

Above: waiting for water in the barrio Bello Horizonte, Bogotá

Photo Alec Bright

Evolution of a government housing agency

The Instituto de Crédito Territorial, Colombia

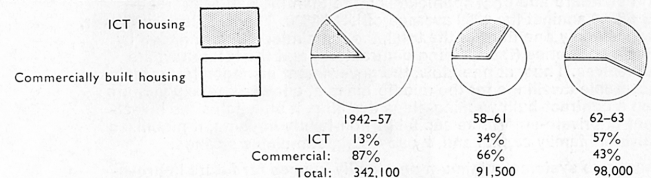
Colombia's Instituto de Crédito Territorial (ICT), a government housing agency created in 1939, is one of the oldest in Latin America and its recent achievements are among the most impressive for any similar institution working under similar conditions.

The number of houses built with funds administered by the ICT has leapt from 2945 in 1959, to 31,898 started in 1962, doubling the total national production of urban houses. If this production rate is maintained, the urban housing deficit in Colombia will have been stabilized. The increase was made financially possible by loans from the main contributing agencies of the Alliance for Progress but, as other administrations have discovered, it takes more than money to carry out a programme on this scale in an under-developed economy. It is these other administrative and technical factors underlying the ICT's success that are presented in this article. It must be pointed out that the Corporación de la Vivienda (CORVI) of Santiago de Chile has made similar progress during the same period; the ICT, however, has a longer, and therefore more illuminating, history and its recent experience has been particularly well documented.

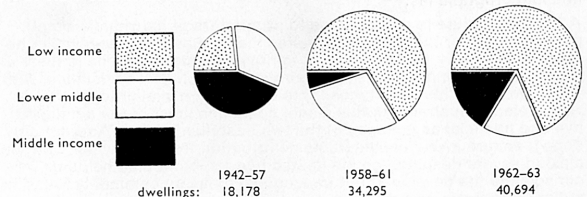
During the first 21 years of its life the ICT underwent two major revolutions of policy: starting out as an exclusively rural housing agency, it was, by 1956, concerned only with urban housing; and between 1957 and 1961 the ICT switched over from an exclusive dependence on directly financed and commercially contracted methods, almost entirely for the middle classes, to its present main, though not exclusive, dependence on aided self-help techniques for the building of popular housing. Without these basic changes it is unlikely that so much could have been done at the popular level in such a short time.

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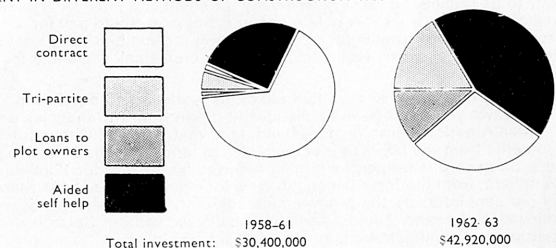
RATIO OF DWELLINGS BUILT 1942-63 COMMERCIALY AND BY ICT



DISTRIBUTION OF NEW URBAN DWELLINGS AMONG ECONOMIC GROUPS 1942-63



ICT INVESTMENT IN DIFFERENT METHODS OF CONSTRUCTION 1958-63





Evolution of a government housing agency

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There are three main phases in the ICT's development. These reflect continental trends and have been closely paralleled in other countries, such as Peru and Chile. The Institution's creation was preceded by some 20 years of increasingly uneasy inactivity on the part of legislators and administrators who had, since 1918 in this case, admitted a degree of state responsibility in the nation's housing. Many government housing agencies were established throughout Latin America during the late 'thirties and 'forties; the ICT of Colombia was created in 1939. At that time the urban revolution had not made itself felt and the country was almost entirely dependent on agriculture; for the first few years of its existence the Instituto made loans to small farmers and land-owners for farm workers' housing. In 1942, however, urban municipalities were authorized to build 'model popular housing neighbourhoods' and the ICT was provided with funds for this purpose to be built either directly by the ICT through housing cooperatives, or through the municipalities. But, in fact, the ICT did not build urban housing on its own account until 1948. From 1948 to 1959 the Instituto's activity increased slowly and, as already mentioned above, it abandoned rural housing altogether in 1956, passing it to another (agricultural credit) body.

Until 1958 all housing financed by the ICT was contractor-built for subsequent sale or rent to the future owners or tenants with the exception of the cooperatives. Consequently, the great majority served by the 18,178 units built during this 15-year period were middle- and lower middle-income groups; only 10 per cent of the beneficiaries were of the mass, lower-income group, compared with about 50 per cent in 1962-63. And while 60 per cent of the beneficiaries in the earlier period were of the middle classes, only 27 per cent were of the middle classes in 1962-63, a much more rational and socially just distribution.

The average unit cost in 1958 was US \$3500, which dropped to US \$828 for 1962. This does not only mean that initial unit production was quadrupled in relation to the initial investment, but that potential production, based on a much more rapid recovery rate, is multiplied yet again.

These changes have been achieved through the modification of designs and procedures rather than through the modification of standards. The great majority of dwellings built in recent schemes are single-family units on small plots (1200 to 2000 sq. ft.) generally designed to expand from a minimum nucleus of between 500 and 600 sq. ft. The nucleus is not much more than an inhabitable carcass at first; both finishes and additions are carried out by the owner-occupiers, as and when they are able and need to do so. This form and system gives full rein to any kind of do-it-yourself technique which, together with the paring down of the first stage to a bare minimum, provides the cheapest possible solutions in terms of initial cost—the determining factor when income levels are low. In several large programmes, part of the construction, the structure, is built by direct contract, then finished by the loanees. By no means all houses built are of this type. An increasing proportion are three- and four-storey apartment blocks now being built which are of a relatively high standard and cost appreciably more than the earlier average—US \$8500 against the 1958 average of US \$3500. The ICT itself, however, finances only one third of the total, the remainder being financed by private enterprise (the building contractors) and the future owners themselves. Thus, at one blow, the government manages to promote acceptable dwellings for the middle class at a lower unit expenditure than a contract-built working-class dwelling, it stimulates the investment of private-enterprise capital in non-luxury housing, it mobilizes individual family capital and, by so doing, stimulates savings.

These two systems, minimum one-family houses for future improvements, mainly for the lower income groups built through aided self-help, and apartments, mainly for middle-income groups, built through tri-partite financing, form a growing and now major part of the ICT's housing programmes.

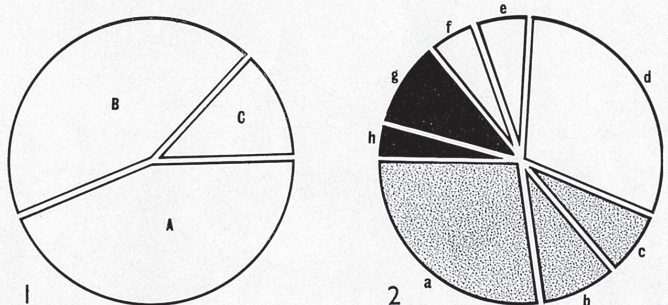
A third procedure is that of loans to proprietors of individual vacant plots. The owner therefore contributes the land and services, which he must already have bought in order to provide a mortgage; he is then given a loan for materials, skilled labour, and technical assistance, with which he builds his own house. This programme, similar to the Peruvian projects illustrated in this issue, combines most of the administrative and financial advantages of the two described above. And not only does it ensure a very considerable contribution from the owner without making severe demands on his limited budget, but it also helps to consolidate the developed but unoccupied areas so commonly found in major Latin American cities.

These three systems are all expanding at the expense of the old-fashioned and evidently uneconomic 'direct contract' system. This is likely to be retained, however, especially for small and relatively isolated projects in towns where there is a demand and capacity to pay for directly contracted dwellings, the main reason for this being the cost of providing the necessary technical assistance on a small scale and for a short period.

As already mentioned above, the bulk of the work carried out during the past two years has been financed with credit from US agencies and the Inter-American Development Bank, the greater part of whose funds also come from the US. Without these Alliance for Progress loans, made on generous terms (the largest received by the ICT for 12 million US dollars, from the Inter-American Development Bank, is for 20 years at 4 per cent interest), the programme could not, of course, have been achieved. But neither could it have been achieved without Colombian planning and administration, as already pointed out.

Ciudad Techo The housing project illustrated on these two pages is an ICT scheme on the site of a superseded airport in Bogotá

Below: diagrams showing sources and spending of money in the scheme as a whole



(1) Sources of money (\$)

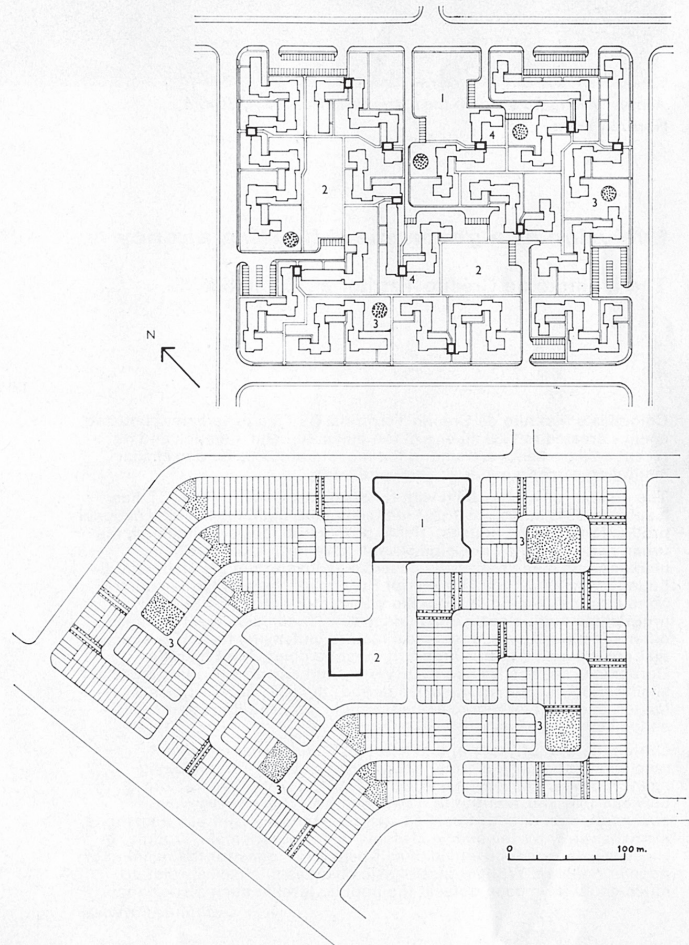
(a) Development loan fund	510.50
(b) I.C.T.	510.50
(c) Householder-family	113.30

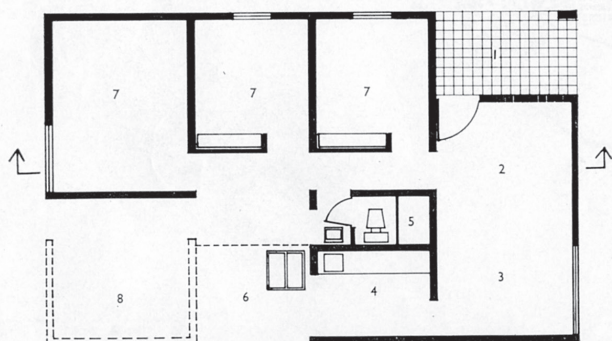
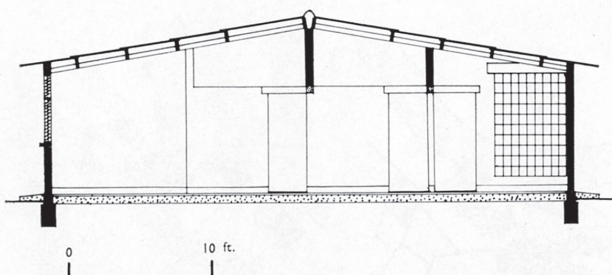
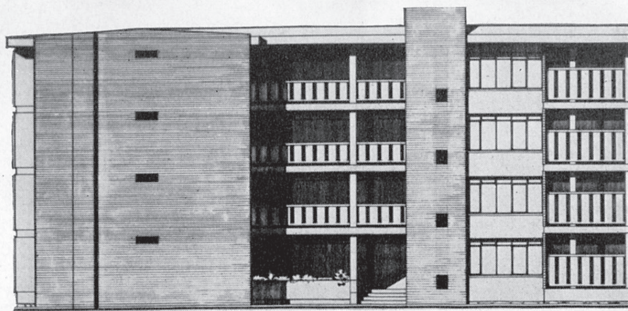
(2) Spending of money (\$)

Cost of dwelling (hatched)	
(a) Materials	305.91
(b) Labour	113.30
(c) Overheads	71.79
Cost of utilities (white)	
(d) Materials	339.90
(e) Labour	90.64
(f) Overheads	50.46
Cost of land (black)	
(g) Materials	113.30
(h) Overheads	37.80

Below: site plans of typical housing areas in Ciudad Techo, where both four-storey and single-storey development is being carried out. Upper plan: layout for four-storey housing; and lower plan: layout for single-storey housing

Key: 1 community centre 2 schools area 3 children's play space 4 shops at ground floor level





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In 1961 and 1962, loans, totalling US \$25,200,000 accounted for 35 per cent of the funds at the ICT's disposition and the remainder, the equivalent of US \$40,400,000, provided by the national budget, a special tax on dividends, and the issue of government bonds, amounted to approximately 10 per cent of the national budget and the contribution of private capital, down payments, etc.

The ICT has two alternative objectives: the first, to stabilize the housing deficit by 1965 through the rapid increase of the Institution's own activities and through the continued increase of private activity, has so far been achieved. The other, more ambitious, objective is to eliminate the deficit altogether by 1971. This, according to the ICT's calculations of the existing deficit and its increase during the intervening period, would mean building about 868,600 units. The projected solution of this immense problem is based on the triplication of private investment and an average increase of 87 per cent over the 1962 level, for the remaining years, on the ICT's part. Half of the ICT's contribution would be financed by foreign credits, the remainder by the nation; 69 per cent would be provided by private investors, 16 per cent by the nation through the ICT and the remaining 15 per cent by foreign credits.

Assuming that recent trends continue throughout the period, the country would dedicate about 3 per cent of the national budget to the programme. This more ambitious plan has not yet been put into operation and will only be partially covered by the present programme aimed at stabilizing but not eliminating the housing deficit.

The eventual success of the ICT's programmes and policy depends on the subsequent increase of private activity—both commercial investment and individual savings and efforts. It depends, in other words, on the mobilization, development and guidance of local resources. Injections of foreign credit can, and are, intended to be used as seed capital; the Alliance for Progress does not aim at replacing local initiative but, as the Marshall plan did for Europe after the war, it is designed to help the nations on to their own feet. This cannot be done, however, if the nations are so divided that the people have no confidence in their own institutions. Popular confidence in an institution depends on its products and its stability; the ICT was a respected organization before it launched its expanded programme and, equally important, it had developed and tried the methods which have given it such agility and breadth in its activities.

Evidently, the biggest single factor in the ICT's recent plans is the adoption, on a large scale, of aided self-help techniques: 'the Institute is giving priority to the self-help plans carried out through individual efforts (*esfuerzo propio*) and by mutual aid groups (*ayuda mutua*), as experience of the larger programmes to date has shown their effectiveness with regard to low unit costs, future owners' participation in the building work, considerable savings and investments by the families in the building or completion of their houses. Besides which, these systems have provided the people with opportunities to develop their own initiative and capacity, thanks to the training and organization provided during the building process, under the technical and social direction of the Institution.'

These procedures, which have enabled the ICT to reach the average lower-income family (the great majority of the population), together with the 3P (tri-partite financing) techniques enabling the Institution to serve the higher income groups and to achieve higher urban densities, have, between them, satisfied a very large part of the real demand.

The ICT's material achievement, its financial economy and administrative efficiency must make any criticism seem niggardly; even so, one cannot help feeling that the design, particularly of the land-use, subdivisions and house grouping are less advanced. The form and visual aspect of the new areas so efficiently achieved are very much more like Dagenham or even Levittown than the close and friendly Andean town streets and plazas.

Above left : plan and elevations of 4-storey flats

Key: 1 living-room 2 laundry 3 kitchen 4 bathroom 5 main bedroom 6 bedroom

Left : plan and section of typical single-storey house

Key: 1 porch 2 living 3 dining 4 kitchen 5 bathroom 6 laundry 7 bedroom 8 future room