

HOMES ABOVE ALL

Homelessness and the Misallocation of Global Resources

A Handbook of Readings prepared by the Building and Social Housing Foundation to mark the International Year of Shelter for the Homeless.

It is not disputed that a gross misallocation of the world's resources exists today. The lack of decent and adequate shelter for the majority of humankind is a major consequence of this misallocation.

The Building and Social Housing Foundation, in its desire to bring about change in this situation, has invited world leaders and others renowned for their expertise and independent thought to contribute to this Handbook and to concentrate their thinking on the crucial subject of the misallocation and mismanagement of global resources. Contributors include:

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These contributors, drawn as they are from the widest and highest echelons of experience and perspective, provide analysis of the current situation and positive guidance for future action, that is quite unprecedented.

There can be no more appropriate time for publication of this Handbook than 1987, designated by the United Nations as the International Year of Shelter for the Homeless.

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The entire proceeds from the sale of this handbook, will, in co-operation with the Society for Promotion of Area Resource Centres, Byculla, Bombay, be used to help the pavement dwellers of Bombay to help themselves.

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**THE BUILDING and SOCIAL
HOUSING FOUNDATION**

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Fundação Cuidar o Futuro



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The Right to Shelter and the Interdependence of Public Policies The Portuguese Case

Maria de Lourdes Pintasilgo



Housing Situation

1. Population

The lack of houses and social facilities — schools, nurseries, health centres etc. — is an astounding fact of present-day life in Portugal. There is a shortage of houses. The conditions of the existing houses are bad. Housing expenditure weighs too heavily in the family budget. All these facts have serious consequences for the human, social and economic conditions of the population. Since they deeply affect the welfare of the population, they are a constraint on the country's development.

Moreover, in spite of the basic political changes which have occurred in Portugal in the last thirteen years, the housing situation hasn't improved at all in the last decades. The magnitude of the needs and the likely implications are reaching a dangerous threshold, without parallel in other European countries.

The population's evolution in Portugal has suffered some drastic changes. Between 1960 and 1970 there was a population decline due, to a great extent to the emigration process, linked with the colonial war. In the following decade there was a sharp increase in population, as more than 700,000 people came into Portugal from the former colonies. This led to a population increase of 15.2% in this decade, a rate only preceded in Europe by that of Ireland. According to the Eurostat projections, the Portuguese population increase for the period 1980-2000 will remain one of the highest (14.7%) leading to a population of 11,500 million by the end of the century.

Obviously such a pattern has direct implications for the housing situation. If, by now, the problems are already large, they may become appalling in a few years.

The secondary and tertiary activities are concentrated in the two great metropolis (Lisbon and Porto) and in the coastal fringe up to a distance of 30km inland.

The urbanised coastal fringe exercises a great attraction to people living in the interior rural areas. The stagnation of economic and social life in such areas appears to be the main factor causing the exodus from

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the rural to the more urban areas.

This concentrated "urbanization" of the population has an effect on the housing problems in a variety of ways;

- there is a bad utilization of the existing houses;
- there is an increase in the demand for houses in the main cities along the coast;
- there is too much pressure on the demand for building land in zones which are already highly developed, thus leading to land speculation and spiralling prices.

2. The conditions and figures of housing

According to the last census (1981) the total number of houses was 3,240,000 dwelling units for a total of 2,803,000 families. These figures might give the impression that there is a surplus of houses. That is not so. Included in the number of units are those houses which are below decent standards (e.g. slums), second homes and vacant dwellings. Thus, the mere quantitative analysis leaves aside the manifold qualitative aspects of the housing problem. We will try to characterize some of those problems.

— Slums and similar

Their number increased 33% between 1970 and 1981. In absolute terms it is a small number, but more than 41,000 families live in such houses. (This is a controversial point. Some analysts consider that there is no adequate indicator for the number of families living in the very diversified forms of slum-housing).

The greatest concentration of slum-houses is in the Lisbon area. Porto has also a very concentrated type of slums called the "islands", unnoticeable from the streets, small cubicles inside courtyards. In the last decades, even in the last years, slum-housing has developed in the peripheral zones of other cities, sometimes in prosperous regions like Viseu and Aveiro. (Such cities include Setubal, Leiria, Faro, Beja and Braganca).

Between 1970 and 1981 the number of slum-houses has increased by more than 200% in 3 cities and by more than 100% in 5 others.

— Delapidation of existing houses

The delapidation of houses is very extensive. More than 400,000 houses (13% of the whole) need urgent works of restoration and improvement in order to provide acceptable living conditions.

Houses are old and uncomfortable, with more than 697,000 (22% of the whole) having been built more than 60 years ago. Many thousands of buildings have gone beyond their technical lifespan.

(When compared with other European countries, Portugal has

invested 3% — 4% of the housing budget in restoration while countries like France and Italy have invested 30% — 40%. In the medium-term this will lead to an aggravation of the housing problem in Portugal).

— Multi-occupation

Another striking situation is the phenomenon of "multi-occupation" or house sharing. In 1981 there were in Portugal around 198,000 families (7.1%) sharing houses. This is particularly noticeable in the urban areas — 20.6% of all the families in urban areas (representing 16.2% of the urban population) live in such conditions and, among them, 16% live with 2 or more other families.

One consequence of such a type of housing is that the people/area ratio is very low. Not only is privacy jeopardized but the situation tends to lead to one of promiscuity.

— Overcrowded houses

In 1981 the number of families living in houses too small for them amounted to 538,000 (19.2% of all the families). Most experts stress that such over-occupation is not predominantly due to the number of persons in the family but to the small size of the house.

— Irrational utilization of the existing houses

In sharp contrast with the above-mentioned figures, there are many houses in Portugal which are not used. According to the 1981 census the following can be identified:

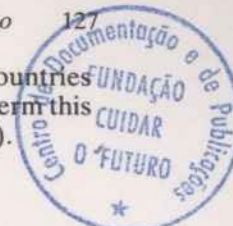
— unoccupied houses	182,000 (5.6%)
— seasonal occupied houses	178,000 (5.5%)
— houses whose inhabitant is absent for more than 1 year	226,000 (7%)

This means that only 82% of the houses are regularly occupied. Even areas of great housing shortage have large proportions of unoccupied houses. Such is the case in Lisbon (7%) and Porto (8%).

The factors which generate such an irrational situation are, among others:

- houses are built by the emigrants in the rural areas and kept "waiting" for their return;
- houses in tourist areas;
- legislation which, until 1985, stimulated housing-absenteeism.

Together with the unoccupied houses, there are also *under-occupied ones*. Moreover, the number of under-occupied houses is higher than the number of over-occupied houses. Of all houses, only 2% adequately match the size of family and the number of rooms.



3. A specific phenomenon: the "clandestine" houses

The housing built legally is obviously inadequate to meet the needs of the population. It is predominantly private and speculative; has a scarce production and is geared towards luxury-market, and is thus totally inaccessible to more than 60% of the population.

Parallel to this legal sector, a "clandestine" sector has developed. We call clandestine urbanization the process of selling off parts of rural property; it is done outside the existing legal framework for conversion of agricultural to urban land-use. Those who buy the land build their own houses, without permission from the local authorities.

In the period 1970-81 of the 673,000 houses newly built, 392,000 houses (58.2%) had the necessary authorization, while 281,000 (41.8%) were illegal. If we add to this the houses built in such conditions prior to 1970 we come to a total of 450,000 (illegally built houses) representing 14% of the total housing stock and housing more than 1 million people.

The consequence of this type of housing is disastrous. It has destroyed land of high agricultural value, the natural drainage conditions, trees and the mineral resources. But most of all, it has generated a type of settlement which is deprived of the most fundamental infra-structures: water, drainage, schools, health-care centres, leisure facilities and opportunities. In a nutshell it reveals the irrationality of no-planning and of administrative paralysis.

4. The population affected by the housing situation

In this context, the needs of the country, in merely "static terms" (i.e. without taking into account the demographic growth, the restoration of the houses and the geography mobility — the "dynamic terms") represent a total of 500,000 houses for a population of some 2,800 thousand families. This means that 18% of the Portuguese population doesn't have housing which conforms to minimum living standards.

Though there are very few studies on the population living in the conditions described above, one thing can be said: "homeless" in Portugal covers a great variety of socio-economic groups, outside the more traditional stratification based exclusively on revenue per capita.

The following strata are the ones most deeply affected by the inadequacy of the housing situation:

- families with a total income below 2 minimum wages
- young couples and unemployed people
- populations who migrate from the villages to the towns
- professional people who want to settle in the inland areas (where they are badly needed, namely doctors, teachers, nurses, etc).

It is clear that the shortage of houses and their bad conditions affect both the rural and the urban population, both the low-income groups and

the medium-income young professional groups.

This shows that, in relation to housing, the distinction between poor and not poor is not a decisive one. The poor do have bad housing conditions but the not-poor also, in great numbers, experience bad housing conditions. The situation of the poor is worse due to the cumulative effect of other factors as well.

Structural Weaknesses in the Housing Policies

Analysis of the facts outlined in the first section points to a series of inadequacies in housing policies as the root cause of problems faced by the Portuguese population in the area of housing. We will describe in a rather summarized form, some of those deficiencies. In themselves they indicate already what the needs are, in terms of definition of housing and urban policies.

1. Absence of definition of consistent policies

The main deficiency cries out loud; there has not been in Portugal for many years now any cohesive housing policy in terms of social objectives, of the role to be played by different sources of initiative, of the necessary means — technical, financial, productive and institutional. Instead, there are disconnected measures and programmes reacting to individual and isolated crises and situations, and executed according to institutional and financial constraints.

Even the figures mentioned above cannot be confirmed by sources as there are no adequate studies. Thus the total housing deficit, the actual spatial distribution and the situation according to socio-economic groups cannot be taken as completely accurate. Likewise, we lack in-depth studies concerning life-styles and different forms of utilization of the houses available.

Another important aspect which is missing is knowledge about the productive structure of the "building" sector. The housing programmes that have been designed don't take this into account sufficiently. Very often the inadequacy of programmes and institutional support-systems is so great that expensive last-minute alterations have to be made.

2. Inefficiency of the urban and land policies

Urbanism has been a common pitfall of governmental policies for many years. There is a shortage of infra-structure in that land which is conveniently situated and reasonably priced in these sub-areas, is not developed. Urbanization cannot take place and the measures decided in each sub-sector are not improved. They remain at the level of "wishful thinking" revealing the absence of political will of successive governments.

The traditional structure of capital coupled with the existence of strong social forces, which are geared towards their own benefits, leads to a situation in respect of land use which undermines production and favours the speculative nature of all processes of urbanization. There is also obsolete management of the development process and a clear inefficiency of all policies relating to land and its development. The results are visible:

- the scarceness of urban land makes land prices here incompatible with a steady social policy for housing;
- there is a huge bureaucratization of the legal procedure needed in order to build. This provokes the intervention of huge building enterprises and stimulates the proliferation of illegal selling together with clandestine construction;
- urban planning is continuously trapped by the discretionary powers of the Central Administration;
- legislation concerning compulsory purchase of urban land is ineffective. Moreover when it comes to vital compulsory purchase, the political will withdraws;
- the organizational structures of the building industry are very fragile. The enterprises live more from rent than production.

3. Following a model of maladjusted promotion

Since the beginning of the 1970's the attention of governments, as well as of the financial and building institutions, has been geared towards the big promoters and the huge initiatives (both private and public) in the field of construction.

The experience shows that such a choice is totally inadequate for the entrepreneurial and administrative reality of the country. In fact, that choice is at the heart of the failure of other initiatives, conceived on the basis of the interest of the citizens; as it has been the case even of the public institutes created by the Administration to promote a large scale programme of housing.

Such a system runs contrarily to the potential development of thousands of small and medium sized units of construction which, because of their mobility and flexibility, are able to meet to the still dominant demand, for individual dwellings.

We can even say that the cultural traits and aspirations of most of the population (who want the ownership of house and land) are not taken into account. Their capacity for initiative, labour and saving is not made profitable for themselves or for the country. All these distortions lay at the core of the reason for the failure of any institutional initiative and for the strength of clandestine building.

Let us see how the legal/illegal building is connected with *family income*. 30% of the Portuguese population have insufficient income to

pay any rent. 30% — 40% need support from official sources in order to have access to housing.

In spite of their knowledge of this situation, the authorities didn't promote sufficient housing at low rent (some 2000/year which corresponds to 6%) and didn't stimulate building in a cooperative system or with ceiling-rents (some 3000/year which corresponds to 9% — 10%). Putting these figures side by side it is clear that a great number of families are still marginalized by the legal housing market.

4. Inadequacy of financing system

So far there is no financing policy for the housing and building sectors. The practical financing system which exists has three main features:

- too much dependency on the State budget and the conditions of the loans;
- exaggerated support given to house ownership as more credit is given to those who own something already;
- mismanagement of public resources;

The possibilities of self-financing (through individual savings, cooperative association) have not been mobilized. On the contrary, the excessive support given to those who want to buy a house has led to a speculative rise in house prices, to imbalance of the financial system and to residential "non-mobility", with serious consequences for the country's development.

The studies that have dealt with the financing system show that the current practice has a very limited social repercussion. 60% of all loans, with strong support from the State, have been geared to the families with medium and high income who would be able to manage without such support, while the families of low income are left aside.

The access to loans is conditioned by a family's saving capacity (in its turn conditioned by the level of income) and by the capacity to pay regularly the high interest.

5. The situation in the construction industry

One of the main obstacles to an adequate social housing practice is the productive and entrepreneurial weakness of the construction industry. Its main features are the following:

- dispersion of enterprises of "family" size, suffering from a scale deficiency;
- almost no entrepreneurial or technological organization;
- "intercourse" between the productive sector and the commercial one, leading to speculative tendencies in this field as well;
- lack of technical preparation of the entrepreneurs and no professional training of the workers;

The further description of this sector can be seen from the following data (from 1985):

- total number of enterprises: 24,547
- 87.4% of enterprises employed less than 10 workers
- 7.6% of enterprises employed 10-19 workers
- 2.7% of enterprises employed 20-49 workers
- 2.3% (634) of enterprises employed 50 or more workers.

This is in direct connection with the low technological and organizational level.

Until recently, most enterprises didn't have their own accounts and had no future development programme. They had a low-paid labour force, with lower wages than most industries.

The Right to Shelter — A Human Right and a Test to Humane Government

1. Housing as a human right

From a political point of view it is daily becoming clearer that we cannot go on paying lip-service to the defence of human rights while so many human beings are deprived of the satisfaction of some of their rights as persons. Social, economic and cultural rights are intertwined with civic and political rights. Housing is one of those rights.

We know that human persons prolong themselves in the space around them. think, rest, to create energy in order to communicate better with others, to experience the stability and the continuity of being — these are goals connected with the right of housing which come easily to mind when, in the peaceful atmosphere of our home/office, we think about such a right. But what then about all those who have literally no shelter? No space for themselves? No way of keeping themselves from the cold or from the heat? No place where to perform the most elementary tasks of hygiene? They are deprived of one basic condition for the fulfilment of their human dignity.

A new policy of housing in this year 1987 can no longer be reduced to the mere concept of "building". A new concept of housing/home/lodging is needed. Its context is required by the need to safeguard a decent/peaceful life around the home: no pollution (vicinity of polluting industries or concentration of traffic); social facilities; green spaces; leisure, entertainment and cultural spaces; reduction of noise, etc.

But it is also the home which is at stake: the need for communal activities combined with the need for privacy as a means to evoke creativity/rest/recuperation of every person so that spiritual values may grow and a happy sense of togetherness may be brought in other spheres of life.

Society has to organize itself in such a way as to make the right to shelter a basic need for which we all must care and for whose satisfaction we all must contribute.

2. Housing as a test for humane government

The variety of factors that are at play in the satisfaction of the fundamental right of housing show that public policies are nowadays a test of the capacity to cope with complexity. It is not an easy matter. It requires adequate evaluation of all resources, analysis of all connections and networks, determination to follow a policy through a various and changing demand. It asks for long-term planning, for a strong sense of priorities, for continuous understanding of the interplay between the short and medium-term goals.

This is why housing policy is not only a test of good performance. It is a test of humane government — the guarantee that, through all the complexity of the different sectors that are involved in housing policy, it is the human person that counts.

The State has to provide the legal framework and the Government the programme and the budget necessary to stimulate the conditions which enable all obstacles to be overcome and all the initiatives to be fostered.

The sectors of housing and urbanism reveal that there are human, technical and financial resources needed for the resolution of the greatest needs of the population. To make such resources useful, it is necessary for the government to define without ambiguities a coherent policy in many fields which will be geared towards the satisfaction of the most pressing basic needs. The interplay of planning, management and adjustment to reality is essential in such a policy.

In the Portuguese situation, the policy needed has to be translated into a variety of measures, pertaining to the most diversified realms of public policies. As a response to the needs and distortions we have outlined, some of those measures can be described as follows:

3. Solidarity — the support of human rights and humane governance

To respond to the urgency of a basic human right through a humane government asks for a systematic approach. The autonomous sectors of public and private initiative, the diversified values which exist in society, the different strata of the population — all have to be taken into account. But not in an isolated manner; rather as interdependent elements which act upon each other. All such elements have to be linked as they are linked in the reality of any given society. They have to be approached as part of an organism, of a living system.

At the core of such a system, there is *the human person* — not only as

the ultimate goal of the process of development but also as its subject, agent and focus point. This means that there is no real fulfilment of the basic human right of housing if the individual persons and the family aggregates that they voluntarily form are not involved, and free to choose within the parameters of their own situation.

At least, two main lines can be drawn from such assertion:

- a change of mentality is needed whereby individuals will be encouraged to take their own initiatives and be "rewarded" by doing so (credit to those who are determined to have their own house and can be made accountable for the initiative, local and regional contests for improvements made to the house condition, technical assistance to those who are ready to build with their own hands, etc.);
- in the overall policy concerning housing, the human factor has to be the first to be evaluated so as to allow realistic planning, into which all specific cultural values are integrated.

As there is an intimate correlation between housing and life-styles and as life-styles determine, to a great extent, the capacity for alternative development, the attention given to the human person through housing as a human right will be a decisive factor in the process of development.

In the whole system where housing is at stake, *the social dimension* is the expression, at the level of the whole society, of the primacy given to the human person. The questions of different social groups and their specific needs, the counter-balancing of the assymetric distribution of the population, the organisation of people in neighbourhood communities are part and parcel of such a social dimension.

It is very obvious that such a dimension asks for a wide spectrum of housing solutions, requires broader social solutions than those narrowly defined by "having a house", demands that different age groups and their needs be considered as an expression of respect for the cycle of human life. Some concrete measures can be made explicit as examples:

- change in the *structure of income* is a prerequisite of a sound policy. The percentage of the population with the capacity to buy its home or to pay the rent has to increase. This is the only way for the main economic agent in this field — the family — to acquire a new dynamism and to look for solutions which are legally, technically and socially convenient;
- *accelerated promotion of social housing* understood as housing whose features are defined by the state and whose promotion is directly or indirectly stimulated by the State;
- creation of *mechanisms which will allow for greater housing mobility*, enhancing in all cases greater correlation between the family structure and the dimension of the house;
- evaluation of needs and resources in such a way as *to launch on the market an important part of the houses which are unoccupied* for a long

period because of the high cost or rent, thus giving new possibilities of access to young couples and to families of low income;

It is clear in the specific example of Portugal, mainly through the inadequacies described, that the housing question has one dimension which can be said as *specifically technical*. It refers to the policy concerning land, to the rationalization of the building industry, to the renewal of existing houses and urban policy, taking into account the scattered initiatives already started. Thus the main measures can be exemplified as follows:

- implementation of a *new land policy* through adequate control by the Administration over the process of land use and its change of use;
- *reduction of the costs of construction and of the final prices of building*, while improving the quality of the final product; this can be achieved through the development of flexible systems of promotion, stopping the speculation, intensifying the nationality of the processes and projects, as well as the establishment of standard norms for the materials and components of construction;
- *improvement of the existing houses*, mainly through two basic lines: one, which we share with other countries, is rehabilitation, conservation and better utilization of the existing houses; the other is more specific to the situation we have described, namely the urban reconversion of the areas which have fallen into disrepair;
- creation of conditions for the *entrepreneurial development and technological modernization* of the construction industry.

Throughout the analysis we have made it is clear that the *financial dimension* of the housing problem is a crucial one which demands both structural and conjunctural adjustments. Some of the basic measures to be considered in a situation like the Portuguese one can be exemplified as follows:

- *creation of a system of financing* which will enhance the savings for housing, will guarantee the adequate management of the financial resources used by this sector and will limit its dependence on the State budget and conditions of loan;
- adoption of a *legal system concerning property rental in urban areas*, which will combine the just retribution of capital of those who invested in buildings for social housing and the adequate level of rent for the families according to their income;
- *new balance between the owner occupied and rented markets*

Finally, there is a *political dimension* to which we have referred unceasingly in this brief outline of the main problems Portugal is facing in coping with the demands of housing as a human right. Its elements can be summed up:

- replacement of the current "policy of construction" by a real *housing policy* which can only occur if the systematic approach is coupled with



- a strong and active participation of the people;
- intensification of *regional development and political and administrative decentralization* are basic conditions. They can provide a more rational use of the houses available, lessening of pressures over prices in the urban areas and greater capacity for rental of local resources;
- *flexibility and decentralization of the process of promotion*, allowing the municipalities to take in hand the production of social housing, stimulating the cooperative spirit and giving shape to all reasonable measures capable to support individual and family initiative.

All these dimensions and the inter-disciplinary measures we may envisage will succeed in their implementation if the whole housing policy will be sustained by *solidarity* as an attitude shaping all political decisions.

Solidarity is taken here not only as an intention but as an active ingredient necessary to analyse the actual situation, to estimate the needs of the population, to stimulate a concerted action among all sectors who have a role to play, to support all private and public initiatives which may have impact in the improvement of the housing conditions.

Because of its very nature, the housing question can trigger a totally new attitude of mutual concern and of co-operation which will be the cornerstone of a true solidarity society.

Maria de Lourdes Pintasilgo notes that the following persons have been most helpful in the preparation of this contribution:—

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Misallocation of Resources

The Rt. Hon. J. Enoch Powell