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Article

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Housing Policies in Latin America: Overview of the four largest economies

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Abstract

The aim of this paper is to examine the differences and similarities in housing policies in the four Latin American countries of Argentina, Brazil, Chile and Colombia. The article uses the welfare regime approach, modified by a recognition of path dependence, to identify a number of phases that each country has passed through. However, attention is drawn to the substantial differences in the circumstances in each country and the extent and duration of the different phases. It is concluded that it can be beneficial to use the concept of a Latin American housing regime, but that this general picture has to be used with an understanding of the path dependence caused by the different context in the individual countries.

Introduction

The aim of this paper is to examine differences and similarities in housing policies in the four Latin American countries of Argentina, Brazil, Chile and Colombia. It is argued that there are considerable similarities in the forms that housing policy has taken at different times, although the variation of context in each country and the force of path dependence of different institutional and social structures have meant that singularities in the shape and extent of policy have varied between countries.

The most used framework for examining housing policies in different countries is the welfare regimes approach pioneered by Esping-Andersen (1990). He argued that countries varied in their housing and welfare policies because of political choices that were made, and that countries could be grouped into different regime types on the basis of the political ideologies that drove these choices. He identified social democratic, conservative and liberal typologies of countries in the developed world of Europe and the Anglo-Saxon nations of Australia and the USA. His typologies have been extended to

cover changing Eastern Europe (Clapham, 1995) and East Asian countries such as Japan (Ronald, 2007). However, we are not aware of any work applying the approach to Latin American countries. Therefore, in this paper we apply the framework to four Latin American countries of Chile, Argentina, Brazil and Colombia. The aim is to identify similarities and differences between housing policies in these countries and to assess the impact of these policies on the housing situation.

Before applying the welfare regime framework it is necessary to identify some criticisms and refinements of the basic approach. The first criticism concerns the perceived over-generalisation of the similarities between countries in the same regime typology. The categories hide distinctiveness between countries and there is an understanding that these may be as important as the similarities that form the basis of the categorisation. Therefore, categorisation has to be seen as a blunt tool and used carefully. This criticism has led to an understanding of *path dependence* as an important factor in the development of state policies (Malpass, 2011; Bengtsson and Ruonavaara, 2010). In other words, the existing structures of institutions and practices in any country frame the unique nature of the housing system and influence its direction of travel and the particular shape that change takes. This links to another criticism of the welfare regimes approach, which is that it lacks a focus on change. It is argued (Clapham, 2006) that there are some general forces, such as globalisation, that are moving housing systems in similar directions and, therefore, the welfare regimes are constantly being changed. The interplay of globalisation with path dependence shapes the forms and outcomes of housing policies in individual countries and we will use this framework to examine the four Latin American countries of Chile, Argentina, Brazil, and Colombia. The aim is to answer questions such as; are there enough similarities to talk of a Latin American regime type? Are the countries moving in a similar direction and what part does path dependence play in the shape of change and the impact of the policies? The remainder of this introduction sets the general context for the discussion of housing policies in the next section.

Historically, Argentina, Brazil and Chile share the legacy of military governments that have scarred the political scene and influenced the welfare systems of their countries. Colombia on the other hand, has not encountered military rule on the scale of the others¹, but has suffered and indeed still suffers, from more than 50 years of internal civil

¹ There was a coup d'état in 1953 but democracy was restored in 1958 (Arismenedi, 1983). For a review of authoritarian tendencies and their roots in Latin America see Collier (1978).

conflict against illicit drug trafficking. The four countries are of very different population sizes with the population of Brazil being over 200 million and Chile having just over 17 million with Colombia and Argentina having between 40 and 50 million people. The rate of population growth is declining in all countries, although at a slower rate in Colombia than in the other three. Gross domestic product (GDP) per head is highest in Chile and Argentina, with Colombia being the poorest country with a GDP per head of half that of those two and substantially below that of Brazil and of the Latin American average (Table 1).

Table 1.

<i>(Dollars per inhabitant at current prices)</i>					
Country	Years				
	2009	2010	2011	2012	2013
Argentina	9505.5	11509.0	13762.0	14730.2	14767.1
Brazil	8374.2	10981.3	12583.9	11334.8	11220.1
Chile	10119.4	12686.2	14506.5	15263.2	15738.5
Colombia	5085.0	6179.3	7122.5	7758.0	7822.7
Latin America and the Caribbean	7196.7	8561.5	9803.5	9705.1	9845.7
Latin America	7185.5	8561.7	9811.2	9710.1	9850.5
The Caribbean	8131.0	8539.5	9154.4	9277.4	9438.6

Source: *Economic Commission for Latin America and the Caribbean - Estimates based on official sources - http://estadisticas.cepal.org/cepalstat/WEB_CEPALSTAT/Portada.asp*

In reflection of its relatively low economic standing, Colombia has approximately twice the unemployment of the other three countries. All of the countries have internationally high levels of inequality as measured by the Gini co-efficient. With the US as a comparator as a very unequal developed country with a co-efficient of .41 in 2011 (the higher the co-efficient the more unequal the country) Colombia has a co-efficient of .54, Brazil .53, Chile .51, and Argentina .44 (World Bank, 2015)

The countries differ on the political classification presented by political scientist Jorge Castañeda (2006) who argues that there are two 'left' political forces in Latin America: the '*reconstructed left*' a fusion of communist, socialist and Castroist tendencies, which has evolved by learning from past mistakes and intends to develop new policies that can keep the region as an important player in the global market; and the '*populist left*' which has a deep attachment to nationalism and tends to be anti-globalisation (Castañeda, 2006, p.34-35). There is also the *centre* and the *centre-right* that dominated the scene during the 1990s. This political division is reflected in the way societies and governments have reacted to the situation in which the countries have found themselves.

Following Castañeda's political spectrum, the four countries covered here demonstrate different political control over time. Argentina, representing the '*populist left*', has seen the coalition of mostly socialist parties (*Frente para la Victoria*) win successive elections since 2003; the same year that Brazil, representing a '*tenuously reconstructed left*' (Castañeda, 2006, p.35), saw the rise of the *Partido dos Trabalhadores* (workers party) who are also still in power. Chile, a straight '*reconstructed left*', has followed this tendency for almost two decades and after a short period with the *centre-right* (2010-2014), has recently returned to where it previously was, with a newly formed coalition of leftist parties known as *Nueva Mayoría*. The exception here is Colombia that has been mostly moving from the *right* to the *centre-right*, with the *Unidad Nacional* coalition currently in power. Therefore, the selected countries represent a spectrum of different political approaches that have been applied to housing policy.

Perhaps surprisingly, the political differences do not seem to be reflected in the resources devoted to housing policy in the four countries. Brazil's '*tenuously reconstructed left*' has been the highest spending of the countries with Chile's '*reconstructed left*' the lowest [Table 2]. Colombia's right wing governments have devoted more public spending to housing than in Chile, but less than the other two countries. However, the differences in spending seem to reflect differences in housing conditions rather than political differences, with Chile having the lowest proportion of slums in its urban housing and Brazil the highest [Table 3].

Table 2.

	<i>Years</i>								
HOUSING									
<i>Country</i>	2005	2006	2007	2008	2009	2010	2011	2012	2013
Argentina	0.8	1.0	1.0	0.9	1.1	...	...	...	...
Brazil	1.1	1.4	1.5	1.7	1.6	...	...	...	...
Chile	0.2	0.2	0.3	0.3	0.4	0.3	0.3	0.3	...
Colombia	0.5	0.5	0.6	0.6	0.7	0.6	0.6	0.7	...

Source: Economic Commission for Latin America and the Caribbean - Estimates based on official sources - http://estadisticas.cepal.org/cepalstat/WEB_CEPALSTAT/Portada.asp

Table 3. Urban population living in slums

<i>(Percentage of urban population)</i>								
~	<i>Years</i>							
<i>Country</i>	1990	1995	2000	2005	2007	2009	2012	
Argentina	30.5	31.7	32.9	26.2	23.5	20.8		
Brazil	36.7	34.1	31.5	29.0	28.0	26.9		
Chile	...	...	...	9.2*	...	...	7.1	
Colombia	31.2	26.8	22.3	17.9	16.1	14.3		
Latin America and the Caribbean	33.7	...	29.2	...	...	23.5		
Updated data to 11/SEP/2013								

Source: United Nations Statistics Division - Millennium Indicators Database. - <http://mdgs.un.org/unsd/mdg/Data.aspx>.

All four countries have suffered from long-standing housing shortages and low rates of new construction, with a high rate of informal housing being a major consequence of this. Informal housing is found in both the ownership and in the rental sector, which is characterised by individual landlords, often living in the same property, and by informal letting practices, despite state controls on rents and tenants' rights in the formal sector.

Colombia stands out in that a third of households are in the rented sector, with much smaller proportions in the other three countries. In all four, the incidence of renting tends to rise with income. In other words there are fewer low-income households renting and there is a tail-off amongst the highest income groups, with the highest incidence being amongst those in the middle range of incomes (Blanco, Cibils and Muñoz, 2014).

Home ownership is the predominant tenure in all four countries. Colombia has the lowest rate of ownership with 50 per cent and Brazil the highest with 75 per cent. Argentina and Chile have between 65 and 70 per cent (Blanco, Cibils and Munoz, 2014). Home ownership has been encouraged by governments in all the countries, with state subsidies being primarily directed towards this tenure, both in new build and in the upgrading of existing (often informal) slum properties. Even directly provided state housing is usually sold to the new occupants through the provision of state subsidies and loans in addition to those provided by the private sector. In all countries there have been problems of the affordability of housing not just in the lowest income sectors and as we shall see, much state aid has been aimed at allowing middle-income groups to afford the ownership of new housing (Blanco, Cibils and Muñoz, 2014).

This review will present a comparative description of housing policies that have been pursued in Argentina, Brazil, Chile and Colombia during the past five decades. The information presented is collected from official documents, government as well as international organisations, peer reviewed academic journals and latest media articles from the national press of each country. The collected literature is in Spanish, Portuguese and English. The description will be divided into three phases that all countries considered here experienced to varying degrees and at different times.

First phase: Spread of informality and Accruing Social Housing debt

During the 1960s and early 1970s, housing policies in Argentina, Brazil, Chile and Colombia were fashioned to meet the demand of those in formal employment.² As a conse-

² The literature on housing policies for these countries is quite vast, the most relevant for this period are: for Argentina, Zanetta, 2005; Barreto y Alcala, 2008; Barreto, 2013; Brazil see Valladares, 1978; Andrade and Azevedo, 1982; Melo, 1992; Bonduik, 1998; Chile see Arellano, 1982; Collins, 1995, Kusnetzoff, 1987, Rojas, 1999; Silva Lerda, 1997, and for Colombia see Ceballos Ramos and Saldarriaga Roa, 2008b, Cuervo and Jaramillo, 2009.

quence most authors agree that these housing policies failed to target the unemployed and those working in informal or casual jobs. This, at the time, was a considerable failure given that the informal sector counted for more than 60 per cent of the population (Silva Lerda, 1997). One consequence of this failure was an increase in informal housing, which stimulated governments' policies of slum clearance and relocation of informal settlements. Slum clearance was also motivated by a belief, particularly among military governments, that the situation of the unemployed would reach breaking point, forcing them to join and be eventually absorbed into the formal economy. There was also the belief that Marxist activists as well as drug cartels were infiltrating informal settlements, using them as a focus of resistance, indoctrinating residents and recruiting the young into their networks. For these reasons governments tended to ignore social policies designed to improve conditions in informal areas and continued with slum clearance programmes.

In Chile, the military government imposed strict controls over the expansion of informal settlements which generated another problem when the *allegados*, the family's relations and friends, arrived to share already occupied houses, adding the problem of overcrowding to urban environments already in dire need of infrastructure development (Rojas, 1999). In Argentina, new laws were passed with the clear intention of discouraging informal settlements on the boundaries of existing urban settlements. The *Ley 8912* of 1977 classifies the periphery of Buenos Aires for recreational use and non-permanent residence, and specifically refers to country clubs (second holiday homes) as the preferred land use for the area (art.7).³

The state in these countries was at this time the main provider of subsidised housing, responsible for the financing, planning and delivery of the projects. Institutions involved were usually a national mortgage bank and a relevant government institution at national level that coordinated all actors (local governments, construction companies and beneficiaries). The schemes delivered by these institutions were generally low-cost, mass-produced housing units with very little infrastructure, and provided mainly for sale. The largest example of a housing estate built during the 1970s in Latin America is located in Sao Paulo and has 84 housing blocks, 5 storeys high, with no public transport, a problem

³ Gobierno de Buenos Aires, Legislación, Decreto-Ley 8912/77 available at <http://www.gob.gba.gov.ar/legislacion/legislacion/d-8912.html> also see a Thuillier, G. (2005).

that has not yet been adequately solved, taking today's residents a whole two hours commuting to reach the city centre (Budds et. al. 2005).

The landscape of the 1970s and 1980s was therefore of increasing informal settlements and insufficient and low quality housing stock. In addition, given high levels of inflation, most state owned mortgage banks were running large deficits and there were allegations of corruption in the system (see Valenca, 1992; Zavaletta, 2005; Tachopulos Sierra, 2008 and for a more positive view on the state's abilities to finance social housing programmes see Cuervo and Jaramillo, 2009).

Second Phase: Adoption of the Washington Consensus

All four countries share the adoption during the 1990s of very important economic recommendations known as the Washington Consensus based on a neo-liberal ideology (World Bank, 1993 and 1994; Gilbert 2002; Stiglitz, 2002). Broadly speaking this implied the reduction of the state, decentralisation, privatisation, opening of markets, and deregulation. The adoption of these recommendations has had a direct impact on social and housing policies.

Chile had an earlier start towards liberalisation of markets than the other countries considered here as some of the recommendations of the Washington consensus were already underway in the country after the military coup of 1973 (Arellano, 1982; Rojas, 2000; Guilbert, 2002, MINVU, 2004, de Soto and Torche, 2004, Garcia de Freitas and Cunha, 2013). Among wider economic aims, the reform intended to attract more private investment and enable the housing market to work more efficiently, with the hope that the housing deficit in all sectors of the population could be solved by private investment with the Chilean State acting as a facilitator. But as the *Ministerio de Vivienda y Urbanismo* (MINVU) (2004) explains, the reform took some time to develop and get established. Furthermore, some even claim that its visible results only arrived with the return of democracy in 1990 (Rojas, 2000). Notwithstanding, the World Bank (WB) praised the market conditions of Chile in the early 1990s stating that the country had been able to

provide three key elements in its housing programme: a) specific targeting of the poor, b) transparency and c) private market provision (World Bank, 1993).

Socio-economic conditions, and the concomitant government expenditure devoted to housing subsidies, more than politics, drove the subsidised system in all countries under study here; therefore bringing divergences in terms of the percentage of the units that were subsidised and availability of credit, which depended on the value of the house. There were also differences on eligibility of applicants according to their minimum salaries (Gilbert, 1997; Chiappe de Villa, 1999, Budds et al, 2005; Zanetta, 2005). But regardless of the particular socio-economic conditions, the system generally consisted of a government subsidy that was added to the families' savings while loans from private banks completed the cost.

This structure of provision was the result of the dissemination of new ideas developed in the 1960s and 1970s by the architect John Turner who spent time in Peru and other Latin American countries studying informal developments. Turner found that households improved their houses incrementally (Turner, 1977). He argued that their self-help approach was better than the large scale schemes developed so far by the governments and that a system of progressive building based on families' savings was better suited to solve the housing deficit particularly for the very poor. His ideas were popularised around the mid 1990s as well as those of others with similar views on self-build solutions (Pugh, 1990; for a criticism of Turner see Werlin, 1999). Site-and-services schemes that originated after these theories intended to provide serviced land to poor families (or group of families) that had a plan (or community plan) and were able to build with technical support from the municipality. Help was provided on condition that benefited families would send their children to school and thus break the poverty cycle.

All countries under study here implemented this form of incremental or progressive building or upgrading schemes of some sort as part of their subsidised programmes. Nearly twenty years later, current reviews of those past programmes are mixed. Some claim that municipalities did not welcome upgrading programmes as they doubted they could collect service charges from very poor families, therefore the investment in infrastructure was unlikely to be recovered. This had the effect that municipalities and sometimes the government themselves either restricted available land for these projects or rejected them altogether (Gilbert, 1997; Budds et al, 2005). Others argue that the

progressive building strategy lent itself to abuse as it was just an excuse to deliver low quality unfinished units (Chiappe de la Villa, 1999). Positive views of upgrading informal housing and site-and-service plans show that the scheme has been more successful at targeting the very poor than the massive new built complexes, as in the former, the beneficiaries own their houses outright with no mortgage, while the latter represents a burden in terms of repeated rent payments (Gilbert, 1997; Rojas, 1999; Green and Ortlber, 2002; Boldarini, 2008). Nevertheless, at the end of the 1990s and for reasons that still need to be researched, the four countries studied here have tended to favour the delivery of new homes, whilst reducing progressively subsidies towards other alternatives such as slum upgrading.

Whatever the programme, be it progressive building, site-and-services or upgrading, the mechanism whereby the state helped to subsidise the demand prevailed. This was a major change in countries that had traditionally relied on the national governments for the supply of social housing. Understandably, new procedural issues emerged as changes became operational. One of the major challenges was how to create a more attractive market for the private sector. Two main barriers had to be addressed: the reduction in planning bureaucracy, and the legalisation of land titles (Borja and Castells, 2002; Cuenya, 2005; Barreto, 2013). The way to reduce bureaucracy was to decentralise activities, which in Latin America at the time was complicated as provincial governments were dependent on the national state with a highly centralised administrative system. On the other hand, capital cities had always been under suspicion that they were too independent from their governments.⁴ A fine balance needed to be achieved between relinquishing central powers to the provinces and strengthening their capacity to take new functions, while keeping metropolitan areas under control.

Not surprisingly, the process has received severe criticism in all four countries under study here. Some argue that the decentralisation was heavily politicised and that power was given to provinces in exchange for political support to pursue wider reforms (Coy and Polit, 2002; Zanetta, 2005); as stated in the introduction, all countries were simultaneously undergoing an extensive programme of privatisation of their national infrastructure networks and services, and support from local government was needed to

⁴ This is still a current problem. The cases of Bogota and Buenos Aires are paradigmatic as they have a history of being ruled by the opposition party to the national government. See Rodriguez-Acosta, and Rosenbaum, 2005; de Duren, 2006; Thibert and Osorio, 2014).

implement these changes. Other critics of the decentralisation process focus on the lack of co-ordinated action at government level and particularly the unregulated public-private interaction, which fragmented the industry sector. Small construction companies, for example, preferred to lobby for work with local governments while large firms preferred communication with higher levels of government (Cuenya, 2005). Unavoidably, this often led to a duplication of actions (Budds, et al, 2005; Rodriguez-Acosta and Rosenbaum, 2005). However, when subsidies were kept centralised in order to control activities, critics claimed that the power of the municipalities (who were in a better place to assess local needs), were being curtailed (Chiappe de Villa, 1999, Tachópulos Sierra, 2008).

Not only was the process of decentralisation fostering discontent, but the effect of legalisation of land titles also started to be questioned. This was mainly because, even if a family managed to succeed in dealing with the bureaucracy involved in obtaining the title, the inability of many to pay land tax duties meant that they could be dispossessed by the government for non-payment; which was seen as a worse situation than before when they had at least a 'perceived' ownership of the land (see Van Gelder 2009 for a discussion of titling theories). Also it was argued that even poor families who had obtained legal titles and who had undergone the lengthy process of obtaining the subsidies were then refused credit by the banks (Varley, 1987, Gilbert, 1994, Van Gelder, 2009; Curevo and Jaramillo, 2009). Finally, the subsidies themselves were deemed unsustainable. In Brazil, the 1990s was a decade dominated by high inflation, which did not offer stable conditions for the private sector, nor for government subsidies which could quickly reduce in real terms (Azevedo, 2007; Valenza, 2001; Fonseca, 1998; Moraes, Saad Filho and Coelho, 1999; Valenza, 1998; Valeza and Bonates, 2009). In Argentina most of the subsidised housing projects were delivered by NGOs as the government was unable to create sustainably priced mortgages (Murillo, 2001). In Colombia the lengthy process of mortgage applications (usually over ten months) combined with the housing boom created by these very same programmes, meant that by the time candidates managed to gather all necessary funds (savings + subsidy + credit), the dwelling or plot of land of their choice was out of reach (Gilbert, 1997, Chiappe de Villa, 1999).

But the biggest failure for all countries was that, despite the promises of targeting the very poor, those with no access to formal jobs were unable to benefit from any of the plans. Even in Chile targeting the very poor proved difficult despite the system being

heavily subsidised by the government (Gilbert, 1997; Rojas, 1999). Furthermore, as Rojas suggests, much of what was achieved in terms of attracting the private sector, was possible due to the country's own economic success (increased consumer confidence and rising in interest rates - all beneficial conditions for the private sector). The fragility of the system became evident at the end of the 1990s when unstable economic conditions generated an increase in mortgage interest rates that saw the collapse of many programmes and institutions across all countries other than Chile. Unavoidably, when transferring the so-called Chilean model to other countries with larger housing deficits and thousands living informally hoping for subsidies, bigger challenges emerged. Towards the turn of the century, Argentina, Brazil and Colombia had to divert subsidy funds to support the administration of an increasing demand, making administrative costs larger in proportion to the spend (Gilbert, 1997; Chiappe de Villa, 1999; Tachpulos Sierra, 2008; Cuervo and Jaramillo, 2009). Still a decade later some argue that the financial conditions at the time were not mature enough to attract institutional investors capable of providing private funding for housing programmes, let alone provide a solution for the lowest income sector of the population as was claimed by the World Bank (Soto and Torche, 2004, Zanetta, 2005).

During the late 1990s, local authorities in Colombia were requested to develop a strategy plan (*Ley de desarrollo Territorial 388*, 1997-still in force)⁵. New municipal funds were also created (*Fondos Municipales de Vivienda de Interés Social*), with the aim of collecting and managing revenues for social housing programmes. While the strategy plan allows municipalities to identify land for social housing, the municipal funds equip them with regulations to pursue development contributions from the private sector. This is done either by the demand of land for social housing from the land-owner, or by a development levy paid by developers (Chiappe de Villa, 1999, Tachchlla, Sierra, 2008). However, there are concerns that the regulation is not fully enforced (Carrira Barrero, 2008) and that municipalities produce a plan just to comply with the national law.

The 1990s ended with successive economic crises that affected the largest economies in the region. In Colombia mortgage rates increased from 6 per cent to 20 per cent in the year 2000 (Cuervo and Jarmillo, 2009). The national government had to introduce a very

⁵ Alcaldía de Bogotá Ley 388, 1997 <http://www.alcaldiabogota.gov.co/sisjur/normas/Norma1.jsp?i=339#0>

controversial new tax to help the banks cope with defaults. The National Institute of Social Housing and Urban Reform (INURBE) went into liquidation by decree, this was due to the high administrative costs to keep the institution functioning which now coupled with the economic crisis, made the situation unsustainable. A new institution was created (Fondo Nacional de Vivienda -Fonvivienda). This national housing fund was to act as a facilitator and channel the resources of the new plan initiated in 2002 which looked again (similar to previous plans) at decentralising activities as a solution (Escobar, 2001; Tachipulos Sierra, 2008).

It took Chile nearly twenty years to adapt to the economic reforms introduced in the 1970s. Argentina, Brazil and Colombia attempted to take that leap in a few years (late 1980s and early 1990s), with mixed reviews on the consequences of these reforms (Castañeda, 2006; Stiglitz, 2007, and for a positive impact see McKenzie and Mookherjee, 2003). Lack of transparency in the privatisation process and the lack of a mature institutional framework capable of dealing with the sophistication that international private investment demands have together been blamed for the economic crises that affected the region after market liberalisation: starting with Mexico's Tequila crisis in 1994, Brazil's hyper-inflation crisis of 1999, and ending with Argentina's default crisis in 2001 (Stiglitz, 2007).

Third Phase: Building Your Way out of Recession

In this phase all countries intended to target the very poor. The Colombian government launched the *100,000 Viviendas Gratis* plan (free houses plan) in 2012⁶. The beneficiaries were families that suffered from environmental disasters or during the drug trafficking wars. This new scheme was a last attempt to target the elusive bottom of the pyramid, i.e. the very poor families, and follows World Bank recommendations, constituting a very different approach to the World Bank's previous view when free housing provision was seen as dangerous as it could induce larger rural-urban migration, straining the cities even more (Pugh, 1990).

⁶ Gobierno de Colombia, Haciendo Casas Cambiamos Vidas. 100,000 Viviendas Gratis <http://www.100milviviendasgratis.gov.co/publico/Default.aspx>

In Brazil, the worker housing provision was for a large scale subsidy programme through the Programme Minha Casa Minha Vida (PMCMV)⁷. There are claims that this was mainly driven by the construction sector (Arantes and Fix, 2009; Macedo, 2010; Cardoso et al, 2011). There are also problems with quality (Kowaltowski et al, 2006) with some critics stating that if customers had a choice by being able to buy a non-subsidised home, the whole scheme and the construction companies that benefitted from it would be out of business (Formoso et al, 2011).

After the default in 2001, Argentinian construction companies restructured considerably. But in 2012 the National Government launched a new plan (Plan Pro. Cre. Ar)⁸ which offers 400,000 subsidised mortgages to working families. The first phase of the plan ran until 2014. The subsidy is for progressive building or new homes. In common with the plans in other countries, the plan aims to increase growth in the economy through the construction sector, but unlike Colombia's new homes, the programme, Pro.Cre.Ar still misses the bottom of the pyramid as it only targets those in employment. Furthermore, the plan relies on the state, provinces and municipalities to make land available for new developments, which strains already cash-poor municipal authorities, which can only comply by providing low-cost peripheral land rather than in the centre of the cities where people prefer to be for employment reasons.

But there are other problems related to the use of state land for social housing programmes. Chile, which pioneered the subsidy system, also relies on state land for its current MINVU programmes. Indeed, rising land prices and the failure of the system to impose stricter regulations on developers means that the State is the main provider of the sites for social housing (Brain and Sabatini, 2006). As these authors suggest, increased construction costs are also part of the problem, and given that the subsidies have a cap, the only solution to keep developing social housing is by building on state land; making the authors speculate on the possibility that the state is undervaluing sites in order to complete politically charged projects to win more votes.

⁷ Regulatory framework of the programme can be found at the Ministry of Cities <http://www.-ciudades.gov.br/index.php/minha-casa-minha-vida.html>

⁸ Decree 902/2012 Boletín Oficial Available at <http://procrear.anses.gob.ar/documentos/decreto-procrear.pdf>

Conclusions

The above discussion highlights the similarities in the trajectories of housing policy in the four countries of Latin America studied here. Each of the countries has passed through three phases, the first one that was characterised by governments' lack of response to the housing problem and subsequent spread of informality and accruing of social housing debt. A second phase when all governments under study adopted the Washington Consensus and intended to attract bank financing to help reduce the housing crisis. A third phase mainly led by the construction sector which saw the delivery of poor quality homes in peripheral locations.

All these three stages happened at different times and to differing extents in all four countries under study here. Variations in the socio-economic and political conditions and the institutional context have meant that the general trends have taken different shapes in the four countries and this is reflected in the outcomes achieved. Nevertheless the similarities mean that it is possible to use the concept of a Latin American housing regime for the four countries considered here - experiences are discernibly different from the patterns in other countries and regime types. However, the adoption of this approach should not lead to a disregard of the path dependent differences between the countries that have been highlighted in this paper.

The review has shown the outcomes of previous policies and the problems encountered. In all four countries there are still considerable shortages of housing and problems of affordability. Criticisms have pointed to the lack of focus of policies and programmes on the lowest income groups. This is partly an issue of political choice, but also reflects the problems associated with the adoption of ownership as the predominant model. There have been calls for the encouragement of a rental housing sector (see Blanco, Cibils and Muñoz, 2014) that would be more attuned to the requirements of those on low and unstable incomes and so could cater for the poorest sectors of the population. In addition rental housing can be provided at high densities and in the centre of cities and so contribute towards employment and environmental objectives. If rental housing is to be provided through the private sector there needs to be a review of current rent control and tenancy regulation policies to enable landlords to generate an acceptable rate of return and tenants and landlords to have a legal framework that meets their needs.

The extent of inequality in the countries studied here means that the distribution of housing is certain to be a major problem without extensive state aid for the lowest income groups. Efforts to meet the housing needs of the poorest sections of the populations have had mixed results and no country has been able to devise and implement a sustainable programme that meets the needs of the lowest income people. The failure may partly reflect the dominance of the ownership paradigm and partly the failure to capture contributions from developers to supplement scarce public subsidy.

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