

A REALITY CHECK FOR THE RIGHT TO DEVELOPMENT - CASE STUDIES AND COMMENTS ON IMPLEMENTATION

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THE ADVANCES IN THE RIGHT TO DEVELOPMENT:

URBAN POOR HOUSING ISSUES IN BOLIVIA¹

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I. Introduction.

Migration and fast growing of urban areas in Bolivia exceeds the capacity of the State to adequately deal with the increasing needs of the expanding population.

Between the years of 2002 and 2005, the precarious situation of the greater share of the inhabitants of Bolivia in terms of their low income level, their lack of productive and quality employment and the low access to public services went through a process of social reappraisal at distinct levels: territorial, ethnic, and class-based which have constituted factors of political mobilization, articulation, and organized action in the face of a political system with very low credibility for represent their needs and capacity to process their demands.

These mobilizations opened a new political cycle in the country and contributed greatly to bringing the MAS and the first indigenous president Evo Morales to power. Nevertheless, after 6 years of government the public management is leaded with high symbolism but little deep material or structural change.

The new Constitution (2008) represents an important step forward in the formal recognizing of rights related with public services and housing. Despite these achievements, from 10 million inhabitants around 33,3 % still live in extreme poverty. 2 million of people survive with less than one dollar per day. The most urgent poverty and development issues in the country like

¹ This report has been elaborated by the Urban Project of the Unión Nacional de Instituciones para el Trabajo de Acción Social (UNITAS), www.redunitas.org, La Paz, Bolivia.

lack of clean water, food, education, healthcare and employment are narrowly related with basic Human Rights matters in urban areas of country. Nevertheless, public policies and development actions aren't yet implemented under Human Rights based approaches. National, regional and local governments and institutions don't have a HR protection policy or effective and efficient platforms to receive and process demands on right to development.

In order to have an approximation to the advances of Bolivia in relation with the Right to Development, the report presents some data and information regarding the Criteria 1 proposed by the Working Group of UN. The Criteria 1 is related with the promotion of constant improvement in socio-economic well-being. We will concentrate ourselves in the Sub-criteria 1 (a) (iii) which refers to Housing and Water, more specifically in the urban dimension of this right in Bolivia.

Something that is important to recognize is the lack of reliable information respect to the right to development in Bolivia. Most of the available information doesn't comes from trustworthy sources or doesn't adjust to the criteria and indicators proposed by the working group. The information used for this report, although not very extensive, comes from official sources and from specialized organizations and NGO's that in recent years have been realizing a systematic and responsible record of advances in this field.

The report is organized by following the order of sub-criteria and its correspondent indicators as they are presented in the document A/HRC/15/WG.2/TF/2/Add.2 elaborated by the Working Group on the Right to Development.

II. The Situation of Housing and Water in Urban Areas of Bolivia

II.1 Public expenditure on public service provision

Electricity

In May of 2008 the Government nationalized the electric companies capitalized by the French GDF Suez (Corani), the British Rurelec (Guaracachi), The Bolivian Generating Group (Valle Hermoso) and the Compañía Eléctrica de Luz y Fuerza de Cochabamba (ELFEC). In 2009 the government affirmed that Bolivia requires five projects of hydroelectricity and one of geothermal energy to resolve the national demand of energy in the middle and long term. The

same will have a cost of 5.685 million dollars. As long as in six transmission lines is necessary to invest 240,2 million dollars².

In august of 2011 the ministry of Electricity and Alternative Energy recognized that the State doesn't have enough resources to invest in the big projects of generation programmed and announced that the new Law of Electricity will allow the re-inclusion of private capital to obtain a bigger electricity production³. This initiatives lacks of enough popular support because suppose the construction of dams that will flood natural parks and indigenous territories with severe consequences on human rights and private sector investments which did not show too much effectiveness to address these needs in the past.

In 2008 the public budget for electricity and other forms of clean energy was of 75.490.683 millions of dollars which corresponded with the 5.9 % of the national general budget. In 2009 this amount raised to 146.907.043 millions that means 7.9 % of national budget⁴. In 2010 the public budget for electricity descended to 91.730.236 million dollars (5.1%) and in 2011 this one raised again to 146.000.000 millions what is a 6 % of the national resources for this year⁵.

From 2008 to 2011 the national public funds destined for electricity and other forms of clean energy grew up from 75 to 146 million dollars, what suppose an increase of almost 94% in three years.

Water supply and Sanitation

As an outcome of privatization politics of the 90's, the dramatic increase in cost and the failure to extend service to the poorest sectors of the cities encouraged diverse stakeholders to action. From 2000 to 2005 neighborhood-based urban social movements of Bolivia successfully reclaimed state water management from the private operators. Grassroots movements tried to translate this victory into substantial improvements in access to potable water in peripheral urban areas.

² *Newspaper El Diario*, 21 of October of 2009.

³ <http://eju.tv/2011/08/inversin-en-energa-sigue-en-shock-en-bolivia/> 28/08/2011

⁴ Análisis de Presupuesto General de la Nación, in *Reporte de Coyuntura 6*, Fundación Jubileo 2009. www.jubileobolivia.org.bo

⁵ Análisis de Presupuesto General del Estado, in *Reporte de Coyuntura 13*, Fundación Jubileo 2011. www.jubileobolivia.org.bo

The collective action of these sectors derived in the creation of the new Ministry of Water and conformation of new Public Enterprises in the cities of Cochabamba, La Paz and El Alto recovering the responsibility of State over these public services. With that, the new Constitution in force since 2009 recognizes the access to clean water as a Human Right.

In 2008 the public resources destined to Water Supply and Sanitation ascended to 98,919,786 million dollars (7.8 % of national resources for that year). In 2009 the amount raised to 134,058,373 million dollars (7.3% of National Annual Budget)⁶. This portion of budget reduced in 2010 to 124,560,522 million, 6.9% of National Annual Budget. For 2011 the available resources to Water and Sanitation were of 172 million (7.1% of national budget)⁷.

From 2008 to 2011 the resources for Water and Sanitation increased in 73,080,214 millions what implies a 74% in three years. This investments implies US\$ 17.2/per capita. In 2006 the same was of US\$ 3.7/ per capita.

This year the Project “Mi Agua” (My Water) allocated most of available resources (100 of 172 million dollars) to implement potable water and irrigation projects in 327 of the 337 municipalities of the country. So far 315 municipalities submitted their projects, most of them in the countryside, which have the minor coverage⁸.

II.2 Access to improved drinking water and sanitation

The national coverage of access to drinking water in 2001 was of 72 %. The percentage rose to 74, 6 % in 2008. This year the government announced that with help of different projects Bolivia is going to achieve 77 % of coverage, just one point and a half less than the millennium goal of 78,5% committed for 2015⁹.

⁶ Análisis de Presupuesto General de la Nación, in *Reporte de Coyuntura 6*, Fundación Jubileo 2009.
www.jubileobolivia.org.bo

⁷ Análisis de Presupuesto General del Estado, in *Reporte de Coyuntura 13*, Fundación Jubileo 2011.
www.jubileobolivia.org.bo

⁸ http://www.riourbano.org/index.php?option=com_content&view=article&id=178:bolivia-cercana-al-compromiso-de-acceso-al-agua-potable-&catid=3:actualidad&Itemid=12

⁹ Ibid.

In terms of sanitation the numbers are concerning. In 2001 the percentage of population with this need satisfied was of 40,7%. In 2008 rose to 48,8%. The goal for 2015 is of 64 % of population with access to a system of sanitation in their homes. Bolivia needs to increase the access to this service in 15,6% to achieve the goal.

According with this information today more than 2,5 million of Bolivians don't have access to services of drinkable water, and other 5 millions lack of sanitation services¹⁰.

The government assets that only 1% of population in rural areas of the country count whit a connection of clean water in their homes¹¹. To face this situation the government implements a project to help municipalities in the countryside to increase the coverage.

II.3 Road Infrastructure

The sector "Transports" that includes the construction of roads is the one that has the biggest participation in the public investment. In 2008 the amount of the investment was 478.387.410 million dollars (37,6% of the total), in 2009 the same was of 537 million dollars (37,3%)¹², this amount grew to 665 millions in 2010 (36.8%) and to 803 millions in 2011 (33,1%)¹³.

In recent months different organizations and social movements started to criticize the big investments in this area by putting in doubt their impact on the well-being of most of the poor families of the country. According with the critics, the construction of roads in Bolivia only benefits the big building enterprises and in the other hand lacks of enough transparency and justification, especially when are designed to go across natural parks and protected areas affecting the lives of indigenous groups dwelling there and damaging the environment.

II.4 Homelessness rate

¹⁰ <http://www.fondodelagua.aecid.es/es/fcas/donde-trabaja/paises/bolivia.html>

¹¹ http://spanish.news.cn/entrevista/2011-04/14/c_13828049.htm

¹² Análisis de Presupuesto General de la Nación, in *Reporte de Coyuntura 6*, Fundación Jubileo 2009.
www.jubileobolivia.org.bo

¹³ Análisis de Presupuesto General del Estado, in *Reporte de Coyuntura 13*, Fundación Jubileo 2011.
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According to the Vice ministry of Housing and Urbanism, the qualitative deficit of the country reaches to near a million houses, 46% of the total (67% urban and 33% rural). The quantitative deficit is estimated in 200.000 housing units, with an increment of some 30.000 units per year as a result of the growth of new families that demand a place to live.

It is calculated that 63% of the Bolivian families has housing in great measure resultant of self-construction processes and own effort. The qualitative deficit reaches more than two thirds of this percentage. For instance, 20% of the population accesses to housing by rent, 17% have housing via parental heritage. In terms of the type of housing, 81% lives at homes, 14% in individual rooms and 4% in departments.

In general terms, it is considered that 80% of the residential park of the country is produced without the support of state or another type of support, situation that determines the constant increase of the qualitative deficit. According to the data, 54% of the homes lives with more than 2 people per room; 52% of these housings has been built in adobe, 48% uses iron sheets in the roof, 33 % has cement floor and 34% earth floor.

The deficiency in mechanisms of territorial planning and the lack of instruments for the democratic and equal administration of the territory propitiate processes of chaotic occupation and speculative actions of the informal market giving place to artificial insecurity of holding and property. In addition, the construction impelled by family initiatives doesn't consider the municipal normative and necessary measures to guarantee the quality of habitat and housing¹⁴.

The National Plan for Social and With Solidarity Housing (PVSS) (100 million dollars) is the only governmental offer for the attention of housing, it is an offer of subsidized financing that works linked to market mechanisms that privilege the participation of financial entities and building companies with lucre goals and high expectations of profitability; as consequence, the same has enormous limitations to guarantee an effective and transparent access to housing for the population's sectors with bigger needs and higher economic vulnerability.

II.5 Cost of housing relative to income

¹⁴ Report on Human Right to the Housing in Bolivia prepared to the Universal Periodic Report, RENASEH, La Paz, 2010.

In recent years the materials for the construction of housings in Bolivia considerably increased its prices. The last year the ton of steel increased from 700 dollars to 1.750 dollars, the ton of asphaltic cement went from 400 dollars to 1.100 dollars. At the moment, the daily wage of a bricklayer is of 50 Bolivians. To compensate the rise, the Government readjusted the prices of the contracts with the private sector for public buildings in the items of asphaltic cement, steel and two alternatives of a list of seven materials. However; the descent of prices of the inputs for the construction still is not reflected in the values of sale of new houses in the cities, on the contrary these rose in price until 80 percent in the last three years.

The average cost of a house in the downtown of La Paz is 250.000 dollars while before it was quoted until 150.000 dollars. In the south area the cost is lower (150.000 dollars) but before it was only of 60.000 dollars¹⁵. The general average cost of a house in Bolivia rounds the 50.000 dollars.

In 2010 the salary of the average worker was of \$Bs. 1233 (US\$ 178, 70). From this amount 26, 19 % (\$Bs 319, 27) was destined to housing expenses¹⁶.

II.6 Slum populations

In recent decades, Bolivia has experienced a fast urbanization process that has several likenesses in social, economic and geographic terms with the rest of the Latin American countries but also some specific particularities.

In Bolivia, the urbanized areas are in more than one city in the departments of La Paz, Santa Cruz and Cochabamba, with almost 85% of their inhabitants living in cities or urbanizations. The growth concentrates around a central axis formed by four cities: El Alto, La Paz, Cochabamba and Santa Cruz de la Sierra.

These cities receive two thirds of urban dwellers of Bolivia and four of each five economically active residents. The population of each city is bigger than 500.000 people. All they grow to an annual demographic rhythm of 5 percent and in only fifteen years they have duplicated their population.

¹⁵ <http://www.caboco.org.bo>

¹⁶ El Debate sobre el Salario in *Control Ciudadano 16, Segunda Época, año 6, Número 6*. CEDLA, La Paz 2011.

In Bolivia there are only few neighborhoods that adjust to the traditional definition of *slums* because of the absence of shacks and the availability of land and relatively low costs of the materials for more stable constructions (adobe, cement, bricks, wood, etc.) and due to the importance of self-construction systems based on collective organizing practices which help to reduce the costs of labor force for housing. Nevertheless the urban poverty is still very high (near to 50%) especially in peripheral neighborhoods where insecurity of the tenure, the lack of services and paved roads are the characteristics.

The urban poverty diminished from 54,4 to 50,9% between 1997 and 2007, while its intensity and severity fell moderately. At rural level the figures are more dramatic, in 1997 78,01% were poor, while in 2007 77,29% of the rural population lived under conditions of poverty, registering a light decrease of 0,72%.

If we observe the variations of moderate poverty at urban level, we see that the average of people that live below the line of the poverty is 52,66% (approximately 5,05 million people). On the other hand, in ten years the urban poverty only decreased in 4,47%. If we consider the high rate of growing of the population's of cities as El Alto in La Paz, the Plan 3000 in Santa Cruz, the villages and the peripheries of Cochabamba (5% per year), we observe that the number of poor increased considerably. At rural level, the average of people that live in situation of poverty is of 79,89%. Considering that the population in the rural area approximately is of 3,5 million inhabitants then 2,79 millions live in poverty¹⁷.

III. Conclusions

The neoliberal politics of the past two decades rocketed the formation of precarious settlements in big cities reinforcing the processes of urban and social exclusion; not only has stimulated the conflicts in the use of the urban land and in the plans of urban development but also has increased the competition for scarce resources between neighborhoods. The exclusion often is not limited to the access to the benefits that the city offers but also to the participation in the decisions that affect to the city as whole.

The new political process opened in Bolivia in 2003 by the urban based social movements contributed to the formal recognizing of Human Rights and more specifically of the right to

¹⁷ <http://nuevaeconomia.com.bo/productos/revista-articulos/economia/bolivia-y-la-reduccion-de-la-pobreza-ii/>

development. The availability of resources coming from a new tax policy for the production of hydrocarbons allowed the creation of new institutions and helped to increase the public investment in housing, clean water and electricity.

Nevertheless there's still an absence of systems and tools of urban territorial planning in national and local governments to respond to the overwhelming growing of the cities in Bolivia. In the other hand the policies and projects for the construction of social housing still have many difficulties like scarce resources and a free market orientation unable to fulfill and dignify the residential needs of population.

The urban precariousness as the proportion of the homes that don't have covered their residence necessities, such as the materiality of the housing, access to services (clean water and sanitation) and the holding, affects as much to the poorer homes as those on the line of poverty because of their better incomes although in smaller degree.

The problem of housing won't be resolved without a clear policy destined to face the precariousness of urban employment and salary, aspects in which the outcomes of the new government are poor. Since 2001 the unemployment rate in Bolivia has not descended from 10%. In 2001, 21% of workers had a precarious job, 56% had a moderately precarious job and only 22% a good one. In 2010, half of the workers came to have a precarious job (48%), a third a moderately precarious job (35%) and only a 17% an appropriate job¹⁸. With this informal retreating conditions of the wage the possibilities of creating sufficient national funds and politics for housing are reduced.

Currently, Bolivia is living a process of restructuration regarding its territorial, political and jurisdictional spaces. The political tensions for resources and prerogatives among the regions, municipalities and central government increases the uncertainty respect to the implementation of the Constitution and of Human Rights based policies of development in the different levels of the territorial organization Bolivian State.

¹⁸ http://www.cedla.org/system/files/3%20Nota_Desempleo_Medios.pdf

