



# THE HABITAT COMMITMENT PROJECT

Assessing the Past for a Better Urban Future

## QUALITATIVE SUMMARIES





The work presented in this book is part of a larger research agenda of the Global Urban Futures Project (GUF) at The New School. The research and analysis is a collective effort by students and faculty of the Milano School of International Affairs, Management, and Urban Policy at The New School.

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## QUALITATIVE SUMMARIES

### From Habitat II to Habitat III: An assessment of fulfilled commitments

The Global Urban Futures Project recognizes that the Habitat Commitment Index, or any quantitative assessment, cannot alone fully capture the nuances and complexity of the the political and social environment in which the changes of the past two decades have occurred. Rather than reducing the experiences of uncountable urban lives to numeric indicators, the GUFPP intends for the HCI assessment to be understood in conjunction with the richness and depth of qualitative analysis. The following are summaries of six qualitative assessments of Latin American countries coordinated by the Observatory on Latin America (OLA) at The New School. These summaries are only brief overviews of much more extensive research. For the full papers along with citations, please visit the website: <http://www.observatorylatinamerica.org/>.



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## ARGENTINA

Andrea Catenazzi and Eduardo Reese

In the time between Habitat II and Habitat III, although there have been breaks and continuities in social and urban processes, there has been a consistent, conservative approach shaping housing and urban policies. The extent and persistence of the housing deficit has been traditionally explained as an issue of poverty,<sup>1</sup> not only in Argentina, but generally for all of Latin America. However, explaining the housing problem only as one caused by poverty ignores other factors linked to real estate market dynamics and the role of the state, which together contribute to the persistence of spatial exclusion and inequality.

The exclusionary practices that characterize urban production and the government's complicity through a lack of regulation of such practices constitute two of the main

causes behind the continued existence of high levels of inequality and informality in the country, independent from employment growth rates or the promotion of a more dynamic economy by the government.

Informal settlements have become the only refuge for thousands of households who must trade their basic rights to meet material needs. In this sense, informality and social and territorial inequality are a double trap whose roots are found in the structural causes of the human development issues in the country.

Access to adequate housing is a human right widely acknowledged at a national and municipal level in Argentina. However, the degree of housing services provided by homes are highly related to the particular socio-spatial characteristics of the area where they are located. There is a broad consensus that urban land, and urban land markets, are a key to explaining the causes

of housing informality. Urban land market dynamics have produced cities that are economically unequal, socially exclusive, spatially segregated and environmentally unsustainable.

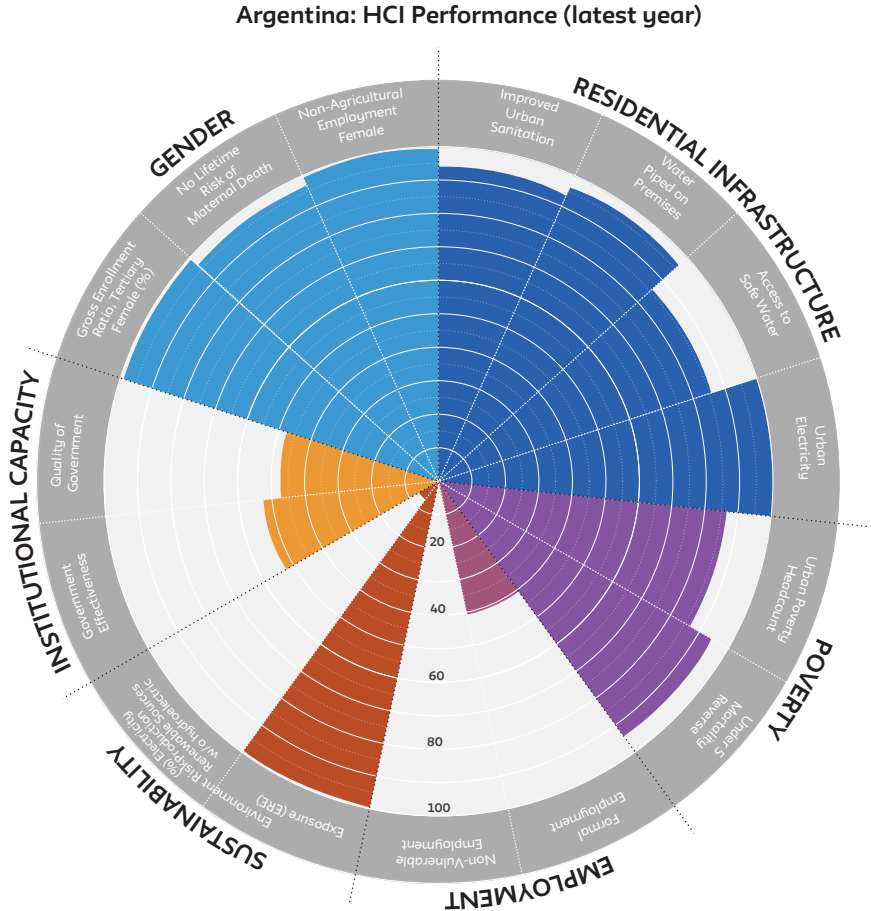
The real estate market in Argentina has become the most profitable niche for financial speculation. This speculation has

resulted in a significant increase in the value of land, appreciating in value at a rate outpacing other commodities and the average income. Because of this, in the past twenty years, access to land ownership and housing through the formal market has become increasingly restrictive for low and middle-income households.

Regarding a centralized management model for housing policy, it is important to consider that housing policy in Argentina – as in the rest of Latin America– is historically restricted to the provision of shelter without further considerations concerning the supply of services, urban planning and environmental policies. As a result, for the past twenty years, housing policies aimed at low-income populations have centered<sup>2</sup> around two lines of action: subsidizing the mass construction of housing complexes and slum upgrading and regularization. Following this scheme, housing policy in Argentina has followed a simple division of labor: the private sector serves market demands, while the state, through various public programs, deals with the population who cannot buy land or build houses near the urban centers due to scarce resources.

The period that we analyze shows that even though there was a mass development of residential complexes and slum regularization programs increased, the housing deficit did not improve, and environmental issues in many cities worsened. Nonetheless, the supportive framework includes management tools and strategies for intervention in real estate markets that have the potential for social redistribution, as they provide the capacity for the state to regulate the urban land and market mechanisms that perpetuate inequalities.

However, the current political situation in Argentina is a darker scenario. Public policies and programs are clearly being



aligned with the interests of the politically and economically powerful, without further consideration of institutional, social and environmental aspects.

The reduction of public policy to the application of market criteria in the past six months presents a new political scenario in which profit-seeking is put before the well-being of the population, to the detriment of the participatory rights of civil society. In this sense, significant contradictions arise between the current government's attitudes towards urban and housing policies and any international agenda or objective aimed at achieving equality and sustainability, like the ones resulting from the Habitat II and Habitat III agendas, as well as the Sustainable Development Goals for 2030.

<sup>1</sup> This is explained through the variables of informality, labor precariousness, low wages and a weak social capital among the poor share of the population.

<sup>2</sup> In a similar way to the entire Latin American region, regardless the particularities of every country.

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## BRAZIL

Edesio Fernandes

Unlike other parts of the developing world, the urbanization process in Latin America, and in Brazil, was long consolidated by the time Habitat II took place in 1996. Additionally, there is a strong tradition of urban research in the region, and relatively reliable data on all sorts of

urbanization-related aspects have been systematically produced and revisited by several governmental, academic, and non-governmental agencies and institutions in most countries. In particular, a wide range of urban indicators has been provided and updated by regular national censuses. The lack of proper governmental action, though, and especially the lack of urban policy, planning, and financial resources for investment in urban areas, has long been considered to be one of the main reasons for the enormous stock of urban, social, and environmental problems existing in Latin American cities.

However, perhaps more so than in other Latin American countries with the possible exception of Colombia, in Brazil the last two decades following Habitat II were marked by a number of significant attempts at the federal and municipal levels to address the urban, social, and environmental problems derived from rapid urbanization and inadequate governmental action. Directly or indirectly, totally or partly, deliberately or coincidentally, such attempts were in keeping with most Habitat II directives. Very significant progress has been made towards the creation of a legal framework to govern urban development processes nationally, especially with the enactment of the 2001 City Statute and the installation, in 2003, of both the Ministry of Cities and the National Council of Cities. Throughout the post-Habitat II 1996-2016 period, several efforts were made at the federal level to achieve a balance, albeit an elusive one, among institutional reform,

legal change, and governmental action. Enormous financial investments were made by the federal government in urban areas through a number of groundbreaking national programs. It is important to stress that all such governmental efforts were always fueled by several, very dynamic, sociopolitical mobilization processes taking place all over the country.

However, the promising progress has been undermined by the tensions in the country's politico-institutional system, renewed disputes within civil society, as well as the ongoing political crisis motivated by the orchestrated claim for the President's impeachment. Also, from the perspective of the urban reform agenda, the last 15 years or so have been particularly more difficult, and there has been a gradual, notable backlash at all governmental levels insofar as the articulated processes of urban development, policy, planning, and management are concerned.

I would argue that the enormous public investment in cities made by the Brazilian government especially since 2003 – said to be the largest in the history of Latin America – has been significantly jeopardized, if not partly wasted, by the lack of a clearly defined and integrated conceptual framework, and corresponding institutional context, governing the overall treatment of the “urban question” in the country. It is fair to say that the nature of governmental action at all levels throughout most of this post-Habitat II period worsened the pattern of urbanization in the country even further,



that is: a perverse pattern of combined sociospatial segregation, environmental degradation, economic inefficiency, fiscal crisis, administrative irrationality, social insecurity, as well as rampant land and housing informality. As a conclusion, it will be argued that, if the post-Habitat II period has been marked by many ups and downs in Brazil, advances and backlashes, euphoria

and depression, the current mood is one of uncertainty. Ultimately, the future of cities – social justice or big business, collective creations of commodities – will depend on Brazilian people’s capacity to redefine and expand sociopolitical mobilization so as to influence the decision-making processes at all governmental levels.

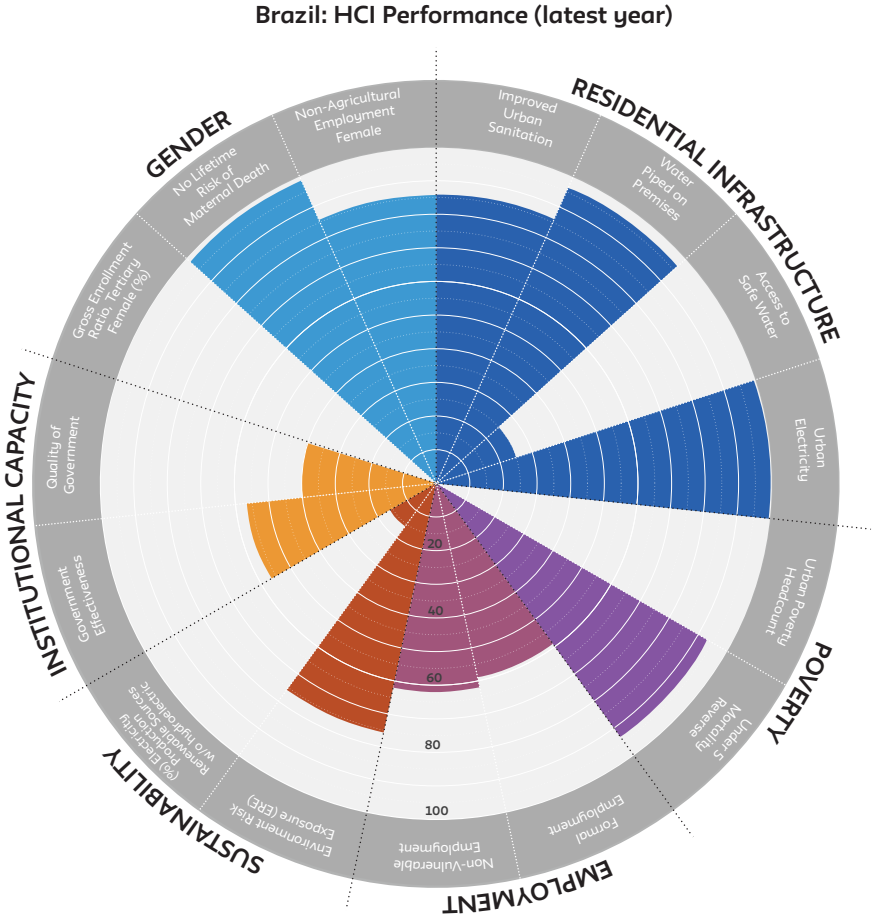
CHILE

Alfredo Rodríguez and Paula Rodríguez

Between Habitat II and Habitat III, Chile has tripled its per capita income, levels of urban and rural poverty have decreased, more than a 1.5 million units of social housing have been developed, and the provision of urban services and infrastructure (potable water, sewage, electric power) has grown to cover almost the entire of the country. However, the Habitat II commitments, such as the development of adequate housing, sustainable human settlements, and gender equity, have not been fulfilled.

This is partially explained by the fact that the commitments endorsed during the Second United Nations Conference on Human Settlements were based on a set of universal rights and goals and did not address pre-existing plans of action and specific mechanisms at a country-level. Some of these existing mechanisms –in which such universal rights are underpinned– were the coordination between the public and private sectors, the strengthening of markets, financing of housing and urban infrastructure, and the focus of public policy. What has instead happened is that the instruments mentioned above strengthened an urbanization process that is not sustainable in social, economic and environmental terms.

Urban poverty eradication and higher levels of income per capita have occurred in a



context where income is concentrated in a small portion of the population. Today, 1% of the higher-income population participates in 30.5% of the income generation activities in the country. As a result, the debate should focus on the following aspects: unequal distribution of income, which requires the development of new indicators as the current ones do not provide the capacity to measure the inequality gap; and the feminization of poverty, as the poorest households are still those headed by single mothers.

The period between Habitat II and Habitat III marked the rise and decline of a social housing development policy in Chile. At the beginning of the nineties, in reports published by the government before Habitat II, the country reported a deficit of 970,467 residential units, equivalent to 29.5% of all homes in the country. The most recent official report, called “Chile to Habitat III”, states that currently the housing deficit is at 1,707,237 units, which corresponds to 34% of all homes.

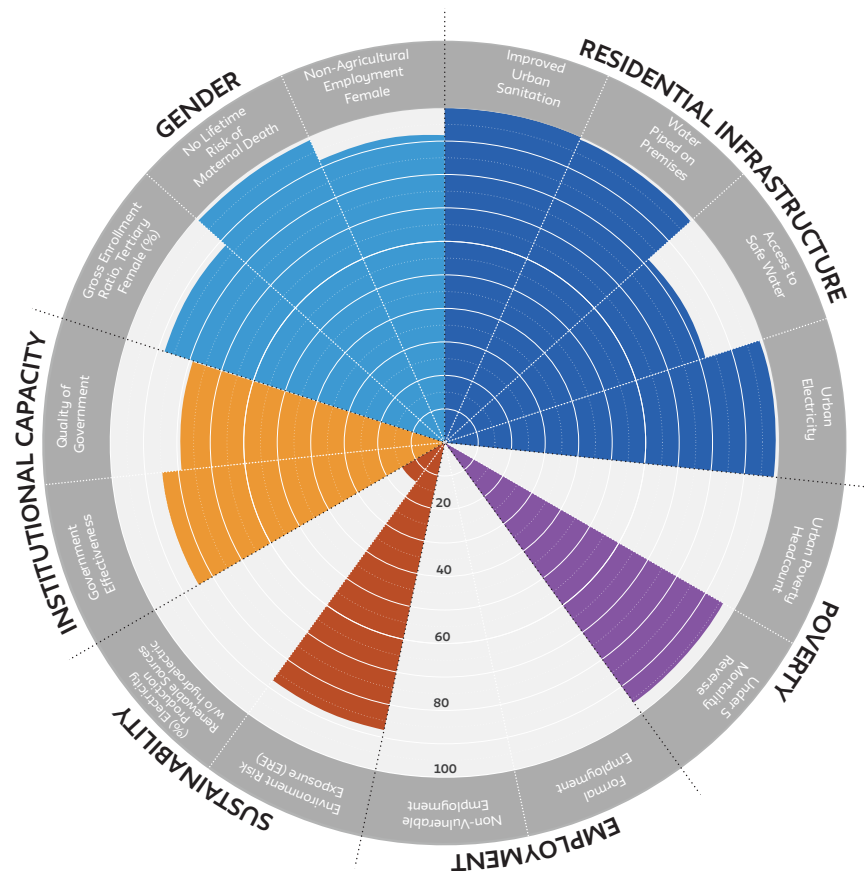
The dwelling units and subsidized housing complexes developed in the period above are the result of the collaboration between the public and private sectors. During these past twenty years, the private initiative consolidated a strong construction and real-estate sector that has almost entirely excluded the public sector from participating in urban development. This is framed in a process of city expansion driven by the market and changes in property values. Some of these changes are changes in zoning ordinance and densification of

high and middle-income areas, extension strategies towards lower-density areas connected by highways designed for high and middle-income populations, and pushing lower-class populations towards the peripheries of cities.

As construction activities spread throughout cities and the possibilities for business

are exhausted in a particular area, such activities will continue spreading to new areas in search for new profit. We live in an era of mercantilization and the financialization of housing and the city. The spatial consequences of such processes are a stronger concentration of infrastructure development in areas where higher-class people reside, offering better incentives for

Chile: HCI Performance (latest year)



the construction sector—a self-reinforcing tendency, as other high-income households seeking to raise their living standards will demand housing and services in these areas.

In the 2000's, the effectiveness of urban policies started to be questioned. The critique of the model of subsidized housing, dating from the 1980's, gained public attention. Civic protests, particularly from mortgage holders, were evidence that public programs for low-income and subsidized housing had created a new problem: los con techo (Spanish: Those with Roofs, as opposed to Los Sin Techos, those without roofs, or homeless) . This meant that housing issues, not only those of the homeless, were emerging due to diverse housing stresses faced by the people living in the dwelling units developed under public programs. These stresses included the lack of protection against eviction, accessibility and affordability issues, adequate size of units, and location, to mention a few.

Starting in 2006, the government has acknowledged some of the problems related to housing, developing larger and better-quality social housing by starting a program for social improvement that currently covers 500 neighborhoods, and tearing down entire housing complexes that were built in the 1990's to build better ones. Despite these advances concerning housing issues, the critique of the prevailing model in Chile has grown in the past five years, influenced by the failure of the educational and energy models.

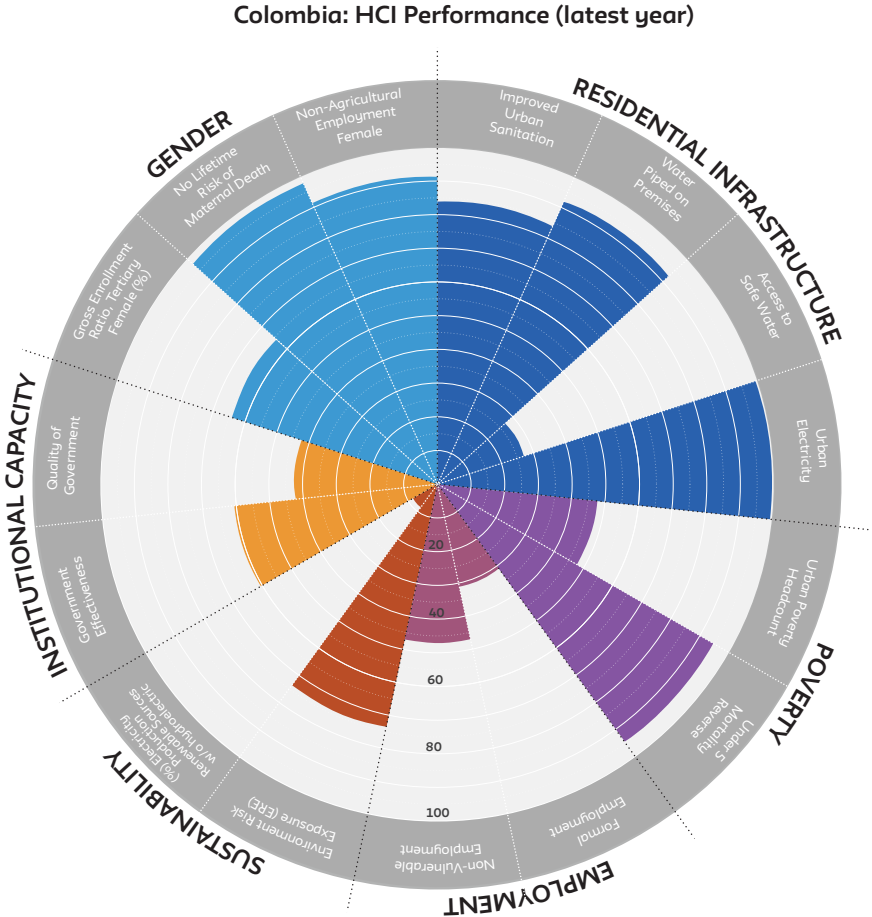
# COLOMBIA

Jorge Enrique Torres

This qualitative evaluation of Colombia's progress towards meeting the commitments of Habitat II focuses on six main topics: national urban policy and governance;

sustainability and environmental management; housing and urban infrastructure; productivity and urban economy; urban poverty, intra-urban inequality and social exclusion; and finally, urban form.

Around 76% of Colombia's population of 47.8 million people are based in the





municipal centers that make up the urban perimeters of various municipalities. The urbanization process in Colombia has been significantly affected by forced displacement of population from rural areas into cities, as a result of the internal armed conflict that has been going on for fifty years.

The public institutions and broad normative framework Colombia has developed to support urban policy processes are a model for the region. In particular, the territorial development plans for the municipalities and departments, and urban management instruments receive particular attention. This normative framework is mediated by a consultation system that includes multiple stakeholders. Nonetheless, this system has not encouraged effective civil participation and involvement in urban policy planning. Instead, most participation is from the private sector, institutional experts, and, to a lesser extent, academics.

An important aspect to consider is the high level of dependency of urban policy on the economic objectives present in the national development plan. One could say that urban policy is conceived based on the potential benefits to the construction industry and housing sector, given their contributions to GDP and employment generation. What this means is that even though the formulation of the urban policy is comprehensive, its implementation is limited to housing programs and, in particular, new housing.

Although residential needs are diverse and complex, housing policy is focused on

one program and two management tools: the construction of new houses, mortgage loans, and promoting household savings, showing how the management of the sector is shaped by market dynamics. This model is known by its Spanish acronym ABC (meaning Savings, Bonds, and Credit). Home ownership is privileged over other forms of residential occupation like rental properties, and community-based models of housing production and organization such as cooperatives and self-management have been ignored.

While economic growth in the past decade has contributed to a reduction of unemployment, which dropped to single digits in 2014 and is currently at 10%, 50% of employment is generated by informal activities. The economic performance has been characterized by deindustrialization, stagnation of the agricultural sector, and a growth of the service and mining industries—the latter representing a significant environmental risk and the potential for conflict among communities.

Regarding urban form in Colombian cities, modern high-density cities coexist with poor and informal cities of lower density. The latter are, however, becoming denser as a result of the progressive development of housing infrastructure that was originally focused on single-family homes. The market, more than zoning regulations, is what determines the guidelines for urban growth, with a problematic aspect evident in an unregulated process of suburbanization.

In Colombia, the government's fulfillment of the Habitat II commitments has been incomplete, as the report concludes. The most relevant outstanding commitments are related, among other issues, to the reformulation of the concept of adequate housing in housing policies, as well as prioritizing sustainable development principles and climate change in the urban policy arena. Similarly, public policies should be focused on overcoming spatial segregation, poverty, inequality, social exclusion and promoting competitive cities and regions.

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## ECUADOR

Fernando Carrión and Alexa Velasco

During the period between Habitat II and Habitat III, Ecuador has experienced three essential moments that have shaped our current context:

- a. The economic crisis at the beginning of the twenty-first century that resulted in a process of dollarization, high levels of emigration and a significant increase in income from remittances.
- b. The return of government participation and regulation began in 2007, in opposition to the neoliberal model at the time and the political instability it was causing. The country saw nine presidents in the 1996-2006 ten-year period.
- c. The end of a political cycle as a result of a commodities—particularly oil—crisis, the decline of Chinese demand, and the

appreciation of the US dollar.

The urbanization process in Ecuador has been marked by an intense polarization between the two largest cities, Quito and Guayaquil, and the medium and smaller cities. That aspect that has not changed in the last twenty years, even though the urbanization rates decreased during the mid-nineties.

The rural-urban migration rate also began to drop, while international migration numbers, emigration in particular, grew drastically. As a result, remittances became the second largest source of funds to the national economy, introducing new consumption patterns at the municipal level in areas such as technology, housing, and services.

A process of decentralization began with the Constitution of 1998 and was reinforced in 2008. Since then it has not been altered, and a structure based on two central cities two central—Quito and Guayaquil—prevails. During this twenty year period, cities in Ecuador have seen changes coming from new migration patterns and flows (as emigration numbers increased), economic crises (the dollarization and the external sector crisis), and the reform of the state due to privatization.

Housing issues also emerge from sectoral policies. Around 2.8 million people in Ecuador (18% of the total population) are living in slums even though the percentage of unserved dwelling units went from 70% in 1990 to 45% in 2010. Rural areas are even more precarious than cities, although

those levels have also improved, going from 73% in 1990 to 29% in 2010. In 1990, 32% of the households in the country suffered from inadequate housing; however, that decreased to 17% in 2010 as well. Access to primary services has increased from 32% to 49% for the same period.

During the nineties, housing and urban

policies were transformed as a result of going from a closed and state-regulated economy to a neoliberal market economy. With this change, the state stopped being the leading real-estate developer and lender and was substituted by private initiatives, which developed new institutions in the capital and credit markets, enabling the capacity of the sector to absorb household

Ecuador: HCI Performance (latest year)



savings. It was after the emergence of citizen's protests that the government took back its regulatory role, once again becoming a subsidizer and lender. This recovered role of the state is reflected in the creation of the Bank of the Ecuadorian Institute for Social Security (BIESS) and the Bank of the Pacific, a legacy of the 2000 crisis.

Two important moments took place in this last twenty years regarding policymaking: one occurred as the result of the need to resolve the housing supply deficit— the *los sin techo* (homeless) issue— through slum regularization, development of plots with services, promotion of self-development and investment. These policies were implemented by the Ministry of Urban Development and Housing and the National Council for Housing in charge of developing the master plan. However, later on, such issues were relegated to market dynamics. For example, social claims were directed to the private sphere instead of the public one ; and housing developed far from the metropolitan area, creating new peripheries in the form of private complexes and gated communities with private services, as the Bicentennial City of Quito demonstrates.

In concluding, official documents do not make reference to the Habitat II commitments. The reviewed twenty-year period should not be understood in chronological terms, but in terms of historical, political and economic circumstances have had more weight than any international commitment. Instability

has been constant. The dollar regulates the economy, and the citizen's revolution does the same for politics. The current question is if they will survive the current crisis. The adoption of a “New Urban Agenda” means that it must be clear what the significance of the former Habitat Agenda was, and in the case of Ecuador, it does not seem to be clear what the difference will be in going from the Habitat II to the Habitat III agendas. The starting point back then was not clear, and today, that point of departure seems worse.

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## MEXICO

Alicia Ziccardi

Between the Habitat II and Habitat III conferences, despite the intense processes of urbanization, there has been a progressive decline of the Federal Government's institutional capacity to regulate urban development in Mexico.

Even with the recent creation of the Ministry of Agrarian, Territorial and Urban Development (SEDATU), the institution has not broken the political tendencies that have persisted since the year 2000. Instead, what prevails is a housing policy based on financial principles that lead to a territorial expansion of cities. At a municipal level, where governments hold significant ability to administer territorial planning and apply zoning regulations in addition to being responsible for the provision of essential services, fiscal capacity has grown

stronger in the past decades. However, that same growth did not occur regarding its institutional capacity and the use of human, technical and administrative resources. On the other hand, citizen participation in the government's decision-making process – in this case in city-related issues— was explicitly and legally acknowledged.

In the past decades, the housing stock has grown exponentially, and the physical and construction characteristics of houses have improved as well as access to public services. Still, significant asymmetries in living conditions and surrounding environment are observed among regions, the worst concentrating in the south of the country.

Policies have favored real estate developers who built large residential complexes in the peripheries of cities, earning high profits from their use of cheap, non-urbanized land. The result was the expansion of the peripheries, the conversion of environmental conservation lands, a still unresolved demand for basic services, and an alarming number of uninhabited houses (almost 5 million)—much housing was created, but very little city. As a result, in the last 20 years, the population with the lowest income has not been able to meet its housing needs through the formal land market, resorting instead to informal markets.

The majority of the employment generated in the past two decades has been low quality, not offering welfare benefits and paying low wages. Even though Mexican



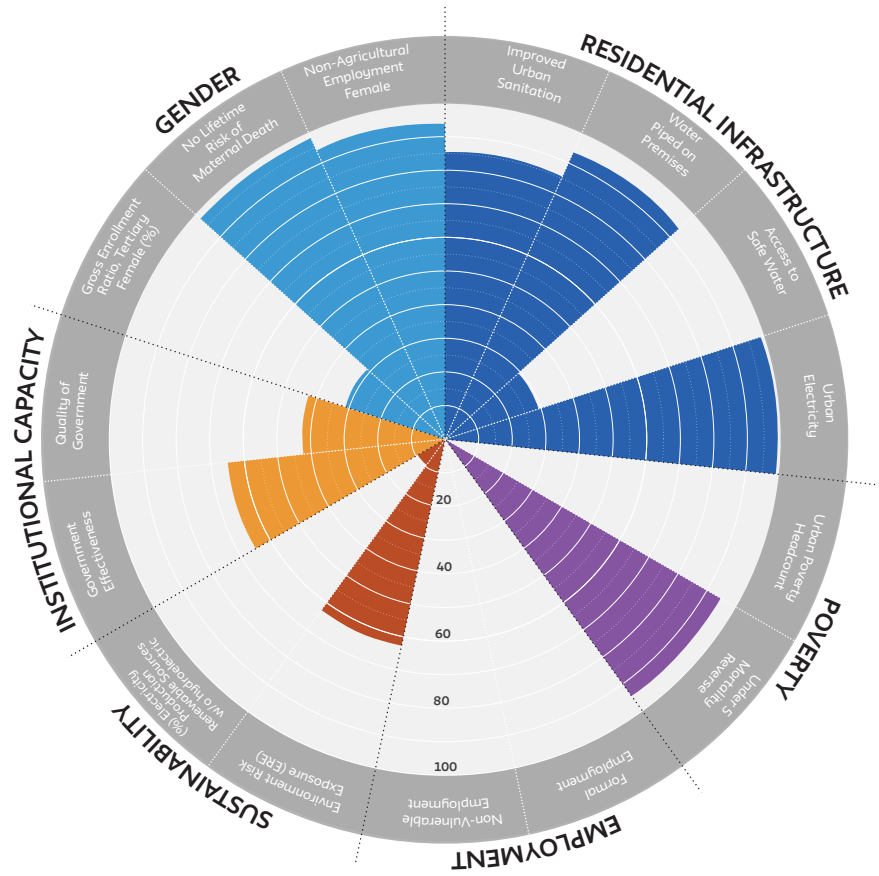
workers have longer working hours and higher productivity, the minimum wage in Mexico is one of the lowest in Latin America. Urban unemployment has increased, more highly among men, with a current trend toward increases among groups with the highest levels of education, and between ages 14-29.

The way the country has expanded its urban structure towards the furthest peripheries represents one of the major obstacles to increasing the competitiveness of individual cities as observed in Mexico City. This issue is mostly caused by prolonged travel times and a fragmented governance that hinders the provision of a minimal and adequate infrastructure and does not favor social and economic activities.

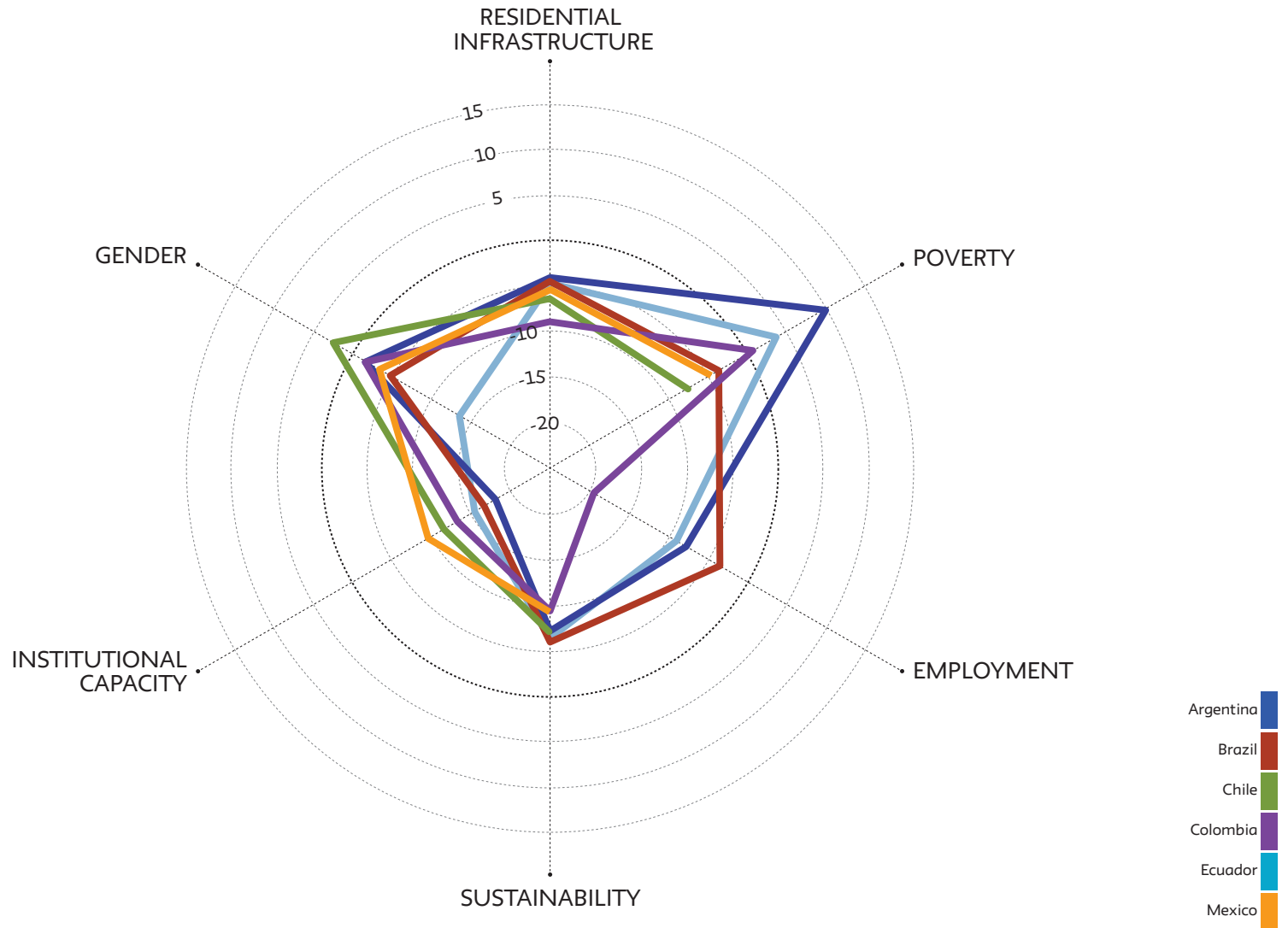
This transformation in the morphology of the major cities towards a new model of a multi-centric, dispersed, and low-density city does not correspond to the growth rate of the population. A study done by the Secretariat of Social Development (SEDESOL) in 2012 indicates that between 1980 and 2010, the urban population doubled and urban areas grew an average of ten times.

Large urban projects have been used to revive central areas and historic downtowns. However, as opposed to what is seen in other Latin American cities, the surplus value that results from the densification and production of high-rise buildings, or the revival of deteriorated urban spaces, is not redistributed to other city areas with greater poverty and infrastructural needs.

Mexico: HCI Performance (latest year)



## HCI Change for Dimensions 1996-2014 in the six Qualitative Case Studies



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