent Law by taking their properties out of the legal market or by letting their buildings deteriorate. Many sold their property with the sitting tenant without any control by MINVAH. Normally, the owner and the buyer established an agreement and got legal documents of the transaction, then the new owner started legal action to obtain an eviction order from the court. From 1987, the courts gave dozens of evictions when absent owners returned to the country.

The main effect of the protection given to tenants was to reduce the amount of rented housing available and to increase pressure on rents. According to official data in April 1989 ownership levels among low-income families of Managua were 46% before the Triumph and almost 90% at the end of the period. The first seven years of revolution did not really change the concept of housing as a commodity, it gave protection to the tenants, but did not increase the supply of houses. The failure of MINVAH to monitor and control the rental situation contributed to the growth of an illegal market and to the misuse of the laws. From August 1989, a new decree gave a six month suspension of the Rent law, which meant until after the general election of 1990. Nevertheless, the decree only protected tenants or occupants that were already living on the house before the decree was approved. The lack of payments for two months continued to be a legal ground for eviction.¹⁹ Some of the eviction orders even affected houses that had been used as community centres for health and education (EL NUEVO DIARIO, 14-04-89).

In 1990, a real estate market in dollars and colones increased its activities and consolidated its normal procedures using local newspapers and legal support. Córdobas were sometimes accepted, but prices increased according to the black market price of dollars. Demand escalated because of peace agreements and new elections. During the electoral period, rents ranged between US$200 and US$500 monthly in middle to high income barrios. In low income areas rents were mostly in dollars. However, almost only these low income settlements had houses to rent in local currency, particularly in the recently recognized spontaneous settlements.²⁰

E. Land use and the spontaneous settlements

The amount of vacant land that had become public property in different parts of Managua was an extraordinary circumstance in Latin American experience. From 1972, the expropriation of vacant land created an enormous reserve for future projects in the area affected by the earthquake.²¹ New laws from 1979 increased the reserve of urban public land.²² The road network allowed rapid transport to the settlements of the periphery and covered hundreds of hectares of land around the old central core. Unlike the fringes without services, the vacant land of the old city had electricity and water networks.²³

Land invasions in this vacant area during the revolutionary first months were restrained by the end of 1981 and almost stopped using the Sandinista Defence Committees (CDS).²⁴ The
new Government showed its capacity to control the initial euphoria and to develop an institutional process. This was a major change in policy, but a lot of land was already occupied. A few months later the Government began its formal distribution of land as a consequence of the floods, but the number of land invasions was already very high. By mid 1982 MINVAH counted 73 spontaneous settlements with 14,500 families (EL NUEVO DIARIO, 05-07-82).

The expression spontaneous settlement refers to various features, not only land invasions; so that, there are a lot of confusions and contradictions, e.g., some settlements appear in different documents with different labels. Sometimes, legalization meant a change of designation and old barrios with new areas were considered new settlements. Finally, the constant development created a mixture where boundaries are difficult to establish. To decide whether a settlement dates from after or before the Triumph, is also very difficult. Some documents give a simple date for the whole settlement, while it has several sectors developed in different stages, circumstances or programmes.25

Some sources indicate that 10% of the Managuan population, or 81,000 people, lived in around 70 spontaneous settlements in 1979 (López, 1987:13), others only annotate 30 or 40.26 This suggests that tolerated invasions were not an original Sandinista idea, but that the peoples' pressure found the same result during particular periods of the dictatorship, for example, during its last electoral period by mid 1970s, as happens commonly in other countries.27

Official data (Figure 5.2) show that at least two thirds of the progressive urbanizations date from decades ago, so most of the MINVAH action was reduced to the legalization and change of designation of stable neighbourhoods. The formal foundation of new barrios included only 345 lots a year between 1982 and 1985. The data also show that some of the spontaneous settlements of 1986 were very old, but it is obvious that the sudden rise corresponds to the electoral period of 1984.

INIES data (Figure 5.3) show the same tendency; however the initial date for many settlements is 1983 and the number of houses is smaller. Only a few illegal occupations from the period after the Triumph were legalized before 1988, they were almost only the barrios flooded in 1982. The figure shows the sharp reduction in the number of houses per barrio from 1980 to 1982, after the initial invasions of 1979. In that year each barrio included more than 200 houses. The number of houses was not so high in 1983, with only around 135 per barrio, but it peaked in 1984. The electoral year produced a third of the spontaneous settlements with an average of 200 lots each. The initial distribution and legalization of some old land invasions relieved the pressure and allowed the Government to start its policy. However a year later there was a new wave of free distribution, by the institutions and by the local leaders, when the electoral period began. The data suggest an efficient control from the Government that only permitted very small land occupations during three years, so its seems as if the later openness was intentional. Families only had to wait for the appropriate time to get land and build their huts. This new change of policy let to the loss of an enormous amount of free inherited land and the unique initial feature of the city.
FOUNDATION YEAR OF THE BARRIOS
MANAGUA-NICARAGUA

Figure 5.2
Source: MINVAN-ALCaldia
(Own elaboration)

SPONTANEOUS SETTLEMENTS
MANAGUA-NICARAGUA

Figure 5.3
Source: DRL-INIES
(Own elaboration)
Chaves (1985:44) gave a description of the panorama during the electoral year:

"The land invasion began in August, 1984, first only a few people. MINVAH persuaded some invaders, who were well organized, to leave the place, while it found some suitable place for their relocation, but another group invaded this place. So, the invaders began the occupation of the initial area. Soon, it was a widespread process and, at the end, there were more than twelve settlements and hundreds of families, without police intervention."

Immediately after the 1984 elections the Mayor's Office of Managua began a strong campaign to stop the free land distribution and occupations. The Alcaldía took the opinion of the planners and observers on the necessity to implement the original policy. Massey (1987:55) summarized the official perspective:

"The initial interpretation of the problem was that the new spontaneous settlements were primarily a product of migration from the countryside. There were spates of newspaper articles on the impossibility of loading yet more people into the city's creaking infrastructure. Furthermore, it was argued, these new arrivals could not contribute productively, in an economic sense, to society. Those newly-arriving in the city, it was argued, were unable to find employment in the formal sector and therefore resorted to what were called 'informal' activities. These latter were generally characterised as commercial, inflationary, and certainly non-productive. Indeed the emerging popular understanding was of a dichotomy between a productive countryside and unproductive, parasitic, city, with the new settlements -characterised as the recipients of migrants from the countryside and as the home of the informal sector - seen as an important key element in the deteriorating situation."

The new policy stressed the instability of the families and pressured local officials to stop illegal connections to the water and electricity networks. However, lack of official recognition and legality became more important than lack or shortage of water, electricity, transport or the hazard of some locations such as the lake shore, which flooded several times.

The official version transmitted by the media blamed the settlements for the scarcity in public services. The Mayor's Office prepared a special scheme to eradicate completely the existing spontaneous settlements and to stop firmly any new land occupation. The Alcaldía, the President Delegation (III Region), the FSLN (III Region) and MINVAH developed joint actions under the 'Plan to restrain the growth of Managua' (Plan de Contención).

The first step was the creation of a new image for the settlements through the media. It seems that the President's Delegation for the III Region had enough information to invalidate its own version, but decided to create a false image to support the political decisions. The CIERA survey of 1985 showed that a high percentage of settlements' population were born in Managua and that 40.3% were urban salaried employees in Managua. Also that 80% of the inhabitants had been living in the capital since before July 1979. The "diagnosis" of the Plan de Contención reported these finds:

*The studies and first activities in the settlements show that:

1. The majority of the families were born in Managua or have lived there for more than six years (60%).
2. The people in the informal sector are a minority.
3. The majority is salaried with some members of the family bringing in extra income with informal jobs.
4. The main origins for migration are the immediate rural areas of Managua and Regions II and IV (Pacific).
5. The peasants from the north and centre of the country normally came to live with relatives, not directly to the spontaneous settlements.
6. A significant proportion of the people in the settlements are police and soldiers.
Contrary to this description the official image created to support the new policy indicated:

1. The problems with overpopulation, rural-urban immigration, and the tensions in the city from the **spontaneous settlements** should be known by the general public.

2. The people must know that no new land invasion would be permitted in the capital. The rulings banning the occupation of vacant land should be communicated to the country.

3. The **spontaneous settlements** should be understood as the most evident expression of irrational migration. It affects people's interests and diminishes the possibilities of agricultural development. Consequently, it is a phenomenon that must be confronted. The main aspect to discuss would be the reduction of the capacity to produce food, as a result of the agricultural work force migration to informal jobs in the city. (ALMA, 1986. Quoted by DIU-INIES, 1986:81).

This image became the reality, and even years later appears in international journals. Some authors do not even mention the existence of the **spontaneous settlements**, for instance Williams (1982 and 1985), Curuchet (1987) and Ruchwarger (1987). Some of the last official documents of the President's Office (Ill Region) do not mention them either (DRVAH, 1988). Others only report the land invasions of the first two years (IIED, 1985:41) or simply assert that:

"Between 1979 and 1981 around 4,500 families occupied 630 properties and 22 new settlements emerged in vacant public or private land" (IIED, 1985, quoting a MINVAH document).

However, they do not report the facts of 1983 and 1984. Noriega (1988:66) assumes that this phenomenon finished in 1981, reporting that "about 27 places and around 5,000 families (approximately 30,000 people) occupied 98 hectares".

In 1989 the Mayor of Managua declared that in 1984 there had been 25 invasions, and the next year only 15, but did not mention the number of families (Carrión, 1989:28). Without any reference to the electoral activities of the FSLN the Mayor explained that:

"the people could not just benignly accept or sit back with their arms crossed as these so called **spontaneous settlements** continued to spring up in public areas, private areas, all over the city, as had been happening on a massive scale since 1984" (Carrión, 1989:29).

The **Plan de Contención** allowed two different processes; first regulating some settlements and to supplying new lots in some settlements with verbal recognition as **progressive urbanization**. MINVAH sold lots in the city core to families living in *cuarterías* considered uninhabitable. The families organized CDSs and cleaned the lots, roads and pedestrian ways, then they made their huts without any participation of MINVAH (BARRICADA, 27-05-87).

Second, for evicting or relocating out of Managua many families living in the remains of the central core and near the 'Easter Market' and the north road. During 1987 there was an eviction of people living in the remains ('Los Escombros'). Before that, in 1986, a new invasion in a land owned by the university (UNI), without control from CDS or FSLN, was relocated out of the city. There was not any violent repression, but the police made clear that everybody must leave. The **Plan de Contención** threatened with eviction everyone living in **spontaneous settlements**, but in the end only partially removed the *barrios* in the ruins. There were presumably more than 1,000 families living there in 1987, but the official data only show that 600 were about to be evicted. The Government laid on transport, but the families had to dismantle
their huts, so that they could erect them in their new place on the periphery: Ciudad Sandino, 13 km to the west and Tipitapa, 20 km to the east. The families had little time to prepare their leave, after the MINVAH, FSLN and CDS official visited them. They complained lack of work in the new areas and of transport problems for them to continue working in the Easter Market or the city centre. The new places did not have basic services, but the Government allowed the erection of stand-pipes and recognized the legality of the occupation. However, MINVAH never gave them property titles and many lost their investments and their normal jobs. In the new conditions they certainly did not improve their previous circumstances.\(^{30}\)

The Government gave three reason for the eviction:

1. The place has faults and there is a risk of earthquake.
2. The Government wants to build new offices
3. The Mayor's Office has some sport projects.

The first and the second reasons are obviously in contradiction, because it is less risky to built light wood houses than high office buildings that put at risk hundreds of workers.\(^{31}\) Moreover, government offices are not only working place, but a service place that hundreds of people use every day. This is a major reason why the area has a concentration of families in the settlements. They sell newspapers, food, tobacco and cool drinks in the area.

An official statement said that "it was necessary to rescue the historic central core of the city, where the Revolutionary Government has its offices". The Plan de Contención was to develop a third stage that included 700 evictions and the review of 53 old buildings, 32 of which would be demolished and the rest rebuilt for government use (BARRICADA, 21-06-87). Nevertheless, according to technical advice since the early seventies, the only safe use for the whole area would be very light buildings and open areas, for example, sports courts and recreation parks. During two years the families felt the threat of eviction and denounced it (EL NUEVO DIARIO, 22-04-89). They said that CDSs and MINVAH functionaries distributed the lots but after the closing of MINVAH, the Alcaldía criticized its policies and the anomalies of the CDS. At the end of the decade the Mayor recognized:

*It was quickly found that there were two myths about who was responsible for these spontaneous settlements. It wasn't people who were coming from the war zones, which is what we had always thought. Neither was it land speculators. About 60% of these people are salaried state workers, or work in state-related institutions and simply need a place to live. So 60% of these people are linked to the revolution, and most of them are just reacting to Managua's tremendous housing shortage. Only about 20% of the people actually come from outside the city, and about half of that 20% came from within this very region* (Carrion,1989:29).

The image created by the plan allowed the Government to control for a few years the central core of the city and to establish some protected areas for the security of the Government main offices and the main conference centre, but the new electoral period stopped the plan. During late 1988 and 1989 the new FSLN committees, the Committees for Electoral Action (CAE), assumed the free distribution of lots all over the city, including the city core and the places where the 1987 evictions took place. Not only new barrios appeared, but almost every old building of the remains were occupied.
The barrio San Sebastián expanded with three new zones of shanty accommodation on land until then protected by the local CDS. The same group of local leaders changed their name to 'electoral action committee' (CAE) and 'communal development committee' (CDC) and distributed or allow the occupation of every free lot. They gave, during January 1990, 60 remaining lots to newcomers. As during the 1984 elections, dozens of families occupied the vacant land of the city, not only in the central core, but also in the outskirts and the periphery, but particularly alongside the lake coast near the north road and the barrios Domitila Lugo and Pedro Joaquín Chamorro.

These new barrios did not have any type of basic services, but the families immediately began the building of some illegal stand pipes and connections to the electricity network. However, the police repressed some barrios and evicted some families, apparently for political reasons. The opposition parties criticized the Sandinista Government during the electoral campaign and particularly its housing policy. They drew attention to the enormous deficit and evidence of hundreds of new shanty towns around the city. The UNO also denounced the patron-client relationship developed by the FSLN using the vacant public land of Managua and offering services without having financial support (LA PRENSA, 24-01-90:3).

F. From finished houses to self-help

Soon after the Triumph, official sources calculated the housing deficit at around 250,000 units, although there was some disagreement between different government offices. Members of the State Council considered that it was about 300,000, MINVAH that it was 285,000 (Arróliga, 1983:2). The official newspaper, Barricada, estimated the deficit between 200,000 and 250,000 in 1982, although it recognised that the recent floods in Managua had destroyed 4,500 houses. MINVAH indicated that the country needed to build 20,000 units a year and that it had only built 2,800 the previous year. In Managua alone, MINVAH established that by 1983 the total deficit would have risen to 27,000 units plus badly deteriorated 22,000 homes and 45,000 overcrowded one-room houses (BARRICADA INTERNACIONAL, 07-06-82).

The planners thought initially that the solution would be to build massively. As a result of the 1972 earthquake and the reconstruction programmes, Nicaragua had developed a powerful construction industry that even had capacity to export to other Central American countries. In addition, the earthquake in Managua had produced extensive empty areas, served by roads and by basic urban services networks, under Government control. Some planners argued that only a massive high-technology approach could address the enormous scale of the problem.

However, it soon became clear that housing would not be the main objective of the government. Only projects that already had external financial support would be built. This was soon recognised in official accounts:

*The author interviewed the CAE coordinator of this barrio and the members of the Committee in his house and then came with them during an inspection of the barrio on January 16, 1990. San Sebastian is an old settlement near the National Theatre Rubén Dario and the Revolution Square, along the lake shore.
At first, the plan was to build houses massively, without taking account of the real financial possibilities. It also did not regard the infrastructure needed to produce materials or the dependency caused by the amount of imports. The confrontation with reality led to a reduction in housing standards and to the idea that houses had to be built in a progressive way, even buildings
d(DFVAH, 1988:56).

In September 1981 the Government created the Housing Construction Corporation (COVIN), attached to MINVAH, to control all state building projects (BARRICADA, 01-09-81). However, the Housing Minister had already stopped building projects in Managua in order to avoid more workers moving into the city. Although, there was already enough evidence to show that the squatters were long time residents, the Minister assumed that immigration induced the growth of new spontaneous settlements and believed that migrants were manipulated by counter-revolutionaries.

The planners' initial opposition to sites and services schemes, based on both technical and ideological arguments, was soon abandoned. The completely new panorama, created by dozens of tolerated invasions during the first months of the revolution, gave plenty of support to the argument that people would rather have a simple lot than have nothing. Press commentators urged a shift to self-help and sites and services as the core of the housing programme.

"Until now the MINVAH has only been building some little houses . . . It would be better if it changed from constructor to planner of the territory, builder of infrastructure, financier and producer of materials and technical assistant. Some purists consider self-help as over-exploitation, but the opinion of the homeless is that exploitation is to live like animals in their own country, without perspectives of change in the short term. For that reason, the homeless would work after normal labour hours to improve their living standards. They have been demonstrating that" (BARRICADA, 01-08-81).

In line with these demands, self-help schemes had emerged as the central element of housing policy by the end of 1981, before the war even really started. Direct pressure from the homeless through land invasions, plus the evidence that MINVAH could not solve the enormous problem through its existing small building programmes, were the main reasons for the policy decisions from 1981. The new scheme of self-help, called the progressive urbanization programme, sometimes simply encouraged squatting, with officials only trying to organize the distribution of land. In other cases they gave permission for the barrio to tap into the water and electricity supplies.

Figure 5.4 shows that housing actions rose sharply, from 575 houses built during the six first months of the revolution, to 10,842 'solutions' in 1982. Then, it shows a consistent decline until the end of the period. This initial rise in house building can be explained by a combination of various sources: the projects approved by the JGRN soon after the Triumph, many of which had financial support from before 1979; new projects and contributions from foreign agencies, solidarity groups and countries; and the Central Government budget. When the first two sources declined the whole programme of construction almost vanished.

The official distribution of land with services escalated in 1982 when the number of lots doubled. The normal explanation for this is the emergency caused by the floods of that year. In practice it was due to the legalization of hundreds of lots in land invasions, most which had occurred before 1979 or during the first six months of the revolution. Soon after the formal
HOUSING UNITS BY YEAR
NICARAGUA: 1979 TO 1988

<table>
<thead>
<tr>
<th>YEARS</th>
<th>HOUSES</th>
<th>MODULE+ROOF SCHEMES</th>
<th>LOTS + Prog. Urb.</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>1979</td>
<td>575</td>
<td>0</td>
<td>0</td>
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<td>1980</td>
<td>882</td>
<td>4</td>
<td>220</td>
<td>1106</td>
</tr>
<tr>
<td>1981</td>
<td>2132</td>
<td>244</td>
<td>2432</td>
<td>4564</td>
</tr>
<tr>
<td>1982</td>
<td>3098</td>
<td>378</td>
<td>3476</td>
<td>6574</td>
</tr>
<tr>
<td>1983</td>
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<td>1202</td>
<td>4121</td>
<td>7242</td>
</tr>
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</tr>
<tr>
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<td>35</td>
<td>2298</td>
<td>2536</td>
<td>2879</td>
</tr>
<tr>
<td>1987</td>
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</tr>
<tr>
<td>1988</td>
<td>131</td>
<td>62</td>
<td>1909</td>
<td>2061</td>
</tr>
</tbody>
</table>

Figure 5.4
Source: SPP / MINVAAH
(Own elaboration)
constitution of the progressive urbanization programme, officials evaluated which of the land invasions had the minimum conditions to become progressive urbanizations. Furthermore, local committees allocated hundreds of families to vacant plots in their barrios and began negotiations with local officials of MINVAH to obtain immediate recognition. Some new invasions obtained the legalization, but others continued during the period as illegal spontaneous settlements.

These projects needed little financial support because the land and the workforce were free. MINVAH just gave the salaries of its employees and some help in the installation of common services. The materials bank programme gave loans for small projects if the families had the financial conditions. During the first year MINVAH’s architects designed the projects and directed the relocation of huts in the barrios. Later, the amount of work surpassed their capacity and the families only obtained verbal promises of legalization. Most of the households continued living in shanty accommodations and slowly improving the settlement with new materials, gardens and trees. Between 1982 and 1983 MINVAH counted more than 8,000 lots located in progressive urbanizations. The typical lot was of 160 m², with a latrine and a stand pipe for each 20 to 30 families. Usually, they were located near bus stops, but the new families had to use the old communal services (for health, children, etc.), which became overcrowded (Chaves,1985:47).

Domene (1985:57) estimated that until 1985 MINVAH provided 12,516 lots in these projects. In 1986 MINVAH reported that Managua has 170 old barrios, including any type of legal barrio from the Somoza period; 53 progressive urbanizations; and 61 spontaneous settlements. The total number of spontaneous settlements suggests a fast growth of this type of barrio, compared to the 1979 number, when MINVAH estimated 38 spontaneous settlements with more than seven thousand families.* The number of progressive urbanizations was very high compared to the mere 13 of 1983, even if many could be old land invasions under a new name.

The programmes called basic module and roof schemes, began in 1982 but really intensified between 1983 and 1985. These programmes were located mainly in rural areas and coincided particularly with the building of new towns for the relocation of peasants from war zones. Both programmes were similar to the initial progressive urbanization projects, but they really were planned projects, different from the improvisation or simple legalization of many urban projects, above all those of Managua. These projects consisted of lots with water (using wells sometimes), electricity and basic structures to be continued by self-help.

Figure 5.4 shows how this type of programme increased while the finished-houses programme sharply declined. In 1985 the second and third type of programmes accounted for almost 4,000 'solutions' each. This year was the peak for the programme of basic modules and roof schemes, mainly concentrated in the so called new towns of the northern regions; i.e., the Chinandega, Matagalpa and Jinotega rural zones. This kind of project accounted for a total of

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1MINVAH: Antecedentes y gestión Speech of the Minister of Housing, Miguel Ernesto Vigil, to the JGRN and the Government Cabinet on July 1983.
13,683 'solutions' by the end of 1988. All had basic services and a metal or asbestos roof, but otherwise their quality depended on the individual income of the families. The total construction of houses or flats only added 12,094 units in 10 years. The barrios in the progressive urbanization programme total up to 33,985 'solutions', but have the wider variety. They cannot be recognized by physical appearance because of the diverse quality of shelters. Most of them are absolutely identical to recent illegal invasions or the so-called spontaneous settlements. The official information does not include the latter as part of the housing programme, but in number they are almost equivalent to the former.

The data suggest that the total number of 'solutions' was far smaller than the initial figures of the deficit, especially when the destruction caused during the first five years because of the floods and the war is included. By 1985 the SPP calculated the total deficit as 326,200 houses (Villanueva et al, 1989:51). MINVAH (1986) calculated that there were 118,000 houses in Managua by 1986 and that the city would need a total of 175,000 houses by 1990. In 1990 the deficit was estimated in 83,000 units for the urban area of Managua alone, and there were at least 70 new land invasions after the elections of 1990 (BARRICADA INTERNACIONAL, 01-03-91).

In view of these official data it is meaningless to assert that:

"Area improvements and upgrading of existing neighbourhoods in preference to large scale building schemes was the principal strategy of the government. Sites and services were rejected on the basis that they reinforced individualistic as opposed to collective responses to area improvements" (Vance, 1987:144).

It can only be explained by ignorance of the widespread circumstances of the city, resulting from generalizations based on partial exceptional observations. Indeed, outstanding conditions could be found in some barrios of Managua, particularly those that had a long history of community participation and local organization. Criticism of sites and services schemes appeared in the literature as the official policy. The factual results of the decade suggest a completely different panorama, with self-help schemes, legal or illegal, as the main contribution of the revolutionary period since 1979.

G. Quality of the 'solutions'

In view of the enormous importance of the progressive urbanization programme, which accounts for 57% of the total 'solutions', a question arises about its relative quality. Table 5.1 shows a breakdown of types of barrios in Managua by the end of 1983. By this year the progressive urbanization programme accounted for more than 15,000 solutions, or 46% of the total for the whole period. MINVAH prepared the information to evaluate the general conditions of the city (Loyman and Carmona, 1985). The analysis included three types of long-established settlements: the formally constructed old barrios, built legally according to the urban laws for low-income sectors; the old spontaneous settlements, which were land invasions, but stable long ago; and the intervened subdivisions (the former illegal subdivisions where land owners subdivided and sold lots without normal services). It also included formal middle-high income
residential barrios and planned popular barrios, some of which were MINVAH housing projects built during the first three years of the revolution. Finally, it included all the projects recognized at the time as progressive urbanizations.

More than twice as many people lived in the old spontaneous settlements as in the programmes of progressive urbanizations. That is important because of the rudimentary conditions of these barrios. Many old spontaneous settlements did not have drinking water (not even stand pipes), so the families used to build wells in their backyard, very near to the latrine. Most of them were on the lake shore and had extremely deteriorated constructions.

The number of intervened subdivisions accounted for the highest percentage of the barrios, making up more than a third of the city, both in number of houses and in terms of population. This underlines the importance of the initial legislation that expropriated these neighbourhoods. It also highlights the negative economic impact on MINVAH, when the families of these barrios stopped paying their mortgages. Many intervened subdivisions did not have electricity or water, and families normally used some stand-pipes and latrines. Almost all of them had dirt roads without drainage systems for the rainwater or sewage. Intervened subdivisions, old spontaneous settlements and progressive urbanizations made up to more than 50% of the city houses at the end of 1983, lacked almost entirely basic urban services and adequate constructions. In addition, the official statistics never counted the numerous lots that the local leaders and regional CDSs gave to newcomers in the intervened subdivisions.*

MINVAH established two criteria to evaluate the relative quality of housing: first, the families that need relocation. The only alternative to relocation would be to build special infrastructures to avoid floods or extreme pollution (on the lake coast or near drainage), but it was impossible due to lack of resources. There could be no conceivable alternative for families living

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Table 5.1 HOUSES BY TYPE OF BARRIO IN MANAGUA, 1983.

<table>
<thead>
<tr>
<th>Type of barrio</th>
<th># of barrios</th>
<th>Population</th>
<th>Houses</th>
<th>% houses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervened subdivisions</td>
<td>58</td>
<td>259,587</td>
<td>38,168</td>
<td>35.1%</td>
</tr>
<tr>
<td>Progressive urbanizations</td>
<td>13</td>
<td>28,081</td>
<td>5,387</td>
<td>4.9%</td>
</tr>
<tr>
<td>Planned popular barrios</td>
<td>20</td>
<td>159,699</td>
<td>21,923</td>
<td>20.1%</td>
</tr>
<tr>
<td>Illegal spontaneous settlements</td>
<td>33</td>
<td>66,869</td>
<td>10,434</td>
<td>9.6%</td>
</tr>
<tr>
<td>Formal old barrios</td>
<td>12</td>
<td>77,750</td>
<td>9,043</td>
<td>8.3%</td>
</tr>
<tr>
<td>Residential barrios</td>
<td>69</td>
<td>152,362</td>
<td>22,168</td>
<td>20.4%</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
<td>744,348</td>
<td>107,123</td>
<td>98.4%</td>
</tr>
</tbody>
</table>

It does not include: "Cuarterías* or houses located on faults that sum 1,699 (1.6%) for a Total of 108,822. It does not include either the new spontaneous settlements, which appeared after the 19th of July, 1979.

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*Morales, Noriega and Duarte (June 1986) EDUM-VIVIENDA, MINVAH-ALCALDIA. II.2, page 11.
in faults areas (earthquake danger) or under high tension electric lines. Second, the quality of the constructions; e.g., state of materials and accessibility to basic services.

Table 5.2. shows the evaluation that classified the basic conditions, according to location and state of the building.

Table 5.2. STATE OF THE HOUSING STOCK IN MANAGUA, 1986.

<table>
<thead>
<tr>
<th>Dangerous locations</th>
<th>Number of homes</th>
<th>Relative state</th>
<th>Number of homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faults</td>
<td>9,880</td>
<td>Critical</td>
<td>18,337</td>
</tr>
<tr>
<td>Drainage</td>
<td>7,449</td>
<td>Bad</td>
<td>13,539</td>
</tr>
<tr>
<td>Pollution</td>
<td>5,130</td>
<td>Medium</td>
<td>37,995</td>
</tr>
<tr>
<td>Floods</td>
<td>11,816</td>
<td>Good</td>
<td>48,347</td>
</tr>
<tr>
<td>High tension electricity</td>
<td>1,792</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,067</strong></td>
<td><strong>Total</strong></td>
<td><strong>118,216</strong></td>
</tr>
</tbody>
</table>

The data shows that 30% of housing in the city was in high-risk. Nonetheless, the risk was not immediate and in some cases it was indeed remote. Small wooden shelters would not suffer major damage during an earthquake and there was little risk of flood. In fact, during the decade the barrios located in areas of high-risk consolidated their physical conditions and finally got legal recognition by the Alcaldía. More than 31,000 houses (27%) were in bad or critical state which show how little the general quality of the housing stock had improved under the Sandinista government.

Apart from obtaining the land, the only potential or real improvement for most of the affected families was access to basic urban services, but in the spontaneous settlements these were illegal until the 1990 electoral period. The SPP data of 1989, based on the socio-demographic survey of 1985 (INEC), estimated the deficit at 226,000 and indicated that from the stock as many as 85.5% were overcrowded and 55% had only one bedroom. This survey showed that only 58% of the houses had individual water connections; of these without 86% were concentrated in rural areas. Only 62.9% of the houses had legal electricity connections, again the rural areas had 90% of those without. Up to 25% of the houses lacked any type of sanitation services and 23% only had wooden latrines or a simple open place without any treatment (Morales and Torres, 1989:46-48). In Managua alone, the infrastructure was designed for a population of 500,000, but in 1987 the institutions calculated a demand of nearly one million. In 1987, the water demand was 80 million gallons daily, but the INAA only produced 44 millions and it was in this year that the crisis began because of lack of financial support to develop new installations (BARRICADA, 22-06-87).

*Not even Hurricane Joan caused major problems in Managua, it damaged only less than four hundred houses.*

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The Mayor's Office proposals of 1989 only aimed to solve the critical sanitary and ecological problems, for example the rubbish collection and the lake pollution. The insistence on sanitary aspects reflected a real major problem. The lack of resources and equipment provoked the existence of several public rubbish dumps and the official one, in Acahualinca (north-west lake shore) had reached its critical limits years before. From February 1989 the Mayor's Office began a new comprehensive study, but it had only completed the methodological stages by the time of the elections (EL NUEVO DIARIO, 07-01-90). The Mayor -and FSLN candidate- offered the building of new recreational infrastructures on the lake shore, a sanitary programme and the construction of 300 houses for middle income sectors per year from 1990 on (BARRICADA, 14-10-89). The Mayor-candidate considered that the urban land distribution was a gain, in contradiction with the new proposals of the Housing Office of MICONS. He declared that "the Government has sacrificed the city aesthetics to solve need for popular housing" (EL NUEVO DIARIO, 27-01-90). It seems that not only the aesthetic was sacrificed, but also the main urban resource gained by the Revolution: the vacant land of Managua.

H. Location of the 'solutions'

The last evaluation of the policy shows that 56% of the solutions were lots, making up 76% of the urban actions. The basic modules made up 66% of the total actions in rural zones. These two programmes total together 80% of the solutions during the ten years. More than 57% of them were urban; but also, the spontaneous settlements made most of their impact in the cities. It suggests that rather than a decentralization, the housing policy produced a concentration of actions, in both the 'formal' programmes and the tolerated land occupation which can be considered the 'informal' housing policy.

Table 5.3 shows the number of houses built by region. The houses built in the III Region make up 42.2% of the period. The number of urban houses is 1.3 times the number of rural houses, whilst the number of rural lots distributed under the basic module scheme is 2.7 the number of urban ones. It suggests a better quality of solutions concentrated in urban areas; i.e., houses in urban areas, basic modules in rural zones.
Table 5.3 HOUSING PRODUCED BY MINVAH BY TYPE OF PROGRAMME AND REGION, 1980-1988

<table>
<thead>
<tr>
<th>Region</th>
<th>Urban</th>
<th>Rural</th>
<th>Total built</th>
<th>Total houses built</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Houses</td>
<td>Module</td>
<td>Lots</td>
<td>Houses</td>
</tr>
<tr>
<td>I</td>
<td>683</td>
<td>478</td>
<td>3,382</td>
<td>70</td>
</tr>
<tr>
<td>II</td>
<td>1,586</td>
<td>776</td>
<td>5,613</td>
<td>1,009</td>
</tr>
<tr>
<td>III</td>
<td>4,164</td>
<td>672</td>
<td>19,944</td>
<td>940</td>
</tr>
<tr>
<td>IV</td>
<td>159</td>
<td>699</td>
<td>3,291</td>
<td>465</td>
</tr>
<tr>
<td>V</td>
<td>73</td>
<td>50</td>
<td>388</td>
<td>170</td>
</tr>
<tr>
<td>VI</td>
<td>34</td>
<td>695</td>
<td>614</td>
<td>804</td>
</tr>
<tr>
<td>RAAN</td>
<td>67</td>
<td>48</td>
<td>61</td>
<td>1,685</td>
</tr>
<tr>
<td>RAAS</td>
<td>54</td>
<td>247</td>
<td>648</td>
<td>565</td>
</tr>
<tr>
<td>ZE3</td>
<td>131</td>
<td>44</td>
<td>1</td>
<td>1,274</td>
</tr>
<tr>
<td>Total</td>
<td>6,951</td>
<td>3,666</td>
<td>33,985</td>
<td>5,143</td>
</tr>
</tbody>
</table>


The data show a huge concentration in the III Region, where a third of the total population lived. Nearly 60% of the urban houses were built in Managua, and that is double the proportion of the population concentrated there. The Third Region as a whole (rural and urban) concentrated 42.2% of the houses built. Of the total of basic module schemes in urban zones, this region only received 21%, and when rural zones are included only 5.5%.

Regions I, II and IV are the Central and Pacific areas of the north boundary (the Honduran frontier). Region II (León and Chinandega) is second as regards the number of urban built solutions, but it is equivalent to only 48.8% of the number of these solutions located in Managua. This Region only received 22.8% of the houses, although its two main cities by themselves are equivalent to half of the Managuan population.

Rather than a rural concentration the data suggest an urban concentration of the best type of solutions. The official information does not agree with the rhetoric that emphasized the rural areas as first priority after 1982. The Government located more than 1,800 houses in urban areas and particularly in Managua. The capital concentrated 42% of all the solutions and 58.6% of the lots distributed, without counting the spontaneous settlements.

However, Table 5.4 shows that building in Managua was concentrated before 1983, when where finished 52% of the houses built during the whole period. Until 1983 where built 10,162 houses and 1,873 units of the material bank, and represent 52.8% of the total amount of built until the end of 1987, when housing activities sharply declined.

*Included later among the information about basic modules and roof schemes.
### Table 5.4 TYPES OF HOUSING ACTIVITY BY MINVAH, 1980-1984

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>War damage repairs (houses repaired)</td>
<td>4676</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Housing projects (+) (units completed)</td>
<td>1146 (2006)*</td>
<td>1906</td>
<td>3215 (3128)*</td>
<td>3895</td>
<td>(1017)*</td>
</tr>
<tr>
<td>Materials Bank (units completed)</td>
<td>---</td>
<td>202</td>
<td>349</td>
<td>1322</td>
<td>(2382)*</td>
</tr>
<tr>
<td>Progressive urbanization (lots distributed)</td>
<td>---</td>
<td>854</td>
<td>8810</td>
<td>5814</td>
<td>(4281)*</td>
</tr>
<tr>
<td>Total</td>
<td>6822</td>
<td>(3062)*</td>
<td>(12347)*</td>
<td>(10264)*</td>
<td>(7680)*</td>
</tr>
</tbody>
</table>

*Source: MINVAH. 1983 INFORME ANUAL (Managua, n.d.)—also cited by Williams (1985:392)

+: Includes basic module schemes.

*: The numbers between parenthesis are quoting by Darke (1989:56)

Table 5.5 shows the concentration in Managua and other Pacific zones. More than 40% of the houses built by the end of 1983 were located in the capital city; however, they were only 4,145, less than the number destroyed by the floods of 1982. When the other Pacific zones are added, the percentage located in the area comes to 69.5% of the total. The data suggest a genuine change in the priorities in accordance with official declarations, but only in respect of the basic module and roof schemes projects, never in relation to houses and lots.

### Table 5.5 HOUSING PRODUCED BY MINVAH, BY ZONES 1980-1983

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Managua</td>
<td>697</td>
<td>1421</td>
<td>1346</td>
<td>679</td>
<td>4145</td>
</tr>
<tr>
<td>Other Pacific</td>
<td>423</td>
<td>414</td>
<td>704</td>
<td>1378</td>
<td>2919</td>
</tr>
<tr>
<td>Central Zone</td>
<td>---</td>
<td>---</td>
<td>89</td>
<td>1365</td>
<td>1454</td>
</tr>
<tr>
<td>East Coast</td>
<td>26</td>
<td>71</td>
<td>1074</td>
<td>473</td>
<td>1644</td>
</tr>
<tr>
<td>Total</td>
<td>1146</td>
<td>1906</td>
<td>3215</td>
<td>3895</td>
<td>10162</td>
</tr>
</tbody>
</table>

*Source: MINVAH, 1983 INFORME ANUAL (Managua, n.d.) - also cited by Williams (1985:393)
The distorters of policy

We have seem that the empirical aims of the Revolution ere not fulfilled. Why did urban policy did not proceed as smoothly as planned. Clearly there were severe resource constraints and planners could not rely on total political support from the government. This section concerned with the nature of these problems.

A. Contradictions in the original aims

There were many contradictions in the government’s original policies. First, if the 'massive construction of popular housing' was concentrated in Managua, as the original goals expressed, it would accentuate the previous tendency to favour the urban --and especially Managuan-- population. In addition, the new concept of improving housing, which involved the upgrading of services (Lacayo, 1982), would favour Managua, where infrastructure had deteriorated badly. Together these policies would have the effect of accelerating immigration and the rapid growth of the city and increasing the dangerous asymmetry in the country’s population. If this was the order of priorities, the rural areas would continue to be neglected.

Second, when the Sandinista Government chose the 'mixed economy' model a major consequence was to protect private property as an essential right. If a house was to be a commodity, it could not also be a social good and the people's right (Morales and Torres, 1989:12). If market controls were introduced they would deny basic principles of the 'mixed economy'. After the economic reforms of 1987 and, particularly after those of 1988, it was obvious that the term 'mixed economy' had come to mean capitalist economy. It was, therefore, clear that the rules of the market controlled the production and distribution of urban land and houses. Houses were really commodities and they were to be built and exchanged according to the rules of the market.

How far the government had modified its policies was revealed when MICONS prepared its future programme in anticipation of the return of the Sandinista Government in 1990. The new programme included changes in the rent law to make it more 'liberal'. Other signs of pragmatism were also apparent. The Director of Housing explained that the new government would introduce private capital, and even external capital, into the housing sector, would modify the urban laws, would support low-income schemes without the restraints of 'minimum standards', and would develop state housing programmes related to the income capacity of households. The Housing Office also intended to regulate land prices, so that an efficient real estate market could function and land invasions could be stopped through legal procedures. A major element would be the creation of Housing Foundations, using foreign financial support and allowing them to develop their programmes without Government control. As an emergency programme the Housing Office intended to improve the basic services of some cuarterías and to reduce their congestion.
B. The War and housing

The effects of the War are paramount in most explanations of the changes that occurred in Sandinista housing policy. During the War production and defence had to be the priorities and the early objectives in housing had to be modified and scaled down. Certainly, when the war escalated in intensity in 1984 there was a significant effect on housing policy. Within the war zones housing passed out of the hands of the civil authorities. In addition, thousands of families had to be relocated to safe areas, which increased the housing deficit in the rural towns and intermediate cities. The compulsory enlistment of dozens of thousands of men to the army enormously reduced the urban work force.

However, the War cannot explain specific trends of change in social policy. First, it is clear that, while the amount of financial support given to housing was always insignificant in relation to the housing deficit of the city, this did not mean that the Government was short of resources, even during the worse years of the War. During the early years the traditional agencies continued their projects and the USA embargo only began in 1985. The World Bank, the IDB and certain Latin American Governments continued to support projects. Also, new networks of support brought billions of dollars, experts and voluntary work from international brigades, loans from socialist countries, funds from solidarity campaigns, etc.

Second, contrary to most interpretations, it is clear that the budget for housing never suffered any dramatic falls for the simple reason that housing was never a priority. Figure 5.5 shows, education and health were the main priorities throughout the 1980s, together making up more than 30% of the total budget. The same year, housing made up only 3.8%. During the decade housing expenditures were always less than one-third of those for either health or education. But the figure also shows that housing fell gradually as a percentage of the government's budget throughout the 1980s. By 1988 it had fallen to nothing, although this was partly the result of housing programmes being transferred to Ministries not primarily concerned with housing, for instance, the Institute for Territorial Studies (INETER) or the Ministry of Construction and Transport (MICONS).

Figure 5.6 shows that the War had an impact on the budget insofar as there was an enormous increase of the general budget from 1982, which is mainly explained by defence expenditure. It began to decline in 1984, but the real drop came in 1988 when the War was almost over. This dramatic decline was the consequence of the structural adjustment that involved major cuts in public expenditure. In terms of actual expenditure in social policy the picture is slightly different. While expenditure on housing was minimal after 1985 it actually increased between 1982 and 1983, and stayed about the same in 1984. These were the worst years of the war, but they were also a time of electioneering. The housing budget did not follow a pattern related to the war.

Third, a major problem was caused by the government concentrating its resources on a number of huge production projects. With the decline in total government spending after 1984 even the relatively small budget for housing was depleted. Most construction materials were
SOCIAL EXPENSES AS A PERCENTAGE OF THE CENTRAL GOVERNMENT BUDGET

Figure 5.5

BUDGET OF THE CENTRAL GOVERNMENT
Social expenses and total (millions of Cordobas of 1980)

Source: SPP-Balance Global.
(Own elaboration)
directed to the construction of government buildings and military infrastructure. The USA boycott reduced supplies of imported cement, steel, glass, iron and asbestos. The black market that emerged was accessible only to the elite and the middle classes.

Finally, the war and the lack of resources does not explain why the Sandinista government promoted land invasions. On the contrary, the war conditions offered an excellent opportunity to develop a massive movement of popular participation, not only to build, but to control and design a diverse set of programmes in which technicians, planners, local leaders, foreign agencies and NGOs, could develop new solutions for the old problems. The massive disbursement of land without services, was not the only alternative.

**C. Internal opposition and contradictions in housing policy**

At first Nicaragua was ruled by the Government Junta for National Reconstruction (JGRN), constituted by the FSLN and others groups opposed to the former dictatorship, and the State Council. Both the Junta and the State Council included representatives from traditional political parties, land-owners and private companies' chambers. In 1981 these representatives resigned, which allowed the FSLN absolute control over the Executive, the State Council, and the new army. From 1984, an elected President and a new National Assembly took over. This change in no sense involved a modification in policy, on the contrary, it was a strong confirmation of revolutionary power. The JGRN coordinator was elected President, with a massive majority in the National Assembly. Being a virtual 'one-party state', the vertical organization of the party, state and army, gave to the official interpretation of reality the appearance of authentic facts. The concentration of several jobs in the hands of a few leaders or functionaries contributed to this appearance of total agreement.*^7

Nevertheless, this concentration of power did not improve the central Government's ability to produce a coherent housing policy. The new government organization established a series of very strong institutions, but they were poorly coordinated and adopted contradictory programmes. Competition for power developed not only between ministries, but also between their own internal offices. Competition also developed between regional offices of the party, regional branches of ministries and the Town Halls.*^8 As the last Sandinista Mayor of Managua complained in 1990:

"One problem was that there were a lot of different institutions to deal with; it was so confusing that you would have had to have been a magician to find your way out of this bureaucratic forest. But at the same time, the project --to contain Managua's chaotic growth-- didn't really belong to anybody. It was assigned to the Delegation of the Presidency in Managua, but that was really one of the weakest institutions at that time. That delegation plus the Regional Committee of the FSLN ended up being the only people pushing for and promoting some kind of a project for Managua. There were other institutions that should have been working on it, but they weren't doing it, they had their own problems" (Carrión, 1989:28).*^9

Strong political figures developed political careers through their control over a budget, vehicles, building materials and a small army of bureaucrats. It was public administration of a kind that initiated projects or campaigns regardless of approved regional plans. Consequently, some
projects were stopped before their conclusion and others started without any coordination, simply because of electoral needs.

When the structural adjustment programme was introduced in 1988, decision on cuts did not carefully evaluate the roles of different institutions and programmes, they mainly took into account the relative power of the Minister, Mayor or Coordinator in charge. As a result not only MINVAH's programmes disappeared, but also the Ministry itself. Nevertheless, after 1985 the Mayor's Office became the most powerful institution in the city.

**Conclusion**

Several authors view consider the Sandinista's housing policy as an archetype for third world countries. Housing was sustained as a high priority of social policy, despite the lack of resources provoked by the war effort and the boycott. Officially, the Sandinistas defended their housing achievements. In 1990 FSLN advertisements in all the major newspapers acclaimed the government's achievements as follows:

"The cancellation of debt in 40 barrios; 84,000 families assisted by the Intervened Subdivisions Law; 12,094 new houses built; 33,985 lots given in progressive urbanizations; 6,951 families helped by the materials bank and housing improvement programme; 75,000 protected by the Rent Laws; development of 309 new settlements with 10,000 houses " (Published during January and February, 1990).

Other writers were inclined to support this kind of interpretation. IHCA (1988a:42-43), for example, argues that:

"Some important and unique steps have been taken in Nicaragua that could well serve as a model of sorts for countries throughout the world precisely because the steps are not premised on large infusions of foreign assistance"

This type of declaration is made on the assumption that the Sandinistas were successful in putting the original aims of the revolution into practice. The conclusion of this chapter is precisely the contrary.

The original objectives of the Sandinista government were not implemented because housing investment was never a priority. The analysis of government budgets shows how little was spent on housing. The Government never mobilized enough resources to be used in the housing programmes, it never gave any extra financial support, nor organized voluntary brigades of civil servants, students, etc. to work on housing. The army's enormous capacity was never used to help in housing projects. The local CDSs only participated in the distribution of urban land, most actually during electoral periods. Housing policies increasingly became electoral instruments. The distribution of land, the toleration of invasions and the promise of legal title were used by official candidates and local FSLN organizers in 1984 and, even more, in 1989.

The most radical action in the urban field was the initial legislation to confiscate land and to expropriate houses. However, this did not increase the number of houses or services built during the period. In the end, even this initial legislation had failed to produce legal property titles, so that the ownership of land and houses continued in dispute. Reform of the rent laws was also
a radical political decision. The government attempted to maintain low levels of rent, but only succeeded in increasing the rate of evictions, stimulating a black market and encouraging the sale of rented houses. By late 1989 even Sandinista officials were preparing reforms to encourage the development of a normal rental housing market.

Contrary to all early intentions, most homes were built by their occupants. They used self-help methods, assisted by local construction workers, but were hampered by the poor supply of basic urban services, particularly in the new land occupations and the progressive urbanizations. Water supply was limited to a few stand-pipes and levels of pollution rose because of the lack of drainage and rubbish collection. The demand for water and electricity was never matched by supply.

After ten years in power the main achievement of the Sandinistas was to have distributed land free to many of the poor and to have allocated a number of expropriated houses to their supporters. This hardly matched the goals of the original programme, especially as few of the beneficiaries of houses and land allocations had legal title and even fewer had access to adequate services.
Notes:


2 FSLN, ¿Por qué lucha el FSLN? (1978: National Directorate -TERCERISTA-) (pages 9 and 10). Signed by the future President Daniel Ortega, the future Minister of Defence and General of the Army Humberto Ortega and the Member of the National Directorate Víctor Tirado López.

3 The Ministry of Housing and Human Settlements (MINVAH), began its activities in 1979 after the unification of three existent institutions: the Housing Bank (BAVINIC), the Vice-ministry for Urban Planning (VIMPU) and the Rent Office. In 1980 there was created the Real Estates Nicaraguan Corporation (CONIBIR) and, soon after that in 1981, the Housing and Construction Corporation (COVIN), both attached to MINVAH (Chaves, 1985:40).

4 Darke summarised the objectives of MINVAH as follows:
   1. To prioritise housing resources on the basis of need
   2. To redress inequalities between regions and between urban and rural areas.
   3. To expand the role of the state in housing provision both directly and indirectly
   4. To promote popular participation in the process of housing provision
   5. To reduce technological dependence.
   6. To change the institutional and financial context within which housing is provided* (Darke, 1986:4).

5 División de Vivienda (DIVI), Ministerio de Construcción y Transporte (MICONES). This Office assumed the responsibility of housing after the disappearance of MINVAH in 1988.

6 Secretaría de Planificación y Presupuesto (SPP). The Document was written by the external consultants of the SPP, señoras Ninete Morales and Olimpia Torres in 1989.

7 El NUEVO DIARIO (11-05-87) Presentan nuevo catalógo sobre la construcción
   El NUEVO DIARIO (13-05-87) Cuestionan aplicación de normas
   BARRICADA (22-05-87) 40 obreros cumplieron normas en La Fundidora
   BARRICADA (27-05-87) Explican objetivos de medidas en construcción
   BARRICADA (28-05-87) Analizan cumplimiento de normas en Construcción
   BARRICADA (30-05-87) La construcción avanza en Nicaragua
   BARRICADA (3-06-87) Constructores de Región I aceptan reto del Catálogo
   BARRICADA (9-06-87) A discusión mañana Catálogo de normas
   EL NUEVO DIARIO (11-06-87) Normas pueden sobre-cumplirse
   EL NUEVO DIARIO (12-06-87) SCAAS rechaza nuevas normas
   BARRICADA (12-06-87) Movida asamblea sobre construcción vertical

8 "For the urban areas of Managua the last two systems are adequate, because the industries are in Managua. It reduces costs, specially the transport ones. Also, the wood is scarce in Managua" (MIVAH,1986).

9 Repartos legales and Repartos Intervenidos. The Law, Ley de Repartos legales, Decree # 97, (26-09-79; LA GACETA # 18) gave the State the administration and control of the illegal subdivisions according to the established laws: Ley de Titulación de lotes en Repartos Intervenidos,Decree #923 (21-01-82; LA GACETA #16), Decree #388 (02-05-80, reformed by Decree #1017 (09-04-82; LA GACETA #83). Reglamento para la Administración de Viviendas Decree #49 and # 50 (16-06-81; LA GACETA #131).

10 The 'pilot scheme' included around 500 families in Ciudad Sandino, in the Managua periphery.

11 El NUEVO DIARIO 08-08-88 Justifica Desalojo
   15-04-89 Proponen congelar causales de restitución de inmuebles
   10-05-89 Cinco familias evitan desalojo
   30-06-89 Demandan que Corte detenga desahucios en los barrios
20-08-89 En los juzgados volviô la ley del más fuerte
15-04-89 Le quieren arrebatar su vivienda
24-01-90 Piden a Distrito Seis evitar cinco desalojos

BARRICADA
11-04-89 Comunidades contra leguleyadas de somocistas
12-04-89 Tribunales deben dar razón al que la tiene legalmente
29-07-89 Desalojos pleitos dolorosos, centenares de casos en Juzgados
30-07-89 Recomiendan analizar el problema de la vivienda
24-08-89 Diversas interpretaciones a suspensión de desalojos

12BARRICADA 10-08-89 Alcaldía aclara sobre desalojo de viviendas
The plan was called Plan de Habilitación de Lotes (OFFICIAL NOTICE: 9-08-89).

13BARRICADA
03-04-89 Otorgan títulos y reconocimientos en C.Nicaraq; 216 condonaciones entregadas por C.Carrión, Alcalde.
30-05-89 159 condonaciones en Colonia Morazán; 7 mil títulos en III Región en 1989
11-06-89 En el barrio "9 de Junio" se condonaron 177 deudas durante reunión pública.
26-06-89 Condonarán 208 viviendas en la C. Centroamérica.
01-07-89 Revolución seguirá luchando contra escasez de viviendas, S. Ramírez entrega 220 títulos en C. Centroamérica
01-07-89 AMNLAE: Inician trámites para adjudicar viviendas a Madres.
05-10-89 Nuevas condonaciones entregan en Managua: 136 viviendas en Distrito VI
08-10-89 300 nuevos propietarios en barrios orientales; Entrega M. Valenzuela, Ministro y candidato a la A.N.
15-10-89 Carrión entrega títulos a pobladores de Managua.
03-11-89 600 títulos entregan en Barrios Populares: El Comandante C. Nuñez, Presidente de Asamblea Nacional.
26-11-89 Barrios capitalinos reciben sus títulos: Comandante Nuñez diputado y candidato los entrega.
02-02-90 Carrión entrega 294 títulos en 'La Primavera'; también entrego utilaje de béisbol

EL NUEVO DIARIO
12-06-87 Tres mil títulos entregarán MINVAH en Región III este año.
10-04-89 Terrenos y casas confiscadas a GN no se devolverán: J. Alvarez Viceministro de la Alcaldía de Managua.
01-07-89 Primeros pasos para legalizar viviendas.
04-07-89 Donan casas a madres de héroes y mártires: Daniel Ortega anuncia en el Replique.
20-01-90 La 14 y la Nicarao insurreccionadas con visita de Sergio.
21-01-90 Activa gestión en entrega de certificados
21-01-90 Alcalde de Managua entrega 161 títulos: El también candidato a Alcalde C. Carrión también inauguró canchas de basket en barrios populares.

14The families received 'titles of property' from MINVAH or the Alcaldía, but never a legalized deed inscribed at the Official Registrar Office ("escrituras"). The new laws gave legal and free property for all the households living in the former 'illegal subdivisions' BARRICADA (06-05-91:2).

15Ley de Inquilinato, Decree #2 (02-01-80 -"De las Cuaternas, Art.9"- LA GACETA #1), reformed by Decrees #904, #1364 and #1380 of the same year. Ley Procesal de Inquilinato, Decree #638 (17-02-81, LA GACETA, #38) and its reforms, Decrees #909 and #1364. Ley de Inquilinato #281, published in 01-12-77.

16BARRICADA 05-08-81 "Suspensa hasta enero ley procesal de inquilinato"
BARRICADA 27-08-81. Statement by F. López, member of the Special Commission of the State Council.
EL NUEVO DIARIO 11-05-87. Statement by the President of the Appeal Court of Managua.

17BARRICADA 18-02-82 Exploitation y miseria en las cuarteras. The rent was around C$200 a month for a single room. By this time, some MINVAH houses of more than a hundred m² only cost C$900 a month or even less.

18EL NUEVO DIARIO (14-05-87) Newspaper reports denounced widespread speculation with rents and sale prices of vast range of houses, including low income settlements, progressive urbanizations and land occupations.
EL NUEVO DIARIO (02-02-90) Statement by Javier Alvarez, Vice-Mayor of Managua.
19BARRICADA 30-08-89:1 y 5.
EL NUEVO DIARIO 20-08-89:3. "El Decreto 1364 enviado por la Presidencia a la AN (aprobado en Comisión el 18-8-89) es tajante y constituye una gran muralla de defensa para el inquilino: establece que sólo puede demandar la restitución del inmueble el que la alquiló originalmente" Domingo Sánchez, deputy, President of the Housing Commission of the National Assembly.

20EL NUEVO DIARIO (02-02-90) Statements by J.Pasos, L.Karim and O.Montoya; real estate agents.


22Ley sobre Donación de Inmuebles del Casco Urbano Central de la Ciudad de Managua Decree #238 (09-01-80; LA GACETA #7).
Ley de Expropiación de tierras urbanas baldías Decree #895 (14-12-81; LA GACETA #284)
Ley de Expropiación de Predios Baldíos en el Casco Urbano del Centro de la Ciudad de Managua Decree #903 (16-12-81; LA GACETA #256).

Amazingly this poly-nuclear pattern is considered by several planners and authors as a 'negative side' of the city. Ironically they speak about "a third world Los Angeles, laid out for the motor car with suburbs spread about shopping malls. Yet in Managua there are few cars and the malls are covered market stalls...the city suffers from the illogic of its post-earthquake lay-out" (IHCA, 1989:17-18). The typical congestions of the radial capital cities of the rest of Latin America apparently do not mean anything, apart from the obvious problems of the city-core location.

24The decision was taken at the highest level and using all possible means. Since October 7,1982 the National Directorate of the FSLN, in a letter to the municipal, village, neighbourhood and block committees of the CDS made reference to "arbitrary attitudes and actions that have effects that are contrary to Sandinista principle. For example: Authorization of arbitrary land or building seizures, despite the fact that all legal efforts are being made to give a plot of land to all who need and deserve it...Falling into an abuse of authority and using a responsible post in the organization as a way to enjoy personal or family privileges. A concrete case, for example, would be to award lots to close relatives, bypassing the directives of the revolutionary state. This only encourages and puts into practice notions left over from somocismo" (Arce, 1982: 62).

25A major problem to identify different types of settlements and governmental activities was the nomenclature. The lists from different institutions present the same settlement with diverse identification: one settlement which was an illegal subdivision appears as progressive urbanisation, various spontaneous settlements without any kind of governmental intervention were considered as progressive urbanisations. Furthermore, some particular small settlements were never found. With a list of settlements from official sources, the INIES team prepared maps and for the survey of the spontaneous settlements.

26Some sources are obviously wrong. For instance IIED establish that: "Con anterioridad a 1979, sólo en Managua existían 36 asentamientos espontáneos en los cuales residía el 54 por ciento de su población" (IIED, 1985:41). Half the population (54%) of Managua in 1979 can be calculated to be about 301,977 (INIES-DIU, 1986); this means that the average population for each of the 36 settlements was approximately 8,388 persons or near 1,400 families. This enormous amount of population living in spontaneous settlements, before the Triumph, would had been considered as undoubtedly an inaccurate interpretation from simply a visit to the city during the early 1980s.

27Some authors denied this. For instance, Williams maintains that "spontaneous settlements and organized land invasions, so common in other Latin American cities, were greatly restricted by the (Somoza) government" (Williams, 1982:275). Also he asserts that "by refusing to rebuild the central core and by severely limiting squatter settlements, they created a demand that led to the illegal subdivision of large tracts of marginal land on the outskirts of the city" (Williams, 1985:384).

28'The dark side of the urbanization trend is the so-called 'spontaneous settlements' that began to spring up again, particularly after 1985-1986. By that time, the site and services programs was already being cut way back because of the war'... Although the...the growing migration into the cities was partially due to the war, it also responded to expectation of more access to social services than was available in the countryside... However, as the war intensified, the demands for basic services such as water and electricity that accompany each new squatter settlement became far beyond what the city could possible provide. Although the government has an explicit policy of not providing any services to the spontaneous settlement, made up essentially of non-productive populations, it also does not harass
them. Its position is that while these people are acting on the margin of the law, they are pressured by necessities that
the state simply cannot realistically respond to at this moment" (IHCA, June 1988:46-47).

29For example: Santo Domingo from where 86 families were relocated, La Candelaria where between 120 and 125
families used to live and 19 de Julio, that was only partially resettled. The people living in the different areas of the
remains in 1983 totalled 875 families. However it seems that the number of families sharply rose between 1983 and
1987, because La Candelaria only had three houses in August 1983 (EDUM, 1986:16).

30The Government organized a Special Commission to stop the illegal invasions made up of the Sandinista Police,
the III Region-FSLN and the Mayor’s Office of Managua. This special commission was supported by the local CDS,
MINVAH almost did not take part.

a. First Relocation: The university (UNI) Settlement, near the barrio Edgar Mungia. 120 familias relocated in February,
1986 to four places:

1. Sabana Grande km 18 north road
2. Ciudad Sandino km 13 new road to León
3. Timal km 32 north road
4. Chilitpe km 13 new road to León

b. Second Relocation

barrio 19 DE JULIO of the remains that has 80 families, 60 were relocated in April, 1987 to:

1. Behind TANIC km 7 north road
2. Ciudad Sandino km 13 new road to León

The families only had 48 hours to leave, in coincidence with the special event of the World Parliamentary Union
in the OLOF PALME Conference Centre (near the barrio). The new barrio did not have an adequate lay-out and many
huts were in risky areas, so they had to relocate them. The sites could be flooded because they were near a main
drain. Many families did not have drinking water (in Sabana Grande), so they used the old stand pipes of the area. The
lots of 150 m² and plastic, cardboard or old wood shelters. Lack of jobs in the site, no transport to maintain the old jobs
in the city markets. Only in Bello Amanecer of Ciudad Sandino they had better conditions. Many families left the new
sites and returned to the city remains. (Jaime, 1987).

There are detailed media reports between April and June, 1987 on the relocation stages of 700 families.
E.g., BARRICADA (09-04-87); BARRICADA (21-06-87); BARRICADA (23-06-87); EL NUEVO DIARIO (22-06-87).

31 The barrio La Candelaria only had 30 inhabitants and 3 houses in August 1983, but the barrio 19 de Julio had 237
families and the barrio Cristo del Rosario 552 houses. The barrio Candelaria grew a lot until the time of the evictions,
but many families continued living in the remains. Only the people living near the Presidency Office (Casa de Gobierno)
were evicted. It suggests that the main reason was the security of the governmental places.

32 LA PRENSA (05-12-89) Vecinos improvisan barrio: 60 familias al noroeste del Residencial Satélite Asososca.
LA PRENSA (21-02-90) 50 familias ubicadas detrás de los bomberos del Mercado Huembes fueron amenazadas de
desalojo luego de tres meses de iniciado un nuevo asentamiento.
LA PRENSA (30-01-90) 140 familias fueron desalojadas por la fuerza del barrio El Nancite ubicado detrás de los
módulos de la Colonia 1 de Mayo en el Distrito Seis. Los vecinos denunciaron que el desalojo se debió a su presencia
en una reciente manifestación de la UNO.

33 BARRICADA (05-06-81) Sobre la crisis de viviendas Círculo de Trabajadores "Blas Real Espinales" MINVAH.
Article by J. Osorio; A. de Villeda and M. Cangiani.

34 BARRICADA (01-08-81). Official sources reported that "because of the Agrarian Reform the immigration to
Managua was reduced. Many of the squatters came from the illegal subdivisions, where they used to stay with
relatives, borrowing the use of a room" (‘posando’).

35 EL NUEVO DIARIO (02-05-81) The Housing Minister declared that only San Antonio and Batahola would be
finished, the latter programmed and financed from before the Triumph.
EL NUEVO DIARIO (4-06-82) Reacción azuzando tomas urbanas de tierra privada.
36200 of low density (10 to 35%), 64 of medium density (36 to 65%), 11 high density (65 to 100%) and 9 barrios of very high density, or more than 100% (MINVAH, 1986).

37The particular fieldwork of Vance was developed in San Judas. It is a settlement with a long history of fighting for its rights, for basic necessities and services. Vance clearly annotated (pages 145-146) its participation during the final uprising. Moreover, this settlement was one of the main centres for the communal activity of the Socialist Party (the traditional Communist Party of Nicaragua founded decades ago). The Socialist Party organized its Popular Defence Committees (CDP, Comités de Defensa Popular) back in the 60s, when the FSLN was only starting its own internal organization. Pedro Turcios, one of the most important leaders of the Socialist Party for decades established that: *Cuando nosotros comenzamos, la CGT(i) -Confederacion General de Trabajadores -independiente-, comenzó a organizar a los pobladores de estos asentamientos o de estos repartos, fue en el año 1960 y comenzamos con el barrio 1 de Mayo, después nos trasladamos y organizamos el barrio Andrés Castro, el San Pedro, San Judas y Altigracia* (Turcios, 1985).

38Williams (1982:285) asserted that "notably absent from both policy and programs were 'sites and services' strategies, suggested by many as one of the most reasonable and efficient ways of developing low-income housing...MINVAH suggested that such programs might be developed in the future, but only within a community organization program. The inherent potential of such programs to promote individualism and discourage community participation were to be avoided by careful planning and consideration."

In spite of never alluding to the spontaneous settlement problem. In 1985 the same author rectified his previous statement and explained that:

'*The most appropriate response appeared to be some form of sites and services program, frequently suggested as one of the most reasonable and efficient methods of developing low-income housing...MINVAH was initially very hesitant about undertaking such programs. The example provided by the post-earthquake, USAID sponsored project was not encouraging, and the inherent potential of such programs to promote individualism and discourage community participation ran counter to the government's general policies of social development and community cooperation. But the need overcame the initial reluctance, and MINVAH initiated the program of progressive urbanizations. *" (Williams, 1985:390-391)

39BARRICADA (22-06-87). At the beginning of 1989 the Alcaldía launched a major campaign to clean the barrios. It included 50 barrios with critical sanitary conditions such as lack of drinking water and drains, accumulation of rubbish and pollution because of the deterioration and overuse of the dirt latrines. Infant mortality reached the level of emergency in these settlements by early 1989 (BARRICADA, 29-03-89).

40The data separate basic module and lots, but it needs to be explained that many families that own a lot from government programmes also have the right to obtain a basic module, unfortunately there is no information available to control this probably double account of 'solutions'. Williams (1985:395) asserts that "these units (from the Materials Bank programme) were particularly popular in the progressive urbanizations, where they replaced the initial makeshift dwellings. MINVAH made the materials available at low cost, with long-term, low-interest loans. In addition, technical assistance and tools for construction were provided. The acceptability of these units was demonstrated by the fact that demand consistently exceeded supply."

41The city of León (ancient capital and cultural centre) is the main city in Region II (north-pacific coast), Chinandega is the second city of this region, both had about 200,000 inhabitants in 1980 (IIED,1985). Estelí is the capital of the Region I,central north, with only around 90,000 inhabitants. Matagalpa and Jinotega are the main cities of Region IV, the former had nearly 200,000 and the later approximately 100,000.

42The Government understood housing "as a social good rather than a commodity subject to speculation, as family property rather than an investment good and beyond that to work out juridical forms which would establish housing as 'a use-value' not subject to property rights of sale and transfer" (MINVAH, 1983; Carmona, 1984; quoted by Massey, 1987).

43This real estate market used the daily newspaper as in other capitalist countries. Some special reports about this market appeared in EL NUEVO DIARIO (02-03-87; 03-02-87; 14-05-87; 02-02-90).
The author interviewed the Director of the Housing Office, Architect Agapito Fernández in his office in Managua, and discussed with him the new plan. Señor Fernández explained that 'Plan 90' was approved by the President Ortega Office.

The barrio Luis Isaias Gómez was built with a donation from the Venezuelan Government (463 houses). They were precast/wooden houses produced in Costa Rica (Curuchet, 1987:57). The Batahola initial project (2,200) was partially supported by international agencies (including IDB) and completely designed before the Triumph. The loans with international agencies were immediately ratified by the JGRN. The Managua Reconstruction Junta, with the support of BIRF, prepared the Plan for the Improvement of the Barrios. The plan provided new services and promoted the cleaning of road and remains of the central core of the city (Domene, 1985). The project for urban reconstruction of the World Bank was developed soon after the Triumph. In November 1979 the loan for US$22 millions was approved (Cháves, 1985).

The official data from the Planning and Budget Secretary of the Ministry for Finances and the Office for General Balance (SPP-BG), also show that the percentage of Central Government Budget used in Infrastructure and Production declined from 34% in 1983 to 9.4% in 1987, whilst the percentage for Defence increased from 18% in 1983 to 35.6% in 1985 and to 41% in 1987.

An explanation for this situation is clearly the war and emergency conditions provoked by the aggression, the necessary top-down relations in the army --EPS,SMP,SMR-- and the liberation war, as well as the particular structure of a party, which really was a military organization. After the Triumph it developed a strong presence in all the different areas of Nicaraguan society, not only in the government or the official institutions or organizations.

The slogan DIRECCION NACIONAL: ORDENE! is a clear expression of this particular situation of war after the triumph. Coraggio and Torres (1987:39) suggested that:

‘La expresión ‘bajar línea’ se hizo corriente dentro del Estado y de las organizaciones de masas, al tiempo que la falta de ‘orientaciones’ se podía manejar como excusa para la inacción. La estructuración política del FSLN no podría entenderse si no se considera su relación cuasi-orgánica con las denominadas ‘organizaciones de masas’. Este término quedó referido a las organizaciones sandinistas, con su dirección a nivel nacional a cargo de un militante o miembro del FSLN.’

Nevertheless some independent organizations tried, within the revolutionary process, to question official interpretations, unfortunately without success on every occasion, right up to the electoral reverse of 1990.

According to the statements of Dr. Moisés Hassan, former member of the JGRN, Sandinista leader and first Mayor of Managua (now member of the National Assembly, elected in the 1990), Hassan gave numerous examples of power struggles and lack of coordination which induced his resignation from the Government and the FSLN, in a recorded interview with the author in Managua in February 1990.

Carlos Carrión, the second Sandinista Mayor of Managua was in fact the Regional Party chief of Managua in the last two years of Dr. Moisés Hassan in office. Simultaneously, he was Delegate of the Presidency in the Third Region until he took office as new Mayor. After that he held all three jobs. He is also the brother of Luis Carrión, a member of the National Directorate of the FSLN and a member of the Cabinet (first Vice-Minister of the Interior and then Minister of Economics). Their father Luis Carrión, is the former President of the Central Bank and Sandinista Deputy since 1990.

Even if some housing projects had a nominal cost similar to that of health programmes, this does not take into account the amount of free work used in the latter. The health programmes always had thousands of volunteers, international help and brigades. Moreover, the army and the civil servants were always extraordinary active in these programmes, not to mention the peasants. The same can be said of the Literacy Campaign. Consequently it is wrong to make a direct comparison between formal budgets, for instance: "The former Housing Minister, Miguel Ernesto Vigil commented that the Batahola project cost approximately the same amount of money as the Literacy Campaign, developed during the same period" (IHCA, 1988a:44).

There are some exceptions, as in the barrios Jorge Dimitrov and San Judas (Vance, 1987; BARRICADA INTERNACIONAL 17-10-83).
CHAPTER SIX

NICARAGUA: SPONTANEOUS SETTLEMENTS
AND
HOUSING PROGRAMMES
Introduction

Housing policy during the sandinista period concentrated its actions on the distribution of land. Once the supply of expropriated houses had been exhausted the government had little but land to distribute. In addition, other kinds of promises encouraged this kind of response. First, during the euphoria of the first revolutionary months many people took land. Then the floods of 1982 encouraged the government to allocate plots to affected families. Finally, as a result of electoral promises in 1984 and 1989 large, areas of land were given to spontaneous settlements. The so called 'spontaneous settlements' were indistinguishable from the 'progressive urbanization' programmes as regards actual standards, particularly after they all had obtained recognition from the Mayor's Office at the end of the ten years. Nevertheless, there are differences among the barrios, not only in housing, but also in terms of the quality of some services and the local capacity to obtain foreign help.

This chapter analyzes first the formation of land occupations, many of which became government projects. Then it examines their characteristics in 1986 on the basis of the DIU-INIES survey of 15 settlements of Managua. Finally it studies the process of development of the six case-studies located in three different zones of Managua.

The development of the barrios

The official date for the establishment of a settlement is often artificial for barrios are formed over a number years, not at a specific moment. Only when there was a major invasion does a single date constitute a significant figure. The large number of new lots recorded in official data in 1982 does not mean that the barrios started that year. It shows that the government legalized many old land invasions that year. Recognition meant that families would get government help and formal services.

The only sure information source for the formation process of the barrios and for the real dates of families' arrivals is the DIU-INIES survey of 1986. Figure 6.1 shows that, although many barrios began before 1979, the majority of the population invaded after the Triumph with a sharp surge after 1983. Invaders were encouraged by the relative absence of repression, the lax attitude of local leaders, and the growing tradition of illegal land occupations. Figure 6.2 shows that between 1979 and 1982 28.3% of the households established homes, 11.5% in 1979. The rise in 1983 and in 1984 reinforces previous suggestions that land invasions were used as an electoral tool by the Government.

The survey sample selected fifteen barrios from the 46 that were still considered to be 'spontaneous settlements' in 1986. Although each of the 15 developed in a different way and at different times, they are broadly representative of the total population living in land occupations. Table 6.1 shows that six settlements date before 1972, but that the barrio 19 de Julio accounts for 48.5% of the total arrivals. However, the small number of arrivals before 1972 has a simple explanation; most of the settlements were later legalized or relocated due to the floods. For that reason they were excluded from the survey population. Eleven settlements were established
YEAR OF ARRIVAL IN THE SETTLEMENTS

Figure 6.1
(Own elaboration)

YEAR OF ARRIVAL
PERCENTAGE OF EAP

Figure 6.2
(Own elaboration)
between 1972 and 1978, although Las Torres contributes 43.7%. A new land invasion began in 1983 and continued until early 1985. The rest of the land was occupied in Las Torres but invasions also spread eastward along the lake shore.

| Table 6.1 YEAR OF ARRIVAL TO THE SETTLEMENTS
| Members of the EAP - column percentages |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| L.A. Velásquez  | ---             | ---             | ---             | ---             | 2.6             | 3.1             | 25.9            | 9.4             | 4.9             | 5.9             | 7.6             |
| Carlos Fonseca  | ---             | ---             | 2.5             | 2.3             | 2.2             | 2.2             | 4.7             | 5.9             | 7.6             | 1.8             |
| Martín L. King  | 2.0             | 2.5             | 3.0             | 4.0             | 11.9            | 7.2             | 3.1             | 5.4             | ---             | ---             |
| Casimiro Sotelo | 2.0             | 2.5             | 3.0             | 4.0             | 11.9            | 7.2             | 3.1             | 5.4             | ---             | ---             |
| José S. López   | .4              | 1.4             | 3.0             | 4.0             | 11.9            | 7.2             | 3.1             | 5.4             | ---             | ---             |
| HyM Pantasma    | .4              | .4              | ---             | ---             | 9.2             | 22.5            | 10.1            | 12.9            | 10.1            | 13.9            |
| 22 de Enero     | 1.5             | 1.6             | 5.4             | 5.1             | 6.4             | 3.1             | 1.7             | 3.1             | 5.4             | 3.5             |
| Hr. Manzanares  | 1.6             | 5.4             | 5.1             | 6.4             | 3.1             | 1.7             | 3.1             | 5.4             | 3.5             | 2.0             |
| Villa Bulgaria  | ---             | ---             | ---             | ---             | 2.5             | 9.7             | 1.0             | 1.4             | 3.0             | 1.0             |
| Anexo Waspan    | ---             | ---             | ---             | ---             | 1.9             | 7.9             | 2.4             | 1.7             | 2.7             | 1.0             |
| Barricada       | 15.2            | 3.6             | 41.1            | 37.3            | 23.7            | 21.3            | 11.5            | 5.7             | 1.0             | 8.4             | 13.3            |
| Las Torres      | 16.7            | 43.7            | 16.3            | 14.4            | 19.9            | 24.4            | 14.8            | 5.1             | 8.2             | 10.1            | 13.9            |
| Dinamarca       | 12.1            | 12.7            | ---             | 1.7             | ---             | .8              | 5.0             | 32.7            | 8.7             | 9.1             | 1.0             |
| M.A. Quezada    | 6.1             | 17.5            | 6.2             | 12.3            | 5.8             | 7.9             | .6              | .6              | 1.7             | 5.9             | 4.6             |
| 19 de Julio      | 48.5            | 14.7            | 29.6            | 20.8            | 41.2            | 40.2            | 18.2            | 7.4             | 14.3            | 16.4            | 18.4            |
| Total Column %  | 2.0             | 7.5             | 10.6            | 7.0             | 4.8             | 3.8             | 14.3            | 24.0            | 17.7            | 8.5             | 100             |

Number of missing observations = 143. Valid cases = 3357.


The existing settlements of Barricada, 19 de Julio, and Las Torres accommodated the biggest percentage of arrivals in the first three years of the revolution and few new settlements established until 1983 and specially in 1984 when there was a new wave of occupations all over the city. The only exception is the barrio Martha Angélica Quezada located in the ruins of the earthquake. Most of the families there occupied buildings awaiting demolition, not vacant land. This suggests that people during the period of openness preferred to occupy secure land rather than dangerous remains. It is interesting to note that even these two years, however, most of the population moved into existing settlements, such as Carlos Fonseca, 19 de Julio, Las Torres and Barricada. This became the established pattern in the following years with the highly increased population mostly moving into existing settlements. Few new occupations started after 1984. Some additional land was occupied, for instance in Dinamarca, whose families had to confront the police and fight for survival, but most of the population was absorbed gradually.
Figures 6.3a, 6.3b and 6.3c show this pattern of incremental growth for each of the 15 settlements. While there were sudden bursts of expansion in some, Villa Bulgaria and Waspan for example in 1984 and Dinamarca, Luis Alfonzo Velásquez in 1985, the pattern of incremental growth is clear. Some settlements were affected by government action. Some families in Las Torres were allocated to a new settlement, Jorge Dimitrov, as a result of flooding in 1982 (BARRICADA INTERNACIONAL, 17-10-83). In 1987 the Mayor's Office evicted many families from Luis Alfonzo Velásquez (EL NUEVO DIARIO, 15-06-87), but the barrio continued its growth, particularly during the electoral period of 1989 and after the elections.

**Socio-economic characteristics of the population**

**A. Demographic features**

The average family was 'nuclear', young, small, with few children and very poor. This picture supports the idea of them sharing a house (presumably owned by parents or relatives) before coming to the settlements. Out of the whole sample 65% of the EAP were under 30. Three quarter were literate, high by national standards, but normal for young people who had been born in the capital. However, only 24% had finished primary school and a mere 20% had some secondary education. Most of them had been working since very young.

53% of the households were 'nuclear' with young children (38% of the population were less than nine years old). Contrary to the common image of these barrios, the percentage of households with only one parent was only 13%, the majority of these being women, often with two or three children. However, the number of 'extended' families was higher than expected (25%) and most of these included the oldest residents of the barrios. The typical family (36%) had four to five members, parents plus two or three children. Families with more than six members made up 36% of the sample.

The survey found extreme levels of poverty, even by the standards of Managua in late 1986. Almost half of the families (48.7%) had low incomes of less than 15,000 córdobas, less than half minimum salary. The average income was 23,000, the median 16,000 and the mode 10,000. Only 13% had incomes between one and three times the minimum salary.

Despite the very low income levels, the degree of permanency in work and the percentages of salaries were very high, while only around 10% were unemployed. Permanent jobs totalled 85% and 63% were formal sector jobs with a monthly salary. 44% were manual workers, 22% worked in services and 20% in commerce; only 10% had administrative or technical jobs. The degree of stability was also very high, 26% had been working in the same job since 1979 and only 33% had been one year or less in the same job. More than a third (35%) were state employees and 26% worked in private companies.

---

*The official Salario Mínimo Nominal (SPN) was in October 1986 32,685 córdobas. Its translation to international currencies is absurd, given the diverse forms of non-salaried incomes and the local standards of consume. The rate of currency change at that time was 2,500 córdobas for one US dollar. The SPN would be only around US$13.*
Figure 6.3a: Year of arrival by settlement

INIES SURVEY IN MANAGUA

#1: VELAZQUEZ
- 1979: 49, 22
- 1980: 36, 30
- 1981: 30, 15
- 1982: 20, 7
- 1983: 25, 25

#2: FONSECA
- 1979: 12, 12
- 1980: 15, 20
- 1981: 24, 31
- 1982: 25, 25
- 1983: 25, 25

#3: MARTIN
- 1979: 0, 0
- 1980: 0, 0
- 1981: 0, 0
- 1982: 0, 0
- 1983: 0, 0

#4: CASIMIRO
- 1979: 0, 0
- 1980: 0, 0
- 1981: 0, 0
- 1982: 0, 0
- 1983: 0, 0

#5: SANTOS
- 1979: 0, 0
- 1980: 0, 0
- 1981: 0, 0
- 1982: 0, 0
- 1983: 0, 0

Bfr 1979
Bfr 1980
Bfr 1981
Bfr 1982
Bfr 1983
Figure 6.3b: Year of arrival by settlement

INIES SURVEY IN MANAGUA

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<td>56 50 13</td>
<td>78 70%</td>
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<td>19 19 63</td>
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<tr>
<td>#3</td>
<td>11 13 8</td>
<td>4 5%</td>
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</table>

Bfr 1979 / 1984

1979 / 1985

INIES SURVEY IN MANAGUA

#1 PANTASMA

#2 ENERO 22

#3 DINAMARCA

#4 BULGARIA

#5 WASPAN
Figure 6.3c: Year of arrival by settlement

INIES SURVEY IN MANAGUA

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<td>5</td>
<td>6</td>
<td>1</td>
<td>11</td>
<td>8%</td>
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</tbody>
</table>

#1 BARRICADA

#2 LAS TORRES

#3 MANZANARES

#4 QUEZADA

#5 JULIO 19

Bfr 1979  1979
1980       1981
1982       1983
This image denies the stigma which present the people of the settlements as informal workers, unstable or unproductive migrants. Only 32% were self-employed, many in repair workshops and as food or cloth makers (particularly women) in the barrio. Almost everybody worked in Managua, 92% of them in the urban centre. They were typical, not exceptional, of the economic situation of Managua in 1986. They reflected the features of the whole medium and low income sectors of the city. Their extreme poverty reflects the general situation, not the exceptional attributes of a particular sector.

B. Migration

Few of the people arriving in the settlements were migrants. The proportion of migrants among the people of the settlements is generally similar to that within the city population (Chaves, 1985); only a few settlements had a higher proportion of migrants. The MINVAH-DELF survey of 1984 found that 50% of the people came from Managua, and the rest predominantly from the South Pacific area (Masaya, Granada, Carazo y Rivas), and the INIES data (Valdez, 1988) recorded that 44% of the EAP of the spontaneous settlements were born in Managua and 80% of the population had been living in Managua prior to moving. Of the migrants most came from the South Pacific area and only 11% came from war zones. This suggests that war was not a direct cause for the existence of spontaneous settlements, though it may have had an indirect effect because of the economic crisis, boycott and financial priorities.

Table 6.2 YEAR OF DEPARTURE AND SITE OF THE PREVIOUS RESIDENCE
Members of the EAP -row and column percentages-

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<td>9.2</td>
<td>11.7</td>
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<tr>
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<tr>
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<td>284</td>
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<td>3.9</td>
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<td>23.8</td>
<td>18.3</td>
<td>8.6</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Number of missing observations = 658. Valid cases= 2842

Table 6.2 shows that 77.6% of the settlers had had a previous residence in Managua. The percentage of people who came from rural zones was only 11.6% of the total sample of 2,842 households from 46 spontaneous settlements. This suggests an immigration rate even lower than that of the city, according to MINVAH and the Mayor's Office statistics. In 1981 migration from rural areas was 24.4%, the highest of the whole period. However, this cannot be explained as an effect of the war or the economic crisis, because both only really began several years later. One could suggest that a major reason was the strict control of rural land by MIDINRA while urban land was still relatively easy to find.

Only the people who left their previous address before 1972 contradict this pattern, in this case only 42.4% came from Managua itself, 30.5% came from regional centres and 27.1% from rural zones. After the Revolution most invaders came from Managua, in 1979, when many people invaded land, 80.6% came from Managua and the Regional Capitals, and Secondary Towns only contributed about 5% of the total. Similarly in the electoral year of 1984 86% came from Managua and less than 7% came from rural zones. It seems that the invasions of that year were almost entirely an urban and local phenomenon explained by the electoral openness.

More than 50% of the people came from three zones of the city: Zones 6 in the southwest and Zone 8 in the south-east, and zone 7 in the central-north. These are areas which traditionally accommodate poor people. Zone 6, south of the Resistance Road (first circular road south of the city core) includes barrio San Judas. Zone 8, includes the barrio Shick and the Huembes Market, main market and bus station of the south east. Zone 7, the area of the Oriental Market and the central lake shore is the poorest zone of Managua. The people coming from these three areas constituted 36% of the whole survey. These zones include the settlements of traditional urban movements and organization, and they were strongholds of the sandinista fight and uprisings. They were the revolutionary masses that produced the revolution. They occupied the land gained by the revolution in 1979 and again in 1984 when the Government needed new support for the elections.

The survey found that there were three main reasons why people left their previous localities: because they were sharing (28%), because of eviction from rented accommodation (22%) and because they wanted to have their own property (14%). Only 7% suggested problems with their jobs and 6% were very young families whose first house was in the settlement. Notably, the people who gave as their reason living in war or military zones totalled only 2% of 3,274 valid answers of the survey of 46 settlements.

In 1990, three years after the survey, local informants the 15 settlements in the sample suggested that there was continued growth caused by illegal occupations, although most of the changes of settlers can be explained by sales. The origins of the new settlers continued to be the nearby overcrowded barrios.
Figure 6.4b
CASE-STUDIES and
SPONTANEOUS SETTLEMENTS
DIU-INIES 1986
Figure 6.4c
ZONES of Managua

1km
General characteristics of the settlements

The new settlements founded after 1979 gave a new appearance to the city of Managua. Initially the government attempted to improved conditions in the settlements. It removed some extremely deteriorated sites in Acahualinca and cuarterías of the lake shore and initiated the programme of 'progressive urbanizations'. The floods of 1982 caused a sudden expansion in these programmes. After that official intervention declined and the general pattern for the reconstruction of the city was clear: unassisted self-help with bad materials and improvised services. Legal ownership became almost the only difference between invasions and state programmes. Levels of services were similar, their quality depending on the age of the barrio or the power of negotiation of the community leadership. Local leaders tried to distribute land using the same lay-out as MINVAH. Lots sizes and roads widths were in similar fashion, so there were no 'technical' reasons for eviction. Stand-pipes and drains were also provided, however electricity networks were inadequate.

The DIU-INIES survey of 1986 allows a detailed view of the spontaneous settlements. Most shelters had illegal water supply and electricity. Normally only houses on the main roads had legal electricity connections. Only 8% of cases had individual legal water connections, 12% had legal communal stand pipes and 44% had illegal stand pipes (one for every 60 families). Additionally, 21% continued using wells and 5% simply did not have anything, so they had to fetch water from a distance. One fifth of the cases used makeshift wells located near sanitary latrines and used contaminated containers.

Most cases had only sanitary latrines (84%) and 8% did not have any means of disposing of excreta. Only 6% had water toilets (with septic tanks). The land was highly contaminated and diseases such as diarrhoea were common. INAA was unable to improve sanitary conditions and in late 1987 announced that Managua had a deficit of thirty millions gallons a day.6 By 1990, conditions in the settlements had changed only insofar as some were now legal. They continued using latrines and illegal stand pipes as in most progressive urbanizations. INAA continually refused to legalize their stand pipes or to allow them to build any more because its shortage became worse in 1989. In 1986, electricity allowed the streets to be lit, but it was illegal in most cases (89%). A majority of 58% used electricity only for illumination, but because of the low voltage 82% of the shelters had a maximum of 3 bulbs. They used inadequate materials, such as telephone wire, in makeshift electricity networks.

Electric materials were only available on the black market and telephone wires were stolen from the national institution. Because of this low quality of materials, local leaders exercised strict control over the use of electricity and banned big electric appliances, such as refrigerators. INE refused to build new networks because of its shortages and because of the cost of new materials and equipment needed to extend the networks. But it denounced the waste caused by illegal use and declared its inability to provide new connections.7 In some legalized settlements INE asked residents to pay for the whole new network, not only their individual meters. In any case the cost of individual meters was very high for families incomes, particularly
because they were imported and changed their prices with inflation very quickly. Some community organizations collected a monthly fee and organized fund raising community activities, but the prices were always two or three times what they could raise. By 1990 there was no improvement.

These settlements did not have drains, so water ran along the dirt streets. Accumulated rubbish obstructed the flow of water increasing pollution. Floods during the rainy season destroyed not only the dirt streets but also some of the wells built around the settlements. The Alcaldía gave better assistance to established barrios but simply did not have enough equipment for the whole needs. Municipal trucks collected less than 14% of the city's rubbish in 1987. Between 1986 and 1989 conditions deteriorated. Structural adjustment reduced municipal capacity still further, so pollution and disease rose in the city. In the election campaign of 1989, candidates and officials from the Alcaldía offered to increase rubbish collection, but emphasized the need of community controls of waste land, drains and rivers (BARRICADA, 14-10-89). In the 15 settlements, 52% burnt their rubbish in their lots, 10% of the families used holes in the backyard for the rubbish, 6% abandoned it in waste land and 6% threw it into the rivers or main city drains.

Lots in the settlements usually matched to MINVAH standards. More than three quarters (76%) were between 150 m² and 300 m², nearly half were relatively big, between 250 m² and 350 m². The main size was 256 m², with a median of 288 m². Only 12% of the lots were of less than 150 m². By contrast, houses were relatively small. Three quarters (74%) measured less than 50 m². Near half (43%) were between 30 m² and 40 m². The average house was 41 m², and the median 36 m². However, there were some bigger houses and 10% measured between 80 m² and 100 m². 46% of these shelters had only one room and 34% two. Rooms served various functions at the same time. The kitchen dining-room was normally used as a bedroom, many houses had one room sub-divided by a curtain. Room densities were high, 3.5 persons per room. Most households gradually reconstructed the original shelter. They built a new structure around the original hut, years later the original hut would be demolished.

Typical materials were wood or concrete blocks for the walls and metal for the roof. Plastic and cardboard were not very common except in the recent invasions. In 1986 51% of the shelters were built of wood and 28% were built of a mixture of wood and concrete blocks.
Table 6.3  PREDOMINANT BUILDING MATERIALS IN THE SETTLEMENTS, 1986 (percentages)

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<th>clay tiles</th>
<th>cardboard</th>
<th>plastic</th>
<th>other</th>
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<td>38.8</td>
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<td>.2</td>
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</tr>
</tbody>
</table>

Source: DIU-INIES survey. (valid cases=863)

Most of the materials employed were second hand or recycled wood. Many houses had metal roofs (74%), normally galvanized iron sheets, and only 9% used asbestos similar to the ones used by MINVAH. Very poor materials, such as cardboard or scrap, accounted for only 10%. Cement walls were most common in the bigger houses, whereas plastic, cardboard or metal walls were more typical of houses of less than 60 m². The building materials clearly reflected the economic capacity of the household.

More than a half of the families had been living less than two years in the settlements at the survey time, although the general picture in 1986 was not one of extremely poor shanty dwellings. This suggests that families were working and saving large proportions of their incomes to build their houses. Indeed these barrios became a big market for local hand made materials (such as clay bricks and cement blocks) and many construction workers worked permanently there as individuals or with very small building companies. However, most houses were built gradually over a period of years. Families accumulated materials around the old hut or in the backyard and used them temporarily as makeshift bathrooms, toilets or open kitchens. The best houses of the sample were older and the most recent ones had normally the worst conditions.

The 1986 survey shows that 42% of the cement houses and 30% using mixed materials were from 1980 or before, that is to say, they were six or more years old, enough time to build a proper house by self-help plus some paid labour. In addition, 60% of the huts built of scrap materials, 80% of the cardboard and all the plastic ones were relatively new, built by families that came in 1984 or after that year.

One would expect that some years later and under similar conditions these relatively new houses might improve their material state by means of family savings, self-help and some help from construction workers contracted temporarily. However, direct observation in these 15 barrios in 1990 did not show any real improvements. Only two settlements that obtained direct external
financial support showed significant change. The rest continued almost in a standstill condition. There seems to be a continuous accumulation of materials but no completed construction and there were some deteriorated old shelters.

Local informants blamed the hyper-inflation (38,000 % in 1988) and the shock structural adjustment for the lack of improvements. They said that materials had become extremely expensive and in addition, thousands of people had become unemployed. Natural disasters on the Atlantic coast had reduced the supply of materials and amount of Government support for the settlements in Managua. The economic situation had forced many people to sell their houses. At the same time, many middle income families had come to settlements to buy, some using their redundancy payments. Sales of houses or sites were common since the beginning in the spontaneous settlements. Local informants suggested that a few new bigger and better houses presumably belonged to families who had bought the place months after the invasion.

The Government had argued from 1981 that many families used invasions as a business. Indeed, this was a reason to stop invasions and increase control over waste land. CDS officials explained that some families took a lot for each member and then sold two or three to newcomers. Given the strict restrictions of the formal housing market these settlements became a normal way of finding a house or a site to begin a construction for middle income families. After 1987, when the housing and economic situation worsened there was a flood of middle income families into the poor barrios.
Figure 6.5 Finished houses and family differences
Figure 6.7 An old hut with well
Figure 6.8 Original hut and building materials
Figure 6.9 New land invasions in 1989
Specific cases-studies

The survey of 1986 allowed identification of the Zones of Managua from which people had come and into which they moved over a period of sixteen years. Three zones dominated movement throughout that period: Zone 7 alongside Xolotlán Lake shore and the Oriental Market area, Zone 8 around Managua’s Commercial Centre and Huembes Market and Zone 6 to the south-west, the San Judas area.

The case-studies include two settlements from each of these zones. This new sample includes the larger barrios from the 1986 sample. They had different processes and illustrated various forms of relation with institutions and state programmes. Table 6.4 shows the location and size of these settlements at the end of 1986.

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Source: DIU-INIES Survey preliminary field work. Managua -September 1986-

The six settlements are very similar to one another. The two barrios in Zone 7 are the oldest and most consolidated settlements. Although they were made legal in 1989, Barricada was officially a ‘progressive urbanization’ from 1987, when MINVAH changed its name to Hilario Sánchez. Almost everyone of the six settlements came from the same or an adjoining zone. Two-thirds of the families living in Carlos Fonseca and 47% of Martin L. King came from Zone 6.

The two older settlements had populations with more diverse origins. Las Torres had 51% from other zones and Barricada had 38%, although most of the rest came from adjoining Zones 7 and 9: alongside the lake shore and the North Road: 38% in Barricada and 23% in Las Torres. This strong inward movement can be explained by their having suffered more changes as a result of natural disasters, economic crisis, war and elections. The barrios became more heterogeneous because of relocations, sales and new distributions of lots. Service improvements and legality increased sales to middle income families. Nevertheless, the early invaders continued to form a substantial majority of the population.
All six barrios were very poor, but the older ones had a higher percentage of families with better incomes. 13% of families in the Zone 7 barrios had incomes 50% higher than the Average Nominal Salary (SNP). Half of the families in every other settlement had an income of less than half SNP. The worst conditions were found in Martin L. King where 67% earned less than half the minimum salary. It is important to remember, however that each settlement contained a heterogeneous population with the differences increasing over time. These differences were very apparent in 1990, after several years of economic crisis. Although all the settlements had some new and some bigger houses, a majority of the population continued to live in the same old huts. A lack of resources had prevented any improvement.

Local informants from these six settlements differentiated between newcomers who had bought or built a house with relatively good materials, a group of existing families who had managed to acquire the resources to improve their shelter and the majority who could not afford to improve their original dwelling.

There was an almost complete absence of state help. The only assistance came from international financial support, through NGOs or Churches. This was the case with Barricada and Martin L. King. During the decade the main aim of the settlers was legality, the second to improve the water supply, specifically to increase the number of stand-pipes and improve their quality. Local leaders during elections discussed these two issues with the candidates who normally made positive proposals, but everybody knew that to improve housing, roads and communal services they had to improve their individual economic conditions and community organizations.

A. Distribution of land in San Judas

San Judas was a barrio of 4,000 houses at the beginning of the decade. It had very high levels of organization and popular participation during the Revolution. After 1979, MINVAH began some of its projects with the participation of local CDSs to accommodate the local homeless. Local CDSs also organized their own small housing projects or distributed lots to newcomers or newly formed local families. By 1983 MINVAH calculated that there were 5,000 houses. The following year local leaders together with those from Villa Roma began a huge land distribution which led to the creation of several small new barrios. It also stimulated independent land occupations, e.g. the barrio Carlos Fonseca.

In San Judas the CDS had a committee in each block, so its leaders could prepare a list of homeless to include them in their housing programmes. In 1984, when they distributed land, they used these lists to order priorities. As a consequence they never received any complaints from high ranking CDS officials, because it was a carefully ordered process.

(a) Martin Luther King

One of six settlements created in 1984-1985 by the local CDSs in San Judas was barrio Martin L. King. Families had been moving in the settlement since 1982, but there was a major occupation in 1984. This process ceased only because the settlement lacked water. It was the
zone coordinator of the CDS who allocated lots to individual families and he even moved in him self.\textsuperscript{15} The increased population improved the settlement's negotiating position, not only with MINVAH and INAA, but with international agencies and churches.

At the beginning local leaders laid out roads and public areas according to MINVAH standards and distributed lots of 200 m\textsuperscript{2}. They also reserved land for community activities that later accommodated the cooperative and community hall. The land was private, but the owners had left the country during the early years of the revolution. They first allocated land to 75 families, but a few months later they used the rest of the land to accommodate 50 more. The Committee was helped by construction workers, so they measured the whole area that MINVAH and CDS directors did not protect. Some of this protected land was occupied at that time by approximately 80 families, but local CDSs even in 1990 did not recognize them as part of its barrio. In 1987 MINVAH officials distributed the former protected land and called it \textit{Reparto Marvin Marín}. It had lower standards but was officially a 'progressive urbanization'.

A new local committee of CDS in this barrio contacted foreign solidarity groups and established formal relations with the Reformed Church of Holland. This Church sent a pastor and gave financial support for local programmes. The first aid programme developed a plant to produce cement blocks and to form a cooperative to produce asbestos tiles. Its aim was to produce building materials for local use and for sale to nearby barrios. Although administrative problems caused bankruptcy in 1987, a local group of ex-conscripts from the SMP assumed the control of the industry in 1988 and began new activities without foreign control. They sold cheap asbestos tiles and even donated some to finish a Community Hall.

In 1986 55\% of the houses had concrete walls and 30\% used tiles for the roof. In 1990 the percentage were higher, although the new industry had only been in production for about a year. Many other families had contracts with the industry or accumulated blocks and roof tiles but were waiting for legal titles and for the results of the elections.

The Community Hall was initially administered by the dutch pastor who obtained financial support to help in its construction, but in 1988 a new community committee took control. The local leaders initially worked as a CDS, but then decided to form a legally recognised Civil Association which could receive foreign donations. The Association embraced women's groups, religious congregations, young people's groups, Alcoholics Anonymous, recreational and sports teams, parents' associations and educational bodies. All had a representative on the management committee which prepared an annual time table. In 1990, the Communal Hall was constantly occupied, with school classes in morning and recreational and religious activities at night. It was also the base for health campaigns covering the local area.

From 1987, there was no spare land and some new families had to build new huts in backyards or live with relatives. Local records showed 137 families living in the settlement at the end of 1987. In 1990 the electoral census shows that at least 12 families shared and were waiting to find a place, but, apart from the backyards there was no more free space.
Martin Luther King remained an illegal settlement through the period. The Mayor’s Office did agree to recognise the community in 1989, but the procedures were too slow. Local leaders explained that each family had to prove that they owned no other property. However, many did not have money to pay for legal certificates, and in any case it was very difficult for the leaders to collect all the necessary information from around 140 families. The 1990 election stopped everything. In 1988 they asked the Mayor’s Office to approve a plan of the settlement while the legalization process continued. An approved urban plan would allow residents to build a proper house without fear of removal. In 1990 lots were very big so that it was easy to expand the existing homes. However, local informants said that the gradual reconstruction of houses almost stopped after 1988 because of lack of money, except for some three or four newcomers who bought.

The most important problem at the beginning was lack of water. INAA responded to their requests that it did not have enough materials or the workers to supervise 'illegal' connections to its network. Local committees did not want to have illegal stand-pipes, so they negotiated with the legal settlement of Reparto San Pablo to use some of its stand-pipes with INAA's approval. Unfortunately, the residents later they changed their minds. From 1987, however, the barrio had its own illegal stand-pipes. In 1989, they had one stand-pipe for each hundred families, an expansion supported by financial help from Holland. To regulate water use, INAA agreed to install four communal meters, but only if the barrio paid their cost. In March 1990 local informants explained that they tried to collect some money, but then, they realized that residents simply did not have enough money to pay for all the installations. From the beginning local leaders avoided to contacting MINVAH and never had any formal relations with it until its disappearance.

In 1990, six years after its foundation, although Martin Luther King had many gardens and trees the original dirt roads remained, due to the lack of proper drains this had caused erosion particularly in corners were it was difficult to pass even in the dry season.

Four fifths of the families used latrines in 1986 and there was no improvement by 1990. The rest used waste land or a nearby drain, none had septic tank because of lack of water. The rubbish collection system was better, 85% of the residents in 1986 said that rubbish was collected by Municipal trucks, thanks to the personal contacts of the leaders.

They built an illegal electricity network for all the lots with telephone wire. In 1990 it continued to function and a local programme to rebuild it did not have enough financial support. They had never had any complains from INE, but INE had never legalized it or helped them to build a proper connection. The local programme tried to collect monthly payments from residents to pay for individual meters, proper wires and communal transformers. Unfortunately, without external help it was impossible to pay for these expensive imports.

To avoid fires local committee inspectors controlled the individual use of electricity. The CDC only allowed light bulbs and two small electrical appliances per house. The Civil Association found external financial support to pay for a special electricity connection for the Community Hall,
but without a new transformer the barrio could not use it to extend new wires for individual use. However, some residents had illegal connections to this legal electricity line.

This small illegal settlement exemplifies how local leaders with contacts and experience could obtain not only immediate support, but also foreign help to support communal projects. They also had received considerable cooperation from the residents during the early years. Collective projects such as the Cooperative and the Community Hall succeeded, but from 1987 community projects collapsed while residents tried to survive the impact of the structural adjustment package.

The continued illegality of water and electricity was due to the community's inability to pay for urban infrastructure. Obviously INAA and INE knew that local families could not pay for meters, transformers and proper installations. They also knew that their own capacity inhibited any ambition to supply enough water and electricity for every family in Managua. So, they approved families requests, but asked them to pay for the whole urban infrastructure to supply water and electricity. Meanwhile, 150 families used six stand-pipes five days a week and had an average of 3 light bulbs per home. Communal leaders rationed consumption to stop their makeshift installations from collapsing. Illegality became a useful way of restricting the consumption of thousands of families that would never have enough money to pay for urban infrastructure, without having conflicts with local organizations. The latter took on an almost impossible task, rather than put pressure on the institutions.

(b) Carlos Fonseca

*Barrio Carlos Fonseca* began at the same time as *Martin L. King*, but it was a spontaneous land invasion rather than an unofficial distribution of land. Families living in the area came without previous organization and occupied waste land. There was no CDS member or FSLN intervention.

Local informants explained that land had been occupied for a long time previously by a few families. So, once a small group began to build huts, dozens more came and tried to organize something similar to a CDS land distribution. They knew this land was protected because it was near a military installation and most of it would be used by a future motorway, but from late 1983 around 40 families living south of this protected land and other some families from *Camilo Ortega* and *Sierra Maestra* began to invade the motorway area.

The original leaders knew that the owners were abroad, and that it would be easy to invade waste private land although not the area of the planned motorway. Unfortunately, nobody knew the limits of the motorway and the leaders lacked control over the invaders. Some families simply did not accept their advice and took a piece of land without consideration of its location.

Within few months 200 families were living alongside the motorway which became a wide central street of the barrio. In 1986 DIU-INIES counted 325 houses and the electoral census of 1990 found 385 houses, some with three or four families living together or sharing temporarily. CAE members reported 3,000 inhabitants in February 1990.
From the beginning these new settlers were repressed by the police, CDSs, MINVAH, INE and INAA. MINVAH warned them particularly about using the land near barracks and indicated that the motorway land had to be evacuated. The settlers respected the first warning, but continued to ignore the second because nobody expected that a new motorway would be built in the near future. They explained in 1990 that if they had not occupied the land other families would have invaded. In any case if the government had began to build they would have being relocated to another location.

During 1983 and 1984 pressure was mounted in the settlement and, in 1985, after the elections, it increased. CDSs refused to issue any identity cards, or to grant recognition for their committee. MINVAH officials came to pressure them and gave a deadline for them to leave. CDS members also advised nearby residents not to give them water, their children were banned from local schools and health centres.

Local committee members tried to negotiate with central institutions and, at the same time, obtain materials to build illegal connections to water and electricity networks. This action precipitated an official reaction. MINVAH and the Mayor's Office sued local leaders and the police arrested them. But this increased popular participation, and pressure rose, not only to obtain identity cards but to liberate the leaders.

Although the conflict continued for months, the leaders were freed immediately and began to negotiate over access to schools, health centres and goods channels. Water and electricity continued to be illegal until 1990. The neighbourhood began to participate in activities organized by CDS, local leaders strongly advising the people to participate so that they could gain CDS recognition and stability.

Zonal CDS officials legalized the local committee in early 1986. A new census in 1986, to update ENABAS and MICOIN records, showed dozens of new families, but these institutions refused to issue new cards to newcomers, in accordance with an order from the Mayor's Office and the Plan de contención. Because these families did not have access to the protected market they had to buy essentials on the black market. At the end of 1986 the barrio had 50 new families without cards and community leaders organized demonstrations to put pressure on the institutions. Nevertheless, they had to wait one year before obtaining the agreement of CDSs, ENABAS and MICOIN.

In 1986 12% of the huts were still made of waste materials, although 32% were built in cement or concrete and 78% had metal roofs. Almost everyone had access to latrines (92%), but none had any better form of sanitary system. 70% used firewood for cooking, a practice, which contributed to the destruction of the hill-side forest south of Managua. Rubbish was a major problem, since only 65% of the families brought it to the main road, where municipal trucks could collect it. Another 27% burnt it and 10% simply threw it into the nearest drain.

Official pressure reached a peak in 1987 and it was impossible to improve conditions for the more recent and poorest families living away from the main road. In 1990 this area still lacked electricity and water. In 1989 a new openness allowed the building of four stand-pipes and
the committee began negotiations with officials from the Mayor's Office. It also organized activities to obtain funds and help the poorest shelters: 25% of the families still had plastic and scrap huts.

Negotiations with the Transport Minister and the Mayor of Managua during the election period finally brought official recognition. It was one of hundreds of legalizations in the area. Two other settlements, where many families of Carlos Fonseca had come from, were also legalized. The Mayor distributed 238 property titles in Sierra Maestra and 102 in Villa Roma. In 1989 the Transport Minister (who was standing as a candidate for Deputy) reduced the width of the motorway from 100 to 68 metres to avoid relocating the families. He also promised to legalize land titles after the elections.

Carlos Fonseca is an example of a barrio that was born without political support and, therefore, had to confront pressure and direct repression from police, institutions and even the Nicaraguan 'popular organization': the CDS. Persistence from residents and local leaders, subsequent negotiations and electoral periods finally allowed stability. During the run up to the last election they won some concessions from the government, but they never gained full legal titles. In 1990 local leaders blamed extreme poverty and pollution for critical health problems. They calculated that 20% of residents lacked enough money to pay for basic food. Infant mortality was very high, even by Nicaraguan standards. They did not have a Health Centre and the Health Ministry (MINSA) would not help because of the barrio's illegality. Residents had to go to the San Judas Health Centre that was overcrowded and gave priority to local residents.

After the defeat of the FSLN in 1990 local residents had to negotiate with new officials and the official agreements of 1989 became invalid. They also expected to suffer renewed pressure from the former land owners and from the managers of INE and INAA. During the whole period of existence repression was the norm. Residents not only suffered the general economic crisis and structural adjustment, but also hostility from the revolutionary government. Carlos Fonseca finished the period with almost no communal services and with only a few polluted stand-pipes. Many did not even have electricity and most lacked access to health services. Deregulation of prices raised basic good prices less than a year after local residents obtained their identity cards.

B. The Xolotlán Lake Shore settlements

(a) San Isidro de Las Torres

Las Torres is an old settlement formed before the 1972 earthquake. The settlement expanded gradually, through small invasions, after the earthquake. It is typical of many settlements on the edge of Lake Xolotlán Coast, where the poorest of Managua came to live. Las Torres began when a group of families invaded land under high-power electricity lines alongside the lake shore. Land under these lines became public and some parts were safe from flooding. People from nearby settlements came to live with permission of the Electricity Company, which only asked them to leave clear a small strip of land under the lines between the towers.
This strip became the main street of the new barrio. At the beginning each family chose an irregular lot alongside the main street. Then others chose isolated lots and created paths, some of which eventually developed into roads. The eastern and western limits of Las Torres are marked by two of the biggest drains of the city. This barrio is an example of land invasions during the sixties and early seventies which used to take big lots without a fixed pattern of occupation. They would build small huts and use the free space for planting trees (for fruits and weather control, i.e., shadows over huts), or for gardens or workshops, particularly repairs’ workshops, or little shops.24

After the Triumph some families invaded previously protected areas of Las Torres but many had to be relocated because of floods in 1982. The floods caused little damage and only a few houses were inundated. There was already a local CDS that organized evacuations from dangerous sites near drains and in very low lands. Many families were temporarily evacuated but some members of the family remained in their houses to avoid loosing either the house or the land. The founders of the settlement calculated that about a third of the families did not leave during that emergency because many already had well built concrete houses.25 Soon after, almost all the free land was occupied by new families or relatives of former owners relocated during the floods. In 1983 almost all the land was occupied.

Government help and external support because of the floods helped residents to improve their houses and gave them stability, if not legality. During the rest of the period this settlement continued gradually growing with families building in backyards or on low-lying dangerous land. In 1986 the DIU-INIES team recorded 530 houses containing 3,600 inhabitants.26 11% of the houses in still had walls made of waste materials and only 7% had concrete walls. The 46% that had wooden walls, had mainly used bad quality or second hand wood. Three quarters of the homes had metal roofs, the rest included various types (6% asbestos, 4% tiles, 7% plastic, 2% cardboard and the rest mixed).

Hygienic and sanitary conditions were critical. There was almost no rubbish collection and some threw it into nearby drains. These drains became polluted and a source of contamination, a situation made worse because sewage and industrial refuse from the rest of the city were also dumped in this area.27 The settlement only obtained legal stand-pipes in 1989, through a foreign donation.28 Until then residents had either fetched water from nearby settlements or used wells. In 1986 only 2% fetched water from other settlements and 87% had a well. The wells were located in the backyard or in front of the hut only a few meters from sanitary latrines. Pollution was critical because 90% of the families used latrines and the rest did not have any means of disposing of excreta. 58% of residents used firewood to cook and 42% used gas. Electricity connections were illegal and even in 1990 they still could not use major electric appliances (such as refrigerators) because of low voltage.

After 1986 the barrio expanded with new houses or extensions occupying backyards and the wide spaces in front of the original huts. In 1986 30% of lots were of more than 350 m². Seven out of ten of the houses were less than 50 m² in size. In the large lots there was plenty
of space to rebuild each hut or build extensions and new houses. In 1986 in fact many had a stockpile of materials and by 1990 some had built new houses. Some lots were subdivided, the owners selling half.

Many residents worked in the Oriental market. Many families had small shops in their houses, where they sold basic food, ice, cool water and soft drinks. In January 1990 the author recorded one small shop in every ten houses. Almost every family living alongside the lake shore extended their lots' boundaries on the low land and cultivated fruit trees.

*Las Torres* grew only gradually between 1986 and 1990 because there was no more space. In 1988 the whole barrio was evacuated during Hurricane Joan, apart from a few people who stayed behind to safeguard their properties. Since there was no any damage all the families returned after two days.

In January 1990 local informants reported that almost every family had owned its house since at least 1983. They only knew a few tenants and few owners had managed to sell plots. These informants (community leaders and founders) explained that because of lack of services few people wanted to buy a house in the place, even if there were well built houses in wide lots.

(b) *Barricada or Hilario Sánchez*

At the beginning of the Revolution the whole area south of *Las Torres* was rapidly invaded. In a few weeks hundreds of families occupied the place between *Las Torres* and *San Luis Norte*. They subdivided the area without a fixed pattern and kept complicated pedestrian walks and streets continuing those of barrios nearby. The two settlements were physically similar and there were no clear boundaries, but the new barrio was named *Barricada*.

The site was invaded in 1973, after the earthquake, but the police stopped the occupation and cleared off the invaders. The land was private property and it was indented to be developed as a new middle income settlement, similar to *Pedro Joaquín Chamorro*, located on the other side of the drain. It was immediately invaded after the Revolution, a typical example of land invasion led by FSLN supporters. The local CDS controlled the distribution of plots and began to request basic services. Not all the population arrived in 1979, indeed 22% of the population invaded between 1983 and 1984. They were given lots by local CDSs during the election time. In 1986 there were 508 families.

In 1985 *Barricada* was assured by MINVAH officials that it would not be removed and would receive help. By this time all the settlement were subdivided in small lots of less than 100 m². In 1988 MINVAH rebuilt part of the settlement with foreign financial support and self-help coordinated by local CDSs. *Barricada* became a new 'progressive urbanization' and had its name changed to *Hilario Sánchez*, although locals continued to call it *Barricada*.

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*They sold cool water ('agua helada'), fruits, vegetables and bread. Some families owned a stall in this market.*
In 1986 one-half of the houses were of the kind called "minifalda", which means concrete and wooden walls with metal roofs. Another 30% had wooden walls, and most had metal roofs. Even though the plots were small the quality of the constructions was very high. Only 10% were built of scrap and by 1990 even these had improved because of help given after Hurricane Joan.

Electricity was still illegal in 1986 (98%), but it became legal in 1987, though with the same informal network of wires and connections. In 1986 only 24% had access to illegal stand-pipes and 65% had to use wells, but they received official help the following year. In 1990 some new legal stand-pipes were installed and one-third of the families had individual water connections, particularly all the new houses. Barricada has a better location than Las Torres. It is only some 200 metres north of a dual carriageway (the North Road) which means the settlers have a choice of several regular bus routes.

A strong leader with a long history of militancy and respect from party ranks, led the settlement throughout the period. While Barricada is typical from 1979 revolutionary euphoria and continued its a gradual growth, with CDS-FSLN and Government control; Las Torres is an old barrio which never had any real political control by FSLN or CDSs. The first achieved official recognition, foreign financial support and even a housing project to rebuild one-third of the huts. The second managed only to build twelve stand-pipes only after gaining international attention because of the hurricane emergency. Indeed, Las Torres finally only received official recognition from the Mayor of Managua during the election campaign of 1990.

After 1988, the worst years of economic crisis, some new invasions began on the lake shore east of Las Torres and Barricada. During the election time the growth accelerated without any repression. These families had extremely poor conditions. Hundreds of scrap huts, many semi-open with only a plastic roof and two cardboard walls appeared in a few months on the low lands of the lake shore. They were not in any order and most did not have lots subdivisions or fences. Families fetched water from settlements nearby and built their huts on dangerous sites normally flooded from the lake and from drains during the rainy season.

C. The Centro Comercial area

Around the Centro Comercial de Managua, alongside the Solidaridad Road there are many public services and centres: the Manolo Morales Hospital, the Roberto Huembes Market, the Eduardo Contreras Bus Station, a professional college, restaurants and shops. It is an area of middle and high income sectors, near the main recreation complex (shops-restaurants-cinemas-discos) of the city, known as 'Camino de Oriente'. It is an area of high land values, where many extensive parcels of land were still vacant in 1986. This was private land, but with absentee owners.

MINVAH began a progressive urbanization in this area as one of their projects after the 1982 floods. MINVAH officials distributed some lots and then they gave permission for the local CDSs to continue a gradual distribution during 1983. A new barrio, called Grenada, was formed through this process with an irregular lay-out, it resembled a land invasion more than a
government project. A number of new settlements were formed. It was a very well located site and therefore many people sold their lots almost immediately. Founders of these new settlements reported that some middle income families from Altamira D’este came to take a lot and some families took a number of lots and built huts. Initially they said it was for relatives or friends, but later a new family came to build a new concrete house, so they knew the lot had been sold. The place has a very high demand because of its excellent location.

(a) Madres Héroes y Mártires de Pantasma

Pantasma was a chaotic occupation, which developed quickly and without clear direction. More than 400 lots were distributed very quickly, many to families that were sharing in Grenada. At the beginning MINVAH strongly refused permission and pressed for the eviction of the new occupations. MINVAH was reserving the land for a future project, and for that reason MINVAH officials initially opposed it strongly even during an electoral year. MINVAH and zonal CDS officials tried to stop the families obtaining basic goods through 'secure channels' (ENABAS) or building water and electricity networks. They even tried to ban families of Grenada from giving water to their new neighbours. However, many were relatives and this repression only encouraged community solidarity.

A few months later the families denounced a business agreement made between the zonal CDS and the local one to sell land. They elected new leaders who began submitting requests to central offices rather than to local or zonal ones. The new leaders also encouraged the people to participate in party activities, and in political and national demonstrations and to cooperate with army conscriptions. They also organized fund-raising community balls and weekend voluntary work to build water networks and stand-pipes. However, the new community leadership only became a legal CDS in 1986.

Between 1984 and 1986 the community received some materials from churches (of diverse denominations) and built 19 stand-pipes, electricity networks and a wooden community centre. They got an agreement to have a community health service, a sanitary education programme and literacy lessons in the community centre. This same small building was used for community meetings and recreation. They received supplementary and special food for children and the poorest families from churches and foreign organizations. The local leadership also obtained some financial support by selling small plots alongside Solidaridad Road to artisans who built small workshops. Their aim was to increase employment for the residents and to generate some money to buy pipes, wires and other building material.

In 1990 community activities had decreased, and so public stand-pipes had deteriorated. The local community centre was closed most of the time and semi-destroyed, the street continued in a very bad condition and external support had stopped. Many lots had been subdivided and the new huts gave an overcrowded appearance. Sanitary conditions had deteriorated because of pollution from latrines and uncollected rubbish. Only a narrow strip alongside Solidaridad Road
continued its improvements. The main street had some new houses and the workshops continued functioning and selling goods on the road.

In this barrio the Vice-President señor Sergio Ramírez offered immediate legalization and support for both Grenada and Pantasma during a main electoral meeting in February 1990.* After the election expectations became very low. All the families knew the former owners of this high value land and foresaw a legal confrontation without much hope. Local leaders began to establish communication among them to organize resistance to eviction. During its existence MINVAH had obstructed this barrios legalization and in the end the Mayor's Office had also failed to give them proper legal deeds, so after the election they did not have any legal document to support the claims to private property. Many who had bought their lots and built expensive houses in February 1990 did not have any legal ownership. Grenada's families had the same problem because MINVAH had also failed to give them legal deeds.

(b) José Santos López

In Santos López, a few families took land near the Sports Park from 1979 onwards, but it was in 1984 that a rapid invasion took place. In that year 53% of the population living there in 1986 arrived. In a few months the whole free area was occupied, so that the last families who came in 1986 or 1987 occupied extremely small plots and could only build fragile huts. In 1984 first leaders tried to follow the pattern of a MINVAH project, so they prepared an almost rectangular lay-out and distributed lots of 10x30 'varas' (209 m²).

At the end of 1986 DIU-INIES reported nearly 800 houses in both barrios, but families continued coming to share with relatives, particularly migrants. More than half of the initial families had been sharing in Grenada or in some barrios nearby in the Repartos Shick area.** However, these two barrios received migrants from rural areas (20%), particularly from Nueva Guinea in central Nicaragua, where during that period some important military confrontations took place. In Santos López a local census of 1990 reported 300 houses and 30 families sharing, but because of the legalization process some 20 families had to be relocated due to lack of space.

In Santos López good political contacts from the beginning gained almost immediate recognition for its local committee and some help to obtain foreign contacts and government support. INE installed a public electricity network and neither INAA nor INE made any opposition to makeshift connections or stand-pipes. However, families who came in 1987 only found very small places, so the local committee began negotiations for their relocation. In 1990 they were the poorest and had the worst shelters.

Sales continued alongside Solidaridad Road in Pantasma and all over Santos López which is adjacent to middle income barrios. In 1990 there were obvious strong differences of income among residents. Some houses were well built and big concrete buildings, while there

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* The author went to this meeting and recorded señor Ramírez speech.
** These repartos are government projects developed during President Shick administration in the late 1960s.
were still many old scrap huts from 1984. The former also had individual water connections and concrete fences.

Local leaders of Santos López reported that sales were preferred to be in US dollars. In 1986 a well built wooden house (2 bedrooms), in front of the Road cost around US$ 500. In January 1990 some such houses were on sale for between US$ 700 and US$ 1500. In this barrio a strong local committee controlled the development of every construction and monitored sales. They stopped subdivisions and the building of new houses in backyards, but encouraged the rebuilding of old huts and extensions to old houses. They said that it was part of the agreement with officials from the Mayor’s Office and explained to residents that any new subdivision would put at risk the whole process or legalization, so community pressure was strong against it. Electoral meetings in the barrio reinforced this idea and official candidates strongly advised residents to stop the neighbourhood growing. The Minister of Construction promised full legalization and property titles to be given in February 1990, but then it was postponed until after the elections!

Conclusion

Differences between settlements did not really reflect government intervention or planning. Formal land distribution by MINVAH or informal land distribution by CDSs brought legality. Independent land invasions always suffered government repression and obstruction in getting access to basic services and even to basic goods through protected channels.

Old spontaneous settlements, new land distribution and new invasions were all treated in similar way during the period in terms of servicing. Stand-pipes or wells, makeshift electricity networks, low quality sanitary installations, dirt streets and very limited health, school and community services were typical of all low-income settlements. Services improved little during the decade. Services only allowed basic survival and legalization did not guarantee better services.

It was individual leadership with political and international contacts that was the key to improving basic conditions. It was external financial support through churches, NGOs or embassies* that allowed some barrios to build community centres and improve services such as the number or quality of stand-pipes and concrete latrines. This external financial support also allowed the building of concrete houses. Illegality was not an obstacle when the local leadership had political and external contacts. Some spontaneous settlements such as Santos López had better conditions than many ‘progressive urbanizations’.

The location and quality of the site also affected the quality of life. Legal or illegal settlements alongside the lake coast or near big drains had poor conditions. Areas of high value, near main roads or commercial centres improved mainly through sales. New families with higher incomes came to build better houses. Other families sold sections of their lots and improved their own shelters. Middle-income families had better contacts, so they obtained more financial support

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*From Holland, Canada, West Germany, Libya and Eastern Europe in our case-studies.
and materials to improve community services. Some families had enough money to pay for individual water connections and their location allowed INAA to accept such petitions.

Government action was fast and positive during the flood emergencies and electoral periods. Even during the election campaigns of in 1984 and 1989 government officials obstructed the families when their leaders had no political affiliation. Independent invasions adjacent to CDS distributions were repressed while their neighbours built illegal water and electricity networks with no problem. Between 1985 and 1987 officials of MINVAH and the Mayor's Office simply obstructed these families' attempts to improve their settlements. Families improved their shelters and services by self-help despite government opposition. The Plan de Contención was an instrument designed to pressurize settlements without political links with the government. MINVAH's disappearance and the institutional reorganization of 1988 reduced this pressure and the new election campaign brought a different attitude. Even settlements in dangerous sites were offered legal titles in the event of a Sandinista victory. Electoral defeat meant that this promise could not be fulfilled. Five of the six case-study settlements remained illegal until 1991, only Barricada's families received MINVAH certificates from 1987.
<table>
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<tr>
<th>ZONE - BARRIO/TOWN</th>
<th>FEATUES</th>
<th>FOUNDATION PROCESS</th>
<th>HOUSES AND POPULATION</th>
<th>ORGANIZATION, PARTICIPATION</th>
<th>BARRIO TYPE</th>
<th>LAND PROPERTY</th>
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<tbody>
<tr>
<td>SAN JUDAS and VILLA ROMA area (Zone 6)</td>
<td>Martin Luther King</td>
<td>A few families invaded and then San Judas CDSs distributed land massively during the electoral period or 1984 (it was one of six such cases)</td>
<td>At first 75 fam and at the end 125, when all the space was occupied. In 1990 there were 150 fam.</td>
<td>The CDS coordinator of San Judas distributed land and came to live in the barrio. A legal association (CDS plus others groups). It was 'twinned' with a Dutch church and got support. Different committees worked under one direction and one strong leader. He had good contacts in FSLN. CDC and CAE were the same people in 1990.</td>
<td>It was spontaneous settlement and acquired legality in 1989.</td>
<td>Private land with absent owners.</td>
</tr>
<tr>
<td>LAKE COAST area (Zone 7)</td>
<td>Carlito Fonseca</td>
<td>Invasion that MINVAH and CDS tried to stop. In 1989 during election time obtained legality.</td>
<td>In 1983 there were 40 fam, in 1984 came 200 more and in 1986 there were 325 families. In 1990 there were 385 houses.</td>
<td>Zonal CDSs repressed and denied legality to local committee for years. Families defended their occupation together and built some services by self-help. The new legal CDC remained weak and isolated in 1989 when they began negotiations for legalization with government.</td>
<td>Never became legal, but ALMA and FSLN abandoned a relocation project and accepted reduction of the future road strip from 100 mt to 60 mt in 1989.</td>
<td>Private and public in reserve for a future ring road around the city.</td>
</tr>
<tr>
<td>Maderas Héroes de Pantasma</td>
<td>José Santos López</td>
<td>Massive invasion in 1979 after the Triumph, controlled by CDS with distributions in 1984 (22%). Legality in 1987 when became progressive urbanization, but they still did not have legal deeds in 1990, only MINVAH titles.</td>
<td>The whole space was occupied. There were 508 fam in 1996 and a similar number in 1990.</td>
<td>A very strong CDS and leader since the initial invasion. In 1990 CDC were the same initial people. Good political relations and local support, good external relations and financial support. Community participation was low but the local committee was active and strong.</td>
<td>Spontaneous settlement and acquired legality in 1988 and then legal progressive urbanization, but still without titles or deeds by 1990.</td>
<td>Public land in reserve for a middle income project.</td>
</tr>
<tr>
<td>ZONE - BARRIOS</td>
<td>FEATURES</td>
<td>SAN JUDAS and VILLA ROMA area (Zone 6)</td>
<td>LAKE COAST area (Zone 7)</td>
<td>GRENADE and CENTRO COMERCIAL area (Zone 8)</td>
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<tr>
<td>URBANIZATION</td>
<td>CDS leaders designed a square layout and reserved space for community centres and workshops. In 1990 it has dirt streets with no drains or sidewalks, but accessible to light vehicles.</td>
<td>Main street under electric lines. Rest are pedestrian dirt walks, irregular with big drain difficult for access. Still not formal lay-out by 1990. New chaotic invasion with no streets, only pedestrian walks.</td>
<td>Partially reordered in 1985. Dirt streets, without drains or sidewalks. Only light vehicles the whole year.</td>
<td>Dirt streets with no clear order, with only the main street accessible to vehicles and with dirt drains and no sidewalks. Alongside Solidaridad Road (dual carriageway).</td>
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<tr>
<td>CONSTRUCTION</td>
<td>Wood and scrap material. Little use of new wood or concrete. Metal roofs but deteriorated. Some used asbestos produced locally by their cooperative.</td>
<td>Wood and scrap material. In 1990 there was still some plastic huts and many were in a very bad state.</td>
<td>Variable: concrete, blocks, wood in some houses. Old huts extremely deteriorated. New huts with scrap material, plastic and cardboard.</td>
<td>Wood and second hand metal. A few huts with scrap material and some new, well built concrete houses in 1990.</td>
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<tr>
<td>RUBBISH RECOLLECTION</td>
<td>Municipal trucks collect the rubbish. The rest is burned, buried or thrown into a drain nearby.</td>
<td>Municipal trucks collect only half. Burned, buried or thrown into drains.</td>
<td>20% collected by municipal trucks. Rest burned or thrown into main drains of the city.</td>
<td>Municipal trucks collect the rubbish or it is thrown into main drains.</td>
<td>Municipal trucks collect the rubbish.</td>
<td></td>
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<tr>
<td>COMMUNICATION TRANSPORT</td>
<td>Bus at San Judas Market</td>
<td>Bus on the road to Villa Roma</td>
<td>Bus on North Road (1 km)</td>
<td>Bus on North Road (1/2 km)</td>
<td>Bus in Solidaridad Road</td>
<td></td>
</tr>
<tr>
<td>COMMUNITY SERVICES</td>
<td>Big and well built community centre for multiple use: health, education, meetings, recreation, religion, creches. Cooperative to make tiles and blocks.</td>
<td>None.</td>
<td>From 1988 a small new community centre and children play ground.</td>
<td>From 1988 a community centre.</td>
<td>In 1990 they were building a big community centre in concrete with a metal roof. They expected various community activities: adult education, health, creche.</td>
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</tbody>
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Notes:

1 The survey defined a 'nuclear' family as one formed only by couple with or without children. 'Incomplete' was a family with only one parent and children. 'Extended' was a group bigger than nuclear, including other relatives or friends.

2 In 1985 the MINVAH-DELF survey in five barrios also found that 53% of the people had incomes lower than 4,500 córdobas, 27% obtained between 4,500 and 9,000 and only 11% had incomes above 9,000. The authors of that survey use the official rate for exchange of foreign currency. It was one US dollar for 50 córdobas, so 4,500 córdobas would be equal to US$90. However, the rate of exchange in the legal parallel market changed from 100 (average) in 1984 to 770 (average) in 1985. The black market changed 276 córdobas for one US dollar (average) in 1984 and 1,000 for one in 1985. The survey was applied in November 1985.

3 Because military reasons 3% was out the labour market. It included people in the army (EPS, SMP or SMR) or disabled by the war. Women in domestic work sum 20% and students 16%. Valdez (1988) made an erroneous interpretation of this data and affirmed that 49% were unemployed. It included the whole inactive population.


5 "Urban people have to understand that zones where production of grains and exports that bring hard currency for social benefits and defence of the revolution have to be priorities". BARRICADA (10-02-86) Speech in Waslala. By former President Daniel Ortega.

6 EL NUEVO DIARIO (30-07-87) Medidas para subsanar escasez de agua Five wells are being rehabilitated. There are programmes for barrios Shick, San Judas, Villa Libertad and Centroamérica. There is a threat of one more day a week of water cut (making a total of three days a week). Each year consumption increases by seven million gallons, while supply continues being only 22 million gallons (from Asososca lake) and 14 million from 15 wells.

7 BARRICADA (12-04-89) 25 mil hacen uso ilegal de la energía eléctrica INE Manager declared that there are 90 settlements with illegal connections, but also many workshops and shops. INE lost 125 million córdobas each year for that reason. There are only 109,000 legal users. INE continues negotiations with some old barrios to install individual meters: 200 in Jorge Dimitrov, 120 in Jorge Cisneros and 150 in Manuel Flores. The accidents and wrong connections cause serious damages, changes of voltage and 'blackouts'. INE does not have capacity to build the required networks.

8 Traditionally the floods severely damaged the paved streets, pedestrian walks and houses. The location of Managua requires special big drains to carry the rain water from the south hills to the lake at the north, but on many occasions the inadequacy of the drains led to flooding of settlements built nearby. For example, the rainy season of 1987 caused grave damages all over Managua.

9 BARRICADA (29-03-89) Plan para limpiar 200 barrios There are 50 barrios with serious sanitary problems. Infant mortality reached 30 cases per month. The community committees denounced shortage in water, drains and rubbish collection. The areas contaminated are now 30% of the whole city. 16% of the city faces the risk of floods and there are more than 50 barrios in critical conditions.

10 Normally a typical Nicaraguan system called minifalda (miniskirt). The lower part of the walls was made with concrete blocks (upto one metre high), and the rest with wood to prevent earthquake damage.

11 According to MINVAH's nomenclature of 1987. In 1988 the Mayor's Office abolished zones and created a new area demarcation: districts. These areas are bigger and were the basis for a new administrative organization after the Government abolished MINVAH.
Morales, Noriega and Duarte (EDUM) (1983:13). In February 1985 Loyman and Carmona reported 4,470, however they used the same source, i.e., Social Promotion Department of MINVAH.

The information came from interviews by the author with local leaders and residents. The first visit to this barrio was in 1986 and then in December 1989 to evaluate its improvements. In January 1990 the author interviewed local leaders, among them the CDS Coordinator (who led land distribution in 1985) señor Ditter Cortés Carcache. Recorded interviews were also developed with señor Juan Domínguez Espinoza (president of the Civil Association) and señora Lidia Díaz the CAE coordinator. The author also had informal interviews with members of the cooperative, school teachers, health officials and religious persons of the barrio in January and February 1990.

During nine years as CDS member or coordinator (zonal or local) Ditter Cortés Carcache founded six new barrios in San Judas area; among them: Asentamiento 48-2 (60 houses near barrio San Isidro), barrio Luis A. Velázquez (near San Judas cemetery). Properly into San Judas they allocated three groups of 15 to 20 families each, using waste lots.

The information came from interviews of the author with local leaders and residents. The first visit to this barrio was in 1986, then in December 1989 and January 1990. The author interviewed local leaders and founders, as well as area officials. A recorded long conversation with both former and current presidents of the local committee is the main source. There is a recorded interview with the founder and first committee coordinator señor José González and another with señor Félix Izaguirre. The latter was coordinator of a new CDC and represented the barrio during negotiations with the Minister of Transport and the Mayor of Managua. During the recorded informal conversation (10-01-90) señora Ixi Jaime, from INEC who introduced the author to local leaders, also took part.

Since the mid 1970s there was a planned 'Rural Motorway' south of Managua, that connected the North Road and the South Road. It makes an arc 10 to 12 km from the central core. The land protected by law was a strip of one hundred metres alongside the designed route.

Before the 1988 adjustment, a very important part of basic products were distributed by 'secure channels'. Products were sold in ENABAS shops at reduced prices, but only in limited quantities according to family size. Each family had an identity card with the required information. Local CDSs members collected information and controlled card distribution among the residents. There were also identity cards or letters controlled by CDS to use health and other communal services or government jobs.

Attendance at demonstrations and special big meetings in Managua for political or national activities and solidarity campaigns. Cooperation to recruit conscripts for military service (SMP and SMR) and regional health programmes.

EL NUEVO DIARIO (21-01-90) They also gave 71 Certificates of Possession. In these processes señora Marta Moreno, a Mayor's Office official, Third District Manager and candidate for the Municipal Council representing Third District, also participated.

Compromise between the Nicaraguan Government and the Committee of barrio Carlos Fonseca:

1. to reduce the width of protected area from 100 m. to 68 m.
2. to develop studies for relocations of houses to adequate roads and lots according to normal standards.
3. some families might be relocated in other barrios of the zone, according to possibilities.
4. the community to assume protection of the motorway land from new invasions.
5. to have a new meeting to present results before Christmas of 1989.


EL NUEVO DIARIO (28-01-90) 'The Ministry of Construction, through its Nicaraguan Design Company, promised to give a scheme to reorganize barrio Carlos Fonseca before the 25 February, 1989. It is part of a agreement between the Minister Od. Valenzuela, Mayor's Office officials and local residents'.
23 Since late 1950s similar land invasions developed on the lake shore (public land). Their main locations were west of the city core in an area of public rubbish dumps or east, near main drains and in low lands liable to flooding. Some continued growing for years and acquired certain stability. The better known are: north sector of Acahualinca, Quinta Nina and Freddy López. Other barrios on the lake shore were near the airport area, along the North Road, the industrial area of Managua. Along the coast small groups of huts or some isolated houses were tolerated before the revolutionary triumph (Espinoza, 1986:15).

24 Barrio La Quinta Nina, to the west, was a land invasion consolidated from the 1960s. To the east barrio Pedro Joaquín Chamorro grew up as a private-public project for low-middle income families. It had some financial support from the Government as part of post earthquake programmes. This barrio was considered by Loyman and Carmona (1985) as "social-residencial". It means a barrio with semi-detached small house (two bedrooms, approx 8 m² per person) built with pre-cast concrete walls and asbestos roofs. In 1983 MINVAH reported 332 houses and 2,256 inhabitants in Pedro Joaquín Chamorro and La Quinta Nina had 86 houses and 479 inhabitants in 1985 (Espinoza, 1986).

25 The author first visited this settlement in 1986 to draw a map for the DIU-INIES survey. In late 1989 and early 1990 the author interviewed founders and local leaders from different periods. There are long recorded interviews with señores Guillermo Rodríguez and Arnaldo Paz (founders who still live in their original places -now concrete houses-); señores Irwin Rodríguez, leader of the Youth Committee and señor Francisco Guerrero current coordinator of local CDC and chief of local CAE during election time (November 1989).

26 In 1984 MINVAH reported 894 houses and 6,700 inhabitants. Differences between the two reports do not mean a reduction of population, it means that MINVAH included some barrios such as San Luis Norte under the name of Las Torres EDUM explained that MINVAH data included the whole area and classified it as "precarious in a deteriorate process".

27 BARRICADA (30-03-89) Forman junta de calidad ambiental para Managua Fourteen major sewers and many drains flow into Xolotlán Lake. DIRENA reports that there is not any control in Tiscapa, Xiloá and other public places where degrees of pollution are very high.

28 The Libyan Embassy gave financial support to pay INAA and to buy twelve collective meters for stand-pipes located alongside the main street, under the electricity lines.

29 The author interviewed local leaders, founders and residents in January 1990. Among the recorded interviews there is a long conversation with founder and local CDS coordinator from 1979 señor Gabriel Miranda. In 1990 he was also local coordinator of CDC, CAE and FSLN.

30 The author interviewed many residents in December 1989 and January and February 1990. Recorded interviews were made with señor José Hernández and señoras Juana Arrieta and Luisa Fernández (18/19-01-90). The last visit to this new place was during election day on 25 February 1990.

31 Carmona and Loyman (1985:63-64) suggested that "part of the Director Plan from March 1982 became obsolete because of the housing emergency of the 1982 floods. After that, illegal invasions and progressive urbanizations rapidly occupied land that had been expropriated only recently and that was essential for a planned growth of the city. These new occupations changed population densities and planned use of land, so they put at risk future possibilities for the city to have a normal growth".

32 In November 1989 and March 1990 the author interviewed local leaders, founders and community workers in Pantasma and Grenada. Among them, formal recorded interviews were made with señora Juana Pineda and señor Carlos Pineda, founders and local CDS coordinators of Pantasma after the first CDS coordinator (señor F.Morales Lezama) was sacked and evicted from the neighbourhood because of the loss of community money and sales of land. Also in March 1990 the author made a recorded interview with the coordinator of CDC, CAE and FSLN señor Pedro Juárez and with officials from the Mayor's Office responsible for District Five.

33 Local members of CDC, founders and District officials were interviewed in January 1990. Among them, the author made recorded interviews with señor Pedro Palacios (member of the committee and District representative)(19-01-90) and señora Mercedes Campos (CDC coordinator and official of zonal CDS)(25-01-90). The latter informed that she bought her house -in front of the Road- for 2 million córdobas in 1986 (equivalent to US$750 at that time).
CHAPTER SEVEN

COMMUNITY PARTICIPATION IN NICARAGUA
Introduction

The Sandinista decade in Nicaragua has been interpreted by many writers as a time of real progress towards the creation of a grassroots democracy. Such a democracy would involve people and organizations from every area of society in the political decision-making system.

It has been a standard criticism of liberal bourgeois democracies that periodic general elections for the Executive or National Assemblies are not sufficient to develop a grassroots democracy. That would require a broad expansion of so-called 'civil society', with a wider variety of means for citizens to express their interests and exercise power. It would further mean that citizens were free to voice their criticisms of formal powers and institutions and that institutions took their views into account on issues which effect them, such as for example, housing projects. As result citizens not only took part as members of the work force, but participated actively in any decision-making process. In this kind of democracy popular sectors would have their organizations to support their demands rather than be subject to the patron-client relations common in capitalist bourgeois regimes. Social policy would be orientated to satisfy directly popular demands. Trade unions, cooperatives, community and sector organizations would be independent but would have a high degree of influence on government policies. At the same time, revolutionary parties in power would have a strong direct relationship with popular organizations.

Over the past ten years hundreds of publications have supported the idea that Nicaragua was developing a grassroots democracy, only the left-wing parties denied it. Of the many popular organizations which had emerged the most important were the Sandinista Defence Committees or CDSs. This chapter analyzes the CDSs, their main aims, and their relations with the government and the FSLN. It evaluates particularly their actions in the region of Managua, specifically in relation to housing policies and the improvement of services.

During the revolutionary war, community organizations developed most strongly in the new barrios of the outskirts rather than in the established areas of the city centre (Hassan et al; 1985:14). After 1979, the CDSs also grew most strongly in the new suburbs. The main aim of the original organization was to develop a national independent community movement. The founders began at the same time with a small formal institution and with local community organizations. High level officials presented this view of CDSs after their foundation:

"CDSs have as their nucleus the neighbourhood assembly, which elects its leaders democratically and discusses and decides particular problems of the neighbourhood. It also discusses barrio problems and national issues. So, it develops a collective perception from individual contributions but also respects individual opinion. Through that procedure neighbourhood discussions go up to the barrio leadership and from there to zone, regional and national leaders. In addition, from the national directorate projects and directives descend to region, zone, barrio and neighbourhood. These directives constitute a synthesis of local needs and solutions to local problems. Also, these directives express general national needs to develop and consolidate the revolutionary process" (CDS; 1983:4).

Some authors have accepted this description as reality. For example, Mondragón (1986:84) has defined CDSs as "a genuine popular organization constituted by every sector of
the nation independently of political or religious beliefs, economic or social status. While this was the image it was not reality.

Community organizations in Nicaragua had a long history under the dictatorship. From the early 1960s, and their rather isolated neighbourhood struggles, community organizations evolved into the Committees for Popular Action (CAP) which had better coordination and strong relations to political left wing groups, and expressed not only immediate concerns but also political demands. Community organizations grew and changed through the revolutionary war and some eventually became Civil Defence Committees (CDC), formed when many popular organizations created the Movimiento Pueblo Unido (MPU) during the last stages of the war. Some of these committees became the basis for the new Sandinista Defence Committees (CDS), although their organization and functions would be quite different.

The new CDSs had a twin structure. On the one side, they were an Institution with a national directorate, and regional and zonal salaried officials. These officials were never elected, but appointed by the national directorate who were themselves chosen by FSLN national leaders. The national directorate were in fact FSLN national leaders at the highest level, some of them former guerrilla commanders. Even at zone level officials were appointed, not elected and they suggested candidates at barrio level who were almost always elected. On many occasions the zone officials appointed barrio coordinators themselves without any consultation whatsoever. On the other side there were the local committees which were sometimes elected and sometimes appointed by a zone official. These local community committees were supposed to be a genuine popular organization which represented popular wishes. In practice they received constant directives from the national CDS institution, changing completely their role as local leaders. They simply became unsalaried officials who spent all their time trying to involve people in the tasks that were given to them by the salaried officials. These tasks included not only local voluntary work (such as health and education campaigns) but also national and revolutionary duties related to defence and political celebrations or demonstrations in support of national or international issues. Independent analysis, that began after a major crisis among local CDSs in 1984 allowed this description of their original formation:

*Most of the new members of CDSs were not the same as had worked as CDCs. Many were young with an excellent record as fighters against dictatorship. The new revolutionary state gave them tasks that had been before the normal responsibilities of state institutions. National and regional structures were appointed and directed by FSLN leaders. They prepared projects and campaigns and then gave directives to lower levels. These tasks had to be performed at barrio level. This structure was really an administrative organization not a popular movement. Neighbourhood representatives had a wide authority for the organization of everyday activities, policing work, the protection of private property, the distribution of goods, repair of streets and damaged houses, health campaigns, homage to heroes and martyrs, etc.*

(Saravia and Monterrey, 1988:85)

During the first years the main task was so-called 'revolutionary vigilance' and the involvement of people into reserve militia. In 1981 10,000 people were involved in Managua alone.

*Comités Populares (CP) or Comités de Defensa Popular (CDP).*
in night vigilance in 60 barrios. Defence of the Revolution was considered the CDSs' main task, along with voluntary work and support for government projects (Hassan et al, 1985:7). Institutional tasks were always confused with political celebrations and government propaganda, including the commemoration of sandinista heroes and martyrs (BARRICADA, 03-09-81).

In early 1982 100,000 members of CDSs were reported in the whole country, with 50,000 involved in night vigilance and 17,000 in the Sandinista Popular Militia. At the same time, 39,000 CDS members participated in health and vaccination campaigns while thousands controlled prices of basic goods. They later tried to stop basic goods being diverted from ENABAS-MICOIN shops into the black market, with 10,000 CDSs working as popular inspectors (BARRICADA, 04-12-84).

As regards housing, CDSs initially assumed control over a new system of organizations established in former 'illegal subdivisions'. MINVAH organized a new special committee with representatives from Managua's zones. They in turn had to coordinate local committees whose particular tasks were to make an inventory of houses in the barrios and to evaluate families' capacity to pay and to organize procedures for monthly payments to MINVAH. Coordination between MINVAH and community organizations only worked well when MINVAH supplied building materials or organized the construction of stand-pipes. It never really worked when local representatives tried to do a full count of families and it was even worse when they tried to organize family payments.

From 1982, even intellectuals close to the government recognized these failures:

*The proposed policies by MINVAH required that all requests for support for community improvements be processed through the CDS. It was the responsibility of the CDS to promote the cooperation of all residents in the planning and installation of community improvements. Since funds for improvements were to be generated from the land payments now directed to MINVAH, it was also the responsibility of the CDS to promote and encourage prompt and regular payments. Very low percentage of the residents of repartos ilegales had registered with MINVAH and were making their payments* (Williams, 1982:287).

Sanitary tasks were also undertaken by local CDSs in Managua. Regional leaders reported that thousands worked to disinfect tens of thousands of houses and lots in hundreds of barrios (BARRICADA, 04-09-81). Official data recorded that from 1981 to 1984 20,000 CDS members participated in health campaigns (EL NUEVO DIARIO, 04-12-84).

In progressive urbanizations, CDS coordinators had to organize distributions of lots with MINVAH and CRAH officials. They also had a crucial role to play during emergencies such as the floods of 1982. Local coordinators also had to oversee the application of laws, such as the new Rent Law. They helped tenants with court procedures and gave essential information to MINVAH officials. They also coordinated with INAA and INE officials to install public networks and stand-pipes progressive urbanizations and newly legalized subdivisions (CDS, 1983:7). In some illegal spontaneous settlements CDS members organized the clandestine building of stand-pipes and electricity connections.

From 1981 to 1983, local CDS coordinators received a directive to stop any land distribution or invasion. They were also to collaborate with the police in protecting vacant land around Managua. This attitude was to change radically during 1984, although there was no formal directive from regional or national officials to that effect. In fact during 1984 and 1985 CDS
officials and local coordinators took the place of MINVAH officials in distributing land. From late 1985, a new policy from the Mayor's Office, the Plan de Contención, changed their responsibilities, local coordinators again had to prevent land invasions.

From 1984, the main aim of local CDSs was to prepare the people and to work together with EPS officials in the conscription process. These activities provoked enormous criticism among ordinary people and began a process of sudden decline in CDS influence and popular support. From the residents' perspective, particularly that of mothers, CDS coordinators appeared to be collaborators of the army and the police against the people. The immense importance of women in local activities meant that the mothers' withdrawal of support broke up local committees and CDS activities. Suddenly, local coordinators were isolated and the institution of CDS lost its voluntary members and supporters.

From 1985, this crisis deepened and widespread criticism stimulated the discussion of basic problems in the structure of such a hybrid institution-movement. There were initial discussions on the general aims and tasks that CDS should develop, the need for a democratic structure and for ways of identifying the real wishes of local communities. In 1985, the CDS national directorate tried to increase support by calling local elections for barrio coordinators. In a few cases, for example Centroamérica, independent candidates stood for election but most candidates were young FSLN supporters. Similarly, there was no real change in the institutional structure. The mixture of salaried and voluntary workers continued, and strong central control by the FSLN continued until 1990.

Community participation and membership of CDSs continued to decline. Some initial documents had counted everyone who participated in a voluntary campaign as a CDS member. Political propaganda and revolutionary rhetoric, understandable during the first years of a revolution, totalled the number of people that participated for instance in a vaccination campaign or weekend voluntary work, as reported by local coordinators. Sometimes they totalled up the number of people that appeared on lists of supporters given by neighbourhood coordinators. This created the impression of an enormous popular organization with 500,000 members.

However, this number of people never participated in decision making and were really only an occasional work force or mass for demonstrations. CDSs did not organize anything or decide when or how to demonstrate, they merely followed the official campaigns. They never organized demonstrations against the government in support of popular demands related to housing, services, prices or local policies. Only a few activities gave them some independence: the distribution of lots during electoral periods and immediately after the Triumph, and the building of illegal electricity networks and stand-pipes. These illegal activities were sometime approved by salaried officials of the CDS, but at other times they were obstructed by them, particularly when local leaders did not have strong contacts with the party in power, the FSLN.

In 1987 the Mayor's Office tried to re-launch voluntary work among Managua's neighbourhoods, but it failed because of lack of support. By that time, CDSs had almost ceased to exist or been reduced to just a coordinator (BARRICADA, 30-03-87). There was some activity
in barrios where families had traditionally got involved, only her did the communities respond to the new campaign.\textsuperscript{10}

Although the CDS national coordination tried to change its image from 1985, there was still in 1987 a confusion of responsibility. CDS officials tried at the same time to develop voluntary work and political activities and even to control prices through local coordinators.\textsuperscript{11} Local CDSs never became community organizations to fight for community demands, the coordinator did all the work. Legalization during 1990 was a gift from official candidates, rather than official answers to a non-existent urban movement. CDS local coordinators were never leaders of urban movements. They were in reality the lowest level of a hierarchical organization, who received directives and worked voluntarily (Figure 7.1). The CDS was not an authoritarian structure (Dunkerley, 1988:283), but it organized vertically.

\textsuperscript{*}The FSLN mass organizations followed directives rather than made demands. Some simply implemented orders from the revolutionary leadership and the state. It partially contradicted the materialist conception of the social change assumed by the revolutionary rhetoric.\textsuperscript{*} Coraggio and Torres (1987:107)

The FSLN appointed a new national coordinator of CDS in 1987 who tried to devise a new conception of the community organization. The new idea was to abolish the CDS as a method of expressing demands and of getting access to state institutions, as well as to use it to develop voluntary work in each community with the help of private companies and local governments. However, many local leaders continued to think that the state had to take responsibility of community services and housing projects.

The change in strategy brought more confusion among local coordinators and members, who really did not understand the meaning of the changes.\textsuperscript{12} Local members were no longer to develop activities under the responsibility of state institutions, as they had before. The new directive said that they had to design their own local projects based upon local voluntary work. The new national coordinator arranged several meetings to explain his new ideas, but they were always confused with political meetings during the 1989 elections.\textsuperscript{13}

After Hurricane Joan, CDS coordinators began some voluntary work with external financial support and with the distribution of new lots by the Mayor's Office, but it was too little too late for community needs. In District Two, the Mayor's Office received more than 1,500 petitions with the local coordinator's approval, but it distributed only one hundred lots. Officials expressed concern over the enormous quantity of formal petitions to legalize barrios which had thousands of illegal water and electricity connections (EL NUEVO DIARIO, 16-07-89).

With the new conception the CDS would change its name to CDC, from Sandinista Defence Committees to Community Development Committees. From that moment, the local CDS would not be asked to organize committees for each street or 'cuadra', they could adopt any type of structure. However, they had to continue receiving directives from the national directorate on national and revolutionary tasks (Cabezas, 1989:94). Some odd tasks such as informers and collaborators of the police would disappear.\textsuperscript{14} Political party work and functions of authority in
Figure 7.1: CDS ORGANIZATION MODEL 1979-1990
the barrio would disappear as well. Nobody would need a letter from the local coordinator and the CDS 'seal', to receive government services or get jobs as civil servants.\textsuperscript{15}

The change from CDS to CDC made the Nicaraguan community organizations similar to those of other Latin American countries and very different from the Cuban Revolutionary Defence Committees (CDR). From that moment CDCs were nearer to the Costa Rican 'Integral Development Associations' (ADI), which also had a twin structure as an institution and a community organization. Voluntary work and self-help development of community projects such as community centres, health centres, services and even housing projects, had been common in Central America since the 1960s. They have financial support from abroad, or from local or central government.

Use of local organizations by political parties in power through patron-client relationships was also common, and not an original revolutionary idea. However, from the Sandinista leadership point of view, this change was absolutely original and only possible as a product of the Sandinista Revolution.\textsuperscript{16} The national coordinator gave a confusing picture when he tried to explain his new ideas, while at the same time tried to vindicate the CDS achievements and to reinforce the right of the national directorate to give directives on political issues, defence of the revolution and national defence (Cabezas, 1989:95-97). The identification of the FSLN with the CDS or CDC would not change if the national directorate continued to be appointed by the FSLN directorate. During the 1989 elections it was clear that the same people were CDC and CAE-FSLN coordinators.

At the end of 1989, after two years of the decree that abolished the CDS and created the CDC, the new institution took on negotiations with the state to stop an increase in prices of some basic goods such as milk and electricity. They succeeded in some places to build community centres through self-help and foreign support.\textsuperscript{17} However, preparation for the election took most of the time of local coordinators. They had to do the electoral census and teach the people how to vote, while at the same time most of them also were Sandinista organizers.

**Land control and distribution through the CDS**

Throughout the 1980s, local CDS coordinators had a key responsibility with respect to land. Sometimes they were required to distribute land gradually or to help MINVAH officials by providing a list of homeless families. Sometimes they were required to stop invasions and to persuade residents to stop gradual occupations. It was not simply to give land, but to put into practice decisions taken at higher levels. Normally, zone officials and barrio coordinators were also coordinators of FSLN committees, so it was easy to receive directives and changes of decisions with regard to land disposal.

The literature has rarely addressed the issue of land distribution, most authors avoided the so-called spontaneous settlement "problem" or suggested that it was only during the early years that invasions occurred. Such invasions were manipulated by opposition groups. Noriega (1988:66) for example, suggests that:
“Government tacit acknowledgement of every family’s right to have a proper place to live opened the way for opposition manipulators to induce an anarchic invasion of urban land. They justified themselves with the need to fulfill people’s demands from Somoza times. Others were radicals who wanted immediate satisfaction of their demands’.

During the first years, when some radical left-wing groups tried to organize or control land invasions, their leaders were repressed and their actions stopped by police (Dunkerley, 1987:327). Some foreign members of these organizations were immediately deported although some of them had fought as Sandinista combatants against Somoza’s army, for example members of the Costa Rican PRT. Left-wing political parties were never able to develop community organizations, so they claimed because of repression.” Saravia and Monterrey (1988:85) came to similar conclusions after the disappearance of the CDS.

Evidence from Managua barrios, both using DIU-INIES sources and case-studies of this research shows that CDS local coordinators did indeed distribute land, and not radicals or opposition groups. The latter almost disappeared from the settlements until the 1989 electoral campaign in 1989 and only two cases of land invasion under UNO control were denounced by FSLN newspapers (BARRICADA, 09-10-89). Among the six case-studies José S. López, Barricada and Martin L. King are the clearest examples of illegal barrios where legal CDSs distributed land. In Martin L. King the zone coordinator organized the occupation, one of six he organized in the San Judas area. Barricada is an example of a massive sudden land invasion controlled by FSLN members and by CDS local committees in the period 1979-1980. Even in Las Torres CDS officials allocated land to individual families during the 1982 emergency relocation. Similarly, in Pantasma and Carlos Fonseca during the 1989 campaign CDS tolerance marked real change after years of obstruction and repression. In Pantasma local leaders protested at a land business controlled by the CDS zone official and their local coordinator in 1985. This protest was an excuse for the families of Martin L. King to organize an independent invasion. They did not want to pay anything to the CDS coordinator of Villa Roma and Sierra Maestra. During the last election the land in these six settlements was almost completely occupied, but CAE coordinators all over Managua distributed land, for instance in San Sebastian and 19 de Julio.

During the first years, it was one of the tasks of the CDS national executive to control local community organizations set up by residents. CDS officials visited new land invasions, relocations and MINVAH distributions to organize a CDS or the existing community organization. They also prevented other political organizations (such as Frente Obrero or the Communist Party) from increasing their control over community organizations. When CDS officials came to a barrio they appointed a new committee with representatives of different areas of the barrio, so that a small committee from a particular area lost its authority. This ‘united commission’ in a large barrio allowed the FSLN to block other parties’ control over community organizations.” After that the only legal committee recognized by the government, Ministry of Health, MINVAH or ENABAS was the CDS committee, delegate or ‘united commission’.

Land invasions and spontaneous settlements were rarely spontaneous. They might have a chaotic lay-out, but there was a clear pattern in the occupation process. Many invasions were
organized and controlled completely by CDS zone or local coordinators and officials. Others were directed by local leaders who tried to gain recognition by CDS local officials. They invited them to visit their new barrio and tried to establish strong relations with zone officials. Only a few began without real coordination. Individual families would initially occupy land but soon the settlers would organize a committee or simply elect a leader. This leader would immediately negotiate with MINVAH and CDS officials.

Table 7.1 shows that most spontaneous settlements were controlled by CDS members from the beginning. More than 70% of inhabitants from the fifteen settlements of the DIU-INIES survey indicated that a local CDS coordinator or committee had been directly involved in the distribution of land. Less than one in ten 'invaders' lived in a barrio which had been organized by a committee independent of a CDS or the FSLN. Only one in six inhabitants lived in a barrio which elected a local leader who then organized a committee and initiated negotiations with CDS officials. And, less than 5% inhabitants lived in truly spontaneous invasion settlements.

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<tbody>
<tr>
<td>Previous committee</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>8.4</td>
<td>64.9</td>
<td>18.3</td>
<td>8.4</td>
<td>8.3</td>
</tr>
<tr>
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<td>1.6</td>
<td>---</td>
<td>---</td>
<td>12.5</td>
<td>55.2</td>
<td>20.5</td>
<td>9.2</td>
<td>16.5</td>
</tr>
<tr>
<td>Local CDS or CDS committee</td>
<td>15.5</td>
<td>9.9</td>
<td>6.8</td>
<td>5.8</td>
<td>17.6</td>
<td>15.9</td>
<td>19.4</td>
<td>9.1</td>
<td>70.3</td>
</tr>
<tr>
<td>Spontaneous</td>
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<td>12.0</td>
<td>6.7</td>
<td>2.7</td>
<td>12.7</td>
<td>17.2</td>
<td>20.0</td>
<td>16.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Total column percentage</td>
<td>11.7</td>
<td>7.8</td>
<td>5.1</td>
<td>4.2</td>
<td>15.8</td>
<td>26.5</td>
<td>19.5</td>
<td>9.4</td>
<td>100</td>
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Land occupations of all kinds reached a peak immediately after the Revolution and around the time of the 1984 elections. CDS activity clearly follows this pattern. Similarly independent invasions reached a peak in 1984. This suggests that it was precisely the circumstances of electoral openness which allowed independent committees to organise land invasions. However, it did not mean complete freedom, because many of them were obstructed by government and CDS officials after the elections, as for example in Carlos Fonseca, Casimiro Sotelo and Dinamarca. This suggests a selective control of land invasions. Some were allowed even during the Plan de Contención, but almost all were controlled by CDS committees or by local CDS coordinators. Independent control of land distribution almost disappeared after 1986. Under orders from the Mayor's Office, CDS officials and local coordinators had again become the guardians of private and public vacant land.

Between 1986 and 1988, the government denied legalization to all land invasions, except for a few, such as for example Barricada, which received foreign help. The reason given by government officials for denying legalization to barrios created by its own community organization
institutions, the CDS, was simple. These new barrios undermined formal urban plans for a proper expansion of the city and in any case government could not give them services. This explanation is supported by Massey (1987:50) who notes that:

"Non-recognition, however, would be the result not of any legal considerations or considerations of private property, but of physical planning problems. Settlements which were deemed to be in areas unsuitable for housing (for instance because they were liable to flooding or earthquake-damage) were not recognised. Such settlements continue, therefore, to be classified as 'spontaneous' by the Housing Ministry, but this characterization rests on considerations of location rather than on considerations of how the settlements were established, their previous formal legal status, or their age."

This appears reasonable until it is recalled that 'spontaneous' settlements were in reality the result of semi-official actions during the election period. In practice, the government had not only tolerated invasions, but had promoted them through local and regional party workers. The process of urban planning as described was mere rhetoric, the explanation reported from the Mayor's Office by Massey had no substance. This became abundantly clear in the build up to the election of 1989. CDC officials gave new directives to local coordinators: the distribution of land would be once again a major task.

**CDSs in the barrios**

It is possible to identify three stages in popular participation in CDS activities: a period of wide involvement and participation in assigned tasks; a period of low participation and implicit criticism; and finally a time of open criticism and pressure for changes. However, even in the third stage alternative community organizations never appeared. Even after 1988, and the sharp decline in the standard of living, the reaction was individual, almost undercover and surprising, as with the electoral result of 1990. The alternative was always segregation, with each family looking for individual ways to survive, rather than creating new organizations.

A survey done for EDUM in Managua in 1985 recorded high levels of participation during the early revolutionary years, but found that popular involvement had fallen away to almost nothing by the time of the survey. The main reasons for decline were: the beginning of conscription; the frustration of local demands; and the complete identification between the CDS and the FSLN during the 1984 elections. People stopped coming to local meetings, and committees consisted only of two or three individuals with no support for organized activities. It also found that people recognized some gains such as improvements in some streets or the installation of stand-pipes, but that they also criticized the institutional lack of response to their demands.

The DIU-INIES survey of 1986 found that involvement in local organizations was very low. Out of 3,255 people interviewed 74% never took part in any kind of local activity and 16% limited their involvement simply to 'attendance'. Only 4% took part in voluntary work or "roji-negro" and 2% were members of a local committee at some time. The survey showed that participation was

*There were interviews with local committee members in Monseñor Lezcano, Ríguero, Batahola and Grenada.
reduced to attendance at demonstrations or meetings, and that most of the people did not even attend this kind of activities. Only the CDSs involved people in any numbers: 17% of the people had taken part in at least one activity organized by local CDSs, while other organizations had very low participation indeed: 2.2% trade unions, 1.9% churches, 1.6% FSLN.

There were of course some variations between settlements (Figure 7.2). Two barrios, M.quezada and 19 de Julio where people lived in the old ruins or in huts near the Oriental Market, had a high percentage of involvement in CDS activities. Local informants explained that their insecurity and constant pressure from the government made these families increase their attendance at meetings. However, in both these barrios the participation was reduced just to attendance, with a very low proportion of involvement in voluntary work. Only one barrio, Bulgaria, which was one of the smallest, showed a very high level of participation, with almost 50% of those interviewed attending some time a CDS activity. In addition, people of this barrio showed a high percentage of voluntary workers and zone leaders.

Among the six case-study settlements, which were the biggest of the 1986 sample, only Martin L. King showed participation rates of more than 25%. Local CDS activities were the most important followed by the FSLN and churches. However, there were clear differences between the six settlements. In Martin L. King there was a low participation in CDS activities but a very high level of involvement with 'other' kinds of organization. This was real participation in activities, more than simply attending meetings: they were members, leaders or did voluntary work. Their local organizations developed a complex structure and built a big community centre. Different religious groups used the same building and shared it with several local committees: young people, women, education, choirs, theatre, martial arts, etc.

In 1990, some local leaders were also zone leaders and members of the FSLN. However, the formal structure was a registered legal civil association and not just a CDC. This meant that this barrio had already gained some relative independence from the FSLN. The former CDS committee was only one among several community groups which had representatives on the civil association directorate. After a first attempt to develop a cooperative for tiles and blocks (which went bankrupt), the central committee tried again in 1988 with the involvement of young veterans from the army and financial help from abroad. This cooperative became part of the community civil association and had a representative on its directorate, so they worked together on community projects such as credit plans for local families to buy asbestos tiles and concrete blocks.

In Carlos Fonseca there was a high level of support in 1984, immediately after the invasion but by 1986 more that 80% of the people said that they did not take part in local activities. The rest only participated in CDS or AMNLAE activities, only a very few people had any connection with the FSLN, churches or trade unions. By 1990 even the CDC was reduced to its two coordinators. In this barrio there had never been any real organization, just two or three people who took on all the work. They developed negotiations and encouraged people to attend political meetings. Families reduced their involvement to the defence of the land occupation. If
### Participation in organizations

#### Type of organization

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<tr>
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<tr>
<td>Las Torres</td>
<td>100%</td>
</tr>
<tr>
<td>Barricada</td>
<td>50%</td>
</tr>
<tr>
<td>J.S. López</td>
<td>25%</td>
</tr>
<tr>
<td>Pantasma</td>
<td>0%</td>
</tr>
<tr>
<td>C. Fonseca</td>
<td>15%</td>
</tr>
<tr>
<td>M.I. King</td>
<td>100%</td>
</tr>
<tr>
<td>Dinamarca</td>
<td>75%</td>
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<td>22 Enero</td>
<td>0%</td>
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<td>M. Quiñez</td>
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<tr>
<td>Velázquez</td>
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<tr>
<td>Manzanares</td>
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<tr>
<td>C. Soto</td>
<td>100%</td>
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<tr>
<td>19 Julio</td>
<td>75%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>50%</td>
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<td>Waipan</td>
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<td>Waipan</td>
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**Figure 7.2**  
(Own elaboration)
police of MINVAH officials came to evict them, they simply resisted. A few worked together to build stand-pipes, but this was limited to just one night. Some demonstrations were organised in the early stages against the lack of basic goods and water, and against government pressure, but a permanent organization never developed. In 1986 and also in 1990, the community leadership tried to get support from national institutions (INIES or the Central American University) and tried to raise levels of participation, but they failed.

In Las Torres the zone CDS organized the first local committee in 1979 and floods in 1982 forced the development of civil defense and security committees during evacuation. After that they began to raise funds to build a local school, and community centre. They obtained a place for a creche and school but then the local leader was accused of fraud, sacked and later evicted. The local committee almost disappeared and people stopped their participation. They lost the school and abandoned the community centre and creche projects. During the 1984 election campaign a new CDS was organized but it failed to gain enough support, and also suffered from general criticism of its political partiality. In 1986, less than one-quarter of people said they were taking part in some activities and of these 50% did not more than attend meetings. Religious activities increased rapidly between 1986 and 1990 and in January 1990, for instance there were more churches than stand-pipes.

A new emergency in 1988 was tackled by zone CDS officials appointing a person from another barrio as a local coordinator. He came to live at the barrio and organized various committees to confront a hurricane emergency. After that, he continued his work as CDC coordinator, CAE and FSLN organizer in this barrio. He was not really a local leader, indeed nobody knew him before 1988, but as a "salaried" community worker he spent most of his time in community and political activities. By 1990, there was a new small community centre, with a young people's committee and a plan to develop women's committees. The barrio was about to become legal, and it had new stand-pipes and a playground, thanks to foreign aid. However, local informants explained that there was no community support and that all the negotiations and projects were concentrated and controlled by the coordinator. Local founders regarded him as an outsider appointed for political reasons at election time and criticised his double job as party-worker and community-worker.

In Barricada two or three people had organized the land distribution in 1979 and this group became the CDS. They were FSLN members and they began negotiations to legalize the barrio, to develop a housing project and to build stand-pipes and electricity networks. The main leader remained as coordinator in 1990, most people in the barrio knew the coordinator and regarded him as their leader, but participation in the settlement was very low. In 1986, it was the lowest among the case-studies, and by 1990 community activities had almost disappeared. As in Las Torres, most of the active organizations were linked to religious groups, church congregations, women's groups and youth choirs.

In Grenada the early level of participation soon declined. In 1984 MINVAH and CDS officials appointed a local committee and a local priest began to help with financial support and
advice. They organized some voluntary work and revolutionary vigilance, but by 1986 there were only three people in the local CDS, and they failed to get the peoples' support. Pantasma, on the other hand, had to fight to avoid eviction. The original CDS coordinator appointed by the zone official was sacked and evicted, like the one in Las Torres. He was accused of fraudulently selling lots, together with his friend, the zone official. A new local committee was elected but the zone official refused to recognize it for two years. This new strong leadership organized the community into committees which worked to improve the settlement's infrastructure. In 1986, the local CDS (despite its lack of official recognition) had the highest support from its community among the case-studies. However because the leadership controlled most activities, work almost stopped when it resigned in 1988. The health service ceased and the community centre closed because of lack of support. A new CDC coordinator appointed in 1988 did not have any local support, and his job allowed him only a few hours of community work. By 1990, there were really no community organizations, only a CAE-FSLN coordinator for elections, and the community infrastructure and services were neglected.

On the other side of Solidarity Road, José S. López had a different experience. From 1984 they gained official CDS support and developed some community projects. They easily gained financial support and official help to build stand-pipes and electricity networks. Once the settlement had improved its infrastructure, the committee reduced its activities. From 1989, community activities began to increase again. A new CDC coordinator, appointed by zone officials, had long experience as a community worker and she began to develop a new kind of local committee with strong contacts with district officials. She and two other residents designed some projects and organized the building of a community centre. However, their own awareness of local attitudes was poor and lack of support for their projects was their main problem. They easily obtained government approval and had various foreign contacts, but found it very difficult to bring local people to meetings. They hoped that once the new community centre was finished, more activity would develop.

In 1990 the six case-studies showed a general pattern of lack of participation. When the local leadership had gained experience and established contacts it obtained recognition and help, but only one settlement (Martin L. King) had developed a community organization which did not depend upon a single leader. The rest lacked any kind of organization or had appointed CDC coordinators who tried to organize committees, projects, activities and meetings on the eve of the general election of 1990. The elections brought big political meetings and visits of national leaders to these barrios. They also brought promises of legalization and financial support to build community centres and play grounds. People attended these meetings and waited in hope, but did not get involved.
Conclusion

The CDS took the place of every other kind of community organization which would normally have expressed people's demands at barrio level. They were controlled by salaried officials who were appointed rather than elected. The regional and national directorates were also appointed by Sandinista leaders. During the decade community organizations ceased to express local needs, or to demand state intervention. Instead, they became the lowest level of the official hierarchy. They had to fulfil various responsibilities, organize voluntary work, mobilise political support, act as government and police informers and serve as a form of local authority.

Local demands now had no organized channel to be transmitted. The local CDSs progressively lost support and almost disappeared by 1986, when a strong internal concern among Sandinista ranks propelled a process of change. From 1987, a new charismatic national coordinator encouraged criticism and began a process of renovation, but always under the FSLN's control. The new directorate encouraged voluntary work and managed to develop some new projects in barrios with a long tradition of community organization. Some neighbourhoods managed to build a few houses or stand-pipes, although most projects only succeeded because of external help.

The defeat of the FSLN in 1989 provoked a new stage of strong community activity among Sandinista ranks and particularly in settlements where families had not obtained proper deeds. A new communal movement began, controlled by FSLN, to defend people's rights to land. Local CDC, CAE and FSLN committees would no longer be official organisations, but organisations of opposition. Consequently, the political defeat of the FSLN may lead to the development of a real communal movement to express popular needs and to demand government solutions. However, it is unlikely to develop an independent leadership or a democratic structure.
Even at the end of the decade some prominent sandinista intellectuals expressed this perception, without taking criticism into account or supporting it with evidence:
"The sense that liberal elections are useless is expressed by high levels of abstention in the whole of Latin America. It is based upon successive electoral frauds and hundreds of coup d'état. People not only reject governments and states but also begin to despise the whole political apparatus, particularly political parties and even trade unions. There is a crisis in every formal political structure and institution. People reject corporate actions, clientelism and charismatic boss leadership (‘caudillismo’). People want a say in their affairs, so they accept organizations for everyday matters. There is a huge chasm between state and civil society. State and entrepreneurs know that they have to share power and wealth or there will be a bloody war. The United States would have to accept a new regional treaty or they would be isolated in this region, without any other role but police" (Núñez Soto, Orlando:1989a:12). Núñez was director of CIERA (MIDINRA) during the sandinista decade.

Some authors falsify the history of community participation before 1979 to justify its decline during the sandinista decade, particularly to explain the lack of support for CDSs. They use traditional rhetoric with no empirical evidence. For example:
"There were major impediments to the successful operation of the CDS, especially in low-income neighbourhoods. First, there was no tradition of mass-organization participation beyond that enforced by the Somoza regime in its own behalf. The popular view of the Nicaraguan, as presented by journalist Pablo Antonio Cuadra, includes characteristics which do not foster group affiliation: egoistic, superficial, lacking in mutual trust, and with a concern for things foreign. Second, many of the residents of low-income neighbourhoods were not affiliated with the more active and structured mass organizations of women (AMNLAE), workers (CST), and civil employees (UNE). This was due the high rates of unemployment, to the large percentage of self-employed, domestic, and personal-service workers, and to the relative isolation of many of these neighbourhoods. These conditions were similar to others which had been studied in Mexico and Guatemala” (Williams, Harvey, 1982:287).

"It was discovered that most of the families had very low incomes, and many of the residents were true lumpen proletarians, marginally integrated into society and not productively employed. These conditions made it difficult to organize the CDSs for the development of the neighbourhood” (Williams, Harvey, 1985:394).

Statement by señora Leticia Herrera, CDS National Coordinator and former guerrilla commandant.

Commandant Leticia Herrera explained that they would appoint delegates in each barrio, then one representative for each twelve zones. From this group they would choose four representatives that together with one official of the CDS National Directorate would form the Departmental Junta.

The Housing Minister señor Miguel Ernesto Vigil swore in members of the Departmental Junta representing 85 barrios of Managua.

In 1983 the Military Service Law was decreed. Saravia and Monterrey (1988:86) explained that: "The Patriotic Military Service (SMP) meant that local leaders and CDSs committees had to prepare conscript lists in each barrio, explain to their families and persuade both the conscript and his family, that their participation were essential. They also had to organize the movement's volunteers for defense'. Other tasks were to organize farewell and welcome ceremonies for conscripts, and to organize local help and economic support for families and conscripts in each barrio. CDSs gave a big support to Popular Militia (MPS), Reserve Infantry Battalions (BIR) and Civil Defence (CD). CDSs coordinators began to have the image of an authority and referee among the people because of their institutional tasks, rather than the image of a local leader who expressed people's aims and demands'.

However, up to 1987, señora Leticia Herrera (national coordinator of CDS) pretended that a crisis did not exist. She reported that "revolutionary vigilance had declined in quality but had gained in quality"; but at that time it was obvious that this kind of activity almost did not exist at all and a few months later a new national coordinator officially dismissed vigilance as a CDS task. BARRICADA (09-09-87).

Documents of the National Executive Committee of CDS (1982) Los CDS somos poder popular (mimeo).

Using these sources some authors gave even higher numbers, for instance Coraggio (1983:7-8) calculated 600,000.
However, there were some demonstrations demanding land in rural areas.

For example, barrio Jorge Dimitrov where in 1983 a housing project were developed through self-help and external aid (from France, Switzerland and Cuba). At that time local leaders suggested that 70% of the people were CDS members. In 1987 this community developed two projects: a school and a communal vegetable plot with financial support from Holland. BARRICADA INTERNACIONAL (17-10-83. Vol 3, #85); BARRICADA (03-06-87).

For example, the so-called "offensive to commemorate the Eighth Anniversary of the Triumph of the Sandinista Revolution". EL NUEVO DIARIO (14-06-87) Impulsar control social en los barrios: emprenden los CDS.

EL NUEVO DIARIO (13-09-89) Falla coordinación en el movimiento comunal. Statement by community leaders from Masaya during a local conference to coordinate new national projects.

BARRICADA (10-10-89) Primer encuentro comunitario. "The community could vote for any candidate, but have to throw the rubbish, because it has no political party" (In spanish votar=vote and botar=throw). Statement by the new CDS national coordinator señor Omar Cabezas, former Interior Vice-minister and colonel, guerrilla commandant and candidate for the National Assembly, elected to represent his city, León, in 1990 elections.

"Eyes and ears of the revolution" according to the famous sentence of Tomás Borge.

The task of informer and controller of the community made the local coordinator a focus for personal attacks and very often simply gossip. People popularised the idea of CDS as the place of gossip ('cuecho' in Nicaraguan slang). It would change with the new conception of CDC:

"Ahora ya es muy aparte, nada de lo que le llamamos nosotros antes el cuechero, nada de eso, ahora ya es muy aparte, ahora el CDS no tiene que andar viendo que si el vecino esto o aquello, que si es mal vecino, nada de esol". Somos críticos, fallamos, nos metimos en muchos problemas de los ciudadanos, el Comandante Omar Cabezas tiró esa nueva línea, olvidamos del cuechero. Ahora es el que vela por salud, vivienda y el desarrollo". (Francisco Izaguirre, 10-1-90, Managua. Recorded interview by the author).

The CDS coordinator's seal was during many years the symbols of his power. Everybody needs a letter with that seal to receive community services (such as health or basic goods from ENABAS, or even to get a passport). In Pantasma the leader elected by the community was obstructed by the zone CDS refusing to give him a seal.

Statement by señor Omar Cabezas. Interview by señor D.Juárez.

This kind of messianic perception was common among Sandinista ranks even in 1989. For example, this piece from Orlando Nuñez Soto (1989b:31) is interesting because of the events in Eastern Europe in the same year:

"La Revolución sandinista no pertenece orgánicamente al bloque socialista, lo que le ha permitido mantener su beligerancia al interior del bloque occidental. Sin embargo, su orientación ideológica, el antipersealismo y el establecimiento de alianzas estratégicas con el campo socialista le imprimen una orientación socialista, independientemente de su avance en términos históricos"!!!

From UNICEF for example. BARRICADA (10-05-89) Organización comunal que resuelve.

For example, leaders of the Workers Revolutionary Party (PRT) interviewed by the author in Managua (28-02-90). The author made recorded interviews with señores René Tamaris and Bonifacio Miranda. The latter was a candidate for President in 1990 election. After the election of 1990 the PRT continued its criticism. The same criticisms were made by members of other parties such as MAP-ML. The latter published a leaflet immediately after the election denouncing the FSLN control of communities and its policies which failed to give people property of land and houses.

For example this was a normal duty of señor Perfecto Arróiga, member of the CDS National Executive and its delegate to the State Council. Señor Arrólga appointed a 'united commission' in barrio Rubenia in May 1981 and declared: "We want to help with the formation of CDS, but they do not have to exist everywhere. They only have to exist under the National Executive control" BARRICADA (31-05-81).

Officially he was unemployed but he received economic help from the FSLN. His wife was part-time employed in a government institution -as a cleaner- and took care of their child and house.
This was a special case where both wife and husband developed and enormous amount of work. The husband was the president of the local committee and the wife coordinated with foreign people (Dutch nurses, priests, etc.) financial and sanitary help for children. She also had the ENABAS-MICOCIN shop in her house.
CHAPTER EIGHT

COMPARATIVE ANALYSIS OF THE HOUSING POLICIES
Introduction

Comparative analysis means that one goes "beyond juxtaposition and seeks to explain the observed differences or similarities in phenomena in two or more cases" (Pickvance and Preteceille, 1990:199). For a comparison to be significant it has not merely to enumerate the features of both cases, but also to contrast the empirical information through the use of interpretative models and abstract concepts.

Both countries experienced changes in their economy and state organization, which affected their housing policies. Unfortunately, these changes were contradictory to the explicit goals and rhetoric of the political parties in office. The essential question discussed in this thesis is concerned with the degree of influence that ideological differences had on housing policy, and the extent to which economic and political constraints limit implementation of ideological models.

Given the different declarations of intent by governments in Costa Rica and Nicaragua, housing policy should in practice have been very different in the two countries. In practice, was that the case?

Alternative models

A. Class reductionism

The use of 'class' as a basic factor in economic stratification is a central element in the interpretation of social policy. Preteceille (1986:148) has suggested that "class determination, does not mean that consumption practices should be the same for all manual workers, and specific to them, but that the position of each individual in the actual work processes, in the division of labour and power structures, has major consequences on his or her life outside work, consequences which include the contradictory determination of needs."

Evidence from the case-studies only partially support this statement. In both countries incomes are an important determination of residential location, and in general "the quality of services by sector of the city is a function of socio-economic status" (Gilbert and Ward, 1985:171). However, the poor settlements are not homogeneous in terms of class, nor is their access to state programmes similar. For example, living standards vary by family according to the nature of employment, the number of incomes in the family, the age of the family and its composition, and particularly party membership. In Costa Rica, and even more in Nicaragua, party membership gives special privileges. In Nicaragua, members of the FSLN sometimes received special goods, such as a house or a car, and gained privileged access to restricted services like transport, health services, and child-care.

Party membership or party links also affected employment. Saunders (1986:162) analyzed various forms of relation between the public and private sector, and established that state employment created new forms of stratification different from ideological or class differentiation. In Costa Rica and Nicaragua, state employment affected favourable work conditions, job-security, workers' rights, strong trade unions, higher salaries, special programmes.
to improve education, and access to special housing programmes developed by institutions for their employees.

In some capitalist countries "the division between the employed and the unemployed tends to coincide with that between privatized and non-privatized consumers" (Saunders, 1986a:339). In Nicaragua, employment in the public sector encouraged non-privatized forms of consumption, while unemployment led to sharply reduced consumption. There were many forms of 'protected distribution chains' for state employees. Institutions and state companies gave special help for food and transport and organized their own forms of goods distribution. The revolutionary government created many new institutions and employed many more than they needed. In Nicaragua, top state officials were normally top-level party officials. They earned extra payments and privileges, company cars, free petrol, and access to imports in restricted markets which only accepted foreign currency. Ruccio (1988:55) mentions the existence of new social relations as a function of employment in this new kind of state:

"The Nicaraguan 'mixed economy' is thus characterized by a state with a qualitatively new class structure. Viewing the state in this way means that state employees participate in a variety of class and non-class processes; occupy a variety of class and non class positions. Some state employees occupy the two positions of extractor and distributor of surplus value as the directors of state capitalist enterprises. Other state employees perform the surplus labour that is extracted in the form of surplus value. Still other employees within the state receive distributions of the surplus labour extracted in both state and non-state enterprises".

In Costa Rica, the number of state employees was also excessive, and public employees enjoyed better working conditions than those in the private sector. Below the top professional stratum, employees earned more in the state sector. Low-level state worked had better living standards, including priority for state housing projects because of their secure and regular incomes. For those without work, all kinds of consumption had to be reduced.

The structural adjustment programme in Costa Rica reduced state employment through the privatization of some state companies and the termination of many social programmes. As a result, unemployment rose and those employees sacked lost not only their salaries, but also many other privileges directly linked with their status as civil servants (Lavell and Argüello, 1988).

A second factor related to class is the 'class' definition of the party which takes over the government. In Costa Rica, the PLN emerged in 1951 after its leaders triumphed in a civil war. The PLN leadership declared itself against communism and in favour of a free market and capitalism. In Nicaragua, most of the Sandinista's original declarations and revolutionary programmes made reference to class struggle and class dictatorship. The FSLN defined itself as the vanguard of the working class, not only for Nicaragua, but for the whole of Central America. This clear political alignment was crucial to both countries in getting international help and financial support for the development of social policies to counterbalance the effects of recession, external debt and structural adjustment.

In Nicaragua, the declaration of the Sandinista that they were the 'vanguard of the proletariat' was highly problematic. As Téllez (1991:28), the Nicaraguan commandant, explains:

"One of the problems of revolutions is that the idea of 'vanguard' means that the party leadership is always
right and its actions are reasonable and legitimate. That is the first problem, nobody possesses the absolute truth. The second problem is that the leader of the vanguard is produced by natural selection, so he/she becomes in practice the source of absolute truth. But it is different being a vanguard during a period of fighting from being a vanguard in government*.

In addition, even if the government claimed to be revolutionary, it does not mean that all of its policies were revolutionaries. As much, there was no inevitability that because the Nicaraguan government was revolutionary, the popular involvement in housing programmes at a decision-making level must be of a superior quality and extent to that of the Costa Rican popular organizations.

In practice, neither housing policy nor popular involvement was determined by class or ideological programmes. In both countries, urban sectors of society suffered from poverty and homelessness and also lacked the political power to change the social programmes to their advantage. Both the PLN and the FSLN declared that their social policies would benefit poor groups the most, but in both cases most of the resources went to middle-income groups. Only the last Costa Rican government altered the pattern for a short period of time. However, it also established a financial system which would result in the exclusion of low-income sectors from official housing loan programmes.

In both countries, the settlements that had emerged through land invasions improved their services mainly during electoral periods. They benefited from various forms of patron-client relationships, rather than from long-term programmes based on class or ideology. Housing policy was never a class-based policy, but a reflection of short-term political decisions and changeable conditions and pressures. The toleration of land invasions in Nicaragua was initially interpreted as a revolutionary political decision, reflecting a real grass-roots democracy. But analysis of the whole period clearly shows that the FSLN leadership used a traditional pattern of patron-client relationship to retain control of the government. During its ten years in office the FSLN never developed a party structure totally independent of its position in control of government institutions and the army. It evolved from a guerrilla group to a party in government, or what some authors have called a 'state-party', which identified itself with 'the revolution'.

In Costa Rica, the main two political parties roughly reflect political alignments with the Social-Democratic and the Christian-Democratic international organizations, but both are strongly associated with traditional political families. Changes in housing policy never arose from changes in ideology or philosophy, they were an outcome of political competition, an attempt to remain in control of the government through short-term patron-client programmes. In both countries, the low-income sectors had access to the government through the political parties, but their influence was limited.

B. Dichotomous models

In the case of Costa Rica and Nicaragua models based on dichotomies rarely produce an adequate explanation of reality. For example, Goether and Hamdi (1989:19-21) suggest that there are two different approaches to housing policy: On the one hand the 'provider paradigm',

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which claims that large numbers of houses can best be delivered by speeding up the construction of houses which only industry knows best how to do; on the other the 'support paradigm', which argues that "rather than worry about the means of building production, it may be better instead to improve the means by which the hundreds of small builders, manufacturers, suppliers, both formal and informal, can gain access to essential building materials, cheap credit, better utilities, larger markets and easier transportation". This dichotomy is unsatisfactory, however, because both approaches are normally combined in most housing plans and even in a single housing programme. While some projects are developed by the construction industry, others are based on self-help, and others again built by self-help with pre-cast concrete units.

Throughout the period housing programmes in both countries followed both approaches. The simple distribution of land opened up complex processes which can be illustrated by experience in the studied settlements, particularly in Barricada and Las Torres in Nicaragua, and Los Guido and Metrópolis in Costa Rica. These settlements can be subdivided into areas with different kinds of building processes, different forms of government intervention and different forms of popular involvement in construction. Part of the explanation for this mixture of processes lies in the changing economic circumstances. What begins as a formal construction programme may end as self-help, if the flow of resources dries up. This is true of most of the 'progressive urbanization' projects in Nicaragua, although areas of these projects were developed through direct intervention of foreign agencies or solidarity campaigns using industrial products and processes. Only a few initial projects were built entirely by industry; most building in 'progressive urbanization' projects used a combination of pre-cast concrete from industry, self-help, and contracted workers. In Costa Rica, most of the projects used private industry, small companies and self-help. The number of shanty towns were reduced from 1987 with the CEV programmes, but some projects were still never properly finished. In some particular cases patron-client relations changed the initial self-help programme into a building project, but then lack of resources left the project incomplete for years, until new political circumstances brought their revival. In both countries, 'basic module' projects built columns, roofs and walls efficiently, using industrial parts and industrial processes, and then the owners completed the houses.

Works by Oxley (1991) and Lundqvist (1991) suggests that it is difficult to explain housing policy in most countries just as a result of ideological commitment. Housing policy is in constant flux as a result of economic, social and political pressures. The analysis of housing policy in Costa Rica and Nicaragua over more than ten years shows this clearly. At times similar housing policies exist despite different ideologies and rhetoric, at other times policies differ despite similar forms of governmental rhetoric. Hence, housing policy cannot be reduced to simple dichotomies.

C. Models and practices

"In centrally planned socialist nations, a major theoretical premise of societal organization is that the state distributes costs and benefits, resulting from national functioning and development, equally among all segments of the population" (van Vliet, 1990:10). However,
evidence from many so-called socialist countries shows a different pattern. In reference to some 'socialist' African countries Drakakis-Smith (1986:153) has asked to what extent governments can be expected to pursue a 'socialist' programme of redevelopment? Hegedûs and Tosics (1990:243) have suggested that:

"the common source of Eastern European housing systems was an economic model in which wages did not contain the costs of housing and those of infrastructure in general. As expressed officially, the state had to provide for housing through central redistribution of the national income (...) The state had to invest on a large scale in urban housing; the influx into cities had to be controlled; the distribution processes had to be dominated by state allocation."^*  

The original programmes and proposals of the Sandinista government suggested that this kind of 'socialist' model would be adopted. In reality few attempts were made to put it into practice. Some actions immediately after the Revolution suggested the beginning of a 'socialist' model: the take-over of the 'illegal subdivisions', the confiscation of some construction companies, and state control over the housing finance system. However, the legislation on rented housing and private property, as well as the housing projects, reflected the logic of a capitalist country, and the market always remained a critical element in the Nicaraguan economy.

Only a few MINVAH officials supported the idea of large-scale investment and the state's control over land and housing followed a pattern set more by electoral promises than by ideology. Most of the houses confiscated by the new government were distributed through state institutions to civil servants or Sandinista supporters, rather than through a formal housing programme controlled by MINVAH. Recent investigations by special committees of the National Assembly show that the method of distribution gave big mansions and large estates to top rank officials, while the urban poor obtained only 'sites and services'. Most new low-income settlements were land invasions developed through self-help. In this sense Nicaraguan experience was not dissimilar to the experience in 'socialist' Eastern Europe. As Van Vliet (1990:11) has argued:

"evidence from these countries indicate that privileged positioning of, for example, the party cadre, the intelligentsia, and the military elite in channels of bureaucratic allocation has led to inequalities and, while homelessness is limited, housing standards are relatively low and household crowding is common".*  

Housing programmes in Nicaragua were very similar to those in Costa Rica, and indeed most other Latin American and African countries. All of these countries have which developed various types of low-cost self-help housing schemes which conform to the recommendations of organizations such as the World Bank and United Nations (Drakakis-Smith, 1986). Sudden changes during electoral periods in 1984 and 1989 in the policy on urban land in Managua, and the suspension of rental laws from 1987, were merely attempts to maintain political control and avoid popular unrest in the face of hundreds of evictions. There is a clear parallel with policy in Zimbabwe where "by temporarily allocating slightly more resources to the urban poor, and thus reducing the likelihood of political protest, they ultimately serve to preserve the status quo in class relationships. A more socialist housing programme would surely insist on a more equitable distribution of building resources" (Drakakis-Smith, 1986:156).

Unlike the practice in some African countries and in Cuba, the only 'socialist model' in Latin America, the Nicaragua government did not support massive building programmes using
'brigades' or voluntary workers. The Sandinista government never used salaried building 'brigades' either to reduce unemployment or to increase the housing supply. In spite of the fact that from 1987 Nicaragua was suffering from severe economic problems, its reaction was similar to that of capitalist countries rather than to that of Cuba. The Sandinista government closed the Housing Ministry and ran the state's housing programme from a small planning office of the Transport Ministry. It used the police to repress land invasions and sacked thousands of civil servants (Serra, 1989:140). As in Zimbabwe, there was in Nicaragua a 'depressing sight of a 'people's government' increasingly condemning and repressing the activities of the petty-commodity sector from squatter building to street trading" (Drakakis-Smith, 1986:156).

The fact that the Nicaraguan top level bureaucracy and military elite considered themselves a 'revolutionary vanguard' and that they actually led the overthrow of the dictatorship, does not change the fact that they were extractors of surplus value, while most of the population became extremely poor. The social implications of self-help programmes are not different because the state-party leadership evolved from a guerrilla war leadership who suffered extreme police repression and torture. The levels of exploitation became obvious in the enormous difference of consumption capacity of the social strata. The population reacted increasingly against this 'exploitation'. "Rather than mobilize for higher wages, which is difficult to do because unions are government-controlled, dissatisfied workers turn to illicit, not easily controlled, commercial activity" (Eckstein, 1989:22).

As in Cuba, the Nicaraguan workers dramatically reduced their productivity through poor on-the-job performance and absenteeism. In the housing area, land invasions, illegal connections to electricity and water networks, arrears and total cessation of payments for state housing were clear signs of popular disagreement with government decisions.

D. Elements for comparative analysis

Ambrose (1991:92) has suggested a framework designed to facilitate comparison between different housing systems. It presents a sequence of events: promotion, investment, construction, allocation and subsequent management. His central argument is that the provision of a unit of housing should not be seen as a single undifferentiated process. Instead it needs to be unpacked into a linked sequence of events called a 'housing provision chain'. Both the state and the market can be involved to different degrees and in different ways at all stages of the chain. This framework underlines the fact that ideological declarations and political proposals are only two forms of influence. Proposals from an institution in charge of housing is also subjected to pressure from pressure groups, private companies and international agencies. Government ideology is only one factor in the wider social relations of the housing provision chain.
Housing policy in Costa Rica and Nicaragua

A. Urban growth patterns

During the 1980s, secondary cities were growing more rapidly than the national capitals in most parts of Latin America (Portes, 1989:33). Migration from the country-side was no longer the main factor in urban growth (Slater, 1986:8). The case-studies and surveys conducted in Costa Rica and Nicaragua show that natural increase was the main source of urban growth and that most of the low-income sectors originated in Managua and San José. In most settlements the invaders came from settlements nearby, even where the families were migrants they had lived in the city since the early seventies. It can be said that for the two cities of Managua and San José "the term 'bridgeheader' is no longer an appropriate label for large numbers of new households" (Gilbert, 1991:4).

In the official Costa Rican statistics, urban population growth was caused mainly by changes in the area defined as 'urban' and not by real growth or immigration. This was the case of the Metropolitan Area of San José, and particularly of the Greater Metropolitan Area of San José, as it was defined in the late seventies. In fact, the city of San José grew very little after 1973, as did its Metropolitan Area. Two cities of the Greater Metropolitan Area (Cartago and Heredia) barely grew at all, while outside the central valley, the city-ports of Puntarenas and Limón grew rapidly (Argüello, 1981:59-60). The Metropolitan Area of San José contained 27% of the country's population in 1984, but the annual growth rate from 1973 to 1984 was only 1.5% a major decline compared to the 5.2% between 1963 and 1973, and 4.5% between 1950 and 1963 (DGEC, 1984).

In Nicaragua, Managua contained 21% of Nicaragua's people in 1971 and 44% of the urban population. The estimated growth rate in Managua from 1971 to 1980 was 4.9%, but other cities such as León, Rivas and Granada apparently grew much more than Managua, with rates ranging between 5.5% and 10.6% (INEC, 1987). After 1971 three major changes in migration patterns occurred: first, the earthquake destruction of the city (more than 50,000 houses) which caused the deaths and outward migration of hundreds of thousands (Lañez, 1977:100-102; Higgins, 1990:381); second, the process of reconstruction and new housing projects of the mid seventies, along with the lack of opportunities in the rest of the country, which attracted migrants from all over the country (Téfel, 1978:4; Godoy, 1988:326-338); third, the uprising and liberation war which caused another process of outward migration towards small towns such as Masaya and Rivas. This last process was reversed by the Sandinista triumph and by the development of a new state apparatus after July 1979. Unfortunately, there was no field work done with proper measurements of these changes, but after the Revolution official estimations suggest a rapid growth of regional capitals and the whole pacific area, and not only of the city of Managua.
B. Densification as policy

Governments in both countries constantly declared their intention to stop the physical expansion of their capital cities. Nevertheless both cities grew during the seventies as new urban developments incorporated hundreds of hectares of rural land into the city limits (Fernández et al, 1988). Managua grew in the post-earthquake years through state projects and through reconstruction supported by international agencies, and later mainly through 'illegal subdivisions'. Land owners sold lots with no urban infrastructure, in a way similar to other cities of Latin America (Gilbert and Ward, 1985; Pradilla, 1982:295; Hardoy and Satterthwaite, 1987:26). This form of development was stopped briefly by the Sandinista government. However, although they controlled the expansion of the city, they soon began to permit land invasions and land distribution by Sandinista organizations. The difference was that the new shanty accommodation occupied the hundreds of hectares of land within the city that had been left undeveloped during the seventies. Most of this land was either public land from the seventies (the central area destroyed by the earthquake) or the product of confiscations and donations through early Sandinista legislation. Only a few invasions occupied private land.

In San José new residential ring spread to the east and west direction during the seventies, mainly in the form of legal estates. After 1985 legal limits on the urban development of the city were removed. 'Illegal subdivisions' were strictly controlled after 1960 and it was not until the late seventies that land invasions became significant in the Metropolitan Area. Even so, these invasions occupied only small areas of land and, during the 1980s, most occupied public land on the fringes of the city core (Vargas and Carvajal, 1988:196).

The experiences of these two countries throughout the 1980s support the suggestion that "an almost universal effect of upgrading programmes is densification, be it through doubling up in existing space, through expansion of households, the construction of additional (rental) rooms or storeys, or through the subdivision of existing plots" (Kool, Verboom and van der Linden, 1989:197). In neither country did housing policy lead the eviction of families to the periphery of the metropolitan areas. The new housing projects, upgrading programmes and tolerated occupations moved thousands of families, but always within the existing built-up area. The only projects developed outside the Metropolitan Area of San José were for local people, not for families evicted from the city core. And, although in Managua, the Plan de Contención tried to evict people from the city core in 1987, the project failed and policy was completely reversed during the electoral and transition periods of 1989-1990. Most of the state projects were concentrated in Managua. Mathéy (1990:91) is completely wrong when he claims that:

"the housing policy implemented by the revolutionary government in Nicaragua contrasts favourably with that typical in other Latin American or Third World countries: a much greater share of all houses built were in small towns and villages, which reduced the proportion for the capital".

In practice, out of the total number of houses built in the country (urban and rural), 34.4% were built in the III Region -urban-, this amounted to 59.9% of the total built in urban areas. Both countries declared their intention to control immigration and had urban plans which
established limits to the population growth of both capital cities, but at the end of the period the overall figures show that most of the real actions were concentrated in these cities.

C. Availability of urban land

The availability of land is a crucial issue for housing policy and for people seeking their own solution to their housing needs. There are a number of factors that differentiate Latin American cities as regards urban land availability, for example, traditional patterns of land ownership; the forms of agricultural production on the fringes; the existence of natural geographic limits; and the relative control by the state over urban development through legislation and its enforcement by security forces.

As regards housing policy Agus (1989:113) has suggested that “the availability of land is a prerequisite for efficient urban development. A cheap land cost would therefore make it possible to construct low cost houses inexpensively”. The use of urban land by government programmes and unofficial developments under government control is crucial to identify the pattern of the housing policy as a whole. Nicaragua had special conditions from July 1979, because of the enormous amount of land gained by the revolutionary triumph. Land in the old city core or the city fringe which had belonged previously to supporters of the old regime, came under the control of the revolutionary government. In Central America only the governments of Panama, and to a lesser extent Honduras, controlled similar quantities of urban land (Nathan, 1984:III-6; Flores and Lizarraga, 1981:17-18; Salomón and Galo, 1988).

In San José, the government controlled little land and was forced to buy private land within the Metropolitan Area to accommodate public housing. Such land was subject to speculative investment as in other Central American countries (Higgins, 1990:382; FUNDASAL, 1988:3; Stein, 1989:7; CEUR-USC, 1987:105).

The available land in Managua would have been worth a great deal on the real estate market. It was very well located, easy to develop or already fully serviced. Most of the land bought by the Costa Rican government had similar features. In San José, private developers built housing projects for middle and high-income sectors nearby land invasions. Only a few invasions and housing projects were located in poor or dangerous environments, such as alongside rivers, rubbish dumps in San José, or the Xolotlán Lake shore in Managua.

The differences in land availability between Managua and San José cannot be explained through ideological or political reasons. Most of the free land in Managua was public land from the earthquake of 1972. The Sandinista government did not change the basic laws of land ownership and it respected private land ownership as part of its mixed economy policy. In San José, normal urban development through the real estate market controlled almost all the land, but external financial support allowed the government to pay demanded market prices for low-income housing projects.

A major difference between the two cities is their geographical location and the effects of natural disasters. Managua suffered two devastating earthquakes in 1930 and 1972, was badly...
affected by floods and landslides during the 1980s, and also suffered some damage from hurricanes.\textsuperscript{14} San José was never affected to the same extent by natural disasters.\textsuperscript{15}

\section*{D. Economic crisis and financial support}

Both countries suffered from severe economic problems during the period, but were affected differently by external financial support, pressure over external debt and economic constraints. In 1979, Costa Rican was more prosperous than Nicaragua, and it never suffered from direct military aggression or economic blockade. Nicaragua’s War damage amounted to US$ 2.5 billions, with immediate capital losses of US$ 500 millions and an external debt of US$ 1.6 billions (Vickers, 1990:25).

The Nicaraguan economy from 1980 to 1987 evolved in three clear phases (Samillán, 1988): in 1980-1981, reconstruction of the productive apparatus; from 1982 to 1984, recession and emergency policy; and from 1985 to 1987, a deep crisis caused by the need to concentrate totally on the military effort, as well as by a very high rate of inflation (CEPAL, 1988:3).

From the beginning of the revolutionary period Nicaragua received considerable external financial support. From July 1979 through to December 1987, the country received almost $6 billion in credits and donations; $3.3 billion from the socialist bloc. This external help dropped by 60% between 1985 and 1986, and declined further in 1987, precisely when the economic shock programme began (Vickers, 1990:27).

The GNP per capita in Nicaragua in 1987 was US$ 867 and the external debt per capita US$ 1,404 (Timossi, 1989). There were sudden economic reforms in June 1987 when the monthly inflation was over 50%, and the government opened new ways for negotiations to avoid the destructive effects of the War over the economic measures (Samillán, 1988:64-65). The exchange rate (Figure 8.1) shows the accelerated process of devaluation before the sudden changes of 1988. Obviously, the official rate and even the legal ‘free’ market did not reflect the real crisis, which only was tackled in 1988.

In March 1988 a new economic package changed the country’s currency and began a massive monetary reform. Four months later, the government implemented new measures, which included: devaluing the local currency by 515%, which by itself produced increases in market house prices of more than 170%; deregulating prices and wages and removing government subsidies; indexing the exchange rate to inflation and not according to administrative decisions; raising the salaries of public employees by only 30%; and eliminating credit subsidies to the productive sector by raising interest rates and adjusting them or indexing them to the inflation rate (IHCA, 1988a:22). This neo-monetarist package was to transfer resources from internal consumption to export; accelerate the fall of real salaries, transferring resources to those who controlled capital; transfer resources from the small producers to the large; and transfer income from workers, consumers, peasants and small producers to the public finance system and to the agroindustrial and agroexport sectors (IHCA 1988a:23). At the end of the decade, the economic
EXCHANGE RATE IN NICARAGUA 1980-1987
Cordobas for one USA dollar

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Source: SPP/Casa de Cambio.

EXCHANGE RATE COSTA RICA 1979-1990
Colones per one US dollar

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Source: BCCR.

Figure 8.1
conditions showed a process of deep impoverishment, and by 1990 the economy was still in deep crisis.16

The economic situation in Costa Rica was healthier through the 1980s. In spite of a fall in the international coffee price, rising oil prices and external pressure over the country’s enormous debt, the economic situation was serious but not dire. During the Carazo government a continuous recession brought a decline in living standards. This administration adopted an inconsistent programme of adjustment which complied with some IMF requests but defied others. From the mid-1980s external help from the USAID and other international agencies facilitated a recovery. The external pressures for economic change usually met with ready internal acceptance, "but when there was no such consensus, the external actors had made little or no progress" (Bulmer-Thomas, 1988:220). The structural adjustment slowed development of the welfare state, but the already well developed infrastructure and service networks softened the impact on the population. Unlike Nicaragua, Costa Rica did not need to reconstruct its economy or to equip a new army. And instead of economic blockade the economy received sufficient help and external support to institute a lenient fiscal policy. In 1987, the GNP per capita stood at US$1,690, while the per capita debt was US$1,678 (World Bank, 1990). However, estimates from international agencies indicated that living standards by the end of the 1980s were below those of 1970.17

The programme of structural adjustment and the new economic model from the Carazo administration hit the low-income sectors hard. But the government introduced emergency measures to moderate the impact of cuts. These increasingly went into housing, first to buy urban land and then to build thousands of finished houses and to maintain the basic infrastructure. The slight recovery in the economy during the Arias government, in addition to exceptional external help, allowed the maintenance of the welfare state.18 From 1990, the Calderón conservative government was to reduce the range of intervention, but it already complied with its electoral commitment to reform the Finance System Law and change the BANHVI’s mortgage contracts with thousands of families (the ‘bonus’) into a gift.19

E. Privatization and state intervention as alternatives

The programmes of structural adjustment developed in both countries had as a central feature the privatization of state companies. Recent changes in the so-called ‘socialist model’,20 as well as in social-democratic models, have been described by the general word ‘privatization’. However, this concept has a lot of diverse meanings. In fact, comparative research has shown that this same word is often applied to truly different processes (van Vliet, 1990:12; Ambrose, 1991:92). In both countries, there were sudden changes at the beginning of the period: in Nicaragua the confiscation of land and properties, which originated its mixed economy; in Costa Rica a sharp devaluation and de-nationalization of banking which was followed by cut-backs in social budgets and very high interest rates. By the end of the period both countries were moving clearly in the direction of reduced the state intervention. Privatization meant the sacking of
thousands of civil servants and the sale of state companies, although many private companies continued to receive subsidies benefit from tax-cuts.

In Nicaragua, early privatization suggested that the government would retreat into a 'pragmatic socialism' acceptable to the donors of international aid (Drakakis-Smith, 1986:154). Later on, the country clearly showed all the features of an economic shock programme. In Costa Rica, although there was no shock programme, most state companies were sold or threatened with sale, including the water, electricity and communication companies.

At the end of the period, the housing policies of both countries reflected this process of adjustment and privatization. In Nicaragua, the closure of MINVAH and most of all the termination of the original programmes prepared the way for the abolition of laws on rented accommodation and the offer of new state support for private investment in housing, modelled on new Costa Rican institutions. In Costa Rica, the adjustment brought the development of a finance system, and BANHVI to replace INVU in the control of state housing, using market interest rates and individual mortgages in the manner of a private bank.

F. Housing programmes

In both countries the number of housing solutions was related to the availability of resources, but the forms of the different programmes were similar to those in most Latin American countries. The housing policy of capitalist countries according to Pradilla (1982:292) has a logic as follows:

"The state makes investments in housing regardless of the needs of the population. It takes into account mainly their political importance, including the legitimacy of the government and replied to popular demands. Secondly there has to be a balance between the availability of resources and its needs for investments directly linked to capital accumulation (infrastructure, electricity, etc), immediate reproduction of the work force (education, health, etc), and the needs of direct political control".

In neither country was there a consistent policy throughout the decade. The survival of the political party in office was always the first factor accounting for changes in the short term (Gilbert, 1982:111). In both countries rhetoric about 'the quality of life' took the place of actual goals, and populist criticism of self-help was followed by the adoption of self-help projects as the main component of housing policy. Delegation of control over the programmes to community groups allowed governments to limit their own investments.

In both countries, finished housing projects used traditional concrete blocks and pre-cast concrete elements and metal roofs, with no consideration for the weather, or the cultural or ethnic needs, and with no emphasis on using local materials. Many of these projects suffered delays of years or remained unfinished. Many still lacked proper infrastructure or basic services years after the houses were erected. Their completion always depended on political contacts and on electoral circumstances which made governments more willing to spend in the short term.

The construction industry, professionals, government officials and the community leadership from both countries all criticised 'sites and services' projects and demanded financial support for the construction of proper houses. In both countries many professionals and
community groups gave ideological reasons for supporting the building of houses rather than self-help or upgrading. These house-building programmes used mortgage systems and individual ownership with the immediate introduction of the property on the real estate market. However, financial restrictions and lack for resources of the housing institutions, determined by central government priorities, forced the development of 'sites and services'. Housing institutions abandoned their original rhetoric and began to distribute public land.

Official 'sites and services' programmes had features similar to those supported by international agencies in other Latin American countries, including financial conditions that excluded most of the urban poor. In both countries these programmes suffered from sudden modifications or cut-backs, technical advice was very limited and families normally had to contract construction workers. They were less organized self-help programmes than a means to distribute land. The process of construction as such could take years.

Unofficial 'sites and services' projects were the main form of land distribution. As elsewhere in Latin America, state intervention to buy private land, or its tolerance of invasions on public land, were likely when community groups posed a serious threat to social stability, and when assistance furthered the government's own interests (Gilbert and Ward, 1985:243). Upgrading programmes provided opportunities for the state to increase its legitimacy, "by appearing to meet the demands of the poor without making any real concessions, thereby diverting attention from its failure to tackle underlying problems of poverty and unemployment" (Rakodi, 1989:15). In Managua, the distribution of land by the CDSs precipitated large invasions, which contradicted the original goals, but suited the FSLN's electoral interest in 1984 and 1989. In Costa Rica, the PLN government bought private land to allow community groups to develop their occupation in line with electoral commitments. The cut-backs in formal house-building led first to official 'sites and services' programmes, and then to 'unofficial' self-help programmes.

Families living in these settlements were provided with limited infrastructure and services. Most settlements had only a few stand-pipes for dozens of families and illegal makeshift connections to electricity and water networks. In addition, most possessed only dirt roads, poor or non-existent rubbish collection and latrines, and also lacked sewerage systems, or education and health centres. This all supports the view that "it is clear that neither squatter settlement upgrading nor sites-and-services projects in their present form (the 1980s) provide a long-term answer to the problems of accommodating growing numbers of urban poor at decent standards" (Yap, 1989:6).

Structural conditions of the economy and central government priorities defined the limits of the various kinds of self-help programmes. While they could not stimulate economic development in the country as a whole, they could have a strong local impact. The building of hundreds of huts and the sudden arrival of hundreds of families demanding small quantities of building materials and basic goods had a strong influence on the local markets. In addition, the immediate introduction of hundreds of plots had a significant effect on the real estate market. As Gilbert (1982: 106-107) has suggested:
to generalize self-help without reforming some of the basic inequalities of the Third World city will undermine the programme. To be successful, therefore, sites-and-services and squatter-upgrading programmes need to be accompanied by structural reforms of the land market, taxation and zoning, and urban-planning policies. Without such reforms self-help programmes may help the less destitute but in no sense will the majority benefit, even in the more prosperous Latin American countries.

In Nicaragua, self-help was the only mass-scale policy during the 1980s, and the real estate market was not structurally reformed, except for the re-distribution of houses confiscated from the dictator's supporters and absent owners. The law for intervening in 'illegal subdivision' allowed families to stop payments but did not change anything else, and did not even give them real deeds. Hundreds of these families were subject to eviction orders and the Sandinista government failed to properly legalize individual ownership. Some authors have stressed that support and guidance from the state rather than eradication is the right policy to overcome the usual drawbacks of self-help programmes developed from land invasions (Borja, Castells and Bellil, 1989:287). In the extreme conditions of the Nicaraguan economy, self-help programmes were the only way to provide basic shelter for the urban poor at minimum costs to the government. But at the same time their use as an electoral tool, together with the lack of planning, building materials and professional support prevented the improvement of housing conditions. Generally, in most settlements only land was made available. Only in exceptional cases, such as in Martin L. King, direct external help was provided by NGOs or politically favourable circumstances allowed substantial improvements to community facilities.

In Costa Rica, the pattern was identical except for a brief period from 1987 to 1989. Prior to the existence of CEV governments' limited involvement gave access to land, usually after land invasions, following political pressure and operating through patron-client relations. Some basic help, however, continued to exist and also some failed attempts to develop proper house programmes motivated by electoral considerations, such as in Los Cuadros in 1985. The official 'sites and services' programmes excluded most of the urban poor, as did other INVU programmes, because of their financial conditions, just as had done the building projects of Managua during the first two years of the revolution.

From 1987 a large scale rebuilding programme in the old precarios suddenly changed the basic conditions for the urban poor and this clearly differentiates the two countries. The crucial element of difference after 1987 is large scale building of finished houses for the poorest stratum of the society. The Monge administration briefly gave money from 'emergency funds' to buy private land, but then sharply reduced its involvement. During the Arias administration there was a radical change in the pattern of central government support for housing which rapidly expanded the capability to produce housing of better quality and raised the average of housing production. During the decade, the Nicaraguan Government showed a consistent pattern of declining central government support for housing (Figure 8.2).

During the 1980s, Costa Rica built in average 7.0 houses per year per 1,000 inhabitants, which is impressive by Latin American standards; Rodell (1983:21) has calculated that "a country with a large stock typically builds five to ten houses a year per thousand population. Countries
COSTA RICA and NICARAGUA
% of Central Government Expenditure

Sources: Nicaragua = SPP, C.R. = CGR.
Figure: 8.2
Figure: 8.3
with relatively small housing stocks, with the greatest need, build new units at an annual rate in
the range of two to four per thousand population”. Cuba, for example, built 6.7 units per year per
1,000 inhabitants during the same decade and its goal for the end of the century was 9.5.
Nicaragua had a very low production during the whole period, even if the figure includes every
type of ‘solution’ and not just proper houses. The index for proper houses was less than 0.4 units
per year per 1,000 inhabitants according to MINVAH data, with a rapid decline during the last
years of the Sandinista period. If all kinds of ‘solution’ are included, this index only rises to
1.9 which is extremely low by international standards (Figure 8.3).

G. Rental housing

Neither of the two countries’ governments encouraged or improved rental accommodation. They introduced rent controls and limited the grounds on which owners could evict their tenants. The Sandinista’s Rent Law of 1979 is very similar to that which the Costa Rican government approved in the 1930s. Both laws perceive landlords as speculators. Both sets of governments encouraged individual home ownership and neither developed any alternative housing policies in which private rented housing had a basic role. In practice, the rent controls were actually rather ineffective during the period. In Costa Rica owners used ‘rent contracts’ which contravened the law while, in Nicaragua, after the shock caused by the new legislation, the owners evaded the law by renting in foreign currency as a protection against hyperinflation. Many owners sold their houses to relatives or invented imaginary buyers, so that they could legally evict their tenants. Hundreds of eviction orders were stopped by the Sandinista government suspending the application of the rent law. Admittedly, a number of tenants benefited from the legislation in both countries. Many tenants paid low rents. But a larger number probably lost out from the lack of investment in new accommodation.

In both countries, owners lobbied for years to change the ‘protectionist’ rent laws. They argued that the long-term effect would be a decline in available housing stock and the gradual deterioration of rented homes. In Costa Rica the evidence shows a steady reduction of rented accommodation over the last 30 years. In 1988, a new non-protectionist law was approved, although it was still not in operation by 1990. In Nicaragua, the Sandinista’s housing programme for the 1990s included a proposal to change the rent laws. They planned to follow a similar path to Costa Rica in the hope of encouraging more private investment in rental housing.

H. Urban infrastructure

The quality of the basic urban infrastructure is one of the main areas of difference between the two countries, particularly the supply of water and electricity, sewerage and health. Both countries had established autonomous institutions in the 1950s to develop basic service networks. These had their own sources of funds and got additional support from central government budgets and foreign funding agencies to develop long-term projects, such as pumping stations and sewerage networks. However, the spread and quality of the services at the
beginning of the 1980s were very different. While in Costa Rica there had been an accumulation of investments for decades, services in Nicaragua were neglected and, particularly in Managua, affected by natural disasters.

The Sandinista Government tried to maintain basic water networks and to increase supply by adding some new wells, but they did not make long-term investments in the system and they restricted consumption by cutting the service by up to two days a week. By 1987, there was a 40% shortage with a production of only 40 millions gallons, facing a demand of 70 millions, growing by 7 millions every year. The electricity network was extended to many new barrios, businesses and workshops by means of illegal connections carrying an estimated 15% of the total demand. This caused many accidents, damage to main lines, changes of voltage and frequent ‘blackouts’. Education and health were the priorities for social policy, but the building of new schools and health centres was insufficient, particularly in the newer settlements. The sewerage system covered only a small area of the city, and open drains were highly polluted and unable to protect the lake-side area from repeated flooding. Rubbish collection was limited to some central areas of the city, and most of the low-income settlements dumped their rubbish on waste land or in drains, or burned it in back yards. The Mayor’s Office simply did not have a big enough budget or sufficient equipment for rubbish collection or street cleaning.

In Costa Rica, there was a steady expansion of basic services to almost all urban areas of the country and to a high percentage of families in rural areas. Over the last three decades the supply of drinking water, with low prices and of high quality, grew consistently. By 1984, 86% of families in the country, and 96% of the San José province, had water. Between 1963 and 1984, the sewerage system grew from a coverage of 44% to 66% in San José province and up to 90% sewerage in urban areas. Conditions improved substantially during the last five years of the decade, particularly in the Metropolitan Area of San José. All the land occupations became CEV projects which included the progressive construction of urban infrastructure. This was the last phase of construction, but in 1990 most of the projects were fully serviced or the construction of service facilities was almost complete.

These differences between the two countries were not the result of different ideological or political programmes during the 1980s. To develop a wide coverage of services and infrastructure requires long-term investment. Other countries of Latin America, such as Panama, Cuba and Uruguay, have conditions comparable to those in Costa Rica, under very different forms of government, but with similar long-term investments. These examples of Cuba, Uruguay and Panama show how continued investments for decades, in countries with very different governments and declared ideologies, produced similar results. A lack of investment would produce low or very low quality of services and basic infrastructure regardless of the government ideology.22

Nicaragua lacked this continued long-term investment during the Somoza dictatorship and also during the Sandinista government from 1979 to 1990. As a result, its services had a quality and extent similar to those of countries such as Honduras and El Salvador, in spite of their very
different governments and institutions. In those countries economic stratification is clearly reflected in the construction of services and infrastructure; low-income sectors normally only get stand-pipes and illegal electricity connections, while government investments are concentrated in central areas and high income neighbourhoods. In Nicaragua, the basic infrastructure deteriorated badly during the 1980s, particularly in the poor settlements, whereas in Costa Rica even the old land occupations, existing by 1987 in the Metropolitan Area, had improved their provision of services substantially.
Notes:

1 Unlike other Latin American countries (Green, 1988:13), in both Metropolitan Areas of San José and Managua there is no segregation as regard ethnic groups. There are no ethnic areas of the cities or concentration of ethnic groups in particular barrios of the cities. In both countries ethnic minorities are concentrated on the atlantic coast.

2 Saunders (1986:161) criticised Dunlevy (1986) and suggested that there are various factors that encourage the development of a welfare state, and not essentially the "exceptional political mobilization of the working-class".

3 "In 1979 the FSLN was not organically united. It was organized around the political purpose of overthrowing the dictatorship. The three factions agreed in this purpose, but maintained separate structures. The factions formally disappeared and the cadres became officials of the institutions or the army according to the tasks they previously performed. The organic integration of the FSLN as a party was never developed. What really happened was the integration of its membership to the state. This provoked the preeminence of the state over the party, and the FSLN became de facto a state-party -partido paraestatal- (Téllez, 1991:29).

4 Hegedüs and Tosics (1990:245) acknowledge that "even if this model had not existed in its pure form, it serves as a starting or reference point from which the line of actual developments of housing policies in Eastern European countries from the late 1940s can be interpreted".

5 Serra (1989) asserts that the civil servants sacked as part of the programme called compactación included trade-union leaders and employees described as 'conflictive persons'. In addition, the government declared the land invasions illegal, and the economic agreements between state, employees, and the entrepreneurs favoured only the latter.

6 This appropriation is indirect through high salaries and extra-payments and bonuses. The top level state bureaucracy, technocracy and military top ranks not only get payments higher than they need for their social reproduction, but accumulate real capital in enterprises and shares partially owned by the state and private companies. For a classical discussion of the bureaucracy as extractor of surplus value see Marx (1975).

"Alternative attempts to increase the surplus value component of state revenues have generated tensions and conflicts (...) One of the effects of such policies, and of the generalized economic crisis of recent years, has been a fall in the price of labour power below the value of labour power" (Ruccio, 1988:62-63).

7 Eckstein (1989:14) also suggests that "since Cuban workers are not free to strike and since unions are politically controlled, workers have turned to quieter and more covert forms of defying work conditions they dislike. They have, on occasion, quite effectively expressed resentment with their hands and feet in poor on-the-job performance and high absenteeism".

8 The Cuban 'micro-brigades' workers also practice absenteeism and very low productivity, although official accounts show extremely long working days. The real average hours of work are less than half the normal (Mathéy, 1990c:73 and 1979).

9 Projections of urban growth did not take into account major changes after the 1972 earthquake in Managua, so estimations are not really accurate. The proportion of urban population in 1980 was estimated at 53,4% and in 1987 at 63.6%.

10 There were more than 10,000 killed and 20,000 injured; 53,000 houses destroyed out of the total 70,000 of the 1971 census; the totally destroyed area was 13 km²; more than 50,000 became unemployed (Téfel, 1978:2).

11 Including rural and urban, the III Region accounted for 42.2% of the total number of houses built. If the total number of 'solutions' is counted (including official 'sites and services' projects) the percentage in the III Region is 42%, according to data from the Mayor's Office in 1989. This does not include thousands of lots in the un-official 'spontaneous settlements' of Managua. In addition up to 57% of the lots in 'illegal subdivisions' were located in Managua (Higgins, 1990:383). These official data make Mathéy's interpretation, though well-intentioned, absurd.
Gilbert emphasized the crucial importance of land availability:

"Another critical factor determining the ability of the poor to construct and to consolidate spontaneous settlements is the availability of land. Clearly the nature of the land market and government policy are the key factors here" (1982:91). "The availability of land for poor people varies greatly from city to city. For while it is relatively easy to obtain cheap or even free land in certain cities, in others even the poor must pay the full market price for a plot" (1987:48). "Land is no longer easily available in many, perhaps most, Latin American cities. The basic ingredient in understanding the transition to ownership in Latin American cities, therefore, is to consider carefully how poor families obtain land" (1991:9).

The complex forms of traditional land-ownership and land-rights, together with rapid new capitalist development and legal changes caused complex processes of invasions-evictions-occupations in some African countries similar to those of some Latin American countries (Main, 1990; Salau, 1990:66-68).

Mathéy (1990:73) exaggerated extraordinarily the negative effects of the Hurricane Joan. He said that "in Managua alone, several hundred kilometres from the coast, more than 1,000 houses were completely destroyed, and another 30,000 heavily damaged". However, he did not mention his sources. In fact this kind of destruction implied the destruction of most of Managua. In reality official data said that in the whole Ill Region (including Managua) only 359 houses were damaged, not destroyed. Most of the destruction was on the atlantic coast and in the city of Bluefields. In the whole country the total of damaged houses was 29,152 (ENVIO, Vol 7 #89, December 1989, page 27).

The Costa Rican earthquake of April 1991 caused severe damage along the Atlantic coast and in the city of Limón, but did not affect at all the Metropolitan Area of San José (LA NACION, 23-04-91).

The panorama was the worst in Nicaragua's history and of course it became the main topic of electoral debate. Over the last three-year period, gross domestic product (GDP) declined 11.7%, a per capita drop of 21.5%, the trade balance showed a deficit of $1.2 billion and the balance of payments was a negative $2 billion; in 1989, foreign debt amounted to over $7.5 billion or $2,300 per capita. A drastic adjustment program, characterized by the U.N.'s Economic Commission on Latin America as 'Dracoonian', brought hyperinflation down from over 33,000% in 1988 to somewhat less than 1,700% in 1989, reduced the fiscal deficit from 25% of GDP in 1988 to just under 5% in 1989, and provided some stimulus to exports. The adverse effects included a severe slump in productivity, lack of liquidity, and further deterioration of social services. Nearly 35% of the population was unemployed or underemployed* Vilas (1990:12).

Between 1982 and 1985, the government received external help amounting to US$900 millions; from the US government alone it received between July 1982 and June 1986 US$681.9 millions. This brought a relative stability in the short term. At the end of the Monge administration the wages were almost as high as the pre-crisis period and the popular instability of the beginning of the government was controlled. From 1986, there were an improvement in economic conditions; between 1986 and 1990 the GDP grew at an average rate of 5% and the exports rapidly rose, particularly the non-traditional ones developed as part of the new economic model. Not all the difficulties were solved, but the crisis of 1979-1982 was over* (CEPAS, 1990c:6-7).

Mathéy (1990:87) gave a wrong figure: 1.14 with no source indicated. We assume a population of 3.38 millions.

CHAPTER NINE

COMPARATIVE ANALYSIS OF COMMUNITY INVOLVEMENT
Introduction

The amount of community involvement in housing matters varies considerably, from complete control by institutions to a high level of control over local projects by community groups. Struggles for housing by low-income sectors and community groups in Latin American cities have been interpreted as a form of 'social movement'. Studies of urban social movements over the last decades have classified different kinds of actions, principles, goals and organizational forms, but most studies have presumed the presence of a bourgeois government in a capitalist country.

The traditional patron-client relationships found in most Latin American countries are not supposed to be a common feature of community groups in a country in 'transition to socialism', such as Nicaragua. A revolutionary process founded upon the development of a grassroots democracy is expected to provide ways for the people to be closely involved in the definition of social policies. Social movements are expected to work together with the revolutionary government in developing local projects and local power.

This chapter will show that the revolutionary government of Nicaragua developed forms of patron-client relationships similar to those of Costa Rica and that its new centralized institutions reduced the people's ability to negotiate better conditions. Some interpretative models are discussed, then particular characteristics of the two countries' experience are compared. Finally the chapter examines the nature of the relations between government and community groups in the two countries.

The role of social class

From the early 1980s the theoretical debate on urban social movements was dominated by the issue of class. As Drakakis-Smith (1990:210) argues "the whole question of links with classes and class analysis, together with the role of political parties and the state, comprises the heart of the debate over the definition of urban social movements". Similarly, Alvarado (1983:1420) comments that:

"Urban social movements can only be understand in relation to more general movements determined by social class. In practice, the urban social movements will develop during periods of deep struggle between social classes and for that reason can only be interpreted in terms of the class principles that they reflect. This means that their character is basically defined by the class nature of the social movement and not by their urban character"

Alvarado criticises the structuralist approach of Castells in the late 1970s. He shows how urban struggles for basic services develop during periods of increasing class conflicts and how when class conflicts subside, the struggles of urban community groups also decline. In Nicaragua and El Salvador there were urban struggles for better basic conditions during the months before the uprisings and the Sandinista triumph of 1979 (Alvarado, 1983:1408). While these are reasonable examples, the author did not take into account that during the same period there were huge community struggles in the other Central American countries, led by political parties in opposition, which did not form part of any general class struggle or uprising. Although they were
led by left-wing groups these struggles were relatively isolated and occurred in periods that were relatively free of class conflicts.

Pradilla (1982:308) made similar mistakes, but his explanation was not as mechanical as that of Alvarado. He suggested that self-builders were ideologically petit-bourgeois because of their peasant origins. But he also identified self-builders with the working-class and argued that for this reason "they should reject self-help as a solution for homelessness, and through their struggles produce a situation where proper houses become part of the reward to labour and are included as part of the minimum salary" (Pradilla, 1982:316). This interpretation gave no empirical evidence of the peasant origins of the urban self-builders and offered no practical options for the homeless. As is well known thousands of families live for long periods with salaries that do not include the cost of a house and for regular periods without any salary at all. His identification of urban self-builders with the working class is also inaccurate. In the two countries few of the urban homeless were either peasants or salaried workers. Many were self-employed or unemployed and were only indirectly related to the process of capitalist production. In both countries class structure and class struggles did not explain the struggles for better housing and services.

Drakakis-Smith (1990:213) defined urban social movements as collective conscious actions which operate outside the formal party system and against the logic, interest, and values of the dominant class, though not necessarily led by working-class organizations attached to the production process. By this definition most of the community struggles studied here should not be considered urban social movements. Community groups in both countries developed multiple relationships with political parties, in many cases with various political parties of different ideology at the same time. It is true that the logic and interest expressed by the community organizations were opposed to those of the traditional dominant classes. However, political party' action did not reflect a single class perspective, contradictory programmes reflected the pressure created by different factions and social sectors in the parties and their linked organizations. Drakakis-Smith's definition ignores the complexity of multi-class political parties and the differing degrees of independence of the community organisations. His example in fact underlines his own observation that "the notion of urban social movements has proved to be a rather slippery concept to pin down and define, despite its increasing recurrence in the literature related both to advanced and peripheral capitalist development" (Drakakis-Smith, 1990:209).

Production, consumption and social struggle

Debates about whether social struggles based upon consumption produce less revolutionary consciousness than struggles based upon production processes are futile. The intensity of popular struggles for improvements in basic services and housing are not linked to struggles in the production process. In neither Costa Rica or Nicaragua during the 1980s did social struggle simply reflect class struggle. Social struggle was an outcome of complex alliances in which local, regional and sectorial factors were crucial. Consumption conditions which help
fragment one class also produce differences in political alignments (Preteceille, 1986:52). Needs tend to be shaped by social class, but differences in consumption and involvement in social conflicts can fragment social classes and produce the convergence of various sectors of different classes. Ramírez (1986:31) found that "although urban social movements bring together different classes, sectors and strata, it is common to find broad conditions of social and political exploitation".

Political struggles and consumer demands show complex class structures and cannot be simply determined by the degree of involvement of working-class organizations, as argued by Preteceille (1986:153). There are many examples of popular community-based struggles which have no connection to working-class organizations. Stokes (1989:98) has concluded that "the loci of political socialization other than the workplace, can play a more important role in moulding and even transforming political consciousness than the directly work-related experience of the urban poor". The evidence from the two countries supports this conclusion. Local and regional struggles by community groups have had a powerful impact on the political balance and social consciousness, not only in Nicaragua, which had many examples of local conflicts in the late seventies and regional confrontations in the 1980s, but also in Costa Rica, both in the coastal cities and in the Metropolitan Area. Better housing and services were one of various objectives of these social struggles, which did not normally have any connection to working-class organizations, such as trade unions.

**Political party and community organizations**

Certain Central American authors have claimed that community demands had to be based upon working-class organizations to be successful. Lungo (1987:69-76), for example, considered that working-class political party leadership is crucial for popular demands on consumption. His differentiation between 'social urban movement' and 'urban movement' is academic and based on no empirical evidence. However the trend of interpretation in the general literature over the last decade has been different. It has been "away from a narrowly deterministic and dogmatic interpretation of urban social movements as the new cutting edge of proletarian socialism to one in which they are seen as examples of granulated socialism attempting to democratize contemporary global capitalism on a localized basis" (Drakakis-Smith, 1990:210-211).

Making working-class political party leadership the criterion of successful community struggle is tautological and in Central America is factually inaccurate. In Costa Rica, small struggles under the leadership of PVP, PRT and COPAN up to 1986 (before its alliance with the PLN and rejection of marxism) would be 'social' and 'revolutionary', those led by the FDV, FCV or COPAN after 1986, would be a 'manipulation' of the urban poor by bourgeois parties. In Nicaragua, the CDS-directed land occupations would reflect the revolutionary party's development of a grassroots democracy, while those of the PRT and independent community groups would be counter-revolutionary.
This kind of mechanical interpretation of social process would hide the fact that traditionally left-wing political parties have vertical structures and non-democratic ways of appointing the leadership. In Central American countries these have led to life-long leadership which could only changed by open splits of the parties. In Nicaragua the tradition of urban struggles since the 1950s, some of them led by the Socialist Party, turned to political struggle against the dictatorship in the late seventies (Arróliga, 1983; Turcios, 1984). In fact, uprisings in various cities and the foundation of the Civil Defence Committees were led by community groups that had previously organised local demands for better housing and services. In many cases the FSLN took over the leadership weeks or months after the local organizations had developed their own independent activities as a continuation of their previous community struggles.

The foundation of the CDSs inhibited the development of the community groups by the direct involvement of the FSLN and the assignment of government tasks to local leaders, who progressively abandoned their role as local leaders demanding improvements in services, housing and provision of basic goods. It was not a case of political hegemony imposed by party discipline, as suggested in the case of Chile by Castells (1986:291), but a change of role; local leaders become voluntary government officials. Social control through the CDS' national structure working together with the police and party cadres allowed the government to stop land occupations almost immediately after the triumph. It allowed them to launch a new wave of land occupations before the elections of 1984 and to stop them again immediately after. The new Communal Movement under a new national leadership launched a new wave of land occupations before the 1989 elections and a bigger one after the Sandinista defeat. According to Lungo's theoretical proposals, the most recent land invasions would be once again led by the peoples' vanguard defending the gains of the revolution, whereas those repressed in 1986-1987 had only helped the counter-revolution.

In both countries the central government and the political parties in office (the PLN and the FSLN) obstructed the development of community groups and repressed them when their demands could not be channelled into votes. During electoral periods both parties and their linked community associations initiated land occupations. Party leaders in their double role as ministers and candidates coordinated land occupations, gave them protection and supplied them with basic services. It was not class struggle against the bourgeois state, but the efforts of multi-class political parties trying to stay in control of central and local government. The demands of the urban poor were expressed through the parties. In both countries the governments allowed or repressed land occupations depending on political circumstances and justified their actions in the name of justice, democracy, revolution or peace.

Lungo (1988:10-11) considered the Costa Rican housing struggles of the 1980s as 'transitory' because they confronted the "most solid bourgeois liberal democracy of the continent". He also defined them as 'circumstantial', because they were related to consumption, not production processes, which would be 'structural'. His argument oversimplified reality and did not comprehend the complex relations between political parties and community groups. It did not take
into account the changes of state policies in response to community pressures and the complex process of the community association development (Vellinga, 1989:152).

The degree of independence of community associations linked to political parties varies widely from place to place and over long periods of time. Movements that began 'independently' later established strong links with parties in government, and some community groups organized by the parties during elections obtained high levels of autonomy (Ramírez, 1986:25). Many community groups that were members of the FDV or FCV developed their own activities, evicted party leaders and developed new forms of organization. Some CDS local committees also had confrontations with zonal or regional officials and some land invaders organized committees that later became CDSs after years of conflicts and repression.

Any general statement that defines the relevance of community struggles only in terms of their links with a 'revolutionary strategy' is dubious, it raises the question what is such a strategy. This political discussion is academically non sense because every 'revolutionary' party would claim that its strategy is the revolutionary one, while denying the claims of others such a parties. This has been the case in the Nicaragua and Costa Rica for a long time. Traditional communist parties have denied the revolutionary character of the FSLN since the 1960s and the FSLN denied the revolutionary character of the other left-wing parties during the 1980s. The Costa Rican PVP criticised the FSLN in the early 1970s (Semanario LIBERTAD, 21-03-70) and FSLN leaders condemned the strategies of the PVP (Fonseca, 1970). New left-wing parties of the 1970s strongly criticised alliances between the PVP and the PLN and considered the former a 'reformist' party (OST, 1976a), while the PVP split of the early 1980s caused a destructive debate over strategy and who was the authentic revolutionary leadership.

**Social dynamics and static taxonomy**

A comparative analysis requires more than a descriptive classification of kinds of struggle. It needs to examine process and explain sudden changes, phases of decline and moments of expansion and rapid development. General statements that try to encompass every instance of community struggle are useless. There are not limited options for every experience. It is simply not accurate to make the following kind of statement:

"global experience of such a movements showed, however, that if they did not naturally disappear once demands were met, they tended either to be co-opted into the political system or, where they became too powerful, to be eradicated by force" Moser (1989:92).

Local experience shows many different patterns if observed over a long period. The eleven case-studies in Costa Rica and Nicaragua show many different forms of relation between community groups, national community organizations, political parties and governments which changed many times. Some local groups conducted land invasions and then established relations with national organizations linked to political parties, but later rejected political leadership and maintained the pressure to obtain better conditions. The quality of the local leadership and their
political skills could produce totally different results. Some community groups kept the same local leadership for years, surviving various electoral periods and negotiating with different political parties. Some community organizations began as the local committee of a political party, became independent and acquired enough power to force changes in government policy. In some settlements local organizations seemed to disappear during years of direct government intervention, but later gained renewed strength. In other cases the formal organization disappeared but its leaders started a new organization or reappeared as leaders of other formal organizations. In the two countries community organizations underwent changes in relation to political circumstances, but were also affected by the economic crisis and regional conflicts. On the other hand, national organizations and political parties also changed their structures, tasks and leadership. Indeed, every national community organization changed its structure and functions during the decade.

Ramírez (1986:27) suggested that urban movements constantly maintain multiple forms of relationship with the state, including subordination, self-defence, opposition and negotiation. They can conduct their own policies and organize their own projects; their tactics are determined not only by their own strength but also by the government’s response and the political circumstances. As Peattie (1990:29) affirms organizations and settlements change together in multiple directions, contrary to the narrow alternatives suggested by Moser, based on ‘global experience’. The eleven case-studies show that local organizations do not simply disappear, nor are they inevitably co-opted or eradicated by force. Some gained independence, while other settlements continued their struggles in the face of constant repression. In other cases, after the original demands were met local groups made new demands and opened new forms of negotiation (Boran, 1989:105). Others reinvaded the land from which they had been evicted.

In Costa Rica the FDV grew very fast. It forced changes in government policy and then split, continuing until it finally disappeared after the land occupation of San Pedro. Some FDV founders organized the FCV, which also suffered structural changes and ruptures, but it survived as an organization. The FCV kept a low profile for years under pressure from government officials, but it surfaced again in 1990 after the PLN defeat. Many other community groups also appeared on the eve of the 1990 elections when the CEV projects were about to finish. COPAN which was born as GST became a private company, but it kept its old party structures in spite of its political alliance with one of the PLN factions.

In Nicaragua, the original CDCs became CDSs, but years later some FSLN leaders criticised its original proposals and abolished the CDS as a formal institution. However, some local community groups survived and became part of the new Communal Movement. Throughout the decade, local committees had developed many different forms of relation with the CDS-institution, the FSLN and the government. After the 1990 elections the Communal Movement became part of the opposition, and the local leaders were able to return to their original tasks.
Alternative models for a comparison

Drakakis-Smith (1990:213-214) suggests that in studying the process of mobilization four basic characteristics should be identified: the social base; the nature of local political power structures; the ideological structuring of the urban system; and the immediate and changing nature of the general economic system. Comparative studies have to ask whether similar structural circumstances give rise to similar or similarly effective social movements. In Costa Rica and Nicaragua only the social base for urban struggle was similar. The second and third factors reveal some similarities but also some differences; the last show clear differences. Ideology in Nicaragua changed from that appropriate to a phase of political struggle against a right-wing dictatorship to one appropriate to a phase of triumphal revolutionary government. These conditions were very different from the relative stability and electoral democracy of Costa Rica, although they produced organizational forms which were similar to those of Costa Rica, especially at the local level.

The relationship between the 'national' and the 'local' has been discussed by Pickvance (1983) when criticising Castells (1983:328) for over-emphasising the local dimension. He replied to Castells' (1985) counter-criticism with a more further explanation. His argument highlighted that it is absurd to assume that the national dimension has to be found in the local dimension. Obviously some aspects of the national dimension appear in local processes in ways that are more than simply contexts. However, there are also ways in which contextual processes become conditions that determine local actions without having a local expression. Contextual features may be closely linked with local struggles, particularly in relation to ideology and politics.

The two countries developed similar institutions to deal with community organizations, but with different ideological perspectives. However, many local community groups made similar kinds of demands, and relations between local leaders and regional officials were almost the same in the two countries. Local community struggles, such as land invasions and demands for services, followed similar phases, made similar demands and had similar forms of organization. Their links with national processes introduced some differences in terms of ideological statements. While in Costa Rica local leaders talked of community development and criticised the 'capitalist government'; in Nicaragua they talked of popular revolution and a Sandinista Government. However the response from the two governments was often very similar. Both governments accused local movements of being 'communist' or 'radical', tendencies which put in jeopardy democracy and revolution respectively. Eventually the urban movements became almost identical; after the Nicaraguan changes of 1987, the Communal Movement also began taking about community development and involvement of the people in the solution of their needs. However, the Sandinista leaders continued proclaiming that their proposals for the community movement were original and 'Sandinista'. In fact, they closely resembled the programmes of many Latin American institutions, such as the Costa Rican Direction for Community Development or the housing fronts of the 1980s.
Pickvance (1985:40-42) suggests five elements which are required for comparative analysis: 'rapid urbanisation', 'state action', 'political context', 'middle class' and 'general economic and social conditions'. Both countries were experiencing rapid urbanization with a heavy concentration of people living in their capitals. But Costa Rica enjoyed higher levels of construction and the population had better access to finished housing and services. In Nicaragua, much of the national housing stock and the basic infrastructure was damaged or destroyed. In addition, the growth of Managua was much faster than that of San José during the 1980s. Land distribution during electoral periods and the land occupations of 1979 and 1990 created enormous shanty towns all over Managua, while in San José, the precarios were entirely transformed into formal neighbourhoods.

State intervention in the urban economy was norm in Costa Rica for three decades. In Nicaragua the state only intervened intensively after 1979. The logic of the Pickvance model suggests a higher level of urban struggles in Costa Rica because of the traditional higher level of 'state action' and its political tolerance. This would allow also a higher level of institutionalization of the urban movements. However, the Sandinista triumph over the Somoza dictatorship opened new expectations for immediate and deep intervention by the state and higher levels of political liberties. In fact, during the first months of the Revolution urban land occupations were tolerated and the urban poor could expand their water and electricity networks if they obtained the agreement of the Government Junta and the CDS leadership. Urban movements grew rapidly in Nicaragua during the last months of the struggle against Somoza and the first of the Sandinista Junta, but soon the government, the institutions and the FSLN, tightened their controls. Urban struggles almost disappeared and community leaders pursued new tasks and government 'directives'.

The 'political context' obviously changed profoundly in Nicaragua after July 1979. Before then the Pickvance model would have predicted greater urban struggles in Costa Rica, while in Nicaragua urban movements would be subsumed by the struggle against dictatorship. After 1979 the model would expect new responsiveness from the state and greater support for community movements, while in Costa Rica they would constantly come up against bureaucracy and lethargic state institutions. A revolutionary government would reflect popular demands. Community involvement would be crucial in policy decision-making.

However, the real processes were different from the expectations of the model. The national dimension of policy was a crucial contextual element in explaining the local development of urban struggles in Nicaragua. The subordination of local leadership to national institutions and parties retarded or stopped popular demands. Local demands were constantly postponed during most of the 1980s, except during electoral periods. The official explanation was always the national commitment to defend the 'revolution' and national interest. From 1980 to 1986 there was almost complete subordination of local issues to national tasks. The lack of alternatives provoked the people's defection, rather than the creation of new urban movements and organizations. From 1987 the national leadership launched a new campaign to promote people
involvement in local issues, but the severe decline in living standards together with the new shock of the government economic measures reinforced the trend for individual survival rather than collective action under government leadership. Only the Sandinista defeat produced a new wave of collective actions and land invasions, but poorly organized. Contrary to the Nicaraguan experience, the Pickvance model (1985:42) expected that opposition parties would channel urban demands and, therefore, weaken the community struggle; and the reverse that a lack of alternative parties would strengthen urban movements. In the two countries the opposite was true; community struggles grew where there was a wide range of political parties and declined where there was overwhelming political party-state control.

The fourth element of the model was similar in both countries and had little impact on urban demands. Professionals and intellectuals participated as organizers and leaders of some local community groups but as a group did not have a significant presence in urban movements. People’s expectations were very different. While Nicaraguans only expected basic services and land to develop self-help housing, in Costa Rica local and national organizations demanded a proper, fully serviced house for each family.

In Costa Rica, pressure from the construction industry together with urban movements transformed housing into a central political issue. In Nicaragua strong state control over the construction industry reduced political pressure, especially given the enormous investment in government building and military infrastructure. Whereas in Costa Rica there was little public investment in new government buildings, and the construction industry was concentrated on housing, the Nicaraguan government rebuilt a central institutional complex in the old city core and dozens of public and military installations all over the country.

Pickvance (1986:229) suggests:

"comparative analysis is thus capable of discovering links between contextual features and urban movement incidence and success. It is not a substitute for the detailed investigation of particular movements, nor does it exhaust their historical specificity. But it is the only way of uncovering any regularities which may exist between contextual features and urban movements".

Comparing the two countries allows a synthesis of general features that transcend rhetoric and theoretical or political expectations. A comparison based upon a series of representative case-studies allows a deeper analysis of local transformations and their contextual links.

Community involvement and local leadership

The eleven case studies are examples of housing programmes and land invasions. They reflect the basic trends developed during the 1980s in both capital cities. They include the biggest settlements and different forms of community groups. They are not exceptional cases and provide a representative picture of most of the different kinds of links that exist between local community groups and the state actions.
Contrary to the findings of Ward and Chant (1987:83), local leaders in the eleven settlements were not "middle-aged, male, relatively well-educated, and held comparatively 'high-status' jobs with better than average remuneration". However, they did "have good access to resources and contacts; possess certain skills and experience relevant to the community in question; were long-term residents and have charismatic appeal" (Ward and Chant (1987:83).

Women played a very important role in both demonstrations and voluntary work. Most local committees contained a woman and many presidents or coordinators were women. In regional and national organizations and institutions there were also women in top level jobs. In both countries women have assumed leadership roles in many urban struggles for a long time. In Nicaragua, women led many communal movements during the 1960s and early 1970s (Turcios, 1984; Téfel, 1978) and organized local resistance against the dictatorship. During the uprisings of the late 1970s, which were crucial to the Revolution, women not only took the lead in many settlements, but also led city-wide insurrections. They successfully commanded hundreds of troops in various cities and military zones, such as Masaya and León. In fact, the head of the CDSSs from their beginning up to 1987 was a female guerrilla commandant. In Costa Rica, many communal organizations elected women as presidents and most of them included women on their committees. Both the FDV and the FCV included women in their central directorates. COPAN and the OST were organized since the early 1970s with a mainly female leadership. There has been a tendency in Costa Rican communal organizations to elect women to local or regional directorates since the early 1960s, though national community leaders are mainly males.²

In both countries women were members of local committees and became presidents or coordinators in various settlements. In Costa Rica women led the community groups of Garabito and Metrópolis. In Los Guido and Los Cuadros there were always female members of the central committee representing particular areas of the barrio. In Nicaragua, the community group of Santos López was coordinated by a woman and in the other settlements there were always women on the committees.

The age of the community leadership was variable, not only between settlements, but also within a specific committee. People of different ages did not play particular roles; in one settlement the president was over fifty years old, while in other the coordinator was a person under twenty. The involvement of young people was very important, not only in youth groups, but as presidents of local committees. Young people and women made up the majority of the committee directorates.

Formal education was not necessary for leadership, although most leaders could read and write. None of the settlements had leaders with more than primary school education.³ However, most of them had experience in community activities and basic skills of organizing meetings, speaking for the community and expressing community demands in front national institutions. Many also had experience as trade-union leaders or during the guerrilla war against the dictatorship. Many of the leaders and committee members were founders of or early arrivals in the settlement, so they had a clear knowledge of the whole process of negotiation.
Leaders did not have better jobs or higher salaries or incomes than their communities. They had a wide range of jobs, from civil servants to market-sellers and construction workers. There were unemployed and others who were self-employed with workshops and small shops in their own houses. They suffered in the same way as the rest of the community from fluctuations in the economy. Contrary to the findings of Gilbert and Ward (1985:239) in the case-studies it was not true that "leaders were generally better educated, self-employed, more prosperous", however it was true that they were highly motivated and were of the same class as the rest of the community.

Age was not an advantage in becoming a leader and often young guerrilla leaders and local political organizers became new community leaders, not the elders. Extensive contacts with political parties and links to national organization were a basic factor in the make-up of the leadership. In almost all the settlements the local leaders had some links with NGOs, political parties, private companies, national institutions or regional and sectorial community organizations. These contacts eased the development of self-help projects and facilitated demands for government assistance. Political contacts provided stability and continuity to the local leadership.

'Positional' leaders, who derive their legitimacy from links outside the settlement and 'representational' leaders, elected in diverse ways by the community, were both found (Ward and Chant, 1987:84). Most leaders were appointed by outside groups but there were no 'authoritarian' and 'traditional' leaders. In urban areas, leadership based upon tradition or authoritarian rules was removed by the Nicaraguan Revolution and had disappeared many years previously in San José.

Ward and Chant (1987:89) limited "patron-client" relations to informal and not legal binding with personal, face-to-face relationships, which involves and exchange of valued resources. They name 'co-optation/incorporation' a relation where a leader affiliates with a national organization, and therefore becomes subject to its orthodoxy, procedures and rules. A third kind of relation is called 'routinization', which is a form of integration achieved by government agencies. Finally, the authors found a form of 'autonomy/independence' when leaders resisted being formally associated or potentially co-opted by any political party (including left-wing parties) or institution.

Evidence from both countries suggest that all four forms isolated and could often be found in the same settlement at the same time. Local leaders develop different kinds of relations at different moments and with different external agents. Some leaders have informal relations with national leaders while others may be party members. Patron-client relations were found extensively in both countries and every settlement. In electoral periods this kind of relationship was crucial for local improvements. Deputies and candidates offered personal help to local leaders and families. Sometimes the presence of outside politicians was overwhelming. Local leaders often started their political careers through a patron-client relationship. There was not any form of 'routinization' among local leaders of the case-studies, but some founders of the FDV or the CDS became government officials. In other cases national organizations appointed one of
their officials as 'local leader' with a salary from a government institution, for example in *Metrópolis* and *Los Guido* in Costa Rica or in *Las Torres* in Managua. In every settlement local elections were controlled by the CDS-institution or the housing fronts and DINADECO. Finally in some cases new independent local leaders were elected after years of formal relations with external patrons. These new community groups organized demonstrations, strikes and confrontations with institutions in spite of the attempts of the national organizations to stop them. Eventually, new negotiations were followed by a new phase of patron-client forms of relation.

Evidence from both countries shows that settlement influence depended in part on the local leaders but "their significance is secondary compared with the overriding influence of external pressures such as government and/or political parties" (Ward and Chant, 1987:92). Patron-client relations determined internal structures and external links. Even elected leaders sought legitimacy by building up links with outside institutions, organizations, NGOs, political parties or national leaders. Government intervention in Costa Rica diminished the importance of local leadership during the years when projects were being built, but it was never completely substituted by government officials. In Nicaragua a much more centralized state, institutions and party gave the CDSs 'zonal official' a very important role, however they still had to negotiate with autonomous leaders in some settlements. In both countries, new local leaders appeared during electoral periods, while others were undermined by party cadres and government officials. Government officials who controlled procedures, resources and information became a new generation of 'patrons' in conflict with elected local leadership and community groups (van der Linden, 1989:102).

In Costa Rica the housing fronts developed various forms of control over the local leadership, but at the beginning of the period there were local leaders who started contacts with party and government officials to organized the FDV. However, some of them already were PLN members and traditional party leaders in their communities. COPAN is the only example of an organization which was created without government involvement, although it was completely controlled by OST national leaders. Throughout the period all the major housing associations established strong relations with parties and governments. However, all of them kept some of their autonomy and launched the most significant popular demonstrations in Costa Rica during the decade. Two of the Costa Rican settlements, *Metrópolis* and *Los Guido*, broke their links with the FDV officials and started their own local community groups. The new local organizations had a broad representation of local groups and developed more complex structures and external links. Every part of the settlement elected representatives to a 'Delegate Council', which in turn elected a directorate. This kind of organization was entirely absent in all the settlements in Nicaragua.

In Nicaragua national and regional leaders established more direct relationship with community groups and the families. They made direct offers and gave land or building materials during elections, particularly the 1989 ones. Both the CDS-institution and the FSLN had a more direct control of resources and access to government decisions than any of the housing organizations or the PLN in Costa Rica. This meant that local groups had less ability to negotiate
for better conditions. As in the case of Guatemala (CEUR-USC, 1987:103), stability of invasion settlements was determined by national political circumstances and the FSLN's need for political support. Slater (1987:28-34) is wrong in supposing that there was an open and broad involvement of community groups in decision-making in Nicaragua; they were no less 'vertical' than the Cuban organizations, he describes. During the ten years of Sandinista government the vertical relations between party leaders and community groups was a major reason for the lack of coordination between community groups. Vertical relations were decisive and local formal structures ineffective, though some leaders could be very competent (Wit, 1989:63). In both Costa Rica and Nicaragua the parties overshadowed community organizations. During the elections "machine politicians 'purchase' votes or support from a dependent, poor and, hopefully, captive populace by distributing specific and material inducements" (Wit, 1989:86).

As Garderen (1989:40) found in Chile, there was little wish among the inhabitants of the settlements to develop a collective identity. In Nicaragua the main trend was the accumulation of materials by individual families to build progressively a better shelter. There was no collective demand for government involvement, which has been interpreted as the development of a 'revolutionary conscience'. Local reaction was similar to the attitude found by Kusnetzoff (1975:287) in Chile under conditions of repression and lack of state involvement in housing. Clientelism and co-optation by a strong political party in control of government institutions and popular organizations, such as those found in the Nicaraguan are also similar to those developed in Perú by SINAMOS and PAIT (Graham, 1991:129). Both the CDS-institution and the Costa Rican ADIs-DINADECO are also very similar in their structure and functions to some Mexican community organizations, which as Aguilar (1988:44) has observed:

"constitute only very limited mechanisms of consultation in which individuals are merely allowed to comment upon limited aspects of urban development (...) and do not permit people to have a real say in the decision making process. Popular participation emerges more as a demagogic than democratic practice, directed to maintain social and political stability".*

Just like the ORCs in México (Jiménez, 1988:17), the CDSs and the ADIs legitimated the system, giving a democratic facade and permitting the party in office to control demands by community groups. This controlled channelling of demands brought some benefits to the settlements in both countries in the same way as Gay (1990:115-116) clearly indicates:

"participation in clientelist arrangements can be responsible for providing considerable material benefit. Participation in clientelist requires some measure of community organization. Clientelism politics is self-reinforcing and is preferable to no organisation at all (...). It is erroneous to think that popular participation in traditional arrangements is secured primarily though coercion".

In neither Costa Rica or Nicaragua did 'umbrella organizations', develop in the way that they did in other parts of Latin America (Garderen, 1989; Stein, 1989; Galo, 1985). In Nicaragua there was little coordination among settlements and community groups, even in the case of settlements nearby. In Costa Rica the housing fronts almost disappeared during the Arias Administration. However, with the political defeats of the FSLN and the PLN in 1990 a new period of communal movements began.
Notes:

1. For the analysis of the Nicaraguan case Moser's (1989:108ss) source was the Irene Vance work done during the first years of the Sandinista Government in a specific area of a very particular place of Managua: barrio San Judas. Other authors, such as Ward and Chant (1987:81-87-107-116) used this same source to explain the case of Nicaragua. They ignore the particular features of this place (and the specific area of the field-work), which did not reflect general conditions of Managua at that time. San Judas changed considerably after 1984 as obviously did the whole city, so it is absurd to continue using this same field-work as a permanent source for the Nicaraguan situation. This field-work only explored one exceptional experience, as San Judas is among Managuan settlements.

2. In my analysis of the urban movement in Costa Rica (Argüello, 1981a:22) the crucial role of women involvement was stressed: "Most of the urban movement rested on women heads, the same as the water pots and the baskets used to bring their products to the market".

3. The exceptions were officials from FDV, FCV and CDS appointed by national directorates to organize some activities, such as the invasion of Los Guido, the occupation of Metrópolis or the evacuation of Las Torres.

4. There was not any national or international community organization as bigger, old and complex as the Asian PROUD, ZOTO and SOCO described by Murphy (1990).
Conclusions

Comparative analysis has shown that despite apparently very different housing policies, practice during the 1980s in Costa Rica and Nicaragua was not terribly different. In both countries, it is necessary to separate political rhetoric from actual practice. Despite the revolutionary rhetoric employed in Nicaragua, Sandinista housing policy did not help enough the poor. In both countries, housing practice was distorted by the lack of resources and by the search for electoral support. There was little difference in the amount of popular participation in the design of housing policies. Both countries allowed land invasions but did not consult the masses over the design of their housing policy. As a result, both sets of governments employed the construction of conventional dwelling units as the basis of their formal housing policy.

Over the longer term what made most difference to housing conditions was the amount of investment that went into social infrastructure. In Costa Rica, years of investment had left a basically sound set of infrastructure and services; in Nicaragua, the FSLN lacked a similar basis on which to develop a housing policy. In addition, Costa Rica had more resources towards the end of the 1980s which they were able to invest in housing projects. Indeed, Costa Rica used housing as a key component of its social policy during the 1980s. By contrast, Nicaragua spent almost nothing on housing construction during the same period because of its government's virtual bankruptcy. The difference owed little to intent; much more to financial circumstances. Historically both countries had followed similar kinds of housing policy. Both had also used housing, including the illicit distribution of lots and tolerance of land invasions, to try to win votes.

Government in both countries followed a traditional approach to housing construction. Policy statements include a great deal of rhetoric about the "quality of life" and much criticism of "self-help programmes". When finance was available traditional solutions were always preferred: single-family houses or apartment complexes. There was little sign of innovation in design; precast concrete or wood panels were used with little or no adaptation for climate, ethnic preferences or the availability of local materials. There was no attempt to adapt traditional urban planning techniques or to modify national property rights.

In both countries, the construction industry, government officials and architectural/planning professionals were agreed that self-help was no kind of answer. Demolition of self-help communities was common whenever the authorities felt that the quality of a neighbourhood was being harmed by the presence of low-income families. The displaced households were normally offered formal housing solutions in other parts of the city.

Both right and left wings concur in their criticism of state self-help programmes. However, when financial pressure dictated, governments in both countries abandoned their 'principles' and adopted 'self-help' programmes. The latter followed the guidelines laid down by the international agencies and, because of their cost and high planning standards, proved too expensive for the very poor. The programmes were not helped by inconsistency and failure to provide settlers either with real professional support or even with infrastructure and services.
When state 'self-help' programmes failed to help the very poor, government in both countries began to tolerate land invasions or began to distribute public lands on a massive scale. Such actions were most common during electoral periods with community organisations receiving instructions and commands from the government party in power. When other parties or organisations tried to follow similar tactics, the land occupations are strongly repressed. The party in power accuses the invaders of being 'agitators' or of affiliation with the 'ultra-left'; eventually it opens negotiations with the settlers, seeking a political compromise.

The result of these tactics was that until the early 1980s, all government projects consisted of traditional housing solutions. As the financial situation deteriorated in both countries, however, state self-help programmes made an appearance. As austerity programmes became more firmly entrenched even this approach was precluded. After 1983, and especially during the election campaigns of 1985-1986 in Costa Rica and 1989-90 in Nicaragua, informal self-help solutions were the norm.

Government in both countries made efforts to clear up the problems that informal self-help development created. Both attempted to give formal land title of state lands to the settlers. In neither country, however, was this performed with any real success.

Traditional ways of comparing 'capitalist' and 'socialist' models are useless in comparing Costa Rica and Nicaragua. Many features of their housing programmes are identical to those in the rest of Latin America. In Nicaragua, the revolutionary FSLN did not introduce a revolutionary housing policy. After the redistribution of land in 1979, and the completion of existing housing projects, the government almost only supported self-help construction. In Managua, land was distributed chaotically and the rent law made housing conditions worse. Between 1987 and 1990 the introduction of neo-liberal economic programmes severely reduced the living standards of the urban poor. The Sandinista government never developed a socialist housing police. It never worked with the people to tackle the housing crisis. It never produced a comprehensive housing and urban development programme. It never made housing a priority.

In Costa Rica, structural adjustment reduced levels of public investment in housing and led to political protest. Significant social protest showed how unhappy the popular sectors were with the housing situation. Similarly, the construction industry put severe pressure onto the government to modify its policies. Together these protests had turned housing into a central political issue by the mid-1980s. Traditional housing programmes were a key element in a Keynesian-like attempt to confront the effects of recession. Together with regular investment in infrastructure and servicing, these measures brought improved housing conditions. While structural adjustment reduced living standards generally to the levels of the late 1970s, the policies of the Arias administration actually improved housing conditions in the poorest areas of San José.

Of course, these conclusions have to be partially qualified in terms of the gaps in the analysis. It was not possible to compare every aspect of housing practice in Costa Rica with that in Nicaragua. For a start the comparison did not include rural areas. It also excluded the cities
other than the national capitals.

It should also be remembered that key circumstances were different in the two countries. The fact that Nicaragua was in the midst of a war and that large areas of the country were under military or guerrilla control introduced distorted the comparison. Had both countries been at peace, then the comparison between a 'revolutionary' and a 'social democratic' approach to housing policy under financial stringency would have been much more valid.

But these difficulties of comparability weaken rather than destroy the validity of the comparison. The social sciences are not like the natural sciences where it is possible to isolate variables and events and study them in a laboratory. Of course, Costa Rica did not represent a 'control group' against which the socialist policies of Nicaragua could be compared. But the value of comparative analysis was still manifest in the way that it helped preclude simple answers. Had the study examined housing policy in only one of the countries it could easily have concluded that government statements really made a difference to housing practice. One of the principal conclusions of the thesis is that this was not the case. What made most difference was, first, that during the 1980s Costa Rica had more resources than Nicaragua and, second, that for decades it had invested much more in social infrastructure and services. Against these problems, and in a contexts of war, even a radical housing policy might have failed in Nicaragua.
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