

Tackling the global housing challenges: Relevance and replicability of Switzerland's and Uruguay's housing cooperatives' policies and strategies

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Is there a space for housing cooperatives in Latin America's housing system? The case of Colombia and El Salvador

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Abstract

Worldwide over one billion people are currently lacking adequate housing, which is considered the result of decades of failed policies, the governmental withdrawal from the housing sector, the inability of the private sector to cater to the needs of the poor, and the increasing gap between what millions of people can afford and the cost of housing provided by the formal market. Facing an urgent shift in the way housing is currently conceived, valued, produced, and regulated, housing cooperatives are being reconsidered in many countries and cities worldwide as potentially relevant actors in the provision of affordable housing. This is also the case in several countries in Latin America, characterised by neo-liberal housing policies that have led to an increasing financialization of housing and to a marginalisation of the poor. Uruguay is an exception, where housing cooperatives play a key role in the provision of affordable de-commodified housing. For over two decades FUCVAM, Uruguay's Federation of Mutual Aid Housing Cooperatives has been advocating and actively supporting the establishment of cooperative housing in other Latin American countries. In this paper, we examine the opportunities and challenges of housing cooperatives to penetrate in Colombia and El Salvador's housing systems, two countries characterised by neoliberal regimes and housing policies that have never succeeded in meeting the housing needs of lower income people, but both with a need to respond to the deep societal changes of a post-conflict context. El Salvador, for the past 20 years and with the support of FUCVAM and international cooperation, established a small but growing cooperative housing model, recently included within the national housing programs. In Colombia, initiatives are only recently emerging, sparking both interest and apprehension from different actors. The paper focuses on the ability of each one of the countries' housing systems to change, adapt and respond to a mutual aid cooperative housing approach and its sustainability over time.

Keywords: housing cooperatives; housing systems; Colombia; El Salvador.

Introduction

Housing may be considered as one of the most daunting challenges of urbanisation globally. Latin America is the most urbanised region in the world with a historical debt in providing adequate housing. With approximately 20% of its population living in informal settlements, urban centres face increasing challenges in reversing the consequences of unplanned growth (UNDESA 2018). The influence of multilateral organisations in the region's housing policies throughout the last century, results in a shared history that gradually led to the adoption of neoliberal policies and the withdrawal of the state from the production of housing. However, after decades of shifting housing policies that have not managed to address the housing shortage, there is an urgent call for new approaches. There is a growing interest in housing cooperatives in several countries that despite a shared history of housing policy approaches, have different socio-economic and political characteristics that have individually shaped each nation's housing system. This makes Latin America an especially interesting region to study the opportunities and challenges that emerging housing cooperatives are facing to in fact penetrate each country's housing systems.

In no other Latin American country do housing cooperatives occupy such an important role like in Uruguay, support thus ensured by law, housing cooperatives were able to expand rapidly. At present, in a country with a population of only about 3.5 million people, housing cooperatives provide affordable and good quality housing to approximately 30,000 households (INE Uruguay 2018). Particularly well-known internationally are Uruguay's mutual aid cooperatives, which allow poor people with no saving capacity to contribute to the provision of their collectively owned housing with their labour instead of capital (Ganapati 2014, Bredenoord 2017). In the past 15 years the Uruguayan mutual aid housing federation (FUCVAM) has been directly involved in the transfer of their model in fourteen Latin American countries, including Bolivia, Nicaragua, Guatemala, Honduras, Costa Rica, and as will be discussed in this article, El Salvador and more recently Colombia. However, it remains to be seen to which degree have housing cooperatives in these countries managed to insert themselves in the existing national housing systems. Considering the different progress efforts to promote cooperative housing have attained in both El Salvador and Colombia, through this paper, we aim to discuss further at what extent it is possible for housing cooperatives to gain a space in the Colombian and Salvadoran housing systems. What opportunities and challenges are community-based organisations facing in establishing housing cooperatives? Can the recently established housing cooperatives survive as autonomous organisations? Will they have a durable impact on national housing systems?

The role of housing cooperatives in Latin America

Housing cooperatives are a form of organisation that adopt both the principles and legal figure of cooperatives and can take a multiplicity of forms depending on context specific factors. They are commonly characterised as being collectively owned and democratically led by individual members who pool resources for common objectives, such as providing members with housing, common spaces and other services, while at the same time lowering housing costs (Duyne Barenstein and Sanjines 2018). According to Ganapati (2014) housing cooperatives can be classified according to their different objectives, as tenure, building and finance cooperatives. Tenure cooperatives are most commonly of perpetual collective ownership and management but as clarified by Ganapati (2014, 104), in developing countries they can also include individual ownership. Building cooperatives are also known as development cooperatives whose aim is to procure land and construct housing. The main objective of finance cooperatives is to lend money to its members for housing purposes. These forms of cooperative housing are not mutually exclusive. Housing cooperatives can also be classified according to their equity

models. Limited equity housing cooperatives are intended to maintain housing affordability by establishing a model where members acquire a share (either through capital or sweat equity) at a cost controlled by the cooperative. In contrast, in market equity cooperatives units are bought and sold at market value.

Mutual aid housing cooperatives integrate several of these attributes to meet different objectives. Commonly, they incorporate collective ownership and management of the land and the cooperative housing project which is built by all members through a mutual aid system. By allowing members to contribute sweat equity instead of capital, the mutual aid cooperative system makes housing accessible for households with no access to savings or loans. A great number of housing cooperatives have also developed their own mechanisms and instruments to ensure affordability and control against commodification, such as replacing title deeds of homeownership at the individual level and demanding access to subsidised credit to lower housing costs. Mutual aid housing cooperatives also differ from other housing cooperatives whose existence ceases at the moment they fulfil their objective, be that construction or promotion of housing. They keep a joint responsibility for the inhabited property, housing and built spaces, in benefit of their members.

Cooperative housing in Latin America has assumed a multiplicity of forms, origins, and meanings, due to the diversity and heterogeneity of contexts and conditions that characterise the region. They emerged between the 1950s and 1970s as part of the social production of habitat initiatives of the time (Assandri et al. 2020). The first cooperatives linked to housing construction appeared in Argentina and Costa Rica, while the first legislation on cooperative housing was enacted in Chile in the 1950s' (Assandri et al. 2020). However, the first pilot experiences of cooperative housing through mutual aid happened in Uruguay, where they emerged in the 1960s' as part of a large-scale national housing program funded by the Interamerican Development Bank (IDB). Their outstanding results in terms of cost, speed, and construction quality had a strong influence on the National Housing Law of 1968 (González 2013). With institutional, financial, and technical support thus ensured by law, housing cooperatives were able to expand rapidly. Nonetheless there are several other context-specific and interlinked factors that contributed to their emergence as important housing actors. Among all Latin American countries, Uruguay has the highest GDP per capita, the largest share of middle-class people and lowest rate of poverty (Duryea & Robles, 2016). Bearing resemblances to the origin of the cooperative movement in Europe, relevant for its emergence was its strongly unionised working class, state support and robust institutional structures. Particularly remarkable is the role of FUCVAM, which does not only act as Uruguay's federation of mutual aid housing cooperatives but also as a region's highly influential social movement.

There are very few detailed studies on the achievements and challenges of replicating the Uruguayan model in all these countries, but according to Fruet (2005) in most cases, they are still struggling to obtain the required institutional support. In the following sections, we analyse the conditions that have contributed to the emergence of housing cooperatives in Colombia and El Salvador where housing cooperatives have been created and even experienced certain growth despite facing multiple challenges.

Determinants for the emergence and survival of housing cooperatives

The heterogeneous nature and role of cooperative housing in different historical and national contexts calls for the need to analyse the factors determining their emergence, growth, and transformation over time. Several authors emphasise the crucial role of the state and of the institutional context in which they are embedded (Ganapati 2010, Lang and Roessl 2013,

Sørvoll and Bengtsson 2016, Ferreri and Vidal 2022, Duyne & Pfister 2018, Duyne et al. 2022). Housing cooperatives initiated by civil society organisations need the support of policy frameworks enabling, for example, access to land and finance, to become relevant actors in the provision of affordable housing. Moreover, as argued by Ferreri and Vidal (2022), policy frameworks are not only essential to facilitate the production of cooperative housing, but also to prevent potential insularity and to keep the sector open to a diverse public and to ensure the maintenance of the model over time as a form of de-commodified collaborative housing. Indeed, there is a risk that housing cooperatives end up catering only to the housing needs of their members or that they become as profit-oriented as private-sector housing providers. Public support, however, is always conditional to compliance with regulatory frameworks and accordingly will not only influence whether housing cooperatives can emerge, but also in what type of institutional and organisational forms they will develop. In this sense, Ferreri and Vidal (2022) propose the exploration of legal and policy tools applicable to decommodified housing cooperative development through the analysis of public led measures that enable access to land, buildings, financial resources, and technical support; a regulatory body of norms specific to housing cooperatives; and restrictions to equity of cooperative housing and commodification. Comparative analysis is employed by several authors to explain the divergent evolution of cooperatives in contexts characterised by economic liberalisation and the withdrawal of the state from the housing sector (Lang and Roessl 2013, Sørvoll and Bengtsson 2018).

As cooperative housing initiatives continue to be different and at an early stage in El Salvador and especially in Colombia, the analysis of legal and policy frameworks that promote housing cooperatives proves challenging as they are either inexistent or at an embryonic stage. However, we will draw upon the elements that let us begin to analyse their existing housing systems in terms of how open, flexible and enabling they can be for decommodified cooperative housing development, as one of the main collaborative housing modalities in place. El Salvador has a small but growing housing cooperative movement established approximately 20 years ago, with more than 20 housing cooperatives and recently adopted a housing cooperative programme. Colombia is at the early stage with just a few cooperative initiatives emerging and cooperative housing is only beginning to emerge in the national housing debate. Therefore, in this paper, for the case of El Salvador, the analysis will focus on existing programs that promote housing cooperatives. In the case of Colombia, we will focus on possible entry points within the housing system and the potential for housing cooperatives to emerge and thrive.

The case of Colombia and El Salvador

Access to adequate housing remains a key challenge in both Colombia and El Salvador. In El Salvador approximately 10% of the total population have a quantitative and 75% a qualitative housing deficit (Guevara & Arce 2016). Similarly, Colombia has a national housing deficit of over 30%, reaching 68% in rural areas and 20% in urban areas (DANE 2022). Furthermore, the qualitative housing deficit is four times higher than the quantitative housing deficit in urban areas (16.7% and 3.7% respectively). Regarding structure of tenancy, Colombia has one of the highest proportions of tenant households in Latin America, reaching 31% at the national level and up to 45% in Bogotá (Torres Ramirez 2016). In El Salvador, figures on housing deficit describe a rather similar picture: by 2019, according to official data, 52% of the Salvadoran population report as homeowners, a proportion that slightly decreases in urban areas (50%). However, 41% of households nationwide are currently living in overcrowded dwellings (DIGESTYC 2019). In both countries, housing policy has emphasised programs largely focused on individual homeownership in new housing projects. The disparity in housing needs and housing supply reflect decades of failed housing policies, sharing many similarities with

those of most Latin American countries. As a response, poor families resort to informality to meet their housing needs. In Colombia 50% of urban growth in the last three decades is of informal origin (MVCT 2020), while in El Salvador, estimates of informal housing development in the Metropolitan Area of San Salvador rise above 40,300 dwellings or households (FLACSO, MINEC, PNUD 2010).

To understand what role can housing cooperatives play in Colombia and El Salvador's housing system we will first present a historical overview of their respective national housing systems and analyse individual case studies of housing cooperative initiatives in both countries. What are the factors that led to the formation of these cooperatives and in which context? What housing cooperative model inspired them? Who is promoting the development of these cooperatives and what is their goal?

Colombia's housing system

Urbanisation processes in Colombia have been marked by distinct geopolitical factors including rapid urban demographic growth as a result of industrialization processes at the beginning of the XX century and a long history of armed conflict that has exacerbated rural-urban migration trends. In this process, the private sector and the informal sector have both played important roles. With rapid urban growth and a need to address the living conditions of the urban poor, in 1930's the first national housing institutions were established marking the beginning of state intervention in the provision of housing (Gilbert 2014). In the 1970's the shift from the state as a provider of housing to an enabling markets approach began and since then, the private sector has tacitly been assigned the task of replacing the state in the production of social housing (Stevenson 1978). However, with the failure of housing programs to undertake this task, the informal sector, by default, has been left practically in charge of satisfying demand (Acosta Restrepo and Henao Padilla 2011, 29). In sum, public housing institutions that produced social housing at the peak of the urbanisation process between the 1960s and 1980s, were dismantled and decentralisation processes limited the national government's role to the management of policy instruments and guidelines to be produced at the municipal level.

The current housing system stems from the Constitutional Reform of 1991 when Colombia fully embraced a neoliberal housing approach. In this demand subsidy system production of housing is transferred to the private sector and the state finances the demand via family housing subsidies for low-income households. In addition, the 1991 reform enabled municipal autonomy in the design of local territorial development plans including the provision of urban land for social housing projects. However, the growing housing deficit and frustration of the private construction sector with the complex legal process for urban development at the municipal level, led to the return to a centralised approach through the introduction of *Macroproyectos de Vivienda de Interés Social Nacional*. These overarching national planning instruments discarded municipal development plans in order to make land available for low-income housing and sped up the rolling out of national housing programmes mainly reflecting Colombia's long-standing pursuit to expand homeownership through the construction of new homes. The social housing market is today a major player in the national construction industry and an attractive market for private developers who have profited from the high demand, effective government allocated subsidies for homeownership and attractive tax exemptions for social housing projects. However, housing provided through this approach is typically located in peripheral areas with no access to infrastructure, services, and public transportation. Moreover, once again it failed to reach the poorest families who earn irregular incomes from the informal sector and are non-eligible for loans from the formal credit market (Acosta

Restrepo 2016; Acosta-Restrepo and Henao Padilla 2011; Hurtado-Tarazona et al. 2020). According to Acosta (2016, 65), eligibility requirements for housing grants exclude 70% of the population resulting in over 60% of the annual housing supply to be produced informally.

This has led to an urgent call for a paradigm shift. Recent reports from multilateral agencies highlight the need for a holistic approach to housing that promotes sustainable living environments, more centrally located housing, a more diversified housing approach beyond individual homeownership and a call to enlarge the spectrum of policies to include for example assisted self-help production (Libertun de Duren 2018; OECD 2022). In fact, the National System of Social Housing enacted in the Law 3 of 1991, aside from public and private institutions, includes popular housing organisations (*organizaciones populares de vivienda - OPV*¹), Family Compensation Funds (*cajas de compensación familiar - CCF*), solidarity economy organisations, employee funds and savings and credit cooperatives as actors in the promotion and development and financing of social housing plans and programs. Although this sets a legal framework that supports their participation in the national housing system, in practice, they have received nominal support from the state. This is in part because their operations were mainly focused on rehabilitation of housing and/or its environment and funds were always significantly lower than those allocated for the development of new housing. Nevertheless, a significant number of OPVs have emerged in Colombia's main cities especially in Bogotá, Medellín and Cali and have recently received renewed attention. In fact, the recently elected president of Colombia pointed out in a recent interview that an important part of the government's housing agenda will be to support OPVs, thus revisiting policies that back social organisations in self-help housing processes. In sum, while housing is at the forefront of the public agenda, it is crucial that national policies address, on the one hand, the gap in local policies to address the growing housing deficit; and on the other hand, encourage the non-governmental and non-profit sector to assume a more active role in the production of housing.

Housing cooperatives in Colombia

In a context characterised by the withdrawal of the state from the housing sector and the lack of institutional support, it is not surprising that in Colombia housing cooperatives were unable to emerge as relevant actors in the housing market. In fact, although cooperatives have existed since the 1930s (Jimenez 1990), almost all may be classified as credit and savings cooperatives, which in recent years have adopted a profile similar to private financial institutions (Pardo Martínez and Huertas de Mora 2014). Furthermore, housing cooperatives mainly entail building cooperatives that result in individual ownership even though a legal framework for collectively owned cooperative housing exists (Alvarez, et al. 2006). The almost complete absence of collectively owned housing cooperatives is attributed by several authors to the lack of knowledge and communication of the law, the absence of a clearly defined national cooperative housing policy, and lack of instruments that incentivise this type of housing (Alvarez et al. 2006; Pardo Martínez and Huertas de Mora 2014). In fact, there is no government body specifically responsible to promote housing cooperatives: The Solidarity Economy Superintendency (Superintendencia para la Economía Solidaria), which oversees coordinating and supporting the country's cooperative organisations, does not have a specific entity focused on housing, nor does the Ministry of Housing have a unit dedicated to cooperative housing. Nevertheless, the existence of a legal framework that allows collective

¹ Popular housing organizations are non-profit entities whose financial system is of solidarity economy and whose purpose is the development of housing programs for their members through self-management or community participation. These organizations may be constituted by unions, cooperatives, associations, foundations, corporations, community action boards, employees' funds, community community enterprises.

homeownership, the fact that currently the government of Colombia recognizes its housing crisis and the increasing number of bottom-up collaborative housing initiatives may be considered an opportunity for a new generation of housing cooperatives to emerge.

In fact, with the signing of the peace agreement between the government and Revolutionary Armed Forces of Colombia (FARC), hundreds of ex-combatants are seeking to reincorporate into civil society through the establishment of mutual aid housing cooperatives. These cooperatives are an example of communities' creative capacity to cope with institutional constraints by pooling together their limited resources and combining employment generation with the construction of housing and collective infrastructure and services. If successful, this pilot cooperative project would not only set an example for other communities of former combatants but for the role of housing cooperatives in post-conflict reconstruction in general. Furthermore, it could trigger a revival of the housing cooperative movement in Colombia. The timing is good as regional trends push for a change in paradigm and Colombia's incoming government prepares to rethink the country's housing approach.

In the aftermath of the peace agreement, the government set up across the country 24 temporary camps, referred to as *Espacios Territoriales para la Capacitacion y Reincorporación* (ETCR, Territorial Spaces for Capacity Building and Reincorporation) where currently approximately 3000 former combatants are living and struggling for their socio-economic reintegration into civil society. The ETCRs were intended to be spaces of transition and lost their legal status in August 2020, marking an urgent need to find durable livelihood and housing solutions for the communities still living in camps. To support this process the government agreed to provide a one-time grant of approximately 2000 USD to each ex-combatant, which may be used either for individual or collective productive or housing projects. Financial support to approved projects is channelled through ECOMUN. The most innovative element of this peace agreement is perhaps the opportunity given to former combatants to reintegrate collectively and the formal recognition given to cooperatives in this process.

Housing is a crucial need for the reincorporation of ex-combatants, however, the weak support of national institutions in the implementation of the peace agreement has resulted in an absence of adequate housing solutions for the reincorporation process. It is against this background that two communities of 350 male and female former combatants, with the support of ECOMUN and training from FUCVAM recently started the cooperative housing project *Ciudadelas de Paz* in the northeast of Colombia. However, the European Fund for Peace, the main financing institution, was only allowed to support productive cooperatives, excluding investments in housing. The inhabitants of *Ciudadelas de Paz* coped with this constraint by establishing cooperative "productive construction units" that collectively own construction equipment and are engaged in carpentry, metal welding and production of stabilized earth blocks. These cooperatives are now producing the necessary building materials for the housing cooperative and simultaneously creating livelihood opportunities for the community.

However, the collective vision of the community has been met with challenges. Despite conceiving the housing project as a cooperative of collective ownership, the Colombian government has demanded individual land titles for ex-combatants to receive financial support. In addition, the government has refused mutual aid housing approaches and has insisted on contractor led housing approaches. Ex-combatants have also faced stigmatisation from private financial institutions refusing to provide loans and leading them to seek support from more welcoming cooperative financial institutions. Furthermore, the community has been forced to adapt the Uruguayan model in order to surpass the hurdles they have faced along the way. Collective property, a main pillar of the FUCVAM model, has been a source of debate not only with the national authorities, but within the cooperative organisation, questioning the relevance

of collective property as a decommodification tool in rural areas and within farming communities. In summary, the peace agreement has opened a window for the recognition of housing cooperatives and mutual aid approaches as alternative housing solutions, setting a precedent for communities beyond those of former combatants. However, initiatives have been stifled by lack of government support in the implementation of the peace process and housing policies, instruments, and programs where cooperatives, collective property and mutual aid are completely absent.

El Salvador's housing system

According to Ferrufino (2014), public policy formulation in terms of housing has been structured under the prevailing framework of neoliberalisation of markets and most economic sectors in El Salvador since the 1990ies, which also coincides with the signature of the Peace Agreements in 1992 and the transition to a post-conflict society. Institutional and political reforms that enabled the private sector to take on a leading role as the main housing provider, hand in hand with the financial sector, were fiercely promoted. The state's role was relegated to that of policy coordination, housing system regulation, and regularisation of land tenure. Even if the National Constitution (1983) states that “the state will procure that most Salvadoran families own a house”, the structural conditions previously described have allowed territories and services, including the provision of housing, to be subjected to commodification, through market deregulation and privatisation (Rodríguez & Rodríguez, 2009 cited in Janoschka & Hidalgo, 2014).

In the early 2000s, two National Housing Policies confirmed the state's commitment to the prevailing neoliberal line of housing policy. However, during the last ten-year period, the state showed more openness towards a conception of housing as a human right and not just a commodity, along with integrating territorial planning with active participation of multiple sectors, including social organisations advocating for those most affected by the lack of housing (Manzano, 2021). The approval of a Territorial Planning and Development Act in 2011 with its national policy guidelines allowed the state to prioritise the implementation of social housing, post-disaster housing reconstruction and urban slum upgrading projects that would ideally consider aspects of disaster risk management, environmental sustainability and a more solid local-national institutional articulation (ONU Hábitat 2013). However, given that the leading role in the development of housing continues to be the private sector, new social housing projects failed at the marketing stage because they lacked effective demand.

Access to land and buildings for housing purposes is one of the greatest challenges that the social housing sector currently faces. While the National Constitution (1983) states the social purpose of private property, including land, no clear regulations on how the State institutions can proceed on this matter for facilitating land access for housing has been developed. Until today, the private sector is the most predominant supplier of urban land. Between the high sophistication of plans and instruments only applicable to certain territories, the poor articulation of legal and institutional frameworks, and the gaps that exist in terms of key instruments (i.e. property taxation), reveal that disconnections between planning and land policy remain a problem to be solved. In terms of public financing, a diversity of mortgage and housing loans in general (construction, acquisition, improvement, etc.) are offered by multiple actors. Public guarantees can be provided by the Salvadoran Development Bank (BANDESAL) to the National People's Housing Fund (FONAVIPO) or the Social Fund for Housing (FSV), both of them public credit institutions, in their role as a second-floor bank. These two Funds constitute the main public sector offering lines of credit and direct subsidies for housing acquisition, mortgage deeds and land acquisition for housing construction. Their

credit and subsidies offer is directed to households earning a monthly income below 4 minimum monthly wages (MW). However, as competent institutions, these Funds and the Ministry of Housing remain dispersed in their functions and without the necessary resources to operate effectively, therefore being unable to compete with the private sector as a housing provider. Additionally, their funding scheme does not represent an affordable solution for the lowest-income populations (ONU Hábitat 2013). Apart from these public credit institutions, private banks, loans and savings cooperatives and associations, and non-governmental financial institutions are also part of the formal spectrum of financing actors, targeting the needs of the lower-income, informal sectors.

In this context, it is not surprising that the population in housing deficit finds that the only housing modalities available to them are those that reproduce situations of material precariousness, insecurity of tenure, informality in access to services, as well as greater social exclusion and marginalisation for generations. According to FLACSO, MINEC & UNDP (2010), there are at least 365,139 households living in precarious urban settlements in the 50 cities with the highest urban concentration in El Salvador. When characterised, these settlements concentrate the highest levels of housing and urban poverty, in spite of their heterogeneity and regardless of their location, although it is clear that those farthest from equipped urban centres have the worst conditions. Due to the relevance of this problem, social organisations in the housing sector jointly proposed a National Social Housing Bill that was collectively presented and discussed by the National Congress in the early 2010s, with no success in its approval. Years later, another similar initiative was led by social organisations, considering the previous legislative proposal as a precedent. A new National Habitat and Housing Bill was presented before the National Congress in 2019 with no relevant progress to this date. Therefore, housing remains in the market landscape as a patrimonial asset, within the reach of middle- and high-income households almost exclusively, and a private construction, real estate, and financial sector profiting from its commercialisation (Quiñónez & Rivera 2021).

Housing cooperatives in El Salvador

Currently, the legal framework under which housing cooperatives operate is composed, mainly, by the Cooperative Associations General Act, passed in 1986. Here, the housing cooperative sector is considered as a type of cooperative association legally recognised and defined as those whose objective is to “provide its members with housing through self-help and collective labour”. The inclusion of housing cooperatives in this Act was made possible through reforms passed in 2009. This year coincides with the promotion, creation, development, and subsequent growth of housing cooperatives, specifically under the mutual aid model. Nevertheless, in the regulatory body that stems from this Act’s implementation, housing cooperatives’ faculties include for-profit purposes, such as the construction of housing projects for commercialization and/or renting, allowing commodification dynamics to be led by housing cooperatives.

The first projects were rural cooperative housing projects resulting from reincorporation strategies following the peace process and for relocation purposes following the 2001 earthquake. During the 2000s, these first initiatives emerged from the knowledge transfer efforts led by FUCVAM, pioneering the development of demonstrative experiences in terms of cooperative housing, in contrast with those promoted by housing institutions and even questioning the cultural and socio-economic paradigm of private property (Quiñónez 2018; 2020; Breedenoord 2017). International cooperation agencies and local NGOs took the lead in supporting FUCVAM for this purpose and played a key role in promoting and creating mutual aid housing cooperatives from scratch. The first urban housing cooperatives, additionally, managed to obtain access to public land under collective property and develop their project in

the historic centre of the capital city, San Salvador. These four experiences provide evidence on the potential of context-based, people-led cooperative modalities of organising and managing resources, such as land and financing, for reducing the housing deficit (FUNDASAL 2017).

Nowadays, housing cooperatives in El Salvador bring together over a thousand households that find themselves below the minimum threshold to be eligible for publicly funded housing programs. The majority are self-employed in the informal sector and close to 70% are women head of households, with children and elders being economically dependent on them. To this day, there are more than 25 housing cooperatives in El Salvador, represented by a second-tier organisation, the *Federación Salvadoreña de Asociaciones Cooperativas de Vivienda por Ayuda Mutua* (FESCOVAM). Not exempt from difficulties, several proposals on instruments for facilitating access to public financing and urbanised land, developed in previous years and presented by FESCOVAM before the housing institutions, have served as a basis for discussions with institutions on how to scale-up the cooperative model and institutionalise it with the support and involvement of the state.

In 2012, a housing program that includes the construction of housing projects for approximately 7 housing cooperatives in the historic centre of San Salvador, promoted by FESCOVAM and allied stakeholders, was approved by the National Congress to be implemented by the Ministry of Housing, with a grant from the Italian cooperation agency. With a State-managed fund exclusively oriented for housing cooperative projects, that also considers gender-comprehensive criteria to ensure affordability, a legal framework of its own where the core principles of the FUCVAM model are recognised, and the identification of public land to be transferred directly to the cooperatives' ownership, this program constitutes the first Latin American experience, apart from the Uruguayan one, of the model's institutionalisation in all of the elements that compose it and make of it an affordable solution to the housing problem among low-income populations.

Challenges and opportunities in establishing cooperative housing in El Salvador and Colombia

In El Salvador, the implementation of the housing program in the historic centre hints at an institutionalisation of cooperative housing that implies developing mechanisms to ensure the affordability of housing for low-income households, and to prevent the commercialization of what has been built by the cooperatives themselves, with the support of public financing and institutional competences. Today, it presents a level of progress that has made it possible to channel public financing to housing cooperatives, considering a differential subsidisation scheme, as well as the possibility of transferring public land to the cooperatives under collective tenancy forms. The program also contemplates credit items to cover the needs of technical assistance for cooperative self-construction. To date, 3 housing cooperatives have signed agreements with the state for the disbursement of funds and the execution of works, with another four cooperatives in the process of applying to the program and having their project proposals approved. At present, the progressive increase in construction costs at the global and local levels, together with the precariousness of the socioeconomic conditions of the households that make up the cooperatives, make it difficult for the current subsidiary structure to be accessible to households with incomes below two minimum monthly wages, who are the most affected by the housing deficit. Likewise, while the collective ownership by cooperatives protects them from subjecting housing to speculation, one of the greatest anchors of collective ownership is the degree of social appropriation among households of the concept of housing as a human right to be built and preserved, in honour of its use value.

On the other hand, beyond the impact that can be achieved with the implementation of the historic centre program, the institutional and legal scaffolding that has been set up for its operation, within the Ministry of Housing and the other state agencies involved, does not respond to a public policy framework with clear strategic commitments to the expansion of the cooperative model as a housing alternative for low-income sectors. The Special Act approved for its operationalization is framed in the execution of limited non-reimbursable international cooperation funds, designated for a specific geographic area and target population. In other words, housing cooperatives for mutual aid that are not located in the historic centre do not currently have any real possibility of financing. The process of elaborating the Special Act itself incurred also in a series of challenges that have not been overcome to this date. The identification and transfer of public land has lacked conditions for effective inter institutional articulation, given that existent gaps and processes slightly defined in the current regulatory frameworks are not flexible enough to allow this and therefore enable the allocation of idle public land for housing or other social purposes. Acquisition of private land in the historic centre has been another challenge in terms of budget availability.

Amongst the challenges housing cooperative communities continue facing is the high volatility among cooperative members, due to a diversity of factors: long periods of waiting until the housing projects are built, lack of organisational culture, long-term unaffordability of subsidised credit, and high amounts of time and effort dedication. This is especially burdensome for members performing leadership or administrative roles in cooperatives, which are often taken on by women who are already overwhelmed by care activities at home. New housing cooperative members are required not only to lack adequate housing, but also to embrace principles that view housing as a human right, instead of a commodity, which implies a level of detachment from the widespread ideal of individual homeownership as a means of social mobility, heightened reputation, a higher quality of life, or a long-term investment where a house is considered a patrimonial asset. Most housing cooperatives in El Salvador, as a matter of fact, do not surpass an average membership of 20 - 25 households, as people are reluctant to embrace collective ownership. The degrees of autonomy that cooperative organisations have with limited flexibility to develop their own means of economic and political stability are in strong dependence on their households' capacity to collect savings, to dedicate time and effort to establish alliances with other organisations, to extend their strategic network and cooperation linkages with key actors that contribute with other kinds of support. These areas of organisational autonomy remain a field for improvements where international cooperation and local NGOs cannot continue to be the only driving forces of their processes. In this sense, what Fruet (2005) states can be confirmed for the case of El Salvador. Even if several steps have been taken forward in the struggle to consolidate a housing cooperative model as an alternative within the housing system, the fact that it is such a solid and inflexible housing system makes it more difficult to obtain a level of progress in terms of the model's institutionalisation, as it has occurred in the cases of Uruguay and Switzerland.

In the case of Colombia, the emergence of housing cooperatives is at an incipient stage. However, with the incoming elected government, an apparent turn in Colombia's housing policies is forthcoming and the future for housing cooperatives seems more promising. Nevertheless, as we have presented in this paper, although there is a legal framework for housing cooperatives and collective property, there is a lack of institutional frameworks and policy instruments that promote and regulate housing cooperatives. Nevertheless, with a promising governmental support for the development of cooperatives, identifying and strengthening existing organisational structures could be a good start. As presented previously, contractor led housing at the hand of large developers has taken over the bulk of the production of housing, however the legal framework that establishes the Colombian housing system

contemplates other relevant non-governmental and non-profit actors who until now have received nominal support from the state (Fique Pinto 2008, 82). Popular housing organisations-OPVs and Family Compensation Funds - CCF could become strategic allies for cooperative housing initiatives nationwide. Furthermore, although housing production in Colombia as in the rest of the region, is largely built through collective mutual aid processes, it is absent from housing policies and programmes. In this regard, mutual-aid housing cooperatives could tap into the existing framework and renewed attention of OPVs as an organisational shell to introduce cooperatives in the housing system. Family Compensation Funds as providers of housing subsidies and non-profit developers of social housing, have invested interest in diversifying their housing portfolio to better meet the demand of their members. In fact, one of the largest Family Compensation Funds is exploring the feasibility of using mutual aid cooperative housing for the development of in-fill housing projects in Bogotá. Finally the case of *Ciudadelas de Paz*, brings forward the role Universities and the National Learning Service (SENA) can play in providing Technical Assistance for mutual aid housing projects. Lastly, strengthening of mutual aid cooperative housing beyond a building cooperative model within the Colombian cooperative movement is key.

Conclusions

Based on our preliminary analysis, several key elements enabling cooperatives in El Salvador and Colombia are still in a critical or undeveloped stage. Among them are important factors such as land access, affordable financing, recognition in legal frameworks, effective coordination between competent institutions, housing policy guidelines oriented towards the promotion of de-commodifying housing modalities, social and organisational strength, and sustainability. However, while the resurgence of housing cooperatives in El Salvador and, particularly, in Colombia is still in its early stage and confronted with several challenges, there are also some conditions that may be considered as favourable: both countries are supported in their endeavour by a significant number of international organisations. In the case of El Salvador, recent disasters have caused major damages to the housing stock, forcing the government to pay renewed attention to the housing sector, thus favouring the resurgence of housing cooperatives. In Colombia, international agencies and an incoming progressive government are strongly involved in supporting projects that may contribute to durable peace and recognise the importance of cooperative housing. Their influence on national housing policies may be considered as critical junctures with long-term impacts on the future of cooperative housing in these two countries that may eventually spill over to the region as a whole.

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