

Three hypotheses analyzing limited predominance of slum upgrading policy

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Latin America has been regarded as the breeding ground of the “urban informality” concept, literature, and policy implementation (AlSayyad, 2004). Despite growing planning efforts and market contributions, urban informality is a predominant feature in Latin American urbanization. Either measured economically -by share of firms or employment- or spatially -by housing supply or built-area-, it is consistently above 50%. This indicates that it is indeed a predominant, majoritarian phenomenon. Today, urban informality is normal (OECD, 2009), and will continue to be so for some time.

The relevance and predominance of urban informality (slums -in short-) has deserved it a policy subsystem of its own. In 1975 UN General Assembly established UN Habitat, and today we see an active policy arena where local communities network globally and are able to participate in decision-making instances together with international finance institutions and leading knowledge management brokers. Even though this would seem like a healthy policy environment, local slum upgrading programs are marginal and national policies are scarce. Furthermore, policy responses do not match the scale of this “problem”.

What explains the limited predominance of slum upgrading policies in spite of the prevalence of urban informality? With a particular emphasis on Colombia, this paper presents three different hypotheses based on alternative theories of social policy. The first hypothesis considers these policies have failed to pass the cost-benefit test. The rationale here is that slum upgrading is simply too expensive. It is generally assumed that the costs of regularizing an informal settlement ex-post are higher than providing services to plots ex-ante. It is frequently mentioned that scaling up successful

cases is difficult, and that projects are expensive not only for city governments for the beneficiaries themselves.

The second hypothesis is centered on the role of coalitions (Sabatier, 2007). The paper explores the fact that the slum upgrading policy subsystem has indeed strong coalitions that are firmly grounded in grassroots movements, tightly networked across cities and countries, and are also connected to international finance organizations. The two most salient global examples are Slum Dwellers International (SDI), and Women in Informal Employment Globalizing and Organizing (WIEGO). But even though these coalitions have functional organizational structures that are lauded in global circles, this has not necessarily made their battles easier on the ground. At the city level, they face a very strong adversary: the growth machine (Logan and Moloch, 1987). The “growth machine” coalition is a covert and yet very powerful bloc of urban actors: business elites, landowners and public officials. They push for expanding the urban development frontier with the mentality that growth is naturally beneficial for everyone. The naturalization of the growth machine rationale supports low cost housing policies that trump slum upgrading efforts. The more attention housing policy gets, the less relevance slum upgrading receives.

The third hypothesis is that there are ideational constraints to policymaking in this policy subfield. This line of thought is illuminated by Pierson’s path dependence theory (Pierson, 2000) and Gilardi’s notion of evidence as being filtered by ideology. The main idea here is that alternatives to and within slum upgrading are ideologically shrunk, that there is a conceptual blockage impairing slum upgrading’s theoretical development.

The concluding section extracts practical implications for future policy action from these three hypotheses. Hence, the first conclusion explores the importance of aiming for a “fairer economicism”. Cost benefit analysis must have a wider scope, and be less prejudiced in order to be conducive to slum upgrading policy. Plenty of hidden costs are transferred to the poor and must be accounted for. Traditional cost benefit analyses also neglect the value of tight community networks. So, if cost benefit analysis were wider, it would be fairer. At the same time, traditional economicism also fails to be just when it advocates financial inclusion as an all-encompassing solution. The

overemphasis in micro-credit solutions unfairly obligates entrepreneurialism and community participation from the poor. So, a fairer economicism would promote urban informality without preventing and without celebrating it.

The second conclusion explores the usefulness of inter-coalition alliances. Broader spectrum coalitions, exploit the benefits of having non-redundant links between partners and thus are much more efficient. This idea is closely associated with the “strength of weak ties” sociological concept (Granovetter, 1973) and would prioritize and safeguard unusual cross-class alliances, as those between strong grassroots’ groups and powerful developers.

The last conclusion explores the idea that a value-neutral view of informality might be a more productive ideological environment for slum upgrading policy. Neutrality would overcome the deep-seated duality that has haunted the literature on informality since the 1970s. Real neutrality (as opposed to false neutrality (Schram, 2002)) would combat optimism as well as pessimism, and foster a view of informality as normal. When such a view is adopted, policy transforms into a vehicle that accelerates both formalization and informalization movements, and hence is more creative and fruitful.

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