Of dreams and deeds: the role of local initiatives for community based environmental management in Lima, Peru

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As was seen in Chapter 1 (section 1.1.2), the human system comprises the individual system, the social system and the governance system. In this chapter, we will start by describing the latter first, as it sets the context for the establishment and consolidation of neighbourhoods and the role that is assigned to each actor in these processes. As these roles were perceived differently under the various presidencies, we will first give an overview of how the various governments in the second half of the 20th century dealt with the problems of urban growth and settlement (Section 4.1). Next, the various components of the governance system – the national, provincial and municipal governments and non-governmental organisations (NGOs) – and their respective responsibilities will be described (Section 4.2).

There are important mutually influential relations between the governance and the social systems. Since the Prado Government (1956-1962), neighbourhood organisations have played a central role in the land titling process and are recognised by the state as the only legal partners for negotiations over the legal status and further development of the settlements. The sectoral CBOs (Section 4.3.2) and the social networks (Section 4.3.3), will also receive attention. The third subsystem within the human system – the individual system – will be dealt with in Section 4.4. In the last part of this chapter, we will see how the human system as a whole contributes to what is called ‘the reproduction of the city’ (Section 4.5).

### 4.1 Neighbourhood organisations and the state

#### 4.1.1 The military government of Odria (1948-1956)

Although the first squatter settlements in Lima originated in the 1930s when poor *limenos* settled on the banks of the Rimac River, Lima’s rapid growth started in the late 1940s, fuelled by massive migration from the rural areas to the capital. The military government led by General Odria (1948-1956) was the first to see itself confronted with a high demand for public housing.

Odria had assumed office after a coup and rapidly developed a highly paternalistic and client-based approach, trying to offer an alternative to the popular mobilisation of the previous regime. The most important instrument in this policy was the extensive promotion of the formation of squatter settlements, stimulating the formation of neighbourhood organisations.

In March 1949, a law (Ley 11006) was passed giving the government the right to subdivide and sell land for urbanisation. It was followed by a law in July (Ley 11061) which turned all land without an undisputed owner into public property, thus providing the state with a vast amount of vacant desert land available for settlement (Kross, 1992: 279). In the same year, it was legally laid down that the government would only negotiate on land issues with recognised neighbourhood organisations,
not with individuals. This enormously enhanced the formation of neighbourhood associations seeking the patronage of politicians.

Although many settlements were legalised, almost no individual land titles were granted. As long as squatters are simply located on public land, their security of land tenure appears to depend on the willingness of the state, and particularly the president, to let them stay. Only those who receive an individual land title have security of tenure that has any legal basis and is from then on independent of the good will of the president.

The client-based approach stresses face-to-face ties with government officials, rather than membership in political parties. As a result, leadership of the neighbourhood associations remained centralised in small groups within the settlements, and the broader population became mobilised only for specific purposes (Stokes 1995:16). Poor people even developed certain implicit rules of behaviour in approaching government officials and other powerful actors, cultivating ties with one or two relevant individuals and retaining those ties until their task was completed or they had given up. Their outward attitude was one of politeness and respect, flattering the bureaucrat, whose willingness to attend to a certain need was seen as an extension of personal charity (Stokes 1995:17). In general, there was a surprising absence of demanding material or other benefits from the political system, because it seemed that making demands in a public way was seen as violating the rules of decorum.

Allowing people to stay on the land they invaded in return for their votes and support to his government not only strengthened the base of Odrías' government, it was also an easy and relatively cheap way to get rid of the problem of the urban poor. He left the invaders in their legalised settlement on land nobody else was interested in, and left it to them to build their houses and arrange the necessary infrastructure. Another important element of Odrías' urban administration was that during his regime urban service delivery was transferred to separate public institutions. These institutions developed into a major actor throughout the years.

4.1.2 The Prado government (1956-1962)

In the first months of the presidency of the democratically elected Manuel Prado (1956-1962), the Commission for Agricultural Reform and Housing (Comisión para La Reforma Agraria y la Vivienda, CRAV) was formed, whose official task it was to present a plan to distribute small urban and rural property. The commission – headed by Pedro Beltrán (see also Box 4.1) – understood its task as structuring and legalising the occupation of vacant low-value desert land without affecting the conventional land market. The strategy of the 'satellite cities' at the outskirts of Lima was born (Driant 1991:101). The idea of the satellite cities was to form new autonomous growth poles at the outskirts of the city in the vacant desert land. Land reserved for industrial development was thought to provide employment opportunities in the future and to complete the spatial segregation between the rich and the poor.

Beltrán followed a very liberal policy, promoting private property but based on the philosophy 'teach the poor to take care of themselves' (Collier 1976:281). He particularly emphasised the value of self-help, and urged that once community improvements had been carried out on this basis, land titles should be granted
(Collier 1976:76). In a way one could say that the proposals of Beltrán were Turnerian avant la lettre.1

Box 4.1 Ciudad de Dios: the birth of San Juan de Miraflores

On 24 December 1954, a group of 5,000 settlers invaded the vacant land south of Lima. It was the first massive invasion that took place in Limenean history. Although it is difficult to prove, most Peruvians believed that this massive invasion – one of the biggest that ever took place in Lima – was strongly supported by an important opposition leader, Pedro Beltrán. Beltrán was one of the country's leading oligarchs, and a colourful political figure. Although he had been one of the organisers of the coup that brought Odría to power, he became one of his most important critics. He headed the right-wing conservative newspapers 'La Prensa' and 'Última Hora', and used this as an instrument in the political fights. As a major point with which to attack Odría he had chosen the issue of the shortage of low-cost housing. One of the principal leaders of the invasion of Ciudad de Dios had previously worked for Beltrán. 'La Prensa' gave extensive coverage to the invasion, and even years later the editorials of the newspaper still referred to the case, always citing the gravity of the housing shortage and of the need to follow the housing policies which Beltrán proposed (Collier 1976).

Ciudad de Dios served to illustrate two main elements of Beltrán's proposal. Firstly, Beltrán played a central role in the introduction of mutual savings and loan associations. The group who invaded Ciudad de Dios originally named itself 'La Asociación Mutualista de Obreros Generales La Provincia', a term which no one else ever used, referring to a mutual saving fund based on the American concept of the 'Savings and Loan Associations' (Zapata 1997:65). Secondly, the invasion was used to promote the idea of 'la casa barata que crece' (the cheap house that grows), starting with an affordable basic unit which could be extended over the years (Collier 1976:69-72). A last small but striking detail: according to Collier, the invasion of Ciudad de Dios was even used in part as a means of getting the residents out of certain inner city slum areas; areas owned by the Prado family. Prado came into power only two years after the invasion of Ciudad de Dios took place, nominating Beltrán as his Prime Minister in 1958.

It was the Prado regime which legalised the settlement of Ciudad de Dios in 1958. The invaders were offered a site only a few meters away from the original invasion, laid out according to the new programmes established under Prado. This settlement formed the origin of what in 1965 was recognised as an official Limenean district: San Juan de Miraflores.

Beltrán's emphasis on the 'casa propria' (one's own house) as a basis for further development strategies was internalised by many Limeños. In a survey of industrial workers in 1962-63, 54% of the workers stated that obtaining their own house was their most important personal goal, contrasted with only 9.9% naming stable employment and 9.7% a good economic situation (Collier 1976:77).

In 1961, the Prado government passed the famous Ley de barriadas, the law on squatter settlements (Ley 13517). Through this law, existing barriadas were legalised to ensure security of tenure, and state support for service delivery was promised. The

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1. John Turner is the best-known researcher and promoter of the process of (aided) 'self-help' building as a strategy to address the housing problem of the urban poor. However, Turner did not invent the self-help approach, but highlighted what was happening in Peru.
formation of new *barriadas* was explicitly prohibited in Article 2 of the law, and settlements formed through an invasion after 20 September 1960 were excluded from receiving benefits. As an alternative to invasions, Article 3 gave the National Housing Corporation the authority to form new settlements known as *Urbanizaciones Popular de Interés Social* (UPIS), ‘cheap’ basic housing units to be completed by the inhabitants. With this law, however, the Peruvian government implicitly declared that building houses for the poor was not a state responsibility. In the same year, the scope of the law was broadened considerably, by extending the authority to form the *urbanizaciones* to local governments and to any non-profit group that would form them in conformity with the law.

The law set up a procedure for remodelling and granting land titles in existing *barriadas*. Prior to legalisation, services had to be installed and if necessary street grids and lot sizes would have to be redesigned. The different kinds of neighbourhood organisations – the loosely organised asociaciones, the better-organised asociaciones de vivienda and the richer cooperativas de vivienda – were recognised as the only legal partners for negotiation. To be recognised, these organisations had to present their articles of association and the state had the right to inspect their minutes and accounts. Article 6 explicitly names the state as responsible for encouraging the population to organise itself, and to foster this organisation with technical assistance and materials.

At the same time, the co-ordinating institution (* Corporación Nacional de Vivienda, CNV*) received considerable funds in 1961, enabling the creation of 4 UPIS, with a total of almost 20,000 plots, basic units or houses (Driant, 1991:16).

Evaluating the law on the *barriadas*, Kross (1992) comes to the following conclusions:

1. The state accepted the responsibility to provide land to the urban poor, and to develop it according to the rules set for the UPIS.
2. The state committed itself to assist in designing or re-designing the settlements and infrastructure provision, with both financial and technical means, although the actual support was limited.
3. In this way, the state protected the people in the *barriadas* from both speculators and eviction. It also offered special rates for the provision of water and electricity, and lower tax rates for the *barriadas*.

The law gave a certain room for self-management at the neighbourhood level, and fostered efficient neighbourhood organisations and forms of participation (Kross 1992:341). But as it did under the former president Odría, the provision of basic infrastructure lagged far behind the needs. One could also state that Prado perfected what Odría started. He gave further shape to the strategy of ‘letting the poor take care of themselves’, using what in the 1980s came to be known as ‘enabling strategies’. But he implemented it in a way that ensured that the poor masses would not hinder the proper development of the middle- and high-income areas.

Although the legal framework for squatter settlements was favourable under Prado, the actual implementation was disappointing. Many Peruvians blamed this on the executive authorities and not the central government. This might be the result of the
fact that in the first phase (the invasion) government officials played such an important role.

4.1.3  Belaunde I (1963-1968)
Under the Belaunde government (1963-1968), the ‘Ley de Barriadas’ rapidly lost its momentum. Belaunde opted for a policy aiming to develop the interior of the country, to slow the migration to the capital. Although this policy was unsuccessful, it put a stop to further investments being made in the barriadas. A highly frustrated urban popular sector organised marches to demand land titles. These marches, which took place from July through October 1968, were in a certain sense the prelude for the populist left-wing military government that took over after a military coup on 3 October 1968 (Zapata 1997:75).

4.1.4  The Velasco Government (1968-1980)
In 1968, a left-wing military government took power, headed by General Velasco. The first important step (October 1968) in developing a settlement policy taken by the new government was an army-led street-levelling programme. By 1972, the programme had been completed in 33 settlements (Kross 1992).

The second step, taken in November 1968, was the formation of the National Organisation for Development of the Young Towns (Organismo Nacional de Desarrollo de Pueblos Jóvenes, ONDEPJOV) placed under direct responsibility of the president. With this, they gave the barriadas a new name, pueblos jóvenes (young towns), attempting to give them a more positive image. The decree that established ONDEPJOV emphasised the importance of self-help, and ONDEPJOV saw its task as encouraging community participation by training local leaders and supporting the formation of CBOs. A second point of importance was handing out individual land titles in established settlements.

In May 1971, the Velasco government saw itself confronted with a massive land invasion that gradually spread in the district San Juan de Miraflores (see Section 5.1), known as ‘El Pamplonazo’. Most of the invaders were relocated to what later became the new district of Villa El Salvador.

Another result was that the Velasco Government created the National System for the Support of Social Mobilisation (Sistema Nacional de Apoyo a la Movilización Social, SINAMOS), meant as a link between the government and the invaders. With their tradition of self-help and community organisation, the squatter settlements were seen as a model for what the government wished to develop in other sectors of society, and therefore were singled out within the SINAMOS organisation for special attention. SINAMOS was very closely linked to the armed forces. The commander of the Lima Military Region was also head of the SINAMOS division responsible for the pueblos jóvenes. Both SINAMOS and, as indicated earlier, ONDEPJOV came under direct responsibility of the Ministry of the President. President Velasco developed a close relationship with Villa El Salvador, and he and his wife made a number of visits to it (Collier 1976).

The military government also set bringing basic services to the barriadas as a target. It pressed the water company (SEDAPAL) to provide the services. The Water Company started with the northern part of the city, where provision was easier since use could be made of subterranean water sources. In 1972, they started to provide
water to the Cono Sur, a project financed with German development aid.

Other important changes under military rule were the establishment of a Ministry of Housing, responsible for urban planning, housing and building control and (by the end of their governing period) the decentralisation of government responsibilities to the (district) municipalities

4.1.5 Belaúnde II (1980-1985)

At the end of the military government in 1980, after free elections that brought Belaúnde back to rule, the situation in the barriadas differed completely from the situation before 1968. The period of rapid expansion to the north and south seemed over, numerous barriadas formed in the 1960s had been recognised and had obtained water, sewerage and electricity. The population was strongly organised, even having a centralised movement, and had transformed themselves into a serious pressure group (Drian 1991:123).

Access to land also changed. As Riofrío (1978) pointed out in his book ‘Se busca terreno para proxima barriada’ (Searching for new sites for the next squatter settlement), by the end of the 1970s, there was in theory still enough land available, but four factors limited the actual invasion on this land:

1 Each new settlement was farther from the economic centres in the city. This lead to both a rise in transportation costs and costs of providing services in these peripheral areas.
2 The desert areas were separated by the valleys of the rivers Lurín and Chillón, which were not planned to be urbanised. This increased distances even more.
3 Competition between the state and the invaders, since the state was also planning to urbanise several of the peripheral zones.
4 Large desert areas to the north and the south were reserved for the armed forces, and the military authorities prohibited urbanisation. (Riofrío cited in Drian 1991:180).

The availability of land had always been an important factor in enabling barriada formation, but now the possibilities were much more restricted. Consequently, the characteristics of the new settlements were changing. They were located on the urban fringes of previous settlements, climbing up the hillsides which were less suitable for urbanisation, or on vacant land reserved for communal services in existing settlements. It became more difficult for the well-organised low-income groups to find a place to go.

The new constitution of 1979 endorsed the autonomy of local authorities – which in theory had existed since the enactment of a law in 1933 – but also delegated the competence and allocated financial resources to accomplish its tasks.

In its first year, the civil government of Belaúnde further specified the responsibilities of the local government bodies, with improving the delivery of urban services and decentralising and democratising the state apparatus as its objectives. Unfortunately, the law did not clearly indicate to what extent the municipalities were autonomous in their decisions, or where they had to follow or negotiate with other actors at the higher levels. New responsibilities were assigned to them, but the competencies of the other actors were not curtailed, which led to many overlapping
responsibilities.

In the presidential elections of 1980, the left still was not strong enough to challenge the traditional political parties. But when the numerous left-wing parties joined into one coalition, this ‘United Left’ (Izquierda Unida, IU) won the municipal elections in 22 of the 41 Limenean districts (1983), mainly the poor ones. It also backed the IU candidate for Lima Metropolitana, Alfonso Barrantes, the first socialist mayor of a Latin American capital in which national government was not also under socialist rule.

Barrantes used the new autonomy granted by the decentralisation to rapidly hand out new urban land, which led to a new wave of invasions. Due to a lack of municipal resources, little could be actually done to provide the barriadas with basic infrastructure. Furthermore, Barrantes was from an opposition party, and central government systematically favoured the districts loyal to the central government. In response, Barrantes – like the previous left-wing military government – put much emphasis on local democracy and self-management at neighbourhood level under the slogan ‘Let’s make Lima a city for all’. In November 1984, two demonstrations were held where over 60,000 people, headed by Barrantes, pressed the central government to channel more funds to the municipalities. As a result, tax laws were changed and revenues from a direct sales tax were divided between the municipality of Lima Metropolitana (30%) and the other municipalities (70%) (Allou 1988:23). Similar demonstrations in 1985 pressured the new president Alan García (1985-1990) to further decentralise tax-revenues. Barrantes established a cadastral system to facilitate taxation of real property. He did try to give the neighbourhood associations full recognition and ‘corporate rights’, but his decree on this was never accepted by the central government.

It is difficult to measure in concrete terms what the three years under Barrantes actually meant for Lima. The major programme he established was ‘Vaso de Leche’, providing all children under 6 years of age and lactating mothers with a glass of milk a day. Over 100,000 mothers organised themselves into 7,500 comités vaso de leche. Later governments that proposed ending the programme saw themselves confronted with such a massive popular protest that the programme still exists today, although currently under central government responsibility. The comités vaso de leche are an important source of popular organisation and mobilisation. It was the first time that women were encouraged to organise themselves in public activities in a massive way, although this organisation was closely related to their traditional roles.

Other important programmes were an improvement in solid waste collection in the city centre district and complete new regulations for public transport. In response to new invasions and rapidly increasing land speculation, Barrantes launched four programmes for legalisation and development of the barriadas. He claimed over 90% of the investment funds for road infrastructure, paving 130 kilometres of important roads, especially those connecting the peripheral barriadas with the city centre. Municipal investments per capita increased twofold, but for the inhabitants of the barriadas it increased to 11 times that of the previous governments. (Allou 1988:25).

2. These programmes will be discussed in detail in the section on the history of Pampas de San Juan.
4.1.6 The Garcia government (1985-1990)

The government of Alan García (from the Alianza Popular Revolucionaria Americana, APRA) is most known for its populist nationalist approach. It started with a macro-economic stabilization programme that combined protection of the poor with demand-driven growth. The government introduced price controls along with broad-based subsidies and transfers. Shortly after his installation García unilaterally reduced foreign debt repayments. In the short run the policies fostered rapid economic growth. In the longer run inflation rates skyrocketed and budget deficits widened. The hyperinflation seriously affected not only daily life, but the municipal budgets as well. Peru could no longer count on foreign financial support, and political instability discouraged investments (Glewwe & Hall, 1992:10). In the same era the Shining Path (Sendero Luminoso) guerrilla movement intensified its attacks in Lima.

The APRA government also took the first steps in developing a programme for granting new land titles in the pueblos jóvenes. This was undertaken under supervision of the Instituto de Libertad y Democracia (Institute of Liberty and Democracy, ILD), headed by the well-known economist Hernando de Soto.

At the end of García's government the country was almost bankrupt, blacklisted by public and private investors, in the stranglehold of terrorist violence, and with a population that had lost confidence in all the traditional parties. It was only against this backdrop that a completely unknown son of Japanese immigrants with his slogan 'A Peruvian like you' could win the presidential elections in 1990. Fujimori's most important selling point was that he had nothing to do with politics, no programme, no party, and that he promised to improve the economic situation without an economic shock programme.

4.1.7 The current situation under Fujimori (1990-present)

Under Fujimori, the Peruvians are experiencing an overall economic approach that differs completely from that of the previous decade. Despite his electoral promises, Fujimori implemented a severe structural adjustment programme within a few months of assuming power. It became known as the 'Fujimori shock' (Box 4.2). Under this neoliberal approach, the state is presented mainly as a facilitator, particularly directed towards private initiatives and investment. It leaves some scope for collective activities, but its major aim is to improve urban productivity by stimulating private investment, especially at the family level. To achieve this, the right to private ownership has been strengthened, measures of control and subsidies have been eliminated, service delivery has been privatised and the access to credit schemes for housing and urban services has been improved. Main government investments are directed towards large infrastructural projects, air and seaports, and motorways.

At the same time, a tendency towards re-centralisation can be observed. This re-centralisation is inspired by political motives. The Municipality of Lima Metropolitana was in the hands of the opposition in the early 1990s. To reduce the power of the mayor of Lima Metropolitana the funds for the Municipality were seriously cut. At the same time many sectoral programmes were brought under the umbrella of the Ministry of the Presidency (Section 4.2.1). The authority to grant land titles, an effective instrument with which to gain votes, was transferred from the Municipality Lima Metropolitana to a new national programme, COFOPRI (Section 4.2.1.) This
new entity is taking up the proposals as they were developed by the de Soto's *Instituto de Libertad y Democracia*, but in an extended form.

**Box 4.2** The Fujimori shock: stabilisation and structural adjustment

<table>
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<tr>
<th>Stabilisation:</th>
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<tbody>
<tr>
<td>1. The elimination of food subsidies.</td>
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<tr>
<td>2. The upward adjustment in controlled prices (bread, milk, flour, fuels, public service), some of which, like gasoline, rose by a factor of 32.</td>
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<tr>
<td>3. The elimination of the protected exchange rate, which was two to three times lower than the free-exchange rate.</td>
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<tr>
<td>4. An increase in various taxes.</td>
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<table>
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<th>Structural adjustment:</th>
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<tbody>
<tr>
<td>1. The liberalisation of the exchange rate.</td>
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<tr>
<td>2. The liberalisation of foreign investment.</td>
</tr>
<tr>
<td>3. A reduction in protectionism (basically eliminating import restrictions and reduction of import tariffs).</td>
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<tr>
<td>4. A reduction in the role of the state in the economy, which meant privatisation of state firms.</td>
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<tr>
<td>5. Relaxation of minimum wages.</td>
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<tr>
<td>6. 'Flexibilisation' of labour, including changes in laws related to job security.</td>
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*Source: Tanski (1994:1627-1642).*

There are no studies available which indicate how these changes have influenced the activities of the neighbourhood organisations. Even in this neo-liberal and recentralised context, neighbourhood organisations remain what Díaz Albertini (1994) calls 'the engine of neighbourhood development' (see Section 4.3.1). The leaders generally show pragmatism here, in that although they were aligned for many years with the political parties of the left, they are now aligned with the newly established local political parties and Fujimori's Cambio '90. The state remains their main referent in defining their approaches.

### 4.2 The governance system

Peru is a highly centralised country. Less than one third of the population, but the majority of economic activities, human and financial resources and political power are concentrated in the capital. The capital houses the national government and all its ministries, the provincial government of Lima Metropolitan Area (*Municipalidad de Lima Metropolitana*), and the 43 district municipalities. Within the metropolitan area, there is a second province, Lima Callao, with six district municipalities, bringing the total of district municipalities to 49. There are many overlapping boundaries of different administrative and management functions (see Map 4.1), which does not facilitate coherent planning in the metropolitan area. The two 'provincial' municipal authorities (Lima Metropolitana and Lima Callao) are responsible for most forms of urban planning in the two provinces, but they have little control over the public service agencies that either have been privatised (electricity and telecommunications) or
mainly fall under national government responsibility (water and sewerage). Both urban development and urban environmental management efforts are infringed by unclear definitions of competencies and a lack of co-ordination.

*Map 4.1* Administrative and management boundaries in Lima Metropolitana

This section will describe the various actors in the governance system, as well as their respective responsibilities.

4.2.1 *The national government*

As stated above, one of the greatest problems in Lima’s urban environmental
management is the lack of well-defined competencies and co-ordination between the various actors. In 1994, the Peruvian government therefore created the National Environmental Council (Consejo Nacional del Medio Ambiente CONAM), the highest environmental authority in the country. The Director and Executive Secretary were installed in 1995 and report to the President of the Council of Ministers. This agency’s responsibility is cross-sectoral. The results of its work will not be seen for some years to come. According to an analysis done by CONAM there are over 7,000 environmental standards approved since 1904 still in force, many of which either contradict or duplicate each other. This contributes to a diffusion of responsibilities (and lack of co-ordination), institutional weakness, centralisation and sectoral approaches when inter-sectoral approaches are needed. In addition there is a lack of capacity for co-ordination, integration and supervision, as well as a lack of effective mechanisms for citizen participation. Congress’ recent announcement of the revoking of thousands of these laws to restructure the legislative framework has given some hope for change. But the process of disentangling has hardly begun. Furthermore, it is doubtful whether under the current president, who clearly stated that economic growth and national security have priority over all other issues and who is continuing the process of re-centralization, CONAM will be able to take any concrete action (Miranda & Hordijk 1998).

In line with current re-centralisation policies, most actors in urban environmental management are central government agencies. Real influence is in the hands of those actors that either control a considerable share of the national budget, or have an effective control function. The Ministry of the Presidency (see Section 4.1.7) clearly belongs to the first category. The current government curtailed sectoral and municipal budgets over the years and brought more and more programmes under the Ministry of the Presidency, which now manages the largest share of the national budget and the most important government programmes. Institutions now functioning under the umbrella of the Ministry of the Presidency include SEDAPAL (water and sewerage), ENACE and the Banco de Materiales (Housing), FONAVI (infrastructure credits), the National Institute for Urban Development (INADUR) and the National Institute for Family Welfare (INABIF). Programmes and funds that now fall under the responsibility of this ministry are the food aid programme (PRONAA), the important emergency social fund FONCODES and the school building programme (INFES). The vice-ministry of Infrastructure, also under the auspices of the Ministry of the Presidency, directs the main investment programme for urban infrastructure. Social expenditures, including those for the programmes of FONCODES, FONAVI and INFES, all important to peripheral urban settlements, have risen remarkably since 1993. Unfortunately, political motives and not the needs were what primarily guided the decisions on allocation of these funds (Graham et al. 1998).

Three ministries have an important control function when it comes to the exploitation of natural resources. The Ministry of Energy and Mining, which awards mining concessions, controls, among other things, the concessions for sand extraction for the

3. Dr. Mariano Castro, CONAM, in a presentation at the first course for Environmental Promoters for Cities, Arequipa, May 1997.
concrete industry in Lima. The Ministry of Fishing is responsible and develops regulations and environmental standards for the exploitation of the country's hydrobiological resources. The Ministry of Industry, Tourism and International Trade has the same task for the respective business sectors.

Businesses in mining, fisheries, industry, tourism and international trade have to present environmental impact assessments for any new activities to their respective ministries. Despite the fact that many of these EIAs have been severely criticised by the environmental movements in Peru, industries are allowed to go ahead. The same holds for the Plans for Environmental Adaptation and Management (Planos de Adecuación y Manejo Ambiental, PAMA) which rest with these ministries as well. They control the implementation of these plans. The PAMAs are not made available to the public, so there is no civil control on this process. The impression is that little environmental improvement is taking place in, for instance, the fishmeal industries, since economic interests are given more importance than environment and health.4

Several national government entities are also relevant for the process of neighbourhood consolidation in Lima Metropolitana. This holds especially for the different credit schemes (FONAVI, Banco de Materiales and ENACE), the land-titling agency COFOPRI (see below) and the entity responsible for water and sewerage. The credit schemes and the land-titling agency will be further highlighted below.

Credit schemes for housing

The National Housing Fund FONAVI (Fondo Nacional de Vivienda), a state-controlled credit fund for housing, was created in 1979. In its first years, 80% of its funds came from income taxes, and 20% from the building industry. A year later, the ‘Banco de Materiales’ was established, with the aim to provide credits for building materials. Both institutions still function today as the major sources of credit for house construction.

Clear criteria were set for those who wanted to obtain loans through these funds. First of all, the FONAVI loans were limited to a total of 30 times the monthly minimum wage, assuring that only those who were interested in a modest house would apply. The applicant had to contribute to the fund (so he or she had to have a more or less formal job, at least paying income taxes), already have had this job for three years, and not possess a house somewhere else. The fund was, in essence, only accessible for lower-middle-income wageworkers with a steady job. For them, it offered an interesting opportunity, since interest rates were only nominal, not over 3%.

A second low-cost housing credit scheme is that of the Empresa Nacional de Edificaciones (ENACE). As of now, ENACE has built a few thousand units a year, with many more people applying than there are houses available. Nowadays, the system has been extended with low-interest loans. Houses built with these loans have to be finished within three months, and are constructed under the supervision of ENACE.

In 1992, under Fujimori, several earlier credit institutions – the Banco de la Vivienda (BANVIP) and the mutual saving associations – were brought under FONAVI and FONAVI itself was brought under the Ministry of the Presidency. Since then,

FONAVI also finances the construction of basic infrastructure (electricity, water and sewerage), making it presently one of the most important agencies for the inhabitants of the peripheral settlements. This means that it is no longer only those who contribute to the fund who benefit from its loans. The contributions from wage workers to the fund have been increased to 9% of their salary (Dorich 1996).

The operation of the Banco de Materiales has also changed. Its initial capital came from the state and donations, but nowadays it receives its funds from FONAVI. The Banco de Materiales disburses the loans in building materials instead of money. An average loan should allow the applicant to construct around 30m$^2$. The Banco de Materiales prefers to work with groups of around 30 applicants in a settlement, to enable them to bring many materials at one time, and to facilitate the technical support that the programme in theory gives during the process of construction. There are no other programmes or policies for providing shelter to the poor, whether through the construction of social housing or through financial or technical assistance that support people’s individual initiatives.

**COFOPRI**

It is crucial to the inhabitants of low-income settlements to have formal ownership of the plots where they live, as they cannot apply for credits to improve their houses without this title. For a long time, the Peruvian system of formalising land tenure was so complex that most of the inhabitants of the informal settlements did not bother to take the most decisive step, recording themselves in the Register of Real Property. As a result, an estimated 70% of all urban properties were not registered. The complexity of the bureaucracy of land titling was one of the two basic pillars on which Hernando de Soto based his famous book ‘The other path’ (El Otro Sendero, 1987), pleading for simplification of the procedures. By the end of the 1980s, de Soto’s Instituto de Libertad y Democracia was highly involved in the development of a new registry system, the Registro Predial, accompanied by a law that eased procedures. With a World Bank grant, a pilot project was implemented and 300,000 land titles were awarded in urban Lima in the period 1991-1995 (WBRD 1998:1).

Following World Bank recommendations and completely in line with its own neo-liberal policies, the Fujimori government subsequently put a high priority on formalising land ownership. The government committed itself to handing out 2 million land titles before the presidential elections in April 2000. To achieve this, a law was adopted in March 1996 (Ley 803). This law established an autonomous agency, Comisión de Formalización de la Propiedad Informal (COFOPRI), with the principal mandate of formalising existing property in poor urban settlements and generating a policy to manage new urban settlements. COFOPRI issues titles and coordinates the registration of these with the Registro Predial Urbano. Simultaneously, the law transferred all vacant or illegally occupied land into the hands of COFOPRI.

It was no longer the Municipality of Lima handing out the land titles in the not-yet-legalised settlements, but a central state entity. A similar programme was launched to settle property issues in rural areas. At the same time as COFOPRI was established, a campaign was apparently launched in which many newspaper articles praised the benefits of small-scale private ownership as a motor for economic development and an incentive to individual survival and improvement strategies for the poor. This line of reasoning is not new in Peruvian urban policies. Beltrán had
preached the same under General Prado in the early 1950s, launching the concept of the ‘la casa barata que crece’ (the cheap house that grows) (see box 4.1).

The establishment of COFOPRI can be seen as a further attempt to curtail the influence and responsibilities of Lima Metropolitana, in line with the overall centralisation process in the country. NGOs active in the field of urban development discussed whether efforts should be made to oppose these developments. Their analysis was that there were so few informal plots left to be legalised within Lima, that it would be better to save their energies for more serious threats to municipal autonomy.  

Whatever criticism is expressed, it must be acknowledged that property rights are badly defined. COFOPRI presents its work rather modestly, stating ‘that due to the lack of adequate equipment the important work of Lima Metropolitana showed some defects that had to be corrected’.  

All files and information regarding land ownership were transferred from Lima Metropolitana to the newly formed COFOPRI.

COFOPRI has a clear policy: they only work with the leaders of the neighbourhood organisations and the population. No intervention from other actors such as NGOs is allowed. Neighbourhood organisations are free, however, to contract whatever professional or institution they wish to improve their plans, assist them in completing their documentation and give legal assistance. What matters to the people is that they finally receive their individual title, which opens up the way to loans for building their houses.

4.2.2 The municipalities

Until the beginning of the 1980s, the municipalities only had a symbolic role in the state apparatus. The mayors and aldermen were nominated by the central government, whose motives in choosing their candidates were corrupt. There was no participation by the population in local management. The real decision-making power for Lima Metropolitana, for instance, was in the hands of the central government: the president, the Ministry of Housing, and the public enterprises Electrolima (electricity) and SEDAPAL (water and sewage). This had two consequences: the local government, although it existed in theory, had no say whatsoever in important local issues concerning public services, such as raising local taxes. Secondly, the initiatives taken by public and private bodies showed no coherence or any sign of urban planning.

5. The programme for land titling in rural areas received even more criticism than that for urban land. The traditional comunidades campesinos with shared land ownership were dissolved in favour of individual property. Not all campesinos agree on these developments, although many do embrace their individual land rights. In the urban fringes, much agricultural land is sold for urbanisation as soon as property rights are cleared, a serious threat to the last green areas around Lima, especially in Lurin and Pachacamac (Reunión de autoridades del Cuenca Baja del Río Lurin, November 1997).


In the 1980s, Peru experienced a very promising and innovative process of decentralisation. Many responsibilities were transferred to the municipalities. This meant that since the 1980s, many urban environmental management issues such as waste collection, the planning of the internal roads and greening and reforestation have also been transferred to the local level (see Box 4.3). What is clearly missing is the issue of water and sanitation, which remained in the hands of SEDAPAL.

To accomplish all these tasks, the municipalities receive transfers of funds from the central government. Between 1980-1987, there was a tendency to increase the financial capacities of municipalities through the creation of new taxes. Nevertheless, the share of local governments in total government expenditures remains low, not surpassing 4% of the national budget. Even more significant is that transfers to the municipalities in relation to total transfers to the public sector dropped from an average 4.5% in 1975-1985 to 0.6% in 1987. In other words, municipalities are receiving very little money to execute the tasks assigned to them. An average 75%-80% of the municipal budgets since then have had to be used to cover administrative salaries and maintenance (Alvarado 1993).

The current situation is somewhat contradictory. As a consequence of the current re-centralisation policies under Fujimori municipal competencies have been curtailed over the last decade, for instance in the field of urban transport, urban planning and land titling. On the other hand, municipal investments budgets have increased significantly through the issuing of Decree 776, which regulates the transfer of national government funds to the municipalities. The related regulations, however, are hardly suitable for municipal bodies. The funds obtained through this transfer can be only spent on infrastructure investments, mainly in road infrastructure.

Box 4.3 Decentralisation of responsibilities to the municipal level in the 1980s

In the Ley Organica de Municipalidades, the following issues were delegated to the competence of the municipal authorities:
- planning of roads and urban transport, planning and maintaining traffic lights etc.
- planning of basic social services (health and education) for kindergartens, primary schools and campaigns for literacy, and primary health care centres
- planning, redesigning and legalising the barriadas
- providing technical support in the process of legalisation of the barriadas
- expropriation of invaded private land
- giving out land titles
- granting construction permits
- licensing of commercial activities
- control of markets and street vendors
- protecting and promoting parks, squares and monuments
- protect cultural heritage
- promote cultural activities and sport and recreation

Source: Miranda & Hordijk (1998:74)

There are still many overlapping competencies. The Ley organica de Municipalidades has not been annulled, meaning that many municipal mandates still exist. Mayors able to make creative use of the legal framework still have space to manoeuvre. This
is, however, easier outside the capital than directly under the eyes of national government. The hands of the district municipalities are tied in many ways, both through a lack of human and financial resources, and as a consequence of national government interventions and decisions.

4.2.3 NGOs in Lima

NGOs are an important feature of Peru’s civil society, and have a complex history. A handful emerged in the 1960s, such as the prominent NGOs DESCO (Centro de Estudios y Promoción del Desarrollo) and the IEP (Instituto de Estudios Peruanos). The first real wave of NGO development began in the mid-1970s, in the period of intense politicalisation under the military government. When a more conservative general took over after a bloodless coup and many reform-oriented officials were fired, many of them created NGOs. The creation of NGOs peaked in 1977. The NGOs created in this era were driven by strong political and ideological motivation, concentrating on popular education and awareness raising. These developments were fuelled by the political movements in the universities, especially in the realm of social sciences (Sahley & Danziger 1999).

The ideology of solidarity with popular movements weakened in the 1980s, and NGOs started to concentrate on promoting income-generating activities instead of awareness, and on technical assistance. This was partly a result of changing donor interests, but also a result of local developments where interest in the potential of the informal economy was growing. During the era that the left-wing mayor Barrantes governed Lima (see Section 4.1.5), links with the municipality were strong. Many NGO staff members even went to work for the municipality of Lima during this period.

At the end of the 1980s, the Shining Path terrorist movement extended its activities to Lima. CBOs were infiltrated and their leaders were among the most heavily terrorised. But the NGOs’ staff members also came to be under constant threat. Most international aid agencies withdrew their staffs. Some NGOs also had to withdraw from several areas, although others continued to work. After Fujimori assumed power, the NGOs were under the dual threat of terrorist attack and government repression. NGOs that demonstrated solidarity with CBOs generated government suspicion, and some NGO workers were accused of terrorism and arrested.

When poverty levels jumped overnight as a result of the ‘Fuji shock’ (Box 4.2; see Section 4.1.7), NGOs enrolled themselves in support of the survival strategies of the poor, such as the communal kitchens and new health care programmes.

There now are an estimated 1,500 NGOs in Peru, competing for rapidly decreasing funding. Of these, an estimated 133 registered NGOs are enrolled in urban poverty alleviation programmes in Lima (Sahley & Danziger 1999). Most of the NGOs attract the majority of their funding from Northern donors. Only a very limited number can count on core funding.

A survey of 44 NGOs involved in urban poverty alleviation programmes carried out by Sahley and Danzinger in 1999 found that 41% of them were active in urban environmental issues (Table 4.1). The average amount of time spent in this sector was, however, only 9%. Active interest in this topic is only a recent phenomenon. In the middle of the 1990s, many NGO workers were not yet aware that their involvement
in water and sanitation, solid waste management or urban agriculture and forestation was considered an intervention in urban environmental management (Miranda & Hordijk 1998). Almost three-quarters of the NGOs claim to work with CBOs, but few NGOs indicate that they are concentrating on specific settlements. The ‘old’ NGO approach is to work with integrated community development programmes, including components such as water, housing, health and CBO training. Now, however partly pressured by donors, NGOs are more specialised and concentrate on a few sectors. Currently, most NGOs report a sectoral rather than a geographic basis for their work. They place more emphasis on training and technical advice than on service delivery. They concentrate on strengthening CBOs rather than being directly involved in material benefits for the target group.

Table 4.1 Sectors in which NGOs are involved

<table>
<thead>
<tr>
<th>NGOs working in the sector</th>
<th>%</th>
<th>% of staff time allocated to the sector by NGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>66%</td>
<td>28%</td>
</tr>
<tr>
<td>Economic activities</td>
<td>64%</td>
<td>23%</td>
</tr>
<tr>
<td>Health</td>
<td>48%</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>43%</td>
<td>10%</td>
</tr>
<tr>
<td>Environment</td>
<td>41%</td>
<td>9%</td>
</tr>
<tr>
<td>Shelter</td>
<td>25%</td>
<td>5%</td>
</tr>
<tr>
<td>Water</td>
<td>23%</td>
<td>4%</td>
</tr>
<tr>
<td>Sanitation</td>
<td>18%</td>
<td>3%</td>
</tr>
<tr>
<td>Land and titling</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>Transport</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

n = 44


4.2.4 Overlapping responsibilities
As can be derived from the preceding sections, there are many overlapping responsibilities when it comes to urban environmental management. When responsibilities were transferred to the local level, they were not equally curtailed in the other institutions. When new environmental laws were passed, the old ones were not annulled, resulting in a jungle of regulations for which there is no enforcement. This is aggravated by the different administrative boundaries for the different functions, as was shown in Map 4.1. The different responsibilities of the different actors relevant for urban environmental management and for the delivery of the different urban services are given in Tables 4.2 and 4.3. These confirm the many overlapping responsibilities for service delivery.

The concentration of urban environmental management responsibilities in the hands of the national government is illustrated in the summary of the current institutional framework for urban environmental management in Peru, given in table 4.3.
These actors can operate relatively independently. For example, the Electricity Company Electrolima can install the final electricity connections if it wishes, even if the settlement is not yet legally recognised. In doing so, it can hinder the district municipalities in their planning efforts: the installation of the electricity suggests a de facto tenureship that makes it more difficult to relocate squatters. In a similar way, the construction of roads can be undertaken in an uncoordinated manner, with the different actors setting different priorities for different reasons. The role of NGOs in service delivery is, in general, limited to support in the first temporary phases of the service. The only exception is waste collection, where NGO-supported micro-enterprises collecting waste can become a branch of the formal waste collection system. Whether or not this functions depends highly on the strength of the alliances with the other actors involved (Zela & Castro 1996).

Table 4.2 Overview of services delivered\(^a\) by the different actors

<table>
<thead>
<tr>
<th>Service</th>
<th>Central gov.</th>
<th>Lima metr.</th>
<th>Municipalities</th>
<th>Semi-public inst.</th>
<th>NGOs</th>
<th>Private enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sanitation</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste collection</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telecommunication</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public transport</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road infrastructure</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Health</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


\(a\) Delivery does not always equal responsibility. As can be seen in the section on the Ministry of the Presidency, SEDAPAL, for instance, functions under the responsibility of the Ministry of the Presidency, but is treated as an independent semi-public entity delivering services. In a similar line of reasoning: private enterprises provide the service of solid waste collection, although it is a local government responsibility.

4.3 The social system

4.3.1 Neighbourhood organisations

Thirty years of barriada formation has resulted in a city where one-third of the population lives in these areas. This implies collective knowledge and an experience shared by over two million people on how to obtain a plot in a barriada and go through the consolidation process from the first step of legalisation to obtaining basic infrastructure.
Table 4.3  Current Institutional Framework for Urban Environmental Management in Peru

<table>
<thead>
<tr>
<th>Level</th>
<th>Policies and Actors for the provision of Urban Environmental Management and basic services</th>
<th>Institutions for planning and implementation of environmental management and pollution control</th>
<th>Institutions for planning and implementation of basic infrastructure (water, sewage, solid waste)</th>
</tr>
</thead>
</table>
| National  | - 1993 Constitution  
- International Agreements and Laws  
- Law No. 2641 (CONAM)  
- Code of The Environment and Natural Resources  
- Ministerial Rules and Regulations | - Parliamentary Commission of Natural Resources and The Environment  
- National Environment Commission  
- Ministry of Health  
- Ministry of the Presidency  
- Ministry of Energy and Mining  
- Ministry of Housing, Transport and Communication  
- Ministry of Agriculture  
- Ministry of Women  
- Ministry of Fisheries  
- National Oceanographic Institute  
- Ministry of Industry, Tourism and Integration  
- Ministry of Defence  
- National Office of Meteorology and Rivers (SENHAMI)  
- National Institute of Civil Defence and Disaster Preparedness (INDECI) | - General Directorate of Health and the Environment (DIGESA)  
- (falls under the Ministry of Health)  
- National Institute of Protection of the Environment and Health (INAPMAS) (falls under the Ministry of Health)  
- National Institute of Development (INADE) (falls under the Ministry of the Presidency)  
- National Housing Fund (FONAVI) (falls under the Ministry of the Presidency)  
- National Company of Building and Construction (ENACE) (falls under the Ministry of the Presidency)  
- National Foundation for Social Development and Welfare (falls under the Ministry of the Presidency)  
- National Programme (PRONAMACHS) (falls under the Ministry of the Presidency) |
| Regional  | Law of Regionalisation  
Law of Decentralisation | Regional Governments | Secretariat of Natural and Environmental Resources |
| Local     | Municipal Laws | Local Governments consisting of 189 provincial municipalities and 1973 district municipalities | - Water companies  
- Grassroots organisations  
- Non-governmental organisations  
- Private business and municipal services  
- Municipal basic services areas |
Neighbourhood organisations play a crucial role in this process, as these are a necessary condition imposed by the state, which required itself to deal only with organisations in negotiations on issues of land and housing. Thus, it was not only the often-cited culture of collective action brought by the Indians when they migrated to the city which strongly encouraged popular organisation but in part the state itself.

Almost all activities related to improvement of the physical environment in the *barriadas* are still negotiated by the neighbourhood organisations. They have the authority and legitimacy (a legitimacy recognised both internally in the neighbourhood and by external agents, i.e. the municipality, relevant companies, providers of credit and NGOs) to propose infrastructural and other projects to the population. They also are entitled to negotiate and sign covenants, contracts and credit schemes. In the words of Diaz Albertini:

> 'The neighbourhood organisation remains to be the principal motor in defining the needs, the demands, and in prioritising of the activities to be executed. The projects for water, sewerage and electricity require a promoting agency, and this continues to be the neighbourhood organisation. Perhaps we can best characterise the neighbourhood organisations in the current context as the promoter of investments, especially in improving the urban habitat. It is therefore that we still have to consider the neighbourhood organisation as the principal actor in the physical and spatial development of the barriadas' (Diaz Albertini, 1994:7)

The activities of the neighbourhood organisations are principally directed towards public interests: legalisation of the invasion, legalisation of the boundaries, water and sewer system, roads, etc. They tend to have little influence on or interest in those aspects that are considered to belong to the private sphere. Díaz Albertini even stipulates that the interpretation of what belongs to the public and what belongs to the private sphere is determined by the dynamics between the state and the organisations. Whereas in other countries housing, at least of the poor, is seen as a government responsibility (at least in theory), in Peruvian (urban) culture building a house is seen as a private issue. Neither government nor the private sector have ever been involved in constructing for the poor, except for a few incidental and very small programmes, nor do the neighbourhood organisations normally involve themselves in this issue.

Over the years, clear steps and a logical sequence on settlement improvement had developed. Although the normative and regulatory framework and the areas of competence of the external actors constantly change, the logic of the basic steps remains the same. Summarising the steps gives the following sequence:

1. Invasion or gradual occupation
2. Opening up roads
3. Recognition of the settlement’s boundaries (perimetric plan)

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9. It should be noted that some of the largest *barriadas*, such as Villa El Salvador and Huaycan, have been formed under a government programme. The logical sequence of the steps of improvement the neighbourhood organizations fight for is, however, more or less the same as for the smaller 'private' invasions.
The human system in Lima

- Installation of a public tap point
- Installation of provisional electricity
- Construction in straw or wood

4 Recognition of the Urban Development Plan
- Installation of final electricity
- Establishment of a final water and sewerage connection
- Grading the roads

5 Legalisation of the individual land title
- Construction in durable materials
- Paving roads and sidewalks

Once the perimetric plan of the boundaries of the neighbourhood is approved, the neighbourhood organisation can start negotiations for installing a public tap point and the provisional electricity. The construction can only be done if trucks can reach the settlement. Therefore, the steps of getting the perimetric plan legalised, the opening up of the provisional roads, the public tap point and the provisional electricity all belong together.

Following a similar logic, once the urban development plan is approved, neighbourhood organisations can start negotiations for the domestic water connection and the installation of the final electricity, including public lighting. Once their individual land title is acquired, people can apply for loans to construct in durable materials. Roads and sidewalks will not be paved as long as the domestic water and sewerage connections are not installed. However, once the infrastructure is in place, people often start to concentrate on building their own houses. This sequence in the process of environmental improvement is illustrated in figure 4.1.

The main focus of the neighbourhood organisations – the public good – embraces issues that by definition cannot be obtained individually. Recognition of the perimetric plan or the urban development plan inevitably touches every member of the community. Nobody can be excluded. There is even evidence that neighbourhood organisations have certain instruments that ensure everybody's participation in communal projects: each household has to send at least one representative, otherwise they are penalised. In the words of Riofrio, communal organisations undertake those activities that are prior to individual activities and necessary for individual initiatives.

The process of obtaining the individual land title can take 3 to 20 years or longer, depending on many factors. Also, the requirements for loans available for the construction of domestic water and sewerage connections have changed. Whereas during the 1980s a recognised urban development plan was enough, the water

11. Although there are numerous studies on settlement formation and the early years of consolidation in Lima (Matos Mar 1977; Driant 1991; Kress 1992; Riofrio, 1978, 1987 and several interesting monographs on the history of neighbourhoods (Lobo 1984; Dregrogari et al. 1986; Blondet, 1986; Lloyd 1980), there are no extensive studies on the participation of the population in the activities of the juntas vecinales.
company now requires individual land titles. The complexity of the administrative process during the 1980s inspired several NGOs to publish manuals for community leaders (Quedena & Villacencio 1984; CIED (n.d.)) A summary of the legal rights and obligations of the neighbourhood organisations, the principal actors in this process, is given in Box 4.4.

**Figure 4.1** Sequence of acquiring land tenure and of environmental improvement in the consolidation process

The land titling process is not as linear as the presented sequence in figure 4.1 suggests. The empirical chapters on the developments in Pampas de San Juan will provide more details on how settlements pass these different steps of legal recognition and environmental improvement.

Some factors limit the efficient functioning of the neighbourhood organisation (Diaz Albertini 1994; Ypeij 2000; Lenten 1993):

1. Most neighbourhood leaders are volunteers. This seriously limits their time available for neighbourhood affairs, as well as daily attention for collective needs. The leaders function better with issues that require intensive attention for a limited period than with those subjects that require less time per day for an extended period.

2. They do not have the necessary infrastructure for permanent neighbourhood management (for instance, assistance in administrative work), which also results in more attention to a few ‘big projects’ or covenants than for daily routine management.

3. They lack any kind of resources – human, financial or material – that could enable them to consolidate a certain management structure.

4. They do not have an operational budget, but have to raise money ‘ad hoc’ once a project seems to come out of one or another pipeline. ‘Ad hoc’ carries a lot of time-consuming uncertainties. The population often mistrusts the leaders, especially when it comes to financial issues.
Box 4.4  Juntas de vecinos: how to form a neighbourhood organisation

From the ‘Ordenanza Municipal No. 20, December 1985’

Art. 2: The neighbourhood organisations (juntas de vecinos) are autonomous social organisations formed by natural persons representing the legal persons. They are formed with the objective to participate in the territory under their jurisdiction in the supervision of the provision of public services, the application of municipal norms (…) and in the planning, organisation and implementation of action plans and municipal works.

Art. 4: Next to those competencies laid down in their statutes, the neighbourhood organisations are entitled to:
- monitor the applications of norms and regulations;
- monitor the provision of basic services, in co-ordination with the municipality;
- collaborate in the implementation of communal works;
- collaborate in the elaboration of municipal plans and campaigns;
- present initiatives and suggestions to the municipality;
- intervene in representation of its members in all bodies and forms of popular participation; and to participate in sittings of the municipal council and take initiatives related to the elaboration of budgets, ordinances and the agreements reached by the inhabitants.

Art. 6: The governing organs of the juntas vecinales are the
a General Assembly of its members
b The Board (Junta Directiva)

Art 7: The Board is formed by
a a president
b a secretary
c a treasurer
d a controller (fiscal)

The statutes of the neighbourhood organisations determine the functioning, the competence and the form and instalments in which elections for the Board should take place.

Art. 9 and 12: Local Governments should keep registry of all juntas vecinales and inform the provincial government of Lima Metropolitana of the registration of the Juntas Vecinales. After elections of the board members, the new leaders have to be registered in the municipal index.

Source: Compendio legal de participación vecinal y ciudadana, Municipalidad de Lima Metropolitana (nd)

5 They do not have trained leaders. For most of the leaders, it is ‘learning by doing’.
6 Decision making has to be done in the ‘general assemblies’ (asambleas generales) of the settlement, with a vast number of household representatives present. It is of critical importance for the legitimacy of the decisions and for the organisation that decisions are taken in such a way, especially if the decisions affect a vast number of inhabitants. Nevertheless, it also hinders the junta vecinal in efficient and rapid decision making.
Most leaders in the *juntas vecinales* are men, and consequently are more oriented towards issues considered to belong to the public sphere. If women take part in the *junta vecinal* this is often on the only function assigned to the private sphere, the function of social affairs (*asistente social*).

### 4.3.2 Sectoral Organisations

The second category of community-based organisations as defined in Chapter 2 is that of the sectoral organisations: *clubs de madres*, communal kitchens and the *comités vaso de leche*.

The *clubs de madres* (mothers' clubs) originated in the early 1970s. These organisations were set up around the North American Food Aid Programmes and were (and still are) closely related to the church. The *clubs de Madres* are the most heavily criticised women's organisations. They were set up by outsiders who neglected existing organisational structures. Women were only rewarded with food if they participated in the courses set up in the club, such as knitting, sewing and embroidery. Since there often was no market for the products produced in these courses, the women felt obliged to do useless and unwanted work in order to obtain food. The organisations were completely dependent on the donations.

Women had to adapt to the structure set up, and were offered little food for a great deal of work. The activities furthermore reaffirmed the classic role of women as housewives and mothers and reinforced the traditional gender-based division of labour. It could even happen that participation in labour unions, *juntas vecinales* and independent women's groups was punished by exclusion from the food aid programme. For many women, however, it was their only possibility to do something to support their families. It also offered them a place to meet and chat. This sometimes led to a process of becoming aware of the dependency relations, and taking initiatives to set up semi-independent or independent *comedores* (Van Wensemael Smit 1988).

The communal kitchens – or *comedores* as they are called in Peru – originated during the teacher’s strikes towards the end of the 1970’s. Women came together to cook meals in support of the teachers and their families. The number of communal kitchens in Lima rose rapidly during the 1980s: from 380 in 1984, to 800 in 1986, while for 1990 both 1,500 and 2,300 have been estimated\(^\text{12}\) (Lenten 1993:4). Although these can only be taken as rough figures, it clearly indicates a rapid increase. In 1986, representatives gathered and formed the National Committee of Communal Kitchens (CNC). Today in many districts, there are now district committees, committees on the level of the Cone and for Lima as a whole. Every morning some 40,000 women belonging to the *Federación de Comedores Populares Autogestionarios* (FCPA, or Federation of Self-Managed Communal Kitchens) gather at 2,000 sites throughout Lima’s poor neighbourhoods pooling their human and material resources to feed their fami-

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12. Lenten (1993:4-5) takes this number from different studies. She indicates that estimates are difficult to make. First of all, it is not clear whether the counted comedores are actually functioning. Secondly, comedores function in different settings, as independent comedores (independent from official food aid channels, national or international), comedores receiving food aid and comedores functioning within the clubs de madres.
lies, some 200,000 people' (Lind & Farmelo 1996:1).

In communal kitchens, groups of women prepare meals together – often breakfast and lunch – which the members and their families can buy at the lowest possible price. Buying in bulk lowers the cost of the ingredients. Numerous *comedores* received food aid from organisations as Oxfam, Caritas and Ofasa, which further kept down the prices of the meals. Lenten notes that it was not surprising that women setting up *comedores* in the 1980s turned to food-aid programmes for support, since many of them had had experiences with these programmes before (Lenten 1993:76).

Numerous studies on communal kitchens have been carried out (Barrig 1991; Blondet & Montero 1995; Boggio 1990; Celats 1985; Lenten 1993; Paredes 1985; Wensemael Smit 1988). From these studies, it can be drawn that participation in the *comedores* is unstable. Women note as advantages a cheaper and more balanced diets, saving the time of cooking for other activities and the opportunity to meet other women. This implies:

1. Obtaining food at a lower price is a cost-saving strategy.
2. Reducing time spent on domestic tasks enables income-generating activities.
3. Strengthening social networks in the neighbourhood can serve as both an emotional as a material safety net.13

Women primarily participate in the kitchens out of economic necessity. As long as the crisis persists, they have few other alternatives. One weakness in their form of organisation is the fact that women may become ‘burnt out’ from participating for so many years. After 15 years, the original excitement about the kitchens has worn off. Many women are tired and would prefer to seek paid employment opportunities elsewhere, rather than participate as volunteers in the kitchens (Lind & Farmelo 1996:4). However, participation in a *comedor* can also go beyond the food component. *Comedores* have become a welcome counterpart for many NGO activities such as training programmes, health programmes and small-scale credit programmes. Women themselves have sometimes created not only a communal kitchen, but also a communal productive workshop. This can be especially successful when a stable relationship with a client is developed. And through the participation in the *comedores*, the women ‘have gained a new awareness of their roles, not only in social reproduction, but also in community and civic action. The kitchens constitute an important part of the broader ‘popular’ women’s movement in the country’ (Lind & Farmelo 1996:2).

The ‘Glass of milk programme’, as was seen in Section 4.1, was one of Mayor Barrantes’ most important achievements and has lasted until today. It provides children under six and lactating mothers with a glass of milk and oatmeal a day to ensure a proper breakfast. Under President Alan Garcia, the programme was taken over by the national government. Despite all cutbacks under the Fuji shock, the programme still exists. Implementation of the programme has now been decentralised to district governments. From the side of the population, it is expected that they

13. That these networks entail conflicts and painful situations as well will be elaborated upon in the empirical chapters.
will form groups (glass of milk committees or comités vaso de leche), for instance at the level of the housing block or the settlement, name their representatives and register the beneficiaries. The presidente of the committee has to assure that the milk is prepared on a daily basis, and negotiates with government if something goes wrong. In 1995, the programme distributed 13 million packages of milk and oatmeal, from which over a million recipients benefited.

Over the years, the different women’s groups developed into an important agent in neighbourhood life, both for the internal dynamics and for relations with outside actors. Díaz Albertini (1994:11) goes as far as to state that these women’s organisations nowadays form the organisational heart of neighbourhood life.

First of all, the participation of the women in these organisations challenged the existing gender roles, which not only assigned the domestic tasks to women, but added the requirement that these tasks be carried out in the private sphere. Stated more simply, it turned out to be of great importance to men that their wife cooked them a meal at home. Men were scared about the changes caused by the growing importance of the organisations and the growing participation of women in issues of the public sphere (Lente n 1993). For some women, the participation in one of these organisations opened possibilities for upward mobility. It is not unusual for a woman to have various responsibilities in her settlement, such as president of the comedor, the glass of milk committee, asistente social in the junta vecinal or community health worker. Having these functions, and especially if she combines several of them, not only gives her a say in neighbourhood affairs, but also opens the door to training provided by NGOs or state organisations, engagement in networks at a higher level of scale and the possibility of knowing other realities or other areas than her own.

It can even happen that the leading women of the organisations develop patron-client relations with the participating members. This happens if the leading women monopolise the contacts with the outside actors such as the NGOs, donors and food-aid organisations.

4.3.3 Informal social networks

Besides the previously discussed more formal networks, the informal social networks are also of great importance. They consist of the contacts and mutually supportive relations between neighbours, kin and ritual kin. These informal networks can give access to credits, goods, services, knowledge, information and advice (Ypeij 2000). The networks function using unspoken codes. To enter and become accepted one has to be considered reliable and trustworthy. Personal recommendations are very important in Peruvian society, and this holds true for entering a social network as well. It is easiest if one is introduced by a member. Information exchange and gossip go hand in hand. The existing networks, norms and values are constantly reinforced in the numerous informal talks. There are clear descriptions of ‘good’ and ‘bad’ people. To get support from the network, it is important to be known as ‘good’. People who do not behave according to the norms and values of

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The network in which they participate can be excluded and isolated.

The networks can even punish socially unacceptable behaviour. People's lives can be made so difficult that they are pressured to leave the neighbourhood or give up an economic activity (Yepej 2000).

A clear example of the functioning of these kind of networks are the parrilladas or polladas, held out of solidarity with a family in need. Parrilladas (and the like) are a sort of community barbecue. In all cases, some kind of meat is bought and a barbecue is held, where the food is sold at a small profit. The most important source of profit is the sale of additional drinks, mainly beer and soft drinks. It is quite common to organise a parrillada when someone is seriously ill, whether to raise funds for treatment, for the funeral, or to help the relatives. Money is also sometimes collected directly from door to door to support a family in need.

More personal lines of support are formed by ritual kinship. Compadres (godparents) are sought both within the settlement and outside. If the compadre is of a higher social class, the parents can ask for financial support if the child is ill. The compadres, in return, can exact personal services. Compadres of the same social class most often exchange personal services, helping each other in case of illness or family crises. In this way, new social ties are established that form an important part of household safety nets. Zapata formulates the hidden logic behind the functioning of these networks as follows:

‘In popular Peru, there is a lot of social association that develops on different levels. It is not the kind of social association that belongs to communism, because it is a joining efforts that does not disclaim the spirit of personal benefit. It is a form of being bond together in a kind of solidarity that recognises that the possibilities for upward social mobility at the individual level depend on the capacities to make use of the extensive cooperation with relatives, neighbours and others’ (Zapata 1997:220).

4.4 The individua system

Sixty percent of the Limenean population is under 30 years old. Children through 14 years old constitute 29% of the population, and the 15-29 group constitutes another 31%. Those seeking a private plot to start their own family are predominantly in this second group. The average household size in Lima was 4.6 members in 1993, and 24% of these households were female-headed (Municipalidad Lima Metropolitana 1996). The vast majority of those working in the informal sector are these young, poor people. Whereas in 1984 38% of the Limenean population worked in the informal sector, this had risen to 49% in 1995. Another 5% worked as a maid or guard

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15. Parrilladas and polladas are also the most common form of fund-raising activities to finance collective needs, as will be discussed in Chapter 7.

16. Compadres are the godparents of children. In Peru, agreeing to become compadre does not only mean a special relationship with the child. It also entails a responsibility towards the parents. This relationship works two ways, as the compadre or comadre can also call upon assistance of the parents of the child.
(Ypei 2000:33). In the barriadas the percentage of the people working in the informal sector is around 60%.

The vast majority of the barriada population lives in poverty or even extreme poverty. The poor in Lima have experienced a constant drop in purchasing power over the last thirty years, whereas for the country as a whole inequity has been increasing (Glewwe & Hall 1992; Ypei 2000). Under Garcia, average consumption levels dropped by 55%, and for the poorest they dropped 62%. Inflation rates skyrocketed from 1.58% in 1985 to 1,720% in 1988 and 2,776% in 1989. Real wages dropped constantly. By 1990, they were worth 21% of what they had been worth in 1980. By June 1990, the minimum wage covered 65% of the ‘poverty basket’.17 The situation only worsened under the neo-liberal policies of Fujimori. In the process of stabilisation and structural adjustment (see Section 4.1.7), the poor were hardest hit. Consequently, the number of poor in Peru rose almost literally overnight from 7 to 12 million. In July 1991, four minimum wages were needed to purchase the minimum food basket.

Table 4.4 Income distribution in Lima, 1999

<table>
<thead>
<tr>
<th>Segment</th>
<th>Inhabitants</th>
<th>%</th>
<th>Monthly family income (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>237,400</td>
<td>3.4%</td>
<td>3,319</td>
</tr>
<tr>
<td>B</td>
<td>1,006,000</td>
<td>14.4%</td>
<td>874</td>
</tr>
<tr>
<td>C</td>
<td>2,359,900</td>
<td>33.8%</td>
<td>348</td>
</tr>
<tr>
<td>D</td>
<td>2,582,500</td>
<td>37.0%</td>
<td>229</td>
</tr>
<tr>
<td>E</td>
<td>796,700</td>
<td>11.4%</td>
<td>147</td>
</tr>
</tbody>
</table>


Although the Fuji shock and a favourable global economic context led to a boost in Peru’s macro-economic figures – with economic growth rates that even reached 13% in 1994 – this economic prosperity did not trickle down to the poor. During the recovery, poverty levels dropped only slowly, from 54% of the Peruvian population living in poverty in 1990 to 51% in 1996. Macroeconomic growth rates also declined and by the end of the 1990s, Peru had entered a recession again (Somos 1999). A new category of poor people was created in the official statistics. Until 1996, income distribution had ranged from ‘high income’ to ‘poor’. Now, there is also a category of ‘extreme poverty’ (pobreza extrema, category E) (Table 4.3). Those living in extreme poverty cannot even cover their basic food needs. In 1999, 11% of the Limeanean population lived in extreme poverty, earning a family income of US$ 147 or less a month. Another 37% of the population lived in poverty, earning a monthly family income between US$ 147 and US$ 229. In other words, half of the Limenean population lived in poverty or extreme poverty in 1999. Only 3% of the population belongs to the higher income classes earning a family income of more than US$ 3,300 a month.

17. The poverty basket equals two times the value of a basic nutritionally adequate diet.
4.5 Reproducing the city

What Riofrío calls ‘the reproduction of the city’ started in the 1980s. For the first time, the housing demands from Limeno exceeded those of immigrants. A second generation had grown up in the city and was looking for a place to start their own family. Most of the young barriada inhabitants had experienced an invasion as a child, and were familiar with the process of barriada formation. As Drient puts it: ‘We can conclude that the barriada no longer is only the last step in the housing career of the immigrants, it is also the first step in the housing career of their children’ (Drient 1991:178). There was a sharp increase in invasions. During 1963-1968, an average of 11 barriadas was established each year. From 1968-1975 this number dropped to 6, to increase again to 32 per year in the period 1978-1986. Presently, there are over 1,000 barriadas in Lima (Table 4.4), housing a third of the Limenean population, 92% of them in the peripheral fringes of the city. The other 8% of the barriada population lived either in the old barriadas close to the city centre, or in the inner city slums, which are completely different in nature.

Table 4.5 Number of barriadas and their population in Lima’s Cones (1996)

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of barriadas</th>
<th>No. of Inhabitants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cono Sur</td>
<td>284</td>
<td>720,315</td>
</tr>
<tr>
<td>Cono Este</td>
<td>347</td>
<td>601,636</td>
</tr>
<tr>
<td>Cono Norte</td>
<td>349</td>
<td>503,822</td>
</tr>
<tr>
<td>City Centre</td>
<td>66</td>
<td>152,030</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,046</strong></td>
<td><strong>1,977,803</strong></td>
</tr>
</tbody>
</table>


The barriadas formed after the end of the 1970s differ from the earlier formed barriadas. These newer barriadas are much smaller, in terms of the site, the plot size and the number of invaders per invasion. Arnillas (1982) studied 40 settlements formed after 1978 and found that only 18 of them were located on public land without defined land use. Fifteen had less than 100 plots. Of the invaders, 54% were born in Lima, and 79% previously lived in another barriada. Most people in the survey were young, with 27% between 20-29 years of age. Together with their children (38% of the population were 0-9 years of age) they made up the majority of the population.

4.6 In conclusion

This chapter showed that the management of urban environmental problems is seriously hampered by the contradictions in the governance system. Although they are to some extent legally and politically equipped with the necessary powers, local governments have little room to play the leading role they are supposed to take in local environmental management.

Over the last fifty years of Lima’s development the dynamics between the governance and the social systems have created a new set of institutions and proce-
dures belonging to the city’s process of reproduction. State responses to the growing demand by the poor for land and shelter have alternated from a neo-liberal laissez faire to a more bonding populist approach. In both cases, the burden of neighbourhood development was in practice left to the inhabitants themselves.

Fifty years of urban growth have resulted in a city where half of the population lives in poverty or even extreme poverty. A third of the Limenean population lives in the peripheral districts of the city, built on vacant desert land. Many of the new starters in these fringes are the children of the immigrants, who now want to start their own family. ‘Reproducing’ urban social life, they form their own organisation. Each neighbourhood has its neighbourhood organisation.

A second result is that Peru presently does show a well institutionalised neighbourhood development framework, in which the neighbourhood organisations have played an important role throughout the history of barriada formation, and still do so today. They have not even lost their importance under the current extremely neoliberal regime and its high emphasis on individual property. The neighbourhood organisations are the primary catalyst for the improvement of the environmental conditions. Their functioning is embedded in the legal, the institutional and the government frameworks. Their authority goes so far that they can sign contracts for infrastructural projects on behalf of the neighbourhood they represent.

However, from the 1980s onwards, new organisations emerged, especially the women’s organisations. Born out of pure necessity, as the deepening crisis forced families to find new ways to survive, they became a lasting feature of barriada life, and the role of these organisations expanded from an important element in ensuring household nutrition to become a source of women’s empowerment as well. Both kinds of institutions – the neighbourhood organisations and the women’s organisations – also have their limitations. They have to work with very little in the way of human and financial resources, they are led by volunteers who have many other tasks (domestic and productive) to fulfil as well, and for most of their leaders it is a process of ‘learning by doing’.