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Villa el Salvador is Peru’s largest squatter settlement or ‘pueblo joven’ (young town). What was a large area of state-owned desert land only 15 years ago, is now a thriving, self-governing community where nearly 200,000 low-income people are permanently settled. By 1984, there were 31,034 housing plots; 15,827 had permanent brick and concrete houses; 22,586 had electricity connections; 17,938 had domestic water and sewerage connections, while a further 3,058 were served via external standpipes. The desert has blossomed with many trees and gardens, the main roads are paved and bus services provide access to central Lima, some 20 kilometres distant. All basic commercial and community services have been set up. The majority of these investments have not been made by government, but by the people themselves (and their organizations), paid for from their own low incomes.

A typical ‘pueblo joven’ population
Villa el Salvador (Villa for short) shares many characteristics with other Lima suburban squatter settlements. Over 1.5 million people or a third of the population of the rapidly growing metropolis live in such settlements. The average annual household income in Villa was about US$1,000 in 1984. Nearly two-thirds of this was spent on food and one-tenth on transportation to and from work, leaving about a quarter for all other expenses. About one-third of the population have incomes at or below subsistence level and must spend all their income on food and fuel to maintain good health. Like most similar settlements, Villa was settled and is being built up by former inner-city slum dwellers and former tenants of loaned or rented rooms in other ‘pueblos jovenes’. Most adults settling in Villa were resident in the city for 10 years or more, but were originally migrants from villages and provincial towns.

Learning as a process
Although helped by a radical military regime in the early years and now supported by its own municipal government, Villa’s achievements stem largely from the struggles and sacrifices of its own people. They have learned, through a difficult and painful process, to overcome internal and external divisions and interference. Only in the last few years has local self-government emerged as a viable alternative.

Community organization assumes responsibility for development
CUAVES (Comunidad Urbana Autogestionaria, or in English, the Self-managed Urban Community of Villa el Salvador) is at the heart of these achievements. CUAVES is Villa’s own community organization which shares with the Municipality responsibility for block and neighbourhood development and for the planning and management of the whole settlement. CUAVES shows that self-government and devolution of power to a local level can and does work.

Over fifteen years houses have developed from unserviced cane matting shacks to two storey brick and concrete structures with water, sewage and electricity connections.

Abbreviations:

VES Villa el Salvador
CUAVES Comunidad Urbana Autogestionaria (the self-managed urban community of Villa el Salvador)
SINAMOS Sistema Nacional de Apoyo a la Mobilizacion Social (National system to support social mobilization)
UNICEF United Nations Children’s Fund
Government participates in people’s decisions
In Villa, government policy has oscillated between appropriate support of local initiatives and overt repression; between allocating land, encouraging the setting up of CUAVES and suppression of community action by imposing curfews and prohibiting meetings. Nevertheless, Villa’s inhabitants have consistently asserted the right to determine their own future and have forced the state to participate in and to support their own decisions and actions, instead of being pushed into government decisions taken on their behalf.

Suggestions for a viable policy of government support
On balance, both government and local authority have played important roles in enabling the settlement and its development to take place. This experience suggests that a support policy is viable when it encourages and respects the evolution of the creative imagination of local people and their own organizations’ initiatives.

Working together to transform the desert
Villa has evolved from a squatter land invasion to a large city with a unique system of self-government and a flourishing community. From its beginnings until the formal legal agreement was made between CUAVES, the community organization, and the Municipality of Villa el Salvador (which was officially constituted in 1984), Villa’s evolution can be traced through six distinct phases.

People, shacks and sand, the desert settled; May, 1971.
April-May 1971
During preparations for an international development conference, hosted by the government in Lima, 200 families invaded desert land on the city periphery. A flood of almost 9,000 additional families spilled onto adjacent, privately-owned land nearby. Unsuccessful attempts by armed police to evict them resulted in the deaths of two people. This event led, at first, to the involvement of a local priest and, later, of the Bishop of Lima. His subsequent arrest embarrassed the military junta which was professing a policy of support for local action. The Minister responsible was dismissed and the authorities negotiated an alternative site with the squatters and helped them to move.

May 1971-November 1973
After two months, 20,000 households were living in cane-matting shacks on the desert sands. The Ministry of Housing planned the 3,140 hectare area, dividing it into seven sectors, each providing 140 square metre plots for a total population of 30-40,000. The squatters formed their own organizations to resolve problems of education, transport, water and so on. SINAMOS (in English, National System to Support Social Mobilization) helped these organizations to join together, forming CUAVES. With support from SINAMOS and other agencies, CUAVES would then guarantee the participation of local people in the planning and development of Villa el Salvador.

November 1973-February 1976
CUAVES and SINAMOS planned to finance housing and services through the development of an ambitious community-owned industrial and commercial development programme, funded by an autonomous local savings and loan bank. The electrification of Villa was initiated in 1975 by government agencies. 180 classrooms were built and several commercial enterprises were started, but the programme failed. The bank was never authorized or financially assisted by the government, and local savings margins were too low to provide enough credit to get enterprises started. The government never recognized CUAVES as an autonomous body, making it dependent upon SINAMOS. Following a right-wing coup in 1975, government support for CUAVES rapidly evaporated, leaving the industrial estate and other projects unused and useless.

February 1976 - April 1978
CUAVES asserted independence from SINAMOS and demanded legal recognition, materials and staff for locally built schools, and the provision of a domestic water supply and sewers. Government responded with fierce repression of the neighbourhood organization. With the collapse of the community enterprises and the bank, CUAVES was seriously weakened.
April 1978 - June 1983
In the new CUAVES executive, elected in April 1978, national party politics prevailed at the expense of grassroots interests in local development. This further weakened and divided the neighbourhood organization and, without local support, CUAVES lost control over Villa's development. Community land reserved for public areas was taken over by government and by squatters. However, the community did manage to assert its control over education and health programmes which were assisted by UNICEF and to restart some community enterprises. To compensate for the executive's neglect, there was a resurgence of local neighbourhood organizations, together with demands leading to the formation of Villa el Salvador as an independent municipality in 1983 together with the election of the CUAVES executive.

July 1983 - July 1985
After the preparation of a development plan for Villa by CUAVES and the Municipality, joint actions were carried out: the relocation of squatter communities in a new planned expansion; the installation of a new trunk drinking water pipeline following pressure on the government; a self-census of the settlement; the implementation of a health plan; tree planting; the asphalting of roads and the construction of various community facilities. In July 1985, elections for the CUAVES executive were held.

The desert transformed: May 1986.
Making the state participate

Squatters and commercial developers
Lima squatter settlements generally occupy state-owned desert land not legally available for commercial development. Developers compete for the shrinking supply of accessible, privately owned building land, affordable only to those with higher incomes. While for many years 'pueblos jóvenes' had the advantage of a large supply of free land, many recent settlements are now forced out to distant, inaccessible or inadequate sites, where infrastructure is difficult and costly to install.

Government housing policy serves middle-income groups
Since Peru's urbanization process took off in the 1940s, three policy trends for low- and moderate-income housing have evolved. Two of these are common to other mixed economies: directly subsidized housing construction for rent or sale and the promotion of commercial finance systems, designed to serve a wider spectrum of the population. Both have sometimes been combined with directed self-help construction to reduce costs by using unpaid labour. Neither these nor even sites-and-services projects are affordable by the low-income sectors who became 'pueblo joven' dwellers.

Towards a support policy for locally organized housing
The third trend from which Villa's experience evolved began in 1955, with the setting up by the government of QATA (Oficina de Asistencia Técnica a las Urbanizaciones Populares de Arequipa) to provide technical (but not financial) assistance to the squatter settlements of Arequipa, Peru's second largest city. In 1961, the government passed a law granting security of tenure to plot holders in all improbable 'pueblos jóvenes'. It made provision for the installation of utilities and community facilities, and for excess population by providing serviced sites or tracts of unserviced land. This anticipated by ten years the promotion of such policies by the UN, the World Bank and many bilateral aid agencies.

Few administrations, however, had done much more than talk about this third and clearly most effective 'support' policy, with the partial exception of some 'pueblo joven' improvement programmes. Little attempt had been made to guarantee a supply of well-located land or to plan basic infrastructure provision for low income families.

The emergence of a third option: Villa el Salvador
One exception is Villa el Salvador. By 1970, the supply of desert land at a convenient distance from the city was nearly exhausted, tempting squatters to invade better-located private building land. In the case of Villa, the government was forced to make a large area of land available, together with site planning, infrastructure and assistance with organizing the community. Although two other areas were allocated to similar invasions in subsequent years, support of this kind was not given. Only in the last three years, with the formation of three planned settlements by the Municipality of Lima, has the spirit of the 'pueblo joven' support policy materialized into effective programmes, with the emergence of a third option, different from both government-organized sites-and-services programmes and from unplanned squatter settlements.
Support locally organized housing, don’t provide it
Villa el Salvador is not a model scheme, meant for identical copying or replication. Instead, it offers a rich source of inspiration for locally organized housing in other contexts, with important lessons to be learned on several key issues, as well as expressing the creative imagination of its own people.

Organizing ourselves is the key to local development
The existence and development of Villa el Salvador can only be explained by the enormous capacity which its people have developed for managing their own affairs, through their own autonomous organizations based on CUAVES. When government agencies are able to support rather than substitute for local action, substantial quantitative and qualitative improvements are possible in the built and social environment. Villa demonstrates the difference between people participating in governments’ actions, as occurs in many sites-and-services programmes, rather than government providing essential resources to support locally organized housing. It also shows the considerable range of difficulties communities face in organizing themselves and in obtaining government support.

Central planning works with local control
The rapid development of Villa owes a great deal to the provision of land, site planning and to the programming of infrastructure installation by the government. In spite of the constraints imposed by poor location and delays in the provision of water and other services, Villa’s development has been relatively orderly and well planned, compared to other ‘pueblos jóvenes’ developed without government support. Experience also shows that the necessary counterpart to central planning is local control over development, which is essential for the maintenance of orderly growth and, once again, emphasizing the complementary roles of government and community.

Self-financing requires external support
Villa, along with the other ‘pueblos jóvenes’ in Lima, demonstrates just how much can be achieved with so little when very low-income people manage their own housing programmes. The aggregated investment is far greater than any low-budget government could possibly provide. It also demonstrates the unrealistic and impractical nature of expecting an adequate self-financed development to be achieved by low-income people with very small or no margins for saving and with no access to external credit, as in the case of Villa’s community bank.