

THE PROVISION OF LOW-INCOME HOUSING WITHIN THE CONTEXT  
OF A NEW TOWN IN LAZARD CARDENAS-LAS TRUCHAS, MEXICO

by  
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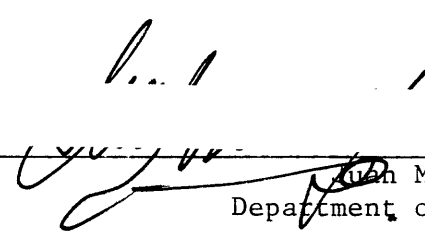
SUBMITTED TO THE DEPARTMENT OF ARCHITECTURE  
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS OF THE DEGREE  
MASTER OF SCIENCE IN ARCHITECTURE STUDIES  
AT THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY

June, 1985

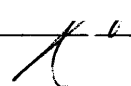
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ABSTRACT:

This thesis is essentially the description of the shelter components of a World Bank co-financed urban development project in the new town of Lazaro Cardenas and its twin, the poor city of Guacamayas. The document presents the different stages the project went through, as well as identifies its changes and adjustments, and draws conclusions from the analysis of the past, present, and future situations.

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B I B L I O B R A P H Y

## A C K N O W L E D G M E N T S

THIS EVALUATORY REPORT WAS A RESEARCH PROJECT SPONSORED BY FIDEICOMISO LAZARO CARDENAS (FIDELAC), AND BY THE KEVIN LYNCH THESIS-GRANT OF THE DEPARTMENT OF ARCHITECTURE AT M.I.T.

THE THESIS PRESENTS AN ALTERNATIVE TO THE WORLD BANK PROJECT TERMINATION REPORT IN ITS SHELTER COMPONENTS; THE DIFFERENCES BEING THE LARGER SCOPE AND HOW THE TOPICS ARE STRUCTURED. ONE OF THE REASONS FOR THIS DIFFERENT APPROACH IS THAT A LARGE AMOUNT OF DATA WAS INITIALLY COLLECTED FROM INDIRECT SOURCES . THIS CAUSED UNEXPECTED DIFFICULTIES AT THE ONSET OF THE PROJECT, AND NECCESITATED DEVISING A NEW STRUCTURING OF TOPICS THAT INCLUDED THE PREVIOUS AND LATER STAGES TO EACH ONE OF THE THREE SHELTER PROJECTS.

IN DOING THIS RESEARCH I RAN INTO TWO OBSTACLES. FIRSTLY, WAS THE SURPRISINGLY HIGH TURN OVER RATE OF FIDELAC'S PERSONNEL WHO PARTICIPATED IN THE SHELTER PROJECTS; AND SECONDLY, THE LACK OF NECESSARY SUPPORT AT THE REQUIRED TIME FROM THE TWO INSTITUTIONS THAT HAD BEEN INVOLVED IN THE PROJECT. FROM FIDELAC I NEEDED INSTITUTIONAL SUPPORT AND APPROVAL TO CARRYING OUT SURVEYS DIRECTLY IN THE FIELD IN A SYSTEMATIC WAY; FROM THE WORLD BANK I COULD NOT HAVE ACCESS TO SOME REQUIRED INFORMATION. SEEMED TO ME THAT BOTH HAD, FOR SOME REASON, LOST INTEREST IN THE PROJECT.

HOWEVER, I WAS FORTUNATE ENOUGH TO HAVE BEEN ABLE TO SPEND ONE SEMESTER MORE THAN PLANNED DOING RESEARCH. THIS ENABLED ME, LITTLE BY LITTLE, TO FIND SOURCES OF INFORMATION THAT CORRECTED MY ORIGINAL INADEQUATE PERCEPTION OF THE PROGRAM DATA.

IN THIS RESPECT, CERTAIN INDIVIDUALS WERE VERY VALUABLE, SUCH AS CLEMENTINA, A VERY ENTHUSIASTIC TEAM FIELD WORKER STILL LABORING IN FIDELAC, AND TEODORO, A WATCHMAN OF FIDELAC IN GUACAMAYAS AT THE TIME OF PROJECT IMPLEMENTATION. HAD IT NOT BEEN FOR THEIR HELPFUL DISPOSITIONS AND THEIR WILLINGNESS TO RECALL THEIR EXPERIENCES REGARDING THE PROJECT, I WOULD NOT HAVE BEEN ABLE TO ACHIEVE MEANINGFUL INSIGHTS CONCERNING THE ACTUAL DIFFICULTIES OF IMPLEMENTATORS IN THE FIELD. ALSO HELPFUL WERE MY FIRST MEETINGS WITH ARQ. MARGARITA GARCIA, HEAD OF THE URBAN PLANNING AND HOUSING OFFICE -AT THE TIME OF PROJECT IMPLEMENTATION WORKING WITHIN THE PROJECT MONITORING UNIT (U.P.E.)-; UNFORTUNATELY I COULD NOT HAVE MORE INTERVIEWS WITH HER ON ISSUES RELATED TO THE WORLD BANK PROGRAM.

VERY RECENTLY, I WAS FORTUNATELY ENOUGH TO HAVE CONTACTED BY PHONE ARQ. VIOLETA CRUZ TOLEDANO, HEAD OF THE FIELD TEAM DURING PROJECT IMPLEMENTATION, AND THANKFULLY, TO BE ABLE TO INTERVIEW DR. DANIEL HIERNOUX. HE WAS THE PERSON WHO ACTUALLY CARRIED OUT THE NEGOTIATIONS WITH THE WORLD BANK, AND THE PLANNER RESPONSIBLE FOR FIDELAC'S CRITERIA FOR PROJECT DESIGNING. BOTH THESE ENCOUNTERS WERE INSTRUMENTAL IN FILLING MANY OF THE GAPS IN MY DATA, AND IN PROVIDING ME WITH A MORE INTEGRATED PICTURE OF THE PROGRAM ITSELF.

ANOTHER LATE CONTRIBUTION CAME FROM THE RECENT BOOK "LAS TRUCHAS", EDITED IN 1984 BY DR. IVAN RESTREPO. IT GAVE ME THE REQUIRED OVERALL VISION OF THE GROWTH POLE THEORY UNDERLYING THIS NEW TOWN DEVELOPMENT. ARTICLES BY MARGARITA NOLASCO, MARIA PILAR GARCIA (WHOSE STUDIES SUPPLEMENTED MY PREVIOUS STUDIES FROM THE CIUDAD GUAYANA EXPERIENCE), ELSA LAURELLI, AND PERHAPS MOST SIGNIFICANTLY, BY DANIEL HIERNOUX, WERE FUNDAMENTAL TO THIS THESIS. THEY INFORMED ME OF ISSUES OF URBAN PLANNING AND THE PROVISION OF HOUSING WITHIN THE CONTEXT OF A NEW TOWN DEVELOPMENT.

LASTLY, I WOULD LIKE TO EXPRESS SOME THOUGHTS, IN RETROSPECT. FIRST, I THINK I SHOULD HAVE FOLLOWED REINHART GOETHERT'S ADVISE, AND CONCENTRATED EXCLUSIVELY ON FIELD RESEARCH INTERVIEWING SOME FAMILIES, AND THEN DRAWING A THESIS BASED UPON THESE CASE STUDIES. LACK OF INSTITUTIONAL SUPPORT AT THE OUTSET STOPPED ME FROM GOING IN THIS DIRECTION. ALSO AT THAT POINT IT WAS HARD TO PREDICT THAT OTHER METHODS OF DATA COLLECTING WOULD BECOME SO DIFFICULT.

I ALSO WANT TO EXPRESS MY ACKNOWLEDGEMENTS TO THREE OTHER PROFESSORS: RANKO BON, FOR HIS CONSTANT ATTITUDE AS A TEACHER IS ADVISOR; BISH SANYAL FOR HIS FRIENDSHIP; AND NABEEL HAMDI, MY THESIS ADVISOR FOR HIS EASY GOING PEDAGOGY, WHICH IN MY CASE WAS EXTREMELY APPRECIATED. VERY USEFUL WAS THE EDITING OF MYRIAM CALDWELL AND THE HELP AND CONTRIBUTIONS OF MY FRIEND BEVERLEE SERONICKS. LASTLY, I AM VERY GRATEFULL TO MS. LISA KATZE FOR HER INVALUABLE HELP IN PRINTING THIS THESIS.

## I N T R O D U C T I O N

GIVEN THE NATURE OF A DEVELOPING COUNTRY'S ECONOMY, A MAJOR PROBLEM FOR THE CREATION OF A NEW TOWN IS THE DIFFICULTY INVOLVED IN PROVIDING LOW-INCOME HOUSING. FOR THAT REASON THE OUTCOME HAS CUSTOMARILY BEEN THE SPONTANEOUS DEVELOPMENT OF LARGE PROBLEM-RIDDEN SETTLEMENTS OF THE POOR FULL OF SHELTER PROBLEMS, RESULTS AS A CONSEQUENCE OF A TOTAL ABANDONMENT OF THE PROBLEM BY THE REGIONAL AUTHORITIES. THE CASE OF LAZARO CARDENAS-LAS TRUCHAS HAS FOLLOWED THIS PATTERN; ONLY A FEW PLANNED LOW-INCOME PROJECTS WERE CARRIED OUT.

THE PROVISION OF LOW-INCOME HOUSING IN THE LAZARO CARDENAS-LAS TRUCHAS REGION MAY BE BROKEN DOWN INTO FIVE STAGES: 1.WORKERS CAMPS (1964-1971), 2.EXPERIMENTAL PROJECTS (1971-1976), 3.PILOT PROJECTS (1977), 4.THE WORLD BANK SHELTER PROGRAM (1978-1983), AND 5.THE POST-PROJECT HOUSING SUPPLY (1983-1984).

THE WORLD BANK SHELTER PROGRAM REPRESENTS BY FAR THE MOST SIGNIFICANT EFFORT TO PROVIDE LOW-INCOME HOUSING IN THE REGION. THE OTHER THREE STAGES ARE BY CONTRAST OF MARGINAL IMPORTANCE. FOR THIS REASON, IN THIS DOCUMENT THEY WILL BE CONSIDERED ONLY AS THEY RELATE TO THE LARGER SHELTER PROJECT.

THE AIM OF THIS THESIS THEN IS TO MAKE SENSE OF THAT BANK PROGRAM, SO THAT THE LESSONS LEARNED FROM THE EXPERIENCE WILL BE USEFUL ELSEWHERE TO ANALYSTS OF SHELTER PROVISION PROJECTS AND POLICY MAKERS IN DEVELOPING COUNTRIES.

THE THESIS IS DIVIDED INTO FOUR MAJOR SECTIONS: PROJECT ANTECEDENTS, PREPARATION, IMPLEMENTATION, AND FINALLY, THE EVALUATION OF THE RESULTING SHELTER PROJECTS.

THE PROJECT ANTECEDENTS SECTION DESCRIBES THE INSTITUTIONAL FRAMEWORK OF THE REGION; THE GROWTH OF GUACAMAYAS, THE TOWN WHICH RECEIVED THE THRUST OF THE SHELTER PROJECTS, AND A PART OF THE PROVISION OF HOUSING DURING THE FIRST "EXPERIMENTAL" STAGE OF DEVELOPMENT OF THE NEW TOWN.

THE PROJECT PREPARATION SECTION DISCUSSES THE SOCIO-POLITICAL SITUATION IN THE REGION THAT MOTIVATED THE PROJECT. IT PROVIDES AN OVERVIEW OF THE PROJECT'S FIRST VERSION, AND THEN INDICATES CHANGES AND PROVIDES A MORE DETAILED DESCRIPTION OF THE PROJECTS' S FINAL VERSION.

THE SECTION ENTITLED "IMPLEMENTATION STAGE" IS DIVIDED INTO TWO CHAPTERS: THE FIRST DESCRIBES THE IMPLEMENTING AGENCY; HOW IT WAS CHOSEN AND THEN STRENGTHENED, AND HOW ITS ORGANIZATION WAS SET UP FOR IMPLEMENTATION. IT CONCENTRATES ON HOW IT GAINED ACCESS TO THE VERY CLOSED COMMUNITY AND WHAT DIFFICULTIES IT FOUND IN ITS SOCIAL AND TECHNICAL DEALINGS WITH IT. THE CHAPTER ENDS PRESENTING SOME ISSUES RELATED TO THE MANAGEMENT OF THE IMPLEMENTING PHASE.

THE SECOND CHAPTER DEALS WITH THE VARIOUS PROJECTS THEMSELVES. IT BEGINS BY DESCRIBING THE POLITICAL SITUATION IN GUACAMAYAS AT A TIME WHEN THE PROJECT NEGOTIATIONS WERE WELL UNDER WAY AND THE IMPLEMENTING AGENCY WAS ALREADY PREPARING

ITSELF FOR THE IMPLEMENTATION PHASE. AN ATTEMPT IS MADE TO RELATE THESE PREPARATIONS TO THE PILOT PROJECTS OF STAGE TWO THAT WERE BEING IMPLEMENTED AT THE SAME TIME. THIS IS DONE ON THE BASIS OF A LIST OF CONCLUSIONS I DRAW FROM THOSE PILOT EXPERIMENTS. WHAT FOLLOWS NEXT IS A DETAILED DESCRIPTION OF EACH OF THE THREE WORLD BANK PROJECTS. THE CHAPTER ENDS WITH A SET OF RECOMMENDATIONS FOR PHYSICAL DESIGN.

THE LAST SECTION, CONCERNING PROJECT EVALUATION, IS ALSO DIVIDED INTO TWO CHAPTERS: THE FIRST CHAPTER ANALYSES THE PERFORMANCE OF THE IMPLEMENTING AGENCY AFTER THE COMPLETION OF EACH PROJECT. THE PERFORMANCES ANALYZED DEAL WITH ISSUES WITHIN AND OUTSIDE OF THE SHELTER PROJECTS. THE CHAPTER ENDS SHOWING THE NEW ROLE OF THE AGENCY WITH RESPECT TO LOW-INCOME HOUSING PROVISION. FINALLY, THE SECOND CHAPTER PRESENTS THE IMPACTS OF THE SHELTER PROJECTS ACCORDING TO A WORLD BANK PUBLICATION CRITERIA.

## P R O J E C T   C O N T E X T

THE WORLD BANK URBAN DEVELOPMENT PROJECT WAS UNDERTAKEN SINCE 1976, BECAUSE OF PROBLEMS DERIVED FROM THE RAPID GROWTH OF A LARGE SETTLEMENT WITHOUT BASIC SERVICES - GUACAMAYAS - WHICH HAD DEVELOPED NEXT TO THE NEW INDUSTRIAL TOWN BEING DEVELOPED ON THE SOUTH COAST OF MEXICO.

THE WORLD BANK - HAVING FINANCED OTHER DEVELOPMENT PROGRAMS IN THE SAME REGION - SUGGESTED AN INTEGRATED URBAN DEVELOPMENT PROJECT TO THE STATE GOVERNMENT OF MICHOACAN. THIS INITIAL PROJECT PROPOSAL CONTAINED NINE COMPONENTS, FOUR OF WHICH WERE SHELTER RELATED. THE PROJECT WAS CONCEIVED AS A PARALLEL ACTION TO SUPPORT THE SECOND DEVELOPMENT PHASE OF THE PROGRAM CENTERPIECE, SICARTSA, THE STEEL MILL PLANT, WHICH HAD BEEN INITIATED 6 YEARS BEFORE.

THE NEED FOR ADJUSTMENT OF THE URBAN PROJECT PROPOSAL EMERGED FROM AN UNEXPECTED POSTPONEMENT OF SICARTSA'S PLANS. THE ADJUSTED VERSION REPRESENTED A CHANGE OF EMPHASIS, FROM AN INTEGRATED URBAN PROJECT TO A PROJECT MORE FOCUSED ON ITS SHELTER COMPONENTS.

AT THE TIME OF PROJECT PREPARATION, THE LAZARO CARDENAS-LAS TRUCHAS MICROREGION WAS FULL OF URBAN PROBLEMS. THE MOST IMPORTANT ONES WERE: THE LACK OF BASIC URBAN SERVICES, THE RISKS THAT THE BALSAS RIVER WOULD FLOOD URBAN AREAS, THE NEED FOR REGIONAL AND URBAN PLANNING, THE URGENCY FOR REMOVING

SQUATTER FAMILIES SETTLED ON RESTRICTED AREAS, AND IN THE LIGHT OF THE REGION'S EXPENSIVE INFRASTRUCTURE, FINDING A WAY TO SUPPORT THE DEVELOPMENT POTENTIAL FOR AGRICULTURAL PRODUCTION.

SOME OF THE MANY PROBLEMS THAT DEVELOPED DURING PROJECT IMPLEMENTATION WERE: POLITICAL OPPOSITION TO THE PROJECT, PROBLEMS OF COORDINATION WITHIN A COMPLICATED POLITICAL AND TECHNICAL SITUATION, A MINISTERIAL BLOCKADE IN THE LAND EXPROPRIATION PROCESS, A RAPID SOARING OF BUILDING MATERIAL PRICES, THE SLOW PROGRESS OF THE UPGRADING PROJECT, AND THE EXISTENCE OF A DEFECTIVE COST-RECOVERY MECHANISM.

SINCE PROJECT TERMINATION THERE HAVE BEEN TWO CHIEF PROBLEMS. FIRST, THE INTERVENTION IN HOUSING PROVISION OF OTHER AGENCIES THAT HAD NO APPARENT CONCERN FOR LOW-INCOME GROUPS AT A TIME WHERE THERE ARE VERY LIMITED AVAILABLE FINANCIAL RESOURCES AT FIDELAC, THE URBAN DEVELOPMENT TRUST THAT CONSTRUCTED THE NEW TOWN DEVELOPMENTAL WORK, AND WHICH IMPLEMENTED THE WORLD BANK'S SHELTER COMPONENTS. A SECOND PROBLEM WAS THE COMPLICATIONS IMPOSED ON THE COST RECOVERY EFFORTS OF FIDELAC BY THE LOCAL LEADERS, WHO ENCOURAGED DEFAULTING AS A MEANS TO PUT PRESSURE ON FIDELAC TO FINISH UP THE PROGRAM.

THE PROSPECTIVE PROBLEMS FOR THE NEAR FUTURE SEEM LEGION. THE PRESENT PROVISION OF HOUSING IN THE REGION IS LIMITED, ESPECIALLY FOR LOWER-INCOME GROUPS.

HOWEVER, BECAUSE OF DEMAND, LOCAL AND STATE AUTHORITIES HAVE DECIDED TO OFFER INEXPENSIVE UNSERVICED LAND IN OPEN AGRICULTURAL AREAS OF THE REGION PRESENTLY LOCATED OUTSIDE THE

FIDELAC'S URBAN AREAS. THIS PERMISSIVE POLICY PRESENTS TWO PROBLEMS: FIRST, THERE IS NO PROVISION FOR THE FUTURE INTRODUCTION OF BASIC SERVICES; AND SECOND, THE POLICY VIOLATES THE LOCATIONAL GUIDELINES OF THE 1982 APPROVED MASTER PLAN FOR THE LAZARO CARDENAS FUTURE METROPOLITAN AREA.

AT THE PRESENT TIME, FIDELAC IS REDUCING ITS PERSONNEL IN AN APPARENT MOVE TO BLOCKADE THE ALLOCATION OF ASSIGNED FUNDS. THE RESULT IS A SLOW PROCESS OF DISARRAY. IN SPITE OF ITS IMPORTANT ROLE IN THE POLITICAL STABILIZATION OF A NATIONALLY STRATEGICAL REGION, THIS AGENCY HAS NOT BEEN ABLE TO INSIST UPON ENFORCING EFFICIENT COST RECOVERY. MOREOVER, LARGE BUDGETARY CUTS TO THIS FEDERAL AGENCY, COUPLED WITH THE INITIAL DRASTIC AND NOW CONSTANT PESO DEVALUATION ARE MAKING THIS ENDEAVOR INCREASINGLY DIFFICULT.

THE EMERGENCE OF THE NEW SQUATTER PHENOMENA IN THE REGION SUGGESTS THAT IN THE NEAR FUTURE HIGHER INCOME GROUPS WILL BE TAKING OVER THE UPGRADED AND LOW-INCOME HOUSING JUST RECENTLY FINISHED. THE ONLY WAY TO STOP THIS TREND IS TO PROVIDE THE REGION WITH MORE SUCH SHELTER PROGRAMS. IN THIS RESPECT, THIS RESEARCH MAY CONTRIBUTE TO SUPPORT PROJECT REPLICABILITY AS FAR AS IT DRAWS AND PUTS TOGETHER DATA THAT OTHERWISE WOULD HAVE BEEN LEFT IDLE. HOWEVER, TO PROPOSE SOLUTIONS NECESSARILY INVOLVES POLITICAL AND FINANCIAL DECISIONS, CERTAINLY OUT OF THE SCOPE OF THIS THESIS.

## C H A P T E R I

### ANTECEDENTS TO THE SHELTER PROGRAM.

THIS SECTION CONTAINS THE FRAMEWORKS IN WHICH THE WORLD BANK URBAN DEVELOPMENT PROJECT EVOLVED AS A RESPONSE. THE TWO FIRST CHAPTERS DESCRIBE BRIEFLY THE TWO INSTITUTIONS THAT WERE INSTRUMENTAL IN THE DEVELOPMENT OF THE AREA. WHILE THE FIRST IS DESCRIBED AS AN ANTECEDENT, THE SECOND IS DESCRIBED AS THE PREVIOUS PERFORMANCE OF THE IMPLEMENTING AGENCY TO THE SHELTER PROJECTS. THE FOLLOWING PART DEALS WITH THE HISTORICAL DEVELOPMENTS AND THE DEMOGRAPHIC ASPECTS OF GUACAMAYAS, WHERE MOST OF THE SHELTER PROJECT ACTIONS TOOK PLACE. THE FOURTH CHAPTER PRESENTS THE ISSUES RELATED TO THE PROBLEMS OF LAND TENURE IN MEXICO IN GENERAL, AND IN PARTICULAR IN THE REGION. FINALLY, IN IS THE PRESENTATION OF THE PANORAMA OF HOUSING PROVISION THAT TOOK PLACE IN THE FIRST PHASE OF CONSTRUCTING THE NEW TOWN. THIS IS DIVIDED IN MIDDLE- AND LOW-INCOME HOUSING. THE FORMER PART EMPHAZISES THE ISSUES OF SUBSIDIES AND OVERSUPPLY OF HOUSING, WHILE THE LATER DESCRIBES BRIEFLY THE SMALL EXPERIMENTAL PROJECTS DURING THE SAME PERIOD OF TIME.

#### 1. THE BALSAS RIVER COMMISSION (BRC)

THIS REGIONAL DEVELOPMENT AGENCY WAS FUNDAMENTAL IN THE CREATION OF THE REQUIRED INFRASTRUCTURE TO LAUNCH THE GROWTH POLE PROGRAM IN 1970./1 BRC FOLLOWED THE TENNESSY VALLEY

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1/.CREATED IN 1960 AFTER A SIMILAR BUT SMALLER AGENCY, IT WAS INSTRUMENTAL IN IMPLEMENTING TWO LARGE DAMS: EL INFIERNILLO IN 1960 (ONE THE LARGEST OF THE COUNTRY FOR MANY YEARS), AND "LA VILLITA" IN 1964. IT ALSO BUILT THE REGIONAL HIGHWAY SYSTEM.

AUTHORITY MODEL, HENCE ITS INTEREST WAS IN RURAL DEVELOPMENT AND REGIONAL PLANNING. HOWEVER IT PROVIDED THE REGION'S SETTLEMENTS WITH PROVISION OF WATER /2 AND ALSO SET UP THE INITIAL WORKERS CAMPS THAT AFTER BECAME GUACAMAYAS.

THE BRC IMPACT ON HOUSING WAS FELT THROUGH WATER PROVISION, BUT IT WAS ALSO INSTRUMENTAL IN THE IMPROVEMENT OF LIVING CONDITIONS IN THE RURAL COMMUNITIES IN A REGION THAT WAS CONSIDERED AN ISOLATED REGION, UNTIL 1970.

BRC PREVIOUS STUDIES WERE USED IN PREPARING THE WORLD BANK PROJECT. UNFORTUNATELY A LACK OF PRECISION RENDERED THE STUDIES USELESS FOR THE IMPLEMENTATION STAGE /3

THIS AGENCY WAS INSTRUMENTAL IN THE CREATION OF GUACAMAYAS FOR A NUMBER OF REASONS: THE ACQUISITION OF THE LAND, AND THE CREATION OF THE FIRST TWO WORKERS CAMPS, THE EXPEDITION OF WRITTEN TEMPORARY PERMISSIONS TO SETTLE, AND THE PROMISES OF ITS HEAD, EX-PRESIDENT DON LAZARO CARDENAS, TO PROVIDE LAND, HOUSING, SERVICES, AND JOBS TO THOSE WHO SETTLED IN THE REGION.

BRC WAS DISMANTLED IN 1977 COINCIDING WITH A PUBLIC ADMINISTRATION REFORM, TRANSFERING THE OWNED LAND IN GUACAMAYAS TO THE MINISTRY OF AGRICULTURE AND WATER RESOURCES (SEE III-1 THE NEW ROLE OF FIDELAC).

2/ THE HOUSING SITUATION IN THE 1960'S INDICATED SOME 4,000 INHABS. IN THE REGION, ONLY 4% WITH WATER PROVISION. THE CENSUS OF 1970 SHOWS SOME 15,000 INHABS. 39% WITH WATER.

3/ IN 1977 THE WHOLE STUDIES OF SETTLEMENTS BUT SPECIALLY FOR GUACAMAYAS, DONE BY A MEXICO CITY LOCATED PRIVATE FIRM, WHICH WERE BASED UPON BRC PREVIOUS STUDIES, HAD TO BE TOTALLY REDONE BY FIDELAC.

## 2. THE INITIAL ROLE OF FIDELAC

FIDEICOMISO LAZARO CARDENAS , FIDELAC , WAS THE AGENCY IN CHARGE OF IMPLEMENTING 5 OF THE 9 COMPONENTS OF THE WORLD BANK URBAN DEVELOPMENT PROJECT. THIS AGENCY, CREATED IN 1973, IS AN URBAN DEVELOPMENT TRUST OF THE PUBLIC SECTOR. ITS FINANCIAL RESOURCES HAVE BEEN THE FEDERAL GOVERNMENT THROUGH TWO OF THE NATIONAL BANKS /4.. BEING A SEMI-AUTONOMOUS AGENCY, IT GENERATED A PART OF ITS OWN RESOURCES.

FOUNDED INITIALLY AS A HOUSING AND URBAN SERVICES PROVIDER, FIDELAC HAD TO BE SUBJECTED TO THE SICARTSA HIGH RANK PERSONNEL HOUSING DEMANDS. ACCORDINGLY FIDELAC, IN THE FIRST PHASE OF THE CREATION OF THE NEW TOWN CONSIDERED ONLY THE PROVISION OF MIDDLE AND MIDDLE-HIGH INCOME HOUSING. WITH THE EXCEPTION OF PROVIDING THE TECHNICAL ASSISTANCE COMPONENT FOR A SITES AND SERVICES PROJECT IN ANIBAL PONCE -- A NEIGHBORHOOD OF GUACAMAYAS -- NO OTHER ACTION WAS TAKEN TO ADDRESS THE ENORMOUS PROBLEMS OF HOUSING AND LACK OF BASIC SERVICES IN THE REGION, ESPECIALLY IN GUACAMAYAS.

HOWEVER, FIDELAC ENACTED SOME URBAN DEVELOPMENT GUIDELINES, THAT COULD BE SEEN AS POLICIES ADDRESSING THE LOW-INCOME POPULATION WITHIN THE URBANIZED AREAS OF THE NEW TOWN. THESE WERE:

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4/ NATIONAL FINANCIERA (NAFINSA) AND NATIONAL BANK FOR PUBLIC WORKS AND SERVICES (BANOBRAS)

A) THE "DERECHO AL TANTO" OR THE RIGHT OF FIDELAC TO BUY BEFORE ANY OTHER BUYER ALL PROPERTY ON SALE WITHIN THE NEW TOWN. THIS WAS AN ATTEMPT TO CONTROL EXPLICIT LAND SPECULATION PRACTICES, AND TO REDUCE UNREASONABLE INCREASES IN THE HOUSING MARKET.

B) THE DESIGN OF LAND USE TO ENABLE CROSS SUBSIDY SCHEMES IN RESIDENTIAL AREAS.

C) THE LEAVING OF VACANT LAND TO BUILD FUTURE COMMUNAL FACILITIES TO PROMOTE DIVERSE SOCIO-ECONOMIC STRATA INTERACTION.

THESE POLICIES, AS HAS BEEN THE EXPERIENCE IN OTHER PLANNED NEW TOWNS IN THE THIRD WORLD /5 , HAD VERY LIMITED RESULTS.

### 3. THE DEVELOPMENT OF GUACAMAYAS

GUACAMAYAS EXPANSION STARTED FROM THE TWO WORKERS CAMPS CREATED BY CRB IN 1964. THIS SETTLEMENT WAS INTENDED TO HOUSE BOTH THE PAISAN FAMILIES LIVING THEN IN THE SURROUNDING HILLS, AND THE FAMILIES OF THE WORKERS ENGAGED IN THE CONSTRUCTION OF THE NEAR-BY "LA VILLITA " DAM.

EX-PRESIDENT DON LAZARO CARDENAS PROMISED BOTH WORKERS AND NON-WORKERS THAT THE BRC WOULD PROVIDE THEM WITH LAND, SERVICES, HOUSING, AND JOBS IF THEY ONLY REMAINED IN THE REGION.

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5/ SEE THE CASES OF BRASILIA (EPSTEIN, 1973), CHANDIGARH (SARIN 1982), AND CIUDAD GUAYANA (RODWIN & ASSOC. 1969, AND DAYKIN, 1978)

SOME PAISANS FAMILIES ALREADY SETTLED IN THE SURROUNDING HILLS WERE CONVINCED AND HELPED TO MOVE TO THE WORKERS CAMPS. FOUR YEARS LATER (1968) BY THE TIME THE DAM WAS FINISHED, THIS SETTLEMENT HAD GROWN CONSIDERABLY PAST ITS ORIGINAL BOUNDARIES. THE BRC HAD BEEN GIVING OUT WRITTEN PERMISSION FOR TEMPORARY SETTLEMENTS WITHOUT ANY DISCRIMINATION. THE INITIAL SERVICE PROVISION OF THE WORKERS CAMPS SPURRED THE GROWTH OF GUACAMAYAS AT A VERY RAPID PACE /6.

IN LATE 1968, WHEN THE DAM WORKS WERE OVER, THE UNEMPLOYMENT RATE WENT AS HIGH AS 40% IN GUACAMAYAS. THE EMIGRATION WAS OF A SIMILAR PROPORTION /7.

IN EARLY 1971 THE LARGE DEMAND FOR WORK TO BUILD THE STEEL MILL PLANT AND ITS INFRASTRUCTURE WORKS BROUGHT BACK MANY NEW MIGRANTS AND INITIATED A LARGE FLUX OF MIGRANTS. THE POOR ARRIVED TO EITHER THE SMALL TOWNS OF THE MICROREGION, OR ELSE TO GUACAMAYAS. AT THE PEAK YEAR OF THE CONSTRUCTION WORKS (1976), THE POPULATION OF GUACAMAYAS WENT UP TO SOME 25,000 INHABS.

AT THIS TIME THE WORLD BANK PROJECT WAS BEING PREPARED AND A SERIES OF POLITICAL EVENTS WERE TAKING PLACE IN THE REGION (SEE II-1 SOCIO-POLITICAL ANTECEDENTS).

6/ THE REPORTED GROWTH IN THE REGION'S SETTLEMENTS WERE AS HIGH AS 28% ANNUAL RATES.

7/ IN 1968 AT THE PICK YEAR OF THE DAM CONSTRUCTION WORKS, THE POPULATION OF GUAUCAMAYAS HAD REACHED 7700 INHABS. AT THE END OF THAT YEAR IT WENT DOWN TO 4416. (DANIEL HIERNoux. EL ESTADO Y LAS POLITICAS URBANAS. IN LAS TRUCHAS. MEXICO:ECODESARROLLO, 1984.p.101

ONE OF THE FUNDAMENTAL ROLES PLAYED BY GUACAMAYAS DURING THIS TIME WAS THE PROVISION OF INEXPENSIVE RENTAL HOUSING FOR POOR MIGRANTS AND CONSTRUCTION WORKERS /8.

THE LAST YEAR AND A HALF OF THE 1970-1976 FEDERAL ADMINISTRATION, SOCIAL UNREST WAS TAKING PLACE IN GUACAMAYAS, EVIDENCED IN THE HARSH COMPLAINTS TO THE PRESIDENT DURING ONE OF HIS VISITS TO THE NEW DEVELOPMENTS. THE RESPONSE WAS THE CREATION OF A CONSULTATION GROUP OF EXPERTS, FORMED TO SOLVE GUACAMAYAS PROBLEMS. BUT WITH THE CHANGE OF FEDERAL ADMINISTRATION AND DEVELOPMENT PLANTS, THEY WERE RENDERED WITHOUT CONSIDERATION OF ANY APPLICATION NOR PRACTICAL SOLUTIONS /9.

#### 4. THE LAND TENURE SITUATION

THE EVOLUTION OF LAND TENURE IN LAZARO CARDENAS WAS CLOSELY TIED TO THE EVER PRESENT MEXICAN PROBLEM OF "EJIDAL LAND" /10 FOR URBAN PURPOSES, AT THE TIME THE STEEL MILL

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8/ IN 1976 THE PERCENTAGE OF RENTAL HOUSING IN GUACAMAYAS WAS OVER 30%. (DANIEL HIERNOUX, OP.CIT.p.101)

9/ THE RESULTS OF THIS GROUPS WERE: FIRST A 54 VOLUME DOCUMENT (WHICH WAS TO BE USED IN LATER PLANS, INCLUDING THE WORLD BANK PROJECT); SECONDLY, THE INITIATION OF A SERVICE PROVISION PROGRAM IN GUACAMAYAS; AND THIRDLY, A SITES AND SERVICES PROJECT IN ANIBAL PONCE, A GUACAMAYAS NEIGHBORHOOD.

10/ "EJIDAL LAND" IS STATE-OWNED LANDS TRANSFERRED IN THE PAST BY THE GOVERNMENT TO RURAL COMMUNITIES. THE EJIDATARIOIS OR BENEFICIARIES WERE GIVEN AN EJIDAL FIELD IN USUFRUCT, FOR AGRICULTURAL PRODUCTION, PLUS A LOT TO BUILD A DWELLING. DEMAND CREATED BY IMMIGRANTS LEAD TO ILLEGAL SALES OR SQUATTING ON EJIDAL FIELDS CONTIGUOUS TO THE COMMUNITIES. DWELLERS OF THESE LOTS HAVE NO LEGAL TITLES AND HENCE NO SECURITY TO TENURE. (THE WORLD BANK).

PROJECT WAS LAUNCHED IN THE EARLY 1970'S. EXCEPT FOR BRC WORKERS CAMPS AND ITS SURROUNDING LAND, ALMOST ALL LAND TENURE IN THE REGION WAS EJIDAL.

IN 1973 MANY WORKERS LIVING IN THE PROVISIONAL WORKERS SHELTERS SET UP BY SICARTSA PUSHED BY OVERCROWDING AND THE ARRIVAL OF THEIR FAMILIES, BEGAN INVADING LAND NEAR THE RECENTLY INITIATED NEW DEVELOPMENT AREA OF ZONA FIDEICOMITIDA. EARLY THAT YEAR FIDELAC HAD JUST BEGAN ITS OPERATION AND THE CONSTRUCTION OF THE NEW TOWN BEING INVADED.

MEANWHILE THE TOWN OF GUAGACAMAYAS INCLUDING THE AREAS SURROUNDING THE ORIGINAL WORKERS CAMPS, THREE MILES AWAY FROM THE NEW DEVELOPMENTS, HAD BEEN GROWING AT A VERY FAST PACE

THOSE NEW SETTLERS GOT WRITTEN PERMISSIONS FROM CRB TO SETTLE TEMPORARILY. THIS SETTLEMENTS PROCESS WENT ON WITH NO BASIC SERVICES PROVISION WHATSOEVER UNTIL LATE 1975.

THE NEXT YEAR, THE HIGH RATE OF INVESTMENT TAKING PLACE IN THE REGION, COUPLED WITH THE LACK OF SERVICES FORCED THE FEDERAL GOVERNMENT TO PROVIDE A BASIC SERVICES PROGRAM COMBINED WITH LAND TENURE REGULARIZATION. THIS PROGRAM WAS CARRIED OUT IN THE SO CALLED FUNDO LEGAL (LEGAL URBAN ENDOWMENT) THE ORIGINAL TOWN NEAR TO THE NEW TOWN DEVELOPMENT. /11 (SEE III-4 LAND REGULARIZATION PROGRAM)

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11/ THEN BECOMING THE REGIONAL COMMERCIAL CENTER. THIS ROLE WAS LATER STRENGTHENED IN THE MEXICAN NATIONAL PLANNING SYSTEM.

HOWEVER THE PROJECT REQUIREMENT TO WORK ON LAND LEGALLY OWNED, TO ENABLE A COST RECOVERY POLICY THROUGH MORTGAGING THE LAND, DEMANDED A THOROUGH LAND REGULARIZATION PROCESS IN THE ENTIRE MICROREGION.

TWELVE OF THE REGION'S SETTLEMENTS (THREE URBAN AND 9 RURAL) HAD TO UNDERGO THE EXPROPRIATION PROCESS; WAS IN FACT NEVER CARRIED OUT.

5. THE HOUSING PROVISION IN THE NEW TOWN: FIRST PHASE.

A. THE PROVISION OF MIDDLE-INCOME HOUSING

THE FRAMEWORK IN WHICH THE WORLD BANK PROJECTS ACTUALLY TOOK PLACE WAS THAT OF A NEW TOWN BEING DEVELOPED IN ITS SECOND PHASE. THE FIRST ONE HAD BEEN CHARACTERIZED BY THE CONSTRUCTION OF SOME 5100 FINISHED HOUSING TO MIDDLE AND MIDDLE-HIGH INCOME GROUPS, WHICH REPRESENTED 90% OF THE TOTAL PUBLIC HOUSING BUILT IN THE REGION DURING THE FIRST PHASE.

DURING THIS PHASE, THERE WERE DIFFERENT PUBLIC ORGANISMS DEALING WITH HOUSING IN AN OVERLAPPING AND NOT ALWAYS CLEAR WAY /12. FIDELAC ITSELF WAS ENGAGED IN PROVIDING SOME SERVICES AND FACILITIES THAT MIGHT HAVE BEEN PROVIDED BY OTHER PUBLIC AGENCIES /13.

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12/ FOR INSTANCE, THE STEEL MILL PLANT UNDERTOOK URBANIZATION AND CONSTRUCTION OF LARGE RESIDENTIAL AREAS, AND THE SETTING UP OF MASSIVE WORKERS SHELTERS; THREE OTHER PUBLIC ORGANISMS WITH OTHER-THAN-HOUSING-PROVISION FUNCTIONS DID PROVIDE SOME DWELLING ACTIONS.

13/ FOR INSTANCE THE WASTE COLLECTION SERVICE, AND CHILDREN SCHOOLS

THE MOST SIGNIFICANT ACTORS IN THE PROVISION OF HOUSING DURING THIS PERIOD WERE THREE PUBLIC AGENCIES:/14 FIDELAC ITSELF, SITSA (SICARTSA-LAS TRUCHAS REAL STATE AGENCY), AND INFONAVIT (THE WORKERS HOUSING NATIONAL FUND). THE FIRST TWO CONTRIBUTED WITH MORE THAN A THIRD EACH, WHILE THE REMAINING PROVIDED BY INFONAVIT (13%) AND THREE OTHER PUBLIC BODIES (16%). /15 ALL PUBLIC HOUSING ADDED REPRESENTED A 40% OF THE REGIONAL HOUSING DEMAND, AND ALMOST ALL THE FINISHED HOUSING BUILT AT THAT POINT.

SITSA WAS THE FIRST AGENCY TO BUILD MASSIVE HOUSING PROGRAMS IN THE REGION. INITIALLY IT BOUGHT THE HIGH RANK RESIDENTIAL AREA OF "LA ORILLA" TO BRC, IMMEDIATLY BUILDING MORE UNITS TO ARRIVE TO 300; IT ALSO SET UP PROVISIONAL SHELTER CAMPS FOR 5300 WORKERS -WHICH EVENTUALLY HOUSED NEAR THE DOUBLE THEIR CAPACITY- WITHIN THE SICARTSA'S TERRAIN; AND UNDERTOOK THE CONSTRUCTION OF TWO LARGE MIDDLE INCOME HOUSING AREAS: ONE IN LA MIRA, NEXT TO THE MINES, SOME 5 MILES FROM LA ORILLA, AND "THE 600'S) SOME 590 MIDDLE-HIGH INCOME HOUSING IN THE ZONA FIDEICOMITIDA NEW AREA. BECAUSE THE SICARTSA'S CHANGE OF PLANS, THIS PROJECT WAS HALTED NEAR TERMINATION.

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14/ FIDELAC BUILT A TOTAL OF 2063 HOUSES, BESIDES URBANIZING 250 HECTARES OF THE NEW ZONA FIDEICOMITIDA AREA OF LAZARO CARDENAS.

15/ THE MEXICAN INSTITUTE OF SOCIAL SECURITY IMPLEMENTED A 160 SITES AND CORE-HOUSING PROGRAM IN GUACAMAYAS; THE BALSAS COMMISSION HAD IMPLEMENTED THE TWO WORKERS CAMPS IN ORIGINAL GUACAMAYAS; INDECO CARRIED OUT TWO EXPERIMENTAL PROGRAMS TOTTALLING 335 ACTIONS; AND FINALLY THE MINISTRY OF PUBLIC WORKS BUILT UP 70 HOUSES FOR ITS OWN PERSONNEL.

ONE IMPORTANT CONSIDERATION OF THESE PROJECTS WAS THAT AT TIME OF PROJECT NEGOTIATION AND DURING ALMOST THREE YEARS OF PROJECT IMPLEMENTATION, MORE THAN 30% OF THE FINISHED OR NEAR-FINISHED HOUSING REMAINED UNOCCUPIED. /17 THE FINANTIAL AND REHABILITATION COSTS OF THESE HOUSES WAS ENORMOUS, REPRESENTING AN IDLE INVESTMENT ENOUGH TO PROVIDE SOME 10.000 FAMILIES SERVICED SITES WITH CORE HOUSING /18. SUCH PROJECT COULD HAVE ACTUALLY BEEN LARGER THAN ALL OF THE SHELTER COMPONENTS OF THE WORLD BANK PROJECT.

#### B. THE NEED FOR HOUSING SUBSIDIES

LAZARO CARDENAS, AS ANY NEW TOWN IN A FRONTIER REGION, HAD TO OFFER INEXPENSIVE HOUSING AND RELY ON OTHER SUBSIDIES, AS AN ATTEMPT TO COMPENSATE THOSE PEOPLE LIVING AND WORKING IN AN AREA LACKING OF MOST URBAN SERVICES AND AMENITIES./19

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17/ INDEED DURING FOUR YEARS IT WAS ESTIMATED THAT MORE THAN 30% OF THE MIDDLE AND MIDDLE-HIGH INCOME HOUSING REMAINED IDDLLE. THIS LEAD TO SOME VANDALISM OF THE NEAR-FINISHED HOUSING IN "LAS 600'S" WHICH MEANT EXTRA-COST TO REHABILITATE THEM WHEN LATER THESE AREAS WERE TRANSFERED FROM SITSA TO FIDELAC. THE SALE OF THESE HOUSES WAS ALSO A FINANCIAL LOOSE TO FIDELAC FOR IT HAD TO BE OFFERED ON VERY ATTRACTIVE COSTS TO BE SOLD.

18/ ESTIMATED BY DANIEL HIERNOUX. OP.CIT. p108.

19/ SICARTSA REPORTED AN ALMOST CONTINUE LARGE TURN OVER OF PERSONNEL AT ALL LEVELS. ONLY AFTER THE WORLD BANK PROJECT TERMINATION, THE TURNOVER WAS CONSIDERABLY REDUCED.

THE PUBLIC ORGANISMS IN THE REGION OFFERED A SERIES OF INCENTIVES TO KEEP BOTH THE UNSKILLED AND PROFESSIONAL PERSONNEL IN THE REGION /20. THE MOST IMPORTANT ONES WERE THE OFFERING OF HIGHER WAGES, AND FOR THE PROFESSIONAL AND TECHNICAL GROUP, THE HIDDEN SUBSIDY IN FINANCED HOUSING./21

THE LARGEST PORTION OF THE MIDDLE INCOME HOUSING PROVIDED DURING THIS TIME (1973-76) WAS UNDER A FINANCIAL POLICY OF VIRTUAL PRICE COST /22.

#### C. THE SMALL LOW-INCOME HOUSING PROJECTS.

TO ANALYZE LOW-INCOME HOUSING PROJECTS WITHIN THE FRAMEWORK OF THE PROVISION OF HOUSING IN A NEW TOWN, FOUR STAGES APPEAR CLEARLY DIFFERENTIATED: INITIAL STAGE, PILOT PROJECTS, WORLD BANK SHELTER PROJECTS, AND FIDELAC HOUSING PROVISION AFTER PROJECT TERMINATION. THIS CHAPTER WILL DESCRIBE ONLY THE FIRST STAGE /23

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20/ JOB INCENTIVES THAT STILL REMAIN AT PRESENT COULD RESULT IN MORE THAN 60% OF THE NOMINAL WAGE (THESE INCLUDED FREE TRANSPORTATION TO WORK).

21/ THE INTEREST RATES VARIED FROM 4% TO 8%, WHILE THE REAL COST OF CAPITAL WAS AROUND 10%.<sup>2</sup>

22/ THE PROFIT AND CHARGES FOR OVERHEAD COSTS WERE TYPICALLY 1% TO 2%.

23/ FOR THE DISPROPORTION IN MAGNITUDE IF THREE OF THESE STAGES ARE COMPARED AGAINST THE WORLD BANK SHELTER PROJECTS, I HAVE CHOSEN A PRESENTATION OF TOPICS AROUND THE LARGER PROJECT. HENCEFORTH, EACH STAGE WILL BE LOCATED IN ACCORDANCE TO ITS RELATION TO THE WORLD BANK SHELTER PROJECTS.

THE "INITIAL STAGE" FROM 1973 TO 1976, INVOLVED ONLY THREE SMALL PROJECTS (INDECO I, PALAPAS I, AND ANIBAL PONCE) TOTALLING ALTOGETHER LESS THAN 500 ACTIONS. THESE PROJECTS WERE SET UP BY CONTRIBUTIONS OF 5 PUBLIC AGENCIES. THEIR EXPERIMENTAL AND INNOVATIVE CHARACTER MADE THE TWO FIRST ONES VULNERABLE TO REPLICATION.

THE "INDECO I" PROJECT, IMPLEMENTED IN 1973, WAS A 250 SITES AND SERVICES PROJECT, FOLLOWING THE EXPERIMENTAL "SIDOSE" MODEL./24 THIS WAS THE FIRST HOUSING PROJECT TARGETTED TO THE POOR./25 IT WAS CARRIED OUT BY SELF-HELP PROGRESSIVE HOUSING, AND ONLY 4 YEARS AFTER ITS LAND TENURE WAS REGULARIZED.

THE PALAPAS PROJECT WAS A VERNACULAR MODEL, 85 ROW-HOUSING, BUILT BY MUTUAL AID WITH ONLY INDIGENOUS RAW MATERIALS: "AN ENCLAVE SETTLEMENT AMONG THE URBAN PUBLIC HOUSING DEVELOPMENTS"/26. THIS PROJECT WAS SO CRITICIZED THAT THE 1977

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24/ A SITES AND SERVICES PROJECT WITH PROGRESSIVE URBANIZATION. THESE PROJECTS INTENDED TO BE IMPLEMENTED IN MEXICO DURING THE 1970'S ON A LARGER SCALE, SOON FOUND HARSH OPPOSITION FOR THEIR ALLEGATED ROLE IN CREATION OF OFFICIAL "CARTOLANDIAS" (CARD BOARD SHANTYTOWNS)

25/ THE POPULAR INDECO PROJECT BENEFITTED SOME 1250 PERSONS WITH FAMILY INCOME AROUND 1 TMW. IN 1977 70% OF THESE HOUSEHOLDS WERE SELF-EMPLOYED OR UNDEREMPLOYED.

26/ VIOLETA CRUZ TOLEDANO AND LUIS PADILLA MASSIEU. PROGRAMA PILOTO PARA EL MEJORAMIENTO DE VIVIENDA POR AUTOCONSTRUCCION EN LAZARO CARDENAS, MICH. IN INVESTIGACIONES EN AUTOCONSTRUCCION. MEXICO CITY:CONACYT, 1979. p.126

PILOT PROJECT "PALAPAS II" HAD TO BUILT IT ALL OVER AGAIN. PALAPAS I WAS TARGETTED TO FAMILIES WITH INCOME AROUND 1 TMW. IN OPPOSITION TO THE "INDECO I", THIS HAD REGULARIZED LAND TENURE, AND ALSO THE POPULATION HAD MUCH MORE JOB STABILITY./27 THE ANIBAL PONCE PROJECT WAS IMPLEMENTED IN 1976. THIS PROJECT WAS A COMPONENT OF A LARGER PROGRAM THAT INCLUDED LAND TENURE REGULARIZATION, INTRODUCTION OF BASIC SERVICES, AND THE PAVEMENT OF THE MAIN STREET AT ANIBAL PONCE (SEE II-1 SOCIO-POLITICAL ANTECEDENTS).

THIS VERY SUCCESSFUL PROJECT WAS IMPLEMENTED BY THE CONTRIBUTIONS OF THREE AGENCIES. CRB WHICH PROVIDED WITH THE REQUIRED LAND; THE MEXICAN INSTITUTE FOR SOCIAL SECURITY (IMSS), CONTRIBUTING WITH THE FIELD TEAM PERSONNEL; AND FIDELAC, PROVIDING WITH THE TECHNICAL ASSISTANCE COMPONENT.

THE PROJECT CONSISTED OF 160 SERVICED SITES WITH CORE HOUSING. ALTHOUGH THE ROOF WAS WITH ASBESTO-CEMENT SHEETS /28 HOUSES WERE ACCEPTED FOR ITS FRESHNESS -- AS IT TOOK ADVANTAGE OF DOMINANT WINDS WITH A CROSS VENTILATION SCHEME--. ALSO THE COLABORATIVE EFFORT OF THE THREE INVOLVED INSTITUTIONS WERE INSTRUMENTAL IN ITS SUCCESS.

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27/ IN 1977 PALAPAS I WAS REPORTED TO HAVE 45% STABLE JOB WORKERS, WHILE IN INDECO I, AT THE SAME TIME, THIS PERCENTAGE WAS ONLY 30%. (CRUZ TOLEDANO. OP.CIT.)

28/ IN THE REGION THIS IS A ROOF MATERIAL THAT NORMALLY PEOPLE REJECT FOR ITS HIGH COST IN COMPARITION WITH CARD BOARD, AND ALSO BECAUSE OF ITS DEFICIENT TEMPERATURE ISOLATING NATURE

## C H A P T E R    I I

### PROJECT PLANNING AND NEGOTIATION

THIS CHAPTER ADDRESSES GENERAL ISSUES OF THE FRAME OF REFERENCE OF THE SHELTER PROGRAM AS ACTUALLY WAS IMPLEMENTED; NAMELY, THE SOCIO-POLITICAL SITUATION TO WHICH THE PROJECT EVOLVED AS A RESPONSE, THE ORIENTATION OF THE ORIGINAL APPROVED PROJECT, AND THE PROCESS BY WHICH IT WAS ADJUSTED THROUGH THREE ROUND OF NEGOTIATIONS; THEN THE ADJUSTED PROJECT VERSION ITSELF IS DESCRIBED REFERING TO THE MAIN ASPECTS OF ANY DEVELOPMENT PROJECT. A SPECIAL ATTEMPT IS MADE TO RELATE THESE ASPECTS TO ACTUAL OUTCOMES, AN TO MENTION ONLY IN A BRIEF MANNER ASPECTS THAT WERE NOT IMPLEMENTED, AS WELL AS THOSE OTHER PROJECT COMPONENTS WHICH WERE NOT RELATED TO THE SHELTER PROGRAM.

#### 1. SOCIO POLITICAL ANTECEDENTS OF THE SHELTER PROJECTS

THE ORIGINAL LAZARO CARDENAS URBAN DEVELOPMENT PROJECT /1 CONTEMPLATED AN INVESTMENT OF US\$60 MILLION FOR THE REGION. THE PROJECT WAS PUPRSUED AS A SUPPORT TO THE NATIONAL SPATIAL POLICY OF INDUSTRIAL DECENTRALIZATION, AND TO THE DEVELOPMENT OF A FRONTIER REGION WITH POTENTIAL FOR ECONOMIC GROWTH.

AT THAT TIME, THE LAZARO CARDENAS AS REPRESENTED ONE OF THE LARGEST INDUSTRIAL AND URBAN PUBLIC INVESTMENTS FOR A

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1/ THIS PROJECT WAS APPROVED IN OCTOBER 1976, TWO MONTHS BEFORE THE CHANGE OF FEDERAL ADMINISTRATION, ON THE ASSUMPTION THAT THE FOLLOWING YEAR THE SECOND -OF FOUR PROGRAMMED TO YEAR 1995- DEVELOPMENT PHASE OF THE HUGE STEEL MILL PLANT WOULD BE INITIATED.

REGIONAL PROJECT, EVER UNDERTAKEN BY THE MEXICAN GOVERNMENT. IN EARLY 1977, THE FEDERAL GOVERNMENT RESPONDED TO THE NATIONAL FINANTIAL CRISIS BY STOPPING THE STEEL MILL'S SECOND DEVELOPMENT PHASE, THE PRESIDENTIAL SECRETARIAT THOUGHT THE PROJECT SHOULD BE REDUCED IN ITS SCALE AND SCOPE IN ORDER TO BE IMPLEMENTED./2

AT THE TIME OF PROJECT ADJUSTMENT, THE NEW TOWN OF LAZARO CARDENAS AND ITS NEIGHBORING GUACAMAYAS WERE 3 MILES APART - THE TWO GEOGRAPHICAL EXTREMES OF THE LAZARO CARDENAS METROPOLITAN AREA, PLANNED FOR THE YEAR 2000. /3

IN 1978 WHEN THE PROJECT WAS FINALLY SIGNED, THESE TWO WERE THE LARGEST SETTLEMENTS OF THE REGION, DUE TO THE PREVIOUS YEAR'S IMMIGRATION FLUX THAT HAD CREATED SOCIAL UNREST IN THE AREA. SUBSEQUENTLY, EACH SETTLEMENT'S GROWTH HAD TEMPORARILY SUBSIDED. THE LARGE SCALE PROGRAM TO SUPPORT PROGRESSIVE HOUSING CONSTRUCTION WAS EXPECTED TO COPE WITH THE NEAR 5500 REPORTED DEFICIT (SEE TABLE II-1).

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2/ PRESIDENTIAL SECRETARIAT. PROYECTO DE DESARROLLO URBANO INTEGRADO DE LA ZONA DE CONURBACION DE LAZARO CARDENAS, MICH. MEXICO CITY: DIRECCION DE INVERSIONES, 1977.

3/ THIS WAS THE RECENTLY COMPLETED FIFTH CONSECUTIVE MASTER PLAN, THE SO CALLED "URBAN DEVELOPMENT INTEGRAL PROJECT". ACCORDING TO ITS PRESENTATION IN THE WORLD BANK PROJECT --A 33 VOLUME DOCUMENT-- PROJECTS WERE GIVEN LOCATIONS, PROVIDING A SATISFACTORY BLUEPRINT FOR EFFICIENT FUTURE GROWTH WITHIN A STRONG PLANNING FRAMEWORK. PROJECT IMPLEMENTATION WAS THOUGHT TO BE FACILITATED BY THE THEN STRONG PUBLIC INSTITUTIONAL INTERVENTION IN THE AREA, ESPECIALLY WITH THE PRESENCE OF FIDELAC. THIS PUBLIC AGENCY WAS AN URBAN DEVELOPMENT CORPORATION WHICH PROVIDED A BASE FOR IMPROVING CAPACITY FOR PROJECT IMPLEMENTATION.

TABLE II-1. THE ESTIMATED HOUSING DEFICIT

indicators	1970	1978
Total number of Dwellings	4223	16441
Total number of Families	4343	17029
Actual Deficit	120	588
Precauriosness Deficit	1267	4045
Deterioration Deficit	211	822
TOTAL HOUSING DEFICIT	1598	5455

source: Lopez ,Hector. "El desarrollo urbano" in Revista de la construccion, No.319, May 1981. p.43

THE WORLD BANK PROJECT, CO-FINANCED FOR A TOTAL OF US\$28 MILLION, APPARENTLY HAD LITTLE POLITICAL IMPORTANCE DURING THE INITIAL YEARS OF THE LOPEZ FORTILLO ADMINISTRATION (1976-82). /4 HOWEVER, IT WAS CONSIDERED A POSITIVE RESPONSE TO SOCIAL CONCERN FOR MOST OF THE RECENTLY SETTLED POPULATION IN THE REGION. INDEED, THE SHELTER RELATED COMPONENTS OF THE OVERALL WORLD BANK PROJECT HAD THEIR JUSTIFICATION IN THE FOLLOWING SOCIAL CONSIDERATIONS:/5

A) UPGRADING: NEED TO IMPROVE IN THE SHORT RUN THE UNSERVICED AND UNORGANIZED REGIONAL SETTLEMENTS.

B) SITES AND SERVICES: TO MOVE OUT IRREGULAR SETTLEMENTS FROM LOAD RISK AREAS , -AND REDUCE FUTURE RELOCATION COSTS-.

4/ IN MY OPINION, BLOCKADES OF PROJECT IMPLEMENTATION, SUCH AS THE ISSUING OF LAND EXPROPRIATION TITLES WOULD NOT BEEN OCCURRED IF THE SECOND DEVELOPMENT PHASE OF SICARSTA HAD NOT BEEN POSPONED.

5/ PRESIDENCY SECRETARIAT. PROYECTO URBANO INTEGRAL DE LA CONURBACION DE CIUDAD LAZARO GARDENAS , MICHOACAN. MEXICO CITY: DIRECCION DE INVERSIONES, 1977.

C) SELF-HELP LOANS: THE DEMAND FOR IMPROVED ENVIRONMENTAL CONDITIONS IN THE AREA.

ACCORDINGLY, THE EMPHASIS OF THE ADJUSTED PROJECT CHANGED FROM AN URBAN DEVELOPMENT PROJECT TO A MORE SHELTER RELATED PROGRAM (SEE II-3 RESOURCE ALLOCATION CHANGES).

THE ADJUSTED VERSION OF THE WORLD BANK PROJECT FOLLOWING THE DETAINMENT OF THE SECOND PHASE OF DEVELOPMENT OF THE STEEL MILL PLANT, WAS MEANT TO SOLVE REGIONAL UNEMPLOYMENT, URBAN SERVICES DEMANDS, AND RISKS INCURRED BY THE RIVER FLOODING OVER URBAN AREAS (SEE II-3 PROJECT NEGOTIATION AND BARGAINING).

BRIEFLY, THE IMPLICIT REASONS FOR CHOOSING THE LOCATION OF THE DIFFERENT PROJECT COMPONENTS RELATED TO HOUSING PROVISION WERE THE FOLLOWING:

THE INITIALLY PLANNED UPGRADING OF THE AREA OF GUACAMAYAS WAS CHOSEN BECAUSE OF ITS ROLE AS THE PRIMARY RECIPIENT OF LOW INCOME GROUPS, AND BECAUSE OF THE POLITICAL UNREST THAT HAD OCCURRED IN 1975-76 AT THE PEAK TIME OF THE SICARTSA'S CONSTRUCTION. THE REASON FOR CHOOSING GUACAMAYAS WAS OBVIOUSLY ALSO A DECISION BASED UPON ITS LARGE SETTLED POPULATION; IT'S RELATIVE PROXIMITY TO EXISTING SOURCES OF EMPLOYMENT, PUBLIC FACILITIES, AND PLANNED OR EXISTING UTILITY SERVICES. THE SOCIOECONOMIC SURVEYS CARRIED OUT IN THE REGION INDICATED THAT THE POPULATION IN THESE SETTLEMENTS COULD AFFORD TO PAY THEIR SHARE OF THE DEVELOPMENTS COSTS /6

6/ FROM THE PREVIOUS REGIONAL STUDIES CARRIED OUT BY THE BALSAS RIVER COMMISSION

THE APPARENT REASON FOR CHOOSING TO SUPPORT THE SMALL SETTLEMENTS OF THE REGION WAS THAT THE MAJORITY OF THEIR POPULATION WAS DEVOTED TO PRIMARY SECTOR ECONOMIC ACTIVITIES. THESE ACTIONS WERE INTENDED TO SUPPORT BOTH AN URBAN-RURAL BALANCE, AND ALSO THE AGRICULTURAL PRODUCTION IN THIS IRRIGATED REGION. /7

THE LOCATION FOR THE SITES AND SERVICES PROJECT IN ZONA FIDEICOMITIDA WAS CHOSEN BECAUSE IT WAS NEXT TO A PREVIOUS SITES AND SERVICES PROJECT (INDECO) AND HENCE MOST LIKELY TO INTEGRATE MORE ADEQUATELY WITH ITS SURROUNDINGS. ALSO ITS LOCATION WAS RELATIVELY NEAR TO "FUNDO LEGAL" COMMERCIAL AREA, WHERE MOST SERVICES AND FACILITIES ARE CONCENTRATED.

IN THE CASE OF GUACAMAYAS, THE THREE LOCATIONS FOR THE SITES PLANNED FOR THE SITES AND SERVICES PROJECTS, WERE BASED ON THE AVAILABILITY OF LAND; HOWEVER NEITHER OF THESE WERE FINALLY IMPLEMENTED.

## 2. RESOURCE ALLOCATION CHANGES

THE ORIGINAL WORLD BANK URBAN DEVELOPMENT INTEGRATED PROJECT WAS A TECHNICAL AND FINANCIAL SUPPORT LOAN, TO CONTINUE THE URBAN AND INDUSTRIAL DEVELOPMENTS OF A GROWTH POLE CENTER.

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7/ INDEED ONE OF NINE PROJECT COMPONENTS WAS THE OPENING OF NEARLY 200 KM. OF RURAL ROADS INTENDED TO PROMOTE THE DEVELOPMENT OF THE AGRICULTURAL POTENTIAL OF THE AREA. IT WAS NOT UNTIL 1981 THAT THIS IDEA WAS ABANDONED TO FAVOR THE INDUSTRIAL DEVELOPMENT OF THE AREA WITHIN THE NATIONAL INDUSTRIAL PORTS PROGRAM.

NEVERTHELESS, SIX YEARS LATER, THE PROJECT RESULTED IN A TYPICAL WORLD BANK SHELTER PROJECT./8

IN THE ORIGINAL PROJECT THE RESOURCES ALLOCATED TO THE SHELTER RELATED COMPONENTS WERE LESS THAN ONE FOURTH OF THE TOTAL ALLOCATIONS, WHILE AT THE TIME OF PROJECT TERMINATION THESE COMPONENTS REPRESENTED ALMOST TWO THIRDS OF TOTAL PROJECT UTILIZED RESOURCES.

CHANGES WITHIN THE ADJUSTED PROJECT WERE REFLECTED IN THE NEW ALLOCATIONS FOR THE SHELTER PROJECTS --90% MORE RESOURCES WERE DESIGNATED FOR THE UPGRADING PROJECT, THE SELF-HELP GOT MORE THAN TWICE, AND THE SITES AND SERVICES PROJECTS RECEIVED AN INCREASE OF FIVE AND A HALF TIMES TIMES ITS ORIGINAL FINANCIAL RESOURCES.

THE ADJUSTED VERSION DISTRIBUTED SHELTER RELATED ACTIONS TO ALL THE REGION'S SETTLEMENTS./9 THE LION'S SHARE WAS FOR GUACAMAYAS, WHICH RECEIVED THREE FOURTHS OF THE UPGRADING ACTIONS. TWO OF THE TOWNS OF THE STATE NEXT DOOR STATE TO MICHOACAN, WERE ASSIGNED WITH 9%, AND THE REMAINING FIVE TOWNS IN MICHOACAN STATE, WITH 15% OF THE DWELLING ACTIONS. NO UPGRADING ACTION WAS ASSIGNED TO FUNDO LEGAL, AND ONLY ONE SITES AND SERVICES PROJECT WAS ASSIGNED TO ZONA FIDEICOMITIDA.

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8/ A TYPICAL SHELTER PROGRAM CONTAINS URBAN UPGRADING AND SITES AND SERVICES PROJECTS, AND CREDIT COMPONENTS FOR BOTH BUILDING MATERIALS (LOCALLY CALLED SELF-HELP PROGRAM), AND USUALLY FOR SMALL BUSINESSES.

9/ IT COMPRISED URBAN UPGRADING ON 8 OF THE 13 REGIONAL RURAL SETTLEMENTS, PLUS THE ENTIRE AREA OF GUACAMAYAS, WHICH INCLUDED "ZONA EJIDAL URBANA", THE ONLY NEIGHBORHOOD THAT WAS SETTLED OUTSIDE THE TERRAINS THAT WERE ORIGINALLY OWNED BY BRC.

THE SELF-HELP PROGRAM WAS NOT BOUND TO ANY PARTICULAR SETTLEMENT, BUT BECAUSE OF ITS REQUIREMENTS IT WOULD OPERATE ONLY WHERE LAND WAS TO BE REGULARIZED. /10

### 3.PROJECT NEGOTIATION

IN 1975 THE WORLD BANK AND THE STATE OF MICHOACAN GOVERNMENT BEGAN TO DISCUSS THE POSSIBILITY OF IMPLEMENTING A PROJECT IN THE REGION. ONE YEAR LATER , THE NEGOTIATIONS WERE CONSIDERED TO BE THE CONCERN OF THE FEDERAL GOVERNMENT, HENCE THE PRESIDENTIAL SECRETARIAT TOOK CHARGE OF THE PROJECT.

THE PROJECT WAS APPROVED IN OCTOBER 1976, ONE MONTH BEFORE THE CHANGE OF FEDERAL ADMINISTRATION. SUBSEQUENTLY THE PROJECT IMPLEMENTATION WAS TEMPORARILY FROZEN.

IN EARLY 1977 TWO IMPORTANT EVENTS OCCURRED THAT DETERMINED A DIFFERENT COURSE OF ACTIONS TO BE FOLLOWED FOR THE WORLD BANK PROJECT. ONE WAS THE POSTPONMENT OF THE SICARTSA'S SECOND DEVELOPMENT PHASE , PROGRAMMED TO BEGIN THAT SAME YEAR. THE SECOND WAS THE ADMINISTRATIVE REFORM THAT REORGANIZED THE PUBLIC SECTOR'S ORGANIZATIONS ALONG SECTORIAL LINES. THIS CHANGE SWITCHED THE RESPONSIBILITIES FOR THE PROGRAM TO THE MINISTRY OF PUBLIC WORKS AND HUMAN SETTLEMENTS. /11

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10/ THIS REQUIREMENT IMPEDED THE GRANTING OF LOANS IN THE REGION'S SETTLEMENTS, ALTHOUGH TWO TOWNS OUTSIDE THE MICROREGION BENEFITTED BY CREDIT FOR SELF-HELP HOUSING.

11/ WITHIN THIS MINISTRY, IT WAS THE DEPARTMENT OF BUDGETING AND PROGRAMMING THE INSTRUMENTAL ONE FOR THE DELEGATION OF RESPONSABILITIES TO OTHER INSTITUTIONS.

IN MARCH 1977 A NEW HEAD OF FIDELAC (LIC. ORTEGA SAN VICENTE) TOOK OFFICE. ALMOST IMMEDIATELY HE BEGAN PREPARING SOME INSTITUTIONAL ACTIONS FOR THE FUTURE PROGRAM (SEE III-3 ACCESS TO COMMUNITY AND INITIAL WORKS). UPON REQUEST BY THE WORLD BANK'S DEPARTMENT OF URBAN DEVELOPMENT, THE PROJECT WAS REVIEWED, AND SINCE THE PROJECT WAS FROZEN FOR THE DETAINMENT OF THE STEEL MILL PLANS, THE ADJUSTMENT PROCESS INITIATED. THE TOTAL INVESTMENT WAS REDUCED FROM US\$60 TO US\$28 MILLION; THE PROJECT COMPOSITION WAS ALTERED IN ITS ALLOCATION SHARES (SEE TABLE II-4), REDUCED IN ITS SCOPE (THE POPULAR TECHNOLOGY CENTERS BECAME COMMUNITY CENTERS), AND SHORTENED IN DURATION FROM FIVE TO THREE YEARS./12

THERE WERE FIVE EXPRESSED REASONS FOR THE GOVERNMENT TO PROCEED WITH THE URBAN DEVELOPMENT PROJECT DESPITE THE SICARTSA PROJECT POSTPONMENT: A) THE OPPORTUNITY TO WORK WITH

TABLE II-4: PROJECT MODIFICATION  
(in us\$millions)

COMPONENT	WORLD BANK	MODIFICATION
urban upgrading	10.4	7.7
sites and services	7.6	4.9
industrial park	3.6	1.8
rural roads	3.1	1.3
small business credits	8.0	5.0
river control works	24.3	5.7
urban plans tech. assist.	2.9	1.5
t o t a l	60.0	28.0

source: proyecto integral de desarrollo urbano para la zona de conurbacion en cd. lazaro cardenas, mich.

12/ PRESIDENCY SECRETARIAT. PROJECT URBANO INTEGRADO DE LA ZONA CONURBADA DE LAZARO CARDENAS, MICHOACAN. MEXICO, 1977. p.11

AN INTERNATIONAL ORGANIZATION FOR THE PROVISION OF HOUSING AND URBAN SERVICES; B) A CHANCE TO SOLVE THE PROBLEM OF REGIONAL UNEMPLOYMENT; C) THE CONSPICUOUS LACK OF SERVICES; D) RISKS OF FLOODING ONTO URBAN AREAS; AND E) THE CONCERN FOR URBAN AND REGIONAL STUDIES. A BRIEF DESCRIPTION OF EACH ONE FOLLOWS:

A. WORKING WITH THE WORLD BANK TO PROVIDE HOUSING.

MEXICO IS ONE OF THE MEMBER COUNTRIES MOST OFTEN GRANTED WITH DEVELOPMENT PROJECTS./13 HOWEVER THE LAZARO CARDENAS URBAN DEVELOPMENT PROJECT IS THE FIRST WORLD BANK PROJECT THAT HAS TARGETTED THE LOW-INCOME POPULATION GROUPS. IT WAS ALSO THE FOURTH FOREIGNLY FINANCED PROJECT EVER TO ADDRESS THE PROVISION OF HOUSING./14 FOR THE PAST TWO DECADES MEXICO HAD NOT RECEIVED HAVE ANY OTHER EXTERNALLY ASSISTED HOUSING PROJECTS, HENCE IT WAS REGARDED AS AN EXPERIMENTAL APPROACH TO TAKE ADVANTAGE OF THE SHELTER PROVISION EXPERIENCE F ROM THE WORLD BANK.

B. THE UNEMPLOYMENT IN THE REGION

IN 1976 AT THE PEAK OF THE SICARSTA'S CONSTRUCTION WORKS THERE WERE 12,000 WORKERS ON THE SITE. THE FOLLOWING YEAR, THE STEEL PLANT BEGAN ITS OPERATIONS, PROVIDING PERMANENT JOBS FOR ONLY QUALIFIED WORKERS. CONSEQUENTLY, AT THE END OF 1977 THE UNEMPLOYMENT RATE IN THE REGION WAS AS HIGH AS 47.5% OF THE

13/ WITHIN THE WORLD BANK LENDING RECORDS, MEXICO RANKS THIRD IN RECEIVING THE LARGEST AMOUNT OF FUNDS (7.34% OF TOTAL LOANED CAPITAL); AND RANKS FIFTH IN RECEIVING THE LARGEST NUMBER OF PROJECT BESTOWED TO ANY MEMBER COUNTRY (MORE THAN ONE HUNDRED).

14/ MARGARITA NOLASCO. LOS POBRES DE LA CIUDAD in "LAS TRUCHAS" (ED.I.RESTREPO). MEXICO CITY: ECODESARROLLO, 1984. p.144

ECONOMIC ACTIVE POPULATION./<sup>15</sup> ALTHOUGH IN LATE 1977 A LARGE PART OF THE POPULATION EMIGRATED, THE UNEMPLOYMENT SITUATION IN THE REGION WAS CONSIDERABLE.

C. THE LACK OF SERVICES IN THE URBAN AREAS.

GUACAMAYAS WAS AN IRREGULAR SETTLEMENT. PEOPLE HAD RECEIVED WRITTEN PERMISSIONS --FOR TEMPORARY SETTLING-- FROM THE BALSAS RIVER COMMISSION. IN LATE 1976 AN INITIAL UPGRADING AND REGULARIZATION PROGRAM WAS LAUNCHED, NONETHELESS THE PROVISION OF SERVICES WAS INCOMPLETE AND DEFICIENT; THERE WERE SOME AREAS WITH NO PROVISION OF BASIC SERVICES WHATSOEVER. /<sup>16</sup> (SEE IV-6 THE UPGRADING PROGRAM)

D. RISKS OF RIVER FLOODING TO URBAN AREAS.

FROM 1974 TO 1977 SOME 200 Has. OF AGRICULTURAL LAND WERE LOST BECAUSE OF FLOODING AND SOME URBAN AREAS WERE ENDANGERED BY EROSION. SILTATION PROBLEMS WERE ENDANGERING THE MOVEMENT OF LARGE SHIPS IN THE PORT AND REDUCING THE HYDROELECTIC OUTPUT OF LA VILLITA DAM.

E. TECHNICAL ASSISTANCE FOR URBAN PLANS

DURING THE FIRST MONTHS OF THE NEW FEDERAL ADMINISTRATION, THERE WAS THE PREPARATION OF ONE OF THE LARGEST

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<sup>15/</sup> IN 1978 GUACAMAYAS MASTER PLAN REPORTED THERE WAS STILL A 30% TO 40% NEEDED CAPACITY OF MOST PUBLIC FACILITIES, WITH NO TELEGRAPH NOR MAIL SERVICES, AND ALMOST NO TELEPHONES IN THE AREA.

<sup>16/</sup> MEXICO HAS A RECORD IN NOT ASKING FOR EXTERNAL HELP TO PROVIDE PUBLIC HOUSING. INDEED ONLY OTHER 3 HOUSING PROJECTS, ALL IN THE EARLY 1960'S HAVE BEEN THE ONLY ONES FINANCED EXTERNALLY. (I.D.B. ONE, A.I.D. TWO)

PLANNING PROGRAMS, WITH A NATIONAL COVERAGE ,EVER LAUNCHED IN A DEVELOPING NATION. /17

WITHIN THE LAZARO CARDENAS MICROREGION, BESIDES THE PRIOR MASTER PLANS FOR THE DEVELOPMENT OF THE NEW TOWN, A SERIES OF PLANS WERE DRAWN,/18 INCLUDING THE MASTER PLAN OF GUACAMAYAS. THIS LAST ONE WAS A REQUIREMENT OF THE WORLD BANK PROJECT.

#### 4. ADJUSTED PROJECT VERSION

##### A.CHANGES IN RESOURCE ALLOCATION.

THE INITIAL WORLD BANK URBAN DEVELOPMENT PROJECT DESIGNED IN 1976 WAS A TECHNICAL AND FINANCIAL SUPPORT LOAN TO CONTINUE THE URBAN AND INDUSTRIAL DEVELOPMENTS OF WHAT WAS CONCEIVED OF AS A GROWTH POLE PROJECT. SIX YEARS LATER , THE PROJECT HAD BEEN MORE A SHELTER THAN IN FACT AN URBAN INTEGRATED PROJECT. INDEED, THE SHELTER RELATED COMPONENTS IN THE ORIGINAL PROJECT ALTOGETHER WERE LESS THAN ONE FOURTH OF THE RESOURCE ALLOCATION SHARE , WHILE THESE COMPONENTS ACTUAL NUMBERS AT THE TIME OF PROJECT TERMINATION WENT UP TO 64.5%.

ON THE OTHER HAND, THE NON-SHELTER SHARE IN THE ORIGINAL PROJECT WAS MORE THAN TWO THIRDS, WHILE IN THE ADJUSTED VERSION ITS WAS NOTICEABLY REDUCED; IN THE FINAL ACCOUNT IT WAS ONLY

17/ WITHIN THE PERIOD 1977-1982, THE NATIONAL PLANNING SYSTEM INVOLVED THE DRAWING OF SOME 2500 PLANS AT 8 LEVELS OF COMPLEXITY.

18/ AMONG THESE WERE THE LAZARO CARDENAS FUTURE METROPOLITAN AREA, THE FUTURE URBAN UPGRADING PLAN FOR FUNDO LEGAL, THE TRAFFIC AND TRANSIT STUDY OF THE REGION, THE MASTER PLANS FOR THE TWO OTHER URBAN AREAS OF THE MICROREGION, AND THE MUNICIPAL PLANS FOR ALL THE SORROUNDING THE MICROREGION TOWNS.

A THIRD OF THE RESOURCES.

IN THE FINAL PROJECT COMPOSITION, THE SHELTER RELATED COMPONENTS HAD THE GREATER CHANGES: SITES AND SERVICES INCREASED ITS SHARE MORE THAN FIVE AND A HALF TIMES; THE BUILDING MATERIALS LOANS IN 112% AND THE UPGRADING PROJECT IN 90%.

#### B. RESPONSIBLE INSTITUTIONS

THE WORLD BANK LAZARO CARDENAS URBAN DEVELOPMENT PROJECT WAS CHARACTERIZED BY THE SMALL NUMBER OF PARTICIPANT INSTITUTIONS THAT INTERVENED IN PROJECT IMPLEMENTATION AND EVALUATIONS.

THE PROPOSED BORROWER ON THE LOAN WAS THE MEXICAN GOVERNMENT REPRESENTED BY BANOBRAS./<sup>19</sup> THIS AGENCY WAS CONSIDERED BY THE WORLD BANK AS A WELL-ORGANIZED INSTITUTION WITH STRONG MANAGEMENT AND TECHNICAL CAPABILITIES, WHICH IN ADDITION HAD PARTICIPATED IN THE CONSTRUCTION OF THOUSANDS OF FINISHED HOUSING. IT WAS ALSO CONSIDERED TO HAVE HAD EXTENSIVE EXPERIENCE IN MANAGING URBAN TRUSTS (FIDEICOMISOS) ACTING AS TRUSTEE FOR FIDELAC.

FIDELAC WAS CHOSEN AS THE IMPLEMENTING AGENCY DESPITE ITS DEFICIENT FINANCIAL RECORD AND PAST MANAGEMENT PROCEDURES (SEE

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19/ BANOBRAS AT THAT TIME HAD PROVIDED SOME 30,000 FAMILIES WITH SERVICED PLOTS. IT HAD ALSO DEVELOPED IMAGINATIVE PROGRAMS FOR HOME OWNERSHIP, UPGRADING, SLUM REDEVELOPMENT AND FOR APPLYING TECHNIQUES OF CROSS-SUBSIDATION AS WELL AS CAPTURING INCREMENTAL VALUE TO BENEFIT LOWER-INCOME FAMILIES

I-5C SUBSIDIES IN HOUSING), FOR AS AN INSTITUTION ALREADY OPERATING IN THE PROJECT AREA, WOULD BE MORE BENEFICIAL TO IMPROVE ITS OPERATIONAL CAPACITY (SEE III-1 FIDELAC'S RENEWED ROLE)

THE MONITORING AND EVALUATION ROLES WERE ASSIGNED TO FIDELAC, WHICH WAS SUPPOSED TO ANALYZE THE FIELD EXPERIENCES AND ASSESS THE IMPACT OF PROJECT IMPLEMENTATION. FIDELAC HENCE CREATED A SPECIAL OFFICE TO COORDINATE THE LOGISTICS OF THE PROGRAM (SEE III-2 INSTITUTIONAL ORGANIZATION).

THE MINISTRIES OF HUMAN SETTLEMENTS AND PUBLIC WORKS WERE RESPONSIBLE FOR THE TECHNICAL STUDIES AND RURAL ROADS COMPONENTS, AND THE MINISTRY OF WATER RESOURCES AND AGRICULTURE FOR THE RIVER WORKS (SEE II-4F OTHER PROJECT COMPONENTS)

#### C. COST RECOVERY, AFFORDABILITY, AND REPLICABILITY

1) COST RECOVERY. IN ORDER TO ENSURE PROJECT REPLICABILITY, FULL RECOVERY OF COSTS WAS ATTEMPTED, HENCE APPROPRIATE PRICING POLICIES FOLLOWED. IN DESIGNING SUCH A STRATEGY, SPECIAL ATTENTION WAS GIVEN TO THE ESTABLISHMENT OF A PROPER BALANCE BETWEEN PROJECT COSTS AND THE INCOME LEVELS OF BENEFICIARIES./20

ALSO IMPORTANT WAS THE ESTABLISHMENT OF PROPER RECOVERY MECHANISMS WHERE COST RECOVERY WAS APPLICABLE (SEE V-4 COST RECOVERY PERFORMANCE).

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20/ THE PRICING SYSTEM USED BY FIDELAC CONSIDERED PRICES ACCORDING TO THREE CRITERIA: NEIGHBORHOOD, LAYOUT LOCATION, AND STREET WIDTH. THERE WERE 36 POSSIBLE PRICE ALTERNATIVES, WITH A PRICE DIFFERENTIAL OF 550%.

WITHIN THE OVERALL WORLD BANK PROJECT, ABOUT HALF OF THE BENEFICIARIES WERE SHELTER RELATED, HENCE THE ASSOCIATED COSTS WERE CONSIDERED TO BE DIRECTLY RECOVERED FROM THEM. FIDELAC WAS TO RECOVER MOST OF THE COST ASSOCIATED WITH THE URBAN UPGRADING PROJECT, THE SITES AND SERVICES PROJECT, AND THE BUILDING MATERIALS LOANS PROGRAM THROUGH CONTRACTS AND INDIVIDUAL LOANS/20 (SEE II-4D FINANCEMENT ISSUES).

2)AFFORDABILITY. A SPECIAL SOCIO-ECONOMIC SURVEY WAS CARRIED OUT BY FIDELAC AT THE TIME OF PROJECT PREPARATION. IT WAS ESTIMATED THAT THE PROGRAM COULD INCLUDE THE LOWEST 40th PERCENTILE OF THE REGION'S INCOME DISTRIBUTION (EXCEPT FOR THE LOWEST 3% OF THE LOCAL POPULATION). IT WAS ASSUMED A 15% TO 20% OF A HOUSEHOLD INCOME WOULD BE AVAILABLE FOR HOUSING PAYMENTS./21

A SPECIAL FEATURE OF THE WORLD BANK LOW-INCOME HOUSING FINANCING WAS THAT IT CHARGED A DOUBLE INTEREST RATE COMPARED TO WHAT FIDELAC HAD BEEN OFFERING -THOUGH SUBSIDIZED- TO MIDDLE INCOME HOUSING BUYERS./22

3) REPLICABILITY. THE INITIAL IDEA WAS TO EXPAND THESE PROJECTS OVER THE REGION'S SETTLEMENTS. FOR THIS PURPOSE, COMMUNITY ACCEPTABILITY OF THE PROGRAM BECAME FUNDAMENTAL. (SEE III-3 ACCESS TO COMMUNITY AND INITIAL WORKS). ALSO IMPORTANT IN

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21/ 15% FOR SERVICED PLOT, 20% FOR CORE-HOUSING.

22/ FIDELAC WAS OFFERING A 6% TO 8% IN THE FIRST HOUSING PROVISION PHASE.

THIS RESPECT WAS THE NEED TO REGULARIZE LAND TENURE AS TO BE USED AS COLLATERAL FOR MORTGAGING.

THE SHELTER PROJECTS WERE EXPECTED TO COVER THE TOTAL DEMAND FROM LOW-INCOME HOUSING FAMILIES UNTIL PROJECT TERMINATION IN 1981 /23 (SEE V-5 HOUSING DEMAND AND SUPPLY AFTER PROJECT). THE REPAYMENTS ADDED TO FIDELAC'S INCREASED TECHNICAL AND MANAGERIAL CAPABILITIES, AND THE PRIVATE BANKING SYSTEM, WERE THOUGHT TO BE THE BASIS FOR THE FUTURE SHELTER PROVISION./24

#### D. FINANCIAL ISSUES

THE LAZARO CARDENAS URBAN DEVELOPMENT PROGRAM WAS A GRANT FROM THE MEXICAN GOVERNMENT TO FIDELAC -THROUGH THE WORLD BANK REQUEST- FOR CREATING TWO SEPARATE REVOLVING FUNDS TO CONTINUE AFTERWARDS FOR THE PROVISION OF HOUSING AND URBAN SERVICES IN THE REGION./25 ALL FINANCIAL RISKS INITIALLY TAKEN WERE TO BE ABSORBED THROUGH HIGHER INTEREST RATES TO THE BENEFICIARIES. SINCE A PESO DEVALUATION ACTUALLY OCCURRED THEY WERE PASSED ON TO THE FEDERAL GOVERNMENT.

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23/ THE WORLD BANK-FIDELAC TEAM ESTIMATED THIS TO BE 74% OF THE TOTAL DEMAND FOR HOUSING.

24/ WHAT ACTUALLY HAPPENED WAS THAT THE LOW RETURN RATES, THE NATIONALIZATION OF THE PRIVATE BANKING SYSTEM AND THE INCREASING DWINDLING ROLE OF FIDELAC HAVE REDUCED TO A VERY MINIMUM THE PROVISION OF LOW INCOME HOUSING IN THE REGION.

25/ THE WORLD BANK. LAZARO CARDENAS CONURBATION DEVELOPMENT PROJECT . WASHINGTON D.C.: THE WORLD BANK, 1978.

THE PROJECT REPORT ESTABLISHED THE PERCENTAGES (SEE TABLE) TO BE PROVIDED BY EACH OF THE THREE ACTORS: GOVERNMENT (52.1%), WORLD BANK (43.1%) AND BENEFICIARIES (4.4%). THE IMPLIED SUBSIDY WITHIN THE SHELTER COMPONENTS WAS 100% FOR OFF-SITE INFRASTRUCTURE. FOR ON-SITE INFRASTRUCTURE IT WAS 38.5% AND 25% RESPECTIVELY IN UPGRADING, AND SITES AND SERVICES PROJECTS.

THE LOAN WAS GRANTED FOR A TERM OF 17 YEARS, PLUS A GRACE PERIOD OF 4 YEARS, WITH AN ANNUAL INTEREST RATE OF 15%. THE PARTICULAR FINANCIAL SITUATION OF EACH PROGRAM IS AS FOLLOWS:

THE SELF-HELP BUILDING MATERIALS LOANS HAD A VARIABLE REPAYMENT TERM FROM 1 TO 7 YEARS, 15% INTEREST RATE, AND THE INITIATION OF PAYMENT 6 MONTHS AFTER THE CREDIT WAS TOTALLY DISBURSED.

THE TERMS FOR THE SITES AND SERVICES PROJECTS WAS 5 TO 10 YEARS, WITH THE SAME INTEREST RATE (INCLUDING A 2% MONTHLY INTEREST FOR DELAYED PAYMENT). THE DOWN PAYMENT FOR A SERVICED PLOT WAS US\$22, WHILE THE MONTHLY PAYMENTS WERE 22 TO 28 DOLLARS IN GUACAMAYAS, AND 36 TO 40 DOLLARS IN ZONA FIDEICOMITIDA.

THE ECONOMIC RATES OF RETURN WERE 22% FOR THE UPGRADING, AND 28% FOR THE SITES AND SERVICES AND SELF-HELP PROJECTS, WHILE THE OVERALL PROJECT AVERAGE WAS 24%.

THE LOAN INCLUDED FINANCIAL RESOURCES FOR THE THREE PILOT PROJECTS, AS WELL AS SOME INITIAL STUDIES. IT ALSO TOOK EFFICIENT MEASURES TO ASSURE THE AVAILABILITY OF FINANCIAL RESOURCES.

E. PROJECT STANDARDS.

THE SHELTER PROJECTS' DESIGN STANDARDS WERE NEGOTIATED IN THE SECOND ROUND OF CONVERSATIONS. THE DETAILED ENGINEERING WAS PREPARED BY THE TECHNICAL DEPARTMENT OF FIDELAC.

THE OVERALL URBAN DEVELOPMENT PROJECT INCLUDED PLANS FOR INTRODUCING INFRASTRUCTURE AND BASIC SERVICES TO MOST OF THE REGION'S SETTLEMENTS; HOWEVER, ONLY THE PLANNED ACTIONS THAT ACTUALLY WERE CARRIED OUT ARE ADDRESSED HERE.

ALL THE LOTS COVERED BY BOTH URBAN UPGRADING, AND SITES AND SERVICES PROJECTS WERE TO HAVE INDIVIDUAL WATER AND SEWAGE DWELLING CONNECTIONS. NONE OF THE NEW OFF-SITE INSTALLATIONS NEAR THE PROJECTS' AREAS WERE REQUIRED, ONLY EXPANSIONS OF THE DISTRIBUTION AND COLLECTION NETWORKS.

ALTHOUGH INITIAL WATER CONSUMPTION WAS ESTIMATED TO BE LOWER, THE DESIGN CRITERIA WAS BASED ON A DAILY PER CAPITA WATER CONSUMPTION OF 200 LTS TO 250 LTS, AND 75% OF THAT AS DISCHARGE./26

THE ELECTRICAL INSTALLATION CONSISTS OF EXPANDING THE EXISTING NETWORK TO PROVIDE STREET LIGHTING AND INDIVIDUAL DWELLING CONNECTIONS, INCLUDING INDIVIDUAL METERS TO THE FAMILIES TO BE SETTLED IN THE RECOVERED LOTS, AND THE SITES AND SERVICES PROJECTS. THE ELECTRICAL NETWORK WAS TO COVER STREET LIGHTING AND ALL OTHER NON-RESIDENTIAL CONSUMPTION./27

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26/ EXISTING NETWORKS WERE DESIGNED WITH EXPANSSION CAPACITIES FOR POPULATION GROWTH PROJECTIONS UP TO 1990.

27/ THE DESIGN CRITERIA FOR THE ELECTRICAL NETWORK WAS BASED ON AN ESTIMATED DEMAND OF 3,150 WATTS PER CAPITA WITH AN 0.6 FACTOR, OR ABOUT 2,000 WATTS PER CAPITA)

THE INITIAL PLANS OF THE UPGRADING OF THE CIRCULATION NETWORK CONSISTED OF TWO STEPS, NAMELY, THE REMODELLING OF URBAN LAYOUTS /28, FOLLOWED BY THE PAVING OF A SELECTED PART OF THE SYSTEM TO PROVIDE YEAR ROUND ACCESS TO ALL PARTS OF THE TOWN. THE CIRCULATION NETWORK IN ALL SITES AND SERVICES PROJECT AREAS WAS ONLY INTENDED TO PROVIDE ACCESS TO THE SETTLEMENTS AND NOT TOTAL COVERAGE. ALL STREETS WERE TO BE DESIGNED TO BE EVENTUALLY UPGRADED. IN DESIGNING THE ACCESS NETWORK, PRIORITY WAS TO BE GIVEN TO PEDESTRIAN PATHS RATHER THAN TO VEHICULAR STREETS.

**F. OTHER PROJECT COMPONENTS.**

TO HAVE AN OVERVIEW OF THE WHOLE URBAN PROJECT, A BRIEF ACCOUNT ON THE 5 NON-SHELTER PROJECT COMPONENTS FOLLOWS:

**A. SMALL BUSINESS CREDITS:**

PROVISION OF FINANCIAL SUPPORT TO ESTABLISH SMALL BUSINESSES OR THE ENLARGEMENT OF EXISTING ONES. THE PROGRAMMING WAS AS FOLLOWS.

C R E D I T F O R	N U M B E R O F A C T I O N S		
	INITIAL	ACTUAL	ACHIEVEMENT
Micro-enterprises	130	37	28.5%
Small-enterprises	40	100	250.5%
Middle-size enterprises	6	6	100.0%
Number of jobs.	1200	385	32.1%

28/ IN ORDER TO REDUCE THE COSTS OF THE PROVIDED SERVICES, THE TECHNICAL TEAM LOOKED FOR INCREASING THE DENSITIES OF EXISTING URBANIZED AREAS AND THUS, INCREASED THE NUMBER OF HOUSEHOLDS THAT COULD SHARE IN THE COST OF GENERAL INFRASTRUCTURE WORKS. (REDUCING THE SIZE OF LARGER PLOTS, REDUCING AND STRAIGHTENING OUT ROADS AND FOOTPATHS, AND PLANNING HOUSING CLUSTERS IN THE EMPTY CORES OF LARGE STREET BLOCKS)

**B. INDUSTRIAL PREMISES:**

THE OBJECTIVES WERE TO FACILITATE THE ESTABLISHMENT OF NEW ENTERPRISES, BUILD WORKSHOP HALLS AND INDUSTRIAL BUILDING FOR LEASE. NONE OF THESE WORKS WERE ACCOMPLISHED.

**C. REGIONAL FEEDER ROADS.**

THIS PROJECT CONSISTED OF CONSTRUCTING AND UPGRADING 8 ROADS WITH A TOTAL LENGTH OF 198KM. THIS COMPONENT WAS CONCEIVED AS A REQUIRED SUPPORT TO DEVELOP THE POTENTIAL AGRICULTURAL DEVELOPMENT IN THE REGION. A NETWORK WAS CONCEIVED TO CONNECT LARGE CULTIVATED AREAS AND SPACE FOR LIVESTOCK PRODUCTION, WITH THE NEW CONSUMERS URBAN MARKET OF THE REGION. FIDELAC REPORTED ACCOMPLISHED 90% OF THESE WORKS. /29

**D. RIVER CONTROL WORKS :**

THE OBJECTIVE OF THIS COMPONENT WAS TO SOLVE THE PROBLEMS OF EROSION, SILTATION, AND RISK OF OVERFLOODS FROM ONE OF THE TWO MOUTHS OF THE BALSAS RIVER. THESE WORKS WERE NEVER CARRIED OUT, DUE TO PROBLEMS OF COORDINATION BETWEEN IMPLEMENTING AGENCIES AND ALSO BECAUSE OF A CHANGE OF PLAN FOR THE INDUSTRIAL DEVELOPMENT OF THE AREA.

**D. TECHNICAL ASSISTANCE FOR PLANNING:**

MORE THAN ONE MILLION DOLLARS WAS ALLOCATED TO THIS COMPONENT. IT WAS USED TO DEVELOP A SERIES OF STUDIES TO BE

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29/ THE INITIAL EVALUATION REPORTED ONLY 4 ROADS FINISHED. (FIDELAC FIRST ROUGHT DRAFT PROJECT TERMINATION REPORT, 1983)

PERFORMED INSIDE AND OUTSIDE THE REGION. HOWEVER A LARGE PART WAS NOT USED BY SAHOP, FOR ITS WAS ABLE TO SUSTITUTE THEM WITH FEDERAL RESOURCES./30

#### 6.COMMUNITY CENTERS.

THESE COMPONENTS WERE TO BE SUPPORT ELEMENTS OF THE SHELTER PROJECTS. THE INITIAL PLANS WERE TO HAVE 2 IN GUACAMAYAS, AND TWO IN OTHER TOWNS OF THE REGION. ONLY THOSE IN GUACAMAYAS WERE CONSTRUCTED.

THESE HAVE OPERATED AS TRAINING CENTERS, BUT ALSO HAVE BEEN INSTRUMENTAL IN PROMOTING SOCIAL AND CULTURAL ACTIVITIES AMONG THE GUACAMAYAS POPULATION.

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30/ DANIEL HIERNOUX. "EL ESTADO Y LAS POLITICAS URBANAS", IN LAS TRUCHAS: INVERSION PARA LA DESIGUALDAD? (IVAN RESTREPO Ed.) MEXICO CITY: CENTRO DE ECODESARROLLO, 1984. p.122

## C H A P T E R   I I I

### THE IMPLEMENTING AGENCY

THIS CHAPTER FOCUSSES IN FIDELAC AS IMPLEMENTING AGENCY. ASPECTS CONSIDERED HEREIN ARE OPERATIONAL CHANGES BEFORE AND DURING THE SHELTER PROGRAM, THE SERIES OF ACTIONS THAT WERE CARRIED OUT AT THE OUTSET, AND THE DIFFICULTIES THAT WERE FOUND AND HOW THEY WERE OVERCOME. SPECIAL EMPHASIS IS PUT IN THE LISTING OF POSITIVE AND NEGATIVE ASPECTS OF THE PROJECT ORGANIZATION FROM THE PERSPECTIVE OF THE IMPLEMENTING AGENCY. ALSO IMPORTANT IS THE REFERENCE TO THE LAND TENURE REGULARIZATION PROGRAM FOR ITS CENTRAL ROLE FOR INITIATING THE UPGRADING PROJECT ACTIONS. THE CHAPTER ENDS WITH A BRIEF ACCOUNT OF PROJECT MANAGEMENT ISSUES.

#### 1. INSTITUTIONAL STRENGTHENING.

AS A RESULT FROM NEGOTIATIONS WITH THE WORLD BANK, FIDELAC BECAME A CORPORATE-MINDED, EFFICIENT PROVIDER OF URBAN SERVICES./1 THE REGIONAL ROLE OF FIDELAC WITHIN THE MICROREGION WAS REINFORCED AND ENHANCED. THERE WERE MANY CHANGES IN SEVERAL FRONTS. THE CHIEF ONES WERE:

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1/ OUTSET OUTCOMES WERE 20% REDUCTION OF ITS ORIGINAL STAFF, THE RENEWAL OF SOME HIGH RANK POSITIONS, AND THE OPENING OF NEW POSITIONS TO DEAL WITH THE NEW FUNCTIONS SET FORWARD BY THE PROJECT.

1. THE AUTHORIZATION TO EXPAND ITS AREA OF CONCERN./2
2. THE ENDOWMENT OF MOST OF THE SETTLED LAND IN GUACAMAYAS.
3. THE ESTABLISHMENT OF A REVOLVENT FUND TO EXPAND THE SHELTER AND OTHER PROVISION PROGRAMS.
4. HALTING THE CONSTRUCTING OF FINISHED HOUSING FOR MIDDLE AND MIDDLE HIGH-INCOME GROUPS./3
5. HAVING ACHIEVED FOR THE FIRST TIME, THE OPPORTUNITY TO SATISFY THE SHELTER DEMANDS OF THE STEEL WORKERS./4
6. THE ESTABLISHMENT OF A FINANCIAL POLICY THAT REFLECTED REAL COSTS OF CAPITAL.

## 2. INSTITUTIONAL ORGANIZATION

FIDELAC PLAYED THE ROLE OF THE IMPLEMENTING AGENCY FOR BOTH THE DEVELOPMENT OF THE NEW TOWN AND THE PROVISION OF HOUSING. ITS INTERNAL ORGANIZATION WAS ENHANCED AND ITS CAPABILITIES IMPROVED.

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2/ BY THE PRESIDENTIAL DECREE ON NOVEMBER 1978, FIDELAC WAS AUTHORIZED TO WORK ON ALL OF THE MICROREGION (AFTER LAND WOULD BE EXPROPRIATED). THE SAME DECREE ALSO GRANTED FIDELAC WITH THE LAND WHERE MOST OF GUACAMAYAS WAS SETTLED (EXCEPT FOR THE EJIDAL URBANA ZONE), FORMER PROPRIETY OF THE BALSAS RIVER COMMISSION.

3/ THIS WAS A RESULT OF THE OVERSUPPLY OF HOUSING IN THE NEW DEVELOPMENT AREAS IN WHERE MORE THAN 1500 MIDDLE AND MIDDLE-HIGH INCOME UNITS REMAINED IDLE FOR THE FOLLOWING THREE YEARS.

4/ ONE OF THE REASONS FIDELAC WAS INITIALLY CREATED, WAS TO RESPOND PRIMARILY TO THE STEEL WORKERS HOUSING PROBLEMS.

THE PROJECT PROMPTED THE CREATION OF U.P.E. (PROGRAMMING AND MONITORING UNIT), WHICH WAS DIRECTLY ACCOUNTABLE TO THE GENERAL DIRECTOR, OVER THE THREE OPERATIONAL DEPARTMENTS. THIS UNIT WAS IN CHARGE OF COORDINATING THE LOGISTICS OF PROJECT IMPLEMENTATION.

WHEN ITS GEOGRAPHICAL AREA OF CONCERN WAS EXPANDED BY A PRESIDENTIAL DECREE IN 1978, FIDELAC WAS RESPONSIBLE FOR DRAWING UP THE GUACAMAYAS MASTER PLAN. NOT HAVING A PLANNING DEPARTMENT, U.P.E. SOON WAS CHARGED WITH THIS TASK AND OTHER, RESULTING IN AN INCREASE OF ASSIGNED PERSONNEL. THE NEW TASKS AND THE APPARENT NEED TO DEAL WITH THE OPERATIONAL DEPARTMENTS IN A MORE DIRECT WAY PROMPTED AN HIERARCHICAL CHANGE: U.P.E. BECAME A FOURTH OPERATIONAL DEPARTMENT OF FIDELAC.

U.P.E.'s CHANGE PROVED TO BE A POSITIVE ONE, FOR IT GOT THE NEEDED COMMITMENT FROM THE OTHER THREE DEPARTMENT HEADS, THAT UP TO THAT POINT WERE NOT VERY CLEAR FOR IMPLEMENTING THE PROJECT./5

OTHER THAN THIS CHANGE, FIDELAC CONTINUED WORKING WITH THE SAME INSTITUTIONAL OPERATIONAL STRUCTURE FOR MUCH OF THE TIME OF PROJECT IMPLEMENTATION. IT WAS IN EARLY 1981 THAT THE CHANGE OF STATE GOVERNOR BROUGHT ABOUT THE APPOINTMENT OF ANOTHER GENERAL DIRECTOR (LIC.BARRIOS KNOCK) WHO MADE CHANGES AND DELEGATED A NEW TEAM TO KEY POSITIONS. THE CHANGE THAT CAUSED THE MOST DIRECT IMPACT TO THE PROJECT WAS THE

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5/ INTERVIEW TO DANIEL HIERNOUX, HEAD OF U.P.E. DURING PROJECT IMPLEMENTATION.

TRANSFORMATION OF THE SOCIAL DEPARTMENT IN THE HUMAN SETTLEMENTS OFFICE. THE FIELD TEAM WHICH THEN HAD FORTY MEMBERS, WAS DRASTICALLY REDUCED, AND ITS OFFICES WERE MOVED FROM NEAR THE BUILDING ENTRANCE TO SOME PROVISIONAL BUILDING SURROUNDING THE PARKING LOT. PARALLELING THIS HIERARCHICAL SWITCH, THE COMMUNITY DEVELOPMENT WORKS WERE LIMITED TO MINIMUM OPERATIONAL FUNCTIONS, MAINLY THOSE RELATED TO BASIC ACTIONS OF THE SITES AND SERVICES PROJECTS.

THE MOST RELEVANT ISSUES IN PROJECT ORGANIZATION AND INSTITUTIONAL PERFORMANCE IN THE IMPLEMENTING STAGE WERE:

**POSITIVE ASPECTS:**

-POSSIBILITY TO RECRUIT SKILLED AND HIGHLY MOTIVATED PERSONNEL

-USEFULL CAPITALIZATION OF KNOWLEDGE FROM THE PILOT PROJECT EXPERIENCE

-AGENCY'S TOTAL RESPONSIBILITY AVOIDED MANY OF THE BUREAUCRATIC CONSTRAINTS, EXCEPT FOR THE ISSUING OF LAND EXPROPRIATION DECREES.

-WHEN MUTUAL AID PROPOSALS WERE ABANDONNED, THEY WERE SUSTITUTED WITH INDIVIDUAL TECHNICAL ASSISTANCE.

-THE FIELD TEAM APPARENTLY WORKED WELL, WITH RESPECT TO ITS SPECIAL INVOLVEMENT AND COMMITMENT WITH PROJECT OBJECTIVES.

-POLITICAL RESISTANCE TO PROJECT IMPLEMENTATION WAS SUCCESSFULLY AND CONSISTANTLY OVERCOME BY THE FIELD TEAM. THE

FEW CONFLICTS WITH SOME MEMBERS OF THE COMMUNITY WERE WELL MANAGED.

-THE SELF HELP PROGRAM ACHIEVED A HIGHLY BENEFICIAL CONTROL OF QUALITY AND COSTS OF THE SPECIALIZED LABOR FOR HOUSING.

-SETTING UP PRODUCTION REDUCED COSTS IN BUILDING MATERIALS.

-TECHNICAL ASSISTANCE SERVICES WERE USEFUL AND WERE WELL FITTED TO PEOPLE'S NEEDS.

-BUILDING MATERIALS ORGANIZATION AND DELIVERY WAS EFFICIENT WHEN FUNDING WAS REDUCED. A CENTRALIZED SCHEME WAS ESTABLISHED, AND TEAM-SIZE WAS REDUCED.

-EVALUATORY STUDY ON SELF-HELP PROGRAM BY U.P.E. PROVIDED REQUIRED FEEDBACK TO CORRECT INITIAL PITFALLS, SPECIALLY IN THE SELECTION PROCESS.

**NEGATIVE ASPECTS:**

-THE INITIAL PLANS OF THE COLLECTION OFFICE TO COORDINATE RECORD KEEPING FOR BENEFICIARIES OF OVERLAPPING PROJECTS WERE NOT THOROUGHLY FOLLOWED AND EVENTUALLY THE CONTROL WAS LOST.

-IN GENERAL, THERE WAS DIFFICULTY COORDINATING A GREAT VARIETY OF WORKS BEING INITATED AT DIFFERENT STAGES, WITHOUT EFFICIENT PROGRAMMING.

-CONSTANT FRICTION BETWEEN THE SOCIAL FIELD TEAM AND THE TECHNICAL DEPARTMENT CAUSED FREQUENT DEMAND OF CHANGES IN PHYSICAL PLANS

-THERE WAS ILL MANAGEMENT OF THE POLITICS INVOLVED IN LAND EXPROPRIATION PROCESSES./6

-ALTHOUGH MANAGEMENT AND CONSTRUCTION DEPARTMENTS WORKED WELL, GENERALLY, IT WAS DIFFICULT TO MAKE CONTRACTORS FINISH UP WORKS.

-INITIALLY THERE WAS AN INEFFICIENT SELECTION OF PARTICIPANTS.

-THERE WAS SLOW REDUCTION OF HIGH DEFAULT RATES./7

-THERE WERE PROBLEMS IN DEFINITION OF RESPONSABILITIES EVIDENT AFTER PROJECT TERMINATION./8

### 3.ACCESS TO THE COMMUNITY AND INITIAL WORKS.

THE INITIAL WORKS CARRIED OUT IN GUACAMAYAS WERE THE FOLLOWING SIX IDENTIFIABLE ACTIONS:

- A) INTEGRATION OF THE FIELD TEAM.
- B) THE INITIAL STUDIES ON PLOT LIMITS
- C) THE CAPITALIZATION OF POLITICAL CONFLICT IN GUACAMAYAS
- D) THE REBLOCKING OF GUACAMAYAS
- F) THE ORGANIZATION OF A TRASH COLLECTION SERVICE
- F) THE IMPROVEMENT OF COMMUNAL FACILITIES

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6/ ALTHOUGH IT IS UNCERTAIN IF THIS WAS UNAVOIDABLE.

7/ THIS IS DUE TO A COMBINATION OF SEVERAL ASPECTS, AMONG THEM AN UNCLEAR CONTRACT STIPULATION , BASIC ADMINISTRATIVE PROBLEMS, AND LACK OF ENOUGH POLITICAL WILL TO ENFORCE COLLECTION.

8/ FOR INSTANCE THE MAINTENANCE OF PUBLIC LIGHTING IS SOMETIMES PROVIDED BY FIDELAC, ALTHOUGH IT ITS A MATTER OF THE FEDERAL ELECTRICAL COMMISSION. THE WASTE COLLECTION SERVICE IS ANOTHER CASE WHICH SHOULD BE THE TOTAL RESPONSIBILITY OF THE MUNICIPALITY.

THESE ACTIONS WERE ALL RELATED IN DIFFERENT WAYS TO THE STRATEGY TO ACCESS THE COMMUNITY, ESPECIALLY THE LEANDRO VALLE AREA. AN ACCOUNT OF EACH ONE FOLLOWS, STRESSING THOSE MORE DIRECTLY RELATED TO THE COMMUNITY ACCESS.

**A. THE INTEGRATION OF THE SOCIAL TEAM.**

THE PREVIOUS RELATIONSHIP OF THE SOCIAL DEPARTMENT OF FIDELAC WITH THE COMMUNITIES OF GUACAMAYAS WAS REDUCED TO SOME RECORD KEEPING, WITH ALMOST ANY ACTIVITIES RELATED TO COMMUNITY DEVELOPMENT. LEANDRO VALLE WAS CONSIDERED "A SETTLEMENT NO ONE WANTED TO ENTER"./9

WHEN THE NEW GENERAL DIRECTOR TOOK OFFICE IN EARLY 1977 AND THE WORLD BANK PROJECT WAS BEING NEGOTIATED, A HEAD FOR THE FIELD TEAM WAS HIRED./10 SHE WAS AN ARCHITECT AND SOCIAL WORKER BY TRAINING; AT THE TIME OF PROJECT IMPLEMENTATION SHE LEADED SOME 30 TO 40 FIELD TEAM MEMBERS.

ABOUT HALF THE FIELD TEAM WORKERS WERE NATIVE YOUNG PEOPLE, MOST OF THEM WITH NO PREVIOUS TRAINING, BUT APPARENTLY CAPABLES TO ACQUIRE THE NEEDED SKILLS AS THE PROGRAM WENT ON.

**B. INITIAL FIELD STUDIES**

THE PREVIOUS WORK CARRIED OUT IN THE REGION BY THE BRC WAS INSTRUMENTAL IN DRAWING UP THE FIRST PHYSICAL DETAILED PLANS OF THE SETTLEMENTS TO BE UPGRADED. TO DO THESE INITIAL WORKS A

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9/ INTERVIEW TO ARQ. VIOLETA CRUZ TOLEDANO, FEBRUARY 1985.

10/ ARQ. VIOLETA CRUZ TOLEDANO. ACCORDING TO THE PEOPLE'S OPINIONS AND ALSO MANY OF THE FIDELAC STAFF, HER PERFORMANCE WAS FUNDAMENTAL IN ACHIEVING THE SUCCESS OF THE PROGRAM IN THE FIELD.

PRIVATE CONSULTANT FIRM LOCATED IN MEXICO CITY WAS HIRED BY FIDELAC. THE LACK OF PRECISION RENDERED THESE WORKS USELESS, AND FIDELAC HAD TO INTEGRATE A SPECIAL TEAM TO REDO THE PLANS "THIS TIME PLOT BY PLOT IN THE FIELD"./11

#### C. THE CAPITALIZATION OF POLITICAL CONFLICT

BECAUSE LEANDRO VALLE WAS A CLOSED SQUATTER SETTLEMENT,/12 FIDELAC COULD ACCESS THERE ONLY BY TAKING ADVANTAGE OF THE POLITICAL CONFLICTS THAT AROUSED AMONG LEADERS. FIDELAC BY QUIETLY SUPPORTING A FEMALE LEADER OPPOSING THE LEADERS ASKING FOR MONEY TO PROVIDE SERVICES, WAS ABLE TO MEDIATE IN THE CONFLICT, AND BY DOING THIS, GAINED THE NEEDED LEVERAGE WITHIN THE COMMUNITY./13

#### D. THE INITIAL REBLOCKING OF LEANDRO VALLE

THIS SETTLEMENT AS A RESULT OF BEING AN OVERNIGHT LAND INVASION WAS A COMPLETELY UNORGANIZED AND DISORDERED SETTLEMENT. IT HAD NO OUTLAY, NOR ANY STREET PATTERN SYSTEM. THE GROUP OF EXPERTS GATHERED IN 1976 TO SOLVE THE GUACAMAYAS PROBLEMS, LEFT THIS SETTLEMENT WITH NO PROPOSED SOLUTION.

11/ INTERVIEW TO DR. DANIEL HIERNOUX, MARCH 1985.

12/ LEANDRO VALLE WAS A RAPIDLY CARRIED OUT LAND INVASION ORGANIZED BY A POLITICAL GROUP "LEANDRO-VALLISTAS" WHO WERE HEADED BY SOME FORMER MILITARY AND OTHER OLD CATHOLIC GUERRILLAS (SINARQUISTAS). THIS GROUP WAS SUPPORTED AS WELL BY A POLITICAL PARTY (PDM) WHICH HAD A STRONG HOLD IN THE STATE OF MICHOACAN. THE DIVERSITY OF INTERESTS WAS APPALLING (INTERVIEW TO DR. DANIEL HIERNOUX)

13/ AT THE POINT THAT THE CONFLICT WAS SO HIGH THAT VIOLENCE WAS ABOUT TO START, BOTH PARTIES ASKED FIDELAC TO MEDIATE IN THE CONFLICT. FIDELAC, ALTHOUGH OPERATING OUTSIDE ITS STRICT JURISDICTION, CALLED FOR A COMMUNITY ASSEMBLY TO VOTE FOR ONE OF THE TWO PARTIES. THE MUNICIPALITY PRESENT, THE FEMALE LEADER

GAIN THE REPRESENTATIVENESS OF THE NEIGHBORHOOD.

AS A CONSEQUENCE OF THE LEVERAGE GAINED BY MEDIATING IN THE LOCAL CONFLICT AMONG COMMUNITY GROUPS, FIDELAC WAS ABLE, --THROUGH CLOSE CONSULTATION WITH THE NEIGHBORHOOD COMMITTEES-- TO ACHIEVE THE REBLOCKING OF THIS SETTLEMENT.

THIS ACTION WAS BASIC TO THE LATER IMPLEMENTATION OF THE WORLD BANK SHELTER PROGRAM.

**E. THE ORGANIZATION OF A WASTE COLLECTION SERVICE**

FIDELAC PROMOTED THE ORGANIZATION OF A TRASH COLLECTION SERVICE BY ASKING SOME LOCAL FEMALE LEADERS TO COORDINATE THE ACTIONS TO ENABLE A TRUCK AN EASY ACCESS TO PARTS OF THE NEIGHBORHOOD DIFFICULT TO ENTER. BY THE PEOPLE'S PARTICIPATION, FIDELAC WAS ABLE TO CONTACT AND ASK FOR THE COOPERATION OF THE LEADERS FOR IMPLEMENTING LATER THAT SAME YEAR THE REGULARIZATION PROGRAM, AND AFTERWARDS, THE URBAN UPGRADING PROJECT.

**F. THE IMPROVEMENT OF COMMUNAL FACILITIES.**

A HEALTH CENTER, A KINDER, A READING ROOM, AND SOME PUBLIC PLAZAS THAT WERE PROVIDED UNDER THE 1976 SPECIAL PROGRAM IN GUACAMAYAS. BECAUSE THEY WERE ILL CONSTRUCTED, FIDELAC WAS ABLE TO IMPROVE THEM. OTHER ACTION THAT WAS INSTRUMENTAL FOR IMPLEMENTING THE WORLD BANK PROJECTS WAS THE CONSTRUCTION, BY THE MUNICIPAL GOVERNMENT, OF A NEW MARKET IN GUACAMAYAS./14

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14/ THE CONSTRUCTION OF THE MARKET BUILDING WAS IMPORTANT TO THE UPGRADING PROJECT FOR THE THEN EXISTING MARKET WAS POSTED IN THE MIDDLE OF THE STREETS IN ONE ONE OF GUACAMAYAS NEIGHBORHOODS TO BE UPGRADED.

#### 4. LAND REGULARIZATION PROGRAM

THE INITIAL FIRST REGIONAL LAND REGULARIZATION PROGRAM IN 1976, AFTER SUCCEEDING IN THE OLD PART OF LAZARO CARDENAS, HAD BEEN STOPPED FEW MONTHS AFTER IN GUACAMAYAS, WITH FEW ACTIONS COMPLETED. THE REGULARIZATION PROCESS WAS REINITIATED IN 1978 AFTER THE ISSUANCE OF A PRESIDENTIAL DECREE AUTHORIZING FIDELAC TO UNDERTAKE WORKS IN THE WHOLE MICROREGION (SEE LAND ACQUISITION ISSUES).

THIS DECREE WAS PROMPTED BY THE VISIT OF THE MINISTRY OF HUMAN SETTLEMENTS AND PUBLIC WORKS TO GUACAMAYAS IN 1977 THE VISIT COINCIDED WITH THE POLITICAL PARTISAN STRUGGLE IN LEANDRO VALLE (SEE POLITICAL ANTECEDENTS IN GUACAMAYAS), AND IT WAS INTERPRETED AS A SPECIAL FAVOR OF THE MINISTRY, NOT ONLY BY THE COMMUNITY BUT ALSO BY THE FIELD TEAM /15, THEN IN PROCESS OF INTEGRATION. THIS FAVORING BECAME ANOTHER FACTOR CONTRIBUTING TO THE SOCIALLY SUCCESSFUL PROJECT IMPLEMENTATION (SEE STRATEGY TO ACCESSING THE COMMUNITY).

IN 1978 320 ACTIONS WERE UNDERTAKEN AND AT THE END OF THE YEAR 250 TITLES HAD BEEN ISSUED /16. THESE ACTIONS WERE LIMITED TO LEANDRO VALLE, HOWEVER THE NEXT YEAR THE REST OF THE GUACAMAYAS NEIGHBORHOODS -EXCEPT FOR TWO- WERE INITIATED.

ON THE THIRD YEAR OF THE PROGRAM, THE HIGHLY CONFLICTIVE LUCRECIA TORIZ NEIGHBORHOOD FINALLY SIGNED THE ACCEPTANCE CONTRACT. AT THE END OF THE YEAR 65% OF GUACAMAYASA HOUSEHOLDS

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15/ INTERVIEW TO ARQ. VIOLETA CRUZ TOLEDANO. FEB.23, 1985.

16/ FIDELAC REPORT TO BANOBRAS. ROUGH DRAFT. 1983.

HAD GOTTEN ITS LAND TITTLE /17.

THE LAST NEIGHBORHOOD, URBANA-EJIDAL WAS NEVER REGULARIZED, FOR BEING SETTLED OUT OF THE LAND ENDOWED TO FIDELAC. BEING UNDER EJIDAL TENURE (DEFINITION IN LAND ACQUISITION ISSUES) IT HAD TO WAIT FOR THE ISSUING OF THE PRESIDENTIAL EXPROPRIATION DECREE, WHICH IN REALITY WAS NEVER ISSUED (SEE LAND ACQUISITION ISSUES).

ALTHOUGH IN 1984 THERE WERE STILL SOME PENDING CASES, THE PROCESS OF LAND TENURE REGULARIZATION WAS TOTALLY FINISHED IN GUACAMAYAS. AT PRESENT, BESIDES URBANA EJIDAL, THERE ARE TWO NEW SETTLEMENTS SORROUNDING GUACAMAYAS BEYOND ITS LEGAL BOUNDARIES /18. NEITHER HAS BEEN REGULARIZED .

THE DEGREE OF DIFFICULTY FOUND IN THIS PROGRAM WAS HIGH ONLY IN LUCRECIA TORIZ, WHERE TWO OF THE LEADERS WERE TOTALLY OPPOSED TO THE PROGRAM FOR FEARING THEY WOULD LOOSE LARGE PIECES OF LAND ADJOINED TO GUACAMAYAS. IN SPITE OF HARSH PARTISAN OPPOSITION, FIDELAC KEPT WORKING UNTIL A MAJOR GROUP OF THE NEIGHBORHOOD CHOSE TO ACT SEPARATEDLY. SOON AFTER THE LEADERS THEN ACCEPTED THE REGULARIZATION PROGRAM.

ON THE OTHER HAND, THERE WERE TWO SPECIALLY COOPERATIVE AND EASY TO WORK NEIGHBORHOODS: ANIBAL PONCE, THE LARGEST

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17/ MARGARITA NOLASCO. LA CIUDAD DE LOS POBRES. IN LAS TRUCHAS. MEXICO:ED.ECODESARROLLO, 1984. P.152

18/ LAS FLORES (300 SQUATTER FAMILIES) AND COLONIA DE TEMPORAL A TEMPORARY SETTLEMENT SET UP BY FIDELAC AS A RESULT OF A LAND INVASION IN 1982.

NEIGHBORHOOD, WHERE A MAJORITY OF STEEL WORKERS NOW LIVE /19 AND EL TRIANGULITO, A SMALL, WELL ORGANIZED NEIGHBORHOOD WHO WERE ANXIOUS TO HAVE THEIR LAND PROPERTY CLEARED UP /20.

#### 5. PROBLEMS ENCOUNTERED IN IMPLEMENTATION.

TWO OF THE THREE FORESEEN IMPLEMENTATION DIFFICULTIES IN THE PROJECT REPORT ACTUALLY OCCURRED: THE TIME REQUIRED FOR LAND EXPROPRIATION, AND FIDELAC'S MANAGEMENT CAPABILITY /21.

THE NUMBER OF DIFFICULTIES, AS CAN BE EXPECTED FROM ANY LARGE SCALE PROJECT, WERE MANY. THE MOST CONSPICUOUS EMERGED FROM THE PROBLEMS OF COORDINATION OF NUMEROUS ACTORS, WITH A MULTITUDE OF TIME FACTORS AFFECTING OUTCOMES, THE USE OF RESOURCES, AND THE ACTORS ASWELL. MOREOVER, PROBLEMS INHERENT IN ANY PROJECT IMPLEMENTATION WERE SUBSTANTIALLY INCREMENTED BY BOTH, THE OPPOSING LEADERS WITH VESTED INTERESTS IN LAND SPECULATION, AND THE HIGH RATE OF INFLATION THAT EVENTUALLY LEAD TO ONLY ACHIEVE ABOUT HALF THE PROJECT'S TARGETS (SEE ACHIEVEMENT OF OBJECTIVES).

THE MAIN SITUATIONS RELATED TO PROJECT IMPLEMENTATION THAT TO DIFFERENT DEGREES WERE RESPONSIBLE FOR BOTH, THE REDUCED RESULTS AND THE PROJECT IMPLEMENTATION DELAYS WERE THE FOLLOWING:

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19/ A 1984 FIDELAC'S SOCIAL DEPARTMENT SURVEY FOUND THAT 53% OF HOUSEHOLDS ARE SICARTSA WORKERS.

20/ INTERVIEW WITH ARQ. VIOLETA CRUZ TOLEDANO.

21/ WORLD BANK PROJECT REPORT. APRIL 4, 1978. p46.

1. DIFFICULTIES IN HIRING SPECIALIZED PERSONNEL IN A FRONTIER REGION /22.

2. INITIAL COMPLICATIONS FOR OVERWHEALMING LOADS OF WORK FOR PERSONNEL IN GENERAL, BUT SPECIALLY FOR THOSE FOLLOWING MANAGERIAL TASKS RELATED TO THE CONTROL OF BENEFICIARIES.

3. COMMUNITY RESISTANCE TO PROJECT ACCEPTANCE FROM SOME LOCAL LEADERS WITH VESTED INTERESTS /23.

4. THE CONFUSION IN COORDINATING TOO MANY WORKS IN DIFFERENT STAGES /24 AND ABANDONMENT OF HALF TERMINATED WORKS, SPECIALLY SOME FACILITIES THAT LATER HAD TO BE REBUILT.

5. THE AWAITING FOR LAND EXPROPRIATION DECREES TO INITIATE WORKS THAT, EXCEPT FOR MINOR ACTIONS, WERE NEVER CARRIED OUT.

6. THE UNUSUAL PRICE SOARING OF THE CONSTRUCTION MATERIALS COUPLED WITH THE SUBUTILIZATION OF A PART OF THE URBANIZATION EQUIPMENT.

7. THE STIRRED UP FEARS OF PEOPLE THAT THEIR PLOTS WERE GOING TO BE TAKEN AWAY, OR ELSE WERE GOING TO BE CHARGED

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22/ DURING PROJECT IMPLEMENTATION IN FIDELAC THERE WAS ANY HIGH RANK EMPLOYEE THAT WAS NATIVE OF THE REGION.

23/ THE ARGUMENT OF LEADERS ABOUT THE INTENTIONS OF FIDELAC TO ADVANTAGEOUSLY CHARGE FOR THE LAND WAS REFLECTED IN THE 1977 CENSUS CARRIED OUT BY FIDELAC, IN WHICH 80% OF THE INQUIRED FELT THEY WERE THE LEGAL OWNERS OF THEIR PLOTS. (GUACAMAYAS MASTER PLAN, 1978. p82)

24/ FOR INSTANCE IN THE CASE OF ANIBAL PONCE THE NEIGHBORHOOD WAS DIVIDED IN 11 PARTS AND EACH ONE WAS INITIATED IN A DIFFERENT MOMENT.

UNFAIRLY; HENCE THEY TRIED TO SABORAGE THE MEETINGS /25 AND THE WORKS /26.

8.THE CONFLICTS INVOLVED IN COORDINATING A POLICY OF MAXIMUM SUPPORT TO SOCIAL FABRIC MANY TIMES OPPOSED TO TECHNICAL REQUIREMENTS OF INFRASTRUCTURE AND/OR LEGAL ASPECTS OF PROJECTS /27.

9.THE UNNOTICED BLOCKADE OF MINISTRY OF LAND REFORM, AND SOME OTHER MINOR PROBLEMS AROUSED WITH OTHER INSTITUTIONS /22.

10.THE DIFFICULTY EMBEDDED IN STRICTLY CONTROLLING THE CONTRACTORS /28.

25/ AT THE BEGINNING OF THE PROGRAM, IT WAS COMMON THAT EITHER PEOPLE WOULD NOT COME TO THE SECOND MEETINGS, ADVISED BY THE LEADERS, OR THAT AFTER ARRIVING TO AGREEMENTS, THE LEADERS WOULD CALL FOR A SECOND ASSEMBLY TO INVALIDATE THE ALREADY TAKEN AGREEMENTS.

26/ FOR INSTANCE THERE WERE REPORTED SOME WORKERS CREWS THAT HAD TO STOP THEIR WORKS FOR BEING DILAPIDATED. OTHER REPORTS SPEAK OF OVERNITE REFILLING WITH GARBAGE AND DIRT OF PROJECT'S EXCAVATIONS.

27/ THE MOST COMMON CHANGES WERE ON PLOT LIMITS AFFECTING BOTH THE GENERAL BLOCK OUTLAYS, AND THE PASSAGE OF INFRASTRUCTURE LINES. THERE WERE OTHER CHANGES PROPOSED BY THE PEOPLE THAT WERE TYPICALLY REJECTED BY THE TECHNICAL DEPARTMENT, SUCH AS THOSE INVOLVING RECALCULATION OF FLOWS IN STEEP AREAS.

28/ THE MOST COMMON WAS THE CONFLICT WITH THE MUNICIPAL GOVERNMENT WHO TENDED TO DEFEND THOSE THREATENED WITH BEING LEFT OUT OF THE WORLD BANK PROJECTS FOR THEIR LACK OF COOPERATION.

29/ WITH CONTRACTORS THERE IS ALWAYS THE PROBLEM OF CHEATING. THEY ARE EITHER TOO WIT AND CAN FOOL THE YOUNG INEXPERIENCED RESIDENT, OR THEY ARE ABLE TO FIND THE WAY TO MAKE THE OLD EXPERIENCED RESIDENT OR SUPERVISER TO REPORT HIGHER VOLUMES AND INFLATED COSTS BY BRIBING HIM.

ACTUALLY THERE WERE MANY DETAILS THAT WERE NOT FINISHED BECAUSE OF THE NEGLIGENCE OF THE CONTRACTORS WHO DID NOT COME BACK TO FINISH UP WHAT THEY HAD LET PAST-BY THE FIRST TIME.

11. THE ATTAINMENT OF ACCEPTANCE FOR THE FAMILY TRANSFERING,  
OR FOR THE MOVE OF HOUSING WITHIN THE PLOT /30.

#### 6. MANAGEMENT ISSUES

THE LAZARO CARDENAS PROJECT SHELTER COMPONENTS SOUGHT TO REDUCE COSTS AND CONTRIBUTE TO EFFICIENT IMPLEMENTATION PROCESSES BY PRODUCING BUILDING MATERIALS AND PROVIDING SUPERVISION AND TECHNICAL ASSISTANCE FOR PROGRESSIVE HOUSING. HOWEVER, AS MANY AS 70% OF PARTICIPANTS HIRED PAYED LABOR /31.

THE PRODUCTION OF MATERIAL WAS MADE BY A FACTORY THAT HAD BEING OPERATING BEFORE THE WORLD BANK PROJECT. THE BULK OF BASIC MATERIALS WAS BOUGHT IN MEXICO CITY, SOME 600 MILES AWAY, NEVERTHELESS, IT WAS POSSIBLE TO REDUCE THE PRODUCTS SALE PRICE IN 20% IN COMPARITION OF THE HIGH LOCAL PRICES OF A FRONTIER REGION. THE RANGE OF SAND-CEMENT PRODUCTS COMPRISED BLOCK, SEWAGE PIPING AND COBBLE-STONE PIECES.

30/ THERE WAS ONLY ONE CASE OF FORCED HOUSING MOVEMENT. THE WELL KNOWN CASE OF "MARIO" A YOUNG HOUSEHOLD COMPLETELY RETICENT TO MOVE HIS SHACK FROM WHAT WAS GOING TO BE A STREET IN LEANDRO VALLE. HE EVEN ACTED ROUGHLY OVER SOME SOCIAL WORKERS, AND WHEN HE AND HIS WIFE WENT OUT OF TOWN, THEN THEY BROUGHT A BULLDOZED TO TEAR DOWN HIS SHACK, WITH THE PRIOR REMOVAL OF THE FURNITURE AND HIS STUFF. AT HIS RETURN WHEN HE SAW WHAT HAD HAPPENED HE CRIED. THEN HE ACKNOWLEDGED HIS NEGATIVE ATTITUDE; HE ACCEPTED TO BUILD UP HIS SHACK IN AN ALLOCATED PLOT; HOWEVER HE SAID HE WAS NEVER GOING TO PAY FOR THE UPGRADING COSTS.

ANOTHER SIMILAR CASE WAS RESOLVED BY VIOLETA WHO CAME TO SPEAK TO THE NEGLIGENT PERSON AND OFFERED HIM A BEATIFULLY LOCATED PLOT. AFTER KEEPING IN INSISTING, SHE CONVINCED HIM TO GO AND JUST TAKE A LOOK AT THE OFFERED PLOT. AS SOON AS HE ACCEPTED THE NEW PLOT, HIS SHACK WAS TEAR DOWN AND HIS THINGS WERE MOVED BY A CREW, GIVING HIM NO CHANCE TO CHANGE HIS MIND.

31/ 1984 INQUIRY TO 220 FAMILIES THAT HAD PARTICIPATED IN THE WORLD BANK SHELTER PROJECTS.

THE COST OF MATERIALS SOARED ENORMOUSLY. FROM 1978 TO 1983 THE PRICES WERE RISED 650% UP . WHILE THE INFLATION ESTIMATED IN THE PROJECT REPORT WAS AN AVERAGE OF 11%, THE LOWEST YEARLY RATE OF BUILDING MATERIALS INFLATION WAS 25%, REACHING IN 1980 AND 1981 SOME 60%.

FOR THIS IF NOT OTHER REASON, FIDELAC HAD TO BUY BUILDING MATERIAL IN ADVANCE AND STORE IT IN THE CENTRAL WAREHOUSE. OTHER MEASURES TAKEN WERE THE REDUCTION OF THE NUMBER OF CENTERS OF DISTRIBUTION, FROM 3 TO 1, THE REDUCTION OF PERSONNEL IN ALL DEPARTMENTS, AND THE OFFERING OF LESS SERVICES TO THE PEOPLE (SEE IV-5 THE SELF-HELP PROJECT)

## C H A P T E R I V

### PROJECTS IMPLEMENTATION AND DESCRIPTION

IMPORTANT ASPECTS RELATED TO BACKGROUND ISSUES FACED BY THE DIFFERENT PROJECTS IN THEIR IMPLEMENTATION ARE DESCRIBED AND ANALYZED IN THIS SECTION. CORRESPONDING EACH ONE TO A CHAPTER, SUCH ISSUES ARE THE LOCATIONAL ASPECTS, THE SOCIAL PROBLEMS, AND THE MUTUAL AID AND COMMUNITY PARTICIPATION ASPECTS THAT THE WHOLE SHELTER PROJECT INVOLVED. WITHIN THE LATER ASPECT, THE PILOT PROJECT WERE CLOSELY RELATED; HENCE CHAPTER FOUR PRESENTS A DESCRIPTION OF THESE PROJECTS INCLUDING A LISTING OF THE EXPERIENCES AND KNOWLEDGE ATTAINED AS IT WAS APPLICABLE TO THE WORLD BANK SHELTER PROJECTS.

THE NEXT THREE CHAPTERS OF THIS SECTION ARE DEVOTED EACH ONE TO A SHELTER COMPONENT OF THE WORLD BANK URBAN DEVELOPMENT PROGRAM, NAMELY THE "SELF-HELP PROGRAM" (BUILDING MATERIALS LOANS PROJECT), THE URBAN UPGRADING PROJECT, AND THE SITES AND SERVICES PROJECT. THESE ARE DESCRIBED AND ANALYZED IN THEIR MAIN ASPECTS. THE FOLLOWED ORDER WAS BASED UPON FUNCTIONAL ASPECTS.

THE SECTION ENDS WITH A CHAPTER SUMMARIZING THE CONCLUSIONS AND LESSONS LEARNED FROM THE IMPLEMENTATION OF THE SHELTER PROJECTS. IN THIS CHAPTER THE FOCUS IS IN PHYSICAL DESIGN INPUTS FOR FUTURE SHELTER PROJECTS IN THIS, OR SIMILAR REGIONS OF OTHER DEVELOPING COUNTRIES.

## 1. PROJECTS LOCATION

THE WORLD BANK SHELTER PROJECTS, INITIALLY PLANNED FOR MOST OF THE MICROREGION'S SETTLEMENTS, ENDED ALMOST TOTALLY CONCENTRATED IN THREE OF THE LARGEST URBAN AREAS IDENTIFIED AS PARTS OF THE FUTURE METROPOLITAN AREA./1 A BRIEF DESCRIPTION AND AN ACCOUNT OF THE ACTIONS CARRIED OUT IN EACH ONE FOLLOWS:

### A. FUNDO LEGAL.

AT THE TIME OF PROJECT IMPLEMENTATION, FUNDO LEGAL WAS THE ORIGINAL OLD TOWN --NEXT TO WHICH THE NEW URBAN DEVELOPMENT TOOK PLACE-- THAT HAD BEEN RECENTLY REGULARIZED AND EXPANDED TO REACH 15,000 INHABS. BECOMING AT THE SAME TIME A DYNAMIC COMMERCIAL AND REGIONAL SERVICE CENTER. FUNDO LEGAL BENEFITTED GREATLY DURING THE SECOND AND THIRD YEARS OF THE SELF-HELP LOANS PROJECT. THE FIRST YEAR THE LOANS WERE CONCENTRATED IN THE PILOT PROJECT OF PALAPAS. THE FOLLOWING YEAR MANY OF THE FAMILIES LIVING ON FUNDO LEGAL WERE RECIPIENTS. THIS YEAR THE LOANS WERE OFFERED WITHOUT MUCH SCREENING.2/

1/ THE LAZARO CARDENAS METROPOLITAN AREA IS THE 600,000 INHABS. CITY ENVISIONED FOR YEAR 2000. THIS AREA COVERS ABOUT ONE THIRD OF THE SO-CALLED LAZARO CARDENAS-LAS TRUCHAS MICROREGION. INCLUDE 4 OF THE 13 SETTLEMENTS OF THE MICROREGION; AS A MATTER OF FACT, THREE OF THOSE INCLUDED ARE AT PRESENT THE LARGEST URBAN AREAS.

2/ THE 1980 SELF-HELP EVALUATION REPORTED MANY RECIPIENTS WITH INCOMES ABOVE 4TMW, AND SOME LOANS THAT WERE NOT USED FOR SELF-HELP HOUSING. APPARENTLY THESE FINDINGS CAME AT A TIME IN WHICH THE AGENCY'S PERSONNEL FELT A NEED TO SPEND PROJECT FUNDS, WHICH AT THE TIME SEEMED ENORMOUS (FIDELAC. EVALUACION DEL PROGRAMA DE AUTOCONSTRUCCION. LAZARO CARDENAS:UNIDAD DE PLANEACION Y EVALUACION U.P.E., 1980)

## B. ZONA FIDEICOMITIDA

THIS IS THE NEW DEVELOPED AREA, URBANIZED BY FIDELAC ACCORDING TO MODERN PLANS. THERE ARE 8 SECTORS, EACH IS PLANNED TO OPERATE AS A CONTAINED NEIGHBORHOOD. AT THE TIME OF PROJECT IMPLEMENTATION, ONLY 4 SECTORS HAD BEEN DEVELOPED. SECTOR II CONTAINED THE PREVIOUS LOW-INCOME "EXPERIMENTAL" PROJECT (INDECO I). BETWEEN FUNDO LEGAL WAS LOCATED THE SAITES AND SERVICES PROJECT FROM THE WORLD BANK.

THE SELF-HELP PROJECT (THE FIRST PHASE OF THE WORLD BANK CO-FINANCED BUILDING MATERIALS LOANS PROJECT) WAS INITIATED DURING THE PILOT PROJECT "INDECO II" IN THE PROGRESSIVE URBANIZATION PROJECT IMPLEMENTED BY INDECO IN 1973 (SEE I-5C THE SMALL LOW INCOME HOUSING PROJECTS). TO PROVIDE TECHNICAL ASSISTANCE AND FOR THE DISTRIBUTION OF BUILDING MATERIALS FOR THIS LATER AND THE WORLD BANK SITES AND SERVICES PROJECT, FIDELAC SET UP BETWEEN THESE TWO PROJECTS A BUILDING MATERIALS DISTRIBUTION CENTER.

## C. GUACAMAYAS.

THIS SETTLEMENT GOT THE LION'S SHARE OF THE WORLD BANK SHELTER PROJECTS. IN ADDITION TO THE REGULARIZATION OF THE ENTIRE AREA,<sup>3</sup> IT WAS BENEFITTED BY A THOROUGHLY CARRIED OUT UPGRADING PROJECT, ONE MEDIUM SIZED SITES AND SERVICES PROJECT, AND A MAJORITY OF THE TOTAL SELF-HELP PROGRAM LOANS.

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3/ EXCEPT FOR ZONA URBANA EJIDAL (567 FAMILIES IN 1978), BECAUSE OF PROBLEM OF EJIDAL LAND TENURE.

WITH THE EXCEPTION OF ONE NEIGHBORHOOD -- WHERE NONE OF THE PROGRAMMED ACTIONS WERE CARRIED OUT-- THE ACTIONS TAKEN FOR THE REMAINING 10 GUAUCAMAYAS NEIGHBORHOODS INVOLVED IN THE UPGRADING PROJECT COMPRISED FOUR LEVEL OF ACTIONS: TWO NEW AREAS, ONE PARTIAL SUBDIVISION WITH ALL SERVICES PROVIDED, TWO STREET WIDENING WITHOUT LAND SUBDIVISION, PLUS COMPLEMENTARY SERVICE INTRODUCTION, AND FIVE MINOR LAND SUBDIVISION WITH STREETS AND SERVICE NETWORKS WORKS COMPLETION.

IN RESPECT TO THE SELF-HELP CONSTRUCTION OF HOUSING, AT THE END OF THE PROGRAM, 45% OF THE GUACAMAYAS HOUSEHOLDS HAD PARTICIPATED IN THE BUILDING MATERIALS LOANS PROGRAM.

THE SITES AND SERVICES PROJECT IN GUACAMAYAS, GOT LITTLE MORE THAN HALF THE ACTIONS OF THIS PROJECT COMPONENT /4.

#### D. OTHER SETTLEMENTS IN THE REGION

ONLY MINOR WORKS IN SOME OF THE SMALL SETTLEMENTS OF THE REGION WERE CARRIED OUT, EXCEPT FOR A 40 HOUSING UNIT PROJECT BUILT ON UNSERVICED LAND IN LAS PEGNAS, SOME 10 MILES AWAY FROM LAZARO CARDENAS. APPARENTLY THIS WAS LARGELY AN UNSUCCESSFUL PROJECT FOR THE HOUSES NEVER GOT THE NECESSARY INFRASTRUCTURE NOT BASIC SERVICE PROVISION.

#### 2. SOCIO-POLITICAL ANTECEDENTS TO THE SHELTER PROJECTS

BY 1975 GUACAMAYAS HAD DEVELOPED ALONG ONLY THE WEST SIDE OF THE REGIONAL HIGHWAY. THAT YEAR THE LEANDRO-VALLE INVASION

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4/ THERE WERE SOME 600 ACTIONS TAKEN, OF WHICH THE PROJECT IN GUACAMAYAS PROVIDED WITH 55% OF THE TOTAL.

OCCURRED. FOLLOWING THE INVASION THE PRESIDENT (LIC. LUIS ECHEVERRIA 1970-76) WENT TO THE NEW INDUSTRIAL TOWN OF LAZARO CARDENAS-LAS TRUCHAS AND IN ITS WAY HE WAS STOPPED AT GUACAMAYAS WHERE HE RECEIVED HARSH COMPLAINTS FROM THE COMMUNITY FOR THE CONSPICUOUS LACK OF BASIC SERVICES. AS A RESULT SPECIAL FUNDS WERE PROVIDED FOR SUPPLYING THESE SERVICES, AND A CONSULTANT GROUP OF EXPERTS WAS CREATED (SEE 11-1 SOCIO-POLITICAL ANTECEDENTS).

THE PRESIDENT'S SECRETARIAT ALLOCATED EXTRAORDINARY FUNDS TO THE STATE PLANNING OFFICE/5 TO CARRY OUT AN INTEGRAL URBAN PROGRAM. THIS PROGRAM COMPRISED OF THREE BASIC COMPONENTS: 1. LAND TENURE REGULARIZATION IN FUNDO LEGAL AND GUACAMAYAS, 2. INTRODUCTION OF BASIC URBAN SERVICES AND FACILITIES IN GUACAMAYAS AND TWO OTHER SETTLEMENTS, AND 3. ONE SITES AND SERVICES PROGRAM IN ANIBAL PONCE, A NEIGHBORHOOD AT GUACAMAYAS.

THE SPECIAL PROGRAM ENDED IN LATE 1976. BECAUSE OF ITS LACK OF MONITORING AND CONTROL IT WAS LARGELY A FAILURE./6 HOWEVER FOR THE REGULARIZATION OF FUNDO LEGAL AND IN GUACAMAYAS, BOTH THE SITES AND SERVICES PROJECT, AND THE PAVEMENT OF THE MAIN STREET WERE SUCCESSFULLY CARRIED OUT.

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5/ COPDEMICH IS THE STATE OF MICHOACAN PLANNING OFFICE IN MORELIA (LOCATED SOME 6 HRS. FROM LAZARO CARDENAS)

6/ ALL THE INFRASTRUCTURE NETWORK WAS DEFECTIVE, AND A MAJOR PART OF IT HAD TO BE SUBSTITUTED WITHIN THE WORLD BANK UPGRADING PROJECT.

THE PRESIDENTIAL SECRETARIAT ALSO MADE PROVISION FOR A CONSULTANT GROUP --COMPRISED OF EXPERTS, SOME OF WHICH WERE PEOPLE FROM UNITED NATIONS-- . CURIOUSLY ENOUGH, THERE WERE NO REPRESENTATIVES FROM THE LOCAL PUBLIC AGENCIES./7

THE CONSULTANT GROUP PRODUCED AN EXTENSIVE REPORT (52 VOLUMES) PROPOSING SOLUTION AND RECOMMENDING ACTIONS. DESPITE ALL OF THIS EFFORT, NONE OF THE PROPOSALS WERE IMPLEMENTED.

THE REASON THE WORK WAS POLITICALLY AND FINANCIALLY NOT SUPPORTED WAS DUE TO THE DETAINMENT OF THE STEEL MILL DEVELOPMENT PLANS, DECIDED IN EARLY 1977 BY THE NEW FEDERAL ADMINISTRATION (JOSE LOPEZ PORTILLO 1976-1982), THAT FOLLOWED AN EMIGRATION FLUX THAT TOOK OUT MUCH OF THE SOCIAL PRESSURE GENERATED BY THE PROBLEMS OF GUACAMAYAS AND THE REGION.

SINCE 1975, THE BALSAS RIVER COMMISSION HAD LOST CONTROL OF LAND OCCUPATION PERMITS. THIS PROPICIATED A CONSIDERABLE NUMBER OF IRREGULARITIES TO TAKE PLACE./8

AT THE TIME THE WORLD BANK PROJECT WAS BEING NEGOTIATED, IN LEANDRO VALLE THERE WAS AN APPALLING MIXTURE OF DIFERENT POLITICAL INTERESTS. THESE INCLUDED: THE NEIGHBORHOOD LEADERS, THOUGHT TO BE SOMEWHAT CORRUPTED, THE PDM,/9 THE LEANDRO-

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7/ APPARENTLY THIS DECISION WAS INTENDED TO DEPOLITIZED THE SITUATION.

8/ IRREGULARITIES INCLUDED SELLING OF PERMITS AMONG THE PEOPLE, INVASION OF LAND RESERVED FOR PUBLIC USE, AND SQUATTERING IN RISKY AREAS.

9/ DEMOCRATIC MEXICAN PARTY, IS A CENTER/RIGHT WING PARTY, WHICH HAD A STRONG HOLDING IN MICHOACAN STATE

VALLISTAS POLITICAL GROUP,/10 SOME MEMBERS OF OLD AND NEW POLITICAL PARTIES,/11 AND EVEN SOME MEMBERS REPRESENTING INTERESTS OF THE SICARSTA WORKERS UNION.

SOON AFTER FIDELAC BEGAN COLELCTING FIRST ROUND OF SOCIO-ECONOMIC DATA IN GUACAMAYAS, SOME PARTISAN POLITICAL DEVELOPMENTS BEGAN TO TAKE PLACE IN SOME OF THE GUACAMAYAS NEIGHBORHOODS, ESPECIALLY STRONG IN ONE OF THE NEIGHBORHOODS (LUCRECIA TORIZ).

APPARENTLY THERE WAS AS WELL AN ATTEMPT OF THE NATIONAL CONFEDERATION OF POPULAR ORGANIZATIONS /12, TO DEVELOP PARTISANSHIP ACTIONS, BUT THESE INITIAL ACTIONS WERE WEAK AND SOON CEASED.

EXCEPT FOR THE INITIAL ATTEMPT OF CNOP, NONE OF THE POLITICAL PARTIES TRIED TO USE THE SHELTER PROJECTS AS A WAY TO GET PEOPLE TO SUPPORT THEIR PARTY.

IN THIS POLITICALLY CONFLICTIVE CONTEXT, FIDELAC'S INITIAL INTERVENTION WAS PERCEIVED AS ONE MORE POLITICAL MOVE, ONE THAT REPRESENTED THE GOVERNMENTAL INSTITUTIONS.

A WOMEN POLITICAL ORGANIZATION, HEADED BY A CATHOLIC ACTIVIST, WAS INSTRUMENTAL IN INVOLVING THE COMMUNITY THROUGH ORGANIZING POPULAR ASSEMBLIES (SEE III-3 ACCESS TO COMMUNITY AND INITIAL WORKS)

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10/ A NATIONAL ORGANIZATION OF OLD PARTIES.

11/ MEXICAN WORKER PARTY AND SOCIALIST WORKERS PARTY.

12/ CNOP IS ONE OF THE THREE POLITICAL SECTORS THAT INTEGRATE THE PRI, THE OFFICIAL PARTY.

### 3. MUTUAL AID AND PARTICIPATION.

DURING PROJECT NEGOTIATIONS, THE WORLD BANK PROPOSED SOME OF THE F.S.C.V.M. /13 SOLUTIONS FOR COMMUNAL FACILITIES. THESE SUGGESTIONS WERE REJECTED BY FIDELAC ON GROUNDS THAT MUTUAL AID WAS NOT BENEFICIAL TO THE LOCAL PEOPLE. FROM A PREVIOUS EXPERIENCE FIDLEAC STAFF CONCLUDED THESE SCHEMES WERE INOPERATIVE./14

ALLOWANCE FOR PUBLIC PARTICIPATION IN DECISION MAKING, HOWEVER, WAS A RESPONSE OF THE PREVIOUSLY IDENTIFIED --IN THE PILOT PROJECT IN LEANDRO VALLE, WHERE THE UNACCEPTABLE BY THE COMMUNITY HOUSING MODEL DISCOURAGED A MAJORITY OF THE PEOPLE TO PARTICIPATE IN THE PILOT PROJECT /15 (SEE IV-2 PILOT PROJECTS). ON THE OTHER HAND THE PALAPAS PROJECT WAS SUCCESSFUL WHERE THE PUBLIC PARTICIPATED IN DECISIONS ON HOUSING DESIGN AND ON SOME PROGRAM IMPLEMENTATION ISSUES.

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13/(SALVADOREAN FOUNDATION FOR LOW-COST HOUSING).

14/ INDEED, THE SELF-HELP PROJECT CARRIED OUT BY INDECO IN 1977 HAD NOT BEEN SUCCESSFUL BECAUSE IT HAD RELIED TOO MUCH ON NON-PAYED LABOR CONTRIBUTIONS, AND INVESTED LARGE SHARES OF THE PROGRAM RESOURCES TO PROMOTING THE SELF-HELP SCHEME BY TRAINING PEOPLE TO IMPROVE ITS PERFORMANCE. AT THE END THE INSTITUTIONS MODEL WAS VIRTUALLY IMPOSED ON THE PROGRAM PARTICIPANTS. THIS RESULT, ACCORDING TO ONE OF FIDELAC STAFF INVOLVED, "WAS DUE TO THE GREAT DEAL OF INDIVIDUALISM SHOWN BY THE LOCAL PARTICIPANTS" (DANIEL HIERNOUX)

15/ THE REJECTION OF THE HOUSING MODEL, ACCORDING TO THE TECHNITIANS IN CHARGE OF THE PROJECT, WAS DUE TO LACK OF ACCEPTANCE OF BOTH, THE PREFABRICATED ELEMENTS AND THE SLOP ROOF TYPOLOGY . ACCORDING TO THE SOCIAL WORKERS AND OTHER FIDELAC STAFF WAS DUE TO THE STIFF DECISION OF THE TECHNITIANS IN IMPOSING WHAT PEOPLE FELT WAS NOT SECURE ENOUGH, AND WOULD NOT ENABLE THEM THE CONSTRUCTION OF A SECOND FLOOR.

A DIFFERENT SOURCE REPORTED THE "LACK OF MODERNITY" AS ONE OF THE CAUSES.(CRUZ TOLEDANO AND PADILLA, OP.CIT.)

ACCORDING TO ONE OF THE WORLD BANK OFFICERS INVOLVED, THE COMMUNITY INVOLVEMENT COMPONENT OF THIS PROJECT WAS ITS MOST DISTINGUISHING FEATURE. SOME OF THE FIELD TEAM WORKERS I SPEAK WITH DURING MY RESEARCH, RELATED SIMILAR IMPRESSIONS REPORTING THAT COMMUNITY OPPOSITION TO THE IMPLEMENTATION PROCESS WAS SOMETIMES HARSH BUT EVENTUALLY WAS OVERCOME./16

IT WAS EVIDENT TO ME THAT THE FIELD TEAM WAS WELL INTEGRATED AND EFFECTIVELY COORDINATED. MOST OF ITS MEMBERS SEEMED PERSONALLY COMMITTED TO THE PROJECT'S OBJECTIVES./17

THE PROCESS OF COMMUNITY DEVELOPMENT AND PARTICIPATION WAS ACHIEVED BY INTERACTING ACTIVELY WITH COMMUNITY COMMITTEES /18.

16/ "AS SOON AS WE BEGAN WORKING IN LEANDRO VALLEL CARRYING OUT SURVEYS, THE 'PESETEROS' (PST) BECAME VERY ACTIVE. FOR INTANCE, THEY WOULD GO DOOR BY DOOR TALKING TO PEOPLE AND CONVENCING THEM THAT FIDELAC WAS CHARGING THEM UNFAIRLY FOR A LAND THAT WAS ALREADY THEIRS, FOR ACCORDING TO FEDERAL LAW, AFTER 5 YEARS ANY UNCLAIMED LAND BECOMES OF THE OCCUPANTS.

17/ AS ONE OF THE MOST ENTHUSIASTIC FIELD TEAM WORKERS PUT IT "WE WOULD WORK MANY TIMES EVEN ON SUNDAYS AND VERY OFTEN UNTIL LATE IN THE NIGHT, EVEN IF WE DID NOT GET ANY EXTRA PAYMENT. MOST OF THE PEOPLE SUPPORTED THE PROJECT'S GOALS, AND WERE VERY HELPFULL AND COOPERATIVE WITH EACH OTHER. ANOTHER EXAMPLE OF OUR SPECIAL COMMITMENT MAY BE EXPRESSED BY SIMPLE THINGS SUCH AS OUR EXPENSES FOR SHOES. BECAUSE THE VERY STICKY MUD IN GUACAMAYAS, SHOES WOULD NOT LAST VERY LONG. WE NEVER RECEIVED ANY HELP FROM FIDELAC IN THIS REGARDS. FURTHERMORE, EVEN THOUGH THERE WAS A VEHICLE OF FIDELAC TO TAKE US IN THE MORNING AND PICK US UP IN THE AFTERNOON, MANY TIMES WE WOULD HAVE TO PAY FOR OUR TRANSPORTATION COSTS WHILE WORKING . ALTHOUGH OCCASSIONALLY WE WOULD COMPLAIN, THE FUNNY THING IS THAT WE WERE SO INVOLVED THAT MOST OF US CONSIDERED THESE EXPENSES ANOTHER PART OF OUR CONTRIBUTION TO THE PROGRAM"(CLEMENTINA)

18/ ONE ASPECT THAT WAS DEBATED WITH THE COMMUNITY WAS THE ISSUE OF PLOT SIZES IN GUACAMAYAS. WHERE PEOPLE REJECTED THE 105m<sup>2</sup> (7X15) PLOT SIZE, THE TECHNICIANS RECOMMENDED 162 m<sup>2</sup> (9X18). THE FINAL DECISION WAS TO MAKE 200 m<sup>2</sup> (10X20) BE THE STANDARD AREA UNDER A NON-COMERCIAL CHARGE. ANY AREA EXTRA WAS PAID AT ITS REAL MARKET VALUE.

THE ORGANIZATION OF COMMITTEES, ONE FOR EACH OF THE 11 AREAS OF GUACAMAYAS, WAS A MIXED BLESSING BECAUSE IT TOOK SO MUCH TIME TO CONVINCING SOME COMMITTEES OF ACCEPTING THE LAND REGULARIZATION PROGRAM./19

#### 4. THE SELF-HELP PROJECT DESCRIPTION

THE BUILDING MATERIALS LOAN PROJECT (LOCALLY CALLED THE SELF-HELP PROGRAM) JUST RECENTLY STOPPED, WAS NATIONALLY AN INNOVATION /20, AND LATER HAS BEEN BY FAR, THE MOST LASTING AND OUTSTANDING OF THE WORLD BANK COMPONENTS.

DURING THE 8 YEARS OF OPERATION THIS PROJECT UNDERWENT A SERIES OF CHANGES ON ITS BENEFICIARY SELECTION PROCEDURES, ITS LOAN CEILINGS, ITS RANGE OF FEATURES, AND ITS LOGISTICS. THE THREE MAIN CHANGES OCCURRED: ONE IN 1980 WHEN A DETAILED EVALUATION STUDY WAS CARRIED OUT; THE SECOND IN 1982 WHEN NO

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19/ THE BREAKING OFF INTO MANY COMMITTEES PROVED TO BE A STRATEGICALLY DUBIOUS DECISION. BECAUSE OF THE DELAYS AND PROBLEMS THAT AROUSE WITH COORDINATING THE DEVELOPMENT OF WORKS AT MANY DIFFERENT STAGES OF ADVANCEMENT. ON THE OTHER HAND, THIS ORGANIZATION OF SMALL NEIGHBORHOOD COMMITTEES GAVE THE COMMUNITY A REAL CHANCE FOR PARTICIPATING AND DEVELOPING A PARTICIPATORY AND CIVIC CONSCIENCE AT THE NEIGHBORHOOD LEVEL, CERTAINLY A NEEDED FRAMEWORK TO IMPROVE LIVING CONDITIONS. IN FACT, IT WAS ONE OF THE THREE MAIN SOCIAL OBJECTIVES OF THE WORLD BANK PROJECT REPORT.(W.B. PROJECT REPORT p. 6) OF THE MAIN THREE SOCIAL OBJECTIVES OF THE PROJECT (WORLD BANK PROJECT REPORT p6).

20/ IT WAS THE FIRST MEXICAN PROJECT OF ITS KIND. THE SELF HELP PROGRAM STARTED IN LATE 1977 WITH FUNDING FROM FIDELAC. SOON AFTER, THE EXPENDED FUNDS WERE ABSORBED BY THE LOAN FROM THE WORLD BANK

MORE LOANS WERE EXTENDED TO THE RURAL COMMUNITIES (CHUCUTITLAN AND LAS PENAS, BOTH OUTSIDE THE MICROREGION); AND THE THIRD IN 1983 WHEN THE 3 LOCAL CENTERS WERE REDUCED TO ONE DISTRIBUTIONAL CENTER.

IN THE FIRST OCASSION, THE CRITERIA FOR BENEFICIARIES SELECTION WAS SYSTEMATIZED TO CORRECT IRREGULARITIES /21. THE SECOND STOPPED THE BLACKSMITHING AND CARPENTRY PRODUCTION WORKSHOPS, AND ALSO CONCENTRATED THE DISTRIBUTION OF MATERIALS, BUT CONTINUED OFFERING TECHNICAL ASSISTANCE IN THE LOCAL CENTERS. THE THIRD CHANGE STOPPED THE LOCAL TECHNICAL ASSISTANCE, REDUCED DRASTICALLY THE PERSONNEL, HALTED THE PAYMENTS FOR SPECIALIZED LABOR, AND INCREASED THE CEILING FROM 18% TO 25% OF FAMILY INCOME.

DURING ITS FIRST STAGE, THE PROGRAM OFFERED 3 DIFFERENT KIND OF INTEREST RATES (9%,12%,AND 15%); AT THE END ONLY ONE (15%),WHILE THE REPAYMENT TERM REMAINED BASICALLY THE SAME (7 YRS)/22.

21/ THE SISTEMATIZED CRITERIA FOR THE PROGRAM INVOLVED 10 ASPECTS WITHIN 3 CATHEGORIES, EACH ONE WITH 1,2,OR 3 POINTS. AT THE SAME TIME THERE WAS A COMPLIANCE GRADING THAT ACCEPTED 4 VALUES (25% TO 100%). HENCE THESE ENABLED A QUANTITATIVE MEASUREMENT. THIS NEW CRITERIA WAS INSTRUMENTAL IN REVIEWING THE PROGRAMS PROCEDURES, AND TIGHTING UP THE SELF-HELP LOANS CONTROLS.

22/ THE 3 DIFFERENT INTEREST RATES WERE ACCORDED IN RELATION TO THE INCOME LEVEL AND SIZE OF THE LOAN. THIS PROCEDURE WAS REPORTED AS DIFFICULT TO HANDLE; INSTEAD, THE LOAN TERMS SHOULD BE THE ONES TO BE ADJUSTED. PEOPLE WITH HIGHER INCOMES (4TMW) SHOULD BE LENDED BUT WITH 1 TO 2 YEARS REPAYMENT TERM. ..."OTHERWISE THE PROGRAM IS PROVIDING GOOD MONEY FOR PEOPLE WHO DO NOT NEEDED." (ARQ. CASTRO, SINCE 1982 HEAD OF THE SELF-HELP PROGRAM)

THE TECHNICAL ASSISTANCE WAS PROVIDED FREE OF CHARGE, AND IT CONSIST OF A PHYSICAL PLAN (VERY SIMPLY DRAWN, WITH BASIC MEASURES), ESSENTIAL BUILDING AND COMMON SENSE RECOMMENDATIONS, AND ADJUSTMENTS TO THE LOCAL BUILDING CODE AND REGULATIONS /23.

ONCE GRANTED THE LOAN, PEOPLE HAD A TWO MONTHS TO GO FOR THE TECHNICAL ASSISTANCE AND TO INITIATE THE WORKS. DURING THE CONSTRUCTION PERIOD, THERE WAS FOR PARTICIPANTS ACCESS TO TOOLS LENDING /24.

SPECIALIZED LABOR COSTS WERE INITIALLY CONTROLLED BY THE PROGRAM. ONCE LIBERATED IN 1983, PRICES WENT UP, AND THERE WERE REPORTED MORE PROBLEMS WITH QUALITY AND SOME CHEATING /25.

**SOME OTHER FEATURES OF THE PROGRAM WERE:**

- THE COST OF MATERIALS IS AT MARKET PRICES
- THE MAJORITY OF RECIPIENTS WERE FROM THE POPULATION GROUP THAT HAS THE HIGHEST DEMAND FOR HOUSING (1.5-2.5TMW).
- LOANS MAY BE EXTENDED 10%. AFTER TERMINATION, PAYMENTS BEGIN 30 DAYS AFTER.

23/ DURING THE FIRST STAGE, THIS COMPONENT WAS A SERVICE OFFERED TO ANY KIND OF RESIDENTIAL PLAN, WHICH INCLUDED EVEN THOSE PLANS OUT OF THE PROGRAM, FOR MIDDLE AND MIDDLE-HIGH INCOME GROUPS.

24/ THIS SERVICE WAS SUSPENDED ON THE FOURTH YEAR OF OPERATION. INCLUDED CONCRETE MIXERS, SHOVELS, WOOD FORMS, TROWELS, CARD BOARD, AND BASIC MASONRY TOOLS). APPARENTLY THERE WAS AN EFFICIENT CONTROL... "IT WAS NOT ALWAYS POSSIBLE THAT PEOPLE RETURNED THE LENDED TOOLS; HOWEVER, THEY WILL ALWAYS PAY FOR THEIR LOOSING OF THEM" (RESIDENT OF THE ZONA FIDEICOMITIDA LOCAL CENTER).

25/ THIS USEFULL TO PEOPLE FEATURE WAS ELIMITED BY THE ADMINISTRATIVE DEPARTMENT ON GROUNDS THAT "THESE TRADES DO NOT PAY TAXES". IT INCLUDED PAYMENTS FOR PLUMBING, BLACKSMITHING, AND ELECTRICAL INSTALLATION WORKS.

## 5. URBAN UPGRADING PROJECT

THIS CHAPTER DISPLAYS TWO RELATED PARTS: THE FIRST DEALS WITH PROJECT DESIGN AND PROGRAMMING, AND THE SECOND LOOKS AT PROJECT IMPLEMENTATION. SINCE THE UPGRADING PROJECT ACTIONS CARRIED OUT IN TWO SETTLEMENTS OUTSIDE THE MICROREGION WERE NEGLIGIBLE, THE DESCRIPTION OF THE PROGRAM IS LIMITED TO GUACAMAYAS.

THE DESIGN AND PROGRAMMING STAGE OF THE UPGRADING PROJECT IS ANALYZED FROM THREE PERSPECTIVES: INVENTORY CONDITIONS, EVALUATION OF EXISTING CONDITIONS, AND IDENTIFICATION OF COMPONENTS THAT REQUIRE ATTENTION.

### A. INVENTORY CONDITIONS

SINCE THE INITIAL DEVELOPMENT OF GUACAMAYAS , CAMPAMENTO OBRERO WAS THE ONLY SERVICED RESIDENTIAL NEIGHBORHOOD OF THE AREA AS OF LATE 1975. /26 THE FOLLOWING YEAR THERE WAS A PARTIAL UPGRADING PROGRAM THAT SUPPLIED SOME OF GUACAMAYAS' NEIGHBORHOODS WITH WATER, SEWAGE, ELECTRICAL, AND CIRCULATION NETWORKS AT NEAR STANDARD LEVELS.

### B. EVALUATION OF EXISTING CONDITIONS.

THE ORIGINAL PROJECT INFORMATION ON THE CONDITIONS OF GUACAMAYAS WERE BASED ON A STUDY THAT WAS INNACURATE. ONCE AKNOWLEDGED, FIDELAC INTEGRATED A SPECIAL TEAM TO DRAW NEW PLANS, PLOT BY PLOT, AND ADJUST THE SET OF INVENTORY CONDITIONS.

ALTHOUGH IN MOST NEIGHBORHOODS THERE WAS A CLEAR STREET

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26/ THE CASE OF LACK OF SERVICES IN GUACAMAYAS WAS DRAMATIC. IN LATE 1975 AT THE PEAK TIME OF THE CONSTRUCTION WORKS OF SICARTSA THE REPORTED POPULATION AT GUACAMAYAS WAS 25,000 PEOPLE.

NETWORK, THIS WAS NOT ALWAYS THE CASE. SOME OF THE NEIGHBORHOODS SETTLED ON STEEP TERRAIN AROUND GUACAMAYAS NORTH LIMIT, WHICH HAD NO CIRCULATION PATTERNS AT ALL. THE OTHER CASE WAS LEANDRO VALLE, WHERE A RECENT SQUATTERING IN 1975 HAD OCCURRED IN FLAT BUT SOMEWHAT WET LAND, AND WHICH HAD PRODUCED A COMPLETELY AWKWARD LAYOUT PATTERN ( WHICH BY THE WAY, CREATED CONFLICTS WITH THE COMMUNITY).

GUACAMAYAS BEING THE LOW-INCOME CITY DEVELOPMENT PARALLEL TO THE NEW TOWN DEVELOPMENT, WAS FAR FROM THE PUBLIC SERVICES AND FACILITIES OF THE REGION. THESE SERVICES WERE LOCATED 3 MILES AWAY IN LAZARO CARDENAS. THESE SITUATIONS, IN CONJUNCTION WITH THE LACK OF SERVICES, TRANSPORTATION COSTS, PLUS OTHER EXPENSES CAUSED A CONSIDERABLE BURDEN TO MOST OF THE SETTLED FAMILIES /29

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28/ TO A LARGE EXTENT, THESE SITUATIONS WERE THE CAUSES THAT INSTIGATED THE SOCIAL UNREST TAKING PLACE IN LATE 1975. THE ROLE OF GUACAMAYAS IN THE REGION WAS A VITAL ONE: THE PROVISION OF INEXPENSIVE SHELTER TO A MULTITUDE OF WORKERS AND PROVIDERS OF INFORMAL SERVICES. GUACAMAYAS WAS AT THAT TIME, ENABLING THE IMPLEMENTATION OF A NATIONAL AND VERY IMPORTANT INDUSTRIAL DEVELOPMENT TO TAKE PLACE. HENCE IT WAS INADMISSIBLE TO HAVE SUCH AN ARRAY OF POLITICAL, SOCIAL AND HEALTH RELATED PROBLEMS. THIS WAS EVIDENT FROM THE FIFTY EXPERT GROUP -INCLUDING TWO EXPERTS FROM U.N.-THAT GATHERED TO FIND SOLUTIONS FOR THE PROBLEMS OF GUACAMAYAS

29/ ALTHOUGH FAMILIES SETTLED IN GUACAMAYAS HAD NO HOUSING PAYMENTS, THE COST FOR SUPPLY OF WATER BY TRUCK, AND THE TRANSPORTATION COSTS CAME FROM THEIR LIVING EXPENSES, REDUCING THE LENDED LAND ADVANTAGES.

"AN EXTRA COST WAS THE BUYING OF SHOES FOR THE FAMILY. THE VERY STICKY MUD OF UNPAVED STREETS, IN THIS AREA OF HEAVY RAINS THAT LASTED HALF A YEAR, RAPIDLY DESTROYED SHOES. ALSO THE TIME IT TOOK TO EITHER BRING WATER HOME, OR GO TO THE IRRIGATION CHANNEL TO WASH THE FAMILY'S CLOTHING WAS A HINDRANCE FOR US - WOMEN AND OUR FAMILIES SO FULL OF SMALL CHILDREN" (DONA MARIA SAAVEDRA, LEADER OF WOMEN PARTY).

**C. IDENTIFICATION OF COMPONENTS THAT REQUIRED ATTENTION.**

A GENERAL LIST OF FELT NEEDS WITH ROUGH ESTIMATIONS FOR PROJECT SUBCOMPONENTS ADDRESSING GUACAMAYAS PROBLEMS, IS PRESENTED HERE./30

1. REGULARIZATION OF LAND TENURE STATUS FOR ALL GUACAMAYAS PLOTS.

2. PROVISION OF LAND FOR SOME 1000 FAMILIES LIVING TWO OR MORE FAMILIES ON SAME PLOT.

3. SEWAGE INTRODUCTION AND THE PROVISION OF WATER SUPPLY TO SOME 2500 PLOTS -PLUS TO OTHER 1000 FAMILIES- ON AN INDIVIDUAL HOUSE BASIS.

4. ELECTRICAL CONNECTIONS FOR SOME 1500 EXISTING PLOTS , PLUS CONNECTIONS FOR EXTRA 1000 PLOTS.

5. PATTERN LAYOUT FOR 3 SETTLEMENTS.

6. PAVEMENT OF SOME 12 TO 17 KM OF STREETS.

7. SKILL TRAINING PROGRAMS

8. CHILDREN'S SCHOOL

9. CREATION OF FORMAL COMMUNAL REUNION SPACES.

THE WORLD BANK UPGRADING PROJECT CONTEMPLATED 11 NEIGHBORHOODS; HOWEVER, BECAUSE OF THE PROBLEMS OF EJIDAL LAND TENURE, ZONA URBANA EJIDAL, A LARGE PART OF GUACAMAYAS (537 FAMILIES), WAS LEFT WITH NO ACTION AT ALL.

30/ THESE ROUGH ESTIMATIONS ARE BASED ON REGIONAL DATA.

## B. THE IMPLEMENTING STAGE

THE IMPLEMENTATION OF THE URBAN UPGRADING PROGRAM WAS DEPENDING ON THE LAND TENURE REGULARIZATION PROGRAM. SOME OF THE SHARED WORKS FROM BOTH PROGRAMS WERE CARRIED OUT AT THE SAME TIME, SUCH AS THE REBLOCKING OF UNORGANIZED SETTLEMENTS. THIS CLOSE LINK WAS BECAUSE OF THE WORLD BANK REQUIREMENT TO WORK ONLY ON LAND THAT IS REGULARIZED, WHICH THEN ENABLE MORE EFFICIENT COST RECOVERY MECHANISMS.

THE IMPLEMENTATION STAGE OF THE UPGRADING PROJECT WAS A SPECIALLY DIFFICULT ONE TO COORDINATE BECAUSE IT WAS ALMOST IMPOSSIBLE TO PREDICT THE INITIATION OF WORKS IN EACH NEIGHBORHOOD. IN OTHER CASES THE NEIGHBORHOODS WERE DIVIDED AND THEN DEVELOPED ACCORDING TO DIFFERENT WORK SCHEDULES. THIS WAS THE CASE OF ANIBAL PONCE WHERE THE PROJECT AREA WAS DIVIDED INTO 11 SECTIONS.

DIFFICULTIES WITH CONTRACTORS WAS ANOTHER FACTOR CONTRIBUTING TO PROBLEMS OF COORDINATION. DUE TO THESE PROBLEMS, PARTS OF TWO NEIGHBORHOODS WERE NEVER FINISHED AND MANY MINOR WORKS WERE LEFT UNDONE UNTIL 1984.

THIS PROJECT COMPONENT RECEIVED BY FAR, THE LARGEST SHARE OF THE WORLD BANK RESOURCES (SEE II-4A CHANGES IN RESOURCE ALLOCATION). IT INCLUDED THE INTRODUCTION OF INFRASTRUCTURE AND BASIC SERVICES TO 10 OF THE 11 GUACAMAYAS NEIGHBORHOODS. THESE WORKS WERE COMPRISED OF PIPED WATER, WATER BORNE SEWAGE, AND ELECTRICITY CONNECTIONS TO EACH HOUSE, PLUS PUBLIC

LIGHTING AND STREET PAVEMENTS. INCLUDED AS WELL WER MINOR OFF-SITE INFRASTRUCTURE WORKS.

THE PROJECT WAS IMPLEMENTED IN THREE YEARS, ALTHOUGH SINCE 1981 MINOR WORKS HAVE CONTINUED. AS OF LATE 1984, WORKS REMAINED UNFINISHED IN MINOR PARTS OF THE REGION.

AN EVALUATION CARRIED OUT BY FIDELAC IN EARLY 1984 SHOWED THAT THE MAJORITY OF PEOPLE CONSIDERED THAT THE PROVISION OF BASIC SERVICES WAS COMPLETE. 21% OF THE PEOPLE CONSIDERED THE PROGRAM'S WORKS UNFINISHED./31 THE SAME INQUIRY UNCOVERED A CONTINUING HIGH PERCENTAGE OF PROVISIONAL SHELTER./32

#### 7. THE SITES AND SERVICES PROJECTS

THE IMPLEMENTATION PROCESS OF THIS PROJECT COMPONENT MAY BE BROKE DOWN INTO 8 STAGES: ADVERTISEMENT, INITIAL INQUIRY, DATA CHECK UP, CONTRACTING, INITIAL PAYMENTS, PLOT ALLOCATION, SERVICE PROVISION CHECK UP, AND CONTROL OF TRANSFERS.

THE FOLLOWING IS A DESCRIPTION OF THE PROCESS. INITIAL ADVERTISEMENT WAS DONE BY RADIO --THE PROGRAM OFFERED HOUSING "FOR 15 PESOS A DAY" (US 60 CENTS) UNDER AFFORDABLE CONDITIONS

31/ THIS POLL WAS CONDUCTED BY THE HUMAN SETTLEMENT DEPARTMENT OF FIDELAC, SURVEYING 165 PARTICIPANT FAMILIES. THERE WERE SOME PROBLEMS WITH RELIABILITY, FOR THIS PERCENTAGE DOES NOT CORRESPOND TO THOSE NOT SERVED WITH STREET PAVEMENT WHICH IN FACT IS HIGHER THAN 79%. THE SAME INQUIRY FOUND ONLY 17% OF THE HOUSEHOLDS HAD PAYED THE TOTAL BILL, OR WERE ON TIME WITH PAYMENTS. THESE FIGURES, ARE CONSISTENT WITH THE AVOBE MENTIONED FINDING.

32/ THE PERCENTAGE OF SHACKS WAS 22% WHICH SUGGESTS THAT BECAUSE THE HARSH INFLATIONARY CURVE AFFECTED THE COST OF BUILDING MATERIALS, THIS PHENOMENA WILL REMAIN FOR A LONG TIME.

TO MOST INCOME GROUPS (SEE VI-2 ACCESS TO TARGET GROUPS)./33

IN LATE 1979 THE CLERICAL OFFICE WAS SET UP IN THE COMMUNITY CENTERS, WHERE APPLICANT HOUSEHOLDS WERE INTERVIEWED, THEN 5 SOCIAL WORKERS HELPED THEM TO FILL OUT SOCIO-ECONOMIC INQUIRIES. THE FAMILY DATA WAS CHECKED ACCORDING TO THE SELECTION CRITERIA:/34 IF THEY QUALIFIED, THE PEOPLE MET AGAIN WITH THE SOCIAL WORKER, WHO HELPED THEM FILL OUT THE CONTRACT, INFORMED THEM ABOUT COSTS, FINANCIAL TERMS, AND PAYMENT MECHANISMS. THE PEOPLE WOULD GO TO FIDELAC HEADQUARTERS OFFICES AND MAKE THEIR DOWN PAYMENTS

WITHIN THE PROCESS, APPLICANT HOUSEHOLDS WERE ABLE TO CHOOSE THE GENERAL LOCATIONAL AND OTHER CONDITIONS OF THEIR PLOT BUT NOT ITS PRECISE LOCATION./35 AFTER THE HOUSUEHOLD HAS ASSIGNED A PLOT, THE SOCIAL WORKER

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33/ THE DOWNPAYMENT CORRESPONDED TO 20% OF THE MINIMUM OFFICIAL WAGE IN THE REGION. THE MONTHLY PAYMENT TO 22% TO 35% IN GUACAMAYAS, AND 28% TO 40% IN ZONA FIDEICOMITIDA; ANNUAL INTEREST 15%; REPAYMENT TERM 5 TO 10 YEARS. THE RADIO ADVERTISING WAS CARRIED OUT AT A TIME OF HIGH DEMAND FOR HOUSING FOR THE ANNOUNCEMENT OF THE REINITIATION OF THE SICARSTA'S SECOND DEVELOPMENT STAGE.(END 1979-1980)

34/ THE CRITERIA FOR BEING SELECTED WITH A PLOT IN A SITES AND SERVICES PROJECT WERE BASAICALLY THE FOLLOWING FOUR: 1.TO BE A FUNCTIONAL FAMILY; 2.TO HAVE NO OTHER PROPERTY WITHIN THE REGION; 3.TO HAVE A JOB; 4.TO HAVE A STABLE INCOME BETWEEN 1.5 AND 3.0 TMW)

35/ THE ALTERNATIVES WERE: CORNER, STREET WIDTH, AND TOWN LOCATION. THE REPORTED FINDINGS WERE THAT WIDER STREET CORNERS WERE CHOSEN BY THE HIGHER INCOMES, AND CORNERS BY THOSE THINKING OF OPENING A STORE OR SMALL BUSINESS IN THE FUTURE.

WOULD GO WITH A TECHNICIAN AND THE HOUSEHOLD TO THE PLOT SITE. HENCE FROM THAT DATE, THE PLOT WAS THERE MARKED ON THE TERRAIN, AND HENCE FROM THAT DATE, A TWO MONTH PERIOD WAS DESIGNATED AS THE MANDATORY OCCUPATION TIME./36

ONCE THE FAMILY HAD SETTLED, FIDELAC STAFF WOULD CHECK ENSURE THE SERVICES WERE FUNCTIONING. IN CASE OF IRREGULARITIES, IT WAS IMMEDIATELY REPORTED AND FIXED BY THE CONSTRUCTION DEPARTMENT.

THE INITIALLY PLANNED CORE-HOUSING PROJECTS WERE NOT CARRIED OUT AS CONCEIVED. INSTEAD THE PARTICIPANTS COULD PARTICIPATE IN THE BUILDING MATERIALS LOANS OF THE SELF-HELP PROGRAM. PEOPLE WHO DID NOT OCCUPY THEIR PLOTS, AND IN A FEW CASES, THOSE THAT HAD NOT MADE THEIR INITIAL 3 MONTH PAYMENTS, LOST THEIR RIGHT TO THE PLOT. THESE PLOTS WERE REALLOCATED.

DUE TO EMPHASIS PUT ON PLOT OCCUPATION IN ORDER TO SUPPORT THE PROJECT IMPLEMENTATION, AND EVENTUALLY HOUSING AND NEIGHBORHOOD CONSOLIDATION, SOME 90% OF THE PLOTS WERE INITIALLY SET UP WITH SHACKS MADE OUT OF CARD BOARD AND OTHER PROVISIONAL MATERIALS. FOUR YEARS LATER THE PERCENTAGES OF SHACKS WERE 10% FOR GUACAMAYAS AND 22% FOR ZONA

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36/ THE TWO MONTHS PERIOD ESTABLISHED IN THE BEGINNING SOON WAS CHANGED TO ONLY 30 DAYS. THIS WAS AN EFFECTIVE MEASURE FOR PROMOTING THE SETTLEMENT OF PROJECT BENEFICIARIES.

FIDEICOMITIDA. /37

THE TWO SITES AND SERVICES PROJECTS, DIFFERED GREATLY BUT NEVERTHELESS, IN 1984, THEY REPRESENTED THE MOST CONSOLIDATED NEIGHBORHOODS IN THEIR SURROUNDING AREAS./38 HOWEVER THESE AREAS HAD THE LOWEST PERCENTAGE OF WALKWAYS PAVED./39

#### 8.LESSONS FROM SHELTER PROJECTS

THE URBAN LAYOUT DESIGN FOR LAZARO CARDENAS FUTURE SITES AND SERVICES PROGRAMS NEEDED SOME IMPROVEMENTS. THE FOLLOWING CONSIDERATIONS OFFER WAYS FOR OPTIMIZING DESIGN AND REDUCING URBANIZATION COSTS.

FIRST: CONVENTIONAL URBAN LAYOUT --A GRIDON PATTERN WITH BLOCKS AND STREETS WITH ACCESS TO ALL HOUSING-- DEMANDS A

37/ THOSE REMAINING IN PROVISIONAL DWELLINGS FALL INTO TWO GROUPS. ONE GROUP COULD NOT AFFORD THE SELF-HELP LOANS BECAUSE THEY WERE VERY POOR. MOST OF THESE PEOPLE WERE THE SQUATTERS FAMILIES SETTLED ON FEDERAL AREAS WITHIN GUACAMAYAS, AND WHO, IN 1982 WERE TRANSFERED TO SITES AND SERVICES GUACAMAYAS. THE SECOND GROUP WERE HOUSEHOLDS THAT DID NOT ACCEPT THE SELF-HELP PROGRAM "BECAUSE OF ITS HIGH INTEREST RATES, AND BECAUSE IT DID NOT INCLUDE LABOR PAYMENTS IN THE LOAN". ACCORDING TO THE SOCIAL WORKER IN CHARGE OF THE SITES AND SERVICES PROJECT ON ZONA FIDEICOMITIDA " BECAUSE THEY WOULD RATHER RELY ON THEIR OWN EFFORTS".

38/ THE MAIN REASON FOR THE RAPID CONSOLIDATION WAS THE SPECIAL SUPPORT OF THE SELF-HELP PROGRAM IN THESE TWO AREAS. ACCORDING TO THE SELF-HELP PROGRAM 1984 RECORDS, 80% OF THE HOUSEHOLDS LIVING IN BUILT HOUSING WITHIN THESE SETTLEMENTS HAD BEEN LOAN RECIPIENTS. THE ACTUAL PERCENTAGE OF TOTALLY CONSOLIDATED HOUSING WAS 67% IN EARLY 1984 -ALTHOUGH IN THIS NEIGHBORHOODS HOUSING ALWAYS REMAINS PROGRESSIVE HOUSING.

39/ WHILE THE UPGRADED AREAS HAD 55%, THESE AREAS HAD ONLY 36%. THIS MAY BE DUE TO THE LACK OF MONEY THAT AT THE TIME WAS PUT INTO A RAPID HOUSING CONSOLIDATION PROCESS.

RELATIVELY LARGE PAVEMENT AREA, AND LARGER INFRASTRUCTURE NETWORKS. DUE TO HIGH INFLATION, THE SOARING COSTS ARE LEAVING THE LOWEST INCOME GROUPS (55% WITH INCOME UNDER 2.5 TMW) WITHOUT PUBLIC PROVISION OF SHELTER. HENCE INCREASED USE OF PEDESTRIAN WAYS INSTEAD OF STREET ACCESS, MAY PROVIDE LOWER URBANIZATION COSTS IN CONSOLIDATED AND FULLY SERVICED AREAS (THE CASE OF ZONA FIDEICOMITIDA). THIS IDEA HAS BEEN USED IN LAZARO CARDENAS AND PRESENTS THREE MAIN PROBLEMS: FIRST, PARKING AREAS ARE UNSAFE TO LEAVE CARS SOPEDESTRIAN WAYS GET BLOCKED BECAUSE THEY ARE USED TO PARK CARS; SECOND, SUPPLY TRUCKS OFTEN DELIVER IN PEDESTRIAN WAYS, DAMAGING PAVEMENT AND SOMETIMES UNDERLYING SERVICES INFRASTRUCTURE. THIRD, BUMPERS AND ENTRANCE OBSTACLES ARE EASILY REMOVED BY PEOPLE.

HERE ARE SOME POSSIBLE SOLUTIONS:

FIRST: THE NEED EXISTS FOR COMMUNAL ARRANGEMENTS FOR CARING AND WATCHING CARS, OR ELSE, TO MAKE PLANS FOR EVENTUAL PARKING BY INTRODUCING PEDESTRIAN WAYS THAT ENABLE 2 CARS (4 MTS). THE SOLUTION OF HAVING QUITE NARROW STREETS WITH CURVES THAT ENABLE THE PASSING OF SOME CARS BY USING WALKWAYS -SIMILAR TO WHAT WAS USED IN GUAUCAMAYAS SITES AND SERVICES PROJECT. THESE STREETS SEEMS A GOOD SOLUTION, ALTHOUGH IT MEANS HIGHER PAVEMENT STANDARDS.

THERE IS ALSO A NEED TO REINFORCE THE PRIMARY FUNTION OF WALKWAYS TO REDUCE ITS OCASSIONAL USE BY SMALL TRUCKS, IN CONJUCTION WITH AN EFFICIENT AND FUNCTIONAL DESIGN OF CIRCULATION PATTERN THAT MAY PROVIDE ACCESS TO COMMERCIAL

AREAS IN CORE-AREAS OF BLOCKS. A WAY TO DISCOURAGE TRUCK ENTRANCE TO WALKWAYS IS BY THE USE OF GRADES IN WALKWAYS ENTRANCE.

SECOND: THE BUILDING CODES REQUIRE A 7 MTS. MINIMUM PLOT WIDTH; THIS MEASURE DETERMINES URBANIZATION COSTS. IF THE 105 M2 MINIMUM PLOT SURFACE IS MAINTAINED (7 X 15) AND THE PROPORTIONS ARE CHANGED TO EITHER 6X17.5 OR 5X21, THERE WOULD BE CORRESPONDINGLY A 15% TO 25% REDUCTION OF URBANIZATION COSTS. HOWEVER, THIS HAS TO BE RELATED TO THE COSTS OF BASIC BUILDING MATERIALS THAT GO IN WALLS, FOR 7MT. WIDTH HAS THE ADVANTAGE OF THE HOUSING SCHEME THAT ALLOWS, PERPENDICULAR TO THE STREET, TWO STANDARD ROOMS WITH A CORRIDOR IN BETWEEN. THIS BASIC SCHEME REDUCES COSTS BY INCREASING THE DOUBLE USE OF WALLS. ON THE OTHER HAND, THE MINIMUM PLOT WIDTH IS ESTABLISHED BY MOST STATE GOVERNMENTS, AND EVEN IF ADVISABLE, IT SEEMS DIFFICULT TO CHANGE.

IF THE CODES ARE NOT REVISED, SOLUTIONS ARE TO BE FOUND IN THE EXPLORATION OF THE CONDOMINIUM TENURE REGIME. THE EXPLORATION OF VERTICAL (AND PERHAPS HORIZONTAL) CONDOMINIUM IS A WAY TO EXPLORE FOR SOLUTIONS TO REDUCE URBANIZATION COSTS IN LOW INCOME AREAS, BY REDUCING THE LENGTH OF LINES, AND THE CORRESPONDING URBANIZATION AREA TO BE PAYED PER SERVICED PLOT. IN THE CASE OF HORIZONTAL CONDOMINIUM, THE PROVISION OF A SERVICE COMMON WALL FOR TWO FAMILIES IN EACH PLOT SETS UP AN ALTERNATIVE TO SITES AND SERVICES SCHEMES.

THIRD: ALTHOUGH AN UN-EXPLORED SOLUTION IN THE REGION, THE FINANCIAL CRISIS MAY PROVIDE THE SITUATION NECESSARY TO TRY A CLUSTER SCHEME FOR THE LOWEST INCOME GROUPS. BECAUSE OF THE 3 MTS. STANDARD WALKWAYS IN SOME AREAS OF LAZARO CARDENAS, THIS APPROACH MAY HAVE POSSIBILITIES OF ACCEPTANCE IN THE TWO LARGER URBAN AREAS. HOWEVER, ARRANGEMENTS HAVE TO BE FOUND FOR THE LOCAL BUILDING CODES REQUIREMENT OF 6MTS. SUCH AS LEAVING FREE 1.50 MTS. IN FRONT OF EACH HOUSE.

FOURTH: THE POTENTIAL USE OF INCENTIVES AND THE IDENTIFICATION OF DISINCENTIVES OFFER WAYS OF SOLUTIONS THAT MAY IMPROVE LAYOUT EFFICIENCY. ESPECIALLY IF COMBINED WITH THE CONDOMINIUM HORIZONTAL SCHEME. SUGGESTED SOLUTIONS MAY BE THE INCREASED LOAN LIMIT OF THE SELF-HELP PROGRAM, A CLOSER TECHNICAL ASSISTANCE SUPPORTING THESE SCHEMES, OR SOME EXTENDED TERMS OF REPAYMENT

FIFTH: THE ELIMINATION OF UNNECESSARY CONSTRUCTION COSTS COULD BE ACHIEVED IF DIFFERENT PLOT AND SHELTER OPTIONS ARE OFFERED WITHIN EACH PROJECT THIS PROPOSAL IS SUPPORTED BY THE EXPERIENCE OF OTHER PROJECTS IN WHERE THERE ARE FAMILIES THAT BENEFITTED MORE FROM NON-CORE HOUSING ALTERNATIVES, TRADING-OFF PLOT SPACE FOR AN "ALIEN CORE HOUSE"

SIXTH: THE RECONSIDERATION OF UNDESIREED SERVICE LEVELS, INVOLVES THE REVISION OF ISSUES SUCH AS THE PROVISION OF SEWAGE IN THE VERY FIRST STAGE OF THE PROGRESSIVE URBANIZATION SCHEMES. THIS PROPOSAL IS SUPPORTED FROM THE LOCAL EXPERIENCE OF AMPLIACION LA VILLITA (PROGRESSIVE URBANIZATION SCHEME)

WHERE ONLY 2 OF MORE THAN 40 FAMILIES USE THEIR SEWAGE SYSTEM CONNECTION.

INCLUDED IN THIS PROPOSAL IS TO AVOID THE PROVISION OF PAVED AREAS AND WALKWAYS. AN AREA IN WHERE PAVEMENT IS ESPECIALLY UNNECESSARY IN PARKING AREAS (SUCH AS IN THE CASE OF LEANDRO VALLE AND FEW PARTS OF GUACAMAYAS SITES AND SERVICES PROJECT AREA). FURTHER EVIDENCE STEMS FROM THE FACTS THAT IN CAMPAMENTO OBRERO THE SETTLERS DECIDED NOT TO HAVE PAVEMENTS; IN OTHER NEIGHBORHOODS, THE PEOPLE -BECAUSE THEY WOULD HAVE TO PAY- DECIDED NOT TO BE PROVIDED WITH SIDEWALKS.

ALSO TO AVOID THE INDIVIDUAL PROVISION OF WATER MAY BE AN ALTERNATIVE FOR PROGRESSIVE URBANIZATION SCHEMES. THE ACTUAL PROVISION OF WATER IN GUACAMAYAS, EVERY OTHER DAY, AND VERY OFTEN INTERRUPTED, FORCES PEOPLE TO COLLECT WATER AND TO BUILD WATER TANKS AT STREET LEVEL. STANDPIPES CLOSE ENOUGH TO HOUSING MIGHT BE AN ACCEPTABLE SERVICE LEVEL IN AN INITIAL STAGE.

SEVENTH: INCREASING THE OPPORTUNITIES FOR RENTAL ARRANGEMENTS, HOWEVER CONTROVERSIAL, SEEM A DESIRABLE PROJECT FEATURE TO BE SUPPORTED. MANY POLICYMAKERS ARGUE THAT RENTING IS NOT A SOLUTION FOR THE POOR, AND OTHERS SAY THAT EXPLOITATION OF THE RENTING POOR BY A WEALTHIER CLASS IS A REALITY. THE FORMER ARGUMENT IS NOT SUPPORTED BY THE FINDINGS IN ALL URBAN AREAS, WHERE A SIGNIFICANT PROPORTION OF HOUSEHOLDS ACTUALLY RENT. THE LATTER ONE IS AN UNAVOIDABLE PHENOMENON PERHAPS POSSIBLE TO MINIMIZE BY EXPANDING RENTAL

HOUSING SUPPLY, BY ENSURING THAT FULL COST RECOVERY IS ENFORCE SO THAT PROJECTS DO NOT SUBSIDIZE A WEALTHIER CLASS. ALSO MONITORING SPECIFIC ABUSES. THE WORLD BANK AFFIRMS THAT THIS SUPPLY SIDE STRATEGY IS MORE SUCCESSFUL THAN THE RENTAL RESTRICTIONS AND PROHIBITIONS./40

EIGHT: MORE EMPHASIS SHOULD BE PUT IN DESIGN AND MANAGEMENT OF SERVICE PROVISION RESPONSIBILITIES. COLLECTIONS AND COST RECOVERY WILL ALSO IMPROVE PROJECT EFFICIENCY IN OTHER FUTURE PROGRAMS.

NINTH: MORE RESEARCH SHOULD EXPLORE THE COMMUNITY'S PARTICIPATION IN THEIR OWN GOVERNANCE. THIS IS AN UNTAPPED RESOURCE TO BE USED WITHIN THE SHELTER PROJECTS. COMMUNITY PARTICIPATION AND CONTRIBUTION WAS REPORTED AS HIGH IN MY INTERVIEWS WITH SOCIAL WORKERS WHO COMPLAINED ABOUT THE LACK OF INSTITUTIONAL SUPPORT. AREAS IN WHICH THESE WERE MANIFEST WERE STREET CLEANING, GARBAGE COLLECTION ORGANIZATION, REFORESTATION, AND PLAYGROUND MAINTENANCE. THE CAREFUL DESIGN OF INCENTIVES MAY ALSO ACHIEVE CONTRIBUTIONS IN COST RECOVERY. THE IMPROVED COMMUNICATION WITH THE COMMUNITY IS A KEY ISSUE IN IMPLEMENTING THESE ELEMENTS IN HOUSING PROGRAMS.

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40/ (DOUGLAS KEARE AND SCOTT PARRIS. EVALUATION OF SHELTER PROGRAMS FOR THE URBAN POOR. THE WORLD BANK: WASH. DC, 1982. p.106)

## C H A P T E R    V

### INSTITUTIONAL PERFORMANCE

THIS CHAPTER DEALS ESSENTIALLY WITH THOSE INSTITUTIONAL ACTIVITIES RELATED TO THE STAGE AFTER PROJECT TERMINATION. THESE INCLUDE THE STATUS OF TERMINATION OF WORKS, THE CONTINUATION OF SOME WORKS SIMILAR, OR RELATED TO THE SHELTER PROJECT COMPONENTS, AS WELL AS DAY TO DAY ACTIVITIES RELATED TO HOUSING DEMAND, TRANSFERS, CONSOLIDATION, AND COST RECOVERY. AT THE LAST CHAPTER OF THE SECTION I ATTEMPT TO PRESENT A CRITICAL OVERVIEW OF THE PRESENT AND FUTURE ROLES OF FIDELAC IN THE REGION'S PROVISION OF LOW-INCOME HOUSING.

#### 1.COMPLETION AND CONTINUATION OF PROJECTS.

THE SELF-HELP CONSTRUCTION LOANS PROGRAM HAS BEEN THE MAIN THRUST OF FIDELAC SHELTER-RELATED ACTIVITIES AFTER PROJECT TERMINATION. THIS PROGRAM WITH A REDUCED STAFF, A MORE CENTRALIZED OPERATIONAL SCHEME SINCE 1983, AND AFTER 1982 WITH A MORE LIMITED SCOPE, CONTINUED ITS OPERATION UNTIL LATE 1984. IT WAS THEN SUSPENDED DUE TO THE LACK OF REQUIRED FINANCIAL RESOURCES. AFTER PROJECT TERMINATION THE SELF-HELP PROGRAM PROVIDED THE MOST EVIDENT SUPPORT FOR HOUSING CONSOLIDATION IN THE AREA (SEE IV-5 SELF-HELP PROJECT DESCRIPTION).

THE UPGRADING PROGRAM LEFT SOME ASPECTS OF THE WORK UNFINISHED. THIS WAS DUE PARTLY TO THE EXHAUSTION OF WORLD BANK

RESOURCES. HOWEVER, SOME OF THE PROBLEMS WERE DIRECTLY THE FAULT OF THE CONTRACTORS, WHO AS THEY WENT ALONG PASSED OVER SOME PARTS OF THE CONSTRUCTION WITHOUT FINISHING IT AND DID NOT RETURNED TO COMPLETE THE JOB. TALKS WITH THE LEADERS OF THE AFFECTED NEIGHBORHOODS HAS INITATED A SEARCH FOR A PARTIAL SOLUTION TO THESE PROBLEMS.

WITH RESPECT TO COST RECOVERY, IT IS ARGUED BY OPPOSING NEIGHBORHOOD LEADERS, THAT THE CONTRACTS SIGNED BY THE NEIGHBORHOODS STIPULATED THAT REPAYMENT FOR UPGRADING PROJECT COSTS WOULD BE INITIATED ONLY AFTER ALL WORK WAS FINISHED./1. WHILE THIS ARGUMENT HOLDS FOR THOSE AFFECTED BY THE UNCOMPLETED WORK, THIS IS NOT THE CASE FOR THE MAJORITY OF BENEFICIARIES FROM THE PROJECT. THE DEFICIENCIES IN THE PROVISION OF WATER AND GARBAGE COLLECTION SERVICES ARE COMMON COMPLAINTS ASWELL.

ONE ISSUES THAT REMAINS TO BE CLEARED UP BY FIDELAC IS TO ACCOMPLISH THE COMPLETION OF WALKWAYS. THESE WERE LEFT TO BE FINISHED BY EACH HOUSEHOLD ACCORDING TO THE TERMS AGREED TO BY THE COMMUNITIES.

THE LAND REGULARIZATION PROGRAM IS WELL ON ITS WAY. VERY FEW CASES REMAIN WITHOUT LAND PROPERTY TITTLE. (SEE III-4 LAND REGULARIZATION PROCESS).

THE COMMUNITY CENTERS CONTINUE PROVIDING SOME FEW TRAINING COURSES. LATELY THERE HAVE BEEN SOME PLANS TO WORK WITH THE RECENTLY ARRIVED TO THE REGION THE BUILDING INDUSTRY TRAINING

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1/ THE ALTERNATIVE ARGUEMENT WAS THAT EARLY PAYMENT INCREASED RESOURCES FOR DOING THIS NECESSARY WORK.

INSTITUTE (ICIC). THIS MAY PROVE A HELPFUL ALTERNATIVE TO WHAT IS REGARDED AS AN ALMOST DEAD INSTITUTIONAL ACTIVITY. OTHER ALTERNATIVES INVOLVE THE DELEGATION OF THESE CENTERS TO CULTURAL OR EDUCATIONAL MINISTRIES.

## 2. COST RECOVERY

ALTHOUGH INEFFICIENT COST RECOVERY RESULTS FROM A COMBINATION OF INSTITUTIONAL AND POLITICAL REASONS, THE MOST APPARENT CAUSES IN THE LAZARO CARDENAS SHELTER PROJECTS ARE TWO: FIRST, THE DIFFICULTIES IN COORDINATING THE ONSET OF UTILITY SERVICES WITH REPAYMENTS DUE TO LACK OF AGREEMENT WITH COMMUNITY COMMITTEES,<sup>2</sup> AND SECOND THE POLITICAL RISKS IMPLIED IN ENFORCING EFFICIENT COST RECOVERY MEASURES

THIS PROJECT SHARES WITH OTHER SIMILAR ONES OTHER LESS OBVIOUS CAUSES: THE LACK OF ADEQUATE TECHNOLOGY TO KEEP ACCURATE RECORDS, AND THE TACIT ACCEPTANCE OF THE PRACTICE OF DEFAULTING IN PUBLIC SERVICE PAYMENTS.

THE RELATIVELY HIGH PERCENTAGES OF DEFAULTS AND PAYMENT DELAYS MAKE THE LAZARO CARDENAS URBAN DEVELOPMENT PROJECT ONE CASE AMONG MANY OF DEFICIENT COST-RECOVERY AMONG THE WORLD

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2/ THE AGREEMENT WITH THE COMMUNITY WAS THAT PAYMENT WOULD START WHEN THE WORK WAS COMPLETED. SINCE THIS WAS NOT CLEARLY STATED, IT IS NOW ARGUED BY THE COMMITTEES THAT WHILE THERE ARE STILL UPGRADING PROGRAM AREAS IN GUACAMAYAS THAT HAVE NOT BEEN FINISHED, PAYMENTS ARE NOT YET DUE.

BANK SHELTER PROJECTS./3

THE CAUSES ARE THE SAME THROUGH OUT. IT IS EVIDENT FROM THESE SOMEWHAT EXPERIMENTS THAT THE INITIAL ASSUMPTION OF COST-RECOVERY IS APPARENTLY NOT A REALISTIC ONE, AT LEAST WITHIN THE CONTEXT OF A DEVELOPING COUNTRY. IF IT IS TRUE THAT A MAJORITY OF THE BENEFICIARIES WILL ACT ECONOMICALLY SPEAKING IN A RATIONAL WAY, THEN IF LEFT ALONE THEY WILL MOST LIKELY NOT PAY BACK THE PROJECT COSTS, THE LIMITED NUMBER OF FEASIBLE THINGS THAT CAN BE DONE TO ENFORCE COST RECOVERY IS OFF SOMETHING CHRONICALLY WRONG WITH BUILDING SO LARGE HOUSING PROJECTS WITH PUBLIC FUNDS. PERHAPS THE CONCEPTS OF JOHN TURNER SHOULD BE APPLIED TO EXPLAIN WHY CENTRALIZED INSTITUTIONS HAVE SO MANY PROBLEM IN THE DELIVERY OF SERVICES./4

FIDELAC HAS TRIED A WIDE VARIETY OF MEASURES, LIMITED IN SCOPE AND TIME, TO ATTAIN A BETTER RECOVERY RECORD /5; IN EACH OCCASION, SOME RESULTS HAVE BEEN ACHIEVED, HOWEVER, EACH TIME THESE TACTICS HAVE BEEN STOPPED BY POLITICAL PRESSURES CLOCKED IN A RATIONALE.

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3/ FOR ALL THE PROGRAMS, THE AVERAGE DEFAULT RATE IS 35%, AND FOR THOSE IN ARREARS 43%.

4/ JOHN F. TURNER, FREEDOM TO BUILT. NEW YORK: PANTHEON BOOKS, 1976.

5/ THESE MEASURES HAVE RANGED FROM DOOR TO DOOR INQUIRES ASKING EACH FAMILY TO SHOW THEIR LATEST MONTHLY PAYMENT RECEIPT TO SOME EMBARGOS OF PROPERTY. OTHER MEASURES HAVE INCLUDED PERSONAL TALKS WITH LEADERS ASKING FOR THEIR COOPERATION, AS WELL AS THREATENING WITH JUDICIAL ACTIONS THOSE WITH MORE THAN 3 MONTH DELAYS.

COST RECOVERY IN THE FACE OF HARSH INFLATION AND INSTITUTIONAL WEAKENING SEEMS INCREASINGLY AN UNREWARDING ENDEAVOR; FURTHERMORE, JUDGED THE GROUNDS OF SOCIAL JUSTICE GROUNDS, ENFORCING COST RECOVERY SEEMS UNFAIR TO THE POOREST FAMILIES./6

THE DIFFICULTIES IN COST RECOVERY, HERE AS IN MOST SHELTER PROJECTS, VARIES WITH THE KIND OF PROJECT. WHILE SITES AND SERVICES HAD 53% IN ARREARS, AND THE SELF HELP A SOMEWHAT LOWER PERCENTAGE, THE UPGRADING PROJECT IN EARLY 1984 HAD, BY FAR, THE HIGHEST RECORD OF THOSE IN DEFAULT./7

### 3. HOUSING CONSOLIDATION AND TRANSFERS

CONSOLIDATION AND PROPERTY TRANSFERENE ARE TWO ISSUES IMPORTANT IN THE CONTEXT OF IMPROVEMENTS TO HOUSING, AND ARE PART OF THE EXTENDED ROLE THE IMPLEMENTING AGENCY SHOULD CONTINUE TO HAVE A DIRECT IMPACT ON.

THE MOST OBVIOUS CRITERIA FOR DETERMINING THE DEGREE OF CONSOLIDATION IS THE COMPARISON OF DURABLE CONSTRUCTIONS AND SECOND FLOORS

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6/ AN INQUIRY IN EARLY 1984, PLUS TALKS WITH SOME OF THE SOCIAL WORKERS CONFIRMED FOR ME THAT THOSE IN ARREARS OR DEFAULTING TEND TO BE THE ONES BETTER OFF. THE REASON IS THAT THEY KNOW HOW THE SYSTEM WORKS, AND HENCE KNOW HOW EXPENSIVE IT IS FOR FIDELAC TO EXERCISE JUDICIAL CONTROL. FURTHERMORE, IF ALERTED ON TIME, AND IF THEY MAKE THEIR PAYMENTS, LEGAL ACTIONS IS ALWAYS STOPPED. HENCE THEY RUN LITTLE RISKS OF HAVING THEIR BELONGINGS SEIZED.

7/ FOR INSTANCE, IN EL CERRITO, ONE OF THE NEIGHBORHOODS THAT STILL IS UNFINISHED, IN MID 1984 THE PERCENTAGE OF DEFAULTS WAS 93%,WHILE IN GUACAMAYAS ON THE AVERAGE, UP TO LATE 1983 60% OF THE TOTAL UPGRADING BENEFICIARIES WERE IN ARREARS AND ONLY 35% WERE IN DEFAULT.

AGAINST OTHER SIMILAR AREAS. FOR INSTANCE, THE SITES AND SERVICES PROJECTS DEVELOPED UNDER THE WORLD BANK PROJECT ARE ON A PAR OR ARE EVEN BETTER OFF THAN THEIR NEIGHBORING AREAS HAVING A SHORTER PERIOD OF TIME /8.

THE CONSOLIDATION OF THESE PROJECTS HAS BEEN ACCOMPLISHED BY EXPLICIT PROMOTIONAL CAMPAIGNS BY THE SELF-HELP PROGRAM. SPECIAL EMPHASIS HAS BEEN PUT UPON THE CONSOLIDATION OF THE PROJECT IN ZONA FIDEICOMITIDA./9

IF THE TWO SITES AND SERVICES PROJECTS ARE COMPARED WITH ONE ANOTHER, THERE ARE NOTICEABLE DIFFERENCES. THE ONE IN ZONA FIDEICOMITIDA HAS A MUCH HIGHER PROPORTION OF SECOND FLOOR HOUSING AND A FEWER NUMBER OF SHACKS THAN THE ONE IN GUACAMAYAS./10 THIS WAS EXPECTED SINCE THE LATTER ONE HAD LOWER INCOME GROUPS, AND HIGHER TRANSPORTATION COSTS DUE TO ITS COMPARATIVE LOCATIONAL DISADVANTAGE.

ALL PROJECT SHELTER BENEFICIARIES HAVE SIGNED AN AGREEMENT CONCERNING TRANSFERS. DURING THE FIRST FIVE YEARS, FIDELAC HAS TO APPROVE ANY OPERATION THAT INVOLVES MORTGAGING, SELLING, OR TRANSFERRING PROPERTY. THE CONTROL OF TRANSFERS IS A TASK THAT

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8/ WHILST THE SITES AND SERVICES PROJECTS HAVE SOME 3 TO 4 YEARS OF CONSOLIDATION, THE SIMILAR INDECO AND LEANDRO VALLE HAVE RESPECTIVELY 12 AND 6 YEARS.

9/ THIS SEEMS TO BE A SPECIAL POLICY TO HAVE MORE CONSOLIDATED AND HIGHER INCOME FAMILIES IN THE NEW DEVELOPMENT AREAS.

10/ WHILE IN ZONA FIDEICOMITIDA THERE IS ONE SECOND FLOOR HOUSE FOR EACH 12 HOUSES, IN THE GUACAMAYAS SITES AND SERVICE PROJECT THERE ARE ONLY SOME 10 HOUSES IN ALL (LESS THAN ONE FOR EACH 30 HOUSES). IN THE EXTENT OF NON DURABLE CONSTRUCTION, THERE ARE 10% SHACKS IN THE FORMER AND 22% IN THE LATER.

REQUIRES CONSTANT VIGILANCE FROM FIDELAC./11 DURING EARLIER STAGES, THERE WAS A CONSIDERABLE NUMBER OF PEOPLE WHO WOULD SELL THEIR PLOTS AND LEAVE THE REGION WITHOUT HAVING PAYED FOR THE PLOT OR THE SELF-HELP LOANS, LEAVING THE NEW OWNER WITH AN EXTRA DEBT.

#### 4. OPERATION AND MAINTENANCE

THE LAZARO CARDENAS MUNICIPALITY IS AN OVER-BURDENED AND UNDERFUNDED LOCAL GOVERNMENT. IT HAS THE RESPONSIBILITIES FOR MAINTENANCE OF INFRASTRUCTURE -WHICH IS NEW AND OF A RELATIVELY GOOD QUALITY-, AND GARBAGE COLLECTION IN FINISHED PROJECT AREAS.

FIDEICOMISO OFFERS HELP TO THE MUNICIPALITY FOR WASTE DISPOSAL SERVICE IN THE COMPLETED PROJECT AREAS. NEVERTHELESS, THIS SERVICE HAS HAD DIFFICULTIES IN ITS EFFICIENCY AND ADEQUACY DUE TO DETERIORATION OF THE PICK UP TRUCKS, WHICH ARE INADEQUATELY MAINTAINED. IT IS ESTIMATED THAT 6.5 TONS OF GARBAGE ARE PICKED UP DAILY, HOWEVER, ONE TON IS LEFT BEHIND TO BE DUMPED IN EMPTY PLOTS./12

THE WATER SUPPLY SYSTEM FUNCTIONS IRREGULARLY DUE TO, FOR EXAMPLE, ITS DEPENDENCY ON ELECTRICAL WATER PUMPS, A SMALLER THAN NEEDED CENTRAL WATER DEPOSIT TANK, AND A GENERAL LACK OF

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11/ FIDELAC KEEPS TWO WATCHMEN IN GUACAMAYAYS AND USUALLY ONE SOCIAL WORKER IN EACH PROJECT AREA WHO GENERALLY ARE ABLE TO DETECT TRANSFERS.

12/ CONURBAL. PLAN ECOLOGICO DE LA ZONA CONURBADA. LAZARO CARDENAS, COMISION DE CONURBACION, 1981.

PRESSURE. CUSTOMARILY THE SERVICE IS PROVIDED EVERY OTHER DAY. HENCE MANY FAMILIES HAD TO BUILD STREET LEVEL WATER CONTAINERS. WHEN OCCASIONALLY THERE IS NO WATER FOR SOME DAYS, FIDELAC PROVIDES FREE WATER WITH TRUCKS. BUSINESSES THAT REQUIRE MORE WATER -SUCH AS "TORTILLERIAS"- HAVE HAD TO DIG THEIR OWN WELLS.

THE STREET LIGHTING IS OF LOW-INCOME RESIDENTIAL AREA STANDARDS, BUT IT IS BADLY MAINTAINED BY THE POPULATION. BREAKING BULBS IS COMMON. RESPONSIBILITY FOR THIS SERVICE HAS NOT BEEN WELL DEFINED. SOMETIMES FIDELAC PROVIDES THE MAINTENANCE, OTHER TIMES THE FEDERAL ELECTRICAL COMMISSION (CFE) DOES IT.

THERE IS NO PROBLEM WITH DRAINAGE NOR PAVEMENT MAINTENANCE. BOTH THE BUILDING MATERIALS OF THESE INFRASTRUCTURE WAS PROVIDED BY THE CENTRAL BUILDING FACTORY OF FIDELAC.

FIDELAC PAYS TWO WATCHMEN TO GIVE DAILY REPORTS ON ISSUES RELATED TO GUACAMAYAS. SOME OF THEIR FUNCTIONS ARE: PLOT ASSIGNMENT, TRANSFERS CONTROL, AND IN GENERAL THEY ACT AS MEDIATORS IN DISPUTES BETWEEN THE INSTITUTIONS AND THE PEOPLE.

##### 5. HOUSING SUPPLY AND DEMAND AFTER THE PROJECT

THE DEMAND FOR HOUSING IS CONTINUOUSLY BEING MONITORED BY THE HUMAN SETTLEMENTS DEPARTMENT OF FIDELAC BY MEANS OF ROUTINE REQUEST THAT PEOPLE FILL OUT A BRIEF SOCIO-ECONOMIC SURVEY. THIS DEMAND IS CONSTANTLY RENEWED, WHICH ENABLES A PROCESS IN

WHICH THE REAL DEMAND IS THE ONE THAT HAS THE LATEST POSITION IN TIME.

THE PROCESS OF SELECTION OF BENEFICIARIES IS ACCORDING TO A CRITERIA BY WHICH WAITING TIME, INCOME, AND NUMBER OF DEPENDENTS ARE THE MAJOR DETERMINANTS.

IN EARLY 1984 THE RENEWED DEMAND WAS AROUND 2100 FAMILIES, WHILE THE SQUATTERING FAMILIES IN THE REGION WERE REACHING SOME 2600 FAMILIES /13. THE COMPOSITION OF THE DEMAND WAS ITS MAJORITY FOR THE LOWER INCOME BRACKETS, WITH RESIDENCE IN LAZARO CARDENAS (RENTING) OR WITHIN THE SMALL SETTLEMENTS OF THE MICROREGION (ARRIMADOS OR SQUATTERS)/14. ROUGHLY SOME 90% OF THE APPLICANTS DEMAND ONLY SERVICED PLOTS./15

THE PROVISION OF HOUSING AFTER PROJECT TERMINATION IS COMPRISED OF HOUSING ACTIONS THAT INCLUDE A WHOLE RANGE OF ALTERNATIVES THAT GO FROM THE TEMPORARY PERMISSION TO SETTLE IN A SHACK (250 FAMILIES IN AREA DE TEMPORAL) TO FINISHED HOUSING (ONLY 18 HOUSES IN THE REGION), INCLUDING PROGRESSIVE URBANIZATION (300 PLOTS WITH ONLY WATER AND SEWAGE IN

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13/ THIS FIGURE WAS ESTIMATED BY ADDING THE 1000 PLOTS THAT WILL BE ADDED IN EARLY 1985 BY GIVING OUT LAND BY THE STATE GOVERNMENT NEXT TO SOLIDADRIDAD SOCIAL, THE PREVIOUS LAND GRANTING GIVEN OUT BY THE MUNICIPAL GOVERNMENT.

14/ 1.0-1.6 TMW.....	37%	LOCATION	
1.7-2.0 TMW.....	14%	GUACAMAYAS.....	23%
2.1-2.5 TMW.....	17%	LAZARO CARDENAS	
2.5-3.9 TMW.....	22%	& SMALL SETTLEM.....	77%
4.0-&UP TMW.....	5%		

15/ ESTIMATED BY THE HEAD OF THE HUMAN SETTLEMENTS DEPARTMENT.

AMPLIACION LA VILLITA), SITES AND SERVICES (SOME 30 PLOTS IN AMPLIACION JARENI), AND CORE HOUSING (FONHAPO PROGRAM FOR UP 3 TMW HOUSEHOLDS).THE TOTAL SUPPLY HAS RESPONDED TO A SMALL PART OF THE RECORDED DEMAND (IN 1981 40%, 1982 20%, 1983 30%)./16

MEANWHILE THE OLD SQUATTER SETTLEMENTS REMAIN UNTOUCHED BY ANY OF THE REGIONAL PUBLIC AGENCIES. LA ORILLITA NEXT TO THE SICARTSAS HIGH RANK RESIDENTIAL AREA, HAS A LONG TIME DISPUTE WITH THE NATIONAL COMMISSION FOR LAND REGULARIZATION FOR LAND REGULARIZATION,/17 SOLIDARIDAD SOCIAL (SOME 2 MILES FROM LA ORILLA, AND LAS FLORES NEXT TO THE SOUTHERN GUACAYAS BOUNDARY HAD NEARLY 400 FAMILIES EACH WITH NO SERVICE PROVISION; THE REST OF THE 13 SMALLER SQUATTER SETTLEMENTS SURROUNDING THE AREA -NOT COUNTING ANY OF THE 11 SMALL RURAL TOWNS OF THE MICROREGION- HAVE BEEN GROWING NEXT THE IRRIGATION DITCH.

AREA DE TRANSICION, THE TEMPORARY 250 FAMILY SETTLEMENT CREATED BY FIDELAC AS RESPONSE OF AN EARLY 1982 LAND INVASION, ARE SUPPOSEDLY WAITING FOR THE OPENING OF LOW-INCOME HOUSING PROJECTS BY FIDELAC. IN FACT, ROUGHLY TWO THIRDS ARE DEMANDING TO STAY IN THAT LENT LAND. THE OTHER THIRD WANT TO BE MOVED OUT SINCE THEY ARE SETTLED IN A HIGH SLOPE AREA (30%) WITH RISKS OF EROSION AND MUD AVALANCHES IN RAINING SEASON.

16/ NOLASCO, MARGARITA. LA CIUDAD DE LOS POBRES, IN LAS TRUCHAS. MEXICO: ED. ECODESARROLLO, 1984.

17/ ACCORDING TO THE HEAD OF CONURBAL IN THE REGION, CORETT HAS OFFERED THE REGULARIZATION TO THE ORIGINAL SETTLED FAMILIES. HOWEVER THE DISPUTE AROUSED FOR THOSE FAMILIES THAT HAVE ARRIVED LATER AND WHO DEMAND LAND FOR THEMSELVES. THIS MEANS THE PURCHASE OF EXPENSIVE LAND NEXT TO "LA ORILLITA"

## 6 .PRESENT AND PROSPECTIVE ROLE OF FIDELAC

SINCE 1978 THE NATIONAL INDUSTRIAL PORTS PROGRAM (NIPP) WAS APPROVED BY THE FEDERAL GOVERNMENT MOTIVATED BY THE OIL BOOM OF THE COUNTRY AND THE NEED TO UTILIZE EXTRAORDINARY INCREASES IN NATIONAL INCOME. HOWEVER IT WAS NOT UNTIL 1980 INITATED IN LAZARO CARDENAS.

THE FIRST CONSEQUENCE OF THE ENACTMENT OF NIPP FOR THE REGION WAS THE CREATION OF THE DEVELOPMENT PROJECTS COMMITTEE (CPD), A PUBLIC ORGANIZATION WHICH BEGAN A SLOW AND STEADY PROCESS OF INSTITUTIONAL STRENGHTENING. AT THE SAME TIME IT REDUCED FIDELAC'S PROVISION OF FISCAL RESOURCES. THE CONSEQUENCES OF THIS NEW INSTITUTIONAL SITUATION WERE:

1. IN 1980, CPD ALLOCATED A PART OF ITS FUNDS TO FIDELAC WHICH THEN HAD REACHED ITS APOGEE AS THE ONLY PUBLIC BODY MAKING DECISIONS ON URBAN PLANNING AND URBAN DEVELOPMENT IN THE LAZARO CARDENAS METROPOLITAN AREA BOUNDARIES.

2. ALTHOUGH FIDELAC DID KEPT PROVIDING LOANS FOR SELF-HELP HOUSING CONSTRUCTION, THE POST-PROJECT PROVISION OF LOW-INCOME HOUSING HAS A BEEN REDUCED TO A MINIMUM.

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18/ THE MAIN SOURCE FOR WRITING THIS CHAPTER WAS DANIEL HIERNOUX. "EL ESTADO Y LAS POLITICAS URBANAS" IN LAS TRUCHAS: CITY: CENTRO DE ECODESARROLLO, 1984.

3.MANY PLOTS ON THE SITES AND SERVICES PROJECT IN GUACAMAYAS WERE GIVEN TO SOME OF THE 330 "EJIDATARIOS" WHOSE LAND WAS EXPROPRIATED BY CPD FOR THE EXPANSION OF THE INDUSTRIAL PARK.

THE CREATION OF CPD SUGGESTS NEW TRENDS IN THE FUTURE DEVELOPMENT OF THE CITY AND MORE SPECIFICALLY IN THE PROVISION OF HOUSING.

TWO OTHER SIGNS OF CHANGE OF ROLE: FIRST, THE MUCH SHORTER PERIOD OF TIME TO ISSUE EXPROPRIATION DECREES FOR INDUSTRIAL PURPOSES. AND SECONDLY, THE SUSPENSION OF APPROVED FEDERAL RESOURCES FOR A SPECIAL LARGE PROGRAM OF RENTAL APARTMENTS.

PROVISION FOR THE LOW-INCOME GROUPS, SUCH AS THE ONES THE SHELTER PROJECTS BROUGHT ABOUT, BECAUSE INSTITUTIONAL ENFRANCHISEMENT WILL BE ABANDONED OR UNDER UTILIZED FOR THE LOW INCOME FAMILIES. WHAT IS NEEDED -AFTER THE FINANCIAL CRISIS PASSES- IS A SERIES OF PROGRAMS THAT OFFER ACCESS TO HOUSING TO ALL INCOME GROUPS.

## C H A P T E R    V I

### PROJECT IMPACTS

THIS SECTION PRESENTS A SPECIFIC VIEW OF THE MAIN IMPACTS OCCURRED BY THE SHELTER COMPONENTS OF THE LAZARO CARDENAS URBAN DEVELOPMENT PROJECT. THESE IMPACTS ARE IDENTIFIED ACCORDING TO A STANDARD CRITERIA FROM A WORLD BANK PUBLICATION./1

#### 1. ACHIEVEMENT OF PHYSICAL OBJECTIVES

##### A. THE QUANTITATIVE OBJECTIVES OF THE SHELTER PROJECTS WERE:

- A. TO BENEFIT 37,000 PEOPLE LIVING IN THE WHOLE MICROREGION.
- B. TO PROVIDE LEGAL TENURE TO 6760 HOUSEHOLDS.
- C. TO PROVIDE INFRASTRUCTURE AND BASIC SERVICES TO 5580 FAMILIES
- D. TO CREATE 1200 NEW SERVICED PLOTS
- E. TO EXTEND 5300 BUILDING MATERIALS LOANS FOR SELF-HELP.

##### B. THE EXTENT OF ACHIEVEMENT WAS AS FOLLOWS:/2

- A. THE BENEFITTED POPULATION WAS 16,000 (70.3%)
- B. THE NUMBER OF LAND TENURE ACTIONS UNDERTAKEN AND ACCOMPLISHED WAS 2823 (41.9%)
- C. THE NUMBER OF UPGRADED PLOTS WAS 2823 (50.6%)
- D. THE NUMBER OF NEW PLOTS WERE 1319 (73.3)
- E. THE NUMBER OF BUILDING MATERIAL LOANS MADE WITH WORLD BANK FINANCIAL RESOURCES WAS 1803 (34%); ADDING THOSE MADE WITH FISCAL RESOURCES IT WAS 3727 (73.3%).

A ROUGH MEASURE OF ACCOMPLISHMENT OF THE ACHIEVEMENT IS THE AVERAGE, WHICH IS 62% OF THE QUANTITATIVE OBJECTIVES.

1/ DOUGLAS H. KEARE AND SCOTT PARRIS. EVALUATION OF SHELTER ID PROGRAMS FOR THE URBAN POOR: PRINCIPAL FINDINGS. WORLD BANK STAFF WORKING PAPER No.547, 1982.

2/ ACCORDING TO THE 1983 REPORT OF FIDELAC TO BANOBRAS.

## 2. ACCESSIBILITY TO TARGET POPULATION

THE PROJECTS WERE TARGETTED TO THE POPULATION UNDER THE 40th PEPRCENTILE OF THE MICROREGION. IT WAS ESTIMATED THAT ONLY A 3% WOULD BE OUT OF THE PROJECTS REACH. HOWEVER THE PROJECTS HAVE SERVED ALL INCOME GROUPS, INCLUDING THOSE ABOVE 4 TMW /2. THIS NEVERTHELESS HAS BEEN A COMMON FEATURE FOUND IN MOST WORLD BANK PROJECTS /3.

HOWEVER THE INCOME GROUPS MORE FREQUENTLY SERVED BY THE PROJECTS WERE THOSE GROUPS WITH LOWEST FAMILY INCOME IN THE NEIGHBORHOOD OF THE 40th PERCENTILE (1.25 TMW) /4. INDEED, ALL PROGRAMS WERE REPORTED TO HAVE SERVED IN ITS LARGER SHARE TO THE 0.5 TO 1.5 TMW INCOME GROUPS. THE PROJECTS REPORTS AND EVALUATIONS OF THE HUMAN SETTLEMENTS DEPARTMENT CONFIRMED

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2/ THIS IS THE CASE OF THE SELF-HELP PROJECT IN ITS FIRST PHASE FROM 1977 TO 1980. IT PROVIDED CREDIT FOR HOUSEHOLDS ABOVE 4.5 TMW; IT ALSO SERVED WITH TECHNICAL ASSISTANCE RESIDENTIAL PROJECTS OF THE WELL-OFF FAMILIES. EVEN IN 1984, IN THE LAST YEAR OF OPERATION, IT WAS PROVIDING SOME 10% OF ITS RESOURCES TO FAMILY INCOME ABOVE 4TMW.

3/ INDEED THE FINDINGS ARE THAT PROJECTS INCLUDE UP TO THE 70th PERCENTILE, ALTHOUGH MOST ARE TARGETTING BETWEEN THE 20th AND THE 50th PERCENTILE GROUPS (KEARE p.vi). ON THE OTHER HAND THE DIFFICULTY TO TARGET UPGRADING PROJECTS SOLELY TO THE LOWEST INCOME GROUPS IS NOT NECESSARILY A NEGATIVE FACTOR, FOR ITS REPRESENTATIVENESS OF THE GREATER POPULATION AND ITS INCREASED ABILITY TO OFFER LOW INCOME GROUPS EMPLOYMENT.

4/ THE RECORDED-BY-FIDELAC DEMAND FOR HOUSING CONCENTRATED 56% OF THE DEMAND BETWEEN 0.5 AND 1.5 TMW.

ADEQUATE AFFORDABILITY . THE DISPOSABLE INCOME FOR HOUSING EXPENDITURE WAS CONSIDERED 18%. AFTER 1982 THIS CEILING WAS RISED UP TO 25%.

THERE WERE SOME UNAVOIDABLE LOOPHOLES IN THE BENEFICIARIES SELECTION PROCESS /6. SINCE IT IS UNECONOMICALLY TO HAVE A LONG SCREENING PROCESS TO VERIFY THE APPLICANTS INCOME BY VISITING THEIR HOMES, AS HAS BEEN THE CASE OF MANY OTHER WORLD BANK EXPERIENCES, INHERENT ERROR HAD TO BE ACCEPTED. NEVERTHTELESS, CARE WAS TAKEN TO AVOID INCLUDING TOO MANY HIGH INCOME FAMILIES WHO DID FALSIFY INCOME STATISTICS IN ORDER TO PARTICIPATE /7.

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5/ THE PERCENTAGE OF TARGETTED GROUPS THAT FALL IN THE 0.5 TO 1.5 TMW INCOME LEVELS RANGE BETWEEN 33% AND 71%. THESE FIGURES COME FROM EVALUATIONS CARRIED OUT IN A RAPID - PERHAPS SUPERFICIAL-- MANNER BY THE HUMAN SETTLEMENTS DEPARTMENT, BUT ALSO FROM PROJECT REPORTS AND THE WORLD BANK INITIAL ESTIMATES.

6/ THESE WERE DUE IN PART TO THE DIFFICULTIES OF VERIFYING THE INCOMES OF FAMILIES AT ENTRY, COUPLED WITH THE SHORTAGE OF MIDDLE CLASS HOUSING. IN THE CASES OF OWNERS WITH ANOTHER PROPERTY, THESE WERE NOT DETECTED IN THE BEGINNING, AND WHEN PUT IN EVIDENCE, THEY HAD ALREADY PAYED FOR THEIR PLOTS SO THERE WAS NOTHING ELSE TO DO. THE FACT THAT THEY WERE ABLE TO PAY ALL AT ONCE, ALSO SHOWS SOME OF THE DEFICIENCIES HARD TO AVOID IN THE SELECTION PROCESS.

7/ IN 1980 THE SELF HELP PROGRAM WAS ABLE TO SISTEMATIZE THE PROCEDURE BY GIVING DIFFERENT WEIGHTS TO EACH REQUIREMENT. APPARENTLY THIS EFFORT DID NOT LEAD TO A COMPUTERIZED PROCESS, BUT ONLY WAS USED AS A MORE PRECISE CRITERIA.

ON THE DEFINITION OF INCOME FIDELAC CUSTOMARILY HAS MAINTAIN THE SAME: FAMILY INCOME INCLUDES ONLY THE PARENTS INCOME. USUALLY THE INSTITUTIONS DOES NOT CONSIDER FINANCIAL TRANSFERS /8. ACCORDING TO THESE CRITERIA AN ACCEPTABLE RANGE OF INCOME GROUPS WERE INCORPORATED TO THE SITES AND SERVICES PROJECTS.

THE LAZARO CARDENAS PROJECT SUPPORTED FINDINGS OF THE WORLD BANK IN SEVERAL RESPECTS. ONE IS THE FACT THAT BENEFICIARIES HAVE BEEN STIMULATE TO PRODUCE A QUALITY OF HOUSING HIGHER THAN EXPECTED. THIS IS FOR FAMILIES CONTINUE TO INVEST MONEY AND TIME IN THE PROJECT AREAS PROGRESSIVELY IMPROVING NOT ONLY THEIR HOUSES BUT ALSO COMMUNITY FACILITIES SUCH AS SIDEWALKS, PARKS, AND COMMUNITY CENTERS (KEARE p.vi).

SOME DATA ON THE SOCIO-ECONOMIC PROFILE OF PROJECTS BENEFICIARIES FOLLOWS.

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8/ ALTHOUGH I DID NOT HAVE ANY DATA FOR THE COMPROBATION OF TRANSFERS, A WORLD BANK PILOT EVALUATION PUBLISHED IN 1980 FOUND AN IMPORTANT BEHAVIORAL ASPECT OF THE LOW-INCOME GROUPS: THAT FINANCIAL TRANSFERS OCCUR UP TO ONE THIRD OF THE HOUSEHOLDS, AMOUNTING A 10% OF TOTAL INCOME, AND ARE AS STABLE AS ANY SOURCE OF INCOME TEMPORARITY AUGMENTED WHEN THE OPPORTUNITY TO PURCHASE A HOUSE OCCURS. "THESE FINDINGS SUGGEST THAT MORE AND POORER FAMILIES CAN AFFORD THE HOUSING PROVIDED UNDER THESE PROJECTS. ALSO THEY SUGGEST THAT MORE AND POORER FAMILIES CAN AFFORD THE HOUSING PROVIDED UNDER THESE PROJECTS. ALSO THEY SUGGEST THAT CREDIT REQUIREMENTS ARE PROBABLY MUCH LESS UNIFORM THAN ANTICIPATED" (KEARE p.xv).

41% FROM THE PRIVATE SECTOR, 58% FROM THE TERTIARY SECTOR; AVERAGE AGE 37 YEARS; 84% FUNCTIONAL FAMILIES (73% MARRIED COUPLES); 17% OF FIDELAC PERSONNEL WAS RECIPIENT OF LOANS; 71% WITH RESIDENCY TIME BETWEEN 3 AND 10 YRS.; 70% WITH INCOME BETWEEN 0.5 AND 2.5 TMW (THE RANGE BETWEEN 1.5 AND 2.5 TMW WERE 37%). THESE ARE THE MOST RELIABLE FIGURES OF THE PROJECT, FOR THEY WERE DONE ON 1056 CASES OF THE SELF-HELP PROGRAM BY U.P.E./9

### 3. IMPROVEMENTS TO HOUSING

AN URGENT NEED TO CONSOLIDATE HOUSING IN THE URBAN AREAS OF THE REGION HAS BEEN IDENTIFIED./10 HOWEVER, NOT ALL BENEFICIARIES FROM THE DIFFERENT SHELTER PROJECTS HAVE BEEN RECIPIENTS (SEE SELF-HELP PROGRAM), IN THIS RESPECT, THE BUILDING MATERIALS LOANS PROGRAM HAS BEEN INSTRUMENTAL IN HOUSING CONSOLIDATION IN ALL UPGRADED AREAS, BUT MORE SPECIFICALLY IN THE SITES AND SERVICES PROJECT AREAS /11.

9/ U.P.E. EVALUACION DEL PROGRAMA DE AUTOCONSTRUCCION. LAZARO CARDENAS: FIDELAC, 1980.

10/ RESULTS FROM AN INQUIRY CARRIED OUT BY THE HUMAN SETTLEMENTS OFFICE OF FIDELAC IN EARLY 1984 INDICATE THAT THE REASONS FOR CONSOLIDATING URBAN HOUSING ARE THREE: THE FREQUENT TROPICAL STORMS, THE RAPID DETERIORATION OF CARD BOARD, AND THE DEMAND FROM SOCIAL STATUS.

11/ THE PERCENTAGE OF CONSOLIDATED CONSTRUCTION IS QUITE NOTICEABLE IN THESE AREAS, RANGING FROM AN AVERAGE OF 78% IN SITES AND SERVICES TO 68% IN UPGRADED PROJECT AREAS. (IN THESE SURVEY SAMPLE FIGURES, CONSOLIDATED HOUSING IS CONSIDERED THAT WHICH HAS CONCRETE SLAB). ACCORDING TO THE PROGRAM RECORDS, IN SITES AND SERVICES PROJECT AREAS, 80% OF THOSE LIVING IN CONSOLIDATED HOUSING HAVE PARTICIPATED IN THE SELF-HELP PROGRAM.

IT SEEM EVIDENT THAT PEOPLE HAVE BEEN BENEFITTED MORE THAN EXPECTED. ALTHOUGH THERE ARE NO SPECIAL STUDIES ON THE MARKET VALUES OF HOUSING, ACCORDING TO MARKET VALUES /12, IT IS EVIDENT FROM LOOKING AT THE PRESENT SALE PRICES THAT THE EXISTING HOUSING HAS INCREASED ITS VALUE BY A SUBSTANTIAL PROPORTION/13.

ON THE OTHER HAND, THE NEGATIVE EFFECTS ON EXPENDITURES FOR FOOD AND OTHER BASIC NECESSITIES HAVE BEEN VERY REDUCED /14, SPECIALLY TAKING INTO ACCOUNT THE HIGH RATE OF INFLATION, WHICH HAS BEEN MORE THAN TWICE THAN THE DELAYED-PAYMENT INTEREST RATES /15. IT MAY BE ASSUMED ALSO THAT SIGNIFICANT INCREASES

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12/ THE DIFFICULTY IN ESTIMATING CHANGES IN HOUSING VALUE BY MEASURING DIRECTLY AT MARKET VALUES, ARISES FROM THE PROJECT STIPULATION THAT HOUSES CANNOT BE SOLD WITHIN A 5 YEAR PERIOD FOLLOWING ITS COMPLETION. FIDELAC SEEMS NOT TO HAVE DONE A DETERMINATION OF THE EXTENT OF IMPROVEMENTS IN HOUSING QUALITY OVER TIME, THE SO CALLED HEDONIC PRICING TECHNIQUES, IN WHICH IT IS ASSUMED THAT THE PRICE OF HOUSING DEPENDS DIRECTLY ON THE SUM OF ITS CHARACTERISTICS AS THEY ARE PERCEIVED JOINTLY BY BUYER AND SELLER.

13/ AT THE GUACAMAYAS DWELLING MARKET, EVIDENCE FROM THE FREQUENT TRANSFERS (30% IN SOME AREAS), SHOWS THAT DEPENDING UPON THE BUYER'S NEEDS AND POSSIBILITIES, AS WELL AS THE SELLERS SITUATION, ANY THING GOES INTO PRICING. THE SAME IS SELLED, BUYED, OR RENTED: A SOLID MATERIALS HOUSING AS IT IS ANY UNFINISHED HOUSE, OR EVEN A TEMPORARY SHACK.

14/ THE FIDELAC CENSUS IN 1977 FOUND THAT FAMILIES WERE SPENDING UP TO 15.4% OF THE FAMILY BUDGET IN HOUSING. THE PAYMENTS FOR THE PROJECT URBAN AND SHELTER BENEFITS WERE SET TO RANGE FROM 15% TO 25% OF FAMILY INCOME.

15/ ALTHOUGH NO DATA WAS AVAILABLE, THE ROLE GUACAMAYAS WAS PLAYING DURING THE PRIOR STAGE OFFERING RENTAL HOUSING (MORE THAN 30%) MOST LIKELY HAS CONTINUE.

IN RENTAL INCOMES WERE BROUGHT ABOUT BY THE PROGRAM, TAPPING IN THIS WAY NEW SOURCES OF FINANCE FOR LOW-INCOME HOUSING.

#### 4. ACCESS TO SERVICES

IMPROVED ACCESS TO SOCIAL AND OTHER URBAN SERVICES THROUGH THE PROGRAMS HAVE YIELDED RELATIVELY GOOD RESULTS. ALTHOUGH NOT ALL BENEFICIARIES ARE CONVINCED OF THE EFFECTIVENESS OF THE PROGRAM,<sup>16</sup> ENVIRONMENTAL QUALITY AND INTEGRATION WITH URBAN SERVICES HAVE CLEARLY BEEN IMPROVED IN ALMOST ALL THE GUACAMAYAS NEIGHBORHOODS <sup>17</sup>.

UPGRADING PROJECT PARTICIPANTS HAVE BENEFITTED FROM PIPED WATER ALTHOUGH IT IS SUPPLIED ONLY EVERY OTHER DAY, WITH OCCASIONAL SHORTAGES THAT MAY LAST SEVERAL DAYS. ON THOSE OCCASSIONS, FIDELAC AND THE MUNICIPALITY WILL PROVIDE WATER BY TRUCK.

PARTICIPANTS ALSO HAVE BENEFITTED FROM HAVING A PRIVATE TOILET. PAVED ROADS HAVE FREE THE GUACAMAYAS POPULATION FROM THE DIFFICULTIES OF UNKEEP. DURING THE RAINY SEASONS, PROBLEMS WITH CLOTHING CLEAN, AND THE EXPENSE IN SHOES HAS BEEN REDUCED. TRUCK DELIVERY AND COLLECTIVE TRANSPORTATION HAVE AS WELL BEEN BENEFITED FROM PAVED ROADS. ONLY THE TRASH COLLECTION SERVICE HAS CONTINUED TO BE REPORTED DEFICIENT. (SEE V-2 OPERATION AND MAINTENANCE)

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<sup>16/</sup> IN A SURVEY IN CERRITOS, ONE OF THE NEIGHBORHOODS WITH UNFINISHED FACILITIES, 56% OF THE INTERVIEWED SHOWED DISATISFACTION WITH THE SERVICES. IN CONTRAST THE FIGURE FOR EL TRIANGULITO, A WELL-SERVED NEIGHBORHOOD, WAS 11%.

<sup>17/</sup> BESIDES CERRITO, SOME 3 BLOCKS OF LEANDRO VALLE, TWO AREAS REMAIN WITH UNFINISHED WORKS. ZONA EJIDAL URBANA, FOR BEING SETTLED ON EJIDAL LAND TENURE, AND CAMPAMENTO OBRERO, FOR HAVING ACCORDED NOT HAVING THEIR ROADS TO BE PAVED.

## 5. EMPLOYMENT AND INCOME GENERATION

BESIDES THE JOBS GENERATED DIRECTLY BY THE PUBLIC WORKS OF THE UPGRADED AREAS /18, INFORMAL EMPLOYMENT FROM LABOR HIRED TO HELP BUILD THE DWELLING WAS 70%, A COMPARATIVELY SPEAKING HIGH FIGURE AMONG THE WORLD BANK PROJECTS.

## 6. INSTITUTIONAL BUILDING

FIDELAC AT THE TIME OF PROJECT PLANNING WAS CONSIDERED AS AN INTITUTION FINANCIALLY QUITE DEFICIENT, OVERSTAFFED, AND FUNCTIONING WITH INADEQUATE PLANNING, REVIEWING AND MANAGERIAL CAPACITIES/19. FIDELAC, AS MANY OF THE OTHER URBAN DEVELOPMENT TRUSTS OF THE COUNTRY, WAS CONCEIVED OF AS A TEMPORARILY SET AGENCY TO IMPLEMENT A DEVELOPMENT PROJECT, WITHOUT CONCERN FOR COST RECOVERY.

THE CHANGES FIDELAC HAD TO UNDERGO WERE THE FOLLOWING SEVEN:

1.IT WAS REORGANIZED AS A SELF-FINANCED, CORPORATION-MINDED PROMOTER OF URBAN PROGRAMS.

2.ADDED TO ITS FUND-DISBURSEMENT AND IMPLEMENTATION ROLES, IT BECAME RESPONSIBLE FOR PROJECT COST-RECOVERY.

3.FIDELAC WAS GRANTED WITH THE AUTHORIZATION TO CREATE TWO REVOLVENT FUNDS FROM RECOVERED PAYMENTS TO EXPAND URBAN PROGRAMS.

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18/ A TYPICAL WORLD BANK PROJECT WOULD PRODUCE PER UNIT 0.53 PERSON/YEAR EMPLOYMENT, AND GENERATE SOME 600 DOLLARS OF WAGE. KEARE. EVALUATION OF SHELTER PROJECTS. WORLD BANK, 1982).

4. ITS STAFF WAS RENEWED, ITS STAFF REDUCED IN 20%, AND A PROJECT MANAGER POSITION ADDED

5. DEBTS FROM OTHER PUBLIC ORGANISMS WERE ASSURED BY THE FEDERAL GOVERNMENT TO BE RESOLVED

6. OVERALL RESPONSABILITY FOR THE WORLD BANK SHELTER PROJECTS (INCLUDED COMMUNITY CENTERS AND SMALL BUSINESS CREDIT PROGRAM) WAS TO BE DELEGATED FROM SAHOP TO FIDELAC /20.

7. FIDELAC WAS ASSIGNED THE UNIQUE ROLE OF OVERALL URBAN DEVELOPMENT AND PROVISION OF URBAN SERVICES FOR THE AREA TO BE THE METROPOLITAN AREA OF LAZARO CARDENAS IN YEAR 2000 /21.

UNDOUBTELY THE WORLD BANK PROJECT WAS INSTRUMENTAL IN THE STRENGTHENING AND EXPANSION OF ROLE THAT FIDELAC PLAYED IN THE LARGE URBAN AREAS DURING THE FOLLOWING 4 YEARS. AT PRESENT, HOWEVER, DUE TO INTERNAL AND EXTERNAL FACTORS /22, THIS ROLE SEEMS TO BE DIMINISHING AND WEAKENING RAPIDLY.

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19/ THE DEFICIENCIES WERE IN RESPECT TO MANAGERIAL PROCEDURES AND FINANCIAL RECORD, DUE TO ITS PAST PROVISION OF SUBSIDIZED CREDIT FOR HOUSING AND TO THE LARGE DEBT FROM SICARTSA; ITS STAFF WAS AT LEAST 20% EXTRA THAN NEEDED (WORLD BANK PROJECT REPORT p.33)

20/ THIS COINCIDED WITH THE NATIONAL ADMINISTRATIVE REFORM OF THE NEW FEDERAL ADMINISTRATION 1976-82, UNDER WHICH ALL PUBLIC AGENCIES WERE REORGANIZED UNDER SECTORIAL LINES. IT WAS ALSO INCLUDED, AFTER THE PLANNED LAND EXPROPRIATION, EXPANSION OF ITS PROGRAMS TO THE WHOLE MICROREGION.

21/ BOTH BECAUSE THE WORLD BANK PROJECT AND FOR THE 1977 FEDERAL ADMINISTRATIVE REFORM.

22/ INTERNALLY IS ITS DEFICIENT COST RECOVERY, AND CONCURRENTLY ITS LACK OF FINANCIAL RESOURCES TO EXPAND ITS PROGRAMS. EXTERNALLY, THE PRESENCE OF NEW INSTITUTIONS, DOMINATING ON CONCERNS OF INDUSTRIAL DEVELOPMENT WITH LITTLE REGARDS TO SOCIAL INFRASTRUCTURE.

AT THE LEVEL OF THE PROVISION OF HOUSING AND BASIC SERVICES, THE AGENCY HAS IMPLEMENTED TWO INNOVATIVE PROGRAMS: A CATCHMENT AREA, AND A PROGRESSIVE URBANIZATION PROJECT /23; THESE TWO ARE THE ALMOST SOLELY ACTIONS TO COUNTERACT THE NEW BANK STATE SCHEMES THAT PROVIDE CORE HOUSING EXCLUSIVELY FOR THE DEMAND ABOVE 3 TMW.

AS A MODEL INSTITUTION IT HAS BEEN PROVIDED ADVISE TO OTHER THREE FIDEICOMISOS (URBAN DEVELOPMENT TRUSTS) IN THE COUNTRY /24.

NOTWITHSTANDING, INTERNALLY THE QUALITY OF ITS STAFF AND ITS OPERATION (SPECIALLY THE STATISTICAL AND SURVEY FUNCTIONS) HAS BEEN DIMINISHING /25. MORE RECENTLY ITS SCOPE AND STAFF SIZE SEEMS TO BE SHRINKING /26.

IN SUMMARY, THE WORLD BANK LOAN WAS A TEMPORARY INJECTION OF FINANCIAL RESOURCES THAT GAVE FIDELAC LEVERAGE THAT IS VANISHING RAPIDLY ONE AND A HALF YEARS AFTER PROJECT TERMINATION.

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24/ THESE ARE THE THREE OTHER PORTS BEING DEVELOPED DURING THE PAST ADMINISTRATION WITHIN THE NATIONAL INDUSTRIAL PORTS PROGRAM.

25/ BECAUSE LOW WAGES -ACTUALLY THE LOWEST OF ANY PUBLIC AGENCY IN THE REGION- AND FOR UNSATISFIED DEMANDS TO CREATE AN EMPLOYEES UNION, AROUND 1982 MANY OF THE STAFF THAT HAD BEEN WORKING IN THE WORLD BANK SHELTER PROJECTS LEFT THE INSTITUTION. PARALLELING THIS MOVEMENT, THE SOCIAL DEPARTMENT WAS CHANGED FROM ITS FRONT SITUATION PLACE TO A MUCH LESS IMPORTANT LOCATION WITHIN THE HEADQUARTER BUILDING. CONCOMITANTLY, SPECIALLY AFTER THE DISMANTELING OF U.P.E., THE QUALITY OF RESEARCH AND SURVEYING DETERIORATED. POLICY OF INSTITUTIONALITY IN GUACAMAYAS.

26/ IN LATE 1984 THE REDUCTION OF PERSONNEL HAS BEEN QUITE NOTICEABLE. ALSO THE TERMINATION OF THE BUILDING MATERIALS LOANS PROGRAM ARE BOTH SYMPTOMS OF ITS CRISIS.

ITS CHIEF ACHIEVEMENTS, HOWEVER WERE THE PROVISION OF BASIC URBAN SERVICES TO LOW-INCOME GROUPS, THE INTRODUCTION OF SOME 3000 PLOTS TO THE LAND MARKET , THE SUCCESSFULLY DEALING WITH THE POLITICAL OPPOSITION TO THE PROGRAM, AND THE ENACTMENT OF A LOW INCOME HOUSING POLICY./27

7. BROADER IMPACTS ON NATIONAL URBAN HOUSING POLICIES AND ON URBAN AREAS

A.ON COMMUNITY SELF-AWARENESS

THE CREATION OF THE NEIGHBORHOOD COMMITTEES, WAS CONCEIVED AS A DEVISE TO CONTROL THE PROJECT PARTICIPANTS, /28 IT BECAME INSTEAD AN INSTRUMENT FOR COMMUNITY ORGANIZATION AND THE DEVELOPMENT OF CIVIC AWARENESS. SOME OF THESE COMMITTEES ARE THE ONES THAT ARE NOW OPPOSED TO FIDELAC MEASURES TO ENFORCE COST RECOVERY, ALTHOUGH RECENTLY IT SEEMS THIS IS BEGINNING TO CHANGE /29

27/ DR. DANIEL HIERNOUX'S ANALYSIS OF THE INSTITUTIONAL BEHAVIOR OF THE OVERALL GROWTH POLE PROGRAM CONCLUDES THAT THE LACK OF EFFICIENCY AND THE EXCESSIVE WASTE OF RESOURCES ARE INTENTIONAL. IN HIS ANALYSIS HE SEES THE STRATEGY OF FIDELAC TO CREATE THE NEIGHBORHOOD COMMITTEES AS A MEANS TO CONTROL THE COMMUNITIES THROUGH COOPTED LEADERS. HE CONCLUDES THAT IN SPITE OF THE OFICIAL INTENTIONS TO CONTROL COMMITTEES, THEY ARE BOUND EVENTUALLY TO GET RID OF THE CORRUPTED LEADERS.

28/ IN EARLY 1984, TALKS WITH THE LEADERS OF CERRITO ASKING FOR THEIR COOPERATION TO ENCOURAGE PAYMENTS -AS A MEANS TO PROVIDE FIDELAC WITH THE REQUIRED RESOURCES TO FINISH UP THE WORKS- SEEMED TO BE HAVING SOME SUCCESS.

29/ ALTHOUGH NEITHER OF THESE ACTIONS IS COMPLETELY NEW IN THE REGION (THE FIRST INDECO PROJECT, AND PLANS FOR CATCHMENTS AREAS IN 1981 WERE BEING CONSIDERED), BOTH ARE TO BE CONSIDERED AS RESPONSES TO AN EMERGENCY SITUATION.

#### B. ON LABOR TURNOVER AND RESIDENTIAL STABILITY

GUACAMAYAS AS PART OF THE NEW TOWN REGION, WAS ALSO SUBJECTED TO THE MIGRATIONAL FLUXES DETERMINED BY THE GENERATION OF JOB OPPORTUNITIES. ITS ROLE AS PROVIDER OF CHEAP ACCOMODATION WAS INSTRUMENTAL IN KEEPING WORKERS IN THE REGION/30.

#### E. ON PROMOTION OF CULTURAL AND SOCIAL ACTIVITIES

DURING THE PROJECT, FIDELAC BEING THE STRONGEST PUBLIC ORGANIZATION IN THE REGION, WAS ABLE TO PROMOTE AND COOPERATE WITH MANY SOCIAL AND CULTURAL ACTIVITIES RELATED TO THE LOW-INCOME COMMUNITIES.

#### D. ON SUPPORT TO INDUSTRIAL DEVELOPMENT

FIDELAC WAS CREATED FOR THE EXPRESS PURPOSE OF PROVIDING HOUSING AND URBAN SERVICES TO THE PERSONNEL OF SICARTSA. BECAUSE OF ITS INITIAL FINANCIAL AND LEGAL CONSTRAINTS ON WORK IN GUACAMAYAS, IT WAS NOT POSSIBLE FOR THE AGENCY TO RESPOND TO THE NEEDS OF THE LOWER ECHELON OF STEEL WORKERS LIVING IN GUACAMAYAS. UNTIL THE WORLD BANK PROGRAM WAS INTRODUCED. HENCE THE IMPACT ON UPGRADED AREAS BENEFITTED DIRECTLY A VERY LARGE PROPORTION OF THE SICARTSA WORKERS DEMANDING HOUSING. /31

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30/ AFTER PROJECT TERMINATION THERE WAS A NOTABLE REDUCTION IN THE WORKERS TURNOVER INDEX (INTERVIEW WITH ARQ. VIOLETA CRUZ TOLEDANO, MARCH 1985)

31/ THE IMPACT OF SOCIAL INFRASTRUCTURE INVESTMENT IN GUACAMAYAS BENEFITTED A LARGE PROPORTION OF THE STEEL WORKERS. ALL NEIGHBORHOOD REPORTED AT LEAST A 30% OF HOUSEHOLDS HOLDING JOBS IN SICARTSA. ANIBAL PONCE, ONE OF THE TWO NEIGHBORHOODS MOST BENEFITTED BY THE SELF-HELP PROGRAM, ALONE HAS MORE THAN HALF SICARSA WORKERS.

**E.ON THE SUPPORT TO URBAN DEVELOPMENT**

THROUGH THE DRAWING OF THE GUACAMAYAS MASTER PLAN, AND BY SUPPORTING THE URBAN PLANNING EFFORTS MADE WITHIN THE REGION, THE WORLD BANK PROJECT HAD A DIRECT IMPACT ON CREATING A MORE RATIONAL AND ORDERLY URBAN GROWTH AND DEVELOPMENTAL PATTERN IN THE MAIN URBAN AREAS. ALSO THE HOUSING STOCK OF THE REGION WAS INCREASED BY MORE THAN 1500 NEW HOUSING.

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