

THE POLITICS OF POVERTY: NON GOVERNMENTAL ORGANIZATIONS (NGOS)  
AS INTERMEDIARIES IN AFFORDABLE HOUSING PROGRAMS IN  
ARGENTINA

By

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To Vero

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By

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This dissertation examines the role that non governmental organizations (NGOs) play as intermediaries between donors and governments on one hand and the poor and their organizations on the other in affordable housing programs implemented in the poorest regions of Argentina between 1973 and 2008.

The dissertation proposes an analytical framework to describe the different strategies and tactics with which different non governmental organizations play five games: a) competition for scarce funds, b) representation of the poor, c) cooperation for the strengthening of the non profit sector, d) conclusion of constructions on time and on budget and e) pursuit of the social inclusion of the marginalized.

Researchers, policymakers, NGOs personnel and the targeted families will benefit from the detailed description of the interlocking power games involved in this intermediation. The results suggest that there are concurrent incentives to promote a broader and more active participation of NGOs in affordable housing programs.

## CHAPTER 1

### INTRODUCTION AND LITERATURE REVIEW

#### **Introduction and Overview**

Non governmental organizations (NGOs) in Latin America and Argentina have always been at the vanguard of the efforts to provide affordable housing for the poor, frequently acting as brokers between the supply side represented by governments, the private market and international agencies of cooperation, and the demand side composed of poor families and their organizations.

The dissertation proposes an analytical framework to describe the different strategies and tactics with which different NGOs play an intermediary role between governments and the people in the poorest regions of Argentina (from 1973 to 2008). The analytical framework is composed of five games: a) competition for scarce funds, b) representation of the poor, c) cooperation for the strengthening of the non profit sector, d) conclusion of construction on time and on budget and e) pursuit of the social inclusion of the marginalized.

#### **The Housing Conditions of the Poor in Argentina**

The problem of poor people's housing has different characteristics across the globe. While homelessness and squatting exist in developed countries, their housing problems are commonly related to urban planning, financing, accessibility and quality, and environmental sustainability. On the other hand, underdeveloped countries face more serious challenges as their housing concerns are permeated by large quantitative deficits (an estimated 90% of African families live in inadequate conditions), environmental problems like desertification, and complex social phenomena such as tribal rivalry or the displacement of refugees. Latin America is somewhere in between

these two realities as the urban deficit is estimated to affect 40% of the population (HIC-LA 2005); qualitative deficits are also important in Latin America as the historical unequal distribution of land combined with recent chaotic urbanization processes have left millions without access to home ownership and to basic public services. The lost decade of the 1980s and the neoliberal reforms of the 1990s aggravated these quantitative and qualitative historical housing deficits by producing new urban challenges associated with acute social inequalities and new forms of social exclusion (van Willem, Huttman and Fava 1985:3).

Argentina is not an exception. Twenty five years after its transition to democracy and having achieved considerable institutional strength, the country cannot find its way to economic growth and social stability. According to Gazzoli (2007), the 2001 national census showed that more than 2,600,000 households lived in deficient dwellings (more than 13 million inhabitants, or 36% of the total national population). Private estimates from universities and NGOs established those figures to be in the range of 28% to 32% for 2006 (SEHAS 2006).

The peak of the crisis at the end of 2002 left more than half of the Argentine population under the poverty line and 27.5% under the indigence line, with broad regional disparities between the northern areas, where poverty affected 70% of the population, and the well-off regions of the pampas and Patagonia (See Table 1-1).

From 2003 to 2008 the favorable international terms of exchange of agricultural commodities fueled a sustained economic growth at an average of 5.5% GDP per year. Nonetheless, extreme poverty and new forms of marginalization still alienate a large portion of the population from the country's economic, political, and cultural life.

These poverty rates have a direct impact in the housing conditions of the poor as shown by the national indicator of Five Unmet Basic Needs (NBI); the 2001 census found 28.2% of households with more than three persons per room (crowding), 25.2% of houses made of irregular material or rented quarters (housing), 12.4% not having an indoor flush toilet (sanitation), 3.4% having a child between 6 and 12 years that was not attending school (school attendance) and 11.5% homes having four or more dependents per person working and a household head with 2 or less years of primary school (subsistence capacity) (INDEC 2001).

As expected, the geographical distribution of these housing needs follows the same pattern shown above in Table 1-1 with the poorest provinces in the northeast and northwest regions of the country suffering housing deficits of 34.1%, the central pampas in the 14% to 18% range and the Autonomous City of Buenos Aires with housing deficits of only 7.0% (See Figure 1-1) (INDEC 2001).

### **Overview of the Dissertation and Outline of Chapters**

A better understanding of the causes and dynamics of the relationship between extreme poverty, marginalization and housing conditions is needed to ameliorate the predicament of the urban poor in Argentina. This investigation examines the role that non-governmental organizations (NGOs) play as intermediaries between donors and government on one hand and the poor and their organizations on the other in affordable housing programs implemented in the poorest regions of the country (City of La Quiaca in the Northwest, City of Puerto Iguazú in the Northeast) and in the City of Cordoba in the Central Pampas (See Figure 1-1 for the location of these cities).

The central justification for the need of this dissertation is that describing the interlocking power games involved in the intermediary role of NGOs will provide

information that can improve scope and depth of the scholarly research on the subject, the performance of NGOs' practices in the field and last, but not least, the quality of the service delivered to the families in need.

The dissertation is organized into seven chapters. After this brief introduction, the rest of Chapter One introduces a literature review on the subject proposing a meso-level of analysis that looks at NGOs as intermediaries between donors and beneficiaries using principles of rational choice theory and tools of institutional analysis. Combining these normative grounds Chapter 2 presents the analytical framework of the investigation (descriptive in nature), the general research design (comparison of three cases and five affordable housing programs) and a detailed description of the fieldwork conducted in Argentina from August 2006 to July 2008. The analytical framework is a descriptive model integrated by five sets of incentives, games and winning strategies that recreates the scenarios encountered by NGOs when they play their brokerage role in affordable housing programs: (Game A) winning a donor or a program, (Game B) representing the poor, (Game C) strengthening the non-profit sector, (Game D) finishing construction projects on time and on budget, and (Game E) promoting the empowerment and participation of the poor so they can pursue their own social inclusion.

Chapter Three takes a historical look at the way in which different NGOs have played that intermediary role in Latin America and in Argentina from the dawn of the nation-state in the mid 18<sup>th</sup> Century to the neoliberal reforms of the 1990s highlighting a crucial divide marked by the reform of the national housing system in 1995. Chapters Four, Five and Six introduce the cases under analysis - SEHAS (1970/1999), the

Program *Mi Casa, Mi Vida* (2004/2007) and *Caritas* (2004/2007) respectively. The cases are rather diverse in their contexts as well as in their contents, ranging from small to large programs, with different institutional arrangements and implemented in heterogeneous social groups such as urban squatters in Cordoba, indigenous families in La Quiaca, and an eclectic group of indigenous, rural workers and immigrant families in the cosmopolitan and poor city of Puerto Iguazú.

Finally, Chapter Seven analyzes the data obtained in the comparison across cases offering conclusions and recommendations to both researchers and NGOs practitioners. The analysis shows that the current dynamics of self built affordable housing have grown in complexity to a point in which governmental housing policies, the expectations of the poor, and the traditional brokerage activities of NGOs are no longer compatible. The evidence also suggests that neither the government nor the NGOs have adapted their strategies to the new scenario laid out by the housing reforms of 1995, the former ignoring the importance of citizen's participation and the latter trapped in a growing gap between their normative discourses and their survival and winning strategies.

### **Literature Review: The Case for a Meso-Level Approach to Poverty Studies**

The bibliography on urban poverty faces new challenges as the political and economic contexts, the institutional arrangements and the dominant discourses that created urban poverty in the 1940s and 1950s are different from the contexts, arrangements and discourses that reproduce urban poverty in the 2000s. Urban studies in Latin America and Argentina are struggling to understand ongoing phenomena of unprecedented complexity. During the 1970s a combination of incentives from international organizations and the research of young intellectuals produced the

first regional corpus of knowledge on poverty<sup>1</sup>, which at the times focused on absolute poverty and methods of measurement mainly using macro economic analysis and yielding policy recommendations that were reluctantly received by the bureaucratic authoritarian governments. No regional synthesis was achieved at that time but the foundations were laid for the construction of an autochthonous perspective on urban poverty.

The lost decade of the 1980s and the structural reforms of the 1990s caused an expansion in poverty studies with centrifugal forces dispersing the area into a number of disciplines and approaches<sup>2</sup>. Golbert and Kessler point to the paradox that there is an extensive agreement among Latin American scholars on emphasizing structural economic factors as the main causes of poverty, but the solutions they propose focus on non-economic dimensions such as further government intervention or self-help programs; in their own words, “the 1990s are characterized by an intellectual void regarding the struggle against poverty from a broader economic and social perspective” (Golbert and Kessler 1996:508).

Poverty studies in Latin America have focused on macro as well as micro levels of analysis, whether they look at the material or at the symbolic dimensions of poverty.

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<sup>1</sup> Essential to this period are Nun, J. (1969) Marginalidad y Participación Social. Geneva and Buenos Aires: International Institute for Labour Studies and Instituto Torcuato Di Tella, Working Paper; Germani, G. (1973) El Concepto de la Marginalidad. Buenos Aires: Nueva Vision; Quijano, A. (1977) Dependencia, Urbanización y Cambio Social en Latinoamerica. Lima: Mosca Azul; Altimir, O (1979) La Dimension de la Pobreza en America Latina. Santiago de Chile : CEPAL; and Perlman, J. (1976) The Myth of Marginality. Urban Poverty and Politics in Rio de Janeiro. Berkeley : University of California Press.

<sup>2</sup> Argentine references for this period are Beccaria, L. (1991) Estancamiento y Distribucion del Ingreso en Minujin, A (ed) Desigualdad y Exclusion. Buenos Aires : UNICEF/Losada, pp.193-240; Minujin, A. 1992 Cuesta Abajo. Los Nuevos Pobres: Efectos de la Crisis en la Sociedad Argentina. Buenos Aires : UNICEF/ Losada; Barbeito, A. and R. Lo Vuolo (1992). La Modernización Excluyente. Transformacion Economica y Estado de Bienestar en Argentina. Buenos Aires : CIEPP; Feijoo, M. (1990) Y Ahora Que? La Crisis Como Ruptura de la Logica Cotidiana de los Sectores Populares. Buenos Aires : INDEC; Bustelo, E (1991) La Produccion del Estado de Malestar. Ajuste y Political Social en America Latina. Buenos Aires : Mimeo; Tenti Fanfani (1994) La Escuela Vacia. Deberes del Estado y Responsabilidades de la Sociedad. Buenos Aires : Losada.

Authoritarianism, rigid class structures and dependent economies are usually found to correlate with high indexes of poverty. These analyses have focused on macroeconomic variables (North 1990, Schultz 1993, Przeworski et al 2000), long-term political or social cycles (Rueschemeyer, Stephen and Stephen 1991, Collier and Collier 1991, Mainwaring and Scully 1995, Oxhorn and Ducatenzeiler 1998) or the opportunities and constraints posed by the international context (Dos Santos 1970, Cardozo and Faletto 1979). In this macro level of analysis the material conditions of the poor are measured with international indexes (UNDP's Human Development Index, the more specific Human Poverty Index that measures life expectancies, education and standards of living, and the GINI coefficient of inequality of income distribution, to name a few), or with standard thresholds such as a 1.25-dollar-a-day food expenditure. Most recently, the UN Millennium Development Goals have set global goals to reduce poverty by 2015 establishing ambitious thresholds in eight areas: extreme poverty, education, gender equality, child health, maternal mortality, AIDS and other diseases, environmental preservation and partnership for development (UN-MDG 2005).

The symbolic dimensions of poverty are also addressed in macro and micro levels of analysis. At the macro level this includes studies on the impact that long term global phenomena such as the return of nationalism, migration flows or environmental degradations (Berman Santana 1996, Sánchez-Triana et al. 2007) have on poverty rates<sup>3</sup>. At the micro level, sociologists, anthropologists and social workers have provided in their ethnographies detailed descriptions of how poverty functions in the real world, in the daily routines of ghettos and shantytowns. These micro approaches have

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<sup>3</sup> Martucelli and Svampa (1997) characterizes Latin America as lacking a close connection between public discourses on poverty and factual actions

looked at the cultural adaptations and strategies of survival of the poor (Schepers-Hughes 1993; Minujin and Kessler 1995; Isla, Lacarrieu and Selby 1999; Gutierrez 2005) and their political responses in terms of perceptions, participation and mobilization (Castells 1983, Powers 2001, Baldez 2002, Gutmann 2002). Finally, the early 1990s were particularly effective in producing studies calling for a broader understanding of the complexities of social and economic structuring of the urban habitat (Gilbert and Gugler 1992, Chambers 1995, Wratten 1995, Moser 1995).

Less common are studies using a meso-level approach to poverty, a middle ground level of analysis that explains how different material conditions (i.e. legal frameworks, institutional arrangements, technical standards, availability of resources and funds) or symbolic conditions (nationality, ethnicity, gender, etc.) determine the context in which poverty is produced and reproduced as well as the range of government responses. As the macro structural context of Latin America changed radically in the 1990s, the meso level of analysis used by scholars to link macro conditions with micro outcomes became obsolete, losing explanatory power to account for unprecedented phenomena such as changes in centennial party systems (Mexico, Uruguay, Argentina), neoliberal reforms supported by the masses (Peru, Argentina), new social movements rejecting globalization but using its tactics (Mexico, Brazil) and political stability amidst increasing inequalities (whole region). Changes in the last decade are rewriting the rules of the low income housing game; the linking of poverty with crime, the pervasive presence of drug abuse among the youth, the coming to adulthood of citizens born in shantytowns, new social movements such as the *Sem Terra* in Brazil (landless), the *Piqueteros* in Argentina (picketers) and the vested

movements of real estate corporations causing gentrification, are some of the phenomena that are yet to be studied.

There is a growing demand for meso-level research on poverty in general (Øyen 1996, Fisher 1997) and in urban studies in particular (Castells 1989, 1996; Harvey 2001)<sup>4</sup>. Research is needed at an intermediate level of analysis in which normative theory and empirical data meet to specifically explain “*how*” impoverishment happens, i.e. the specific social mechanisms by which endogenous variables are translated into concrete opportunities or constraints for the poor. In the words of Else Øyen,

Contributions from the literary sphere surpass the social sciences in their detailed descriptions of the lives of the poor. The social sciences surpass the literary sphere in their analysis of the iron laws of poverty. The future challenge for poverty research lies in linking the universal with the particular and in tying the micro perspective to the macro perspective.  
(Øyen 1996:16)

Meso-level approaches are common in sociology and were championed in political science by Robert Merton (1964). Relaxing the universal requisites of the traditional functionalism of Radcliffe-Brown and Parsons, the “middle range” theories of Merton were rapidly welcomed in political science. In systemic theory, for instance, the intermediate step between input and output is called “process” (Easton 1953) and in the field of administration and public policy the hidden place between decision making and implementation, the place where “things actually happen”, is called the black box<sup>5</sup>.

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<sup>4</sup> Øyen also calls for a “new paradigm” in poverty studies. Even though she doesn’t elaborate on the extent and functions of this new paradigm, skepticism remains about the benefits of building an overarching paradigm (in the Kuhnian sense), especially in the contemporary context of global-local tensions and accelerated historical time.

<sup>5</sup> According to David Caudill, “The term black box in science studies refers to the tendency, in idealized accounts of scientific practice, to ignore or set aside the social, institutional, and rhetorical aspects of science in order to focus on input (hypothesis, data) and output (results of experiments conclusion). Extending the metaphor, “opening the black box” refers to the effort on sociological studies to disclose the effects on scientific practice of, for example, values, training, professionalization, economic and political interests, interpretive frameworks, negotiations techniques, language, methodological conventions, and

MacLeod's "Ain't No Makin'it" (1987) for the United States and Bourdieu's "The Weight of the World" (1999) for France are good examples of this kind of meso-level research in the field of poverty studies since they constitute theoretically rooted denunciations of real-world mechanisms of oppression. Mendoza, Montaner and Vargas Llosa (1998) for Latin America, Vasilachis de Gialdino (2003) for Argentina and Corea and Duschatzky (2005) for the city of Cordoba, are also good examples of this type of research. In the specific literature on low income housing Davis and Whinston (1961) and Ostrom, Schoeder and Wynne (1993) have shown the path for the application of rational choice and cost-benefit analysis to the meso-level of interaction between the international funds, local governments or NGOs and the recipient.

The application of meso-level approaches to affordable housing programs was originally proposed in the seminal works of Abrams (1946, 1965, 1966), Koenigsberger (1971, 1976), John F.C. Turner (1968, 1972, 1976), William Mangin (1967, 1970) and Bratt (1996), who pioneered the argument that NGOs are the best equipped institutions to articulate the complexities of construction and social goals. The introduction of these ideas to Latin America was advocated by Turner (1976) and Pugh (1987), while the leading authors in Argentina are Pelli (1983) and Buthet (1990).

### **Affordable Housing Programs and the Role of Non-Governmental Organizations**

Affordable housing is a meaningful subject to approach poverty from a meso-level perspective for at least three reasons: 1) the actors involved are diverse, from international organizations, to governments, to non-governmental organizations (hereinafter NGOs), grassroots groups and family households; 2) studies on low income

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dominant theoretical paradigms". Caudill, David S. (2002) Barely Opening, Then Slaming Shut, Sciences "Black Box" in Law: A Response to Beecher-Monas's Heuristics. Cardozo Law Review 23:5 pp. 1795-1810

housing cover a wide scope of research designs, from abstract theoretical speculations to empirically oriented case studies; and 3) they use a variety of data gathering techniques from statistical analysis and public opinion surveys , to comparison across countries, to qualitative tools such as in-site appraisals and other ethnographic tools. Affordable housing studies, that used to be the exclusive realm of urbanists, architects and sociologists has become a collection of bibliographies with contributions from geography, economics, psychology, environmental studies and family medicine.

Unfortunately, the emergence of such a broad array of approaches and techniques does not necessarily mean that they have interacted among each other. In fact, geographers have tended to emphasize empirical collections of data, but without these being theoretically informed, while economists often have favored theoretical orthodoxy with less attention to social insight (Pugh, 1995). As a consequence, a common critique put forward by Latin American scholars is that there is little cross-fertilization between these approaches and a lack of cumulative knowledge about the affordable housing issue in urban studies. Another negative consequence of these anarchic cross-disciplinary contributions is that too much is expected from affordable housing policies. Indeed, in what Pugh (1997) calls “comprehensiveness” and the World Bank (2000) “multitasking”, social housing policies have been expected to contribute to economic growth, financial markets, land and urban renewal policies, environmental preservation, income distribution, social inclusion, gender equality and to healthcare policies, just to name the most salient expectations.

### **A Call from Political Science: Look at the Middle Man**

The contribution of political science to the bibliography on affordable housing policies in Latin America has been limited to policy analysis and program evaluations.

Theoretical perspectives from political science have overlooked housing policies and programs as they focused on marginalization (Pearlman 1976), the politics of the slum and the formation of new ghettos (Wacquant 1998, Auyero 2000) or on issues of identity formation and citizenship (championed by the 2004 CLACSO/CROP research program<sup>6</sup>). One consequence of the narrowness of the political science contributions to affordable housing studies (other than policy analysis and program evaluations) is that the issue appears to be ideology-free with little attention being paid to politics and the stream of power that flow within affordable housing programs . A description of the mechanisms by which power flows throughout housing policies and programs in Latin America is yet to be done<sup>7</sup>.

One way of bringing politics and power to the studies of low income housing is to address the role of non-governmental organizations as brokers in the provision of affordable housing for the poor. NGOs are a subgroup of the larger non-profit sector; they are secular organizations, usually formed by middle-class and upper-class professionals and volunteers (unlike grassroots organizations), who establish a public entity with legal status (unlike informal groups), in the pursuit of public benefits especially oriented to the poor and the marginalized (unlike other non-profits pursuing benefits exclusively for their members).

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<sup>6</sup> The CLACSO/CROP research program is a joint effort between the Economic Commission for Latin America (ECLA) and the Comparative Research on Poverty (CROP) to promote “new approaches” to poverty studies in the region. The program is online at <http://www.clacso-crop.clacso.edu.ar>

<sup>7</sup> For instance, Foucault (1977) suggests that to understand the meaning and operation of power in modern society we must look beyond the model of power as “sovereignty”, a dyadic relation of ruler and subject, and instead analyze the exercise of power as the effect of often liberal and “humane” practices of education, bureaucratic administration, production and distribution of consumer goods, medicine, and so on.

A central discussion in the area of social movements studies was established when a group of authors argued that non-governmental organizations in Latin America performed better under the dictatorial rule of the 1960s and 1970s than in current democratic times due to the high demand of people for spaces of participation and the lack of competition from banned political parties and leftist movements (James 1999, Hyatt 2001, Paley 2001). Even though these works didn't address affordable housing issues, it is a fact that NGO-driven housing programs are clearly in decline in Latin America paralleled by a resurgence of the public housing schemes of the 1940s and 1950s (Chapter 3 reviews the history of Latin American and Argentine housing policies).

In spite of its importance, the role of NGOs as middle men between donors (or governments) and beneficiaries has not been addressed from a political science perspective. At the moment, the following observed facts remain unexplained in Argentina, at least from a political science perspective:

- There is a noticeable decline in citizen participation in NGOs working on affordable housing programs.
- There is a lack of efficiency in the non-profit sector in general and specifically in NGOs working in housing the poor (Fisher 1997).
- NGO-driven housing programs are small or medium size (200 to 2000 houses) so they have marginal impact in the broad picture of poverty alleviation.
- After a peak in the early and mid 1990s, NGOs are losing their share in the low-income housing market to private contractors.

Part of the reason why these facts remain unexplored is because the Argentine bibliography on low income housing portrays NGOs as purely altruistic organizations that can deliver what is needed for the poor faster than the state and with more social awareness than the private sector. These bibliographies anchored in human architecture and urban sociology focus on diagnosing social problems and choosing the

best solutions (outcomes), offering few insights into the political world of actors, interests and power that flows across housing programs. A review of the literature on NGOs and social housing in Argentina shows some recurrent patterns:

- The specific literature on NGOs and affordable housing programs is normative and remains rather idealistic.
- The literature mainly uses in-depth descriptions of few cases to produce taxonomies.
- The literature mainly looks at “best-practices” from which it draws considerable amounts of recommendations; little attention is paid to failure and how to learn from it.
- Power and self-interest are not addressed in the study of the relationship between NGOs and its beneficiaries. Ideology, politics and Michel’s Iron rule of oligarchy are overlooked.
- Institutional analyses of NGOs are rare. Public choice theory is absent.

There is a potential in rational choice theory (at the normative level) and in institutional analysis (at the meso-level) to make meaningful contributions to the understanding of the interlocking power relations and the winning strategies structuring the intermediary role of non-governmental organizations in affordable housing programs in Argentina.

### **Theoretical Contributions from Political Science**

In looking at the role of non-governmental organizations as brokers in affordable housing programs, political science can contribute from at least two theoretical perspectives: rational choice theory and institutional analysis. These perspectives are complementary in the sense that the former addresses normative considerations that are not usually applied to the non-profit sector while the latter studies the meso-level in which the interplay between institutionalized rules and individuals’ behavior occurs in self-governing entities (Ostrom 1990).

## **Rational Choice Theory and the Non-Profit Sector**

Rational choice theory approaches are not common in the study of NGOs which are frequently thought to be anchored in altruistic values and driven by cooperation strategies (variable sum games). Axiomatic rational choice theory describes the individual as a rational, utility maximizer, having complete access to reliable information in a market of perfect competition (Simon 1965, Williamson 1985). This description is bold, but nonetheless has powerful explanatory powers and is still used as the cornerstone of neoliberal approaches to non-profit studies, for example in a recent edition of the World Bank series on World Development entitled “Making Services Work for Poor People” (2003) in which the authors affirm: “The motives of NGO leaders may be exactly the same as those of a for-profit firm—requiring the same monitoring and care in contract enforcement” (World Bank, 2003, p. 104 as quoted in Gauri and Galef 2005:2046). Less dogmatic, earlier applications of rational choice pay little attention to philanthropic situations; when addressed, solidarity and altruism were defined as partially self-interested since part of the motivations by which rational actors engaged in helping others was to obtain self-fulfilling rewards such as a sense of moral righteousness, social recognition or to ease the guilt of wrongdoing in other spheres of life (Buchanan and Tullock 1962, Olson 1971).

It was not until after the civil rights movement in the United States that scholars specifically used rational choice perspectives to address the use of collective action in the pursuit public goods, mainly in the form of modeling the different scenarios and

choices faced by leaders and activists<sup>8</sup>. The selfishness of the rational actor, the effectiveness of free-riding on the efforts of others and the sub-optimal outcomes of non-utility maximizing behaviors have shown to be relaxed in the presence of public-spirited action, mutual assurance communication or race-based solidarity (Taylor 1976 and 1987, Elster 1986). An empirical verification of the peculiarities of the rationality in non-profit settings is offered by Chong (1991) who uses a number of models to describe the incentives and constraints faced by rioters involved in the civil rights movement; assurance games, coordination games and the modeling of lynch mobs, boycotts, and non-violent protest situations are used by the author to underline the tensions between the public-stated preferences of rioters and their private preferences, providing meaningful insights into the relationships between leaders and followers.

Rational choice theory has also been applied to the analysis of food drives, emergency relief efforts and other type of campaigns to help the poor. Margolis (1982:13) explicitly dedicated his book to “the problem of how to handle altruism within the rational choice framework”. To do so, the author proposes a model called “fair-share” in which the essential allocation rule for a rational actor willing to engage in an altruistic action is:

The larger the share of my resources I have spent unselfishly, the more weight I give to my selfish interests in allocating marginal resources. On the other hand, the larger benefit I can confer on the group compared with the benefit from spending marginal resources on myself, the more I will tend to act unselfishly. (*Margolis 1982:36*)

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<sup>8</sup> Needless to say, the mere involvement in demonstrations and riots was not a guarantee of effectiveness as Kenneth Clark (1966) showed the difference between activism that is personally satisfying but politically innocuous and activism that fulfills both personal and collective goals.

An interesting caveat on the interaction between rational choice theory and the non-profit sector is offered by Carman and Millesen (2004). After conducting research on the ways in which non-profit organizations in New York and Ohio engage in program evaluation the authors conclude that nonprofits offer multiple explanations for and interpretations of their behavior, not always consistent with a pure form of rational choice perspective. In fact, what the authors found is that instead of directly providing the analytical tools for assessing program evaluations, rational choice theory provides a conceptual platform upon which other four organizational theories of common use are built; these theories are strategic management, agency theory, resource dependence theory, and institutional theory.

Summarizing, the models based on rational choice theory have great explanatory power and a large scope of application but several political scientists have criticized their limitations to assess empirical political situations in settings where institutional constraints and imperfect information are the prevalent conditions (Coleman and Farraro 1992, Green and Shapiro 1996). For the sake of this research, rational choice theories lacks depth to analyze political situations with multiple equilibriums and the potential for multiple outcomes (positive or negative), a shortcoming that can be bridged by combining some of the assumptions of rational choice theory with analytical tools that can capture the influence of the contexts in which affordable housing programs take place and of the formal and informal institutional arrangements between donors, governments, NGOs, the beneficiaries and their grassroots organizations. Institutional analysis is the conceptual framework that can provide that kind of analytical tool.

## **Institutional Analysis: What do NGOs do in affordable Housing Programs and how do they do it?**

In the mid 1980s political science witnessed a resurgence in the studies of the state and other political institutions, a trend that encompasses several theories under the concept of “new institutionalism” (Powell and DiMaggio 1983 and 1991, Steinmo et all 1992, B. Guy Peters 1999). At the practical level, this new institutionalism borrowed from economic theory and developed several analytical tools located at the meso level of analysis explained above in section I.2. Two analytical tools related to (or renovated by) this new institutionalism are relevant to the construction of the analytical framework of this dissertation laid out in the next chapter: “the theory of the firm” (Coase 1935 and Williamson 1975) and “institutional analysis and development” (Simon 1982 and 1987, Ostrom 1993 and 1994)<sup>9</sup>.

Departing from transactional cost analysis, Coase (1937) defines firms as an alternative system of production which is bracketed out of the competitive market. The free interplay between supply and demand characteristic of open markets is replaced by long lasting arrangements between entrepreneurs and employees to produce goods (firms) than will be sent later to the open market. For the sake of this investigation, the theory of the firm can be applied to the role of NGOs in affordable housing programs using Williamson’s argument that the development of a particular institution is justified if it reduces the costs of undertaking the same activity without such an institution (Williamson 1975, 1985). A variation of the theory of the firm is agency theory where an actor called a “principal” entrusts the “agent” to protect his or her interests or carry out

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<sup>9</sup> These theories and analytical tools illuminate the construction of the analytical framework in Chapter 2. A detailed treatment of the theories on the non-profit sector and the role of NGOs in affordable housing programs is offered in Chapter 3.

his or her will. Whether NGOs in the affordable housing arena are agents carrying out the will of principals (as in the Program Mi Casa Mi Vida in Chapter 5) or are autonomous institutions that justify their existence by making housing programs more efficient (as in the cases of SEHAS and Caritas addressed in Chapters 4 and 6 respectively) is a question that will be present throughout the development of the cases.

Another possible justification for the introduction of NGOs as intermediaries in affordable housing programs is given by the idea of “organizational learning” according to which “an organization learns in only two ways: (a) by the learning of its members, or (b) by ingesting new members who have knowledge the organization didn't previously have (Simon 1991:1). The work of the NGO SEHAS addressed in Chapter 4 is a good example of the efforts to instill organizational learning into the grassroots organizations of the poor people.

Finally, Herrington Bryce (2005) compares a number of situation in which different NGOs perform as intermediaries in public policy processes. Placing the non-profit in a principal-agent framework, Bryce underlines the competitive advantage of NGOs as managers of social risks and as agents of choice for social service contracts (as proven in the case of Caritas in Chapter 5). The author concludes that in the majority of the policy processes under review NGOs made valuable contribution to the legitimacy and efficiency of the outcomes but also warns about the probability of NGOs becoming agents of distortions (mainly of labor and price equilibriums).

The second set of theories that contribute to the construction of the analytical framework of this dissertation (See Table 2-1) is a group of middle range theories that can be grouped under the label of “institutional analysis and development”. These

theories, that are used to explain the “what”, “why” and “how” of the existence of institutions, were revitalized by the new institutionalism of the 1980s that proposed a new balance between explanations based on the structural features of institutions (contexts, norms, resources, etc.) and the explanations based on the behavior of its actors (culture, leadership, social capital, etc.) (North 1990).

When applying concepts of institutional analysis to non-profit institutions, the idea of “appropriateness” developed by March and Olsen (1989) comes in handy. According to this concept, “political institutions are collections of interrelated rules and routines that define appropriate action in terms of relations between roles and situations. The process involves determining what the situation is, what role is being fulfilled, and what the obligations to that role in the situation are” (March and Olsen as quoted in Ostrom 1991:239). NGOs are well equipped to adapt to the idea of “appropriateness”; thanks to their relative small size, their flexibility and the autonomy they derive from being “nonprofit”, they usually act as buffers between three actors of the affordable housing game: the state, private contractors or urban developers and the beneficiaries. These traditional stake holders have clear cut interests, potent resources and well-defined strategies, all of which render them powerful but unable to adapt to unforeseen or peculiar circumstances.

Not only NGOs are flexible and act as buffers between the traditional actors of the affordable housing game but they do so by playing different roles in housing programs. The NGOs studied in Chapters 4, 5 and 6 find themselves acting in multiple arenas, a multitasking endeavor captured by Tsebelis's (1991) “nested games”<sup>10</sup>. SEHAS in

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<sup>10</sup> The idea of “nested games” refers to the simultaneous involvement of a rational actor in a number of games played in multiple arenas. George Tsebelis uses these parallel games to study cases of

Chapter 4 plays an active role mobilizing the political and organizational capacities of the grassroots (resource mobilization), the NGOs participating in the Program *Mi Casa Mi Vida* (Chapter 5) just follow and legitimate a governmental program and *Caritas* (Chapter 6) assumes the full responsibility for the implementation of a housing program, from the financial management of the construction to the social inclusion of the marginalized families. Needless to say, NGOs face different contexts and different sets of incentives and constraints in each of these games. The analytical model proposed in Chapter 2 attempts to describe how NGOs respond to these different scenarios and what the consequences of these responses are to the poor and their dreams of homeownership.

Combining the principles of rational choice theory with the analytical tools of institutional analysis introduced in this section, Chapter 2 presents the analytical framework of the investigation, the general research design and a detailed description of the fieldwork conducted in Argentina from August 2006 to July 2008.

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“apparently” suboptimal choices in which rational actors appear to choose the options that do not maximize their utilities. The author finds a disagreement between the observer (analyzing the action) and the player (taking the seemingly suboptimal choice) in which the former does not understand the complexity of the simultaneous games in which the latter is immersed.

Table 1-1. Population Under Indigence and Poverty Lines in Argentine Regions. 2002-2008.

Regions	% of People Under Indigence Line*		% of People Under Poverty Line**	
	Year	Oct. 2002	May. 2008	Oct. 2002
Total Urban Area		27.5	5.1	57.5
Great Buenos Aires		24.7	4.8	54.3
Cuyo		29.7	4.3	61.3
Northeast		41.9	10.8	71.5
Northwest		35.1	6.9	69.4
Pampeana		27.2	4.1	56.7
Patagonia		21.0	3.0	45.6
				17.8
				15.3
				32.8
				28.0
				14.3
				9.1

\*The Line of Indigence is a threshold line based on the price of a basket of foods.

\*\* The Line of Poverty adds the consideration of non-food items.

Source: National Institute of Statistics and Census, Argentina (INDEC), *Encuesta Permanente de Hogares Continua*. Online at <http://www.indec.gov.ar>

Percentage of Households with Unmet Basic Needs per Province (National Census 2001)

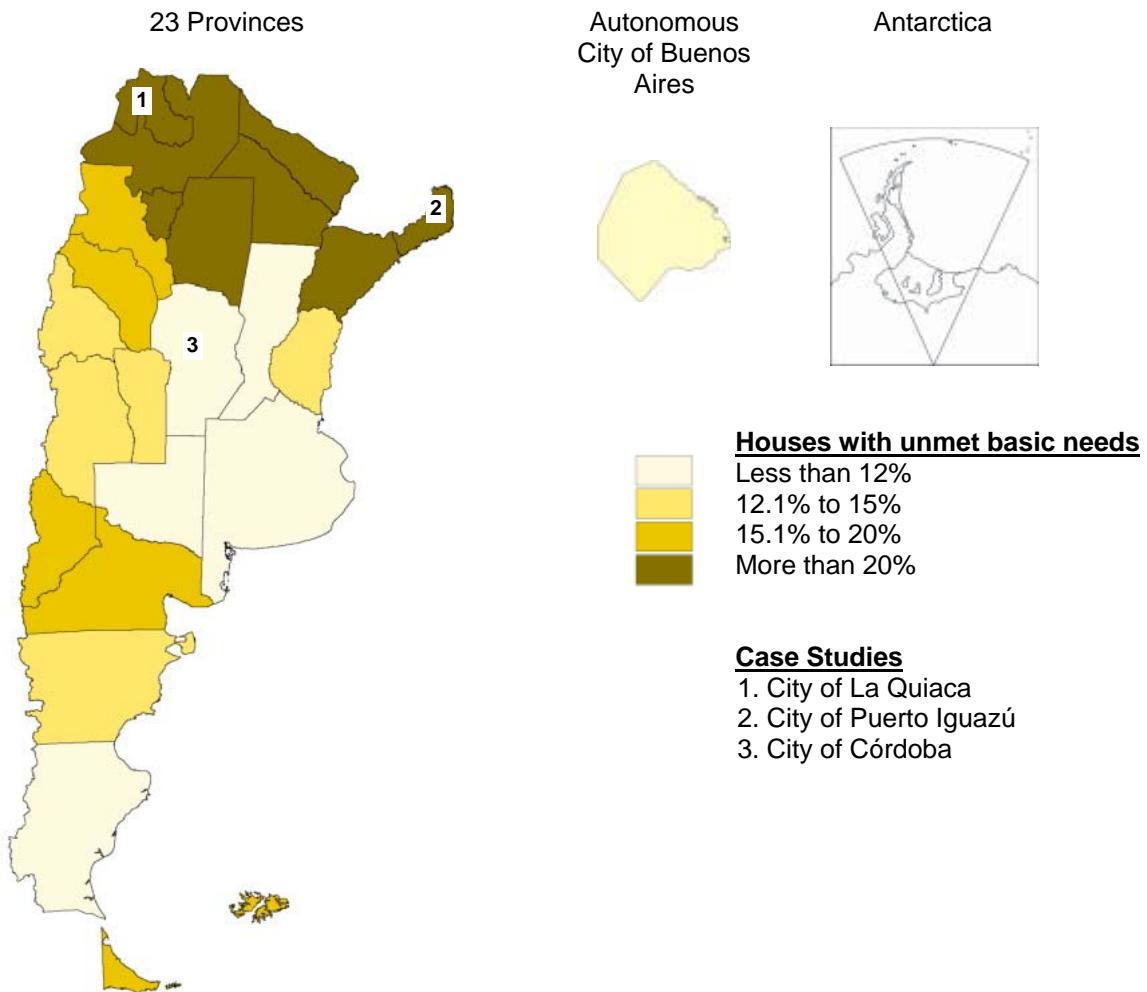


Figure 1-1. Regional Disparities in the Distribution of Poverty

## CHAPTER 2

### ANALYTICAL FRAMEWORK AND RESEARCH DESIGN

Scholarly research on the intermediary role of non-governmental organizations (NGOs) in affordable housing programs is interdisciplinary by nature, the main contributions coming from urban studies, human architecture and from social movements' investigations in political science. As stated in Chapter 1, most of these bibliographies are based on normative approaches that portray NGOs as apolitical and altruistic organizations which are also bracketed from market constraints because of their "nonprofit" characteristics. At the methodological level, these bibliographies use single case study approaches (or comparisons of a few cases) and program evaluations to produce a list of "best practices", paying little attention to the lessons that can be learned from not-so-successful cases. As a consequence of these academic trends little is known about the self-interested motivations of NGOs and the interlocking power relationships in which they find themselves when acting as brokers between donors and beneficiaries. Academicians, NGO practitioners and the participant families can benefit from research that approaches affordable housing programs from a meso-level perspective, i.e. from analyses done at the intermediate level of institutional arrangements, incentives and disincentives that influence the role of NGOs as intermediaries in affordable housing programs.

Anchored in rational choice theory and using institutional analysis tools, the first section of this chapter defines NGOs as political actors with survival needs and institutional self-interests and proposes a framework for the analysis of their role as intermediaries in affordable housing programs.

The second section lays out the research design of the dissertation, i.e. a comparison of the roles that three well-established NGOs - SEHAS from 1970 to 1986, Caritas from 2004 to 2007 and the Housing Program *Mi Casa, Mi Vida* from 2004 to 2007- played as intermediaries between donors and government on one hand and the poor and their organizations on the other in affordable housing programs implemented in some of the poorest regions of Argentina. This section also describes the rationale behind the selection of cases and the peculiarities of the fieldwork, including the step by step efforts to gain the trust of key gatekeepers and the use of different data collection techniques in each case.

### **Incentives, Games and Winning Strategies. A Framework for the Analysis of the Intermediary Role of NGOs in Affordable Housing Programs**

Non-explicit motivations of human actions were at the top of the social sciences agenda in the 1940s and the 1950s when the analytical psychology of Freud and Lacan was progressively applied to the study of social interactions and to institutional analysis, at a time when political science was dominated by the rigidity of the traditional structural functionalism of Spencer, Brown and Parsons. The encounter between structural functionalism and the novel analytical psychology relaxed the universal aspirations of the former creating a more flexible and less ambitious version of functionalism attuned with what Merton (1949) called “middle ground theories”, i.e. theories that aim at explaining a limited portion of reality<sup>11</sup>.

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<sup>11</sup> One of the main ideas created by this new meso-level functionalism was the conceptual pair of “manifest” and “latent” social functions. While manifest social functions are explicit and purposive, latent social functions are defined by Robert Merton (1949:19) as “the unintended or unrecognized functions that contribute to the adjustment or adaptation of a specified unit to the society”. Latent social functions are hidden because they are in some kind of conflict with the manifest social functions; they are usually related to the survival needs of a social entity, its negative externalities and unintended consequences or with the disposal of its wasteful material (Merton 1957). The analytical framework introduced in this section brings latent functions at the forefront of the analysis.

From a meso-functionalist perspective and considering NGOs as rational actors, the situation of a given NGO working to house the poor is modeled in this section as the subsequent occurrence of two moments, each moment having its distinctive characteristics and winning strategies. The first moment captures the existence of NGOs as one type of actor in society at large; at this time, the scenario resembles an open market in which NGOs compete against each other to gain donors or programs and to represent the poor but must also cooperate among each other to preserve the non-profit sector as a whole. Using the theory of the firm, NGOs in this first moment are in a position of agents trying to gain the favor of the few available principals (Coase 1937, Williamson 1981). The second moment begins when a given NGO wins the source of funding, whether it is a grant, a program of its own, or the responsibility of coordinating the implementation of a governmental program. At this moment the competition in a market-like environment ends and the NGO finds itself bracketed from the context and enjoying a relative monopoly in the command of the resources assigned by the program<sup>12</sup>.

In these two moments there are five sets of incentives, games and winning strategies named A through E. Sets A, B and C occur in the first moment while sets D

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<sup>12</sup> Chamberlin (1965) and Baumol and Bowen (1966) have indicated that non-profit organizations have market constraints (prices and competition) for decision making only on the input sides of their markets while most of their outputs are dispensed at no cost to the client (the needy), which makes it impossible to determine their demand curves of their utility functions. Empirical tests of this theorem were conducted in private universities (Levy 1968) but not in NGOs working for housing the poor. No price constraints at the output is not a problem for the analyst of Latin American cities where the demand for popular housing greatly exceeds the supply; but it is a factor in determining the NGOs demand: assuming an endless need NGOs demand the most they can get. This monopoly in the command of resources does not mean in any sense the possibility of discretionary rule. Both grants and programs have strict regulations and accountability rules with which NGOs must comply.

and E belong to the second moment, as shown in Table 2-1. A detailed description of each set is offered below.

As explained above, the order in which the sets of incentives, games and strategies are listed in this table represents the order of preferences of a rationally embedded NGO, acting in the pursuit of its self-interests within the normative and moral constraints of its environment (Simon 1982, 1990; Elster 1983). From this assumption, a given NGO would prefer first (A) the survival of the institution, second (B) the fulfillment of its mission, and third (C) the preservation of its environment. The same order of priorities is assumed at the second moment, the moment of implementation of a given housing program: it is assumed in this research that a rationally embedded NGO will prioritize (D) the fulfillment of the program obligations over (E) the social goals of promoting participation, empowerment and inclusion.

### **The First Moment: Competition and Cooperation**

The first moment of the role that NGOs play as intermediaries in affordable housing programs occurs well before the launching of any specific program. It is the everlasting routine of the non-profit sector in which diverse NGOs compete (or cooperate) in an open market against (or with) each other and against other actors for three elements: (A) getting a donor or wining a program, (B) representing a constituency, in this case a group of poor people in need for housing, and finally (C) expanding the non-profit sector by promoting its altruistic principles in society. These three activities are concurrent and complementary because in the housing sector NGOs rarely act by themselves, their most common role is to be the brokers between donors and clients.

Getting a donor or winning a program is a game of competition for survival among NGOs (Game A). According to Ben-Ner and Gui (2003:17) there are two basic conditions for a NGO to exist. First, somebody formulates a project and succeeds in convincing other key actors (donors, politicians, professional colleagues, volunteers) that the project is worthy of their support, i.e. that their respective benefits of joining the project (material or non-material) will outdo their investments (whatever is that they contribute); and second, effective governance of the organization is insured. “Donors” is used here as a generic term to designate any public or private agency providing the funds for low-income housing programs, or providing general funds that NGOs can apply to their own programs. The main donors for affordable housing programs are governments and international agencies of cooperation for development, so they represent the fuel for the existence of NGOs (for instance, 17% of SEHAS<sup>13</sup> income comes from government programs and 76% from international donors) (SEHAS 2008). Government funding can be originated at any level, federal, state or local, with federal governments being almost the sole source of housing programs in Argentina until the mid 1980s, state governments taking the lead after the structural reform of 1995 (See Chapter 6), and local governments being the exception as they tend to focus on provisional shelter for the urban homeless. The sources of funding for low-income housing programs in Argentina are general revenues, grants, or low interest loans from international sources that are channeled through federal or state governments. International loans or grants usually come from development banks such as the World Bank or the Inter American Development Bank, from international agencies of

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<sup>13</sup> The *Servicio Habitacional y de Accion Social* (SEHAS) is an Argentine NGO that supports the political organizations of the poor since 1979. Its strategies and programs are addressed in Chapter 4.

cooperation such as the United Nations Development Program or from national agencies of cooperation and development of the third world such as the American USAID, the German GTZ or the British Oxfam (See Chapter 3 for a historical review of trends and influences of international organizations in Latin America and Argentina).

The winning strategy in Game A is lobbying the decision makers at key positions in donor agencies (whether it's a public official, a prominent donor or the manager of a private company). Fair competition of projects is also a way of accessing housing programs, especially those of international bilateral agencies, but it is commonly used in small-scale projects (less than 200 houses); large-scale funding and programs are accessed by political agreements, especially in countries with entrenched oligarchic elites and powerful issue networks as is the case in Latin American countries. Game A resembles a regular request for proposals (RFP) or bidding market where simultaneous auctions are held and many bidders (NGOs) make offers for the few available goods (grants or programs); however, given the high transactional cost of participating in an auction, NGOs can afford few simultaneous bids so they must carefully choose which auctions to participate in based on a calculation of the chances of winning and the resources invested in the bid (Williamson 1981, Johnson and Prakash 2007). This high transactions cost is the reason why NGOs prefer to lobby decision makers as a way of reducing the uncertainty of a pure and blindfold competition. The tools with which NGOs lobby these key gatekeepers are: a) proofs of efficacy and success in the management of previous programs; b) meaningful projects tailored to seduce a particular donor; and, most important, c) the claim of representing an important constituency, i.e. a group of poor people in critical need for housing or with potential for

contentious politics<sup>14</sup>. With these three tools in her briefcase the non-profit entrepreneur acting as a lobbyist finds their way through the intricate web of international donors and the labyrinths of domestic politics.

In moment one there is also a competition among NGOs for gaining the trust and the right to represent poor constituencies (Game B); indeed, the representation of the interests of the weak and powerless, along with the prohibition to distribute revenues to its members, are the distinctive marks of all charitable NGOs (Weisbrod 1988). As discussed above, the primary commitment of NGOs in the housing sector is to provide a legally owned house to those who cannot get it for themselves in the real estate market<sup>15</sup>.

Whether it is by delivering the actual house, by working with a private constructor or by providing technical assistance to grassroots groups, NGO professionals and volunteers in the housing sector are always acting as intermediaries between the donors and the poor and therefore are subjected to the incentives and disincentives of brokerage (Coleman 1990, Chong 1991, Beckford 1999)<sup>16</sup>.

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<sup>14</sup> Though existent, the alternative of offering bribes or kickbacks is not analyzed in this research. If analyzed, it could be considered an open auction game with contacts and networking being more important than efficacy and representation.

<sup>15</sup> Most NGOs originally created to address housing concerns have grown over time to add other activities derived from the dynamics of the housing experience of the benefited families, most commonly, community enhancement, neighborhood association, environmental preservation, habitat sustainability, gender equality, job training, education and health concerns. While this horizontal expansion was common in the 1980s and mid 1990s, more recent research shows evidence that NGOs have stretched too much and lost the grip of their projects and depth of their impact as they tried to do “too much” (Werker and Ahmed 2008:88).

<sup>16</sup> Several authors have modeled the political situations of middle men in non-profit organizations, the influence of the larger context, the structural constraints of a given place and moment, and the peculiar configurations of incentives and disincentives present in any case of social mobilization. Chong (1991) proved the contradiction between the publicly stated preferences of the civil rights movement organizations and the private preferences of some of its leaders. Beckford (1999) describes how the Church of England incurs considerable administrative costs (scheduling, transportation, security, etc.) in order to maintain its privileged intermediary position in what he calls “the chaplain dilemma”.

The competition for representing poor constituencies (Game B) is a peculiar game of survival, one that is driven by empathy and altruism, that is, by the capacity that each NGO has of convincing a given constituency that it understands their plight, that it can amplify their voices and can bring effective solutions in reasonable times<sup>17</sup>. According to Ben-Ner and Gui (2003:17), “only the existence on the demand side of a category/interest in need of special attention can create the potential for meaningful non-profit supply-side initiative”. What the NGO asks the poor in exchange for its help is a special kind of loyalty, which is their commitment to give to that NGO (and to nobody else) the legitimacy that springs from their condition of poverty. This is a crucial but complicated argument that will not be elaborated further in this research as novelists<sup>18</sup>, sociologists and political scientist have sufficiently described the strategies with which the poor manipulate the pity and mercy associated with their plight (Scott 1985, Tsing 1993). It is from this miserable condition of the poor that the NGO derives the legitimacy of its actions.<sup>19</sup> The winning strategy in game B is offering to the poor the most efficient brokerage, i.e. the one that provides the largest benefit with the smallest investments of time and effort on the part of the beneficiaries.

The final game that NGOs play in moment one, previous to the creation of a policy or program, is a cooperation game (Game C) in which all the NGOs come together to maintain or expand the position of the third sector in society, its general benefits and its

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<sup>17</sup> See Simon 1990 for a model in which altruism is not only the preferred behavior for an individual but also it is the best alternative for the whole society in the long run.

<sup>18</sup> See for example *The Blind Beggar of Alexandria* a comedy written by George Chapman or John Gay's opera *The Beggar*.

<sup>19</sup> Further research is needed to shed light on the process by which the objective material conditions of scarcity are translated into a source of legitimacy, or conversely, what is actually exchanged in an altruistic transaction.

prerogatives (demands for tax exemptions and quotas of participation in public policies are paramount in these efforts). This variable-sum game is played in society at large with the private and the public sectors shifting from allies to foes according to the issue that is in the public agenda at any given moment.

Located between the failures of the market and the failure of government (Weisbrod 1988), the non-profit sector advocates for the introduction of certain values in the activities of individuals and institutions. In this pursuit, NGOs working to house the poor usually focus their discourses on the promotion of values such as human and citizenship rights, minimum quality of life standards for the needy, opportunities of accessing a decent home, and other general issues of sustainability related to the immediate neighborhood, the surrounding environment and the global habitat. The tools with which NGOs play Game C can be classified as either aiming at agenda setting or aiming at institutional strengthening. Efforts aiming at agenda setting are addressed by lobbying decision makers, rallying, media and awareness raising campaigns, doing activism of all sorts and, on rare occasions, taking cases to court or supporting a party or a candidate in local elections. Institutional tools for enlarging the third sector are the formation of networks and coalitions, the preparation of conferences and the edition of specialized publications. The winning strategy for game C, as it is the case in the provision of any non-divisible public good, is to free ride on the efforts of other NGOs, that is, to contribute the least possible amount of resources to the expansion of the third sector while extracting the maximum individual benefits of it (Olson 1965, Hardin 1971 and 1982).

Summing up, moment one is the moment of open competition among NGOs for donors and constituencies but it is also the moment of cooperation for the common cause of maintaining and expanding the position of the non-profit sector in society. For the sake of this research it is important to conclude that moment one has three games (competition based on efficacy, competition based on empathy in representation of the poor, and cooperation for a common cause) whose respective winning strategies are lobbying, brokerage and free-riding. It is necessary to underline that none of these winning strategies imply participation or empowerment of the poor, an idea that is further elaborated in the next section.

### **The Second Moment: Program Implementation and Mission Fulfillment**

The link between moment one and moment two of the model introduced above in Table 2-1 is the adjudication of a housing program to an NGO. Let us assume that a given NGO successfully played the three games at moment one and won the leading role in implementing a housing program that can provide affordable housing to a significant portion of its poor constituency. The three games of moment one are terminated at this point and a new moment is opened. As shown in Table 2-1 there are two sets of incentives, games and strategies in moment two; there is a need to fulfill the requirements of the construction program on time and on budget (Game D) and there is also the possibility of fulfilling the mission of the organization by empowering the poor, by promoting their participation in different stages of the program and by enhancing their potential for social inclusion (Game E).

At this time the incentives and constraints described in moment one disappear and the NGO finds itself commanding valuable resources in a non competitive market with no price constraints. Although there are general laws and specific rules of the program

that delimitate the frame of action (Coleman 1990), the leading NGO is the only provider, the only decision maker and the only one responsible for the results of the program, enjoying a sort of nested monopoly. The selection of beneficiaries is one of the most powerful tools that are usually entitled to the leading NGO; although there are bounding rules and explicit eligibility criteria, NGOs in practice enjoy an important margin of discretion when choosing beneficiaries. Furthermore, once the construction works begin, there is an enormous amount of pressure to finish the construction of houses on time and on budget and almost no incentives (other than the mission and objectives of the organization) to promote the participation and empowerment of the beneficiaries. Even community-driven programs or programs that were designed to promote the participation of beneficiaries have a hard time trying to escape the “tyranny of the construction site” (Game D), that is, the dynamics of the construction enterprise that calls for the timely coordination of concurrent activities such as mixing concrete, plumbing or setting up the electrical installation. At the construction site, especially in the case of wet construction where labor represents about 50% of the total costs, time is of high value; delays due to inclement weather, supplies not arriving on time, or personnel absences are recognized by the architects as the main causes of delay and overspending. Finally, as the competition among NGOs described in the previous section occurred in a peculiar kind of market, so is the case with the monopoly described here; it is a very special monopoly in which the NGO cannot use force, in most cases cannot change suppliers and cannot divert money from one account of the budget to another. In all the cases reviewed in this study building contracts and

construction norms are so detailed and specific that the leading NGOs are left with reduced margins of action.

Considering these peculiar conditions<sup>20</sup> the winning strategy for the leading NGO in game (D) is centralized rule, i.e. a military-like organization with all the authority concentrated at the tip of a vertical structure commanding subordinated areas with a clear-cut division of labor and limited room for arguments or disagreements. Williamson (1975) has set out the conditions under which economic activities are optimized with a market organization from those conditions under which the optimum is achieved by centralized organization, with construction certainly falling under the second type. While the building activities are going on, it is not uncommon for social goals such as community engagement or gender equality to take a back seat in a housing program, more so in self-constructing programs where beneficiaries are an important part of the labor force (Chambers 1995, Ribot 1996). Pressures to finish the building phases on time and on budget usually come from outside the program as donors tend to rely on traditional evaluation schemes. The strength of results evaluations and the simplicity of measuring quantitative indicators (money expenditures, number of houses, hours paid to workers, etc.) make them more attractive to donors than the more subjective

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<sup>20</sup> A caveat that applies to both moments described above is the very nature of houses as economic goods. First, houses and the pieces of real estate they sit on are assets of high value. Indeed for most participant families, the house is the most valuable asset they have ever had, but at the same time they are non-transferable (at least legally), so the poor receive an asset with a high nominal value but a null market value. Second, social houses are excludable goods in the sense that at early stages of a program some families are designated as beneficiaries and others are left outside the program (public goods such as clean air or public safety are non-excludable, nobody can be prevented from enjoying its benefits). Third, low-income housing is fungible so the worker involved in a collective construction scheme has no incentives to put special efforts into her job because she does not know which one of the houses she is building will be assigned to her family. Fourth, there is no consensus in the literature as to whether houses are final goods or capital goods, especially after the non-selling restriction. These are some of the characteristics of low-income housing that make for a very peculiar kind of market in which non-profitable NGOs have an advantageous position.

evaluation of processes usually supported by qualitative indicators that are rather vague or ambiguous and that require observations over longer periods of time (to say the least, there is no consensus on how to measure variables like civic engagement or gender equality).

The last game NGOs play in the second moment of a housing program is the pursuit of the social objectives that go beyond the mere construction of houses (Game E). As described in Chapter 3, since the broader idea of “habitat” replaced the narrower conception of “low income housing” in the late 1970s, NGOs in the housing sector have increasingly added individual and communitarian goals to their policies and programs<sup>21</sup>. Current housing programs for the poor include a vast array of goals, some of them centered on individuals (gaining self-confidence, learning about human rights and civic engagement, improving employability, etc.), others oriented to the participant families (enhancing gender equality, curbing family violence, striving for responsible parenthood, taking care of family health), and also goals considering the beneficiaries as a group (coordinating construction activities, petitioning authorities, advocating for their interests and even starting a neighborhood association).

The three cases under analysis in this dissertation are good examples of the wide scope of objectives attached to the provision of low-income housing. The following quotations belong to the objectives declared in the founding documents of the housing programs under review in the following Chapters (the name of the programs between brackets):

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<sup>21</sup> See Spar and Dail 2002:175 for a complete typology of more than 60 activities regularly undertaken by NGOs.

To provide a decent home that ensures the well-being, the integrity and the protection of the families and to increase their chances of insertion into the communities they belong to. (*Programa Nacional Viviendas Cáritas – Chapter VI*)

To offer workshops for the training of the participants in construction techniques, labor skills and the development of micro enterprises. (*Programa Nacional Viviendas Cáritas*)

To ensure the adequate provision of basic public infrastructure and the access to at least minimum health and education services. (*Programa Mi Casa Mi Vida – Chapter V*)

The implementation of the program aims at promoting and improving the conservation of the environment through the preservation of green areas and the proper education of the citizens. (*Programa Mi Casa Mi vida*)

to contribute to the strengthening of community based organizations and grassroots movements at large by supporting institutional articulation and technical advice. (*SEHAS -Fortalecimiento de organizaciones y redes territoriales de la población de villas de emergencia – Chapter IV*)

To promote the construction of communal ties among the neighborhoods from a gender equality perspective. (*SEHAS -Fortalecimiento de organizaciones y redes territoriales de la población de villas de emergencia*)

These objectives can be grouped under the label of “social inclusion”, the French concept coined in the 1960s as an alternative to the focus on jobs proposed by the American War on Poverty (Caputo 2004, Iceland 2006). Striving for the social inclusion of the poor is not just another goal of social organizations or a particular stage of a housing program but is a mission that permeates all the activities of the leading NGOs.

Game E is played by creating multiple windows of opportunity for the poor to acknowledge and activate their latent capabilities (promotion) and then offering alternative mechanisms to have those capabilities interact with other people's capabilities in the search for synergetic results (articulation).

The winning strategies for Game E are empowerment and participation. Originally coined in clinical psychology, the concept of empowerment is paramount in political science as it refers the individual's possibilities and abilities to control the variables that affect his or her own life (Lasswell and Kaplan 1950, Dahl 1957, Verba 1961). Recent studies though have indicated that empowerment is not something that can be created by others and transmitted to the weak but requires a psychological change of attitudes that can only be activated from the inner-self. More important critiques have been placed on institutional attempts to empower the poor as Gruber and Trickett (1987) have shown that the very idea of social institutions is to tame the natural impulses of the human being.

Summarizing, this section has modeled the intermediary role of NGOs in affordable housing programs as the subsequent occurrence of two moments and five games. In the first moment NGOs compete against each other to gain donors or programs (Game A) and to represent poor constituencies (Game B), but they also cooperate to consolidate and to expand the non-profit sector as a whole (Game C). The second moment occurs when a given NGO acquires the funding and launches a program. At this moment, the NGO finds itself bracketed from the competitive context and enjoys a sort of monopoly in which it plays two games: finishing the construction of the houses on time and on budget (Game D) and promoting the social inclusion of the poor (Game E). The performance of three NGOs across these five different games is compared in the subsequent Chapters.

### **The Trade Off Between Construction Objectives and Social Goals**

There is a permanent tension in affordable housing programs between the objectives related to the building of the houses and the goals related to the social

promotion of the benefited families. On the “hard” side of the conflict are the architects, engineers and accountants using a result-oriented logic that struggles to efficiently allocate limited time and budget, while on the “soft” side are social workers and other non-technical professionals adopting a process-oriented logic that prioritizes long term sociological considerations. This perennial conflict is not only alive but has worsened, at least in Argentina, when the market-oriented structural reform of the national housing system in 1995 reduced the room for social considerations in favor of the return to the paternalistic schemes of non-participatory “public housing” (See Chapter 5).

The analytical framework presented in this Chapter considers both aspects of the affordable housing challenge, arguing in the concluding Chapter 7 that both logics can be thought of as complementary rather than as contradictory.

### **Research Design**

This section lays out the research strategy of the dissertation, describing the general research design, the rationale behind the selection of cases and the techniques used to collect data on each case during the fieldwork conducted in Argentina from August 2006 to July 2008.

The investigation, descriptive in nature, is based on the comparison of the roles played by three well-established NGOs as intermediaries in affordable housing programs implemented in contemporary Argentina using an analytical framework composed of two moments and five games explained in detail in the previous section (see Table 2-1). The three cases under review are studied by analyzing the different approaches and strategies with which they face these five games, as well as the performance they obtain.

## **Selection of Cases**

The selection of cases has been framed into what Przeworski and Teune (1970) called “most different system design”, a reformulation of Mill’s “method of agreement” published originally in the book *The System of Logic* in 1843. This approach to the selection of cases is meant to look for similarities across different cases, an appropriate strategy to address populations with a small number of cases and with considerable heterogeneity among those cases (See Chapter 7 for the shortcomings of this approach and the suggestions for further research). In this investigation the three cases under analysis are rather diverse in their contexts as well as in their contents, ranging from small to large programs, with different institutional arrangements and implemented in heterogeneous social groups such as urban squatters in Cordoba (Central Region of Argentina), indigenous families in La Quiaca (Northwest Region) and a group of indigenous, rural and immigrant families in the eclectic city of Puerto Iguazu (Northeast Region). This heterogeneity across the cases allows for enough variation in the sample; notwithstanding this, it was necessary to study two cases in SEHAS (*Cooperativa 20 de Junio* and *Cooperativa El Progreso* in Chapter 4) and two cases in Caritas (*La Quiaca* and *Puerto Iguazu* in Chapter 6) to increase the number of cases and avoid the problem of “too many variables with few cases” (King, Keohane and Verba 1994).

Three sets of criteria were used in the selection of cases. The first set referred to the similarities across the cases. This condition required that the cases should have the poor as the benefited population (defined by the Argentine National Institute of Statistics and Census – INDEC as persons living in families not making enough money to afford a basket of basic food and non-food items), that those poor had no previous experience of self-organization or mobilization (what is called “dispersed” or “scattered” population in

Argentina) and that the housing programs they participated in were completely finished, so the families were living in their new owned houses at the moment of the interviews.

In relation to the NGOs, the organizations to be included in the sample should have recognized prestige in the region where the programs were applied (at least ten years of legal existence and previous experience of participation in housing programs) and should not have a party or governmental affiliation.

The second criterion to select the cases related to the differences across cases considering that in descriptive designs it is always necessary to have a balance between the variance of the sample and the variance of the analytical framework. The cases selected for this research had to cover a relevant portion of the poorest regions of Argentina and also show variation in the sources of funding. It was also desirable that the NGOs were different in nature and that they had different approaches in their relationship with their poor constituencies (*SEHAS* is a professional NGO, *Caritas* belongs to the Roman Catholic Church and the *Cooperativas* analyzed in Chapter 4 and some of the groups participating in the *Programa Mi Casa Mi Vida* in Chapter 5 are grassroots organizations). Finally, the housing programs under review had different methods for the selection of beneficiaries. The following Chart compares these characteristics across the cases.

It would have been desirable to control for the size of the projects (number of houses built) and construction techniques. Unfortunately, there was the following variation in the available cases.

Last but not least, the final condition for the selection of cases was accessibility and feasibility of the fieldwork. Not only is there a limited number of experiences of NGOs

participating in housing programs (Argentina returned to democracy in 1983), but the majority of them are reluctant to open their doors to outsiders, to facilitate interviews with their constituencies and more so to provide sensitive information about their programs; transparency is not always welcome in the Argentine non-profit sector. As explained below, the most time consuming activity of the fieldwork was to gain the trust of the NGOs' gatekeepers in order to get access to people or data. The availability of funds for this dissertation was also a factor. For the sake of the fieldwork, I had one year of funding provided by a Doctoral Fellowship of the Department of Political Science at the University of Florida, to which I will be always thankful. These resources were enough to complete one year of fieldwork in Argentina but not enough to afford a period of research in the Province of Buenos Aires, where it would have been desirable to include a case of study (See Chapter 7 for future research).

### **Fieldwork and Data Collection Techniques**

The fieldwork to collect data for this dissertation was conducted by the author in Argentina from August 2006 to July 2008. I started my incursion into the non-profit sector by offering myself as volunteer in the *Servicio Habitacional y de Acción Social* (SEHAS), one of the oldest and most prestigious NGOs in the City of Cordoba, that latter on became one of the cases of study. After two months of helping the staff of SEHAS in their activities (conducting workshops in shantytowns and helping with the data entry for their surveys) one of their professionals quit, leaving an open position in the "Department of Research and Systematization". I was hired "temporarily" for three months but still work there (as of December of 2008) in the same condition. Among the responsibilities of the area was to conduct evaluations of their "houses on demand" programs. At the time I was hired, a particular evaluation was on the way, the evaluation

of the “National Housing Program Caritas”, which is the subject of Chapter VI of this dissertation. Caritas had finished the second phase of a vast national housing program and was required by the federal government to have “external and independent” evaluation of its performance. In my position at SEHAS, I was in charge of designing and conducting the evaluation of twelve projects implemented in small and medium size cities of the center, northeast and northwest of Argentina. I coordinated and led a group of eight professionals (architects, social workers and accountants) that conducted the on-site evaluation in six of those provinces.

The fieldwork for the evaluation of the Caritas Program (reported in Chapter 6) was conducted during September, October and November of 2006. Under my direct supervision in each of the sites, eight professionals from SEHAS, trained in diverse disciplines, travelled a total of 6187 miles, visited 378 houses and conducted 240 interviews and technical schedules. We administered three different questionnaires (beneficiaries, members of the local Caritas’ teams and external prominent actors of the towns, i.e. majors, teachers, medical doctors, etc.). There was also a technical construction schedule with which the architects of the evaluation team assessed the quality of the constructions (materials, construction, availability of services, etc.) (the three questionnaires and the technical schedule are available upon request). The following table specifies the number of interviews and technical schedules collected in each of the six sites (only Puerto Iguazu and La Quiaca are reported in Chapter 6 of this dissertation).

The experience and success of the Caritas Program evaluation and the interaction with the professionals during the fieldwork trips opened up the doors of *SEHAS* to me.

At this point I had gained the trust and respect of SEHAS's members, staff and board of directors, and was given access to SEHAS's archives and library. After a careful reading of more twenty projects, I wrote a formal request to the board asking permission to conduct extensive archival research and in depth interviews on three of their most emblematic projects: the cases of *Cooperativa 20 de Junio*, *Cooperativa El Progreso* and the *Union de Organizaciones de Bases por los Derechos Humanos, UOBDS*. Four of these interviews (Buthet, Maiztegui, Baima and Rivarola) are of singular importance because the interviewees are the founders of SEHAS, the leaders of the UOBDS movement and the intellectual creators of the concept of "active protagonism" (See Chapter 4 for the case of SEHAS for the results of these in-depth interviews). At this point (August of 2007), I was involved in several professional projects and in one research project at SEHAS.

By the end of 2007 I had collected enough information on five housing programs to write about two cases, i.e., the programs of *Cooperativa 20 de Junio*, *Cooperativa El Progreso* and the *Union de Organizaciones de Bases por los Derechos Humanos* representing the case of SEHAS in Chapter 4 and the programs of *La Quiaca* and *Puerto Iguazú* illustrating the case of *Caritas* in Chapter 6. Following Table 2-2 above, these two cases are similar in that they were led by well-established and highly-effective NGOs, working directly with the poor in the coordination of their mutual help efforts to build small neighborhoods (less than 200 houses). Another different case was needed in which NGOs played a different role. The information collected in the previous interviews and a snowballed consultation with experts in habitat pointed to the provincial *Programa Mi Casa Mi Vida* as a meaningful case to balance the sample. The *Programa*

*Mi Casa Mi Vida* is a large-scale affordable housing program financed by the Inter American Development Bank and implemented from 2002 to 2008 by the Government of Province of Cordoba through private constructors. Their approach to issues related to habitat and to affordable housing programs is completely different from the approaches of *SEHAS* and *Caritas*; in the *Programa Mi Casa Mi Vida* the provincial government provided ready-to-move-in houses to relocate families in need, assigning only marginal spaces and resources to the promotion of social goals, the direct participation of beneficiaries and the involvement of NGOs and grassroots organizations (See Chapter 3 on this approach called “public housing” that was very popular in the Latin American welfare states of the 1950s and 1960s). The program, which has structural problems in its design, received serious critiques from the non-profit sector and from professionals and academicians, mainly because it reproduced experiences of compulsory relocalization and ghettoization that have been negatively evaluated in the rest of the world since the early 1960s (Rose 1971, Molotch 1976).

The poor performance of the program, the suspicion of corruption on the part of some public officials and the strong critique of professionals and NGOs rendered the program unpopular, something that was exploited by the media and the parties in the opposition. As a reaction to this negative environment the government shut down the website of the program, recalled all informative brochures (the brochure promised 12,000 houses and only 9,000 were effectively built) and was very reluctant to offer information to universities and researchers. My four requests for interviews to public officials were ignored and by that time I had run out of resources to conduct a field study in the newly built neighborhoods.

Faced with these obstacles, I started by reading all the media coverage about the program in the most important local newspapers (*La Voz del Interior* and *La Mañana de Córdoba*). Although I was unable to do extensive content analysis, I did find that approximately 68% of the news related to the program in its six years of existence were of negative connotations: 32% complaints of beneficiaries, 21% negative assessment from technical/professional staff, and 13% complaints from traditional neighbors of the areas where new affordable houses were to be built (an Argentine version of the “Not in my Backyard” attitude). From reading this newspaper coverage, I discovered the names of two research groups at the *Universidad Nacional de Córdoba* that had conducted surveys with the beneficiaries of the program, one at the Department of Architecture and Urbanism and the other at the Department of Psychology. I contacted the directors of these two groups and was granted interviews within 10 days.

Fortunately, the research at the Department of Psychology fit very well with my needs and was solid from a methodological point of view. Under the supervision of Dr Silvina Brussino and Cecilia Caro Leopoldo (to whom I am very thankful for sharing the data), a team of researchers analyzed the results of two surveys. The first survey (n=490, confidence level 95%, margin of error of +/- 7%) was conducted in the shantytowns in 2004 and 2005, once people knew that they were beneficiaries but did not know their destination or the characteristics of the houses they were going to receive. The second survey (458 cases, 95%, margin of error of +/- 5) was conducted in five of the new neighborhoods built by the program, right after people moved in. The comparison of these two surveys is reported in Chapter 5.

Summarizing, the most difficult and time consuming part of the fieldwork was to gain the trust of the NGOs and of other sources to get access to the people or to secondary sources of information. Once these gates were opened, people were willing to talk and to share information. Even when it would have been desirable to evaluate all the cases with the same instruments (Table 2-5 summarizes the different techniques used to collect data in each case), there is enough information in each chapter to make a comparison of the relevant analytical categories described at the beginning of this chapter (Table 2-1).

In what follows, Chapter 3 offers a review of the historical trends in the participation of NGOs in affordable housing programs in Latin America and Argentina. Chapters 4, 5 and 6 are devoted to the individual treatment and analysis of each case - *SEHAS* from 1970 to 1986, the Housing Program *Mi Casa, Mi Vida* from 2004 to 2007 and *Caritas* from 2004 to 2007 respectively - and Chapter Seven collects the different analyses offering conclusions and recommendations for future research.

Table 2-1. The Role of NGOs as Intermediaries in Affordable Housing Programs

Actor	DONOR	1 <sup>ST</sup> MOMENT	NGO	2 <sup>ND</sup> MOMENT	BENEFICIARY
Role	Principal	↔	Agent Firm	↔	Client
Incentives for NGOs	A. Win a Donor/ Program B. Represent the Poor C. Expand non-profit Sector and Prorogate.			D. Finish on-Time and on-Budget. E. Promote Social Inclusion.	
Games NGOs Play	A. Competition/ Efficacy B. Competition/ Empathy C. Cooperation			D. "Tyranny of Construction Site". E. Promotion, Opport, and Articulation	
Winning Strategy For NGOs	A. Lobbying B. Brokerage C. Free-Ride		NGO Wins a Program	D. Centralized Rule E. Empowerment and Participation	

Source: Elaborated by author based on the Theory of the Firm (Coase 1937), the Theory of Collective Action (Olson 1965) and Transactional Costs Theory (Williamson 1981).

Table 2-2. Characteristic of the Cases. Sought Variations in the Sample

	SEHAS Chapter IV	Mi Casa Mi Vida Chapter V	Caritas Chapter VI
Region of Argentina	Center	Center	Northeast and Northwest
Sources of Funding	European Agencies of Bilateral Cooperation	Inter-American Bank through Provincial Government	Federal Government
NGO nature	Support to grassroots	Assistance Delivery	Religious Roman Catholic
NGO members	Young, Leftist, Upper Class Professionals supporting the grassroots, cooperatives	Middle class, volunteers, neighborhood located	Volunteers and Professional in the parishes
Approach to the poor	Political Mobilization / Activism	Paternalistic / Delivery of Goods	Paternalistic / Evangelical Charity
Selection of Beneficiaries	Discretionary selection of one shantytown as a whole	Official census of needs / Politically influenced	Discretionary selection of scattered families

Table 2-3. Characteristic of the Cases. Unsought Variations in the Sample

	SEHAS Chapter IV	Mi Casa Mi Vida Chapter V	Caritas Chapter VI
Size of Project	110 houses "20 de Junio" 120 houses "El Progreso"	9000 houses	30 in "La Quiaca" 100 in "Puerto Iguazú"
Construction Technique	Mutual help	Private contractor	Mutual help

Table 2-4. Evaluation of the Caritas Program; Interviews and Technical Schedules collected

City (Houses Built)	Evaluation Date: Year 2006	Interviews and Technical Schedules Collected				
		Benef.	Tech.	Caritas	Extern.	Total
Formosa (105)	7, 8, 9, 10 Sept.	21	21	5	6	53
Goya (83)	22, 23, 24, 25 Sept.	18	11	5	4	38
*Puerto Iguazú (100)	7, 8, 9, 10 Oct.	18	17	5	5	45
*La Quiaca (20)	21, 22, 23, 24 Oct.	11	11	6	3	31
Arroyo Seco (34)	4, 5, 6 y 7 Nov.	14	15	4	3	36
Villa Nueva (36)	16, 17, 18 Nov.	14	14	5	4	37
<b>TOTAL</b>		<b>96</b>	<b>89</b>	<b>30</b>	<b>25</b>	<b>240</b>

\* Projects reported in this

Table 2-5. Data Collection Techniques

	SEHAS Chapter IV	Mi Casa Mi Vida Chapter V	Caritas Chapter VI
Sources of Info	NGO Professionals Archives, Reports	Newspapers Survey Report	NGO Professionals Beneficiaries External Members Construction assessment
Data Collection Technique	In-depth Interviews Archival Research	Archival Research Analysis of Secondary Sources	Surveys In-depth interviews Technical assessments

## CHAPTER 3

# THE ROLE OF NGOS IN HOUSING THE POOR IN 19<sup>TH</sup> AND 20<sup>TH</sup> CENTURY LATIN AMERICA AND ARGENTINA

### **The Roman Catholic Tradition of Piety in Latin America**

As discussed in the previous chapter, the role of the non-profit sector in housing the poor has grown as a consequence of the lack of interest of the business sector and the incompetency and lack of resources of the state. From manorial servitude in England to seigniorial benefactors in Spain and from the Church of England's almshouses to the Catholic Church's hospitals, several private arrangements to shelter the poor existed in the middle ages, well before the birth of the nation state. Given the divine understanding of the social order that prevailed in the Middle Ages, the poor were thought to be an intrinsic part of an organic society, contributing to the economy with their labor and to morality with their humility and thriftiness. As the moral integrity of the poor was an outlet to the sins of the rich, it was not uncommon at the time to see monks, nobles, and wealthy persons washing the feet of the poor, giving them food or allowing them to stay temporarily on their property, in the pursuit of a kind of virtue known as "piety" (Duby 1980, Hanson 1997).

Of great influence in colonial Latin America was the Roman Catholic tradition of infirmaries and monasteries allegedly initiated in the low middle ages by San Benito de Nursia who founded the Order of the Benedictines in the 6th Century. Benedictine monks administered institutional and private efforts to provide food and sanitation for the needy in local parishes WHICH would later become established hospitals such as "La Casa de Dios" in Lyon (542 A.D.), "La Casa de Dios de Paris (650 A.D.) and "El Hospital del Santo Espiritu de Roma" (717 A.D.) (Donahue 1989). Such a tradition of organizing charitable help by providing food, sanitation and shelter was adopted by

Latin American Catholic churches during colonial times as a compassionate alternative to the punitive rules of the secular authorities that forced vagrants and paupers into servitude or exile<sup>1</sup> (Espinoza 1999).

In Argentina, the Catholic Church was the only institution that carried out organized relief for the poor until the 1820s, when the secularizing influence of the European enlightenment encouraged liberal President Rivadavia to create by decree La Sociedad de Beneficencia (Benefactors Society) (Thompson and Campetella 1994, and Campetella and Bombal 2000). La Sociedad, a very innovative institution at the time, was formed by upper class women that managed federal funds to organize charity and relief for the poor. Even though the “construction of houses” was part of the objectives of La Sociedad, its activities focused on the maintenance and administration of relief facilities (hospitals, schools, daycare centers, etc.) and large-scale sanitary and food campaigns. As a consequence, the provision of shelter for the poor remained a minor problem in Argentina until the last quarter of the 19th century; at that time the case-by-case relief offered in the parishes of the Roman Catholic Church was not enough to respond to the growing demand of low income housing sprout by the massive arrival of immigrants, the concentration of informal settlements on the outskirts of the cities and the migration of workers from rural to urban areas. The rapid development of these early “urban problems” prompted the first intervention of the government in housing matters in Argentina, almost 400 years after the charitable shelter provided by the

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<sup>1</sup> A *Pragmatica* issued by Felipe II in 1556 applied a distinction between the deserving poor that must be helped and the undeserving, able-bodies paupers that should be forced to work (Espinoza 1999:23). When this pragmatic distinction met the protestant ethic of work in Great Britain, it gave birth to the Elizabethan Old Poor Law of 1601 and to the cornerstone “deserving/undeserving” dichotomy that dominates welfare discussion in Western social systems until the present.

Catholic Church and more than 60 years after the sanitary and food campaigns organized by the Sociedad de Beneficiencia.

The following section reviews the history of the role of the Latin American and Argentine third sectors (also referred to as the non-profit sector) in housing the poor in four phases: 1) the rise of urban problems in the mid 19th century and the responses of the non-profit sector, 2) the early and weak responses of governments during the early 20th century, 3) the rise of national corporatism around the 1950s and the massive delivery of public housing, and 4) the arrival of two types of foreign influences in the 1970s - the World Bank self- help approach vs. non-governmental organizations proposing participatory planning and community-based development.

The final Section III develops in detail the two most important concepts that support the contemporary work of NGOs across the region: the concept of “the social production of habitat” and the concept of “the right to the city”. Section IV offers a brief summary of the Chapter and conclusions that pave the way to the analyses of the cases.

### **The Historical Role of the non-profit Sector in Housing the Poor**

#### **The Emergence of “Urban Problems” in the mid 19<sup>th</sup> century (1850-1880)**

Governments of the 18<sup>th</sup> and 19<sup>th</sup> Centuries around the world did not pay attention to housing matters until crowded and contaminated cities conveyed a mix of social, economic, health, and crime issues that later became known as “urban problems”. Frederick Engels wrote in 1872 a pamphlet titled “The Housing Question” in which he affirmed that demands for popular housing rise considerably some 20 or 30 years after swift changes in the economy (Engels 1872). While describing the towns surrounding Manchester Engels wrote:

Stalybridge lies in a narrow, crooked ravine, much narrower even than the valley at Stockport, and both sides of this ravine are occupied by an irregular group of cottages, houses, and mills. On entering, the very first cottages are narrow, smoke-begrimed, old and ruinous; and as the first houses, so the whole town. A few streets lie in the narrow valley bottom, most of them run criss-cross, pell-mell, uphill and down, and in nearly all the houses, by reason of this sloping situation, the ground-floor is half-buried in the earth. Add to this the shocking filth, and the repulsive effect of Stalybridge, in spite of its pretty surroundings, may be readily imagined. *The Condition of the Working Class in England* (Engels 1844)

This vivid description of the chaotic urban growth observed in mid 19<sup>th</sup> Century

Manchester was an accurate anticipation of the processes that were about to happen in Buenos Aires some 40 years later. By the mid 1860s the domestic and civil wars had ended in Argentina. Political stability and the expansion of an export-oriented economy based on agricultural products were the foundations of a liberal project that conveyed rapid development, placing the country among the most expansive economies of the late 1800s (Rostow 1990). Free trade with the main capitals of the world, cultural liaisons with Spain and Italy, and a booming, labor-intensive economy produced massive immigration of families that were offered free land in the fertile pampas of the interior. By 1885 Argentina had more foreigners than native citizens; as predicted by Engels, these immigrants quickly moved to the big city expanding the population of the city of Buenos Aires from 177,000 in 1869 to 1.2 million in 1910; thus the demand for housing skyrocketed (Baer 1998).

Land invasions, precarious settlements and the occupation of abandoned buildings were the spontaneous survival strategies with which the poor solved their needs of shelter. This invasions and occupations were also the immediate precedent of the late 19<sup>th</sup> century *conventillos* (slum dwelling by occupying old houses and individually renting rooms to different families) and the mid 20<sup>th</sup> century *villas miseria* or *villas de emergencia* (shantytowns) (Scobie 1974, Walter 2003). These informal

arrangements with no access to fresh water, sewage or to any public services created severe sanitary problems and are thought to be the direct cause of the 1871 yellow fever epidemic that killed more than 50,000 in Buenos Aires. While describing his views on the epidemic a chaplain of the British Legation wrote:

The most powerful causes, however, for the development of the plague were to be found in the abominable filth of the city and its surroundings. The smell of the Riachuelo in December had been so horribly nauseous that in various parts of the town ladies and people of weak constitutions were seized with vomiting when the wind blew from the south. In fact, the whole city steamed like a dunghill whenever a hot sun came after a fall of rain. While the city was fermenting and steaming, the water of the River Plate was so poisoned by the liquid from the Riachuelo that the dead fish covered the roadstead and river as high as Palermo; yet this same water was what the citizens of Buenos Aires had to drink. The air was foul and sickening; the water was corrupted; the earth was reeking with abomination. (*Compiled by Rev. T. E. Ash, BA., Printed in April 1871. Standard Magazine*)

This despicable description of the city was soon to be followed by parallel descriptions of the private behaviors that caused the filth and, not surprisingly, the immoral habits of the poor were blamed for the trashing of the city. Comparing the development of the cities of Rosario (Argentina) and Recife (Brazil), Outtes (2003) quotes a paragraph written by Mendoça in 1931:

Visiting the slums of the Federal Capital is sufficient to give a clear view of this problem. From them, one can say, come all moral and material miseries and all vices. In the slums there is tuberculosis and alcoholism. Low instincts are developed there. Fighting against slums is taking part in a battle for raising morality and improving the physical health of the race. This milieu is usually occupied by the working class, the class that especially needs more moral and physical hygiene. In this repulsive environment, the worker constitutes his family and establishes his home. If his home is in this condition, nothing is more desirable than escaping to forget and looking for entertainment in the bar; he goes more and more, giving himself over to vices like gambling and drinking. Back at his house, he finds a repulsive home that frequently makes him think that he is excluded from society. From this, envy comes and hate grows against those he thinks responsible for his misery. This environment has disastrous consequences for childhood. Children live mixed without distinction of sex and adopt the worst behavior, which they bring to school and the workplace. They become vagabonds, because they prefer the street where they can take breath and spend most of their time there rather than in their repulsive room. The girls in this environment lose all

notions of honor and dignity. In short, the slums are the direct causes of the working class's lack of organization; they are an absolute obstacle to the physical and moral uplifting of the working class. They must be demolished. (*Mendoça, 1931: 141*) as quoted in Outtes (2003:140)

Outtes (2003) clearly shows in his paper that sanitary, hygienic and disciplinary objectives were the main motivations of the early city planning efforts in Argentina and Brazil (as is true of all western cities that were influenced by the Victorian sanitary approaches to social issues). These new “urban problems”, and not the plight of the poor, were the factors that spurred governmental action, a priority that persists in contemporary social policies.

Even though the Argentine government responded weakly to these new urban problems and to the abrupt demand for affordable housing, non-governmental organizations (at the time called charitable or benefactors) were leading actors from the very beginning of the social housing question in Argentina. The following section offers a review of the early projects sponsored by the public, private and non-profit sectors at the end of the 19<sup>th</sup> century. It is important to highlight a historical pattern that began at that time and that continues to describe the roles played by relevant actors in housing policy: the private business sector is uninterested in social housing because it is not profitable (unless it is subsidized by government); government is the only actor that can have a broad social impact (provided it has large sums of funding), but is generally too bureaucratic and inefficient; and finally, NGOs are closer to the people and can develop inclusionary housing processes, but their programs lack efficiency and have a rather limited impact. These quick descriptions are somewhat oversimplified but they have passed the test of time and held water during 130 years of Argentine history, from

military regimes to democratic rule, and from centrally-planned economies to contemporary neoliberalism.

### **Weak Public Policies and the Prevalence of the non-profit Sector (1880-1943)**

Responding to the swift demand and to the “new urban problems” described above, all sectors of Argentine society (public, private and non-profit sector) started some kind of housing projects for needy workers by the mid-1890s. The Radical revolution of 1890, a middle class movement that ousted the conservatives from power, produced all kinds of intermediary organizations opening the possibility of lobbying the federal government for favorable policies. New political parties, trade unions, non-religious charities, chambers of commerce and other newly constituted social groups stepped into the political arena competing for a place in the now permeable policymaking processes.

The first governmental housing policy for the poor was implemented in 1885 when the municipality of Buenos Aires planned to build four whole neighborhoods with ample public housing for urban workers at the north end of the city, although, two years later, it only succeeded in building one (Hardoy and Satterhwaite 1989). Efforts from private companies were also important at the time; private firms such as *Establecimientos Americanos Gaty*, *Ferrocarriles del Sur* and the *Compania General de Fosforos* also built houses for their employees (Pino and Baer 1998:134). As for the non-profit sector, *La Sociedad de Beneficencia*, the first non-governmental organization created in 1823 (see previous section), was followed by another group called *La Sociedad Protectora del Obrero*, which, along with the *Cooperativa El Hogar Obrero* was rather successful in representing the interests of urban workers; moreover, the First National Assembly of Argentine Catholics was organized in 1884 and soon after a Catholic group called the

Saint Vincent de Paul Society built ninety-six houses for rent in downtown Buenos Aires.

However, the most consistent effort to create affordable housing in late 19<sup>th</sup> Century Argentina was lead by the Socialist Party. The Party took up the issue of housing in its political discourse and through the activity of its representatives in the national congress. The Socialist newspaper *La Vanguardia* founded in 1894 denounced tenant abuse and government indifference, constituting the ideological platform to mobilize workers in search of a class-based solution to their housing problem. Parallel to these calls, the first reported housing league was created in 1893 and the first cooperative movement (legally established as the *Cooperativa El Hogar Obrero* in 1905) built thirty two apartments for workers in downtown Buenos Aires in 1898. The sixth congress of the anarchist *Federacion Obrera Regional Argentina* (FORA) voted for the organization of a tenant movement that reacted against rent increases with a massive strike in August 1907 (Baer and Suriano 1983, Baer 1998, Lecuona 2002). This highly productive activity of the Socialist Party could not be translated into votes as the elections were still captured by cadre elites and electoral machines. Political parties would never again be so active in housing the poor.

The federal government did not pass specific housing legislation until 1905 when the National Congress approved National Law 4824 authorizing the Municipality of Buenos Aires to levy taxes on horserace gambling to collect funds for public housing. This first law did not represent direct government intervention but raised 2 million pesos which, in conjunction with a donation of land by a wealthy woman named Azucena Buteler and the coordination of the Catholic *Sociedad Protectora del Obrero*, allowed for

the construction of 190 houses by 1907, amidst a prolonged rent strike called by the Socialist Party (Baer 1998). Other countries in Latin America followed similar processes. The first government-financed housing schemes were constructed in Chile, Mexico, Venezuela, Colombia, and Panama during the first decades of the twentieth century after the passing of rudimentary planning and regulatory legislation (Purdy and Kwak 2007)<sup>2</sup>.

A significant turning point and the first official discussion of public housing policies occurred in 1915 when popular pressure and several delayed projects persuaded the National Congress to take up the issue. In a rich and prolonged debate, representatives from all parties intervened citing European trends and experiences. Analyzing congressional records Lecuona (2002:165) grouped the proposals of the representatives into three approaches: a) the Belgian approach advocated for the participation of intermediate organizations, non-profit sector groups and public-private alliances; b) the French school was defined as liberal, favoring the private initiative; and c) the German approach, coherent with the imperial moment of Berlin, that favored the sole responsibility and action of the state. With representatives of the Radical Party in office proposing the creation of a centralized national commission on housing, the most progressive and innovative position was held by Socialist representatives, most notoriously, Enrique Dickmann and Nicolas Repetto. Citing experiences from all over the world and quoting precise demographic data on Buenos Aires collected by the Socialist newspapers, these representatives argued in favor of private and cooperative action claiming that affordable housing was too expensive and too complex a problem

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<sup>2</sup> A pioneer proposal was seen in Mexico right after the 1910 revolution with the assisted construction of "popular neighborhoods" through low-cost loans to private developers (Connolly 1990).

to be handled by the state (in their political interest of course was the defense of the *Cooperativa El Obrero* that by that time was well-established and enjoyed renowned prestige). The Socialists proposed a subsidiary state, whose role was to establish the rules of the game and facilitate private and non-profit sector initiatives. Ironically, Socialists of the 1910s put forward the same ideas that the IMF and the World Bank would present as novel recipes 70 years later.

In spite of the heated conceptual debate, the most controversial issue on the floor was taxation. Socialists Dickman and Repetto showed that municipal taxes on land and national taxes on construction rendered affordable housing impossible. Moreover, empty land paid 40 times less taxes than constructed properties, so there were several incentives for real estate speculation and no incentives at all for the construction of affordable housing. After a fruitful debate a compromise was reached between Radicals, Socialists and Liberals passing in October of 1915 National Law 9677 also known as *Ley Nacional de Casas Baratas*, National Law of Affordable Housing. The law created the National Commission on Affordable Housing with yearly provisions of funding to be allocated in the national budget, but it also stimulated the hiring of private constructors, lowered taxes for landlords of affordable housing and granted tax exemptions to the existing cooperatives and to construction materials used in affordable housing (Lecuona 2002). This law, and the subsequent law of 1921 limiting the speculative prices of rents, have been praised as innovative for their time, establishing principles of citizens' rights, promoting public-private partnership, and creating institutional mechanisms that are still in place today.

Unfortunately, this promising institutional and policy beginning was not sustained over time. In spite of lobbying activity by representatives and senators, the Argentine provinces neither supported the law nor worked with the commission; consequently, the constructions benefited only the city of Buenos Aires. The Commission was also too slow and too bureaucratic in its administration, so private and cooperative efforts continued to be important (and more effective), especially after 1930 when the first coup d'état in 1930 facilitated the return of oligarchic rule. Housing policies for the poor halted until Peron took office and launched massive housing projects.

Until now this review of housing policy has focused solely in the city of Buenos Aires. The disparities between the capital city and the rest of the country were enormous. The second city of the country at the time was Rosario (in the Province of Santa Fe). Rosario also grew during the period, from 50,000 inhabitants in 1887 to 192,000 in 1910. The main activity of the city was transportation of grains from the interior of the country to the Rosario harbor, the second port of the country. Nearly 55% of the workers were employed in the transportation sector (25% of them in the harbor). The distinctive characteristic of late 19<sup>th</sup> Century Rosario was the highly organized and combative anarchism and syndicalism that dominated the political landscape. The city was the site of the most violent armed revolts led by the Radicals in 1890, 1893 and 1905 (Johns 1994). The official census of 1929 counted 38,125 brick houses, 7,656 made of wood, 666 of zinc and 138 of adobe. The wide availability of jobs and the relatively low levels of poor people dwelling in slums delayed the emergence of “urban problems” until the mid 1900s. This can be deduced from the public works initiated by the municipality in 1923: a railroad station, a central market, and a slaughterhouse.

For this period it is also important to underline the early contradictions between the capital city and the interior of the country, a dichotomy that has been and continues to be one of the most profound political, economic and social cleavages of Argentina, crystallized in the following characteristics: 1) on one hand Buenos Aires, with a export-driven economy, foreign trade and control of customs, big landowners (*terratenientes*) favoring agricultural production, and oligarchic elites, culturally modern, in command of a cadre political centralism; and, on the other hand, 2) the Interior, provincial, linked to small regional economies and craftsmanship, personalized patriarchal rule of caudillos, conservative in religion and culture. This cleavage had its correlation in the early urban planning styles of the main Argentine cities with Buenos Aires following the lines of Beaux Arts and Haussmannian Paris, the City of Rosario mixing several European styles and the City of Cordoba backwatered in Spanish Scholastic urbanism (square-like growth around a central plaza) (Podalsky 2004). As far as the characteristics of the early non-profit sectors in each of these cities, the city of Buenos Aires was far more developed than the rest of the country with well established liberal, Catholic and socialist groups as described above. The mobilization of the lower classes in Rosario was dominated by anarchists and trade unions that did not demand public housing until the Peronist era; while the charity and relief activities in Cordoba remained under the rule of the Jesuit, Roman Catholic tradition.

The work of these intermediary organizations in combination with the provision of public funds and the implementation of rudimentary housing policies on the part of the federal state constituted an ill-prepared but adequate response to the first wave of demand for popular housing in early 20<sup>th</sup> century Argentina.

## **Corporatist Peronism and Massive Public Housing for Workers (1943-1976)**

The end of World War II brought a new array of social issues across the globe. Urban planning in the developed world became the scenario of the public efforts to convert the war economy into an economy of peace, revitalizing domestic markets and providing jobs in large scale infrastructure projects such the construction of highways and subways systems.

As developed countries tried to convert their economies of war into economies of peace, Latin America embraced the import substitution industrialization strategy (ISI), a development strategy based on the creation of medium size industrial factories that would produce locally some of the manufactured goods that could not be imported from Europe and the United States during wartime. This state-sponsored development strategy represented the dawn of the welfare state in Latin America as it was backed up by strong nationalist governments such as of those of Lazaro Cardenas in Mexico, Getulio Vargas in Brazil and Juan Domingo Peron in Argentina. The rapidly industrializing urban centers demanded a low-skill laborforce in large quantities, attracting rural workers and peasants to the already saturated urban centers; aggravating the already acute disconnection between growing demand for affordable housing and the meager response capacity of the state. In this period Mexico City grew from 1.7 million inhabitants in 1940 to 6 million in 1960, Sao Paulo went from 1.4 million to 4.1 in the same period, and Santiago de Chile from 950,000 to 2.3 million. In Argentina, Buenos Aires had 3.5 million inhabitants by 1950; Rosario grew from to 200,000 inhabitants in 1914 to 550,000 in 1950, while Cordoba reached 430,000 at the same time (Azuela and Tomas 1997:18).

Populist governments of the time responded with massive national programs that built houses for the poor on the outskirts of the main cities and delivered them to needy families through loans subsidized by the national public bank; a method that gave the name to the concept of “public housing”. The preferred methods of these centralized interventions were land clearance, urban revitalization and the construction by the state (sometimes given to private contractors) of large, low-cost neighborhoods, as a way to restructure the urban fabric, put order into city growth and respond to the intense demand (Purdy and Kwak 2007); icons of this “public housing” approach are the large-scale affordable housing complexes known in the United States as “the projects” (in Argentina these buildings are known as the “*monoblocks*” in reference to their monolithic aesthetic).

It is clear that this pork-barrel method was attuned with the paternalist politics and the electoral clientelism of Latin American populism. According to policy analyses of the time, the provision of public housing was satisfactory insofar as the quality of the houses, but very insufficient in scope (the number of houses covered less than 10% of the demand) and ineffective in terms of poverty alleviation, since they were disconnected from other urban policies (general infrastructure, transportation, public services) and social policies (education, health, etc.) (Purdy and Kwak 2007).

Peronist Argentina is a telling example of the “public housing” strategy of this period. Supported by a multi-class alliance composed of workers, a sector of the army, existing unions, small industrialists and low and middle-class workers that had been left outside of the political game (Murmis and Portantiero 1971), Peron enacted populist reforms and policies. He incorporated the “right to housing” in the 1949 National

Constitutional reform and passed the Joint Freehold Property Law in 1948, controlling for rent hikes and allowing privately owned residences to coexist in the same building. In a book review article published in the *Journal of Urban History* Natalia Milanesio asks the question “to what extent did Peron’s government break with previous ideological traditions and public policies in Argentina?” (Milanesio 2008:1064). The answer she gives is that Peron made a quantitative change by massively increasing the number of houses available to workers improving urban infrastructure, but did not substantially change the terms of the debate regarding affordable housing. A different interpretation of the qualitative impact of Peronist housing policies is offered by Aboy (2007). Combining an extensive literature review with the reconstruction of ethnographies based on social worker interviews, Aboy affirms that the provision of massive housing for the urban poor gave them security and stability allowing them to form a class identity and opening for them the doors for upward social mobility. Furthermore these houses served as nests for the consolidation of a novel, educated and politically active middle class that distinguished Argentina from the rest of Latin America at least until the lost decade of the 1980s (Aboy 2007).

The Peronist period can be analyzed in two moments. From 1946 to 1949 the government engaged in direct construction of housing to be given to workers through a complex network of clientelistic and corporatist relationships. Ballent (2005) points out that the government constructed housing in a trial-and-error and decentralized manner, with Peron handpicking different allies for each project, whether it was the Labor and Social Works Department, the Buenos Aires municipal government, the Ministry of Public Works or a given union. The *Banco Hipotecario Nacional* (National Mortgage

Bank) built 10,171 houses in ten years, and in that same period, also gave more than 300,000 housing loans. These houses were available to workers through low-interest credits sponsored by the *Banco Hipotecario* that raised its lending portfolio for affordable housing from 10% in 1947 to 73% in 1953 (Gaggero and Garro 1996, Aboy 2007). In the second period after 1950 an economic crisis forced the federal administration to privilege indirect intervention in urban construction by partnering with unions, provincial governments and with businessmen in the private sector. This is also the period in which the National Commission of Affordable Housing reached the interior of the country. With a new name and under the supervision of the *Banco Hipotecario Nacional*, the renewed *Administracion Nacional de Vivienda* (National Housing Administration) signed an agreement with the Province of Mendoza that was followed soon after by the provinces of Córdoba, San Juan, Santa Fe, San Luis, Entre Ríos y Tucumán. The federal government provided the bulk of the financing, the provinces administered and built the houses and the *Banco Hipotecario Nacional* was in charge of the financing, going from 5,838 mortgage loans granted in 1945 to 47,379 in 1949 (Gaggero and Garro 1996; Ballent 2005). Gaining federal influence was paramount to the nationalist development strategy of Peronism.

Most relevant for this dissertation is the fact that Peron made a broad intervention into the non-profit sector by creating a highly personalized and hierarchical network of entrenched associations with which he negotiated political support in exchange for favorable policy, developing a national corporatism of peculiar characteristics (Malloy 1977, Wiarda 1981). The leading institution of this strategy was a semi private organization called *Fundacion Eva Peron* that was in charge of delivering the in-kind

assistance of the state. Existing NGOs were weakened as little room for autonomous organization was left in between the Peronist party, the *Fundacion Eva Peron*, and the powerful and well-entrenched unions. This acute corporatism hindered the strength of the non-profit sector, debilitating weak institutions and infuriating the strong ones, the most important of which, the Catholic Church, fiercely opposed Peron and organized overt and subtle opposition that finally led to the military coup of 1955. It is paradoxical but symptomatic of Argentine politics that the antidemocratic and corporatist rule of Peronism resulted in the most beneficial and inclusive period for the Argentine poor.

It has been established in the previous paragraphs that the “public housing” approach was the dominant policy paradigm of the western welfare state in the post World War II era. However, it is important to underline that this approach was far from being uncontested. According to Fainstein and Hirst (1994:2) the pursuit of the goals related to the public housing approach (centralized planning and execution of big apartment complexes to concentrate masses of diverse worker population), “produced severe community disruptions which in turn spawned intellectual and popular backlash”. At the forefront of the intellectual response to the centrality of urban planning were academicians and intellectuals like Charles Abrams (1946, 1965, 1966), Jane Jacobs (1961, 1969), Herbert Gans (1962, 1967, 1968), Otto Koenigsberger (1971, 1976), John F.C. Turner (1968, 1972, 1976) and William Mangin (1967, 1970), who laid the

groundwork for an alternative approach<sup>3</sup> by researching and advocating for people-centered development and participatory planning<sup>4</sup>.

This intellectual trend and its mobilizing effects reached Latin America facilitated by the money provided by international development agencies and the technical training of professionals attached as conditions to the loans. As early as 1952 Otto Koenigsberger wrote that “the planning problems of underdeveloped regions are problems of numbers. It is necessary to mobilize the people themselves for their solutions” (quoted in Turner 1980:32) and by 1964 Charles Abrams wrote on the dilemma between ownership or rent “...a country must choose between building for the few and demonstrating little, building for the many and exhausting its resources or providing for the many with a minimum outlay” (Abrams 1964 as quoted in Turner 1980:32).

At a time when most of Latin America was governed by authoritarian regimes, the seed of the “people-centered approach” landed in the non-profit sector, which at that time was involved in a dilemma: on the one hand the non-profit sector opposed authoritarianism creating room for participation and civic engagement, while on the

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<sup>3</sup> For the purpose of this dissertation the concepts of “community participation”, “participatory planning”, “human architecture”, “people-centered development” are considered equivalents insofar they represent a bottom-up alternative to the top-down proposition of centralized planning.

<sup>4</sup> A special collection on the birth of participatory planning at Cornell University Library underlines as references the names of Max Bloom, John Clarke, Jacob Crane, Alexander L. Crosby, Julius Edelstein, Felix Frankfurter, Josephine Gomon, William L. Halford, Jacob K. Javits, J. Marshall Kaplan, JBlanche Mahler Koeffler, Otto Koenigsberger, Louis J. Lefkowitz, Herbert Lehman, Max Lerner, Albert Mayer, Morris Miller, Constance Baker Motley, Daniel Patrick Moynihan, Kevin Nowlan, William S. Paley, Charles H. Percy, A. Philip Randolph, Lloyd Rodwin, Arthur M. Schlesinger, Jr., Nathan Straus, Walter Thabit, Robert F. Wagner, Jr., William English Walling, Harrison A. Williams, Herman Wouk, and Catherine Bauer Wurster. Institutions of reference for the United States are the Agency for International Development, the American Federation of Housing Authorities, the American Institute of Architects, the American Institute of Planners, the Department of Housing and Urban Development, Ekistico-Delos, the Federal Public Housing Authority, the Ford Foundation, and the Housing and Home Finance Agency. Online at <http://rmc.library.cornell.edu/ead/htmldocs/RMM03086.html>

other hand it was accused by leftists parties and revolutionary movements of being functional to military cadres because it entertained the masses with false illusions of participation distracting them from their truly revolutionary mission. Given this polarized political environment, the encounter between architects, sociologists and policy analysts occurred in Latin America during the 1960s giving birth to a myriad of working groups, research centers and advocacy groups. The most important of these groups were COPEVI in Mexico, FUNDASAL in El Salvador, CINVA en Colombia, DESCO in Peru, the *Movimiento Cooperativista* in Uruguay and SELAVIP in Chile. Argentina was one of the pioneers in the mid 1960's with the foundation of CEUR, IRA, IIDVi, CEVE and SEHAS (See Pelli 2007 for a detailed account of the history and development of each of these NGOs). The following sections provide a detailed account of the development and impact of the “people-center development” in Latin America.

### **The Two Sides of Foreign Influence. World Bank vs. Habitat International Coalition (1976-1996)**

Until the mid 1960s public housing was for the most part a domestic issue for Latin American governments. In spite of some intergovernmental actions (the Primero Congreso Latinoamericano de la Vivienda Popular, First Pan American Low Cost Housing Congress was held in Buenos Aires in 1939), the influence of the “people-centered development” approach of American urbanists was limited to academia and to a small group of incipient NGOs (in this dissertation the approach includes the ideas of “human architecture” and “participatory planning”). As discussed in the previous section, nationalist corporatist governments throughout the region left no room for external influences as they engaged in the construction of large, low-cost housing projects. The beginning of the Cold War and the strategic need of the United States to secure the

hemisphere was accompanied by two strategies: political support for right-wing, conservative and military factions in the region that caused most of the military coups of the 1960s and 1970s; and flexible international loans to support their corrupted and inefficient administrations. On the other hand, external influence also arrived to the region from the left, in three versions: communists and other extreme groups adopting violent disruptive strategies; the theology of liberation; and, most relevant to this investigation, a moderate left, sponsored by the European Christian Democracy and other Socialist groups, that worked locally with NGOs and grassroots groups in small scale development projects.

In matters of public housing the region also witnessed the emergence of a divide that persists until the present: on one hand a path-dependence approach to popular housing carried out by national governments following the lessons and policies of the World Bank (Pugh 1997, 2001); and on the other hand, a newly emergent approach that combined the theory of the new American urbanists, the spirit of the incipient Habitat International Coalition, and the funds of the European agencies of cooperation and development. This section describes these approaches and their impact in Latin America and in Argentina.

In a bipolar world, with Latin America under military rule and eager to take international loans, the World Bank, the United Nations Centre for Human Settlements (Habitat) and the United Nations Development Program were at the forefront of the efforts to help the region. These institutions (among others such as the IMF and the Inter-American Development Bank) exerted considerable influence on domestic policies by determining the flow of international loans, by conditioning the destinations of those

funds, by managing interest and exchange rates, and by means of their technical assistance to policymakers, urban planners and project managers.

The World Bank used its power of loan and conditionality agreements to replace populist public housing in favor of assisted self-help and project-by-project approaches. Public housing was deemed by the Bank's experts as too expensive, too bureaucratic and vulnerable to corruption. Moreover, the argument goes, it distorted the normal functioning of free markets and allowed the middle classes to free-ride on the efforts of the state, displacing the truly needy. As an alternative, self-help approaches were supposed to be technically superior, starting with experts' diagnostics, case-by-case planning and flexible budgeting. The division of responsibilities between experts (funding, technical supervision and control), governments (land-clearance and provision of public services) and families (construction and mortgage payment) brought synergy and fostered cross-checked accountability. At the construction site, families assumed the work, recovering a sense of personal responsibility and neighborhood commitment (World Bank 1972, 1974). The proposal was supposed to gain in effectiveness while getting rid of the politics and clientelism that contaminated public housing.

Three kinds of policies were central in the toolboxes that World Bank experts presented to third world governments: "sites-and-service", "slum upgrading" and "self-help" (Pugh 1997). Sites and service projects are government-sponsored packages of shelter-related services that are delivered to the beneficiaries in their own settlements. The most common services are the provision of drinkable water, drainage, sewer treatment, and small health care infrastructure, but they can range from a minimal level of "surveyed plot" to an upper level of "core housing" complete with utilities and access

to community-based services, the level of services depends on the ability and willingness of beneficiary populations to afford them (World Bank 1972 and 1974, Pugh 1997; Mayo and Gross 1985:301)<sup>5</sup>. Implemented as early as the 1940s and 1950s in countries like Chile and Singapore, the World Bank sites-and-service approach saw its heyday in the 1970s with more than 84 projects completed by 1984, each reaching an average of 25,000 beneficiaries (World Bank 1984, Mayo and Gross 1985).

A less common but more effective approach to housing the poor was “slum upgrading”, a process that starts with the regularization of tenure and occupancy rights, by purchased acquisition and resale to residents or by expropriation, to be followed by incremental provision of public services. It was also the favorite method of bond investors and G7 governments as the provision of legal tenure to the families increased the chances of loan repayment (Imparato and Ruster 2003, Pugh 2001). Finally, the World Bank’s assisted “self-help” approach consisted of placing the bulk of the responsibility for housing projects on the beneficiaries, while helping them with loans, technical training and managerial assistance. Ironically derived from John F.C. Turner’s theories (see more about this irony in the following section), assisted self-help is more of a working principle than a method in itself. Its integration into all the World Bank’s recommendations (especially in sites-and-services policies and in slum upgrading), was intended to motivate responsibility and independence of the beneficiaries, develop their skills and strengthen community ties (World Bank 1982, Pugh 1997). Needless to say,

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<sup>5</sup> In principle sites and service policies are meant to limit public subsidies and instead rely upon affordability, cost recovery and replicability; however, empirical analysis conducted on several site and services projects by Mayo and Gross (1985) have found a median subsidy equal to about 62 percent of total resource costs.

these approaches received harsh critiques from non-profit sector intellectuals and from academia, not only for creating artificial politics-free environments, but also for not achieving the pragmatic results they intended (Huque 1982, Payer 1982); for instance, after 40 years of being the primary destination of World Bank programs, 40% of the population of India still lived in precarious informal settlements (Bandow and Vasquez 1994).

The other foreign trend that heavily influenced the region during this period was fostered by non-governmental international organizations. As discussed above, during the mid 1960s socialists, communitarians and other center-to-left groups sought to influence Latin American housing policies. Since then, research and policies in the region have been heavily influenced by developments in the international non-governmental sector, especially by the Habitat I Conference in Vancouver (1976), the Earth Summit in Rio de Janeiro (1992) and the Habitat II Conference in Istanbul (1996). The outcomes of these meetings have been collected in a number of documents, the most important of which are the Agenda 21, the New Urban Agenda, the Brown Agenda, the Global Strategy for Shelter (GSS), and the Urban Management Program (UMP).

In a time when the United Nations Conference on Human Settlements (UNCHS) and the World Bank's loans and the project-by-project approach dominated the affordable housing scene, the Habitat I meeting at Vancouver in 1976 witnessed the consolidation of an intellectual and activist movement that had started some 20 years before but had never been articulated, especially in the developing world (even though the Vancouver Declaration refers mainly to national governments and international

organizations). Representing an alternative to the World Bank sites and services approach, the meeting at Vancouver brought together a large and diverse group of grassroots organizations, non-profit organizations, civil society movements and scholarly work that, for the lack of a better term, were grouped under the label of “nonprofit sector”.

Inspired by the seminal works of urbanists Charles Abrams (1946, 1965, 1966), Jane Jacobs (1961, 1969), Herbert Gans (1962, 1967, 1968) and John F.C. Turner (1968, 1972, 1976), the main characteristic of these groups was their close relations with poor peoples' organizations (if not directly with the poor themselves) and their inclusionary understanding of housing policies. Indeed, the very idea of housing as a final good that merely satisfies the human need for shelter was replaced by the idea of housing as a long-term process that, involving several dimensions of human life, is socially constructed to reach a more equal and sustainable habitat (the idea of habitat comprising the shelter, the surrounding environment and the human relations among neighbors).

Embodied in international non-governmental organizations such as the Habitat International Coalition, Habitat for Humanity and Appropriate Habitat for Another Development, these ideas spread throughout Latin America fueled by the financial and technical support from European agencies of cooperation and development, the most active of which were British Oxfam, German GTZ, Dutch NOVIB, MISEREOR, and Bread for the World. Community leaders, activists, and academicians in Latin America quickly organized themselves to receive this help, giving birth to important NGOs such as COPEVI in Mexico, FUNDASAL in El Salvador, CINVA en Colombia, DESCO in

Peru, the Movimiento Cooperativista in Uruguay and SELAVIP in Chile. Argentina was one of the pioneers at the time, with the foundations of CEUR, IRA, IIDVi, CEVE and SEHAS (Pelli 2007). This bilateral cooperation had a strong political component as donors tried to support actions aligned with their ideological or religious perspectives. These organizations worked in the relative isolation of their small scale, local projects until the Limuru Declaration of 1987 brought them together under the concept of “the social construction of habitat” (discussed in the next section).

Finally, the 1980s also saw the birth of specifically housing-related community based organizations (CBOs). As democracy returned to the region in the 1980's poor people began to organize themselves independently from political parties, religious groups or nongovernmental organizations. These small community-based groups were generally commanded by few charismatic leaders that organized the families of informal settlements in search of solutions to their housing needs. The main activities of CBOs were lobbying politicians for land, public services or favorable policy (legal access to land ownership is the primary goals), and organizing the collective action of the community, whether it was cooperative or confrontational. Most of these grassroots organizations had narrow goals usually linked to the ambition of a limited number of families to access a particular lot of real estate or a particular housing program, so they vanished soon after accomplishing (or not) their intended goal. However, a few of these groups survived their early years and remained active, most notably the *Cooperativa 20 de Junio* (1964) and *Cooperativa el Progreso* (1986) in Córdoba, the *Cooperativa de Consumo y Vivienda de Quilmes* (1984) , the *Cooperativa de Vivienda y Consumo San*

*Telmo* (1987) and the *Movimiento de Ocupantes e Inquilinos* (1990) in Buenos Aires (Buthet 2002, Arroyo 2007).

### **The Habitat International Coalition in Latin America. The Social Production of Habitat (1987) and the Right to the City (2005)**

The most powerful set of ideas to influence non-profit sector organizations working in housing the poor across Latin America is the concept of “the social production of habitat” created and promoted by the Habitat International Coalition (HIC). Even though it is not easy to place the ideas of the social production of habitat in the left-to-center ideological tradition, it is fair to say that it is one of the most conceptually dense arguments to back up the activities of NGOs in the region, not only as a normative stand on the role of the state and its citizens, but also as a course of action for practical program implementation; the principles of the social production of habitat can be recognized in the mission statements of the most important non-governmental organizations of the region. The concept saw its heyday after the Vancouver Conference of 1976, but did not have widespread influence in the region until the early 2000s, when the Latin American Chapter of the Habitat International Coalition was opened in Mexico City.

The idea of the social production of habitat is rooted in social constructivism and the influence of American urbanists reviewed above. The Habitat International Coalition defines itself as “an offspring of the committee formed to coordinate the NGO input into the United Nations Conference on Human Settlements (UNCHS) in Vancouver in 1976” (HIC 2008). This committee began to work after the United Nations Conference on the Human Environment in Stockholm in 1972 and quickly became the hub of reference for NGOs working on habitat issues around the world. After the Vancouver Conference of

1976 the group organized lobbying and advocacy campaigns to follow up the recommendations it had officially endorsed and later became the NGO representative in the newly formed UN Centre for Human Settlements (Habitat) (HIC 2008).

According to its own website, “between 1976 and 1987, the Habitat International Coalition grew with civil society organizations based in the North but had difficulties widening its membership in Africa, Asia and Latin America and the Caribbean” (HIC 2008). Due to the bipolar international order and to the prevalence of military regimes in the region, NGOs in the south were rather autonomous and their impact was of limited local scope. The preparations for the UN International Year of Shelter for the Homeless in 1987 was the opportunity to gain international reach as HIC members organized a conference in Limuru, Kenya. The Conference in Limuru brought together representatives of 45 NGOs from Africa, Asia and Latin America as well as twelve observers from the most important governmental and non-governmental international organizations. As a result of this wide representation a meaningful declaration was approved that defined “low-income people as city builders” and “governments as enablers” (HIC 1987).

The Declaration of Limuru directly addresses some of the core issues of this study<sup>6</sup>. Based on “the systematic evaluation of more than 20 years of experience” the document assigns clear-cut roles to the main actors of the housing arena: donors, governments, NGOs, CBOs and people. Both the principles of the Limuru Declaration and the roles assigned to different actors have had such an impact on the Argentine non-profit sector that many local NGOs have closely followed its recommendations.

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<sup>6</sup> The Limuru Declaration of 1987 is online at [http://www.hic-net.org/document\\_viewer.asp?PID=359](http://www.hic-net.org/document_viewer.asp?PID=359)

The Limuru Declaration of 1987 is of special significance for the purpose of this dissertation as it provides explicit guidelines for NGOs on how to play the five games that compose the proposed analytical model. The analytical framework of this dissertation is summarized in a descriptive model composed of five games played by NGOs when they act as intermediaries between donors and beneficiaries: gaining a donor (Game A), representing a poor constituency (Game B), expanding the non-profit sector (Game C), finishing the construction of houses on budget and on time (Game D), and the philanthropic game of promoting opportunities and empowering the poor (Game E) (See Section 2.1 and Table 2-1 for a full description of these games). Brief excerpts from the Limuru Declaration serve as examples of the strategies recommended to NGOs by the Habitat International Coalition in each of the descriptive games.

Gaining a donor or being appointed by the government to run a program is paramount to the survival of NGOs (Game A). The Limuru Declaration says:

Given the scale of homelessness and the number of people with inadequate shelter, and the positive role that thousands of third World NGOs play in human settlements, NGOs have a responsibility to raise the awareness of the international donor community on how to establish far more effective and efficient shelter programs for the poor. (*HIC. Limuru Declaration of 1987. IV.3*)

NGOs should try continuously to mobilize international technical and financial support from a variety of sources. This can allow them to go beyond relatively small-scale and experimental scales of action in working with community-based organizations to improve housing and living conditions. Nonetheless, there is a real danger that NGOs might be pressurized by international agencies to move beyond their capacities, limits and nature. This danger grows when governments or state agencies refuse or are unable to assume their responsibilities in shelter and basic services. (*HIC. Limuru Declaration of 1987. IV.5*)

The role of NGOs as brokers between donors, governments and the beneficiaries has been called the brokerage game (Game B). The Limuru Declaration is fairly specific about how NGOs should play this game:

NGOs play an intermediary role between the demands of community-based organizations for adequate shelter (or other needs) and the local authorities to which these demands are addressed (usually municipal authorities). This role is translated into action by promotion, mobilization and technical, social legal and administrative assistance. (*HIC. Limuru Declaration of 1987. II*)

The relationship between the state and community-based organizations that tend towards organized movements is characterized by points of tension and potential conflict. In such instances, NGOs have a key role to play. They have to help translate social movements into political presence, but not on a party NGOs and community-based organizations should act and influence government policies in the short, medium and long term. They must be autonomous vis-à-vis the state and they should be wary of their possible co-option by the state. Such co-option can mean repression of community-based organizations and NGOs, but the former are likely to suffer most. Strong relationships between community-based organizations and NGOs should be developed as a protection against such co-option. (*HIC. Limuru Declaration of 1987. III*)

Game C refers to the importance of strengthening the non-profit sector as a whole.

The Limuru Conference of 1987 dealt extensively with the issue and had a special "Working Groups on Networks and Coalitions" that produced the following recommendations:

1. National and regional networks should be created and strengthened where possible.
2. That in doing so, the specific situation of each country and region should be taken into account.
3. That in some countries and regions, the formulation of coalitions with other established groups, can be a useful method of promoting networks.
4. That international NGOs should promote the formation of local groups, especially in continents such as Africa where they are still few in number.
5. That networks be promoted in Northern countries because, among other things, this would facilitate the transfer of experience from other parts of the world confronted with problems of homelessness.
6. That regional networks can be promoted (among other ways) in the following manner: the publication of periodical bulletins on specific themes, the creation of regional publications and translation funds and the establishment of technical assistance and of an

operational fund for disaster and crisis interventions. (*HIC. Limuru Declaration of 1987. V*)

Not surprisingly, little is said in the Declaration about the need for NGOs to improve their own efficiency and efficacy while participating in housing projects (Game D). There is no direct, explicit reference as to how to improve NGOs capabilities but there are scattered recommendations as to what national networks can do to support local NGOs:

There is a need for the development and sustaining of research-action capacities through training at community, NGO, governmental and donor levels. Training should be viewed as a standard element of the research process. (*HIC. Limuru Declaration of 1987. IV.5*)

NGO networks at the national level are important because they are or could fulfill the following functions: to bring together people and NGOs with similar objectives, to act as a clearinghouse for the exchange of information, to reinforce weaker groups... (etc.). (*HIC. Limuru Declaration of 1987. V.4*)

The final game tracks the empowering and participatory strategies with which NGOs try to accomplish their goal of using housing processes as a way to enhance the social inclusion of the participant families (Game E).

NGOs, moving from a position of interventionist management to a position of support for community development, must work out a positive way of relating to CBOs to avoid paternalism and its resulting dependency. NGOs that accept what government policies are doing risk adopting a top-down approach in NGOs area of activity and considering their level of resources there are various possible dangers: a) the manipulation of CBO initiatives-having their actions shaped to serve the interests and influences of political and economic power and b) breaking or at least weakening the strength of CBOs. (*HIC. Limuru Declaration of 1987. II*)

CBOs can be supported in solving their own specific problems with concrete solutions. NGOs' precise actions do not in themselves help the slow process of a CBO becoming autonomous. To achieve this progressive consolidation integrated methodologies on how NGOs' knowledge, resources, contacts, training and planning skills can be passed on have to be devised. The process of passing on

such knowledge and techniques requires work plans for which the results may not become immediately obvious. The relationship between NGOs and the funding agencies does not always help this process of CBOs becoming autonomous. (*HIC. Limuru Declaration of 1987. II*)

How did these recommendations reach local NGOs across Latin America? A key figure bridging the work of the Habitat International Coalition to the region is John F.C. Turner, the creator of the concept of “Housing as a Verb” (Turner and Fichter 1972). According to Bromley (2003:1), John F. C. Turner introduced himself in one occasion as:

Born in London in 1927, I was schooled in England and trained as an architect. I have worked mainly in the field of housing. Reoriented by working with self-managing home and neighborhood builders in Peru (1957–65), I have learnt that what matters in housing are the relationships between people, activity and place. Before leaving South America, I prepared a publication and the script of a documentary film showing how much more people can do than can be done for them, with so much less when free to decide and act for themselves. *John F. C. Turner as quoted in Bromley (2003:1)*

From that experience Turner published several influential books on community participation, making extensive use of Peruvian examples (e.g. Turner, 1963, 1965, 1967, 1968a, b; Turner, Turner, & Crooke, 1963; Mangin, 1963, 1971; Mangin & Turner, 1968, 1969)<sup>7</sup>. His most relevant book “Housing by People”, a landmark for Latin American community participation initiatives, advances the following thesis: “...the

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<sup>7</sup> Bromley (2003) affirms that it was Peru that influenced Turner and not the other way around. He offers a complete review of Turner's main publications, most notable: Turner, J. F. C. (1963). Dwelling resources in South America. *Architectural Design*, 33, 360–393. Turner, J. F. C. (1965). Lima's barriadas and corralones: Suburbs versus slums. *Ekistics*, 19, 152–155. Turner, J. F. C. (1967). Barriers and channels for housing development in modernizing countries. *Journal of the American Institute of Planners*, 33(3), 167–181. Turner, J. F. C. (1968a). Uncontrolled urban settlements: Problems and policies. *International Social Development Review*, 1, 107–130. Turner, J. F. C. (1968b). Housing priorities, settlement patterns and urban development in modernizing countries. *Journal of the American Institute of Planners*, 34(6), 354–363. Turner, J. F. C. (1972). The reeducation of a professional. In J. F. C. Turner, & R. Fichter (Eds.), *Freedom to build* (pp. 122–147). New York: Macmillan. Turner, J. F. C., & Fichter, R. (Eds.) (1972). *Freedom to build*. New York: Macmillan. Turner, J. F. C., Turner, C. S., & Crooke, P. (1963). Conclusions. In J.F.C. Turner (1963) Dwelling resources in South America. *Architectural Design*, 33, 389–393.

supreme political issue of our time is the choice between heteronomy (other-determined) and autonomy (self-determined) in personal and local matters" (Turner 1977:21). Turner proceeds with a detailed analysis of decision-making moments, actors and functions to conclude that in housing projects "... democratic games must act as *limits* to action, rather than as prescribed *lines* of action". Graphic 3.1 shows how Turner described the different roles that the public, private and popular sectors play in autonomous and heteronomous housing systems.

In practice, these principles transformed the concept of "self built housing" into the concept of "self produced housing", the latter being an open and decentralized system in which people get to choose between several available options of involvement in the process of producing the house as well as the surrounding habitat. Although popular, Turner was harshly criticized on many fronts, for neglecting the private sector, legitimizing squatter settlements and for perpetuating the class system by ignoring structural inequalities (Burguess 1977, Midgley 1986). Harris (2003) also points to the irony that Turner's ideas originally coined to empower people were the foundations for the World Banks' self help approach that ended up doing exactly the opposite.

After the Limuru Declaration of 1987 a number of studies appeared calling for a broader understanding of the complexities of the social and economic processes of structuring the habitat (Gilbert and Gugler 1992, Chambers 1995, Wratten 1995, Moser 1995). Two special issues of the journal *Environment and Urbanization* (1995, Volume 7, No. 1 and No 2) were particularly influential in Latin America. The concept of the social production of habitat grew through the 1990s referring to "the process and product arising from a community collectively determining the conditions of its own living

environment. Partners in social production can be informal groups or local organizations, and/or other actors external to the community, such as NGOs, donors, private sector enterprises, professional associations, academics or government institutions, or any combination of these. However, at the heart of social production is the people's agency" (Schechla 2004:i).

The last conceptual framework that broadly influenced the housing non-profit sector in Latin America is the idea of the "right to the city", produced in 2005 by the Habitat International Coalition through the same mechanisms of multi-sector international conferences that produced the Limuru Declaration of 1987. The basic idea of considering the spaces and symbols of cities as human rights was first published by Lefebvre in a series of books chapters titled "The Right to the City" (1968), "Space and Politics" (1973), and "The Production of Space"(1974), republished in 1996 in the book "Writing on Cities" edited by Kofman and Lebas<sup>8</sup>. In these works Turner called for profoundly reworking both the social relations of capitalism and the core structure of liberal-democratic citizenship.

Attempting to correct the idealism of the Limuru declaration and its lack of agency, the World Charter for the Right to the City approved in Barcelona in 2005 provides a framework for political action. In the Charter, the Right to the City is defined as "the equitable usufruct of cities within the principles of sustainability, democracy, equity, and social justice. It is the collective right of the inhabitants of cities, in particular of the vulnerable and marginalized groups, that confers upon them legitimacy of action and organization, based on their uses and customs, with the objective to achieve full

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<sup>8</sup> See MacCann 2002 and Purcell 2003 for a detailed review of these chapters and of the work of John F. C. Turner.

exercise of the right to free self-determination and an adequate standard of living" (HIC 2005 Article I, part I.2). Part Two of the Charter outlines the steps toward a "full exercise of citizenship and democratic management of cities". The document affirms that all citizens have the right to participate in local political life, not only through free and democratic elections, but also in the decisions that affect local policies of urban planning, production, renovation, improvement, and management. To this end, cities should establish institutional mechanisms and develop the necessary legal, financial, administrative, programmatic, fiscal, technological, and training instruments to support the diverse modalities of social production of habitat and housing, with special emphasis on self-managed processes, whether they are individual, family, or organized collective efforts (HIC 2005).

### **Summary and Conclusions**

The Limuru Declaration of 1987 and the Charter of the Right of the City of 2005 summarize the ideas and working principles of the "social construction of habitat", the conceptual framework with which contemporary Argentine NGOs work on housing issues.

Describing the history of private and public efforts to provide shelter for the poor, this chapter has shown that NGOs not only have been pioneers in Latin America and Argentina but continue to be at the forefront of the efforts to provide housing for low income families. The chapter has traced this protagonism until approximately the end of the bipolar international order in which two types of international organizations (international multilateral banks on one hand and agencies of bilateral cooperation on the other) wielded considerable exogenous influence on the context and resources in which NGOs played their role as intermediaries in affordable housing programs.

The next three Chapters provide case studies that exemplify these influences in different types of NGOs - Chapter Four, *SEHAS* (1970/1999), Chapter Five, the Program *Mi Casa, Mi Vida* (2004/2007), and Chapter Six, *Caritas* (2004/2007). Chapter Five also continues the historical account of NGOs and affordable housing programs in Argentina by describing the effects of the country's return to democratic rule in 1983 and the dramatic structural reform of the national housing system in 1995.

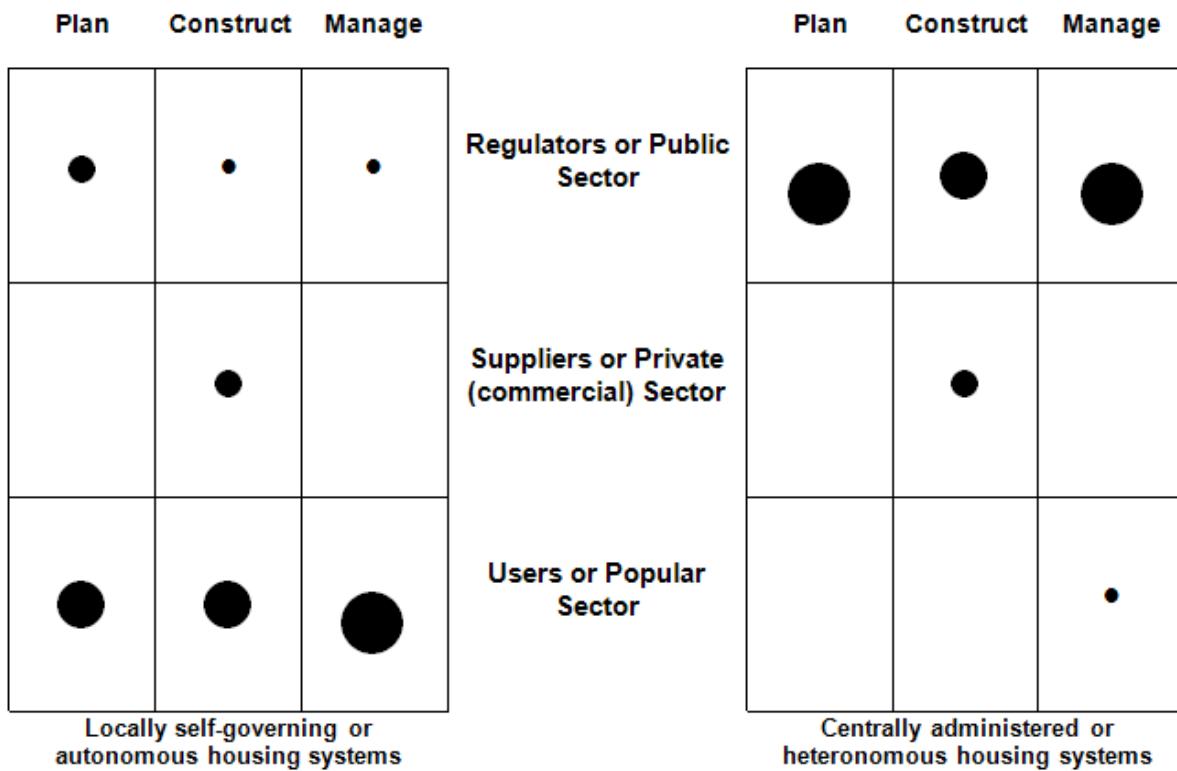


Figure 3-1. Autonomous vs. Heteronomous Housing Systems (Source: Turner and Fitcher 1977.) Courtesy of Dominic Tweedie, Director of the Hypercube Resource Centre

## CHAPTER 4

### THE SERVICIO HABITACIONAL Y DE ACCIÓN SOCIAL (SEHAS) AND ITS METHODOLOGY OF “ACTIVE PROTAGONISM”

The United Nations Habitat I Conference in Vancouver (1976) was the first international forum where Latin American public officials explicitly acknowledged that urban problems were out of control in the main cities of the region. Even though its final declaration was mostly directed to governments and international organizations, the conference has been recognized as the starting point for the active involvement of regional and local non-profit organizations in the challenge of “socially producing an inclusive habitat, especially for the marginalized and the poor” (UN-Habitat 1976).

The involvement of NGOs in habitat and affordable housing issues had its peak eleven years after Vancouver when the Habitat International Coalition held a “non-profit-organizations-only” conference in Limuru, Kenya (1987), whose final document not only called for the active participation of NGOs in affordable housing policies and programs but also provided explicit recommendations as to *how* that participation should be implemented<sup>30</sup>. During the 1970s, the presence of the non-profit sector in affordable housing programs consolidated rapidly across Latin American countries with the strengthening of existing NGOs and the creation of several new organizations. Exogenous factors such as the polarization of ideologies due to the cold war, the radicalization of political parties, and the hardening of the military regimes in the region also contributed to channel community participation to the less politicized arena of NGOs. At this time the region witnessed the creation of the first “professional” NGOs

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<sup>30</sup> The full text of the Limuru Declaration of 1987 is online at <http://www.hicnet.org/document.php?pid=2519>. See Chapter 3 for a detailed account of the impacts of international conferences in the non-profit sectors of Latin America and Argentina.

specifically dedicated to affordable housing (professional in this case meaning secular, legally registered and with no party affiliation)<sup>31</sup> (Pelli 2007).

This Chapter describes the development of an autonomous and politically active non-profit sector in the City of Cordoba, Argentina in which diverse grassroots organizations And NGOs interacted throughout different phases from the early 1960s until the introduction of an aggressive paternalistic housing policy on the part of the provincial government in 2002. The backbone that connects the phases and gives coherence to the Chapter is the work of the *Servicio Habitacional y de Accion Social* (SEHAS) one of the most important independent NGOs in the social habitat and affordable housing sector in the interior of Argentina. Since its foundation in the mid 1970s, SEHAS has maintained a coherent line of work providing technical assistance to grassroots groups to support their autonomous organization in the pursuit of their goals; at the center of this coherent work is a method of grassroots' mobilization called “*metodología de protagonismo activo*”, active protagonism methodology, explained in detail below.

The chapter is divided into five sections. The first section introduces the case of the *Cooperativa 20 de Junio*, an isolated, self-managed communitarian project that built 70 houses from 1970 to 1986 in the outskirts of the City of Córdoba. The second section describes the development of the “active protagonism” methodology, its principles, strategies and techniques of social interventions aimed at empowering the

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<sup>31</sup> The most important of these groups were COPEVI in Mexico, FUNDASAL in El Salvador, CINVA in Colombia, DESCO in Peru, the Movimiento Cooperativista in Uruguay and SELAVIP in Chile. Argentina was one of the pioneer countries in the mid 1960's with the foundation of the Centro de Estudios Urbanos y Regionales (CEUR), the Instituto de Investigación y Desarrollo de la Vivienda (IIDVi), the Centro Experimental de la Vivienda Económica (CEVE) and the Servicio Habitacional y de Acción Social (SEHAS) In Argentina, these groups were created between the mid 1960s and the mid 1970s but most of them acquired legal status as non-profit organizations after the return of democracy in 1983.

poor and assisting their autonomous organization. The third section recounts the application of the methodology to a number of small housing projects that mushroomed in Cordoba with the return of democracy in 1983 (the case of *Cooperativa El Progreso* is developed as an example of those projects) . The fourth section addresses the convergence of those small and isolated projects into a large social movement called *Unión de Organizaciones de base por los Derechos Sociales* (UOBDS), a Union formed by 110 organizations that gave voice and political power to the poor, gained considerable impact in the social policies of the province between 1992 and 1999 and was finally disarticulated by an aggressive paternalistic program implemented by the provincial government in 2002 (the *Programa Mi Casa Mi Vida* that is analyzed in the next Chapter). The final section analyzes the cases in the chapter through the analytical lenses of the five games proposed in Chapter 2 and summarizes the experiences of the active protagonism of the third sector.

### **Cooperativa 20 de Junio in Villa Chaco Chico, Córdoba**

The case of the *Cooperativa 20 de Junio* located in *Villa Chaco Chico*<sup>32</sup> is the first and emblematic case in which the *Servicio Organizacional y de Accion Social* (SEHAS) developed its distinctive methodology named “*protagonismo activo*”, active protagonism (explained in detail in the following section). The data introduced in this section belongs to SEHAS and was published in several books, the most important of which is *Vivienda y Organización Comunitaria* by Buthet, de Borri, de Scavuzzo and Maiztegui (1990)<sup>33</sup>.

*Villa Chaco Chico* is a marginalized neighborhood located on the outskirts of Cordoba, the second largest city of Argentina. The city had approximately 750.000

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<sup>32</sup> The term “villa” in Argentina refers to shantytowns.

<sup>33</sup> I thank Carlos Buthet, Marta Baima and Graciela Maiztegui for their generosity in allowing the use of the data and recognize their vast trajectory in working for the empowerment of the poor.

inhabitants when the project started in the early 1960s and has grown to the present to reach a total population of 1.5 million (Gobierno de la Provincia de Córdoba. Official Census of 2008). The first families of poor rural immigrants arrived to *Villa Chaco Chico* from the north of the country in the mid 1940s attracted by job opportunities in the construction sector (the families occupied an empty public lot nearby an informal brick factory). By 1955 the informal settlement had 110 families and reached 145 families (about 800 people) in 1964. The average monthly income in Chaco Chico was US \$230 for families and US \$130 for heads of families at a time when the official minimum wage was US \$121 (Turner and Turner 1988). At the time when the project started about 25% of the families were in the medium income bracket, 50% in the medium-to-low income bracket and about 25% of them were in the lowest income bracket. The situation of extreme poverty of the families was evident not only for the precariousness of their shacks but also for the filthy living conditions as the lack of public services deteriorated the sanitary situation of the Villa. As the surrounding areas developed into middle-class residential neighborhoods, the residents of *Villa Chaco Chico* experienced increasing social exclusion and marginality (Buthet et al. 1990).

In 1963 a group of university students<sup>34</sup> and nuns<sup>35</sup> approached the families in the *villa* promoting public meetings and assemblies that resulted in the formal constitution, in 1964, of the “Cooperativa 20 de Junio de Construcción, Vivienda, Crédito, Consumo

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<sup>34</sup> It was common at the time for university students to be actively involved in social matters. Cordoba, a college city with more than 50.000 students attending at the time the first university in the country (Universidad Nacional de Cordoba), was leader in the articulation of students' movements with labor unions and grassroots groups, a combination that latter on produced a popular uprising that ousted dictator Onganía from the presidency (*El Cordobazo* of 1969).

<sup>35</sup> A similar consideration can be made regarding the Catholic Church. Cordoba has always been a conservative and religious city, an alternative to the modern progressivism and pragmatism of Buenos Aires. In the 1960s the local clergy was involved in fierce internal disputes as part of the priests and nuns adhered to the incipient Theology of Liberation, while the official authorities of the Archdiocese did not.

*y Servicios*" (Housing, Credit, Purchasing and Social Services Cooperative) whose main goals were: a) to gain legal possession of the land, b) to build houses, c) to organize the provision of goods for the families, and d) to obtain legal status and recognition from the provincial government (attained in 1965). After relentless negotiations, the Municipal Government of the City of Cordoba donated the six acres to the families with the understanding that the *Cooperativa* would build the houses in a period of five years.

In 1969 the *Cooperativa* established the initial contacts with the NGOs that are the objects of study of this Chapter: *Centro Experimental de la Vivienda Económica* (CEVE)<sup>36</sup> and *Servicio Organizacional y de Acción Social* (SEHAS)<sup>37</sup>. The former was a center for the study and application of social architecture at the *Universidad Católica de Córdoba* (Catholic University of Cordoba) specialized in the design of affordable housing prototypes and construction techniques for the non-skilled worker. The latter split from CEVE in 1979 when social workers and other social scientists working at CEVE launched their own NGO specializing in the social aspects of affordable housing projects; from that moment on, CEVE and SEHAS were independent organizations but have worked in all sorts of partnerships ever since. A detailed account of the events surrounding the case of *Villa Chaco Chico* is necessary to understand the relationships between the families, the Cooperative, CEVE and SEHAS.

With the technical support of CEVE and the election of a nontraditional construction system called BENO<sup>38</sup>, the *Cooperativa* requested a grant from the

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<sup>36</sup> Online at <http://www.ceve.org.ar>

<sup>37</sup> Online at <http://www.sehas.org.ar>

<sup>38</sup> The BENO construction system was developed and patented by CEVE in 1967. It is a construction technique based on the assemblage of previously built wall panels. Its distinctive characteristics are its affordability and that it doesn't require any previous experience to be built. It proved to be highly effective

national welfare office (Ministerio de Bienestar Social de la Nación) that in 1970 granted the funds to construct 40 houses. However, it took two years for the federal government to send the money so, when adjusted for inflation, the purchasing power of the money was only enough to build 30 houses (this first phase of the program lasted until 1973). By that time, the social workers of CEVE had supported the *Cooperativa* in the fund raising, design, and implementation of several social projects that ran parallel to the main construction program. With the support of the Provincial Government of Cordoba *Villa Chaco Chico* was the first Villa in the City to build its own maternal and daycare centers; it also obtained financial support to provide adult literacy courses and short courses on technical skills like electricity and plumbing. This was also the time when the *Cooperativa* established institutional contacts with other cooperatives and with other similar grassroots organizations (Buthet et al. 1990).

In 1973 the federal government granted another subsidy aimed at building 19 houses. Once again, bureaucracy and inflation got in the way and once the money arrived the cooperative was able to build only the foundations and the walls of 13 units. In 1975 CEVE received an important grant from the Popular Housing Research Program of the Organization of American States (OAS). This grant allowed for the enhancement and expansion of the advising role that CEVE provided to the *Cooperativa*. These two institutions signed a new agreement, extending the advisory role of CEVE to all aspects of the project (not only the technical side of construction but also training, social organization, and employment of cooperative members), something that CEVE had been doing since the beginning of the project but that was formalized

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for affordable housing programs and it is currently used in several Argentine cities, in Brazil and in Paraguay. A complete explanation of the system with graphics and pictures can be found at <http://150.185.71.21:8080/mytc/stories/3100/>

into a legal agreement. On this occasion, the cooperative launched a Work and Services Program that offered construction workforce to private companies and governments, thus providing jobs for its associates.

From 1976 to 1978 the Cooperative grew in number of associates and consolidated its internal organization and administration. With the technical advice of CEVE, the *Cooperativa* started the construction of public infrastructure, the opening and paving of the streets and the construction of the drainage system; it also finished the adjudication of vacant lots to the rest of the families and finished, with its own resources, the 13 units that were left unfunded in the second phase. This was the heyday of the *Cooperativa* as it administered several employment and social programs and was part of the first association of cooperatives in Cordoba. It was also the most active moment in its relationship with the advising NGOs, CEVE in charge of the technical advice related to construction and SEHAS, split from CEVE in 1979, providing advice on social and organizational issues (Buthet et al. 1990). It is important to underline that these prolific communal activities occurred amid the most repressive moment of the *de facto* military government, an irony that at the time raised questions from opposition parties and movements about the true meaning of participation put forward in the experience and about the possibility of replicating the model in other locations.

A fourth phase of the construction process occurred from 1981 to 1983 when a new federal grant allowed for the construction of 6 houses. Another grant received in 1982 from the Netherlands Agency for Bilateral Cooperation (CEBEMO) boosted the Work and Services Program allowing for the construction of a warehouse and the

purchasing of tools and a truck for the transportation of materials (18 people were permanently employed by this program and another 35 were temporarily hired according to the demand). In a unusual move, the *Cooperativa* donated the community center building back to the local Municipality, which in turn assumed the commitment of permanently delivering health and educational programs in that location. From 1981 to 1986 the *Cooperativa* used its own funds along with small grants from the Province to build 16 more houses (Buthet et al. 1990).

In 1983 the participant families and SEHAS agreed that the social objectives of their agreement had been fulfilled and that the *Cooperativa* could go on with its activities without the permanent assistance of the NGO. A few of the SEHAS social workers continued advising the *Cooperativa* on specific issues but the formal assistance was terminated. In 1985 the case of *Villa Chaco Chico* and the *Cooperativa 20 de Junio* was systematized and evaluated by CEVE and SEHAS and won regional recognition at ALAHUA (the Latin American Association for Habitat, Urbanism and Architecture). From that moment on, the *Cooperativa 20 de Junio* ended its construction activities and reduced the social programs but its lessons expanded to similar experiences in other provinces and helped in the establishment of a national movement of cooperativism called *Encuentro de Comunidades Populares en Marcha* (National Encounter of Active Popular Communities) (Buthet et al. 1990).

A deeper analysis of the case and of the way in which the support organizations played the five games proposed in this investigation is provided below in section 4.5. However, as a conclusion to this section, it is important to note that the relationship of the families of *Villa Chaco Chico* and the young professionals of CEVE and SEHAS was

an authentic case of “learning by doing”. The founders of both NGOs had just graduated from architecture school when they started the project and grew up as professionals along with the dynamics of *Villa Chaco Chico*; even though their organizations carried on several projects, many of these professionals admit that the relationship with the families and the *Cooperativa 20 de Junio* were the most influential (and cherished) project in their careers. In that sense, the idea of active involvement explained in the following section was developed by adding spontaneous phases of participatory research, systematization, analysis and theorization, until arriving at what SEHAS called in 1990 the “methodology of active protagonism”. In political science, such an idea is not called a methodology but a theory, or, to be more precise, a “grounded theory” in terms of Glaser and Strauss (1967) and Strauss and Corbin (1997)<sup>39</sup>.

### **SEHAS and the Methodology of “Active Protagonism” (Protagonismo Activo)**

In a synthesis of SEHAS’s methodology of social intervention published by Buthet, de Borri, de Scavuzzo and Maiztegui (1990), the authors depart from the acknowledgment of human dignity and human rights and put forward an explicit appreciation for human diversity, especially for the different cultures and the alternative models of development around which different human groups have organized their societies. They also take sides on the ideological debate of the time (the 1970s) denouncing the crisis of modern capitalism and arguing against regressive distributive models that had accentuated an unfair distribution of wealth and had caused extreme poverty and suffering to the dispossessed.

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<sup>39</sup> The authors at SEHAS call the idea of active protagonism a “methodology” in the sense that the term has in social work meaning “a systematic method for social intervention” (Buthet, de Borri, de Scavuzzo and Maiztegui 1990).

After the initial declaration of principles, SEHAS defines itself as a “service organization” with two main objectives: (1) “to promote the self-managed organization of the most deprived and marginalized groups in society” and (2) “to collaborate in the development of new forms of production for the solution of basic needs” (Buthet et al. 1990:97). The type of relationship that SEHAS establishes with the groups with which it interacts is defined as a “subsidiary external action” in the sense that the cooperation and advising activities provided by SEHAS are expected to decrease over time as the groups assume the protagonism of their own development. The institutional mission of SEHAS is “to collaborate in the democratization of our society and the full exercise of citizenship promoting consensual and participatory forms of democracy, searching for a balance between a state that fulfills its role as a guarantor and promoter of the common wellbeing and the socioeconomic development of the community and a strengthened civil society” (SEHAS 2007).

The fundamental principles of the “active protagonism” methodology of social intervention are: (1) the active protagonism of the benefited groups; (2) the specificity and gradualism of each process of solution of basic needs (each grassroots group designs and implements its own projects) ; (3) the parallelism and simultaneity of the planning activities (diagnostic, planning, implementation and evaluation occur at the same time with one of them leading the others); and (4) interdisciplinary technical support to the groups in the satisfaction of their needs (Buthet et al. 1990). The cornerstone of this methodology is the self-managed organization of the groups, a principle SEHAS has maintained in all its projects, no matter how long it takes for the groups to step up and take control of the decisions and processes. Indeed, throughout

the years, social workers at SEHAS have found it more effective to work on training programs with a few community leaders than with the group as a whole (Interview with Graciela Maiztegui, Director of SEHAS 2007). These leaders usually emerge in the first six months of the projects so SEHAS designed a specific program to identify and train those leaders (the “*Programa de Capacitacion de Dirigentes y Desarrollo de Organizaciones Comunitarias*” and its impacts are explained in section 4.4) (SEHAS 2007)

At the operational level, the technical assistance to the families is aimed at acknowledging developing their skills to recognize themselves as a group, recognize and define their collective history and their collective identity, make their needs explicit, and train leaders and families. The assistance provided by SEHAS works with leaders and delegates of the families to develop their abilities to set goals, establish plans for their fulfillment, and to enhance their capacity of implementing and evaluating their own performance. The tools with which SEHAS approaches the groups are participatory diagnostic workshops, training courses of different kinds and experimental planning, implementation and evaluation. Indeed, SEHAS created in 1985 an area specifically design to develop these tools<sup>40</sup>.

### **The Multiplication of Cases in the 1980s and “Cooperativa El Progreso”**

The end of the military dictatorship in 1983 was nothing short of catastrophic. The legacy of the authoritarian regime included an economy in ruins with unprecedented inflation rates, the external debt increased twenty times in seven years, a defeat in a

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<sup>40</sup> The area is called “Capacitación de Dirigentes, Redes y Movimientos Sociales Populares” (Training of Leaders, Networks and Popular Social Movements) and has been actively providing services to grassroots groups and to other NGOs since its foundation in 1985. The area has its own website at [http://www.sehas.org.ar/index.php?id\\_p=71](http://www.sehas.org.ar/index.php?id_p=71)

senseless war against the British Empire and a society divided and scarred by the effects of the state repression that killed and disappeared more than 30,000 people (Peralta 2007). With the return of democracy, popular expectations rose about what could be done by both government and society. Several grassroots groups, interests groups, and organizations that were repressed or dormant during the dictatorship reunited and organized their activities; one of these actions was to lobby the presidency of Raúl Alfonsin (1983-1989) for the re-activation of housing programs of all sorts (Rock 1993, Peralta 2007).

In the context of a revived civil society, the previously isolated cases of *Villa Chaco Chico* and the *Cooperativa 20 de Junio* became popular models to be imitated by dozens of small organizations in the City of Cordoba. These organizations contacted CEVE and SEHAS, asking for the same kind of technical and social support they saw in *Villa Chaco Chico*; therefore, both CEVE and SEHAS expanded their programs to respond to the growing demand. From 1983 to 1989 SEHAS developed more than 25 affordable housing projects in Cordoba and in the northeastern provinces of Corrientes and Chaco, always applying the “active protagonism” methodology explained in the previous section (Interview with Carlos Buthet, Chief of Research at SEHAS 2007). The most important of these projects were *Barrio Rosedal Anexo* (119 houses), *Barrio 23 de Abril* (456 houses in three different zones sections), *Familias Unidas* (100 houses), *Asociacion Civil ViPro* (148 houses) and *Cooperativa El Progreso* (120 houses)<sup>41</sup>. The latter is developed in detail in this section as a representative example of these experiences.

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<sup>41</sup> A full list of these projects can be seen at [http://www.sehas.org.ar/index.php?id\\_p=81](http://www.sehas.org.ar/index.php?id_p=81) (accessed Nov. 2007)

Even though the results of these experiences were diverse (depending on the availability of funds and the development of the self-managed organization in each case), it is possible to affirm that most of them followed the performance pattern described above, that is, the attainment of very good results in the social games that entail the representation and empowerment of the poor, while strengthening the non-profit sector (GAMES B, C and E), but poor performances in terms of securing regular funding and finishing constructions on time and on budget (GAMES A and D).

The project of *Cooperativa El Progreso* (1986-1993) is a good example of balanced articulation between the construction and the social aspects of the affordable housing enterprise. In the 1950s rural workers and other migrants were attracted to the City of Cordoba by job opportunities in the recently developed automotive sector (French Renault and Italian FIAT were the leading companies at the time, followed by Volkswagen and General Motors in the 1980's). In 1953 a group of twenty families occupied a private lot in a middle-upper-class northwestern zone of the City of Corodba and soon received informal authorization from the owner to build their shacks under the legal form of *tenencia precaria* or "precarious tenure" (an authorization to use land without claiming any right of ownership whatsoever). By the 1980s the group was formed by 120 families (about 450 people) 80% of whom were under thirty-five years old with a large population of children under the age of ten. The settlement developed a bad reputation and serious social problems mainly due to the predominance of crime-related activities (SEHAS 1995).

When the owner of the land died in 1980, the new owners initiated a legal process to force the eviction of the occupying families. The families sought legal advice in 1983

and the support of SEHAS in 1985, formally establishing the *Cooperativa El Progreso* in August of 1986 with the objective of resisting eviction and finding a solution for their housing needs. With the technical advice of SEHAS, in 1987 the Cooperative obtained a grant of US\$ 340,333 from the Provincial government, enough to buy land in the southern part of the city (nearby the neighborhood of José Ignacio Diaz) and to launch the first housing project. Once the land was secured the families felt more confident and the project entered its most productive phase; the cooperative redefined its objectives (to consolidate the organization, to move to the newly purchased land and to build their houses) and the families organized several commissions within the cooperative to address different aspects of the project. In the following years the commission in charge of seeking funding received a US\$ 208,000 support from the German Agency EZE and US\$ 134,000 from the federal and the local governments combined (Interview with Marta Borri de Baima SEHAS 2007 and SEHAS 1995). The commission in charge of education and training launched several programs for the associated families and a group of workmen was formed to foster employment of the members by producing and commercializing bricks and other construction materials. The social activities of the project also flourished in this period with the families organizing workshops, fundraising events and mutual support funds as they increasingly took control of the overall project (as predicted by the active protagonism methodology).

By 1989 the *Cooperativa El Progreso* was fully autonomous and SEHAS started to reduce its participation, just in time to learn that the local court had ruled in favor of the owners of the occupied land and the families were given a three month notice to vacate the land. SEHAS assisted the families in the relocation process and by 1990 the new

land was cleared and the foundation of the houses and the initial public infrastructure (demarcation of lots, opening of streets, drainage system) were in place. In 1992, ninety houses were finished, and occupied by the families and the 30 vacant lots were adjudicated to families in need that had recently joined the cooperative. As expected, SEHAS scaled back its supportive role and finally terminated the agreement with the *Cooperativa* in 1994. When the remaining thirty houses were built and the public infrastructure was finished the cooperative saw a reduction of its activities and by 1995 only the employment and family health commissions remained active (SEHAS 1995).

The cases discussed in this section (of which *Cooperativa El Progreso* is one example) were quite successful as SEHAS accumulated additional experience and practice. In comparison with the case of *Villa Chaco Chico* introduced in the previous section, in these cases SEHAS and its associated grassroots groups maintained a high level performance in its social interventions (GAMES B, C and E) while improving the effectiveness of its lobbying and construction timing and budgeting (GAMES A and C). Similar projects flourished across the country during the mid 1980s and the early 1990s (Pelli 2007); part of this success can be explained by the fact that the government of President Alfonsin (1983-1989) maintained the basic structure of the housing policies of the welfare state, as described earlier in Chapter 3. Even though the majority of these projects achieved good results, they remained isolated and sporadic experiences, not connected to each other and too small in size to have a considerable quantitative impact on the growing poverty rates that spread all over the region in the “lost decade” of the 1980s.

## **Networking of NGOs and Grassroots Groups in the 1990s. The Impact of the Union de Organizaciones de Base por Derechos Sociales (UOBDS)**

The return of democracy and the continuation of the welfare state, the availability of direct grants from international cooperation agencies, and the incompetence of the traditional political parties to represent the interests of the masses facilitated the emergence of a new civil society in Argentina, an amorphous but strong sector integrated by grassroots movements, farmers and artisans, neighborhood associations, mutual aid groups, cooperatives, religious organizations, clubs, and artistic movements. During the 1980s these groups remained isolated and politically inactive in comparison with the strength displayed by Peronist labor unions, but after the hyperinflation crisis of 1989 and its subsequent political turmoil, a new era of state-market and state-civil society relationships was about to begin.

After the resignation of President Alfonsín in 1989, Carlos Menem, who had run on a populist Peronist platform, gathered the support of conservative sectors to implement one of the most dramatic neoliberal reforms in Latin America. In less than five years, from early 1991 to 1995, Argentina changed the foundations of its foreign policy, drastically downsized the state, experienced a shift in party representation, and brought the economy in line with the recipes of the “Washington Consensus” by implementing swift privatizations, market deregulations, changing priorities of public expenditures and enforcing severe fiscal discipline. Moreover, Argentina engaged in a constitutional reform, privatization of the majority of public holdings, labor reform that benefited corporations, pension reform and drastic changes in the structure of the federal system. These extensive reforms followed a common pattern: deep structural shifts from the historical cleavages in almost every aspect of politics, economic and social policy

(Margheritis 1999, Garcia Delgado 2003, Jacobs and Maldonado 2005, Epstein and Pion-Berlin 2006). Regarding poverty, the state discourse returned to cultural explanations of poverty, emphasizing individual failures and behavioral pathologies. The most important changes in social policy at the time included the dismantling of universal schemes and their replacement with targeted action implemented by mixed entities (public, private and third sector). Social policies did not aim to distribute income or curb inequality but alleviate the unemployment left behind by the dramatic structural reforms (Bustelo and Minujin 1998).

These radical changes in the historical relationships between state and society directly affected the affordable housing arena. What previously had been a local concern represented by scattered groups that competed against each other to gain the favor of the few available federal housing programs became an articulated movement of national scope with a few strong organizations leading well structured demands for housing and orchestrating massive events to pressure politicians and decision makers at all levels. The political strategy of the non-profits changed from lobbying the state to open confrontations against the neoliberal reforms, with the most radical groups orchestrating disruptive acts such as demonstrations and pickets and the more moderate groups choosing negative media campaigns and peaceful mobilizations. Two of these national associations are significant to this investigation: the *Unión de Organizaciones de base por los Derechos Sociales* (created in Cordoba in 1992 and active until 1999) and the *Federación Tierra y Vivienda* (launched in Buenos Aires in 1998, of national scope, addressed in Chapter 6). Even though the latter is bigger and had a larger political impact on national politics, the former case is developed in this

section for three reasons: (1) it was the leading case in the country, (2) it occurred before the 1995 structural reform of housing policies (similar movements created after 1995, including the *Federación Tierra y Vivienda*, were created as a reaction to the reforms), and (3) it was formed by the NGOs and grassroots organizations described in this Chapter and in the following chapter.

The *Unión de Organizaciones de base por los Derechos Sociales* (UOBDS) was a very active organization integrated by 110 grassroots movements and NGOs in the City of Cordoba. The antecedents of the Union are linked to the numerous affordable housing programs created by grassroots organizations and cooperatives in the mid 1980s and early 1990s. These projects, the majority of them of small size (less than 100 houses) and of limited impact, sought the support and advice of a handful of NGOs existing in Cordoba at the time, most notably, *Servicio Habitacional y de Acción Social (SEHAS)*, *Centro de Comunicación Popular y Asesoramiento Legal (CECOPAL)*, *Servicio de Promoción Humana (SERVIPROH)*, *Mutual Carlos Mugica* and *Cooperativa La Minga* (SEHAS and UOBDS 1997).

One of the activities with which these NGOs supported the development of the grassroots groups was the instruction and training of their participants in topics such as communal leadership, organizational skills, social promotion, and the formulation and implementation of social projects. In June 1992 a large training program held at SEHAS united other training experiences with the idea of exchanging experiences and methodologies. The program, called "*Programa de Capacitacion de Dirigentes y Desarrollo de Organizaciones Comunitarias*" was supported by a major grant from the American Kellogg Foundation. This program constituted the first institutional space for

the interaction of small and medium-sized groups that had been running training programs in affordable housing projects since 1983 but did not have the chance of sharing their experiences. From the interactions in this training program emerged the idea of organizing a collective action movement; the twenty grassroots organizations that participated in the original program, was soon increased to sixty active groups that in November of 1992 formally created the UOBDS (SEHAS and UOBDS 1997).

The UOBDS is a unique case in terms of scope, empowerment of the poor and achievements. In terms of scope, by 1994 the *Union* included 110 groups representing almost the totality of the *villas de emergencia* of Cordoba. As for empowerment, the Union was run and administered by the *villeros* themselves (with the support of the NGOs that were also part of the Union but that had little impact on its general assembly); this was the first time in the history of Cordoba that poor people were interviewed in the newspapers, invited to TV shows and consulted by policymakers. It was also the first and only time in which the decision of the *villeros* at the *Union* would affect the Province as a whole, since they had enough power to organize a general strike or shut down the legislature. Regarding the outcomes of its activities, the most important results of the UOBDS was the purchasing of land for 70 participant organizations which gave property rights to nearly 7,000 families (approximately 40,000 people), a total of 60% of the estimated population in *villas de emergencia*. Moreover, eight health centers and seventeen popular kitchens were opened in the poorest areas of the City and the *villas* and *barrios* also gained access to basic public infrastructure and to the construction of community centers (SEHAS and UOBDS 1997).

For the purpose of this investigation, and to understand its relationship with the case of Caritas in Chapter 6, it is important to underline the impact of the Union in the larger political arena of the Province. The case of the UOBDS received national attention and widespread publicity in 1993 when it established a broad agreement with the Provincial government (and latter on with the local municipality) to constitute the *Mesa de Concertación de Políticas Sociales*, “a permanent dialogue forum to discuss and negotiate the overall social policies of the province and participate in the decision-making processes of budget allocation, social programs design, implementation, monitoring and evaluation” (Provincial Decree 1717/94). As a result of this agreement members of the Union had the possibility of working with government officials during all the stages of the social policy process. The agreement was not lip service as it was backed up by the allocation of US\$ 11,436,639 in the official provincial budgets from 1992 to 1995, the largest sum ever granted to a non-profit organization by any Argentine provincial government.<sup>42</sup>

### **Analysis of the Cases and Summary**

The final section of this chapter analyzes the cases through the analytical lenses of the five games proposed in Chapter 2, emphasizing the role played by SEHAS in the evolution of its affordable housing programs, from a single leading case in the 1970s (*Cooperativa 20 de Junio*), to a number of successful but isolated cases in the 1980s (of which *Cooperativa El Progreso* is one example) to the formation of a large Union with active protagonism at the political level in the 1990s (the *UOBDS*). This section also

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<sup>42</sup> From 1996 to 1999 the UOBDS also secured an additional US\$ 6,159,702 , composed of 30% federal sources, 30% provincial sources and 30% local sources, plus a 10% contribution from an international agency of cooperation to development. The total sum administered by the UOBDS from 1992 to 1999 was US\$ 17,596,341. <http://habitat.aq.upm.es/bpal/onu00/bp715.html>

recounts the abrupt end of this experience in 2002 when the Provincial government put forward an aggressive and paternalistic housing policy aimed at dismantling the social fabric and eroding the political power of the UOBDS by demobilizing the alliance between the grassroots and the NGOs.

The relationship between the grassroots' *Cooperativa 20 de Junio* and the supporting NGOs CEVE and SEHAS during the 1970s is a telling case in many aspects. Neither the *Cooperativa* nor the NGOs were successful at lobbying decision makers for funding (GAME A), as funds were obtained in small grants from many different sources (there was national, provincial and international funding, mainly in the form of grants but also some loans). Because of the dispersed sources of funding, the NGOs were rather inefficient at the construction site (GAME D) as it took them more than 16 years to build 70% of the projected houses. Without a doubt, the most salient features of the case are its social aspects. CEVE, and later on SEHAS, approached the families of *Villa Chaco Chico* in 1963 and worked with them for more than 20 years, always promoting their independent organization and empowering leaders and individuals into making their own decisions (GAME B and E). These NGOs maintained high levels of commitment to their principles, a rather coherent relation between discourse and action and a constructive relationship with the Cooperative and the families, but sacrificing efficiency on the way. As the families created their own cooperative organization and expanded their activities, SEHAS also changed its role as technical advisor, opening new venues of cooperation and developing advising in novel aspects such as health and education.

In assisting the *Cooperativa 20 de Junio*, SEHAS grew as an institution, consolidating its own programs and establishing itself as a leader in the non-profit

sector of the Argentine interior (GAME C). SEHAS also developed its distinctive method of social intervention called “active protagonism methodology”; the central place given to empowerment in this methodology makes it of particular interest to political science, as SEHAS worked *with* the families and not *for* the families.

When democracy returned in 1983, several grassroots groups launched their own housing projects seeking the support and advice of SEHAS. More than twenty-five projects were supported by the NGO during the 1980s, one of which was the *Cooperativa El Progreso* that built 120 houses and developed a number of social programs from 1986 to 1993. Overall, these cases were successful as SEHAS and its associated grassroots groups maintained the same high level of performance that characterized its social interventions (GAMES B, C and E), while improving the effectiveness of its lobbying efforts and their construction timing and budgeting (GAMES A and C).

The final case reviewed in this section occurred from 1992 to 1999 when 110 grassroots organizations from *villas de emergencia* of the City of Cordoba joined forces to form a Union called *Union de Organizaciones de Base por los Derechos Sociales* (UOBDS). As an exceptional case that was possible due to a series of favorable conditions, the UOBDS was rather successful in all games but one. The UOBDS lobbied and put pressure on the provincial government until it secured the largest cash transfer ever registered from a provincial government to a NGO (GAME A), truly represented the interests of the poor (GAME B), expanded and strengthened the non-profit sector (GAME C) and gave voice and power to the *villeros* (GAME E). The only game at which the *Union* was not successful was at building houses (GAME D); after

acquiring land for seventy organizations (about 7000 dwelling families were transformed in first time landowners), the *Union* faced direct opposition from the newly elected governor De La Sota in 1999. The Peronist governor saw the UOBDS as a potential adversary with too much power, so he started a campaign to disarticulate it, first by cutting its funding, then by co-opting some of its leaders by offering them high-rank appointments in provincial offices, and finally by enacting a large, paternalistic housing program that gave away 8,900 ready-to-move-in houses directly to the families. This program, called *Mi Casa Mi Vida* (analyzed in Chapter 6) forcefully relocated the families to different points of the city, by-passing the communitarian and social processes developed in the 1990s and thus disarticulating the alliance between grassroots movements, NGOs, and the *Union*.

## CHAPTER 5

### *PROGRAM MI CASA MI VIDA IN THE PROVINCE OF CORDOBA*

In 1995 Argentina implemented a structural reform in its national housing system reducing the size of its federal bureaucracy (downsizing), transferring resources, policymaking and implementation to the provinces (decentralization), replacing large universal programs with small individual lending and individual ownership programs (focalization), and incorporating the voices of the private sector and civil society in affordable housing policymaking (policy articulation) (Cuenya 2000). As a result of this reform, the locus of affordable housing policymaking shifted from the federal level to the provinces, thus drastically changing the field, the actors and the incentives of the intermediary games played by the NGOs.

This chapter examines the program “Mi Casa Mi Vida”, the largest affordable housing program in the Province of Cordoba. Backed up by a large loan from the Inter American Development Bank, the provincial government hired private companies that built 9000 houses in isolated and ill-serviced areas of the city, forcing families to relocate, bulldozing their homes in the shantytowns, and clearing valuable land for private gentrification projects. The governor at the time used the program to demobilize and disarticulate a growing alliance between grassroots organizations and the leading NGOs. The long-term work that several non-profit organizations carried out for more than 20 years supporting community based movements and empowering the poor so they could fight for their own homes was harshly dismantled as the government gave away houses in a discretionary and clientelistic manner.

The chapter is organized into four sections. Section one describes the structural reform of 1995 and its dramatic impact on the context and rules in which the NGOs

have been playing their intermediary games since the late 1960s. Section two reviews the main characteristics of the program *Mi Casa Mi Vida* and the way in which the political machinations of the governor were used to disarticulate and demobilize the long-lasting organizational efforts of NGOs and grassroots organizations. Section three presents different evaluations of the program; on one had the result-oriented evaluations praising the timing and the budget management, on the other hand, process-oriented evaluations critiquing the lack of strategic vision and of beneficiary participation, and a public opinion survey demonstrating the beneficiary families' satisfaction with their new homes. Section four summarizes the main points of the chapter and assesses the extent to which the government and the NGOs have adapted to the new affordable housing scenario created by the reform of 1995.

### **The Structural Reform of the National Housing System in 1995**

The democratic government of President Raul Alfonsin (1983-1989) was terminated six months before the expiration of his mandate amidst the worst crisis of hyperinflation in Argentine history, with annual inflation rates of 4,924% for 1989 and 1,344% for 1990 (Reinhart and Savastano 2003). The economic crisis was the last in a series of domestic crises that included military rebellions, fourteen general strikes staged by Peronist labor unions, and food riots in the main urban centers.

The housing deficit at the time was estimated to affect between 2.5 and 2.8 million people who were dwelling in ill equipped housing, slums or illegal settlements, most of them in the Province of Buenos Aires and in the region of the central *pampas*. Alfonsin's responses to the housing deficit were headed by the National Mortgage Bank (*Banco Hipotecario Nacional-BHN*) and the National Secretary of Housing and Urban Management (*Secretaría de Vivienda y Ordenamiento Urbano-SVOU*), a third-level

organism of the federal government that managed the National Housing Fund (*Fondo Nacional de la Vivienda-FONAVI*). All these institutions were created by the Peronist welfare state and continued to function in the 1980s in the same way they functioned in the 1940s, i.e. the Bank granted individual loans for construction or remodeling while FONAVI built multifamily complexes and supporting infrastructure. Even though their goals were modest, neither institution fulfilled its mission during the 1983/89 period. Apart from the crises described in the previous paragraph, the internal deficiencies of these institutions also explain their poor performance, the most important of which were financial shortages, unequal distribution of resources across the different regions of the country, lack of transparency and accountability in the allocation of loans and subsidies, instability of construction costs, and problems with private contractors (Tenti Fanfani 1994, Lopez 2008). The 1980s was also a “lost decade” for housing policies in Argentina.

More than 130 years of state-society relations were about to take a radical turn with the neoliberal reforms of the early 1990s. As soon as President Carlos S. Menem (1989-1999) took office, he gathered the support of conservative sectors to implement one of the swiftest neoliberal reforms in Latin America. The reforms broke a tradition of non-aligned foreign policy and diligently followed the recommendations of the Washington Consensus, especially those related to the opening of internal markets, the tightening of fiscal discipline, and the downsizing of the state. From 1992 to 1996, Argentina engaged in deep structural reforms that included the privatization of public services and the decentralization of state functions from the federal level to the provinces (See Chapter 4 for a detailed account of these measures).

Regarding social policies, the early 1990s witnessed the dismantling of the welfare state that reigned over Argentine politics and economics since the 1940s, as universal benefits were replaced by targeted programs (social and unemployment insurance), privatization of programs (pensions) or decentralization to provincial and local governments (education and health). Affordable housing was not an exception, as the universal, centralized scheme was dismantled and replaced with targeted action implemented by mixed provincial organisms (public, private and third sector) (Bustelo and Minujin 1998).

As part of the second stage of structural reforms (Diamond and Plattner 1995), the national government drastically changed the paradigm, the institutional arrangements and the programs of affordable housing that were in place in Argentina since the beginning of the 20<sup>th</sup> Century (See Chapter 3). The reforms replaced the state-run, centralized *Fondo Nacional de la Vivienda* (National Institute of Housing - FONAVI) with a mixed public-private *Sistema Federal de la Vivienda* (Federal Housing System) that combined a downsized federal office, twenty-four state-level offices, private construction companies and other intermediate associations such as chambers of construction, the architect guilds, etc. The reform included the privatization of the *Banco Hipotecario Nacional* (National Mortgage Bank), a landmark of the Peronist welfare state that provided millions of loans to low income families during the 1970s and 1980s but was impossible to maintain during the inflationary crisis of 1989 (Cuenya 2000). Enacted by National Law 24.464 in March of 1995, this radical reform of the housing system had four characteristics: a) it aimed at reducing the bureaucracy of the federal state and the political, pork barrel use of housing programs (downsizing), b) it transferred the

resources, the policymaking and the implementation responsibilities from the federal government to the provinces that were also asked to increase their contributions with proportional matching funds and commitments to increase spending on additional infrastructure (decentralization), c) it replaced the construction of large public housing programs with small individual lending and individual ownership programs (focalization), and d) the incorporation of the private sector and civil society organizations into urban planning and affordable housing policymaking (policy articulation) (Cuenya 2000).

Unfortunately, the reforms suffered from improvisation and lack of synchronization. As was the case with education and health reforms, the decentralization of responsibilities in the housing area was not matched by a decentralization of resources as the federal government never sent the money in full nor in a timely fashion to the provinces (Clarin 05.11.1999), an all too common downside of structural reforms that transform decentralization into its spurious form, “deconcentration” (PNUD 1999, McLean 2004). The reforms were supposed to enhance transparency in the administration, effectiveness in the results, and to reach the people in their localities by proposing avenues for popular participation. What happened was quite different; an inefficient, bureaucratic and politically driven national system was replaced by twenty-four inefficient, bureaucratic and politically driven provincial systems that, within the boundaries of their jurisdictions, continued to run housing programs in the same clientelistic fashion that the national government had been doing for over eighty years (but with limited resources, to make matters worse).

These radical changes in the historical relationship between state and society (Cunill Grau 1997) directly affected the context in which NGOs related to affordable

housing had been playing their intermediary role, shifting the set of incentives and disincentives in each of the five games proposed in this dissertation (See Chapter 2).

The donors and other input sources for affordable housing projects (loans, grants, programs) (GAME A) became increasingly local as international agencies removed Argentina from their top priorities (the country was politically stable and the economy was growing), and the federal government dismantled the main national programs, decentralizing the management of affordable housing programs to the provinces. It took some time for the NGOs to address this shift in focus in their bargaining and lobbying efforts. For example, SEHAS, the largest NGO working with affordable housing programs in the Province of Cordoba (addressed in the previous Chapter), suffered a sharp decline in its funding as the Dutch and the German agencies for international development ended their programs in Argentina, and the Spanish Agency of International Cooperation (AECI) cut its contributions in half. Other NGOs in Cordoba had no choice but to partner with the provincial government in the limited space that was available for them in the program *Mi Casa Mi Vida* (see details of this dwarfed position in the next section). The case of *Caritas* (Chapter 6 of this dissertation) is the exception to the rule, as the NGO led a housing program in 2004 funded by international loans and backed up by the federal government with the purpose of politically bypassing the provincial governors.

Representing a constituency (GAME B) also became more complicated for NGOs after the neoliberal reforms of the early 1990s. The broad scope and depth of the reforms, the massive layoffs and the disappointment of millions of Peronist voters with President Menem's shift towards neoliberalism, prompted the emergence of new

grassroots movements such as the *Confederacion de Trabajadores Argentinos* (workers, unemployed and unions) *Movimiento Piqueteros* (radical picketers), *Polo Obrero* (communist activists) and the *Corriente Clasista y Combativa* (grassroots and poor people's movement). These were extensive national networks organized as a web of local chapters that would quickly mobilize to orchestrate disruptive and violent picket tactics such as land invasions, take-over of federal buildings and highway blockages. Their leaders were ex-Peronist militants who aimed to pressure the president to hand over the distribution of the few available welfare programs left behind by the reforms. These radical organizations took control of the marginalized zones of the country, offering quick rewards to the poor in exchange for their massive mobilization. As expected, little room was left for the moderate, long-term, and constructive approach of the traditional NGOs.

One of these groups is of special interest to this dissertation. The Land and Housing Federation (*Federacion Tierra y Vivienda y Habitat* –FTV) was formed in the Province of Buenos Aires<sup>43</sup> in 1998 as a federation of small grassroots organizations that voiced the popular discontent with the negative social consequences of the 1995 housing reform. The structural reform described above did not contemplate the reality of the millions of poor people who were involved in long time struggles for affordable housing, either through loans from the National Mortgage Bank (BHN), as beneficiaries of the National Housing Fund (FONAVI), or by participating in provincial, local or NGO-driven housing programs. The reform affected them in many ways, as federal land and

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<sup>43</sup> Even though the FTV was created in Buenos Aires and their most active projects were located in that province, the federation quickly gained national scope making a strategic alliance with the *Confederacion de Trabajadores Argentinos* (CTA) to establish a National Network with an active presence in 15 provinces. The FTV is online at <http://www.ftv.org.ar>

credits were made less accessible while foreclosures and evictions were put in the hands of private liquidation companies. The massive and disruptive tactics of the *Federacion Tierra y Vivienda* were effective; in less than five years the FTV achieved the passage of favorable legislation on land acquisition for affordable housing, the approval of social tariffs for popular sectors, the recognition of special indigenous rights to their land, and the prohibition of eviction of families from their homes. The majority of NGOs working on affordable housing in the provinces joined the FTV's struggle, providing the Federation with direct links to their constituencies.

As a consequence of the dynamics described in GAMES A and B – the faulty decentralization of federal programs, the narrowness of provincial politics, and the attraction of the poor towards the more effective, short-term solutions offered by the newly created national social movements - the affordable housing non-profit sector changed its form in the 1990s and early 2000s (GAME C) . Not only did the number of NGOs decline during the late 1990s and early 2000s but also the scope and depth of their social interventions were replaced by the massive pickets and highway blockages organized by the new social movements of national scope (Buthet, Maiztegui, Simari 2003). The demand for popular housing - previously a local concern represented by scattered groups and NGOs that competed against each other to gain the favor of the few available governmental programs - became an articulated movement of national scope with a few strong social movements leading well structured demands and orchestrating massive events to pressure politicians and decision makers at all levels. The political strategy of the traditional non-profits changed from directly lobbying the state to joining these new movements that led open confrontations against the

neoliberal reforms. These new radicalized groups orchestrated disruptive and violent acts, thus leaving to the traditional NGOs the use of moderate tactics such as awareness raising campaigns, media campaigns or peaceful mobilizations (McCarthy and Zald 1977, Tarrow 1998, Doug and Tarrow 2001).

There were no significant changes in GAME D (the challenge of finishing construction projects on time and on budget). However, the few NGOs that led affordable housing projects after the reforms encountered smaller projects (less than 200 houses, less than 9 months) and adopted a private sector type of approach, leaving aside the ideological and social components that characterized housing projects in the 1970s and 1980s and replacing it with time and cost effective construction techniques (one example of this market-oriented change is the Caritas Program discussed in Chapter 6).

The changes that the neoliberal reforms produced in GAMES A, B, C and D rendered affordable housing less effective as a tool to promote the empowerment and the social inclusion of the poor (GAME E). The long-term, process-oriented, participatory approach to affordable housing proposed by NGOs was replaced by a short-term, result-oriented delivery of final goods, an approach that was politically useful to provincial politicians. As NGOs lost protagonism in the affordable housing arena, the activities of the traditional NGOs adapted to the new demands by diversifying their services and creating programs on gender equality, family and youth, domestic violence, and social justice. A complete analysis of these changes is addressed in the conclusions of the dissertation (Chapter 7).

### **The Program *Mi Casa Mi Vida* in the Province of Cordoba**

In March of 1995 the National Congress passed Law 24464 enacting a structural reform of the national housing system in Argentina. A cornerstone of this reform was the decentralization of affordable housing functions (resources, policymaking and implementation) from the federal administration to the twenty-four provinces of the country. Some of the smaller provinces had no previous experiences in the matter while the larger and most powerful provinces had affordable housing offices and programs since the mid 1960s and were better equipped to receive the new responsibilities; this was the case of the Province of Cordoba, which had a Provincial Housing Institute since 1976 (*Instituto Provincial de la Vivienda de la Provincia de Córdoba*).

The provincial affordable housing program *Mi Casa Mi Vida* is a meaningful case for the purpose of this dissertation since it clearly shows the impact of the 1995 reform on the balance of power between the actors of the affordable housing game (international donors, federal and provincial governments, grassroots organizations and NGOs) and the new winning strategies with which each of these actors adapted to the changing circumstances (the social indicators at the time of the program, 2002, were the worst in the Province since the hyperinflation crisis of 1989).

The Province of Córdoba has an area of 165,321 square kilometers and is located in the center of Argentina. It has approximately 3,200,000 inhabitants, 50% of which live in the Greater City of Cordoba (the second largest city in the country). The Province of Cordoba is second only to Buenos Aires in terms of the size of its economy. Its gross domestic product (GDP) amounted to around \$35 billion (in current pesos) in 2005<sup>44</sup>,

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<sup>44</sup> 1 Argentine Peso = U\$S 3 dollars

which is equivalent to approximately 8% of Argentina's gross value added (GVA). The Province produces 12% of the country's total exports, in part because its economic activity is oriented towards primary agribusiness (soybean, corn, and beef).

From 1995 to 2000 the decentralization of resources and programs from the federal government to the Province of Cordoba represented a boost to the Provincial Housing Institute notwithstanding the high level of disorganization and political controversy over the amount and timeliness in which the federal funds were sent to the province. This was the most productive period in the history of the Provincial Institute as shown in the following graphic.

The 1994/1999 period was also the most active time for NGOs working in affordable housing programs in the Province of Cordoba as Governor Angeloz (1983-1995) left in place an open and democratic policymaking system in which the province actively articulated the planning and implementation of housing programs with grassroots organizations and the NGOs (See Chapter 4 for a detailed account of the fruitful partnership between the Provincial government and the *Union de Organizaciones de Base por los Derechos Sociales, UOBDS*).

Three simultaneous events terminated these years of public-private articulation, generous federal funds, the political openness of the provincial government, and grassroots-NGOs coordinated mobilization: 1) the change of national government in 1999 amidst a profound crisis of legitimacy and a sinking economy that could not find a smooth way out of the fixed currency conversion years; 2) the change of government at the provincial level that ended the openness of Governor Angeloz and was succeeded by the more vertical administration of Governor Ramon Mestre (1995-1999), and by the

paternalistic, vertical, old-fashioned Peronist style of Governor Jose Manuel De La Sota (1999-2007); and 3) a catastrophic event (a flood of unprecedented levels in the City of Cordoba), that was used by Governor De La Sota as an opportunity to disarticulate the mobilization of NGOs and regain full control over housing policy in the Province. The rest of this section describes the dynamics by which these three events changed the context of the affordable housing games in the Province of Cordoba and hindered the power and the position of the non-profit organizations.

On March 12, 2000 a flood of unprecedented magnitude affected the Suquia River (*Río Suquia*) that runs across the City of Cordoba. The catastrophe swept away hundreds of shacks and squatters located in the lower areas of the river banks, leaving six people missing and nearly 1000 families homeless<sup>45</sup>. The immediate response to the crisis was headed by public and private solidarity campaigns and by two provincial housing programs: the “*Programa Soluciones Habitacionales*” (Housing Solutions Program) that built 36 houses in the northern part of the city and the “*Programas Nuevos Barrios*” (New Neighborhoods Programs) that built a total of 776 houses giving immediate relief to the most affected families.

Even though the flood directly affected about 1000 families living on the lower river banks, the recently elected Governor Jose Manuel De La Sota seized the opportunity and traveled to Washington to renegotiate the terms of an Inter American Development Bank (IDB) loan that had been approved to implement a comprehensive administrative reform but had not yet been disbursed. The terms of the negotiation remain unknown to this day, but the governor achieved what at the time was thought to be a very difficult

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<sup>45</sup> Diario La Voz del Interior. March, 13 2000. <http://buscador.lavoz.com.ar/intervoz/2000/03/13/index.htm>

task: reassigning the destination of an IDB loan that was already approved. Changing the terms of the loan to include “affordable housing” was not only a political challenge for the governor but also a technical challenge for the technocrats at the IDB, who found a way around the internal procedures of the Bank and relabeled a portion of the loan to “emergency relief”. This new label in a portion of the loan required an emergency to respond to, so in October 19, 2001 the governor issued Official Decree Number 2565/01 declaring a “state of flooding emergency”, 20 months after the actual flooding occurred. From that moment on, the official documents issued by the government and by the IDB referred vaguely to the date of the flood as “2001”.

The surreal “rescheduling” of the flooding is a meaningful case to study Kingdon’s theory of the “windows of opportunity” in public policy decision making, as the Bank also did its part in distorting reality (Kingdon 1984). According to an implementation report published by the Bank in 2006,

This (*housing*) component was not originally part of the program, but was added in 2002 at the provincial government’s request to assist families affected by the flooding of the Suquia River in 2001 (*the flood occurred in March of 2000*). Its inclusion was made possible by the Argentine peso’s devaluation against the dollar in January 2002, which considerably increased the amount of investment provided for under this program. IDB 2006:6 (*italics added by author*)<sup>46</sup>

Not only did the Inter American Development Bank “reschedule” the flood, but it also altered the information about the situation of the affected families in order to make it fit into the “emergency situation” category. No technical investigation or report backed up the existence of 11,000 families in “flood-prone” areas as described in the following passage of the IDB program evaluation,

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<sup>46</sup> Document of the Inter-American Development Bank, Argentina. 2006. Social Development Program for Córdoba Province (Ar-L1027) Loan Proposal. Online at <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=778501>

In 2001 heavy rains caused flooding along the banks of the Suquia River and the channels running through the city of Córdoba. Families living in unincorporated settlements, known as villas de emergencia (shantytowns or squatter settlements), along these watercourses experienced the heaviest flooding. After providing them with temporary shelters, the government declared a disaster area in districts inhabited by around 12,500 households (11,000 in flood-prone areas and 1,500 in other high-risk zones). IDB 2006:13 (*italics added by author*)<sup>47</sup>

Having changed the date of the flood and declared the “emergency situation” for families that were not in flood prone areas, the Province of Cordoba and the Inter American Development Bank fulfilled the technical prerequisites of the loan and therefore were ready to move into the regulatory phase of the agreement. At the beginning of 2002, the *Ministerio de la Solidaridad* (the Provincial Department of Social Welfare) and the Direction of Social Habitat signed the regulatory document of the Program, called “*Documento de Reglamento Operativo para el Proyecto de Emergencia para la Rehabilitación Habitacional de los Grupos Vulnerables Afectados por las Inundaciones en la Ciudad de Córdoba (BID: 1287/ OC- AR y 1027/ AR L)*” (Housing Rehabilitation for vulnerable groups affected by flood), hereafter referred to as “Provincia de Cordoba - Operative Document 2002”<sup>48</sup>.

The agreement also attached “special contractual conditions” to the first disbursement<sup>49</sup> and included eight specific program eligibility criteria, namely: a) shantytowns to be relocated lie in an area of environmental risk, particularly an area prone to flooding; b) beneficiary families are low income; c) lands for relocation are in

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<sup>47</sup> Inter-American Development Bank. Ibid.

<sup>48</sup> The total funds assigned to the housing project were US\$ 111,207,629, 85% (US\$ 94,575,679) of which were integrated by an Inter American Development Bank loan and 15% (US\$ 16,631,950) by the Government of the Province of Cordoba.

<sup>49</sup> The special contractual conditions were:

(i) Provincial Government Decree naming ACIF Program Executing Agency (paragraph 3.2)  
(ii) Restructuring of the Unidad Coordinación y Ejecución del Programa [Program Coordination and Execution Unit] (UCOPRO) and its technical and legal attributions established (paragraph 3.3)  
(iii) Approval of the Operating Regulations (OR) by the ACIF Board of Directors (paragraph 3.6)

the public domain or belong to the beneficiaries themselves; d) site has road access, water, sewage, and electricity; e) scale corresponds to a demand study; f) basic housing solutions measure 45m<sup>2</sup> on lots of up to 300m<sup>2</sup>; g) a comprehensive social support plan exists (*Programa Integral de Asistencia Social*) and h) design in compliance with municipal standards (Provincia de Cordoba - Operative Document 2002).

Criteria C (land ownership) and G (social support for families) are of special interest to this investigation; these were the areas in which the NGOs of Cordoba and the *Union* that congregated those NGOs (UOBDS) had been working on for more than three decades (See Chapter 4). These long-term, process-oriented programs carried out by grassroots organizations and NGOs implied the recognition of communal identities, the institutional organization of the community (mainly under the legal status of cooperatives and civil associations), and the step-by-step pursuit of their self-established housing objectives. Indeed, according to Galan (2004), 30.8% of the beneficiaries families belonged to or were associated to 30 grassroots groups or associations at the time when they were selected as beneficiaries of the Program Mi Casa Mi Vida. These grassroots associations and cooperatives were at different stages of their long-term homeownership projects but all of them were formed or directly advised by the most active NGOs in Cordoba, CEVE, SERVIPROH, SEHAS and Mutual Carlos Mujica, and all of them were affiliated to the *Union* in the 1994/99 period (as of 2000 the Union had formally dissolved but its leaders were still actively involved in their respective NGOs).

In April 2002 the government invited these grassroots associations and cooperatives (but neither the NGOs nor the ex leaders of the *Union*) to a meeting in which the governor offered them ready-to-move-in houses with full connections to all public services at no cost to them other than the utility bills. The demobilization and disarticulation strategy of the government was more than evident. Most of the grassroots organizations and cooperatives willingly accepted the offer while others withheld their answer and asked for a period of time to consult with the NGOs and the ex-leaders of the *Union* (Galan 2004).

As expected, the NGOs fiercely opposed the proposal, engaging in three types of opposition activities during 2002 and 2003<sup>50</sup>: 1) working with the grassroots organizations (which they had helped to create) to find alternatives to the government's proposal, 2) legally challenging the Province to force it to recognize previous land-acquisition agreements and ongoing housing programs and 3) gathering support of academics, the media and other intermediary organizations to express direct opposition to the provincial housing policies. The attempt to reunite the grassroots organizations was in vain; people in the shantytowns opted to accept the government offer and to receive the houses in a short period of time; consequently, one after another of the associations and cooperatives signed individual agreements with the government during 2002 and 2003.

The position of the NGOs towards the general strategy of the government and towards the program *Mi Casa Mi Vida* in particular was summarized in a document

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<sup>50</sup> Notice the use of non-confrontational tactics as opposed to the highly disruptive and violent tactics implemented by the new social movements described in the previous section (McCarthy and Zald 1977, Tarrow 1998, Doug and Tarrow 2001).

entitled “Proposal for the Development, Social, and Work Integration Policies for the Poor and the Excluded in the City of Cordoba” (SEHAS et al. Propuesta 2004) (*Propuesta de política de hábitat desarrollo - integración social y trabajo de sectores pobres y excluidos de la Ciudad de Córdoba*). The document set out the following principles: a) open participation of the poor and their organizations in the policy planning and implementation of provincial programs; b) the design of gradual housing processes based on the capacity and dynamics of each group; c) the creation of long-term participatory urban planning in coordination with the federal, state and local governments; d) the acknowledgment and respect of existing agreements regarding land acquisition and ongoing housing programs and e) the generation of new forms of social production of habitat that consider the productive capacity and the employment of the people. The annexes to the document included detailed proposals for each of these six principles (SEHAS et al. Propuesta 2004).

The salient points of this document were the harsh critiques of the municipal and provincial governments; “the Municipality has no urban plan and no strategy for the development of the city...” and “... it only cares about the marginalized and their shantytowns when they interfere with public works on infrastructure or with the urban aesthetics... and when it does, it provides houses with minimum living standards, with violent relocalization and no participation of the families whatsoever”. The critiques of the Provincial government were of similar tone: “the provincial government has abandoned a politics of social integration, cooperation and articulation (*referring here to the agreement between the previous governor and the UOBDS*) in favor of technocratic land clearance policies with the creation of new settlements which in the near future will

not be appropriate to the needs of the families, will not integrate to the urban fabric and will increase social conflicts among the poor population, thereby aggravating the marginal conditions of their inhabitants" (SEHAS et al. Propuesta 2004, *italics added by the author*).

As the opposition of the NGOs was on the wane and more grassroots organizations signed agreements with the provincial government, the Program *Mi Casa Mi Vida* gained momentum and entered into a phase of frantic construction (subcontracted to different private companies). The implementation of the program had three components: (1) the social component with the objective of "improving the quality of life of the affected families, using an integral perspective of social enrichment to develop their organizational and productive capabilities". This component was assigned to the department of social welfare (*Ministerio de la Solidaridad*) and was the portion of the program in which the grassroots organizations were invited to participate; (2) the housing component, assigned to the Department of Public Works (*Ministerio de Obras Publicas*) with the objective of "designing and building the houses and the basic service infrastructure to provide the minimum educational and health social services". It is important to note that neither the families nor the non-profit organizations had any participation whatsoever in the construction; and (3) the environmental component, entrusted to a mixed public-private agency called "*Cordoba Ambiente*" (Cordoba Environment), had the objective of "healing the urban fabric, adapting urban planning to conditions of environmental sustainability in the cleared zones and accompanying the vulnerable groups in the new neighborhoods to promote environmental consciousness" (Provincia de Cordoba - Operative Document 2002).

The list of “people in emergency situation” was composed from a census conducted 2 years after the flooding by the provincial welfare office accounting for 9,349 families (about 51,420 *cordobeses*) in immediate need of housing (Ministerio de la Solidaridad 2002)<sup>51</sup>. The goal set by the government in the loan agreement signed with the IADB contemplated the building of houses with basic services and public infrastructure for at least 80% of those families, i.e. 7,479 houses. The first houses were finished and inhabited by the designated families in January of 2002.

### **Evaluations of the Programa Mi Casa Mi Vida**

The affordable housing Program *Mi Casa Mi Vida* is the largest housing plan implemented in the history of the Province of Cordoba. Funded by a generous loan from the Inter American Development Bank the program was launched in 2002 and terminated in June of 2008 with a total of 8,893 families relocated and living in their new homes (newly built basic units with connections to all public services). Even though it is too soon to evaluate the real impact of the housing process in the quality of life and the social integration of the benefited families, the partial evaluations that were published at the time of this investigation (early 2008) offered differing results. This section reviews different evaluations of the *Program Mi Casa Mi Vida*, namely, a result-oriented evaluation by the Inter American Development Bank, a formal evaluation conducted by the Federal Anti-Corruption Office, an ethnographic study conducted by independent researchers at the National Council of Research and a public opinion survey carried out by the National University of Cordoba.

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<sup>51</sup> Private research at the time estimated the population in the shantytowns to be of 18,845 families (about 103,650 people) distributed in 158 settlements (Buthet et al. 2007).

The result-oriented evaluations carried out by the Inter American Development Bank, the oversight agencies of federal government and the controller's office at the provincial level, praised the timing and the budget management of the program, pointing out only small technicalities in the construction in the form of "recommendations for improvement". On the other hand, the process-oriented evaluations conducted by universities and non-profit organizations raised no questions about the transparency of the program but criticized the political manipulation of the government and the potential social problems derived from the mandatory relocation of families and the ghetto-like dynamics of the newly constructed neighborhoods. Finally, a public opinion survey conducted by the National University of Cordoba in five of the newly constructed neighborhoods found high levels of satisfaction among the beneficiary families. This section offers a review of the most important observations made in each of the evaluations.

The IDB loan 1287/OC-AR required the formation of an independent unit to control the implementation of the plan. The Province created the Unity for the Coordination of Programs (*Unidad de Coordinación de Programas* – U.CO.PRO), an independent oversight agency whose objectivity was questioned by the opposition. The U.CO.PRO conducted a partial evaluation in December of 2005 and published a report on the status of seventy-seven goals established by the initial agreement (these goals included objectives in education and health). Only one goal was classified as "unsatisfactory" (1.3%), thirty-one goals were "observed" (40.26%) and 45 were approved as "satisfactory" (UCOPRO 2005). Of the eleven goals directly related to the program "Mi Casa, Mi Vida," only two were marked "as approved with observations" and nine were

classified as “satisfactory”, resulting in a very good evaluation of the program (UCOPRO 2005).

A more important and independent evaluation occurred at the beginning of 2006 when the National Anti-Corruption Office (*Oficina Nacional Anticorrupción*) requested the federal government to investigate “...the way in which the internal controls functioned and in particular the possible existence of diversions in the implementation of loan IADB 1287/OC-AR granted to the Province of Cordoba” (SIGEN 2006:3)<sup>52</sup>. The investigation was carried out in March and April of 2006 by the National Syndicate Office *Sindicatura General de la Nacion* (SIGEN), a specialized control agency reporting directly to the president. Even though the legal framework of the program limited the role of the federal government as guarantor of the financial aspects of the program (no visits to the field were conducted), the results were important since the SIGEN concluded that: (1) “the Province had met all the payments to the Bank thus far. There has been no need to execute the federal guaranty” ; (2) “there were no significant differences between the disbursements made by the IADB (85% of the loan) and the expenditures presented by the Province and audited by this office (84% of the loan); the difference is explained by ongoing expenditures that have not yet been audited”; and as a final verdict reported to the Anti-Corruption Office (3) as there were “no evident signs of corruption and no significant diversion of funds” (SIGEN 2006:25).

On the other hand, evaluations and opinions from universities and academicians were less benevolent. Brussino et al. (2007) quotes an article published by Guillermo

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<sup>52</sup> SIGEN Sindicatura General de la Nación Argentina. 2006. Ministerio de Economía y Producción. Informe de Auditoria. Relevamiento del Préstamo del Banco Interamericano de Desarrollo (BID) 1287 / OC-AR (Provincia de Córdoba). Online at 2006 [http://www.sigen.gov.ar/documentacion/informes\\_sigen/ia\\_mep060602.pdf](http://www.sigen.gov.ar/documentacion/informes_sigen/ia_mep060602.pdf)

Posada in *Le Monde Diplomatique* in February of 2006 in which the author compares the newly built neighborhoods in Cordoba with the immigrant ghettos built in the 1960s in Paris. The article relies on the studies of Bourdieu and Wacquant on urban marginalization to conclude that “the provincial government eradicates shantytowns and forcefully moves people into newly built urbanizations located on the outskirts of the cities. To many families, this relocation means the loss of their survival networks, the rise of internal conflicts and the crystallization of their poverty” (Posada 2006 as quoted in Brussino et al. 2007:4)

Boito, Espoz Dalmasso and Ibanez (2006) conducted ethnographic research and interviewed several of the benefited families. They found two psychological mechanisms with which the families coped with their fears and uncertainties towards a process in which they had no participation at all. The first mechanism, based on a mixture of hope and fear, was directed to the social workers of the government and consisted in a litany-like request of reassurance of the commitment assumed by the government. The second mechanism was the personal detachment from the process, as all the considerations made by the interviewees were made in third person in expressions such as “they moved us”, “they built the houses”, “thank them”. Ana Laura Elorza, an independent researcher at the National Council of Scientific and Technical Research *Consejo Nacional de Investigaciones Cientificas y Tecnicas* (CONICET), affirms that “the program has omitted fundamental issues pertaining to the construction of habitat and of a city such as the participation of its citizens and the respect for their culture and their identities” (Elorza 2006:9). Finally, Architects Martínez de Rusconi and Claudia Romo de Linares (2007) also found severe urban problems in the new neighborhoods

built in the southern zone of the city. Not only did they find a lack of adequate sewage systems but they also found higher than normal levels of arsenic, DDT and other heavy metals in water and air samples, something they attributed to the proximity of the neighborhoods to a large industrial and chemical complex.

Finally, a public opinion survey was conducted in the newly built neighborhoods by the Department of Psychology at the National University of Cordoba (Brussino et al 2007). The focus of the study was residential satisfaction, which, overall, was found to be rather high: 96.1% of the interviewees were satisfied with the homes they received and 77% were satisfied with the neighborhood. The study also found high indexes of satisfaction among the families with the quality of the public services they received in their new homes, as shown in the following table,

Another portion of the survey asked the residents' satisfaction with public services in comparison with their previous experiences in the shantytowns. In these cases the satisfaction rates decreased considerably.

Regarding social integration the survey found that 79.1% of those surveyed felt welcomed and integrated into the new neighborhood (assimilation among peers) while 56.5% felt welcomed and integrated into the surrounding lower-middle class neighborhood (a proxy for social inclusion). There were also high rates of satisfaction with the location of the neighborhoods in relation to the city (79.8%) and when asked "how do you feel in the new neighborhood?" 77% responded that they felt better than before, 12.4% that they felt the same and 9.1% that they felt worse than before (Brussino et al. 2007).

The results of this public opinion survey add the voice of the beneficiaries in between the favorable evaluations of the IDB and the government and the highly critical evaluations of academics and non-profit organizations.

### **Conclusion**

The structural reform of the national housing system in 1995 completely changed the field and the balance of power among the actors of the affordable housing game in Argentina: international donors and agencies of cooperation ended their programs in the country, the federal government decentralized the programs to the provinces and new social movements of national scale arose employing innovative and disruptive tactics. The traditional NGOs that had been working in long-term, process-oriented housing programs since the mid 1960s found themselves sandwiched in between the paternalistic and clientelistic politics of provincial governors and the indifference of its historical allies (the poor and their grassroots organizations and cooperatives) who preferred the government's offers of ready-to-move-in houses or the disruptive actions offered by the new social movements.

The Program *Mi Casa Mi Vida* (2002-2008) is an important case study. Funded by an Inter American Development Bank loan of nearly U\$S 95 million and implemented by the Government of the Province of Cordoba through private contractors, the program delivered ready-to-move-in houses to 8,893 families forcefully relocated to newly built ghetto-like neighborhoods. In a skillful political maneuver carried out by Governor Jose Manuel De La Sota, the program was used to demobilize and disarticulate the alliance between grassroots organizations (associations and cooperatives) and the NGOs that had traditionally supported them. Even though *Mi Casa Mi Vida* was a program exclusively run by the provincial government, the small associations and cooperatives

were co-opted into meaningless actions masqueraded as “supportive roles” or “social assistance”.

Two analyses are offered in this final section using the analytical framework proposed in Chapter 2 of this dissertation: an analysis of the strategies used and outcomes obtained by the grassroots organizations (associations and cooperatives) when accepting the clientelistic terms of the *Programa Mi Casa Mi Vida* and the analysis on the way in which the NGOs of Cordoba adapted their intermediary roles in each of the five games proposed in Chapter 2 of this dissertation (the same analysis applied to the traditional NGOs studied in Chapter 4). It is important to bear in mind that that these two groups had been working together since the mid 1970s but were divided in 2002 by the strategy of Governor De La Sota.

The associations and cooperatives had no trouble in securing their participation in the program (Game A) since the government knocked at their doors offering ready-to-move-in houses. These associations and cooperatives represented small groups (Game B) that decided to accept the clientelistic offer of the government securing the possession of homes but sacrificing their chance to participate in the construction (Game D) and the long-term, process-oriented work they had been doing to enhance their autonomy (empowerment) and achieve sustainable social inclusion (Game E). The demobilizing strategy of the government and the logical choice of the poor to accept the government’s offer seriously affected the traditional NGOs, diminishing their number, members, and participation in the affordable housing arena (Game C).

The analysis of the strategy used and the outcomes obtained by the traditional NGOs after the neoliberal reforms of 1995 reveals fruitless efforts to adapt to adverse

conditions. International donors ended their programs in Argentina and provincial governors seriously restricted the chances of NGOs to secure funding or win new projects (Game A and D). On the other hand, the poor and their associations and cooperatives were turning their backs to the NGOs (Game B), dissolving what had been a fruitful alliance for thirty years and shrinking the participation of the non-profit sector in the society at large (Game C). The immediate response of the traditional NGOs was to broaden the scope of their activities, seeking the empowerment of the poor and their social inclusion through new kinds of activities (Game E). These new initiatives were carried out through smaller, short term programs targeting issues such as gender inequality, domestic violence, social economy and fair trade.

Looking at the strategies of the government and of the traditional NGOs it is possible to conclude that neither of them understood the social complexities of the new political landscape nor were they able to adapt to the new context brought about by the structural reform of the housing system in 1995. The government of the Province of Cordoba went back to the old verticalistic and paternalistic politics of the 1940s, ignoring sixty years of progress in the understanding of the social construction of habitat and the importance of participatory, incremental processes. On the other hand, the traditional NGOs relied on ideological discourses from the 1970s and were unable to grasp the need for more effective and efficient ways of delivering affordable housing to the poor.

The following chapter explores the case of the *Programa Nacional Viviendas Caritas* an example of the avenues by which these two seemingly contradictory views can be rearticulated to find synergistic bases for cooperative schemes in which the poor can be the protagonists of their own housing initiatives and still be assisted by the

government and the NGOs to ensure efficiency at the construction site and sustainability in the social inclusion of the marginalized.

Table 5-1. Greater Córdoba: Social Indicators

	1995	2000	2001	2002	2003	2004	2005
Poor population (%)	20.0	27.6	36.2	58.5	48.4	41.8	34.2
Indigent households (%)	3.7	5.0	8.3	19.9	15.8	10.1	9.3
Unemployment (%)	15.9	12.5	15.9	19.4	11.7	11.5	8.7

Sources: Secretaría General de Estadísticas y Censos [General Secretariat of Statistics and Censuses] and Dirección de Estadísticas e Información de Salud [Health Information and Statistics Bureau]; L. Pereyra, "Pobreza en el Gran Córdoba", *Actualidad Económica*, vol. XII, No. 52, January-July 2002, INDEC, EPH.

Affordable Houses Built by the Provincial Housing Institute of Cordoba  
(1976-2000)

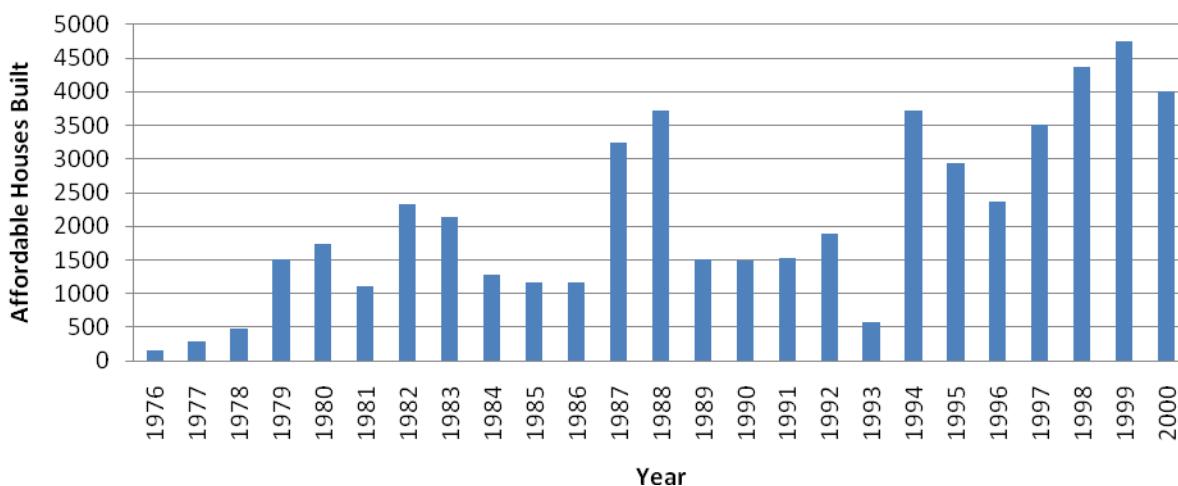


Figure 5-1. Affordable Houses built by The Provincial Housing Institute of Cordoba.  
(Source: Auditorías; Dirección de Control de Gestión del FONAVI – SSDUyV (2008))

Table 5-2. Beneficiaries of Program Mi Casa Mi Vida affiliated with associations/cooperatives

ASSOCIATION OR COOPERATIVE	SHANTYTOWN	#FAMILIES
1. Asociación Civil Angelelli	ANGELELLI	376
2. Coop. Agrupación Unidos	Unidos	51
3. Mutual Barranca Yaco	Renacimiento	223
4. Coop. 16 De Abril	Villa Bustos	198
5. Coop. La Ilusión	Los Boulevares	93
6. Mutual Esperanza/S. Antonio	Angelelli	188
7. Asoc Civil 26 De Junio	Posta De Vargas	52
8. Coop. Dignidad Y Libertad,	Villa El Libertador Anexo	41
9. Coop. Union Y Esperanza		
10. Asoc. Civil El Algarrobo	Inaudi Anexo	60
11. Coop. El Amanecer	20 De Junio	65
12. Coop. Libertad	Recreo Del Norte	13
13. Coop. El Arca	Marco Sastre Anexo	48
14. Coop. La Cañada	Parque Liceo Y	22
15. Coop. 24 De Setiembre,		
16. Coop. Unidad Y Esperanza,	Chingolo LI	266
17. Coop. 26 De Junio – Los Chingolos		
18. Coop.Corazon Y Papel	ARGUELLO	
19. Consorcio Independencia		147
20. Coop. Martín De Porres	Las Lilas	81
21. Coop. Sol Naciente	Boedo	128
22. Asoc. Civil Nuestra Trabajo	Santa Isabel	54
23. Coop. 12 De Enero	Parque Liceo	25
24. Coop. El Hornero	Malvinas Argentinas	70
25. Asoc. Civil Nicolas De Bari	Malvinas Argentinas	61
26. Grupo La Esperanza	La Esperanza	80
27. Asoc. C. Ambrosio Funes Y	Los Alamos	
28. Asoc. C. Parque Esperanza		178
29. Coop. Nuevo Amanecer	Caferata	76
30. Coop. Nueva Familia	Parque Liceo 2º	50
31. Other Org. and Family Own Land		96
<b>TOTAL</b>		<b>2742</b>

Table 5-3. Program *Mi Casa Mi Vida*. Resident's Satisfaction with Public Services

	Satisfaction with Public Services (%)			
	Health	Education	Sewage	Garbage Coll.
Very Good	24.8%	21.5%	2.6%	10.3%
Good	56.0%	49.7%	42.6%	63.1%
Regular	16.2%	15.2%	16.0%	22.0%
Bad	3.0%	11.5%	37.4%	4.6%
No Answer	0.0%	2.1%	1.1%	0.0%

Table 5-4. Program *Mi Casa Mi Vida*. Resident's Current Satisfaction vs. Previous Satisfaction in Public Services

	Current Satisfaction compared with Previous Experiences (%)	
	Transportation	Security
Better	30.5%	24.1%
The Same	26.7%	37.3%
Worse	41.3%	37.9%
No Answer	1.5%	0.7%

CHAPTER 6  
THE CÁRITAS NATIONAL HOUSING PROGRAM (PROGRAMA NACIONAL  
VIVIENDAS CÁRITAS)

The Cáritas National Housing Program (*Programa Nacional Viviendas Cáritas*) is the largest public-private joint affordable housing program in Argentine history (federal funds were administered and implemented by *Cáritas*, one of the most prestigious NGOs of the country). The information presented in this chapter is based on a comprehensive evaluation of the program conducted in 2006 by *Servicio Habitacional y de Acción Social*, SEHAS<sup>53</sup> and implemented by a group of 11 professionals under the coordination of the author of this dissertation<sup>54</sup>. The chapter is divided into 5 sections: 1) antecedents and brief overview of the program, 2) methodology and data collection techniques of the program evaluation, 3) evaluation of *La Quiaca* project, 4) evaluation of *Puerto Iguazú* project and 5) conclusions using the five games proposed in Chapter 2. The technical schedules and interview sheets with which the evaluation data was collected are available upon request.

**Antecedents and Overview of the Programa Nacional Viviendas Cáritas**

As described in Section V.1, the neoliberal housing reform of 1995 created a mixed federal housing system (the *Sistema Federal de la Vivienda*) that combined a national undersecretary, 24 state-level offices, intermediate associations such as construction chambers, private companies, and a newly privatized national mortgage

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<sup>53</sup> The data hereby presented was collected under the author coordination but it belongs to Cáritas Argentinas and to Servicio Habitacional y de Acción Social (SEHAS). The author thanks Architect Cristina F. de Resano, (Coordinator of Housing of the National Committee of Cáritas Argentina) and Licenciate Graciela Maiztegui (Director of SEHAS) for authorizing the use of the data.

<sup>54</sup> The External Participatory Evaluation reported in this chapter is the result of a team work conducted by SEHAS. The team was formed by: Graciela Maiztegui (Director), Carlos Buthet (General Advisor), Martín Maldonado (Coordinator), Silvia Córdoba, Patricia Frencia, Gabriela Núñez, Gustavo Sundberg, Gustavo Williams (Technical Team of External Participatory Evaluation), Silvia Vázquez (Distance Assisted Evaluation), Claudia Solé (Project Assistant) and Mónica Galvani (Publication Editor).

bank (the *Banco Hipotecario Nacional*). This decentralization and its institutional framework shifted the center of affordable housing policymaking from the federal government to the state governments, making the system more permeable in the provinces to the participation of private companies and nongovernmental organizations.

Cáritas Argentina is the national chapter of an international network founded by the Vatican in 1951 with presence in more than 200 countries. The network was introduced to Latin America by the *Conferencia Episcopal Latinoamericana*, Latin American Episcopal Conference (CELAM) of 1955 in Río de Janeiro; the Argentine chapter was created the following year as the branch of the Roman Catholic Church in charge of carrying out the charitable activities of its parishes. Well connected to conservative governments, the Roman Catholic Church and Cáritas have always had an important, though isolated, role in the Argentine third sector. Even though the mission of Cáritas is wide-ranging, its offices in local parishes are best known for running second-hand clothing stores, soups kitchens, daycare programs and other relief activities. Cáritas Argentina had almost no experience in affordable housing prior to 1998 when a catastrophic flood affected the coastal areas of six northeastern provinces. In response to the disaster, two federal programs were created that combined governmental policies in articulation with NGO's efforts to provide endangered families with relief and to participate in the subsequent rebuilding of houses and public infrastructure: the "National Program for the Recovery of Flooded Areas and Others under Climatic Emergency" and the "Rebuilding with Hope Campaign"<sup>55</sup>. These

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<sup>55</sup> Both programs were distinguished as Selected Experiences in the Competition of Good Practices sponsored by the UNDP in Dubai in 2002. A complete account of these programs can be found online at *Programa Reconstruir con Esperanza* <http://habitat.aq.upm.es/bpal/onu02/bp426.html> (US\$ 2,548,664;

programs not only won international prizes from the United Nations Development Program (UNDP) but were so successful in that they were automatically replicated when a similar flood struck the City of Santa Fe in 2003. As a consequence of these experiences, poor people around the country approached the *Cáritas* offices to demand affordable housing, and provisional databases were kept in each parish about the local families in need.

Using these provisional databases, *Cáritas* Argentina started to lobby the national government at the beginning of 2000. In July of 2004 a window of political opportunity came about. Peronist president Nestor Kirchner launched a massive program of public infrastructure which included the construction of 120.000 low income houses. The president, who had been in direct confrontation with the church since he took office in May of 2003, seized the opportunity to approach the church, attempting to reduce the numerous fronts of conflict that were opened towards the legislative election of 2005. The negotiations were conducted by the politically savvy Minister Julio De Vido, who talked informally about the idea with archbishops in the provinces (Diario Clarín 07/22/2004). This negotiation resulted in the signing of the largest public-private agreement in the country's history of affordable housing programs between the Undersecretary of Housing and Urban Development of the Ministry of Federal Planning, Public Investment and Services (represented by Minister Julio De Vido) and the

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1998-02) and *Reconstrucción para las Víctimas de Inundaciones, Argentina* (U\$S 10,764,132; 1998-00) <http://habitat.aq.upm.es/bpal/onu00/bp563.html>

Housing Coordination of the National Committee of Cáritas Argentina (represented by its President, Monsenor Jorge Casaretto)<sup>56</sup>.

According to this historic agreement, the program provided federal funds<sup>57</sup> for the self-construction of more than 2500 houses in 22 projects across 12 of the poorest Argentine provinces. The spirit of the Cáritas National Housing Program is "...the interest for those struggling to be part of the society", an altruistic principle that was kept alive all along the program and that permeated the in-depth interview conducted with the National Director of the Program, Architect Cristina F. de Resano (2007). The main objective of the Program is "to help families to grow within the values of learning, effort and work, sharing with others the compromise of devotion for people and for their land, especially for the inclusion of those who have the least and who are marginalized by the community" (*Convenio Marco del Programa Viviendas Cáritas 19 de Julio de 2004, Parte General*). The secondary objectives aim at: "overcoming habitat precariousness through the self-construction of decent houses guaranteeing the welfare, integrity and protection of families and increasing their possibilities of insertion into the community they belong to; creating a space for meeting and work training integrating both assistance and promotion; constituting small cooperative groups; and finally, making a

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<sup>56</sup> The full text of the agreement is online at the website of the *Programa Nacional Viviendas Cáritas*. <http://www.vivienda.gov.ar/Cáritas/index.html>

<sup>57</sup> The financial resources invested by the government rose to \$65,465,732 Argentine Pesos. The fund is a non-refundable grant, divided into four stages, each one formalized through the corresponding Particular Agreements: 1st) Stage 321 houses (2004) \$9,554,756; 2nd) Stage 630 houses (2005) \$21,750,079; 3rd) Stage 878 houses (2006) \$34,160,896; and 4th) Stage, in process of formulation by the time of the evaluation. These amounts are the result of a calculation per house unit plus infrastructure (connection to already-existing networks or individual service provision) of \$35,000 per two-bedroom houses (of 47m<sup>2</sup> to 52 m<sup>2</sup>) and of \$40,000 per three-bedroom houses (of 58m<sup>2</sup> to 62m<sup>2</sup>); the concepts of labour and materials are included in the calculations, while the costs of the connection links to exterior infrastructure is not.

contribution to public policies through the formulation of specific proposals aimed at overcoming serious habitat situations" (*Convenio Marco del Programa Viviendas Cáritas 19 de Julio de 2004, Clausula Segunda*).

There are four insights into the wording of these goals that are relevant for the purposes of this dissertation: 1) the idea of habitat as a comprehensive concept that supersedes the simple understanding of housing as shelter (in accordance to the Limuru Declaration of 1987 analyzed in Chapter 3); 2) the ambitious and multidimensional expectations placed in the program, which in a time span of eight to ten months was expected to succeed in building the houses, creating public spaces of integration, providing job training, constituting cooperatives and strengthening social inclusion; 3) the description of social inclusion as a communitarian responsibility; and 4) the absence of any explicit reference to religious or Catholic purposes in spite of the fact that *Cáritas* is a religious institution.

The *Programa Nacional Viviendas Cáritas* had an effective institutional structure for public-private articulation. A creative organizational design placed the national government as funder and controller, *Cáritas'* national office as enabler and general coordinator, and the local parishes as managers and in charge of coordinating the actual implementation of the projects along with the participant families. The salient feature of this design was the ample room left to the local parishes for the discretionary allocation of the funds, timing and methods of implementation (a central mantra of decentralization that is rarely seen in the actual implementation of social programs)<sup>58</sup>.

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<sup>58</sup> The division of tasks between the Undersecretary's Office of Housing and Urban Development and Cáritas Argentina expresses the conception of an articulating government (Sulbrandt 2002; INDES–BID 2004), which delegates competences and resources intelligently without disregarding the essential responsibilities it has as a state. In the third article of the Framework Agreement it is established that the

The agreement emphasized “what” shall be done without specifying “how” the tasks shall be done, leaving the implementation task to the inventiveness and capacity of the local parishes, without disregarding responsibilities, as promoted by the basic principles of result-driven administrations (BID 1998; Oslazk and Orellana 2001). The government also delegated to Cáritas the management of political affairs with provincial and municipal organisms avoiding the potential deadlocks of inter-governmental politics<sup>59</sup>.

The *Programa Nacional Viviendas Cáritas* had other innovative features as well. First, it created two levels of beneficiaries’ selection: the national government selected the cities and projects to be implemented while Cáritas chose the benefited families. Second, it allocated funds to hire adult beneficiaries as construction workers, something that is not commonly seen in other self-build programs in which the mere access to the house is thought to be enough of a reward. Third, the program also set aside resources to hold communitarian workshops (*talleres sociales*) aimed at strengthening communal ties and creating shared identities. Some of the topics of these workshops were set by Cáritas Nacional (a workshop dealing with the legal requirements of the title deeds and workshops on skills training such as carpentry and electricity installation), but the

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National Government shall determine the eligibility of the projects for their financing, shall audit the construction development and shall cancel the financing if the program objectives were not fulfilled. In article four of the Agreement, Cáritas Argentina, commits itself to organizing the functioning of the technical-administrative structure of the program at a national level, managing the resources transferred from the Nation, selecting the beneficiaries of the program and providing them with the necessary materials and training. The national office of Cáritas also helps the local chapters in managing the acquisition of land, the approval of projects in the municipal districts and the coordination with the suppliers of public services. The local chapters of Cáritas perform the technical direction of the constructions, the supervision of technical and economic management and present accountability reports to the Federal Undersecretary’s Office.

<sup>59</sup> In a sense the federal government was bypassing several state governments by delivering houses directly to the municipalities, however this issue only was mentioned in one of the interviews in which a local mayor said that the federal government didn’t use the program for electoral purposes, in his own words “they (politicians from Buenos Aires) didn’t even come to the inauguration ceremony” (Mayor of Formosa Interview 09/09/06).

majority of the workshops were set up according to the interests and the proposals of the beneficiaries. The beneficiaries chose issues such as alcohol and drug abuse, domestic violence, cooking and crafting. Third, even though the funds of the national program were described as “grants”, the agreement signed between the federal government and Cáritas Argentina contemplated that the families would make monthly payments determined as a small percentage of their income. The money collected from these payments was to be invested by Cáritas in public infrastructure that was not contemplated in the original program (kindergartens, day care centers, sports pavilions, etc.).

The implementation of the projects began at the end of 2004 and lasted until the end of 2008. As of June of 2008 the program built 2547 houses in 22 cities, the majority of them located in the poorest regions of Argentina (northeast and northwest). At the end of 2008 a new round of projects was under negotiation between the national government and Cáritas.

### **Methodology of the Evaluation and Data Collection Techniques**

Even though it was not required in the General Agreement, Cáritas contracted the *Servicio Habitacional y de Accion Social* (SEHAS) to conduct an independent external evaluation of the program. The two institutions had worked together during the floods of 1998 and 2003 described in the previous section.

The initial agreement for the evaluation was signed in June of 2006. At that time, 18 projects had just been completed as a part of the first and second stages of the program (described above). A sample of 12 projects was included in the agreement, which applied two formats of evaluation: a) in the projects of *Benavidez, Quilmes, San Nicolás, Corrientes, Paraná* and *Bahía Blanca* an “Assisted Self-Evaluation” was

implemented by the local teams of *Cáritas* who conducted the interviews with the permanent support of SEHAS (via telephone and e-mail); and b) in the projects of *Formosa, Goya, La Quiaca, Puerto Iguazú, Villa Nueva* and *Arroyo Seco* a “Participatory External Evaluation” was applied consisting of an on-site, four-day visit by SEHAS’s professionals teams to each one of the sites. The two types of evaluations used the same methodology and data collection instruments. Two of the projects evaluated by the “Participatory External Evaluation” are reported in this Chapter, *La Quiaca* in Section VI.3 and *Puerto Iguazú* in Section VI.4, and were chosen because they represent telling cases for the analytical framework and the five games proposed in Chapter 2.

The “Participatory External Evaluation” applied by SEHAS is based on a matrix proposed by Rodríguez, Buthet, Scavuzzo and Taborda (2004) and Buthet (2006) that was adapted so as to assess six fundamental aspects of the projects, namely: 1) characteristics and quality of the houses built; 2) urban development and access to public infrastructure and services; 3) employability of the participants as a result of skills training; 4) psycho-social strengthening of individuals and families and neighbourhood integration; 5) institutional strengthening of the local chapters of *Cáritas*; and 6) characteristics of the participant population regarding health and education.

The tools to collect data combined quantitative and ethnographic techniques, ensuring an objective dimension given by statistics and a subjective interpretation of the data provided by relevant actors and stakeholders. Quantitative data was obtained from secondary sources such as censuses, public records, academic research, statistical reports, previous housing projects and governmental documents. Techniques to collect

qualitative data and interpretations included ethnographies, field observations, a technical schedule to evaluate the buildings (houses) and three types of semi-structured interviews. The technical schedule was designed and implemented by SEHAS' architects to assess the quality of the constructions, its insertion in the urban surroundings, its access to infrastructure and public services and its relationship with the environment. Three types of questionnaires were constructed to conduct interviews with three different actors: a) participating families (beneficiaries), in a sample that controlled for gender, age, type of house and location of the unit in relation to the neighbour; b) the local parishes' Cáritas teams who were responsible for the coordination of the projects; and c) external actors of the community that were somehow related to the beneficiaries and could recount the impact of the transition from the shantytown to the new houses (these were members of the local community such as school teachers, doctors, priests, members of local councils, policemen, etc.). The technical schedule and the three questionnaires are available upon request.

The most relevant shortcoming of the evaluation methodology was the lack of base-line data. Cáritas started the programs right after signing the agreement with the federal government without taking any ex-ante measurement of the living conditions of the beneficiaries in the informal settlements or shantytowns where they previously lived. SEHAS's evaluation was conducted after the families moved into their new homes; consequently, the variables referring to families' satisfaction, to the impact of the moving processes and to other considerations about what the change meant for the interviewees had to be collected on the basis of their reconstructive memories at the ex-post time of the interviews. Interviewing external actors such as teachers, doctors,

social workers, priests, etc. was an effort to overcome this problem by introducing external considerations regarding the impact of the program on the participant families (methodological triangulation).

The fieldwork for the Participatory External Evaluation was conducted during September, October and November of 2006. Under the coordination of the author of this dissertation, eight professionals from SEHAS, trained in diverse disciplines, travelled a total of 6187 miles, visited 378 houses and made 240 interviews and technical schedules according to Table 6-1.

The following sections present the evaluations of *La Quiaca* Project (Section VI.3) and *Puerto Iguazú* Project (Section VI.4) analyzing the strategies and results obtained by the local *Cáritas*' teams with the analytical lenses provided by the analytical framework laid out in Chapter 2 (Section II.1).

### **Evaluation of *La Quiaca* Project**

*La Quiaca* is the most representative urban center of the Argentine Andean culture. Located at 11,300 feet above sea level, in the northwestern tip of the country, right on the border with Bolivia, this city is inhabited by nearly 20,000 people, the majority of them from the *colla* indigenous group. The weather in *La Quiaca* is dry with large temperate amplitude and the rocky terrain resembles a desert with scattered vegetation. The main economic activities of the poor *collas* are the cultivation of potatoes and the rearing of Andean camels called *llamas* and *vicunas*.

The local chapter of *Cáritas* is located 200 kilometers south of *La Quiaca* in the City of *Humauaca*. The national coordination of *Cáritas* assigned 87 houses to the local chapter in *Humauaca*, 20 of which were located in *La Quiaca*. At a total cost of \$625.322 Argentine Pesos the houses were built at the beginning of 2006. Due to the

lobbying of the Cáritas local team, the Government of the Province of Jujuy donated the land for the project and the local municipality of *La Quiaca* collaborated by providing the land clearance and leveling, granting tax breaks to the 20 families and delivering subsidized public services such as street lightening and garbage collection. Private companies (EJESA and IRMI S.A.) also contributed by donating the infrastructure to provide the houses with electricity and drinkable running water. Game A proposed in Chapter 2 (the struggle of the NGOs to gain funds and support from donors and governments), was played successfully by both Cáritas Nacional and its local chapter in Humauaca.

Not so successful was the performance of Cáritas in games B and C (the representation of the interests of the beneficiaries and the consolidation and expansion of the third sector). The main cause of the low performance in these games was a considerable gap between the local *colla* culture and the mainstream westernized Argentine culture upon which the *Program Nacional Viviendas Cáritas* is based. The *colla* are a sub-ethnic group that belongs to the larger Aymara population originated in the Tiahuanaco Empire which occupied the Andes from 1500 BC until 300 AD when they were defeated and subjugated by the Inca Empire. Their well preserved original language is *aymara* and *quechua* though most of them speak and read Spanish, since the local schools teach both languages. According to the last available census the *colla* population has 67,046 people (the second ethnic group in Argentina), 80% of them living in the provinces of Salta and Jujuy.

The *collas* preserve their culture and traditions sometimes in harmony with the westernized practices of the rest of the society, sometimes clashing with the cultural

impositions of capitalism. Four of their cultural characteristics are relevant to the purpose of this dissertation: 1) the center of their religious practices is the Mother Earth (*Pachamama*) and all the cultural and economic activities are dictated by the cycles of nature; 2) as a consequence of this belief, the *collas* have no title deeds or any other document to prove the ownership of their land, which has been passed from generation to generation since ancient times (during the 1990s there were several conflicts with landowners claiming possession of the territories and taking their litigation to provincial and federal courts); 3) the ancestral economic organization of the *collas* is based on the communal exploitation of collective resources through specific institutional arrangements, the most important of which is the *minga*, a mixed system of production and distribution that ensures that the weakest members of the community get enough to make ends meet; and 4) a rigid division of tasks across genders places men in agriculture and trade and women in domestic activities and childbearing. These cultural traditions were not compatible with the westernized and capitalist characteristics offered by the Cáritas Housing Program (individual ownership of land and houses, construction planned in eight months regardless of the cycles of nature and women working in the construction sites on equal conditions with men).

The local Cáritas team was well aware of these differences so it put special emphasis on creating room for local manifestations of the *colla* culture. However, in spite of the openness and flexibility of the local Cáritas team and of the implementation of several workshops to openly discuss issues of interest to the beneficiaries, the cultural differences were never brought to the table by the *colla* families. Instead, a subtle and silently passive attitude was adopted by many of the participants that

attended the mandatory workshops, never raising questions and reluctantly attending other meetings. In other projects across the country, families were interested in workshops about addictions, domestic violence, health issues, and other family concerns. In *La Quiaca* the *collas* never requested these kinds of workshops despite the fact that alcoholism and domestic violence are all too frequent problems. The passive attitude of the *collas* was also manifested in the withholding of cooperation, as women did not comply with their work schedule or rejected personal counseling from the social workers. An in-depth interview with Norma, the head of the local chapter of *Cáritas* in *Humauaca* and the coordinator of the project, helped in understanding the cultural gap.

Norma is a woman in her early 40s who defines herself as a “half-*colla*”. The daughter of a non-*colla* father and a *colla* mother, Norma has a *colla* physiognomy but her lifestyle is not *colla*, as she has always lived in middle size cities such as *San Salvador de Jujuy* and *Humauaca*. She studied social work at the University of Jujuy and has been a volunteer in *Cáritas* for more than a decade. Norma is experienced in dealing with the cultural gap between the mainstream Argentine culture and the *collas*; before meeting the families in the neighborhood she warned us “...don’t expect them (the *collas*) to say much at the interviews, it takes forever to gain their trust and have them open up to you; they even consider me an outsider” (Norma Interview 10/21/06). Norma was right, during the four days of our visit to *La Quiaca* I couldn’t help feel like an outsider, a sort of intruder asking senseless questions and rushing throughout a schedule of interviews that did not fit into the local culture. The families were very welcoming and friendly (they invited us to have lunch with them) but an open and real

conversation of the kind we had in all the other projects was simply not possible in *La Quiaca*.

It is important however to distinguish silence from acquiescence. The *collas* were indifferent to issues they didn't care about but were rather proactive when they felt their interests were at stake. Norma told us that the families and their workers went on a sort of a strike when their paychecks were delayed. In March and April of 2005 the national government fell behind in sending the funds to Cáritas National so all the projects across the country were late in sending the paychecks to the workers. Only two of the twelve projects under evaluation had problems with the families and the workers during those months: *La Quiaca* and Goya. After one week without payment the workers at *La Quiaca* withheld their cooperation (with the consensus of the benefited families). The following Monday, only ten days after missing the first payment, families and workers went to the central Catholic Church in *La Quiaca* and asked for a meeting with the priest, camping outside the church for the whole day. Norma was not surprised, "I have seen this many times, when the local court ruled against them (the *collas*) in one of the land tenure cases and when the mining company filed for bankruptcy and the executives fled the province without notifying them. The *collas* are quiet and pacific. They even look dormant sometimes... until something sparks them and they would fiercely demonstrate in the central square or cut the international route to Bolivia"

(Norma Interview 10/21/06).

Norma told us that the Cáritas team decided to open up the conversation with the families about the issue of female work. In an open meeting with all the families Norma brought the topic to the table and after a brief discussion the responses were

unanimous: women should not work in construction. What was considered an improvement towards gender equality in all the other projects of the country was simply not admissible to the *collas*. Indeed, only 7 families out of 20 worked in the construction of their own houses; the rest of them hired outsiders to whom they transferred their salaries (under the supervision of Cáritas that validated the deals). Another example of cultural negotiation between the *collas* and the Cáritas team occurred on the topic of the construction materials. The original project contemplated the use of common clay bricks but the families suggested the use of *adobe* (a larger brick made locally out of llama feces, mud and water). The brick of *adobe* has very good insulating properties (necessary in a climate with large temperature amplitude) but it provides a home for bugs and insect nests. A compromise was reached between the participant men (women did not take part of the discussion) and the architect of Cáritas: the houses were built with the local *adobe* brick but the walls were covered with a layer of concrete and then painted with latex-based paint. The result was a win-win situation because the *adobe* was cheaper than the clay brick, the local *collas* got some money for the sale of the bricks, and the houses were efficiently insulated and bug-free. The only loser in the situation was Norma who had to endure endless paperwork and arguments with bureaucrats in Buenos Aires to get authorization for the use of the *adobe* bricks.

A similar distance was observed between Cáritas and the original organizations of the *collas*. In spite of receiving formal invitations from Cáritas, none of the indigenous groups (nor the provincial council of indigenous organizations, *Consejo de Organizaciones Aborígenes de Jujuy*) participated in the program. These examples show that neither the program designed by the national government and Cáritas nor the

evaluation conducted by SEHAS understood the local culture or made room (in terms of institutional space and time) for the *collas* to express themselves in their own terms. Therefore, the outcomes of the program in Games B (representing the interests of the beneficiaries) and C (strengthening the third sector) were rather poor.

Whether or not the cultural gap hindered the ability of the program to enhance the social inclusion of the poor *colla* into the larger Argentine community is hard to tell. All the interviewees were very satisfied or satisfied with the houses, 72% considered that the families were united and shared good times and bad times and 63% felt that the participants fought together to overcome problems. Even though the figures are not as high as in other programs, the interviews with external actors (a municipal employee in charge of delivering welfare checks and a social worker at the nearby community center) reinforced the idea that the participant families have considerably improved their drive and resources to move out of poverty. In relation to Game D, finishing the construction on time and on budget, *La Quiaca* was no exception to the good performance of the all the projects across the country (except for the case of *Puerto Iguazú* which is reported in the next section). Half of the houses in *La Quiaca* were finished one month after planned and the other half two weeks later, but these delays were due to an unusually long rainy season.

Summarizing, in the case of *La Quiaca* the *Programa Nacional Viviendas Cáritas* was very successful in lobbying the government for support (Game A) and finishing the construction on time and on budget (Game D). It accomplished moderate results in terms of social inclusion and empowerment of the beneficiaries (Game E) and rather weak outcomes in representing the interests of the poor and expanding the third sector

(Games B and C), as the program neither adapted to the local indigenous culture nor created institutional room for the expression of the families or their organizations on their own terms.

### **Evaluation of *Puerto Iguazú* Project**

*Puerto Iguazú* was the most complex project in the whole *Programa Nacional Viviendas Cáritas*. As a manifestation of the eclecticism that characterizes the city of *Puerto Iguazú*, the project that constructed 100 houses in eight months had outstanding accomplishments as well as some serious slip-ups.

The City of *Puerto Iguazú* is located in the triple frontier between Argentina, Paraguay and Brazil, in a tropical and humid area that forms the southern tip of the Amazonian jungle. The environment is hostile as the heat, the bugs and the threatening presence of tropical diseases take a permanent toll on the community. *Puerto Iguazú* is also a hostile social environment. The triple frontier is known as a hub for criminal activities from petty smuggling to the human trafficking of women and children. In recent years the triple frontier has become an active center for drug trafficking, which prompted the American Drug Enforcement Agency (DEA) to open a base in the area to control the growing organized crime in hands of drug cartels. The trafficking and sales of electronics goods is the main illegal activity of the region, especially in the Paraguayan city of *Ciudad del Este*, a huge illegal market that resembles an ant's nest of solicitors and petty traders; poor people from the three countries are attracted to the triple frontier by the possibility of making large sums of money (risking their lives) by smuggling goods or drugs across the borders. *Puerto Iguazú* is among the poorest cities in Argentina with poverty rates reaching more than twice the national average and with serious socio-economic problems such as widespread malnourishment, low life

expectancy, and high incarceration rates. In spite of these harsh conditions, the 33,000 thousands inhabitants of *Puerto Iguazú* are still better off than their Paraguayan neighbors, who constantly cross the border to take advantage of the precarious social welfare programs offered by the Argentine government. On the other hand, *Puerto Iguazú* is also a prime tourist destination as the Iguazu Falls attract thousands of visitors from around the world, and a strategic point for businesses that take advantage of the duty free ports and the tax breaks offered by the three countries.

To add complexity to the picture, the *Programa Nacional Viviendas Cáritas* and SEHAS's evaluation occurred amid political turmoil, in which the governor of the Province of Misiones called for a reform of the constitution (seeking the possibility of unlimited reelections) and was opposed by the Roman Catholic Archbishop, and spiritual leader of *Cáritas*, Joaquín Piña. Pervasive social unrest, a rampant informal economy and a tumultuous political moment produced the chaotic context in which the program and the evaluation were implemented.

The program built 100 houses in the first eight months of 2006, meeting the proposed time and budget<sup>60</sup> (Game D) but with one major error; due to a serious mistake on the part of the architect hired by *Cáritas*, 17 of those houses were built on an unstable terrain subject to seasonal flooding coming from subterranean rivers. At the time of the evaluation, these new houses already had cracked walls and mold, and some families were asking for legal advice about the possibilities of suing *Cáritas* or the national government (something that did not happen).

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<sup>60</sup> The total budget of the project was \$3.832.187 Argentine Pesos. Three-bedroom houses were budgeted at \$ 32.990 and finally built at \$ 27.508, while two-bedroom houses were budgeted at \$ 27.896 and built at \$ 23.203, obtaining an average of 17% of savings. These savings were used to construct a water tank and the neighborhood electrical and running water infrastructures that were not provided by the provincial government. (1 Argentine Peso = U\$S 3.5 dollars)

The chances of the Cáritas team of gaining support from the provincial and municipal governments (Game A) were nearly null because the prominent Archbishop Piña was publicly opposing the governor's attempt to reform the constitution (six months after our visit Piña helped to block the reform in a landslide election that ruined the political career of the governor and changed the electoral balance of the province). The municipal government was a little more flexible and contributed to the project by lending heavy equipment to clear the construction site. Still, *Puerto Iguazú* was the project that received the least support from external sources and the one of the few that had to purchase land to build the houses (though it was sold at a reduced price).

Moderate to good results were achieved by the program in representing the interests of the poor and promoting their social inclusion (Game B and Game E). The group of families that participated in the affordable housing program of *Puerto Iguazú* was as diverse as the context described above. There were five Paraguayan families, two Brazilian families and more than ten undocumented adults that were helped by the local Cáritas team in applying for their official ID cards. In comparison with the other programs across the country, *Puerto Iguazú* had the second poorest group (after the group of Formosa) but, without a doubt, the most conflictive one. It was also a large group (100 families) that did not know each other because they were coming from different parts of the city and some of them from rural areas (unlike other projects in which all the participants lived in one settlement). Apart from health problems such as malnourishment, lack of preventive vaccination, yellow fever and bad teeth, the social workers also observed higher than normal rates of school dropouts, single parenthood, alcohol abuse and in some cases, evident signs of domestic violence; crime and

violence are also part of the eclectic culture of *Puerto Iguazú*, both in the society at large as well as within the benefited families of the Program.

The diversity of the participant families and the fact that most of them met for the first time at the program's meetings resulted in new friendships but also in some conflicts, both of which were clearly seen in the interviews we conducted. A creative decision on the part of the *Cáritas* team was to divide the participant families into five groups of twenty families each, in an attempt to facilitate social interactions. Games and competition across the groups also enhanced group identity. If the indigenous people of *La Quiaca* spoke very little, people in *Puerto Iguazú* spoke too much; whether it was to make positive or negative comments, all of them wanted to be interviewed and we (the SEHAS evaluation team) had a hard time explaining to them the idea of a random sample. While answering the questions, they praised or trashed each other with gossiping and back talk about private matters, making it hard for us to keep them on track with the questionnaire. They also passionately thanked or criticized the members of the local church and the *Cáritas* team to a point at which the data collected resembled a satirical plot of *realismo magico*.

One of the characteristics that set the *Puerto Iguazú* project apart from the other 11 projects that SEHAS evaluated was the widespread suspicion of corruption on the part of the head of the *Cáritas* local team. A man in his middle 40s, J.C. is a hyperactive personality that was obsessed with every detail of the overall project. He clearly represents the authoritarian spirit of the construction site as he put it in the interview: "In construction there is only one boss and the rest must be soldiers. Period". The problems arose when J.C. tried to apply the same authoritarian principle to the social components

of the projects; the two social workers and the nuns that volunteered to assist in the workshops rejected the impositions and constantly battled to keep J.C. out of the workshops where he would take the floor and deliver thirty minute speeches on what had to be done. J.C. also appointed his brother as coordinator of the construction teams, but his brother had to resign after repeated complaints of sexual harassment against him.

Serious concerns were also raised by members of the *Cáritas* team and by two beneficiaries about J.C.s' discretionary spending of project funds. Some claimed that he kept money for himself while others said that he invested the money in the project, like in the example of the water tank that J.C. bought without asking the rest of the team. The most controversial spending decision made by J.C. was the purchase of a brand new four-wheeled pickup truck for the project (the only project in the country that made such an investment). J.C. put the *Cáritas* logo on the truck, but a lot of people agreed that "...he uses the truck for personal matters. He owns it." The accusations against J.C. were too many to be ignored, but a thorough investigation was beyond the boundaries of our evaluation, so we just reported the content of the interviews to *Cáritas* national headquarters in Buenos Aires.

In relation to the inclusion of the families into the larger community, a medical doctor interviewed in a small health post located nearby the project and an elementary school teacher agreed that the mere fact of moving into a clean house that can keep mosquitoes away and with access to fresh water was enough to make a considerable impact on the health of the families because "... seasonal diarrhea is the main cause of infant death in the region" (Graciela 10/09/06). The results of the interviews with the

beneficiaries were somewhat ambiguous; 88% of the interviewees said they made new friends during the project but only 28% shared their preoccupations or concerns with these new friends. Furthermore, 78% affirmed that the neighbors would get together to overcome difficulties but only 16% could name an actual example of neighborhood solidarity. Unlike in *La Quiaca*, neither the Cáritas team nor the participant families made an effort to relate to the existing local NGOs; the fact that the project was meant to finish after the construction of the houses and the short period of time contemplated to build the houses were, according to one of the members of the Cáritas team, the reason why there was no articulation with other organizations. In relation to the spatial integration of the project to the city, the new neighborhood was located in a marginalized suburban area, more than two miles away from the downtown area and ill-connected by unpaved muddy roads. At the time of the evaluation there was no public transportation service but the families had already petitioned the municipal authority for an extension of the nearby bus line.

Without a doubt, the most benefited group in this case was women. Unlike in *La Quiaca* where women were prohibited from participation in the public sphere, the project in *Puerto Iguazú* was led by women. Not only did they participate in the building activities making electric and tile installations, painting, and taking turns as watchmen of the materials, but they also led the workshops and the public meetings. The feminization of poverty is increasingly occurring in poor urban areas in which the presence of men is drastically reduced because of long working hours, alcohol and drug abuse or incarceration. The main indicator of this reality is that 80 out 100 title deeds

were assigned to women, "...because you never know when they (men) are going to run away" said an interviewee with a giggling smile (*Puerto Iguazú*, 10/09/06).

Summarizing, in the *Puerto Iguazú* case the *Programa Nacional Viviendas Cáritas* had no success in lobbying the government for support (Game A) and poor performance in the construction of the houses, as 17 of them were built in unstable terrains (Game D). In terms of social inclusion and empowerment of the beneficiaries (Game E), the results were good with remarkable achievement for women. A diverse population with complex characteristics made it difficult to evaluate the performance of *Cáritas* in representing the interests of the poor but it is fair to say that most of them were satisfied with the houses and the overall process (Game B). Finally, there was no interaction with other local NGOs (Game C).

### **Conclusions**

In 2004 *Cáritas Argentina*, the branch of the Roman Catholic Church in charge of the charitable activities in its parishes, and the federal government signed the largest public-private agreement in the history of affordable housing in Argentina: the *Programa Nacional Viviendas Cáritas*. The federal Undersecretary Office of Housing and Urban Development allocated \$65,465,732 Argentine Pesos (US\$ 2,182,911) to 22 self-construction programs to build 2,500 houses in the poorest regions of the country. A creative and decentralized institutional design left ample room for decision making in the local parishes that implemented the programs in different contexts and with different strategies. An independent evaluation conducted on two of these programs (*La Quiaca* and *Puerto Iguazú*) is reported in this chapter. This final section evaluates the performance of the program using the framework of analysis of five games proposed in Chapter 2.

Overall, the *Programa Nacional Viviendas Cáritas* achieved very good results in lobbying the government (except for the case of *Puerto Iguazú*) and building the houses (Games A and D), moderate results in enhancing the social inclusion resources of the poor (Game E) and weak results in representing the interests of the poor and expanding the third sector (Games B and C). A brief analysis of the way *Cáritas* played each of these games follows.

Both *Cáritas Nacional* and the 22 local chapters that participated in the implementation of the program were very successful in gaining support from governments and from private companies (Game A). *Cáritas*, usually associated with conservative groups, signed the agreement with the neo-populist government of President Nestor Kirchner (Peronist), an example of the pragmatism that pervades Argentine politics since the early 1990s; in return, the federal government got direct access to the poor, by-passing the provincial governments and avoiding political deadlocks. In the parishes, the local *Cáritas* teams used their well-established prestige as a serious and honest institution to get land donations from provincial governments, tax breaks and land clearance from municipal governments and reduced tariffs from public services companies, just to name the most common contributions obtained.

*Cáritas* was also successful in finishing the projects on time and on budget (Game D). Except for the case of *Puerto Iguazú* where 17 houses were built on unstable terrains, all the other projects were rather efficient at the construction site, finishing the projects in eight to twelve months, saving money that was later invested in public infrastructure and building houses of better quality than the average prototypes usually built in affordable housing programs. In fact, the *Programa Nacional Viviendas Cáritas*

built more houses in four years than any other NGO has ever built in Argentina (some of them being thirty years old or more).

According to the analytical framework proposed in Chapter 2 (Table 2-1) the winning strategies to obtain good performances in Games A and D are elite-lobbying and centralized rule at the construction site. Even though Cáritas was not authoritarian in any sense, the availability of large sums of federal money in short periods of time and the haste with which the projects were implemented, left little room for the consideration of long-term social processes of the type proposed by the principle of the social production of habitat (processes such as the empowerment of the poor, the formation of communitarian identities or the promotion of grassroots organizations) (See Chapter 4 for examples on these kind of long-term housing programs). Cáritas adhered to the principle of the social production of habitat and considered its social processes as part of the objective; however, the implementation of the projects demanded an efficient organization and delivery of self-built houses, while other social considerations took a back seat in the program. Consequently, the program obtained moderate results in Game E (enhancing the social inclusion of the poor) and poor results in Games B and C (representing the poor and strengthening the third sector).

The mere fact of moving from informal settlements or shantytowns into a new house with access to public services is enough of a change to boost the self-confidence of individuals and to provide a horizon of hope for rather unstable families. Ninety-eight percent of the beneficiaries were very satisfied with their new homes and for many of them the program represented a “new beginning in life”. However, the extent to which this material improvement can be translated into the independent command of

resources that actually improves their chances of social inclusion (Game E) is yet to be evaluated in the medium term (the evaluation was conducted shortly after the families moved). Even though the design of the project contemplated training in construction skills (carpentry, electricity installation, etc.), the reality at the construction site was that 50% of the eligible adults participated in these activities and only 13% of them felt confident enough to do these jobs again by themselves (no interviewee had gotten a real job in any of these activities in which they were trained). Something similar occurred with the social workshops; issues such as parental responsibilities or addiction problems cannot be treated in three or four communal workshops implemented during a two month period.

On the other hand, The *Programa Nacional Viviendas Cáritas* had weak results in terms of representing the interests of the poor (Game B). Soon after the program was approved, Cáritas selected the beneficiaries and simultaneously started the meetings and the land clearance, taking no time for any genuine consultation with the participant families. In the projects in which the families already knew each other, this swift introduction to the project was not so problematic but in the projects where the families did not know each other (as in *Puerto Iguazú*) or where the local culture was different from the mainstream Argentine culture (as in *La Quiaca*) the families were rushed into the program. Even though the local teams of Cáritas were aware of the social dynamics of the groups, there was scarce time for social interactions or room for fostering the interests of the participants as the construction schedule required eight to ten hours of work per day, six days a week. This reality was also manifested within the Cáritas teams, in the permanent tensions between social workers asking for more time and

resources and the architects speeding up the construction process. Finally, teaming up with other NGOs and strengthening the third sector as a whole was never in the agenda of *Cáritas* (Game C). Connected to conservative groups and considered by other NGOs as adhering to a “rightist ideology”, *Cáritas* has always had an isolated role in the third sector, and this program was no exception.

Summarizing, the Programa Nacional Viviendas Cáritas is an example of successful public-private partnership in affordable housing programs. Notwithstanding the common problems of all affordable housing programs, the Programa Nacional Viviendas Cáritas showed an intelligent institutional design that placed the federal government as the provider of funding and control and the local NGOs as managers and administrator. The analyses provided in this Chapter shows that after the structural reform to the national housing system in 1995 there is still generous space in Argentina for NGOs to serve as brokers in affordable housing endeavors and ample possibilities of achieving good results in the five games proposed in the analytical framework of Section II.1

Table 6-1. Programa Nacional Vivienda Caritas. Evaluation Interviews

City (Houses Built)	Evaluation Date: Year 2006	Interviews and Technical Schedules Collected					
		Benef.	Tech.	Cáritas	Extern.	Total	
Formosa (105)	7,8,9,10	Sept.	21	21	5	6	53
Goya (83)	22,23,24,25	Sept.	18	11	5	4	38
*Puerto Iguazú (100)	7,8,9,10	Oct.	18	17	5	5	45
*La Quiaca (20)	21,22,23,24	Oct.	11	11	6	3	31
Arroyo Seco (34)	4,5,6 y 7	Nov.	14	15	4	3	36
Villa Nueva (36)	16,17,18	Nov.	14	14	5	4	37
<b>TOTAL</b>			<b>96</b>	<b>89</b>	<b>30</b>	<b>25</b>	<b>240</b>

\* Projects reported in this dissertation.

## CHAPTER 7

### CONCLUSIONS AND RECOMMENDATIONS

This dissertation analyzes the role that Non-Governmental Organizations (NGOs) play in affordable housing programs as intermediaries between donors and government on one hand and the poor and their organizations on the other. The central proposition of the investigation is that the design, implementation and analysis of affordable housing programs can benefit from an explicit consideration of the interlocking power games involved in that intermediation. The research design compares three affordable housing programs implemented in the poorest regions of Argentina in different periods from 1973 to 2008, in which NGOs played differing roles (*SEHAS, Mi Casa Mi Vida* and *Cáritas* in Chapters 4, 5 and 6 respectively).

NGOs in Argentina have been at the forefront of the efforts to provide shelter for the poor since the dawn of the nation-state. From the conservative governments of the early 20<sup>th</sup> Century, to the Peronist welfare state of the 1940s, to the bureaucratic authoritarian regimes of the 1960s and 1970s, NGOs have managed to place themselves in a key position as brokers in the provision of affordable housing for low-income families. The flexibility of NGOs to play different roles allows them to complement the roles played by well-established and powerful actors such as the state and private contractors; however, the political nature of such a brokerage role and its long term impact in the social inclusion of the poor remain underexplored.

The bibliography on urban poverty and affordable housing programs in Latin America is mainly produced by human architecture and urban sociology with recent contributions from geography, economics, psychology and environmental studies. The contributions from political science to the topic have been traditionally limited to policy

analysis and to program evaluations, with few exceptional contributions from political theory and from institutional analysis. As a consequence of this narrow scope, the predominant bibliography on affordable housing programs in Argentina remains rather idealistic and ideology-free, overlooking the self interested motivations of the main institutional actors and the relationships of power among them. Furthermore, the bibliography shows a recurrent bias in the selection of cases, usually focusing on a few (small-n) successful experiences to build taxonomies and recommendations based on “best practices”, thus neglecting the lessons that could be learned from the not-so-successful cases.

Using a normative approach anchored in rational choice theory and borrowing conceptual tools from institutional analysis, Chapter 2 of this dissertation proposed an analytical framework to assess the different scenarios and strategies with which NGOs have played their intermediary role in affordable housing programs. The model is composed of five sets of incentives, games, and winning strategies: (Game A) winning a donor or a program, (Game B) representing the poor, (Game C) strengthening the non-profit sector, (Game D) finishing programs on time and on budget, and (Game E) promoting the empowerment and participation of the poor so they can pursue their own social inclusion.

This final chapter offers conclusions and recommendations organized into three sections. The first section draws conclusions on the impact of different contexts and on the different priorities and strategies pursued by the NGOs across the five games proposed in the analytical model. The second section addresses the impact of the structural reform of the housing system of 1995, elaborating on the reaction of NGOs

and their inability to adapt to the new circumstances. Finally, the third section offers suggestions on possible avenues for further research as well as recommendations to consider in the design and implementation of affordable housing programs.

### **Contexts, Priorities and Strategies of NGOs Across Five Games**

The presence of NGOs in the history of affordable housing programs in Argentina has had variable strength and has adopted different forms. The socialist unions of the late 19<sup>th</sup> century were the most innovative actors at the time, not only carrying out large low income housing projects for workers and immigrants but also leading the public discourse on housing rights and pushing Congress to pass the first national legislation on the matter in 1915 (Chapter 3). A similar leading role was played by the *Union de Organizaciones de Base por los Derechos Sociales - UOBDS*, a network of NGOs, grassroots organizations and other popular groups that was at the forefront of the most innovative experience in state-civil society articulation in the Province of Cordoba from 1993 to 1999 (Chapter 4). At other times, however, NGOs have followed the lead of governments, either being in charge of the implementation of programs (as in the case of *Cáritas* in Chapter 6), or taking a passive role as minor partners in housing programs carried out by centralized and paternalistic governments, as shown in the case of *Mi Casa Mi Vida* in Chapter 5. Finally, NGOs have also developed autonomous long-term housing projects completely isolated from the immediate political and economic context with limited impact outside the benefited community (as in the case of *SEHAS* in Chapter 4).

It is difficult to capture such a myriad of roles and strategies with a single theory. The theory that describes NGOs as subsidiary actors taking on what is left behind by the state (Weisbrod 1988, Frumkin 2002) holds water but it is insufficient to explain the

active protagonism displayed by some NGOs. On the other hand, the prevailing discourse of the Latin American non-profit sector describing NGOs as purely altruistic organizations driven exclusively by their mission to help the poor (HIC 1987, 2005) fails to capture the self interested motivations that underlie their long term strategies and that also permeate their daily routines. The evidence presented in this dissertation suggests that these seemingly opposing views can be complemented with an understanding of NGOs as independent stakeholders in the housing system, as autonomous and proactive institutions with natural survival instincts and a drive for expansion, that not only take what is left over by governments but also display creativity to find new sources of funding, new niches of work or new routes to fulfill their altruistic missions.

As discussed above, NGOs can be characterized as the most flexible actors in the affordable housing system, the ones that can buffer the relationships between international donors, governments, private contractors, grassroots organizations and beneficiaries, can replace some of these actors' functions if necessary (*Cáritas* took the place of the state and local governments - Chapter 6), but can also take the initiative and lead their concurrent collaboration (as done by *SEHAS* in the case of *Cooperativa 20 de Junio* - Chapter 4). The rest of this section illustrates this versatility by analyzing the strategies with which the NGOs under review played the five games developed in the analytical framework of Chapter 2 and comparing the results across the cases.

Survival and expansion are primary goals for NGOs, as is the case with any other institution. Game A describes NGOs' efforts to gain resources (funds, grants, loans) from donors or to be part of governmental housing programs, two of the principal sources of funding for organizations of the non-profit sector (other sources are

fundraising campaigns, the selling of services and, less common in Argentina, receiving donations from individuals).

Argentine NGOs hunt for resources everywhere. While it is true that some NGOs define sources from which they should not accept money (most commonly from certain types of private companies or from specific countries), the majority of the NGOs in Argentina would take contributions from nearly any source. Examples are aplenty; for a long period of time the leftist *SEHAS* (Chapter 4) functioned with grants from European agencies of bilateral cooperation maintaining an unwritten policy of not accepting funds from the United States, but in 1992 received a grant from the Kellogg Foundation and in 1996 one from the Ford Foundation. Most of the NGOs and grassroots organizations that joined the government of the Province of Cordoba in the *Program Mi Casa Mi Vida* had no previous experience with international sources of funding but received their houses through a governmental program financed by an Inter American Development Bank loan of nearly US \$95 million dollars (Chapter 5). Even though it was neither part of its objectives, nor its area of expertise, *Cáritas* agreed to lead a vast housing program of nearly U\$S 20 million dollars financed by the federal government with general revenues (Chapter 6).

How do NGOs search for and get these sources of funding? The most common way is submitting projects to international and governmental calls for projects, a routine to which NGOs devote considerable amount of time. However, the most effective strategy, at least in Argentina, is to lobby the right decision maker at the right time. Knowing the way into the intricate policy communities and issue networks in Buenos Aires (the Argentine sub-government equivalent of the Washington's policy communities

described by Heclo 1978, Jordan 1990 and Marsh 1998), is a valuable asset for NGOs professionals. The case of *Cáritas* is a telling example of successfully lobbying decision makers at the *Ministerio de Planificación Federal, Inversión Pública y Servicios* (the Department of Public Works at the Federal Government). Lobbying is not only the winning strategy at the domestic level but also at the international level; advocacy networks for the promotion of human rights in the Americas have proven to be heavily influenced by the personal contacts among its members (Sikkink 1993, Keck and Sikkink 1999), something the founders of *SEHAS* knew in the 1970s when they forged personal contacts with German and Dutch benefactors.

Finally, persistent lobbying must encounter a “window of opportunity” in order to effectively nail down a grant or a program (King 1984). The window of opportunity for the *Cáritas* Program opened in 2004 when President Nestor Kirchner, who had been confronting the church for almost two years, opened a channel of dialogue in order to build support for the 2005 legislative elections; consequently, the combination of relentless lobbying and political momentum resulted in the largest NGO-managed housing program in the history of Argentina (Chapter 6). The window of opportunity for the Program *Mi Casa Mi Vida* was even more unexpected: a flood of unprecedented magnitude that was used by the skilful governor De La Sota as a justification for applying the funds of an international loan to the construction of low income houses (Chapter 5).

Representing the interests of the poor (Game B) is the very reason for the existence of NGOs. Their public discourses, represented by their mission statements, are defined by the goal of helping others, something that is true about all the NGOs

studied in this dissertation (see Chapter 2). As a consequence of this vicarious existence, NGOs find themselves struggling to combine their publicly stated altruistic goals with the self-interested motivations of their institutions and of their members who have rational individual expectations of attaining material and non-material rewards (professional careers, salary, prestige, self-fulfillment, etc.).

Notwithstanding the contradiction between their altruistic public discourse, their institutional needs and the natural egoism of their professionals, several characteristics make NGOs the most suitable type of organization to represent the interests of the poor. NGOs are usually small organizations located in the community, close to the poor and to their needs. In affordable housing programs, they offer the poor a combination of political representation, technical advice and specialized training whose impacts are meant to last beyond the mere construction of houses (for instance, the three cases under analysis explicitly allocated resources to training beneficiaries in some kind of practical or organizational skill). NGOs are versatile organizations that can devote time and resources to gain the trust of the poor and to the development of interpersonal relationships between their professionals and the community; they approach the poor with an honest predisposition to listen, unlike other institutions such as the government or the religious organizations that usually talk, preach or issue orders to the weak. Poor people respond to this respectful approach by entrusting NGOs to speak and act for them, thus generating tacit or sometimes written agreements from which NGOs derive their most important asset: the legitimacy of representing the poor.

The ensemble between the open approach of NGOs and the legitimacy derived from the disadvantageous position of the poor is translated by the NGOs into practical

recipes for action: *SEHAS* has developed a unique methodology to support the creation and strengthening of poor people's organizations (See the "active protagonism methodology" in Chapter 4), while *Cáritas* included Catholic social doctrine in some of its workshops, though it was careful in not selecting beneficiaries of the program based on religious criteria (Chapter 6). On the contrary, the Program *Mi Casa Mi Vida* delivered the final houses to the selected beneficiaries without any consideration for their voices and will. Evaluation conducted soon after the families moved in were highly positive (95% of the interviewees were "satisfied" or "very satisfied" with the houses they received), though social workers and sociologists found a low sense of ownership on the part of the families and distrust among neighbors, downsides that could represent potential problems in the future but can only be assessed in the long run (Chapter 5). In these ways, different messages are conveyed to the neglected masses and spaces of participation are opened to channel demands that otherwise would be left unattended, increasing the risk of marginalization and causing social unrest.

However, there is a more controversial side to the representative function of NGOs. The fact that a complex and diverse poor population is represented by NGOs helps donors and governments, granting them access to people that otherwise would be inaccessible. NGOs must be cautious about this power of representation because representation not only runs from the poor to the society but also runs in the opposite direction, attracting politicians in search of votes, private companies in search of land to develop, and other sorts of opportunistic entrepreneurs willing to take advantage of the

underprivileged position of the poor (Gans 1972, Olsen 1996)<sup>61</sup>. In this sense, NGOs walk a tight rope between representing the interests of the poor and representing the interests of foreign governments, dishonest politicians or private corporations which, with one hand grant help to the NGOs, and with the other hand create unfair laws, unequal terms of trade and many other forms of neocolonialism<sup>62</sup>.

For better or for worse, at least in the realm of affordable housing programs, the very existence of NGOs depends on their ability to act as a liaison between the public sector and the private sector on one hand and the poor people and their organizations on the other.

Strengthening the non-profit sector as a whole is not a priority for most of the NGOs under examination in this dissertation (Game C). Only *SEHAS* dedicated considerable energy and resources to the building of networks and associations of NGOs. On one occasion this initiative resulted in the creation of a large Union with great impact at the provincial level (see *UOBDS* in Chapter 4) but most of the time these secondary organizations had limited scope and impact, as in the case of the *Red Encuentro de Entidades no Gubernamentales para el Desarrollo*<sup>63</sup> for Argentina and the *Asociacion Latinoamericana de Organizaciones para la Promocion del Desarrollo* –

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<sup>61</sup> See Herbert Gans (1972) for the fifteen ways in which the non-poor are benefited by the plight of the poor and Olsen (1996) for the idea that poverty is purposefully produced by a handful of perpetrators with the silent complicity of the vast majority of the population who benefits indirectly from the poor.

<sup>62</sup> The purchase of Aerolineas Argentinas (the national flagship airline) by the Spanish company Iberia illustrates this Janus-faced game of helping the poor with one hand but reproducing poverty with the other. Iberia bought Aerolineas Argentinas in 1990. After 11 years of mismanagement and corruption Iberia sold the company to a private enterprise (Marsans) that further downsized the company reducing its personnel to 15% and its fleet from 43 planes to 7 in a corrupt maneuver that was not sanctioned by the Spanish government. At the same time, the Spanish Agency for Cooperation for International Development -which is entirely funded by general revenues collected from companies like Iberia and Marsans- was very active in sending grants and donations to Argentine NGOs.

<sup>63</sup> The *Red Encuentro de Entidades no Gubernamentales para el Desarrollo* is an argentine organization composed of twenty-nine non-governmental organizations from all over the country dedicated to the promotion of social justice. The *Red Encuentro* is online at <http://www.encuentrodeongs.org.ar/>

*ALOP*<sup>64</sup> for Latin America. The other organizations studied in this investigation, *Cáritas* (Chapter 6) and the NGOs and grassroots organizations that participated in the Program *Mi Casa Mi Vida* (Chapter 5), made no efforts to contribute to the consolidation of the non-profit sector, demonstrating that free-riding on the efforts of others is the winning strategy in this game.

The lack of cooperation among NGOs in the affordable housing sector and the weakness of their existing national associations are not without consequences. When in 1995 neoliberal President Carlos Menem introduced a structural reform of the housing system that severely hindered the chances of the poor to aspire to homeownership, the traditional NGOs that had been working with the popular sectors for more than thirty years were incapable of articulating a strong opposition of national scale and were rapidly displaced by new social movements such as the *Piqueteros* and the *Federacion Tierra y Vivienda* (See more about this displacement of the traditional NGOs in Chapter 5).

All the NGOs studied in this dissertation have proven their ability to carry on construction projects on time and on budget, being no less efficient than private contractors (Game D). In this sense, being a non-profit has its advantages and disadvantages at the construction site; on the positive side NGOs do not charge overheads like private contractors do, and do not have to maintain large bureaucracies as do governments. They have also proven to reduce corruption and mismanagement costs, especially in the case of self-built projects in which a close relationship with the families is needed. On the negative side, NGOs are small organizations with no

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<sup>64</sup> The Asociación Latinoamericana de Organizaciones para la Promoción del Desarrollo – *ALOP* is an association of more than fifty NGOs with presence in twenty Latin American countries. *ALOP* is online at <http://www.alop.or.cr/>

financial independence and therefore have limited impact on the big picture of the national housing deficit (the majority of the projects led by NGOs are of small scale, less than 200 houses, see Chapter 1). When they first appeared in the public housing arena in the 1970s, NGOs were criticized because their lack of resources and non-profit status was thought to be a factor that discouraged the participation of the most competitive professionals, something that changed throughout the 1990s as well-trained young professionals increasingly sought careers in the nonprofit sector, even when NGOs did not offer the best salaries in the market.

One problem identified at the construction site in all the cases is the ever-lasting conflict in affordable housing programs between goals related to the building of the houses and goals related to the social promotion of the benefited families. On one side of the conflict are the architects, engineers and accountants using a result-oriented logic that struggles to efficiently allocate limited time and budget, while on the other side are social workers and other non-technical professionals adopting a process-oriented logic that prioritizes long term sociological considerations. This perennial conflict is not only alive but has worsened, at least in Argentina, when the market oriented structural reform of the national housing system in 1995 reduced the room for social considerations in favor of the return to the paternalistic scheme of non-participatory “public housing”<sup>65</sup>.

This trade-off between construction goals and social goals was solved differently in each of the cases under study. The projects of *Cooperativa 20 de Junio* and

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<sup>65</sup> See Chapter 3 for a detailed explanation of the “public housing scheme” and its prevalence in the 1960s and 1970s welfare states in Latin America. Under this scheme the federal state hires private contractors to build ready-to-move-in small units to be delivered in a paternalistic and clientelistic fashion to the families in need.

*Cooperativa El Progreso* supported by SEHAS (Chapter 4) gave high priority to the empowerment of the poor, to people's long term processes of appropriation and to the step by step consolidation of their own grassroots institutions, sacrificing time and budget efficiency on the way (110 houses were built over sixteen years). On the other hand, *Cáritas* (Chapter 6) was more pragmatic, allotting limited time and resources to "social goals" and tailoring all the activities of the project to the tight schedule of construction elaborated by the architects, building 2,500 houses in four years. Finally, the Program *Mi Casa Mi Vida* in Chapter 5 opted for discarding the self-built scheme altogether and contracting the building of the houses to private companies, completing 9,000 houses in less than six years. Which strategy is the best depends on one's understanding about the role that citizen participation plays in affordable housing programs, a topic that is treated in detail in the following section.

Promoting the social inclusion of the marginalized poor (Game D) is a priority in most contemporary affordable housing programs ever since the Vancouver Conference of 1976 and the Limuru Declaration of 1987 established the idea that the habitat is a socially constructed reality that can only achieve long term sustainability if it is built upon the active participation of people (See Chapter 3 for the impacts of these international fora in Latin America). However, different interpretations exist as to what is the proper role of affordable housing programs in constructing the habitat, in promoting the social inclusion of the poor and, conversely, the role of the poor in those affordable housing programs.

The cornerstone of SEHAS' approach to social inclusion was the understanding of self-built housing projects as long term processes composed of several steps in which

individuals acknowledged themselves as subjects with rights, then recognized the community as part of their collective identities, and engaged in a progressive creation of formal institutions that were meant to last beyond the immediate building of the houses. The glue that consolidated this long-lasting process was the “active protagonism” of the poor in the decisions that affected their own lives, supported by the technical services provided by SEHAS (See Chapter 4 for details on the “active protagonism” methodology of social intervention). SEHAS’s piecemeal participatory approach has proven to be more effective in terms of collective identity formation and social inclusion than other approaches. Even though internal conflicts in the group of ninety families persisted (over the distribution of the houses or the incorporation of newcomers) the *Cooperativa 20 de Junio* achieved several communitarian goals that went beyond the mere construction of the houses, like the creation of a small healthcare unit, the provision of training courses for its members and, most importantly, the creation of a workforce unit that offered labor services in the construction sector, thus providing jobs for more than thirty of its members. However, the success of this case was not easy to replicate; by 2002 SEHAS was providing technical assistance to nineteen similar groups, none of which achieved the strength and the sustainability of the *Cooperative 20 de Junio*. Few of these groups were able to purchase the land for their housing projects by the time that a large public housing program launched by the Government of the Province of Cordoba resulted in the demobilization of the groups and the dissolution of those projects.

Provincial governments in Argentina hold a different understanding of the role that affordable housing programs have in the social inclusion of the marginalized and on the

role that people can play in those programs. Situated in a different position than NGOs, these governments face different constraints and manage different resources; on the one hand they are responsible for the entire poor population of the province and they face elections every two years, while on the other hand they command considerable decision making power and large resources.

As a result of this combination of constraints and possibilities, the government of the Province of Cordoba launched in 2002 a massive low-income housing program whose distinctive characteristic was its unprecedented scale, providing in less than six years ready-to-move-in houses to about one fourth of *Cordobese* families in need (See Chapter 5). The logic behind the program *Mi Casa Mi Vida* was that providing a decent house was a priority for families living in extreme poverty, and that owning a home and moving into a decent neighborhood with access to public services could have a series of cascade effects that would improve the self-esteem, the social relationships and the employability of the beneficiaries. The program was possible due to a combination of a random event, a wise political maneuver by the government, and the disarticulation of several ongoing smaller housing projects. When these events opened a window of opportunity, the governor launched the massive program in a short period of time, knowingly assigning little resources and efforts to the social goals; after all, 9,000 families left the shantytowns and now own a house thanks to this program. The program also taught an important lesson to all the actors of the affordable housing game: when poor people and their grassroots organizations found themselves in a position to choose between receiving ready-to-move-in houses from the government or continuing with long-term, self-built projects with the NGOs, they rationally opted for the former,

securing homeownership, turning their back to years of process-oriented work and leaving the NGOs without their traditional constituencies.

Somewhere in between the process-oriented approach of *SEHAS* and the result-oriented approach of the government lies the *Programa National Viviendas Cáritas* (Chapter 6). The program provided a large grant of federal funds to *Cáritas* (the social service agency of the Roman Catholic Church and one of the oldest and most prestigious NGOs in Argentina) which managed several small self-built housing projects all over the country benefiting more than 2,500 families. Enjoying a well-established position of prestige and managing an unusual amount of federal money, *Cáritas* built the houses on time and on budget allotting modest resources to social goals but working closely with the beneficiaries in parishes where the housing projects were located. An interesting characteristic of *Cáritas*' strategy was that the majority of the projects were placed in small cities, where social networks are dense and the presence of considerable social capital ameliorate the complexity of big cities' urban problems. The results of *Cáritas*' intermediate approach to social inclusion can be located in between the qualitative success of *SEHAS* in attaining social goals (Chapter 4) and the quantitative impact of the governmental program *Mi Casa Mi Vida* (Chapter 5).

The ability to provide long term support to empower the poor and to improve their chances of social inclusion seems to be inversely correlated to the size of the projects. *SEHAS* provided long term support and promoted institutional strengthening for 110 families, *Cáritas* used a pragmatic approach and allotted limited resources for social goals but served 2,500 families, while the Program *Mi Casa Mi Vida* left no room for participation of the beneficiaries but built almost 9,000 houses. In any case, the

example of Cáritas shows that an intermediate approach to affordable housing is possible, one that makes room and assigns resources to social goals without sacrificing efficiency at the construction site, a topic that is assessed in the following section.

The following table summarizes this section by comparing the different priorities and strategies with which the NGOs under review played each of the five games proposed in the analytical framework.

The diversity observed in Table 7-1 demonstrates the distinctive flexibility of NGOs to adapt to diverse circumstances by playing versatile roles according to different strategies. If anything, it is this versatility that distinguishes NGOs from other actors in the affordable housing game; as stated at the beginning of this section, NGOs can buffer the relationships between other actors, can replace some of them if necessary or can start and lead their own projects. This versatility was tested in 1995 when a structural reform of the national housing system brought radical changes to the contexts of affordable housing programs and to the balance of power among its main actors.

### **The Structural Reform of the National Housing System in 1995**

The structural reform of the national housing system in 1995 represents a turning point that changed the context of affordable housing programs in Argentina and the balance of power among its main actors (international donors, federal and state governments, NGOs, grassroots organizations and the beneficiaries) (See Chapter 5 for a detailed account of the characteristics and impacts of the reform).

Since the approval of the first national housing law in 1915 the provision of land, mortgage credits and housing programs were centralized in the federal government that delivered final goods to the poor through large scale housing projects implemented by federal agencies in coordination with the provincial governments. In the mid 1970s a

wave of international conferences proposing the idea of “the social construction of habitat” facilitated the emergence of several local NGOs that used funds from bilateral agencies of international cooperation to create local housing projects encompassing construction objectives (the building of houses and the surrounding infrastructure) with social goals such as the promotion of human rights, the creation of grassroots organizations and the encouragement of civic involvement. From 1975 to 1995 a tacit equilibrium was in place between these two models of low income housing, with the federal government building and financing large scale, ready-to-move-in housing projects all over the country and the NGOs supporting small scale, self-built, comprehensive projects that combined material and social goals at the local level.

The structural reform of 1995 dismantled the federal housing system and decentralized responsibilities and resources to the sub-national level; the locus of affordable housing policymaking was transferred to the provinces. Big provinces like Cordoba (Chapter 5) had the capacity and the experience to take on the new responsibilities but small provinces like Jujuy and Misiones (Chapter 6) had neither. Regardless of their institutional capacities, the majority of the governors in the provinces seized the opportunity and used the new money they received from the federal government to foster political and electoral goals. Governors in Argentina generally exercise firm political control over their territories and are more responsive to the political demands of local mayors and of provincial representatives in their electoral districts than to the unarticulated demands of local NGOs and grassroots organizations<sup>66</sup>.

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<sup>66</sup> Governors across the provinces adopted different positions towards the new affordable housing responsibilities. Apart from the cases of Cordoba (chapter 5) and Jujuy and Misiones (Chapter 6), the

The years after the 1995 reform brought other significant changes to the context of affordable housing programs. The favorable terms of exchange of Argentine primary exports and the revenues obtained from massive privatizations fueled the national economy into a boom, which eased the social unrest of the previous years and facilitated the decentralization of federal functions to the provinces. As a result of this growing economy, international banks and bilateral agencies of cooperation in Europe and the United States removed Argentina from their top priorities in development cooperation, thus cutting a primary source of funding for local NGOs<sup>67</sup>. Finally, as explained above in the analysis of Game B, new social movements appeared on the national scene competing with the traditional NGOs for the representation of the poor. As a result of these factors, the late 1990s and early 2000s were adverse times for NGOs working on affordable housing in Argentina. Table 7-2 summarizes the changes brought about by the 1995 reform to the five games played by the intermediary NGOs.

The analysis of the cases studied in this dissertation show that neither the provincial government of Cordoba nor the traditional NGOs have successfully adapted to the post-reform scenario. The government of the Province of Cordoba (which has the capacity and the resources to do otherwise) adopted a centralized and clientelistic approach, purposefully using the Program *Mi Casa Mi Vida* to demobilize the efforts of NGOs and grassroots organizations. Even though the program delivered almost 9,000 houses in reasonable time and budget, the government downplayed the social components of the program, ignoring the will of the beneficiaries, mandating compulsory

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Province of Catamarca and Salta adopted similar verticalist and clientelistic strategies, while on the other hand, the Governments of Santa Fe and Neuquén were more prone to articulate with the non-profit sector.

<sup>67</sup> 85% of SEHAS' income at the time was funded by international agencies of cooperation.

relocations of families, and creating ghetto-like neighborhoods in isolated areas of the city. On the other hand, neither *SEHAS* nor the grassroots organizations studied in Chapter 4 adapted their structures and practices to the unfavorable post-reform scenario, struggling to maintain their piecemeal approach and long term programs, something that resulted in a steady decline in effectiveness and of poor people's commitment and participation.

What can provincial governments and NGOs do to enhance their performance in the post-1995 reform context? The following section offers conclusions and recommendations to public officials, NGO practitioners and scholars.

### **Further Research and Recommendations**

The first part of this section highlights the contributions that this dissertation has attempted to make to the broad literature in political science and in affordable housing. The second part describes some avenues for future research growing out of the present investigation. The third part of this section provides recommendations for the design, implementation and production of knowledge in affordable housing programs, considering the new scenario produced by the structural reform of the national housing system in 1995 and the new strategies with which NGOs play their intermediary role in affordable housing programs.

### **Intended Contributions to Political Science and Affordable Housing Studies**

Mainstream political science has limited its contributions to affordable housing studies to the analysis of public policies and to the evaluation of specific programs and its results on the field. This dissertation used rational choice theory and institutional analyses to unveil the interlocking power games that underlie the participation of NGOs in affordable housing programs.

The dissertation attempts to make a contribution to the literature in political science by showing that rational choice and institutional analysis can work together, complementing each other to provide novel avenues of research, especially in cases where there are multiple and diverse actors playing simultaneous nested games (Tsebelis 1991).

The outcomes of the different cases also make clear the need for policy articulation, since the most effective results in terms of construction effectiveness and sustainable social inclusion were obtained in the program that presented the most intelligent articulation between international funding, governmental control, NGO-driven implementation and popular participation (Caritas in Chapter 5).

To the field of comparative politics, this dissertation contributes by showing that in some policy arenas the relationships between the federal government and the states can convey more explanatory power than the larger regime type. As described in Chapter 3, the relationship between international donors, state governments and NGOs in Latin America and in Argentina seemed to unfold with a dynamics of its own during the 1970s, the 1980s and the 1990s, receiving minor impacts from the changes of regime type that affected the region during those years. The most radical changes in the scenarios of affordable housing policies occurred in the mid 1940s and in the mid 1990s when different regime types (populist corporatism and neoliberalism respectively) altered the balance of power and the competences between the federal administration and the state governments (the former centralizing, the later decentralizing).

The dissertation has also attempted to contribute to specific literature on urban studies and affordable housing programs by unveiling the institutional and personal

interests of NGOs, by describing them as the most flexible actor in the system, and by arguing that not only do NGOs substitute for the state but they can also substitute for the private sector and grassroots organizations when the poor population is dispersed or has no previous experience in mobilizing resources. An important contribution to NGO practitioners is made by arguing that representing the poor is a complex task and that the mere fact of helping them for long periods of time does not guarantee their loyalty or their effective social inclusion.

### **Following up on this investigation**

The scope and the selection of cases presented in this dissertation were planned based on the availability of one year of funding (October 2005 – July 2006) through an Alumni Fellowship at the Department of Political Science at the University of Florida<sup>68</sup>. Should this investigation have access to more resources in the future, it would be desirable to expand its scope and depth through the following two steps.

First, this dissertation would benefit from adding at least one case study in the Autonomous City of Buenos Aires and one case in the Province of Buenos Aires, since both districts are of primary political and economic importance to the country. The Autonomous City of Buenos Aires is the Argentine equivalent to the District of Columbia in the United States. Not only is it the home of all the federal government agencies but it also has more than 3 million inhabitants in 78.5 square miles, combining the richest neighborhoods in Argentina with pockets of extreme poverty in urban shantytowns that resemble the *favelas* of Sao Paulo. The case of the *Villa 1-11-14* would be a meaningful case to include in future research because it has one of the oldest grassroots political

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<sup>68</sup> See the Acknowledgements at the beginning of this dissertation.

organizations (called *Cuerpo de Delegados*) that has developed since the mid 1980s with the technical support of various NGOs.

The Province of Buenos Aires is the most important political district of Argentina as it has 15 million inhabitants and concentrates one third of the gross national product (US\$107.6 billion estimated for 2006). The case of the *Cooperativa de Consumo y Vivienda Quilmes Ltda* resembles that of the *Cooperativa 20 de Junio* discussed in Chapter 4 of this dissertation. The *Cooperative de Quilmes* was formed by a group of families in the early 1980s, who were supported by the *Universidad Nacional de La Plata* and other NGOs to not only self-build 250 houses but also to develop several experiences of social economy in the construction sector, in a communitarian farm and, most recently, in the recycling of plastic and paper.

The second addition that would strengthen the depth of this investigation would be including the voice of the provincial governments which, after the decentralization implemented with the 1995 reforms, have become the locus of affordable housing policymaking. This could be done in two ways: 1) by comparing the legal frameworks across provinces and the legal agreements signed between governments and NGOs in Jujuy, Misiones and Cordoba; and 2) by interviewing public officials in the provincial housing offices about their views on the roles that nongovernmental organizations and citizen participation had (or should have) in affordable housing programs.

### **Articulation in Affordable Housing Programs**

The dynamics of affordable housing programs in Argentina have grown in complexity to a point in which governmental housing policies, the expectations of the poor, and the brokerage activities of traditional NGOs could only be compatible if the programs are specifically designed to be so. At the same time that extreme poverty

becomes acute and the need for affordable housing becomes more complex, the center of policymaking has been transferred to the provinces, the majority of which have had little experience and no managerial capacities to handle such a responsibility.

The evidence collected in this investigation suggests that neither the provincial governments nor the NGOs have adapted their strategies to the new scenario laid out by the housing reforms of 1995, the former overlooking the importance of citizen participation and the latter trapped in a growing gap between their normative discourses and their survival and winning strategies. For policy articulation to be fruitful, the provincial governments in Argentina must acknowledge the importance of citizen participation and must understand that the social components of affordable housing programs have peculiar dynamics that require explicit provisions in terms of time and resources; designing a housing program based on a construction schedule and then squeezing in social goals can only lead to the neglect of the latter. Governments must also recognize that grassroots organizations enhance the social fabric of their provinces, creating opportunities for the synergistic interaction of individuals and families and opening new spaces for the exercise of citizenship.

For their part, NGOs must adapt their programs to a new scenario in which the availability of grants from bilateral agencies of cooperation is significantly reduced and market constraints require shorter and more efficient social interventions. The relationships between NGOs and grassroots organizations needs to be revised; providing technical assistance to the formation and development of cooperatives has proven to be an effective tool to foster social inclusion in few and peculiar circumstances, but most of the time, poor people are only willing to invest the minimum

amount of time and energy necessary in communitarian participation to receive a house (as any rational actor would do); simpler and less demanding ways of communitarian engagement would offer a realistic opportunity for the poor. Finally, NGOs must also find new sources of funding, possibly charging fees for their services to the poor<sup>69</sup>, selling services in new areas, or exploring the possibilities of establishing alliances with private companies which are increasingly adopting programs of social responsibility.

If programs are specifically designed to articulate the large financial capacity and the short term priorities of governments with the focalized attention to the social inclusion and the closeness to the people provided by NGOs, implementation should follow a similar division of labor, with governments acting as facilitators and NGOs providing the technical support in the field. The following recommendations can consolidate the contributions of each part into the implementation phase the programs.

Affordable housing programs can no longer be multifarious projects aiming simultaneously at construction, environmental, financial, social and institutional objectives; one of the lessons learned from the examples of *Cooperativa El Progreso* (Chapter 4) and the *Programa Nacional Viviendas Cáritas* (Chapter 6) is that self built programs are no longer the best way to promote community involvement. If programs are to combine construction with social goals, they must be planned with an implementation period of at least four years, something that would considerably increase the short term costs but should reduce the long term costs caused by recurring

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<sup>69</sup> The experience of the NGO Terra Nova in Brazil is pioneer in this sense. At the time when all the NGOs of Brazil were delivering free assistance to the poor (as the NGOs in this dissertation do), André Luis Cavalcanti de Albuquerque, the founding father of Terra Nova, offered private consulting agreements to the poor charging reasonable fees to help them find their way to land ownership. Such a simple approach resulted in a large organization that is currently serving more than 30,000 families in six states. Terra Nova is online at <http://www.grupoterranova.com.br/index.php>

marginalization. Also important is to separate the social components into complementary but distinct programs, each of them having their own separate budget and timeline, occurring sequentially instead of simultaneously<sup>70</sup>.

### **The Link between the Production of Knowledge on Affordable Housing Programs**

The production of knowledge about urban poverty and the impact that affordable housing programs can have in the social inclusion of the poor would benefit from adding meso-level perspectives of analysis.

This dissertation used two meso-level perspectives (rational choice and institutional analysis) in an attempt to bring a dose of realism to a bibliography that remains predominantly normative and rather idealistic. Cost-benefits analysis and theories of the formation of political coalitions have the potential to make similar contributions; for instance, analyses of the electoral behavior of beneficiaries of these housing programs are yet to be done, at least in Argentina. Finally, studies on social movements arguing that the participation of the poor has declined with the transitions to democratic regimes (James 1999, Hyatt 2001, Paley 2001) should be complemented with an understanding of the availability of funds for NGOs and the changing dynamics with which those funds are accessed by NGOs.

At the research design level it is desirable to produce a study with a larger number of cases in which NGOs play different roles in similar affordable housing programs. The bibliography has too many small n studies (including this one), in which there are

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<sup>70</sup> There is a sequential order in the implementation of social programs that should be observed. Programs aimed at recovering the self-esteem and resilience of the individual go first. Programs related to the restitution of familiar ties and other interpersonal relations should follow. In the third place, it is the time for the implementation of programs of collective identity and group formation. Finally, once the groups have consolidated common interests, it is the time for the introduction of programs that address specific social issues such as the construction of habitat, the pursuit of gender equality or the development of a social economy.

inevitable biases in the selection of cases. Quantitative analysis of a large number of cases will give universal validity to conclusions that otherwise remain partial and of limited scope. Furthermore, in the selection of cases, it is important to break the mold of the best practices and incorporate atypical and “not-so-successful” cases.

Finally, at the level of data collection, it is desirable to develop indicators of long-term impacts such as environmental sustainability and social inclusion. Both the *Cáritas Program* (Chapter 6) and the *Program Mi Casa Mi Vida* (Chapter 5) were evaluated with public opinion surveys of residential satisfaction which show only one part of the story, especially when collected shortly after the construction of the houses. Even though it should be a commonsensical routine, none of the three cases analyzed in this dissertation had ex-ante measurements to which final results could be compared.

Summarizing, there is a fertile ground in Argentina for the articulation between governments and nongovernmental organizations in the design and implementation of affordable housing programs, which should be considered nothing more than a tool to be inscribed into a comprehensive national strategy for the distribution of wealth. Should this strategy be in place, affordable housing programs can make meaningful contributions to people's social inclusion if they are designed to take advantage of the complementary capacities of governments, the private sector and nongovernmental organizations. This dissertation has attempted to make a contribution to that articulation by analyzing the many ways in which nongovernmental organizations can improve the efficiency of their intermediation between governments and donors on hand and poor people and their organizations on the other.

Table 7-1. NGOs' Priorities and Strategies Across Five Affordable Housing Games.

		Priority Give to Each Game and Strategies Adopted by NGOs			Winning Strategy
GAMES		SEHAS	CÁRITAS	MI CASA MI VIDA	
A	Win Donor or Program	Medium. Principled. Aim Bilat Coop	High. Pragmatic.	High. Opportunistic. Oriented IADB	Lobbying
B		High. Active Protagonism of the Poor.	Medium. Limited Participation.	Low. Paternalist and Clientelistic	
C	Expand Nonprofit Sector	High. Ineffective.	Low. Isolated from nonprofit sector.	Negative. Demobilization.	Free-Ride
D	Finish on Time / Budget	Low. Inefficient. 110 houses built in 16 years.	Medium. 2,500 houses built in 4 years.	High. Efficient. 9,000 houses built in 6 years.	Centralized, Non-participatory Management
E	Promote Social Inclusion	High. Empower and Institutional strengthening.	Medium. Little time / resources allocated.	Low. Short term satisfac. Long run problems.	Empowerment and Participation

Table 7-2. Changes Brought in by the Structural Reform of 1995

		PERIOD	
GAMES		1975 – 1995	After the 1995 Reform
A	Win Donor or Program	<ul style="list-style-type: none"> <li>Federal Government at the center of the national housing system.</li> <li>There were few small housing programs in some of the biggest provinces.</li> <li>NGOs mainly funded by bilateral agencies of cooperation.</li> </ul>	<ul style="list-style-type: none"> <li>Federal government and national housing system dismantled and decentralized.</li> <li>Provincial Governments at the center of the national housing system.</li> <li>Bilateral agencies reduced their cooperation to Argentina.</li> </ul>
		<ul style="list-style-type: none"> <li>Direct relationship with the poor and their grassroots organizations.</li> <li>Non-confrontational tactics.</li> <li>NGOs led the non-profit sector.</li> </ul>	<ul style="list-style-type: none"> <li>Grassroots organizations are demobilized or absorbed by the new social movements.</li> <li>Confrontational tactics.</li> <li>New Social Movements lead the non-profit sector.</li> </ul>
C	Expand non-profit Sector	<ul style="list-style-type: none"> <li>Non-profit sector in expansion.</li> <li>Little cooperation among NGOs resulted in weak NGOs' networks and associations.</li> </ul>	<ul style="list-style-type: none"> <li>Non-profit sector shrinking and losing ground.</li> <li>New Social Movements filling in.</li> </ul>
		<ul style="list-style-type: none"> <li>NGOs compete by reducing administrative, corruption and personnel costs.</li> <li>Long term, small-scale, self built process-oriented projects survived in isolation.</li> </ul>	<ul style="list-style-type: none"> <li>Market oriented reforms reduced the competitive advantage of NGOs.</li> <li>Provincial governments hire private contractors and co-opted NGOs into minor supportive roles.</li> </ul>
E	Promote Social Inclusion	<ul style="list-style-type: none"> <li>NGOs foster "social construction of habitat", multifarious projects of social inclusion.</li> <li>The state built and financed large projects delivering final goods. Universal Housing.</li> <li>There was a tacit division of labor between the state and the NGOs.</li> </ul>	<ul style="list-style-type: none"> <li>NGOs adapt to new scenario by diversifying services to the poor. New issues: gender, employment, etc</li> <li>The provinces returned to the old welfare public housing scheme. Focalized policies.</li> <li>Public-nonprofit sector equilibrium broken.</li> </ul>

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He received his bachelor degree as Licenciado en Ciencia Politica at the Universidad Catolica de Cordoba (Argentina) in 1998. After working as staff member in the Local Council and in the House of Representatives of the Province of Cordoba he entered a Masters Program in Political Science at West Virginia University (USA) where in 2002 he received the degree of Master of Arts in Policy Analysis and the Outstanding Master Student Award.

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