

The Concertación and Homelessness in Chile

Market-based Housing Policies and Limited Popular Participation

by
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Housing has been a persistent problem in Chile. Concertación governments have sought to address the housing problem through a continuation of the neoliberal policies established by the dictatorship under Pinochet, emphasizing housing as commodity rather than a right. A study of housing policies under the Concertación reveals improvements in the quantitative supply with increased spending. Yet these neoliberal housing programs stratify residents into categories of poverty in which the poorest residents compete against one another to access subsidies and find housing. These programs prevent citizens from acting collectively to demand policy changes; instead housing is treated as a problem of poor families who must seek to resolve their situation on the individual level by enrolling in subsidy programs. As a result, the unequal distribution of housing in Chile continues, and the poor end up in low-quality housing in economically segregated neighborhoods far from jobs and services.

Keywords: *Squatters, Concertación, Housing policy, Popular participation, Chile*

The massive earthquake and tsunami that occurred on February 27, 2010, less than two weeks prior to the end of the Bachelet presidency, displaced an estimated 1.5 million people, damaged or destroyed more than 350,000 residences, and placed housing at the forefront of the social issues facing incoming President Sebastián Piñera. However, a housing deficit linked to poverty has long confronted Chilean governments of all political orientations. The succession of Concertación governments between 1990 and 2009 sought to address the housing deficit through a continuation of the neoliberal policies established by the dictatorship under Pinochet. These policies emphasized home ownership with an understanding of housing as a commodity as opposed to a social right (Posner, 2008: 143). They relied primarily upon providing subsidies to improve people's opportunities in the housing market. This market-based approach proved unable to meet the needs of the poorest homeless, and even for those who received housing the process involved long wait times and frequently resulted in poor-quality housing in undesirable locations.

Prior to the dictatorship, the *pobladores* (the popular sectors) tended to view their problems and their struggle as a collective social and political issue. This

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study demonstrates that the Concertación's policies perpetuated Pinochet's approach to housing as an individual or family issue. They channeled citizens into competing for private individual (or small-group) solutions through non-confrontational participation in bureaucratized and technocratic processes and discouraged higher-level solidarity among the homeless that might have produced more political and collective forms of organization and protest. Although the last Concertación coalition, under the administration of Michelle Bachelet (2006–2010), promised to increase citizen involvement through more “bottom-up” participation (Navia, 2008; Siavelis, 2007), the housing programs developed under her administration were essentially based on the same market principles used by previous Concertación governments and yielded only limited, individualistic forms of citizen involvement. In this way the Concertación's housing programs created a model of social protection without challenging the existing private-sector focus and Chile's persistent housing and income inequality.

The research for this study consisted primarily of 25 in-depth interviews conducted in Santiago in 2000 with key government housing officials from the Ministerio de Vivienda y Urbanismo (Ministry of Housing and Urban Affairs—MINVU) and the Chile Barrio program, party representatives working on housing issues, and nongovernmental organization (NGO) leaders working in the communities.¹ I also observed six meetings among squatter communities, NGOs, and government officials on the neighborhood, municipal, and city levels and six informal meetings in the neighborhoods. Information about Bachelet's policies was obtained from the extensive online archives of the Chilean government, the Corporación SUR de Estudios Sociales y Educación, and the Observatorio de Vivienda y Ciudad.²

HOUSING NEEDS IN CHILE

Homelessness was a major feature of the dramatically increased poverty under Pinochet. The housing deficit increased from around 20 percent of the total housing stock between 1952 and 1970, the year of Allende's election, to 35 percent in 1988 (Table 1). However, despite a considerable reduction in poverty due to the Concertación's welfare policies (Díaz, 2009; Duarte and Gallano, 2008; Palma and Urzúa, 2005), the housing deficit and housing poverty remained a persistent problem throughout the Concertación era. When the first Concertación president, Patricio Aylwin, took office in 1990, 21 percent of the population was affected by the housing deficit, a percentage that dropped to 13 percent by 2003 during the Lagos administration (Ruprah and Marcano, 2007: 8). The sharpest decrease occurred under Lagos (2000–2006) and Bachelet, when the number of homes needed fell from 1.2 million in 2002 to 805,000 in 2009—a deficit that affected an estimated 2.7 million Chileans.³

During the Bachelet era the government started to pay special attention to the qualitative as well as the quantitative housing deficit. In 2009, the quantitative deficit was estimated at 354,000; this MINVU estimate rose to 805,000 when the substandard housing especially prevalent among low-income residents was taken into consideration (Table 2). MINVU found that 16.3 percent of the quantitative housing deficit in 2009 was among the groups that suffered

TABLE 1
Estimated Housing Deficit in Chile, 1952–2009

Year	Total Number of Homes	Deficit Estimate ^a	Deficit as Percentage of Total	Source
1952	1,051,075	242,238	23	Silva and Nieto, 1974 (MINVU, 2009: 11)
1970	1,904,761	400,000	21	Silva and Nieto, 1974 (MINVU, 2009: 11)
1988	2,426,145	856,817	35	MINVU, 1989 (Cummings and DiPasquale, 1997: Table 4)
2002	3,899,448	1,221,098	31.3	MINVU (2004: Table 9; 2009: 84)
2009	5,229,720	805,796	15.4	(MINVU projections)

a. The methodology for deficit calculations has changed over time, and therefore the figures are not exactly comparable to one another, but they capture the general trend.

TABLE 2
The Housing Deficit in Chile, 2006–2010

	2006	2007	2008	2009	March 2010
Quantitative deficit (new housing needed)	412,349	388,374	364,241	354,014	544,363
Qualitative deficit (housing in need of repair or improvements)	594,904	570,339	531,077	451,782	631,475
Total	1,007,253	958,713	895,318	805,796	1,175,838

Source: MINVU (2010).

higher rates of poverty, such as people with disabilities, senior citizens, indigenous people, female-headed households, and children (MINVU, 2010). For example, among those in need of housing, female-headed households were, on average, 31 percent poorer than the average household (MINVU, 2004: 83). There were also more young families and vulnerable families among the homeless than there were in the rest of the population. The sharp increase to a deficit of 1.17 million in March 2010 reflected the consequences of the earthquake and tsunami. In short, millions of Chileans have been affected by housing poverty and housing shortages, and, despite improvements under the Concertación, millions still face uncertainty.

The largest group of the homeless in Chile is the *allegados*, people who seek a temporary solution to their problem by living in the homes of friends and family or building additional rooms in their backyards. Their numbers had increased sharply during the dictatorship, and in 1992, of the 1.3 million homes in Santiago, 588,033—45 percent—had *allegados* (MIDEPLAN, 1995). According to a MINVU report based on the most recent census in 2002, nationally the number of houses with *allegados* was 803,251 (MINVU, 2004: Table 9). By 2002, in Santiago, the number of homes with *allegados* had decreased to 205,331 (MINVU, 2004: Table 24), but the housing deficit was still 244,000 and nationally there was a need for over half a million new houses (MINVU, 2004: 90). A smaller group in need of housing, numbering more than 90,000 families or 445,000 individuals, is the squatters who settle and build their homes on land that does not belong to them (Instituto de la Vivienda, 1996). Squatter housing has been reduced to less than 1 percent of total housing in Chile and makes up around 7.5 percent of the housing deficit.

HOUSING POLICY UNDER THE CONCERTACIÓN

Housing policies under the Concertación were a continuation of the dictatorship's neoliberal approach, based on subsidies for the purchase of housing in the private market (Olavarría, 2003; Posner, 2008; Urzúa, 2008). Concertación policy did not include rental subsidies, and because of issues of affordability renting remains very uncommon among the poor (Ruprah and Marcano, 2007: 8). Even as housing programs changed, the basic neoliberal foundation of these policies was never altered. This reflected the broad commitment by the Concertación to maintain the neoliberal model imposed under Pinochet, which included increased or complete privatization of social services, from education to pensions. Because of popular opposition to many of these policies, when it assumed power the Concertación coalition was more interested in "governability, stability, and consensus at an elite level than promoting social organization" (Paley, 2001: 103). In other words, the commitment to neoliberalism necessitated a policy of social demobilization. It is important to note that this represented a reversal of the active role that the leftist Concertación parties had played in popular mobilization around housing issues prior to the dictatorship.⁴

Overall, the main change in housing policy from Pinochet to the Concertación was a notable increase in expenditures on housing subsidy programs (Table 3). Under the dictatorship, between 1985 and 1988 the MINVU provided about 50,000 subsidies on average yearly;⁵ this number increased from 61,000 in 1990 to 161,912 in 2009. Total subsidies increased from 8.2 million *unidades de fomento* (UF, a unit expressing the value of housing and real estate in Chile, adjusted daily on the basis of inflation rates) in 1990 to 36 million UF in 2009. The increased spending helped shorten waiting periods for obtaining housing. Before 1998, the average estimated waiting time for citizens registered with a subsidy program was about 15.6 years (Gilbert, 2004). By 1998 it had been reduced to 10 years, and it remained steady thereafter (Dumas, 2007: Table 1).

During the Concertación years, while subsidies increased and waiting periods somewhat decreased, the geographic segregation of rich and poor continued. This spatialization of inequality had been exacerbated by the dictatorship, which forcibly relocated 28,703 squatter families (just under half of the squatter population) in Santiago from affluent areas of town where land developers wanted to construct high-cost housing on squatter-occupied land (Labbe and Llevenes, 1986). This disrupted social support networks for the displaced squatters, who found it more expensive to live and more difficult to find jobs, get medical attention, and access public transportation (Aldunate, Morales, and Rojas, 1987). Under the Concertación, the poor continued to live in areas far from services, jobs, and amenities. The overall financial welfare of the poor recipients of the housing subsidies failed to improve as a result of these programs (see Ruprah and Marcano, 2007, for a detailed assessment). Thus, while there have been some overall improvements in numbers, long waiting lists, residential segregation, and poverty continue to trouble millions of Chileans in need of housing and even after they receive it. The following sections present a more detailed discussion of specific housing policies as they evolved during the Concertación period. This analysis demonstrates their continuity with the

TABLE 3
Subsidies Provided under MINVU Programs, 1990–2009

Program Year	SERVIU-Provided ^b Housing			Progressive Housing			FSV I ^b			FSV II ^c			Total ^d	
	Units	UF ^e	Units	UF ^e	Units	UF ^e	Units	UF ^e	Units	UF ^e	Units	UF ^e	Units	UF ^e
1990	15,899	3,208,815	0	0	0	0	0	0	0	0	0	0	61,581	8,244,911
1991	24,975	5,218,626	6,167	702,197	0	0	0	0	0	0	0	0	72,883	10,629,411
1992	22,314	4,679,317	8,750	1,047,975	0	0	0	0	0	0	0	0	82,605	11,263,448
1993	22,331	4,885,940	5,687	813,743	0	0	0	0	0	0	0	0	77,512	11,006,128
1994	24,908	5,768,537	4,665	640,547	0	0	0	0	0	0	0	0	81,559	12,238,859
1995	27,550	6,470,370	3,503	493,088	0	0	0	0	0	0	0	0	87,633	13,278,652
1996	25,962	6,216,476	4,207	620,804	0	0	0	0	0	0	0	0	85,432	13,072,283
1997	19,752	5,082,111	2,829	448,482	0	0	0	0	0	0	0	0	72,747	11,274,678
1998	14,449	4,046,919	3,669	568,594	0	0	0	0	0	0	0	0	66,719	10,257,448
1999	21,056	6,114,827	3,459	591,341	0	0	0	0	0	0	0	0	77,350	12,720,172
2000	20,280	5,638,026	2,394	331,412	0	0	0	0	0	0	0	0	71,806	11,933,064
2001	20,069	5,863,978	232	42,820	0	0	0	0	0	0	0	0	71,670	12,029,566
2002	21,929	7,209,701	588	124,982	1,080	284,909	0	0	0	0	0	0	80,409	14,419,330
2003	8,628	3,124,676	60	8,942	6,245	1,689,897	0	0	0	0	0	0	74,322	12,569,500
2004	5,204	1,977,937	0	0	15,459	4,290,027	0	0	0	0	0	0	89,384	15,894,535
2005	1,033	453,145	0	0	25,449	7,230,111	0	0	0	0	0	0	77,939	14,562,997
2006	252	84,546	0	0	32,401	9,436,376	0	0	0	0	0	0	87,562	16,262,609
2007	0	0	0	0	37,266	11,819,655	1,263	366,877	0	0	0	0	103,529	19,803,214
2008	0	0	0	0	40,769	14,802,872	4,331	1,302,177	0	0	0	0	155,172	28,494,013
2009	0	0	0	0	51,394	18,788,584	3,447	1,046,819	0	0	0	0	161,912	36,008,719
Total	296,591	76,043,947	46,210	6,434,927	210,063	68,342,431	9,041	2,715,873	0	0	0	0	1,739,726	295,963,535

Source: MINVU (2010).

a. Servicios de Vivienda y Urbanización (Housing and Urban Development Service), an operational subagency of MINVU.

b. Subsidies from the Fondo Solidario de Vivienda (Solidarity Housing Fund) targeted at the homeless below the poverty line.

c. Subsidies from the Fondo Solidario de Vivienda targeted at the homeless in the second income quintile.

d. Includes all SERVIU-built housing as well as housing subsidies obtained through other programs including the Unified Subsidy Program, Basic Housing obtained through the private sector, Progressive Housing obtained through the private sector, the Worker's Subsidy Program, and many other subsidy programs targeting higher-income groups.

e. *Unidad de fomento* (UF, development unit). In 2010, the average value of 1 UF was about US\$44.

dictatorship's approach and how this approach limited the manner in which poor families could participate in addressing their problems.

CONTINUITY WITH THE DICTATORSHIP'S POLICIES

The justification for the continuation of the neoliberal policies under the Concertación was initially based on the government's tenuous position. When the first Concertación government took over under President Aylwin, it was feared that the land invasions that were common among the poor prior to the dictatorship would reemerge and create instability. According to Joan McDonald, the undersecretary of housing during the Aylwin government (interview, Santiago, October 2000),

Under Aylwin, what we tried to do is to build a lot of houses—to decompress and find a way out of these *allegados*, which is a very complicated problem politically speaking—because we knew that if people went into land invasion, we would have a huge problem with the military and private property rights, but on the other hand if we don't find a way out and if they invade the land and we go to eviction, we are going to have huge problems with the Communist Party. So it was a very important and, in ways, a complicated problem to look at. There were many, many *allegados*. Our first priority was to try to make a political transition. So what we did is, we went to speak to the *allegados*. We said to them, "We are going to work on this, but we don't have a solution for now. Give us time. Let us take two or three years. We are going to work hard to try to find a way."

To prevent autonomous action by the homeless, the expansion of subsidy programs was presented to them as the most viable option for obtaining housing, and receiving these subsidies required enrollment in a MINVU program. During the Aylwin (1990–1994) and Frei (1994–2000) governments, the fundamental elements of the MINVU programs continued as they had under the dictatorship and were carried out through its operational subagency, *Servicios de Vivienda y Urbanización* (Housing and Urban Development Service—SERVIU).

These MINVU programs provided a one-time subsidy and access to mortgages for families with a certain amount of savings that would not otherwise qualify to borrow from private institutions. Among the five subsidy programs run by the MINVU, the largest housing programs for the poor during the Aylwin government were Basic Housing and Progressive Housing, which had begun under Pinochet. The urgency and the level of need required to qualify for subsidies were determined in part using the dictatorship's 1987 poverty measure, the *Ficha de Caracterización Socioeconómica* (Index of Socioeconomic Characterization—*Ficha CAS*), revised in the 1990s, with additional criteria including size of family and level of personal savings. Programs allowed application by both individual families and small groups of families with similar qualifying status who could form a committee of *allegados*⁶ and jointly apply for housing programs. Data published in 2006 reported 4,455 such committees (Civicus, 2006: 27). Because the need for housing exceeded the assistance available, the application process fostered competition among the homeless rather than solidarity beyond the level of the local committee (see Hipsher, 1996: 286). The committees operated as atomistic units rather than as a cohesive

TABLE 4
Change in Access to Mortgages (Percentage) by Provider
and Income Quintile, 1998–2003

	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Percentage of mortgages dispersed by income level 1998	12	19	23	26	20
Change in access 1998–2003					
SERVIU	-6.7	-0.9	-2.1	3.3	6.3
Banco Estado	-1.9	-5.8	-1.1	2.5	6.3
Private financial	-1.1	-3.2	-5.0	-17.9	27.2
Other	-6.9	-6.2	-4.5	-10.5	28.1
Total	-6.1	-6.6	-5.0	-1.1	18.8

Source: Ruprah and Marcano (2007: Table 2).

housing-rights movement that would push for a shift away from a neoliberal housing system to a social housing system.

THE BASIC HOUSING PROGRAM

The dictatorship's Basic Housing program started in 1981 and continued without much alteration until it was discontinued in 2002 (with the last authorized housing being distributed by 2007). During the Aylwin period SERVIU directly funded the building of social housing projects by private contractors under this program. SERVIU also provided subsidies and mortgages and oversaw the distribution of the social housing. Its share in the direct funding of housing was about 30 percent of the total subsidized housing units constructed throughout the Aylwin and Frei periods. This share began to drop sharply in 2003 under Lagos, and by 2007, under Bachelet, SERVIU was no longer involved in the building process; families receiving SERVIU aid were left to seek housing in the private market.

Basic Housing program recipients were required to save 10 UF for SERVIU-provided social housing and 20 UF for housing to be obtained in the free market. They received a subsidy of up to 140 UF, with a maximum mortgage of 80 UF, for SERVIU-funded housing and 100 UF for housing obtained through the free market. For Basic Housing, mortgages guaranteed by SERVIU were granted by the Banco Estado or a commercial bank for 20 years with a real interest rate. The overall value of the house could not exceed 600 UF (Ruprah and Marcano, 2007: 10–11), and therefore families with savings up to 360 UF could qualify for these subsidies and loans. For SERVIU-provided housing the recipients did not get to choose a location; they were given housing based on availability. The recipients moved into the social housing on the periphery of the city, since it was very difficult to find affordable housing in the secondary market (Castañeda, 1992: 130–131), thus contributing to further income segregation.

Despite the intention to serve the poor, the majority of the beneficiaries of these programs were of moderate income. Table 4 shows the decline in the availability of mortgages to the poorest quintiles between 1998 and 2003. Given that the minimum wage was US\$175 per month in 2000 (US\$287 in 2005) and that about 43 percent of the population made 1.5 times the minimum wage or

less while 14 percent of the population earned less than the minimum wage, it was a challenge for most to make ends meet, let alone to save up 10 UF (about US\$420 in 2000) and pay a mortgage of 80 UF (about US\$3,200) (Infante, Marinakis, and Velasco, 2003: 10). Thus many impoverished people could not benefit from this program.

THE PROGRESSIVE HOUSING PROGRAM

For those too poor to qualify for the Basic Housing program, the other main program during the Aylwin and Frei governments, the Progressive Housing program, provided very basic shelter modeled after the dictatorship's Economic Housing Units and Sanitary Units program of 1982. Like the Basic Housing program, Progressive Housing provided subsidies and mortgages and required minimum savings, and priority was determined by CAS level and other need factors. Substantively, the main difference between the two programs was that Progressive Housing required less savings for smaller and not fully completed structures (one room of 18 square meters) equipped with a kitchen and a bathroom (6 square meters).⁷ The savings requirement was originally 3 UF in 1990 and went up to 8 UF by 1996. The mortgage was 17 UF in 1990, but it was eliminated in 1996 because of high delinquency among the recipients (Marcano and Ruprah, 2008: 2):

The interest-free mortgage provided directly by SERVIU was for five to eight years, with minimum payment of 0.3 UF and a maximum of up to 20 percent of household income. However, the unanticipated high rate of arrears was attributed to the low income of the beneficiaries of the publicly provided mortgages, hence the mortgage component was eliminated in 1996, and concurrently both the subsidy and the required minimum saving increased.

The original intent of the Progressive Housing program was to have the initial structures expanded and completed through a second loan. The second phase of the program was underutilized because even the first stage was unaffordable for most poor families. The program was phased out by 2000 (with the last of the authorized housing being distributed in 2003) because of its shortcomings and opposition from various sectors. Leftist politicians and recipients themselves were unhappy with the program because of the poor quality of the housing compared with the housing that other strata had access to through the Basic Housing or the Unified Subsidy Program, which targeted higher-income groups (Joan McDonald, Deputy Carlos Montes [Socialist Party], and Edwin Haramoto, professor of architecture and urban studies, University of Chile, interviews, Santiago, October–November 2000). Overall, minimum gains were made in addressing the housing deficit during this period, and the problems of accessibility to the poor and low quality of housing persisted.

SQUATTERS AND THE CHILE BARRIO PROGRAM

While a great majority of the homeless families were living as *allegados*, squatters were still numerous when the Concertación took power. In 1996 the

Frei government asked the University of Chile's Institute of Housing to conduct a census of squatter settlements (*campamentos*) (Instituto de la Vivienda, 1996). It found a total of 972 squatter settlements with 93,457 families and 445,943 individuals. These settlements were then enlisted in the newly created Chile Barrio program (Chile Barrio, 1998). The government intended to solve the squatter problem and suspend the program in 2002, but as deadlines were not met it was extended to 2007, when it was reported that all the families from these 972 settlements had been moved into legal homes.⁸

The field research phase of this study focused on the Chile Barrio program and illuminated the way in which government policies limited participation by pobladores in housing issues. In this section, in addition to describing the program, the effects of this restricted popular participation will be examined. Even if the homeless eventually received housing, they were prevented from raising their concerns about the program's structure. The program failed to effectively confront the deeper issues of persistent inequality underlying homelessness in neoliberal Chile that many of the squatters wanted to see addressed. In the final analysis, the Chile Barrio experiment was a success in terms of providing housing to the squatters, but qualitative evaluations point to a negative experience for squatters in terms of effective opportunities for participation that empower participants to affect program operations and influence social priorities. The fallout from these deficiencies was also evident in surveys of squatters as they settled in their new locations, which reflect their low levels of satisfaction with their housing situation (Carrasco and Cuadra, 2002; Moreno, Muñoz, and Palacios, 2000). In that sense, Concertación housing policy was flawed.

The Chile Barrio program created an independent governmental entity⁹ to give urgency and priority to issues of housing for squatters and to address social and economic problems in squatter communities until their housing situation could be resolved (Chile Barrio, 1998: 13–14). For housing solutions, Chile Barrio relied mainly upon SERVIU's Basic Housing program. In order to sign up for the program, while *allegados* had to organize themselves into committees and deal with the government voluntarily, under Chile Barrio agencies (either NGOs or in some cases municipalities) were contracted by the government to assist squatters in forming such committees. These agencies were also charged with helping the squatter groups in their dealings with the government. To become homeowners the squatters enrolled in the same housing programs as other Chileans in need of housing. Using the standard measures, it was not difficult for them to qualify, but they had difficulty with the savings requirements, and for many the path to housing was long and frustrating. Some had been living in squatter housing for as long as 20 years. Yet this frustration never developed into the type or level of mobilization seen among this population in the predatorship era.¹⁰

This lack of mobilization is indicative of the way in which Concertación policies like Chile Barrio redefined the relationship between squatters and the government. Part of this redefinition involved a new, official role for NGOs as overseers of the squatters' participation, a role limited to their contractual agreement with the government to fulfill the program's terms rather than serving as advocates responsive and responsible to the squatters with whom they worked. In several cases, the agencies helped raise charitable contributions in

order to allow squatter groups to fulfill their savings obligations and move to their new homes. However, the NGOs' primary role was helping to manage the discontent generated by government policies during the long and uncertain wait for housing that these poor citizens faced.

In interviews with community leaders in six settlements and with representatives of the Hogar de Cristo (a religiously oriented NGO with more than 100 government contracts in squatter settlements in 2000), the challenges that many squatters faced in meeting the economic terms of the subsidy programs were apparent. Francisco Toledo, the representative of Hogar de Cristo working in two settlements with 300 families in the Pudahuel municipality of Santiago, said (interview, Pudahuel, November 2000),

Now we have to organize committees of *allegados*. . . . It has to be a minimum of 15 and a maximum of 50 families that we organize in each group. They have to generate resources, open their savings accounts, and later manage them. Right now we have five committees here, and only one has had a favorable response [from SERVIU to move to a new location], and they are leaving this year. God willing . . . in December we will be left with 250 families here, and they will have to be managed. They have 5 more years. Some of these families have been here for 10 years. With all their problems of work, the majority do not have steady jobs; they have informal jobs. They don't have much capacity to save. They save, then their kid gets sick, and they have to withdraw the savings to start all over again, and that is how the cycle goes.

As new social housing became available through SERVIU, the Chile Barrio staff informed these residents that they were scheduled to move. The residents were given deadlines¹¹ to save money to put down for their new accommodations. At the time of the interview the minimum wage in Chile was 100,000 pesos (US\$175) per month for full-time work. The squatters, who faced unstable employment, were extremely concerned about being able to afford the housing (interview, community leader, Santiago, October 31, 2000):

Yes, we want to go, but at the same time we have great fears . . . because right now there is no work and we still have to pay. . . . We have to keep putting away 30,000 pesos monthly [US\$52]. We are trying to figure out a way to [persuade the authorities to let us] save only 5,000 pesos [US\$9]. When my husband can find work, he makes only 10–15,000 pesos [US\$17–26]. We have to save 240,000 pesos [US\$420] in the bank so that [the government] gives us an apartment. If we cannot save enough money, we do not get the apartment, and we have to leave this place. I cannot imagine having to find a rental. [If we save enough to move into the social housing,] where do we find the money to continue paying the housing dividends, the water bill, the electricity bill, and the community taxes? Today we would not have had breakfast to eat if it were not for the Hogar de Cristo's communal kitchen. . . . [When we move] we have to figure out how we will arrange our lives, everyone on his own. Here we have the guarantee that Hogar de Cristo gives us a plate of food. . . . Therefore the situation is really critical here.

Beyond the challenge presented by the initial savings requirements, squatter families continued to face difficulties after being relocated into Chile Barrio social housing projects (Carrasco and Cuadra, 2002; Moreno, Muñoz, and Palacios, 2000). Studies of Chile Barrio revealed that program participants who received social housing found meeting their monthly payments for housing and bills to be their greatest difficulty. The inability to negotiate the terms of their

payment programs under Chile Barrio placed many squatters in a difficult position because they lacked the leverage to instigate a change in policy. Moreover, this problem was not limited to squatters. Delinquency rates on SERVIU-provided mortgages were between 57 and 70 percent between 1998 and 2003 (Marcano and Ruprah, 2008: 4). While some argued that the high rate of mortgage delinquency resulted from a lack of enforcement by the Chilean government, an analysis by the Inter-American Development Bank demonstrated that the delinquencies were simply the result of the inability of the poor to make the necessary payments (Marcano and Ruprah, 2008: 11). Thus, among Chile's poor the affordability of housing remained a real problem.

The assistance mechanisms used under Chile Barrio and the associated housing programs effectively individualized housing problems and weakened the propensity for collective action on the part of squatters. Other aspects of the program further diminished the likelihood of collective action. In some ways, aid and assistance fostered competitive as opposed to cooperative relations among those with similar grievances. For example, the microenterprise and job training programs offered under Chile Barrio proved much too limited and created divisions between those who benefited and those who did not. In the Pudahuel neighborhoods managed by Hogar de Cristo, for example, the government's Fondo de Solidaridad e Inversión Social had created a small-business program for cardboard recycling. One NGO leader described the tensions generated by the project as follows (Francisco Toledo, interview, Los Castillos, Pudahuel, October 2000):

Five families are directly involved in the project out of the 300 families in the settlement. Now the big question is, only 5 families? Of course, other families can benefit by collecting cardboard and selling to the business. . . . The original idea was to help more people with these projects, but the difficulty is: they have their frictions; they have their fights that complicate the group to work together. For example, the [cardboard business] started with 20 families here and now they are down to 5 families.

In all six settlements under Chile Barrio where I observed meetings and interviewed leaders, there were similar experiences of competition over the limited resources provided by the government.

Under the Chile Barrio program, meetings were regularly held among government officials, neighborhood leaders, and the managing group. These gatherings seemed to present opportunities for collective action. The program invited squatter leaders to meetings at the neighborhood, municipal, and city levels at which the leaders conveyed their needs, such as sanitation services, a community center, or a library, to the officials of the program. But unless there were plans to legalize the settlement in its original location, these services were minimal and temporary despite the fact that it could take up to 10 years for the full resolution of the squatters' housing situation.

In the discussions that took place between the government and squatters, the major issues that troubled the squatters remained off-limits, and grievances were channeled in ways that could be accommodated within the program in question. The squatters' concern over the minimum savings and regular payment requirement, which was the largest impediment to a permanent solution, was not open for discussion, and residents could not choose the type of housing

they would receive. Most ended up in social housing projects because they were squatting in danger zones (such as garbage dumps, flood zones, etc.). Even for those who were to be settled in housing on location, the size and style of the homes they received were limited by the contracts the government had with developers and the space available for the housing.

The limitations placed on squatter participation in the program were evident in the meetings of Chile Barrio. In a meeting between the Chile Barrio director in Santiago, Cristián Figueroa, and the squatter leaders from different neighborhoods in November 2000, the director asked for the opinions of the squatter leaders on how to improve the program. He wanted them to evaluate the professionals participating in the program in terms of whether they were fulfilling the promises that were made, whether they were responsible and motivated, and how good they were at communication and management. He did not ask for input on ways in which the program itself could be changed or expanded to respond better to their needs. The squatter leaders had no complaints about the people running the program, but they were not allowed to raise larger issues about housing policies.

The relationship between squatters and the government under the Chile Barrio program demonstrates the Concertación's channeling of citizens into official government programs as applicants for benefits rather than into their organization as autonomous actors making independent demands on government. The design of these programs compartmentalized citizens into small committees or groups of families in competition with one another for limited aid within the larger neoliberal economic structure. NGOs and municipalities played a role in managing discontent by channeling it back through the government programs rather than seeking broader collective solutions. Individual households tried to improve their relative positions vis-à-vis the existing government programs, while collective action to demand more comprehensive solutions remained off-limits.

THE FONDO SOLIDARIO DE VIVIENDA

Although the Lagos and Bachelet administrations made some changes in housing policy and implemented some new programs, the fundamental neoliberal orientation of housing policy, with its reliance on subsidies and market forces, was not altered. In fact, in some ways, reliance on market forces and private enterprise increased during this period. For example, SERVIU ended direct funding for social housing altogether, and the construction of subsidized housing was shifted entirely to the private sector. The new programs, especially MINVU's Fondo Solidario de Vivienda (Solidary Housing Fund—FSV), were designed to address the extremely high rates of mortgage defaults reported above. In addition, under Bachelet the MINVU recognized that the housing deficit was exacerbated by the poor quality of social housing and the lack of public spaces in these neighborhoods (MINVU, 2007). Previous programs had not addressed problems with housing after the subsidies were disbursed and housing obtained. There was also an acknowledgment of the long-standing segregation of the poor and a need to foster the social integration and participation of citizens with low socioeconomic capacity (MINVU, 2007).

The FSV was initiated in 2001 under Lagos and grew rapidly under Bachelet. The number of subsidies paid went from 1,080 in the first active year of the program, 2002, to near 55,000 in 2009, the last year of the Bachelet administration. It did away with mortgages, allowing recipients to obtain housing with savings and subsidies alone. FSV I was designed to aid the homeless who fell below the poverty line, whereas FSV II targeted those in the second income quintile. FSV I requires that families save between 10 and 30 UF (between US\$440 and US\$1,327 in 2010), for which they receive between 280 and 470 UF in subsidies (between US\$12,000 and US\$20,000). They are required to buy housing or build housing (with approved developers) within the limits of the savings and subsidy with no additional mortgage.

According to Surowski and Cubillos (2005), the MINVU designed the FSV to be a flexible program that focused on the poor and took a participatory approach, allowing home ownership without debt. In contrast to previous programs targeting the poor, in which SERVIU built homes and issued them to aid recipients, under the new program the actual building of homes is handled by managing entities working with local committees that have a say over the location, size, and design of the housing. The committees are made up of a minimum of 10 and a maximum of 50 families managed by *entidades de gestión inmobiliaria social* (social property management entities) that are approved by the MINVU. Thus, the program is designed to give recipients greater control over their housing and to alleviate the mortgage debt burden experienced by the poor.

A workshop run by the Observatorio de Vivienda y Ciudad on November 27, 2007, brought together government officials, civil society representatives, and leaders of the urban popular sectors to assess these new housing policies. The consensus of the participants was that while there had been some improvements in housing under Bachelet, a number of problems remained. Despite the significant reductions in the number of homeless, the mayor of the Santiago municipality of Cerro Navia, Cristina Girardi (2008: 53), identified the quality and affordability of housing as persistent shortcomings in the program. In addition, although the FSV increased the volume of housing and alleviated the mortgage debt problems experienced by the poor after obtaining housing, it had not eliminated the savings requirement that represented an insurmountable barrier for many poor residents. The quality of housing remained low, given the limited resources available to those in need. The program was also still plagued by the competitive element of previous subsidy programs. The affordable space available for the building of low-income housing was still located on the edges of urban areas, thus perpetuating the segregation of pobladores.

In addition to these problems with the FSV program, there was widespread confusion about the new qualification system for subsidies known as the Ficha de Protección Social (Index of Social Protection—FSP),¹² which was implemented in 2006. The FSP, like the Ficha CAS, took into consideration work, housing, family size, and vulnerabilities in the family, and in addition to those defined as poor it covered a new population defined as at risk of falling into poverty. The workshop participants viewed it as a reshuffling of the queue of people already lined up to receive services and argued that allowing people at risk to compete with the poor for the limited resources offered in government

programs would not foster greater equality. They complained that the FSP's family-based point system pitted neighbor against neighbor and prevented them from cooperating with one another in pursuit of greater redistribution of wealth, which they saw as the central problem facing the country (Duarte and Gallano, 2008). Thus, despite awareness of Chile's extreme social inequalities and of the inadequacies of social programs that provide subsidies but otherwise leave the poor to cope with market pressures, citizens have been unable to overcome social divisions and cooperate in solidarity to demand broader reforms in housing.

LÍNEA DE ATENCIÓN A CAMPAMENTOS

In 2007 a new program, the Línea de Atención a Campamentos (Focus on Settlements—LAC), was introduced by the Bachelet administration to address squatter issues. While Chile Barrio had effectively moved squatters into subsidized housing and achieved an 85.5 percent decline in the number of squatters since 1996, by 2007 there were 20,599 newly identified families squatting in precarious housing (MINVU, 2009: 62). The LAC is structurally similar to the earlier housing and poverty programs. Squatter families participating in it qualify for FSV I assistance on the basis of the FSP with points added for their poor housing conditions. As was Chile Barrio, in addition to solving housing problems the LAC is designed to address the overall poverty issue for these families by including components such as job assistance and training. Families still have to achieve certain savings levels, but because mortgages are no longer part of the subsidy program recipients can avoid debt after they move into new housing. The program continues under the Piñera regime, and, given its similarities to Chile Barrio, it will probably help with home ownership over time. Whether it will create better living conditions for the poorest of Chileans remains to be seen.

QUIERO MI BARRIO

An additional new program introduced in 2007 under Bachelet and continuing to date seeks to address long-neglected neighborhood-level issues. Quiero Mi Barrio (I Love My Neighborhood) was developed out of a recognition that previous housing policies had not holistically addressed the problems of poor neighborhoods and was designed to deal with the deterioration of public spaces in poor neighborhoods. Groups of citizens can apply for funding to rebuild public spaces, improve drainage, fix pavements, paint the exteriors of social housing, etc. While the intention was to encourage cooperation among the pobladores, the redistributive tension between neighbors seen in previous programs is now evident in the competition between programs targeting housing and those seeking neighborhood improvement. The program has come under criticism for missing the connection between the individual housing problems that are faced by the poor and neighborhood-level deterioration (Castillo Couve, 2010: 57; Girardi, 2008: 55). Girardi (2008: 33) has argued that Quiero Mi Barrio may turn into the "Hate My Neighborhood" program: "What exists today is a great contradiction: we have a housing policy without the

neighborhood, and a 'Quiero Mi Barrio' Program without housing: improve the neighborhood, but I don't have the possibility of improving the home" (2008: 55). In essence, the creation of a new program to improve neighborhoods drew attention to the limited resources available for pobladores to improve their own homes. Thus, the competition within programs expanded to competition between programs.

In an assessment of the overall status of housing programs under Bachelet, the participants in the Observatorio workshop came to the following conclusions (Grandón, 2008: 75):

1. Housing solutions have not responded to the needs of families.
2. The housing policies implemented did not build neighborhoods.
3. There has been no real participation of families in the design and construction of their homes.
4. The housing policy has responded to the major problems of housing but without reaching the poor and marginalized families.
5. There has been enough state support for the transition from the squatter settlements to permanent housing.
6. Policies of support end with the delivery of housing, and there has been no monitoring or support to life in a new home.

CONCLUSION

Homelessness and inadequate housing have been persistent problems in Chile. Under the Concertación, there were improvements in the availability and accessibility of housing for the poor. A number of different programs that relied on various combinations and levels of savings requirements, subsidies, and government-guaranteed mortgages met with varying degrees of success. Yet, millions of Chileans still lack housing or suitable living conditions. Under the Bachelet administration there was recognition of the need for change in the way in which the government approached housing policy. In an effort to address the shortcomings of previous Concertación programs, Bachelet dramatically increased investment in new programs and did away with mortgages for the poor. As the number of subsidies increased, those in need of housing declined by 100,000, but the flawed elements of Concertación housing policy with regard to affordability, segregation, and quality of housing remained. Programs continued to focus on increasing home ownership numerically and as a market transaction rather than a right. The market-based strategy stratified residents into categories of poverty and then required them to navigate the market in the hope of finding a reasonable living situation, but in the end they found themselves in poor-quality housing in economically segregated neighborhoods far from jobs and services.

Prior to the dictatorship, poor Chileans mobilized to demand collective solutions to their housing problems, claiming housing as a social right and the responsibility of government. In the Concertación era, in contrast, the predominant approach to housing, maintaining the dictatorship's neoliberal model, has been to emphasize individual solutions and private home ownership using subsidy programs. Even the programs in which citizens applied as groups have

tended to limit cooperation among pobladores to their small committees. The poor in need of housing must compete against one another individually or in groups for limited subsidies, and this leads them to seek personal solutions to their housing problems. Municipalities or NGOs have also been brought in to articulate the needs of the popular sectors for government bureaucracies that treat housing and poverty as technical rather than political problems. President Bachelet set out with rhetoric of increased citizen participation, but her administration's definition of participation did not vary from that of the preceding Concertación governments: enrollment in the government programs that facilitate the pursuit of individual solutions. Despite considerable improvement in quantitative terms, her government did not offer the homeless effective forms of social participation that would result in meaningful improvements in Chile's tremendous inequality. Her policies, like those of previous Concertación administrations, retained their neoliberal orientation, and, given the limited capacity of the market to address issues of poverty, they were unable to fully address the complexity of Chile's housing problems.

NOTES

1. Interviews were conducted between October and December 2000 in Santiago with 12 neighborhood leaders, 4 party officials (from the Christian Democratic Party, the Socialist Party, and the Independent Democrat Union), 4 government officials (from the MINVU, the Fund for Solidarity and Social Investment, and Chile Barrio), and 6 representatives of NGOs.

2. SUR was founded in 1978 to help form and reform the role of democratic institutions and social actors through citizen participation and the building of civil society. The Observatorio was founded in 2005 by members of several organizations including the University of Chile's Housing Institute, SUR, and Habitat International to discuss urban problems in Chile. Both organizations have extensive archives of their activities online. The documents include accounts of various meetings among activists and between activists and government officials and accounts by urban popular-sector leaders of their efforts to document events developing in their settlements.

3. This figure was calculated using the average size of household and the percentage of the population in need of housing in each income quintile in Chile as reported by the MINVU.

4. Two of the political organizations most active in mobilizing the homeless and organizing land occupations prior to the coup were unable to play that role under the Concertación. The Communist Party, which along with the Socialists had been one of the two main parties in Allende's Unidad Popular coalition, remained part of the extraparliamentary left and no longer had the mass base and resources to support its former activism among the homeless. The Movimiento de la Izquierda Revolucionario (Movement of the Revolutionary Left—MIR), which had organized the most militant land occupations under Allende, disbanded.

5. http://www.uc.cl/sw_educ/cyv/index1.html (accessed September 15, 2010).

6. The term "committee of allegados" is used to refer to any group applying for subsidies regardless of its current housing status (renter, allegado, or squatter).

7. http://www.minvu.cl/ingles/opensite_20070320074349.aspx#20070320113936 (accessed September 25, 2010).

8. http://www.minvu.cl/opensite_20090203165631.aspx (accessed October 8, 2009).

9. Other than the MINVU, the program used the services of the Ministry of Public Goods, the Ministry of Planning, the MINVU's Budget Office, the Fund for Solidarity and Social Investment, the National Service for the Training and Employment of the Ministry of Labor, and the Subsecretariat and Administration of Regional Development of the Ministry of the Interior. These other agencies were involved in addressing other problems associated with the low standard of living in these settlements until a permanent solution to their housing problem could be found. Once they had moved to their new location, squatters no longer received help from these agencies.

10. See Castells (1972; 1983), Oxhorn (1991; 1995), and Schneider (1992; 1995) for an in-depth discussion of participation by the pobladores prior to and during the dictatorship.

11. Chile Barrio's initial plan was to eradicate squatter settlements by 2002; this is why squatters were given deadlines for their savings. SERVIU housing was limited, the goal was to move the squatters as soon as possible once housing became available.

12. <http://www.fichaproteccionsocial.cl/fps/fps.php> (accessed August 18, 2010).

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