HOUSING POLICY AND SOCIO-ECONOMIC RESIDENTIAL SEGREGATION:

THE CASE OF BUENOS AIRES, ARGENTINA

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By

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Current and past housing policy in Buenos Aires has not been effective for the social insertion of the poor, because, by focusing primarily on the provision of housing, it has not attempted to reduce residential segregation and mitigate the consequences of living in a poor neighborhood. Despite inclusive urban policy aiming to create a balanced distribution of social classes throughout the city and the prioritization of pro-poor housing options from 1900-mid 1950s, Argentina has been experiencing polarizing tendencies since the 1960s, these becoming more acute in the 1980s and 90s. As a result, residential segregation in the city has increased and a housing shortage has persisted. In response to this situation, the state’s general housing policy response throughout Argentina has focused on the construction of public housing complexes, which has contributed to the poor’s urban isolation by concentrating poverty in undesirable neighborhoods. Lessons on more inclusive housing options can be taken from the United States, and select European and Latin American countries, but desegregation policies are extremely immature throughout the world. This investigation constitutes a state of the art study, in which extensive research was conducted to reconstruct current and historical housing and urban policy in Buenos Aires, in order to provide a stepping stone for more empirical work on this topic in the region.
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<td>AP</td>
<td>Average Proximity</td>
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<tr>
<td>DI</td>
<td>Dissimilarity Index</td>
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<tr>
<td>FONAVI</td>
<td>Fondo Nacional de la Vivienda (National Housing Fund)</td>
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<tr>
<td>GCBA</td>
<td>Gobierno de la Ciudad de Buenos Aires (Government of the City of Buenos Aires)</td>
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<td>HUD</td>
<td>U.S. Department of Housing and Urban Development</td>
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<td>IADER</td>
<td>Instituto Argentino para el Desarrollo de Economías Regionales (Argentine Institute for the Development of Regional Economies)</td>
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<td>INDEC</td>
<td>Instituto Nacional de Estadística y Censos (National Statistic and Census Institute)</td>
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<td>LPPBA</td>
<td>Legislatura Provincial de la Provincia de Buenos Aires (Provincial Legislature of the Province of Buenos Aires)</td>
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<td>MABA</td>
<td>Metropolitan Area of Buenos Aires</td>
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<td>NBI</td>
<td>Necesidades Básicas Insatisfechas (Basic Unsatisfied Needs)</td>
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<td>NCD</td>
<td>New Deal for Community</td>
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<td>NSNR</td>
<td>National Strategy for Neighborhood Renewal</td>
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<tr>
<td>PRIMED</td>
<td>Programa Integral de Mejoramiento de Barrios Subnormales (Integral Improvement Program for Subnormal Neighborhoods)</td>
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<td>PROMEBA</td>
<td>Programa Mejoramiento de Barrios (Neighborhood Improvement Program)</td>
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Chapter I:

Introduction

Starting Points

Marginalization, social isolation, fragmentation, segregation. These terms, all different in their specific definitions yet all referring to a somewhat similar phenomenon, are buzzwords in the field of urban sociology, development studies, and public policy. Their frequent use in discourse in these various fields in recent decades is indicative of the fact that a specific process of urban development has been taking place in cities across the world, one characterized by the polarization of groups in societies. While the mentioned terms are defined in different ways according to the author and context, they all refer to a process of stratification, of an increasing distance between social groups, rigidity of social hierarchies and an asymmetrical system of power relationships. They refer to economic, political and urban structures that generate social disparities and disproportionate opportunities that, while they are not new phenomena, are relevant in today’s study of sociology and public policy in cities.

It can be argued that the motor behind these processes is income inequality. With the dominance of neo-liberal economic policies throughout the world since the 1980s and recent economic crises, income inequality was thought to be particularly acute prior to the year 2000. A 2001 report by the International Monetary Fund reports that according to seven out of eight inequality measures, worldwide income inequality increased in the twenty years prior to 2001 (Wade 2001). Latin America, often cited as the most unequal continent in the world, experienced an increase in income inequality during the 1990s (Gasparini et. al. 2009), as did Argentina,
focus of this study (CEPALSTAT 2011, Rodriguez 2011a, 2011b). Interestingly, inequality is thought to have increased particularly in developed countries since the late 2000s (OECD 2011). and today in 2011, the World Economic Forum cited world income inequality as one of the two greatest challenges facing the world today (the other being corruption) (Van der Elst and Davis 2011). While these data are frequently contested due to methodological discrepancies and although other studies make contrasting conclusions, the fact remains that income inequality is of utmost importance to policy makers and development practitioners in all countries.

Inequality is harmful to all members of society for many reasons: Robert Putnam (1993) argues that inequality is harmful for the integrity and quality of democracy. Economist Amartya Sen (1991) warns that inequality threatens to destabilize societies by trapping the poor in an unsustainable cycle of vulnerability. Rothstien and Uslaner (2005) argue that inequality leads to greater corruption and deteriorating levels of social trust, and Rod Burgess (2009) suggests that greater income inequality is associated with higher violent crime rates. The overall impact of inequality is that it creates rigid and distant social classes which, to a large extent, condition one’s life chances and opportunities for social mobility. Now, the purpose of this thesis is not to determine the levels of inequality throughout the world or to prove that it is on the rise. However, I open with this discussion in order to lay the foundation for the analysis of processes in today’s cities that lead toward greater social polarization and stratification.

**Topic of study**

This thesis focuses on one of these processes, that of socioeconomic residential segregation. Residential segregation, commonly defined as “the degree to which two or more groups live separately from one another, in different parts of the urban environment,” (Massey
and Denton 1988, 282, authors’ emphasis) has been of interest in the American school of sociology throughout the twentieth century, and has piqued the interest of Latin American scholars only more recently. This phenomenon refers to the tendency of different groups, endowed with unequal resources and capabilities, to inhabit the city, concentrated in groups of people similar to themselves. In the United States, the factor of interest for residential segregation has been that of race and the development of all-black ghettos. In Latin America, the factor by which groups become segregated has been that of class, with the development of rich and poor neighborhoods, and especially the emergence of informal settlement neighborhoods.

While Massey and Denton’s definition speaks of a simple disproportionate distribution of two or more groups in urban territory, Gonzalo Rodríguez’s definition introduces an element crucial for this study, that of subordination of one group by another. He argues that the unequal distribution of groups in a city can only be considered segregation if one group wields the power to segregate another group:

Given a society stratified in classes or social groups with different economic power, we define residential segregation as a process in which the groups with greater power tend to impose physical separation of their residencies from other groups of lesser power. Segregation understood in this way expresses unequal conditions and opportunities of access to urban land for different groups, dependent on their relative economic power (Rodríguez 2011b, 125).

In this sense, residential segregation is not merely the random grouping of similar groups in urban space but rather an expression of unequal power relations in which one group is more confined in terms of its access to the urban terrain than another group. Therefore, residential segregation is a manifestation of economic inequality that limits the opportunities of one group with respect to another.

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1 Own translation
Residential segregation has become of interest in Latin America in recent decades, and although empirical studies on the topic are scarce, authors warn that it is on the rise in the region’s cities (Arriagada and Rodríguez 2003, Arriagada 2000, Katzman 2001, Sabatini et al. 2001, Rodríguez 2008, Rodríguez 2011b, Groisman and Suárez 2006). These authors claim that residential segregation is undesirable for many reasons, including that it increases the social isolation of the urban poor and reproduces social inequalities. The concept of concentration effects, also deemed neighborhood effects, has arisen out of the study of residential segregation, implying that the physical concentration of poverty creates negative externalities for residents of poor neighborhoods, following the argument that it is worse to be poor and live in a poor neighborhood than be poor and live in a middle-class or mixed neighborhood (Wilson 1987). Authors such as Ruben Katzman claim that residential segregation influences class relations, causing increased class tensions and abandonment of the poor by the middle class (Katzman 2001, 2003; Young 2000). As we will see in the following chapters, residential segregation is a mechanism of social exclusion of the poor and makes poverty more difficult to overcome.

Despite its growing relevance, residential segregation has yet to be of great interest in public policy arenas. Within the camp of housing policy, historically and across the world, the tendency has been to concentrate poverty through the construction of massive low-income housing complexes. As can be seen by the abhorrent conditions of poverty, overcrowding, unemployment, drug use and violence, and welfare dependency in public housing projects in the United States and elsewhere, this thesis argues that such housing interventions do not succeed in improving the socioeconomic level of the urban poor; on the contrary it contributes to their further social isolation from mainstream society. With the exception of a handful of pilot programs of limited scope in the United States and Europe, very few policies worldwide have
identified residential segregation itself as a problem and attempted to reverse it. This is especially true in Latin America where desegregation policies are currently non-existent. While attempts to improve the physical conditions of dilapidated neighborhoods are more common, explicit attempts to provide the poor with greater housing mobility are absent in Latin America.

While the opening of this thesis suggests that income inequality is a main cause of residential segregation, this is not a study on the relationship between the two. Instead, this thesis opts for a focus on how housing and urban policy can influence the way in which social groups are distributed residually throughout a city. From this point on, the study concentrates on spatial elements, i.e., where people live in relation to others, the spatial organization of the city such as the street layout and the presence of parks or highways, and the existence of exclusive neighborhoods, as a determinant of class relations and opportunities for social mobility. Therefore, the policies affecting these spatial factors are of utmost importance.

This study will take the case of Buenos Aires, Argentina as its focus. The main hypothesis of this study is that current and past housing policy in Buenos Aires has not been effective for the social insertion of the poor, because, by focusing primarily on the provision of housing, it has not attempted to reduce residential segregation and mitigate the consequences of living in a poor neighborhood. This thesis will not attempt to corroborate the hypothesis empirically; instead, in the absence of extensive literature on the topic in Argentina, this thesis will constitute a state of the art study for the city of Buenos Aires. The main objective is to historically reconstruct urban and housing policy in the city to demonstrate that these have not been beneficial for the poor in terms of the growing challenge of residential segregation.

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2 See Rodriguez 2011a and 2011b on this subject.
Selection of Buenos Aires as case study

This topic is highly relevant in Argentina, as it is one of the most urbanized countries in the region. Argentina is considered to be in an advanced state of urbanization, in which more than 80 percent of its inhabitants live in an urban environment, along with Chile, Uruguay and Venezuela (Zarricueta 2006, 4). The metropolitan area of Buenos Aires houses one third of Argentina’s 40 million inhabitants, making it the undisputable economic, political and cultural center of the country. At first glance, Buenos Aires appears to be an affluent, polished cosmopolitan city, with countless luxury hotels, boutiques, and restaurants, sophisticated shopping malls, a bustling business/financial district, grand tree-lined avenues, and beautifully maintained architecture. Certainly the city gives the impression of wealth, prosperity, and comfort. However, like in many large cities, it does not take long to spot startling contrasts to this image. Bordering one of the city’s most exclusive neighborhoods, nestled behind train tracks, exists one of the city’s largest villa de miseria, the Argentine term for informal settlement, or slum, where an ocean of precarious structures constructed of corrugated metal, cement and sometimes cardboard seem to expand endlessly. Venturing to the city limits and suburbs of Buenos Aires, the increase in villas is undeniable, where frequently 75 percent of the population is under the official poverty line and more than half of working-aged individuals are under-employed (Auyero 2001, 13). The reality of these neighborhoods contrasts drastically with those of middle-upper and upper class neighborhoods, where residents enjoy a standard of living similar to the affluent classes of North American and European countries.

In Buenos Aires, as in other cities across the world, these manifestations of inequality have become heightened in recent years. As Argentine sociologist Javier Auyero writes,

During the last two decades of the past millennium, Buenos Aires— analogous with cities in advanced northern countries—has witnessed the
simultaneous flourishing of opulence and indigence, abundance and poverty. In Argentina, as well as in the rest of Latin America, we must add the multiplication of inequalities between the growing metropolis, small cities and rural towns to these growing extremes of poverty and wealth\(^3\) (Auyero 2001, 12).

While Buenos Aires is not unique in this sense, nor is its situation of growing disparities particularly more extreme than in other Latin American countries, the phenomenon is severe enough to attract the attention of countless social scientists and other professionals.

*Thesis structure*

The structure of this study will proceed in the following way. Chapter two will provide the theoretical framework for the study. Based on Wilson’s (1987) neighborhood effects theory and Putnam’s (1993) thoughts on social capital, among others, I will conceptualize poverty as a state of social isolation and residential segregation as a source of such isolation. I will also use contributions from Burgess (2005) and Katzman (2001) to expose how residential segregation affects class relations, contributing to further social stratification. Chapter three constitutes a background chapter, proving the historical context for justifying the current situation of residential segregation in Buenos Aires. The chapter will analyze the urban development of Buenos Aires from 1870 on, highlighting trends, events, and policies that affected the distribution of social groups within the city. The following chapter will hone in on specific housing policy from the 1940s until the present, here demonstrating how and why housing policy in Argentina has not improved the state of social isolation of the city’s poor groups. It will also present empirical studies arguing that residential segregation in Buenos Aires has increased in recent years. Chapter five will constitute a review of desegregation policies in various countries,

\(^3\) own translation
with the objective of comparing existing policies that intervene in this problem and recommending policies for Buenos Aires. The final chapter ends with a summary of arguments and concluding thoughts.
Chapter II:

A Theoretical Framework for Understanding Residential Segregation

Introduction

The study of residential segregation has been of interest in the field of sociology since the beginning of the twentieth century, undertaken primarily in the United States. The North American focus has been on racial residential segregation, calling attention to the social inequalities between residentially segregated blacks and whites and the high levels of poverty and social problems in the black ghetto of North American cities. The Latin American interest in the field, emerging in recent decades, has been more concerned with socioeconomic residential segregation, or the segregation of social classes. With recent economic crises, the collapse of social safety nets and growing income inequalities resulting partly from the prevalence of neo-liberal policies in the region and around the world, more and more attention is being paid to the phenomenon and its adverse affects for the poor, for society at large, and development efforts in general.

Poor people suffer not only from low incomes; they find themselves at the bottom of the social hierarchy, which brings with it a host of economic and social problems. This marginal position means they are subjected to the decisions of more powerful groups, which frequently exclude the poor from the benefits provided by the market, the state, political decision-making, cultural trends, and social networks. This state of exclusion, or isolation, a product of one’s marginal position in society—be it attributed to one’s race, class, gender, etc. or a combination of these—invariably conditions a poor person’s life chances and his/her opportunities for social
mobility. Residential segregation is both a cause and manifestation of such social exclusion, and brings with it numerous negative consequences for the poor person and for the prospects of social cohesion and greater equality in a society.

In this chapter, I will provide a theoretical framework for understanding residential segregation and its negative effects, focusing on social isolation/exclusion as both a cause and consequence of residential segregation. Using the theories of neighborhood effects and urban fragmentation, I will explain how residential segregation not only harms the poor by contributing to the vicious cycle of poverty and reducing their chances for social mobility, I will also illustrate how residential segregation causes social rifts to widen and for social classes to become more estranged from each other, elevating class tensions and increasing inequality.

This chapter is divided into four sections. In section one, I will begin by conceptualizing poverty as a state of social isolation, as not only a condition of low income and joblessness, but also a state of limited access—access to services, social networks, knowledge, decision-making bodies, role models and social capital. Section two will then explain the concept of social capital and why this resource is so important for excluded populations as a tool for social integration. Section three will transition to the concept of neighborhood effects to explain why the lack of social capital, as a result of living in a uniformly poor neighborhood, is so detrimental. Finally, section four will explain why residential segregation is undesirable for a city in general, describing its consequences for urban fragmentation and class relations. This chapter will constitute a literature review on these issues and situate us in the debate for the following chapters.
Poverty as social isolation

Poverty is a condition marked by the limitations of opportunities to lead a healthy, productive, meaningful life. This perspective is argued by scholars such as Amartya Sen (1991) and Anthony Bebbington (1999), who conceptualize poverty as the absence of freedoms to live the life one desires. Sen (1991, 3) defines development as, “a process of expanding real freedoms that people can enjoy,” and poverty as, “the deprivation of basic capabilities rather than merely lowness of income” (87), in other words, the set of lifestyle choices an individual is practically able to make. Bebbington construes well-being in terms of the different types of capital (physical, human, social) one has at his disposal and the life choices that these capitals provide. These authors, and others (Rothstein 2005; Nussbaum 2003; Ibrahim 2006; Jong-Sung 2005) see poverty as a function of opportunities and conceptualize well-being as the freedom to choose the life that each individual desires, free from economic and socially imposed constraints.

An individual’s opportunities are conditioned by the social structure of one’s society, his place (real or perceived) within it, and the economic, social, and political resources one has at his disposal. Marginalized sectors of society—racial minorities, the poor—fall to the bottom of this social hierarchy and wield very little power within this social structure. They therefore lie outside the circles that make decisions and have access to resources, existing in a state of social isolation or exclusion, which varies in severity according to the degree of inequalities between social groups (Katzman 2001, 168). For sociologist William Wilson, writing on the poor black community in American cities, social isolation is defined as “the lack of contact or sustained interaction with individuals and institutions that represent mainstream society” (Wilson 1987, 60). It is characterized by a weak connection to the job market and isolation from individuals and

1. I will use the terms isolation and exclusion synonymously.
families who have a “stable work history,” “little involvement with welfare and public assistance,” and who exhibit a more conventional family structure (generally speaking, two-parent homes, children born within wed-lock, absence of substance or domestic abuse). In a similar vein, Ruben Katzman, writing on Latin American societies and referring to class inequalities, describes socially excluded populations as being precariously linked to the labor market and “increasingly isolated from the mainstream of society” (Katzman 2001, 164). Both authors and others (Arraigada and Rodríguez 2003, 11; Arraigada 2000, 30; Kasinitz and Rosenberg 1996, 180-181) purport that the urban poor suffer from social isolation, which primarily means a state of detachment from actors who constitute mainstream society.

Such social isolation of the urban poor manifests itself in many ways. Being cut off from the mainstream may mean suffering discrimination and/or subordination from other sectors of society, limited political voice, differences in pattern of behavior, speech, dress, etc., and limited opportunities to socialize and/or interact informally with non-poor citizens. Coupled with scarce household income that characterizes poor families, these circumstances expose the poor to greater vulnerabilities, threatening to trap them at the bottom of the social hierarchy: “While their absolute and relative needs put them at the bottom of the system of stratification, the new structure of risks makes them more vulnerable than ever to social exclusion, to detachment from society” (Katzman 2003, 15). As a result, social isolation creates pockets of long-term poverty, in which a lifestyle of deprivation is the norm and alternatives are almost non-existent.

In large cities, the social isolation of the poor is more pronounced; as Katzman (2003) argues, traditionally, in smaller cities and towns of Latin America, especially during times of import-substitution when economies reached almost full employment, poor people were typically

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4 own translation
involved in the labor force, meaning that they shared more services and public spaces with middle-income sectors of society and therefore enjoyed a greater degree of social integration than today’s urban poor. However, recent transformations in the economy and social structure have caused the urban poor to become increasingly cut-off from the mainstream. The increase in income inequality, the move away from manufacturing toward service-oriented industries, and the reduction of public services and privatization have deepened the distance between the poor and non-poor in many parts of the world. Today, the urban poor suffer from low levels of participation in the formal labor market, are confined to peripheral, deteriorating neighborhoods and often exhibit behaviors that alienate them from mainstream society, such as substance abuse, gang participation, idleness, and teenage pregnancy. Poverty in cities is not a new phenomenon, nor is the existence of a hierarchy of social classes or the existence of urban slums; however, given the current vulnerable state—both materially and socially—of today’s urban poor, many argue that social disintegration and inequality is a growing problem in today’s cities worldwide (Arriagada 2000, Arriagada and Rodríguez 2003, Laurence and McGeary 1990, Sabattini et. al. 2001).

A body of literature in the United States, championed by Wilson, has theorized the issue of urban poverty, especially with regard to poor inner-city blacks. Wilson considers the urban, socially isolated poor to be a specific class of individuals, different from the commonly-used terms “lower class” or “working class.” He utilizes the term underclass to describe a “heterogeneous grouping of inner-city families and individuals whose behavior contrasts sharply with that of mainstream America” (Wilson 1987, 7). According to Wilson, the American underclass differs from the mainstream in terms of suffering extreme social dislocations, such as high levels of unemployment, welfare dependency, single-parent households, out-of-wedlock
births and teenage pregnancy, high-school dropout rates, drug trafficking and residential segregation. Such American individuals and families typically live in inner-city neighborhoods, denominated *ghettos* or *poverty neighborhoods*, commonly defined as areas whose poverty rates exceed 40% of the neighborhood’s total population. Wilson’s underclass stands out from the working poor or the rural poor in that the social structures that condition their lives greatly differ, and therefore, as he argues, its deserves its own analytical category.

Other authors, such as Wacquant (2001), have disputed the use of the term *underclass* as a pejorative label that misconstrues the social realities at play in urban poverty and marginalization. Wacquant argues that such a term marginalizes the urban poor even further by marking them as different and inferior, suggesting that what Wilson denominates as the underclass is no different from the majority of society in that they seek strategies to solve the problems of their daily lives. What differ are the strategies employed, conditioned by a different set of opportunities and social constraints. However, regardless of the label used, both Wilson and Wacquant recognize that there is a certain sector of population in American cities who are not in the position to participate in the city (economically, politically, socially) on equal terms with mainstream groups. This sector lives in a state of marginalization, is spurned by society and as a result of being socially isolated from other spheres, has little opportunity to modify its situation.

When referring to Latin America and Argentina, I will not employ the use of the term *underclass*, since it is an analytical concept used specifically for the urban poor of American cities and is inextricably linked to black/white race relations. However, a similar phenomenon does exist in Latin American cities. In the United States, the underclass is associated with the ghetto: neglected, dilapidated neighborhoods, almost exclusively inhabited by blacks and other
minorities, whose poverty rate is greater than 40 percent (Wilson 1987, 29). The closest phenomenon to the American ghettos in Latin America is irregular settlement neighborhoods, or slums, sporadically emerging as a result of families’ inability to gain access to the formal real estate market (denoted villas in Argentina, favelas in Brazil, etc.). Residents of these neighborhoods face similar circumstances to those of ghetto residents in the United States: they live in high-poverty neighborhoods, in dilapidated housing and are physically and socially distanced from mainstream sectors of society. In the same way that not all poor people in the United States live in ghettos, not all poor people in Latin America live in slums, but ghetto and slum residents face an extra degree of social isolation due to where they live.

For the lack of a better term, I will use the general expression socially isolated poor to refer to poor individuals living in cities who find themselves in a state of exclusion from mainstream society. It is important to recognize that this does not include all poor people. Many poor people in cities are employed, educated, and live in middle-class neighborhoods. By way of their job, education and/or place of residence, these individuals are better positioned to access new resources and opportunities and improve their socio-economic situation. By socially isolated poor, I refer to those people living in extreme poverty, experiencing social dislocations and often living in slums.

While no term exists in Latin America that specifically defines social isolation as a criteria for socio-economic status, one analytical tool employed in the region is helpful for understanding these different gradients of poverty, the NBI (Necesidades Básicas Insatisfechas; Basic Unsatisfied Needs) statistic. This indicator measures poverty based on variables falling into four different categories of basic needs: access to housing, access to sanitary services, access to education, and financial ability to access a minimum basket of goods (Feres and Mancero
2001). This tool is helpful for two reasons: 1) we can assume that the greater a family or individual’s basic needs are, the greater social isolation they experience, and 2) it helps differentiate between groups of poor people, perhaps allowing for the identification of the *socially isolated poor*. While NBI groups and the socially isolated poor do not necessarily coincide one hundred percent of the time, when referring to Latin America, NBI poverty might be the best way to identify poor groups who face the unique challenges of a high level of social isolation.

High-poverty neighborhoods cut off from mainstream actors are ideal breeding grounds for subcultures and alternative trends. As we have already discussed, the socially isolated poor differ greatly from mainstream citizens, often by engaging in harmful and counterproductive behavior. However, the living conditions and behaviors of the socially isolated poor ought not to be chalked up to the popular concept of a “culture of poverty.” As Wilson (1987, 13) explains, Oscar Lewis’ concept of a culture of poverty, popular among conservatives, attributes poverty to a system of values that glorifies laziness and self-pity and discounts ambition and optimism. Conservatives posit that this belief system gets handed down generation to generation, reproducing counterproductive outlooks and behaviors.

While it may be tempting to view socially isolated poor behavior as a sub-culture that guarantees to impoverish its members, this theory has an important flaw. According to the culture of poverty theory, overcoming poverty would simply be a matter of deciding not to be poor. If a poor person decided to be optimistic and value hard work, his situation of poverty would change. However, the reality is that despite cultural and personal values, societal mechanisms are at play—discrimination, stigmatization, class disadvantages—that constrain a poor person’s ability to achieve, regardless of his/her values and behaviors. A more liberal perspective uses social
isolation as its theoretical tool to explain the conditions of the underclass, owing them to a scheme of social structures, hierarchies and divisions that situate the underclass in a subordinated, impoverished position: “if underclass blacks have limited aspirations or fail to plan for the future, it is not ultimately the product of different cultural norms but the consequence of restricted opportunities, a bleak future, and feelings of resignation resulting from personal experiences” (Wilson 1987, 14). Our analytical tool in this study is social isolation and the plight of the urban poor should be understood as the struggle to gain access to mainstream society.

Social capital as a resource for social integration

Highly related to the concept of social isolation is social capital. Although there is no one agreed upon definition, social capital can be loosely defined as the relationships, social networks, and trust within a society that facilitate the flow of information, transactions, the sharing of resources and collective action (Woolcock 2001, Knowles 2005, Coleman 1998). Social capital pioneer, Robert Putnam, defines social capital as “the features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions” (Putnam 1993, 167). Portes defines it as “the capacity to command scarce resources by virtue of their membership in networks or broader social structures” (Portes 1998, 12). Given our definition of social isolation, if our “trust,” “networks” and “memberships” are with actors who represent mainstream society, then we can consider ourselves to have a high level of social integration. In fact, it can be said that having a high stock of social capital and being socially isolated are neat opposites. Endowed with rich social capital with mainstream actors, one is highly integrated; the opposite is true for someone disconnected from mainstream society.
Therefore, we can conclude that social capital is a vital resource for poor people who are socially isolated.

This makes a great deal of sense if we think about social capital intuitively. In our daily lives, the more people we know and trust, the more resources we have at our disposal, the more we are willing to work together to solve common problems, and the more we are willing to lend a hand to a neighbor. And the more extensive and heterogeneous our networks are, the more resources we will have access to. On the contrary, if we exchange infrequently with our fellow citizens, if levels of mistrust are high, if our social networks are highly limited and homogenous—if our stock of social capital is low—we will not depend on others for help, we will be confined to our own resources and information, we will be suspicious of our neighbors, we will nurture prejudices and preconceived notions about other people, and we will have a more pessimistic outlook of the world. Individualism will thrive and notions of the community vanish. As Putman writes, “[f]requent interaction among a diverse set of people tends to produce norms of generalized reciprocity. Civic engagement and social capital entail mutual obligation and responsibility for action…[s]ocial networks and norms of reciprocity can facilitate cooperation for mutual benefit” (Putnam 2000, 21).

Social capital is especially important for poor people, since they are relatively deprived of other resources, which forces them to seek alternative solutions to their daily routines. However one caveat must be made here. We said earlier that high social capital is the opposite of social isolation; however this is only true when this social capital exists with mainstream sectors of society. Therefore, social capital must exist between a diverse group of actors—rich and poor, powerful and powerless, men and women, etc. as opposed to within homogenous social groups. To make this distinction, we can borrow Robert Putnam’s terms (2000, 22-24): social capital can
be either *bridging* or *bonding*. Bonding social capital is that which exists within homogeneous groups and excludes members of other groups, whereas bridging social capital makes connections between heterogeneous people from different social categories. While bonding social capital—such as country clubs, ethnic group-based networks, or an organization of poor mothers running a soup kitchen—may be important for building solidarity and support networks within a certain population, it confines members to their pre-established groups and does not expose them to new and diverse resources. Bridging social capital, however—such as political and social movements or some religious organizations—is more useful for capitalizing on external resources, accessing other spheres of power and greater social mixing.

Bridging social capital is much more important for overcoming social isolation and the achievement of social integration. Often times, poor communities are rich in social capital, in order to assist with the daily social reproduction. In the *villas* of Buenos Aires, one notices an impressive number of community soup kitchens, churches, political organizations, and other community movements, signifying a high level of social interaction and trust among residents. However, these organizations and social networks are confined to the poor communities in which they are located; community organizations depend on the scarce resources of participants, and residents interact almost exclusively with other residents in a similar socio-economic situation. This bonding social capital is important for the day-to-day survival of the poor, but is not helpful for their long-term social mobility, since it does not gain them access to the mainstream.

As Xavier de Sousa Briggs puts it, bonding social capital is “good for ‘getting by,’ but bridging social capital is crucial for ‘getting ahead’” (Putnam 2000, 23).

As we have seen in this section, the urban poor suffer from a lack of bridging social capital with mainstream sectors of society. Since social isolation consists of being cut off from
market, political, and civil actors who constitute sources of power and opportunities, gaining access to these sectors would grant the poor new opportunities to leverage resources for their benefit. However, in order for this to occur, at a very minimum, people from different social sectors need to be present in the same physical space, in order to interact and create the grounds for the construction of networks, trust, and norms of reciprocity. As we will see in the next section, a staggering obstacle to this is the residential segregation of the poor and increasing social-spatial inequalities.

Residential segregation as source of social isolation: Neighborhood effects

A growing body of literature cites residential segregation, defined as, “the degree to which two or more groups live separately from one another, in different parts of the urban environment,” (Massey and Denton 1988, 282, authors’ emphasis), as a problem for social integration and poverty reduction. In this study, I will address socioeconomic residential segregation, residential segregation according to social class, i.e. the existence and separation of poor and wealthy neighborhoods.

Residential segregation exists in all cities to a certain extent; almost anywhere one goes, one can find wealthy neighborhoods full of shops, restaurants, nice homes, and clean streets; and poor neighborhoods, with run-down buildings, litter and graffiti, and a general sense of insecurity. Severe or increasing residential segregation poses special challenges for policy makers, because it contributes to social disintegration and increases inequality (Arraigada and Rodríguez 2003). Although literature on the topic for Latin America is scarce, a handful of studies conclude that residential segregation is becoming more pronounced in several Latin

5 From this point forward, when I use the term “residential segregation,” I will be referring to socioeconomic residential segregation.
American cities with increasingly negative effects (Sabatini et al., 2001; Rodríguez 2008). In this section, I describe the negative consequences of residential segregation, concentrating on its mechanisms that contribute to the social exclusion and of the poor and the estrangement of social classes.

Socioeconomic residential segregation is harmful to a society, especially for poor people, because it exacerbates class inequalities. Confined to peripheral neighborhoods, poor people suffer from unequal provision of public services. In Latin American cities, basic services such as water, electricity, sewage, gas, and trash collection are limited in slum neighborhoods, and police frequently do not venture into these closed-off communities. Institutions patronized by the community, such as schools, community centers, churches, and businesses also suffer the consequences; the quality of the services they provide will suffer without the steady financial support of a community with generous disposable income. Poor neighborhoods, often located far away from the city center, are not easily accessed by public transportation, and so residents face long, difficult commutes to commercial areas, where jobs are mostly available. These conditions add extra burdens on top of being poor and augment the inequalities between the poor and the middle classes.

However, in addition to these infrastructure-related consequences of the concentration of poverty, residential segregation also has more abstract, social consequences that increase the challenges of poverty. As a new body of literature suggests, the agglomeration of poor people in one place gives rise to externalities that are not present in neighborhoods of a more mixed demography; being poor in a poor neighborhood affects one’s life chances differently than being poor in a non-poor neighborhood. As we will see in this section, these “neighborhood effects”
work to socially exclude the poor through various mechanisms and as a result, reproduce social inequalities.

It is no news that people who live in poor neighborhoods demonstrate poorer welfare indicators than people who do not. Residents of poor neighborhoods frequently have lower incomes, are unemployed more often, have poorer health, have fewer years of education, and are more likely to have children out of wedlock, become teenage parents, or be involved in illegal activity. However a growing body of literature suggests these neighborhoods do not exhibit such characteristics merely because many poor people happen to live in them but that these poor living conditions are exacerbated and reproduced due to the fact that many poor people live in a concentrated area. Wilson (1987) was the first to put a name to this phenomenon, calling it concentration effects, later to be called neighborhood effects by other authors. The neighborhood effects hypothesis states that the social makeup of a neighborhood affects the life chances of its residents. This can occur through three theoretical mechanisms—through peers (epidemic model), indigenous adults, like the parents of friends or adults seen on the street (collective socialization model), or external adults, like teachers, police, government workers (institutional model) (Laurence and McGeary 1990). The neighborhood effects theory challenges the hypothesis that family characteristics are the most important factor to individuals’ wellbeing and offers the neighborhood as the main explanatory variable.

Wilson, in describing the experience of the underclass living in inner city neighborhoods in the United States, uses a collective socialization model, emphasizing the role of adults in the neighborhood. The absence of middle and working class adults in poor neighborhoods creates a social norm of job instability, idleness, welfare dependency and illegal activity. Children living in these neighborhoods are not exposed to mainstream ideas of education as a means to obtain work
and work as a means to obtain wellbeing for oneself and one’s family. Wilson (1987, 57) writes, “in such neighborhoods the chances are overwhelming that children will seldom interact on a sustained basis with people who are employed or with families that have a steady breadwinner. The net effect is that joblessness, as a way of life, takes on a different social meaning; the relationship between schooling and post-school employment takes on a different meaning.” The lack of mixing between social groups in poor neighborhoods means that poor children lack conventional role models to instill perceptions that education is meaningful, steady employment is a preferable choice to welfare, and that family stability is the norm and not the exception. For Wilson, middle class residents constitute a “social buffer” that protect against the effects of long-term unemployment and the demoralizing effects of poverty that are present in poverty neighborhoods.

In addition, as a result of living in poor neighborhoods, poor people are excluded from social networks that are crucial to their insertion in mainstream society. Poor residents of poverty neighborhoods have very little, if any at all, contact with individuals or families who are regularly involved in the job market and who could provide contacts for employment. Wilson points out that although many low-skill industrial jobs are frequently located near poor neighborhoods, poor people living in these neighborhoods may not become aware of job vacancies due to their disconnection to the job network. In an empirical study of a poor neighborhood in Brooklyn, New York, Kasinitz and Rosenberg (1996) show that despite relative proximity to factory jobs, poor residents were rarely hired for jobs offered near their neighborhoods. This was due to the fact that nearby poor residents did not find out about available jobs in time to apply for them or because employers preferred not to hire residents of the nearby neighborhood, practicing “address discrimination.” This serves to show that the urban
poor’s social isolation and their extremely limited interactions with middle-class individuals exclude them from job networks that could otherwise improve their economic situations. This may be true even when job opportunities are close to home; simply the fact that one’s address belongs to a certain neighborhood may cut them off from important opportunities.

Studies in multiple countries have attempted to corroborate the neighborhood effects theory. A study done in Montevideo, Uruguay measured the percentage of young people who did not work or study in poor, middle and high income neighborhoods, controlling for the educational level of the head(s) of household (Arriagada 2000). The results showed that youths from poorly educated households had a much greater chance of not working or studying if they lived in a poor neighborhood: of youths from poorly educated households, 17.4 percent were idle, while youths of the same background who lived in upper-income neighborhoods, only 8.8 percent were idle, compared with a city-wide average of 14.2 percent. The same effect was evident for youths from highly educated homes, although to a lesser extent. Of youths from highly educated homes living in poor neighborhoods, 9.3 percent did not work or study, while this was true for only 6.3 percent of youths living in high-income neighborhoods. These results support the hypothesis that the neighborhood is a key factor, independent from family influence, on welfare outcomes for residents. These specific results show that this is even truer for families in a lower socioeconomic category than for families of a higher category.

Other studies in the United States corroborate these findings. A study conducted on ghetto poverty in the U.S. concluded that nation-wide, 30 percent of ghetto residents were unemployed, compared to 23 percent of the urban poor living in non-ghetto neighborhoods; 61 percent of ghetto families received public assistance compared with 39 percent of the urban poor in less severe poverty neighborhoods; 77 percent of poor children in ghettos lived in female-headed
families, while this was true of only 59 percent of poor children living in other neighborhoods (Laurence and McGeary 1990). While these authors read the results with caution, offering up other explanations for these discrepancies between residents of poor and non-poor neighborhoods, the results and their support for the neighborhoods effects theory cannot be ignored.

Therefore, this thesis argues that residential segregation increases the poor’s social isolation because it creates neighborhood effects. Resulting from being residually segregated, the consequences of interacting almost exclusively with other residents of similar resources limit the poor’s chances for social mobility. Living in a high poverty neighborhood means that patterns of behavior, speech, and values contrary to the mainstream are dominant. Conventional role models that stress the importance of education and the value of sustained employment are absent. The lack of middle and working class neighbors means that residents of poor neighborhoods are excluded from job networks and other resources that could help them improve their situation. In short, the neighborhood effects resulting from residential segregation are synonymous to broken down or inexistent ties to other sectors of society, resulting in the poor’s isolation from sources of income, opportunities, and sources of empowerment. The result is a cycle of social isolation that perpetuates poverty.

Residential segregation, urban fragmentation, and class estrangement

Neighborhood effects are heightened according to the degree of homogeneity within neighborhoods and their isolation from other neighborhoods. Peter Marcuse (1993) describes modern cities as divided into five separate cities: the luxury city, in which the top of the social hierarchy occupies isolated neighborhoods or buildings; the gentrified city, occupied by upper-
middle class professionals; the suburban city, encompassing blue-collar workers, civil servants, and mid-range professionals; the tenement city, mostly rental housing occupied by the working class, including public housing in some cases; and the abandoned city, the left over dilapidated and precarious housing, occupied by the unemployed and poor. This model is applicable to a varying extent depending on the city, but Marcuse argues that these categories manifest themselves spatially and often times are divided by physical barriers, making their isolation more profound.

Here it is necessary to introduce a new concept to our discussion, that of urban fragmentation. Defined as a “spatial phenomenon that results from the act of breaking up, breaking off from, or disjointing the pre-existing form and structure of the city and systems of cities,” (Burgess 2005, 1), urban fragmentation manifests itself in many ways in the city. It consists of physical barriers that break up the way urban space is normally organized. In a city with low urban fragmentation, the street, parks, and public space in general abounds and provides easy access to private spaces like business and homes. Residences have direct access to the street and small businesses are readily available to the consumer with their store fronts accessible from the sidewalk. All neighborhoods are accessible by all residents, connected by a network of public transportation. The general public is able and encouraged to circulate freely throughout the city. A highly fragmented city, on the other hand, is divided into segments, distancing private space from the general public and generating exclusivity of access. Walls, gates, security systems and the privatization of space are characteristic. Urban fragmentation takes the form of gated communities, exclusive residential towers, business parks, and settlement neighborhoods and slums, to which only a limited sector of the population have access, enclosing spaces with physical barriers. Highways break up the grid system of the city and some areas are
only accessible by private vehicle (e.g. gated communities), as opposed to public transportation or on foot and only if one is a known member of the community (e.g. villas in Buenos Aires). Urban fragmentation is based on the concept of exclusivity, limiting the area in which city residents are free to circulate (Burgess 2005).

Urban fragmentation is a concept independent from residential segregation, although highly related. As Burgess puts it, “Urban fragmentation is not coterminous with social and spatial segregation. Spatial segregation existed prior to urban fragmentation and exists without it. Urban fragmentation probably represents an extreme case of spatial segregation—it is the current form under which spatial segregation increasingly manifests itself” (Burgess 2005, 21). The concept of urban fragmentation is extremely interesting for our discussion on residential segregation, since very often, segregated fragments of the city are juxtaposed, exposing extreme inequalities. Exclusive upper-class gated communities, walled-in and protected by private security, are frequently flanked by a city’s poorest slum communities. In these cases, although the poor and rich may appear to live in close proximity to each other, this does not mean that they are not residentially segregated. They are in fact highly segregated, out-rightly prohibited from sharing common space. This introduces us to the term coined by Rodríguez (2011a, 111), “false socio-spatial mixity.” This term refers to the fact that although measures of residential segregation might reveal low segregation in the case of a slum neighborhood next to a gated community due to their close proximity, this is in reality misleading, since the residents of these two neighborhoods are in fact explicitly excluded from each other by physical barriers, such as a wall, highway or railroad tracks. Burgess clarifies: “the relationship between accessibility and proximity has broken down under conditions of urban fragmentation. Urban fragmentation is
associated with physical obstacles and enclosure and ‘lines have been drawn around spaces that matter’” (Burgess 2005, 22).

Whether or not social classes are unequally distributed in the open city, as in the case of residential segregation, or found within walled enclosures, as in the case of urban fragmentation, both of these phenomenon point to a similar urban reality and have a common detrimental effect for equality and social cohesion. This effect is a phenomenon I denote *class estrangement*, defined as the spatial, social, and cultural distances between social classes that cause mistrust, fear and prejudice between social groups. In this study, my use of *class estrangement* is similar to Lionel Lewis’ (1965) use of the term as part of his definition of class consciousness, in which members of a self-assigned class feel solidarity with others of the same class and estrangement from those of a different class. He argues that people will show more “ill will” towards and feel more distant from people from other classes than from those in their own (Lewis 1965, 333). Joseph Shumpeter (1951, 107-108) elaborates on this, making specific reference to barriers that classes create between themselves:

> class members behave toward one another in a fashion characteristically different from their conduct toward members of other classes. They are in closer association with one another; they understand one another better; they work more readily in concert; they close ranks and erect barriers against the outside; they look out into the same segment of the world, with the same eyes, from the same viewpoint, in the same direction.

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6 The term *estrangement*, similar to the term *alienation*, was first used by Karl Marx in the nineteenth century and later popularized in the field of sociology by Melvin Seeman (1959; 1972), and frequently is used in terms of *self-estrangement*. This term, according Otto and Featherman’s (1975, 703) paraphrasing of Melvin Seeman, refers to “an individual's lack of intrinsic satisfaction from his activities, whether these are work related in the Marxian sense of the estranged worker, or refer to a feeling of lack of fulfillment arising out of more general life circumstances. Self-estrangement reflects a discrepancy between the individual's ideal self and his actual self.” My utilization of the term here differs from this more traditional definition. Here, *estrangement* refers to class relations and how individuals from different social classes regard and interact with each other.
Following these authors, class estrangement in this thesis refers to viewing members of other classes as different from oneself, a condition that generates mistrust between classes and one’s lesser inclination to associate with or help members of other classes.

Primarily, residential segregation and urban fragmentation cause class estrangement because they limit the informal situations in which social classes mix. In order to construct bridging social capital, at a minimum people from different social categories must mingle in common spaces. As Katzman (2001, 173) puts it, residential segregation is transformed into social disparities because, as a result, “[f]irstly, there is a reduction in the areas for informal socialization between different classes.” Similarly, Burgess says of urban fragmentation, “a spatially fragmented city is one in which the ability to use and traverse space is dominated by the principle of exclusivity and there is a reduction in the number of places of universal encounter” (Burgess 2005, 22). These “places of universal encounter” are crucial to avoid class estrangement. As the level of residential segregation increases, the number places of universal encounter between classes decreases; the separation of the poor and middle and upper classes by neighborhood means that not only will they probably not interact at schools, in churches, and other institutions organized spatially but also in more informal settings like at parks or on public transportation.

As we have already discussed, it is important for the poor to be able to interact with non-poor citizens, because middle and working class individuals can be seen as role models who hold steady employment and because they can access their resources through social capital. However, to the same extent, it is important for the non-poor to be exposed to the poor, in order to avoid class estrangement. Observing poor families go about daily social reproduction, much in the same way as non-poor families do, helps create a positive image of poor people in the mentality
of the non-poor classes. Seeing poor families drop off or pick up their children from school, sharing with them in places of worship, observing them enjoy time with their families in public parks, noting their presence on public transportation—observing activities similar to their own—blurs the lines between classes and de-stigmatizes the poor. Mingling with poor people on a daily basis, in these mainstream roles, will reduce feelings of mistrust and fear, and non-poor citizens will be more likely to visit poorer neighborhoods, patron their businesses, attend their churches and send their children to their schools. These circumstances generate compassion for the poor on behalf of the middle class and create cross-class solidarity, motivating the middle class to advocate for the poor. This is only possible, however, in mixed-income neighborhoods, where classes have the opportunity to observe each other and interact informally.

In highly segregated or fragmented cities, however, the opposite will occur. The middle class will not be able to observe the poor in mainstream roles. Residing far from the city center, poor people will only venture into middle class neighborhoods when their situation requires them to do so, assuming non-mainstream roles that middle class neighbors see as negative, such as begging or selling various items on the street. Often times the only contact a middle class citizen will have with a poor person is when he/she is victimized by a poor person, be it robbery or assault. This limited and unconstructive contact with poor people creates a negative perception of the poor in the middle class mentality. These negative thoughts toward the poor become the salient perception of all poor people; instead of receiving compassion and solidarity from the middle class, the poor will instead be blamed for crime and insecurity and be regarded with resentment and fear. Middle class residents will be afraid to enter poor neighborhoods and will steer clear of places where the poor socialize. As a result, the divisions between classes become more apparent and rigid; class estrangement is exacerbated and more difficult to reverse.
In a similar vein, how much the middle class will advocate for the poor is a function of a society’s tolerance of inequality. In a society in which a high level of inequality is acceptable to those who exercise political voice, very few policies will be put into place to reduce such inequality. However, in a society in which inequality is viewed negatively, the middle class is more likely to show solidarity toward the poor and advocate on their behalf. One factor that greatly influences a society’s tolerance to inequality is the distance—spatial and social—between groups. If a city’s poor people are highly segregated, tucked away in peripheral neighborhoods or barred off by highways and other barriers, then it is easier for more well-off sectors to forget about them. Indeed, their idea of “well-being” becomes skewed as they are only exposed to people of a similar socioeconomic background (Young 2000). Marcuse (1993, 358) argues that a recent trend in cities is the growing “intensity of turf allegiance”, in which one strongly identifies with his neighborhood, feels solidarity with his neighbors, and is skeptical, if not hostile, toward those on the outside. This creates greater class tensions when neighborhoods are organized according to class. On the contrary, if the poor and non-poor are residentially integrated and have more opportunity to see each other and interact on a daily basis in informal settings, they are much more likely to generate solidarity. Katzman (2001, 177) puts this well:

> Aversion to inequality derives from the degree of sympathy of the better-off classes for those who have less and from a feeling of moral obligation to them. These mental contents lose their vigor if they are not periodically renewed through informal contacts between persons of different socio-economic situation and the more intense and frequent such interaction is, the stronger they will be. The area where these encounters take place is the public space (transport, public squares, schools and hospitals, football grounds, bars, beaches, mass events, the street, etc.).

> Additionally, class mixing in neighborhoods is important because people living in the same neighborhoods share some similar problems. Whether it be noisy construction, congested
traffic, overcrowded schools or increased neighborhood crime, neighbors share common experiences and therefore have things to talk about and common problems to solve. Rothstein and Uslaner and (2005) argue that in order for people to feel empathy or the desire to help those who are different from themselves, they must feel as though they have a common destiny, that they are similar in some way. The more unequal the two groups are, the less they sense they have in common and the more estranged they become. However, neighbors who experience the same problems already have something in common; in addition, it gives them something to talk about, a reason to work together, and an objective to work toward that will benefit them both. This creates a sense of common destiny, a reason to advocate for one another, a reason to wish for the well being of the other person. In a highly segregated city, this collective action is impossible; in a city with diverse neighborhoods, it is easier for people to interact and collaborate across class lines.

Of course, the issue of space and segregation is not the only factor involved in the problem of inequality, nor will spatial solutions alone automatically cause inequality to decrease. The levels of inequality depend on innumerable factors such as economic structure, the state’s redistributive and social policies, education, technology, race/gender/cultural factors, individual abilities and preferences, among others. Other issues are at play as well; in cities with a very high proportion of poor people, residential segregation becomes less relevant, since the citizenry is more class homogeneous. What is truly at the heart of this discussion are large gaps in income inequality between social groups and not the physical structure of a city; removing a physical barrier such as a highway between a rich and poor neighborhood will not be the silver bullet for poverty and social isolation. However, urban fragmentation and residential segregation do contribute to the perpetuation of inequalities by creating a physical and social chasm between
groups. Without structural changes that favor redistribution and equality of opportunity, high levels of inequality will continue to persist and residential segregation will really be a moot point. However, in the genuine search for greater equality within a society, it is important to recognize the detrimental effects of spatial inequalities and consider how the social composition of one’s neighborhood affects one’s perceptions of himself, his neighbors, and the greater system in which he lives.

In short, the wellbeing of the poor in part depends on their ability to ford relationships with the non-poor. The working, middle and upper classes are those who command resources within a society, who most affect public policy, who have the ability to create change within a society. In order for the poor to benefit from the resources of these other social sectors, it is imperative that they are somehow connected to, and not estranged from them. Cross-class trust and solidarity will motivate more advantaged classes to advocate for the poor and to share of their own resources on a daily basis. The structural economic tendencies of a society will ultimately have the greatest influence on levels of class inequality; however, these spatial considerations are important for class relations and social mobility. Therefore, and as we have seen in this section, the reduction of the poor’s social isolation is dependent on the existence of the poor’s stock of social capital with other social sectors. In order to increase social cohesion in urban settings, policy makers must seek ways to increase trust and relationships between poor and non-poor citizens.

Residential segregation constitutes a huge barrier for this objective. It causes the divisions between classes to be wider and more rigid. It stigmatizes the poor, hiding them away in peripheral neighborhoods, where they are easily ignored and forgotten. It gives rise to fear and prejudice of the poor and generates very little will on behalf of the middle class to help them.
Residential segregation also gives rise to neighborhood effects, which causes living in a poor neighborhood to be even more difficult. Family instability, idleness or criminal activity, out-of-wedlock births, and welfare dependency become the norm, making it difficult for one to adopt more constructive behaviors. These conditions perpetuate poverty over generations and reproduce social inequalities, trapping the poor in a cycle of poverty and entrenching them in deeper social isolation. In the following section, we will look at the history of urban development of Buenos Aires to see how trends of residential segregation began and how this has affected the current the city’s current situation with regard to territorial inequalities.
Chapter III:

A Historical Reconstruction of Buenos Aires’ Urban Development

Here we transition from our theoretical framework for the study to our concrete case study of the city of Buenos Aires. The city of Buenos Aires has had exhibited a paradoxical tradition of varying levels of residential segregation and territorial integration since the beginning of its process of urbanization. Some argue that at one time Buenos Aires, despite its astounding income inequality, had a plan of development that, promoted a certain degree of equality and integration. However, the segregating factors influencing the city have caused social differences to manifest themselves in the urban territory: a north and south disparity, a center and suburban disparity, and a disparity between those living within close proximity to the main railroad lines, and those living in the areas between these urban axes (Kozak 2008, 158).

In this chapter, I will explore these different factors and attempt to relate them to the current socio-territorial reality in Buenos Aires. This chapter will reconstruct the history of urbanization in the city and surrounding areas during their expansionist stages from 1870 through 1970 approximately, focusing on the events and factors that influenced the distribution of social classes in the urban space, housing, and residential segregation. I will begin with a brief description of Buenos Aires in 2011, to give some context in terms of population, poverty, inequality and trends in residential segregation. I will then divide the studied time period into two stages: 1870 to the mid-1930s and the mid-1930s to1970. In the first stage, considered to be the first major wave of urban expansion, I will focus on factors in the development process which caused a general tendency toward a wealthy north sector of the city and a less advantaged
south sector but at the same time a relative homogenous distribution of classes throughout the
city. The second stage beginning in the mid-1930s and extending until the mid-1970s when the
city’s expansion was coming to a close (Gorelik 2009b, 1), was characterized by a different type
of urbanization, during which other factors contributed to concentrating the lower classes father
away from the city center and the sub-centers located close to the north/west/south railroad axes.
This section will help us to understand to some extent the urban forms that Buenos Aires exhibits
currently and prepare us to analyze the modern city with respect to more recent urban trends,
housing policy and residential segregation.

Buenos Aires in 2011

The metropolitan area of Buenos Aires consists of the city of Buenos Aires, the federal
capital city, and the 24 adjacent districts of the province of Buenos Aires. It lies on the estuary of
Rio de la Plata, which makes up its entire eastern border. To the south, the city of Buenos Aires is
bordered by the river Riachuelo, its southern suburbs lying across the river. To the west lies
expansive flat land without any major geographic formations that gradually becomes farmland as
one leaves the metropolitan area. The city of Buenos Aires comprises 200 square kilometers
(INDEC 2009) and boasted a 2010 population of 2,891,082, according to the preliminary results
of the 2010 national census (INDEC 2011a). The 24 surrounding districts, known as the
conurbano, has an area of 3,682 square kilometers (INDEC 2009) and a population of 8,684,437
(INDEC 2011a). Together, these two geographical areas make up the metropolitan area of
Buenos Aires (MABA), known as Gran Buenos Aires, with a total population of 11,575,519. The
totality of the metropolitan area comes in at number 10 on the list of the world’s largest cities.

7 Unless otherwise noted, throughout this thesis I will use the term Buenos Aires to refer to the city of Buenos Aires,
as is common practice in Argentina. When referring to the surrounding provincial districts or the greater
metropolitan area, I will do so explicitly.
comparable to San Pablo, Mexico City, and New York City (Angelil et al. 2009). In the following sections, we will see some historical trends that have in part shaped this mega urban center.

According to the National Statistic and Census Institute (INDEC), in 2010, 11.2 percent of the Gran Buenos Aires was living below the poverty line, down from 21.8 percent in 2007, 38 percent in 2005 and 52.3 in 2003 (INDEC 2011a). Other organizations⁸, accounting for greater inflation, have estimated the rate at 21.2 percent (IADER 2009). The official poverty line is determined by the monthly value of basic goods and services (food, housing, clothing, transportation) that are considered essential for an average adult, which in December 2010 was valued at 405.35 Argentine pesos. Another commonly used poverty indicator measures the proportion of homes with the Unsatisfied Basic Needs measure (NBI, Necesidades Básicas Insatisfechas). Whereas the poverty line uses income alone to determine who is poor, this indicator is based on various factors considered to be basic needs, such as housing, sanitary conditions, employment status of adult household members and school attendance of children. The NBI indicator determined that in 2001⁹, 11.7 percent of homes in Gran Buenos Aires fell into this category (INDEC 2011a).

However, as can be expected, according to both measures, poverty is not equally distributed throughout the metropolis. As opposed to the common pattern of North American cities, in which the wealthy tend to settle in the suburbs, in Gran Buenos Aires, the conurbano is consistently and historically worse off than the city proper. When we disaggregate the poverty indicator for the area, according to INDEC, we see that only 3.7 percent of the city is poor while this is true for 13.5 percent of the conurbano. The NBI measure shows a similar tendency: 7.1

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⁸ such as this 2008 estimate calculated by the Argentine Institute for the Development of Regional Economies, IADER.

⁹ More current data for this indicator is not currently available.
percent of homes within the city of Buenos Aires and 13 percent for the province were NBI in 2001 (INDEC 2011a). However, we notice that the discrepancy between the two jurisdictions is less for the NBI indicator.

This trend of a center/peripheral gap continues if we examine housing and services. In 2001, 24.3 percent of households in the city of Buenos Aires resided in houses, 70.8 percent in apartments, .08 percent in shacks or huts, and 4 percent in hotels, residencies or on property not meant for residential purposes (squatters). The respective statistics for the conurbano were 81.8 percent, 11.9 percent, 5.6 percent and .06 percent. The higher incidence of shack and huts in the conurbano indicates a greater presence of slums (villas) and similar precarious housing, and the higher percentage of hotel and room-rental living in the city is characteristic of more densely populated areas. Public services and sanitary conditions also fare poorer in the conurbano. In 2001 in the conurbano, 86.6 percent of homes had a flush toilet, 72.4 percent had access to public water, 75.7 had access to the public gas network, and 83.7 percent were located within three blocks of public transportation; in other words, a good 25 percent of the conurbano’s population did not have access to the most basic, essential services. On the other hand, in the city, 98.1 percent had a toilet, 99.9 percent had public water, 95.9 percent had public gas, and 99.1 percent were located within 3 blocks of public transportation; virtually all city residents enjoy these services, even those who live in villas or informal settlements (INDEC 2011a).

Just as there is a higher concentration of poverty in the conurbano than in the city proper, poverty tends to be concentrated in the southern sector of the metropolitan area as compared to the north. In 2009, a report published by the Legislature of the City of Buenos Aires examined this issue (Bloque Nuevo Encuentro 2010). Buenos Aires is divided into fifteen comunas, or city districts (see figure 3.1). The report shows that in 2009, comunas 4 and 8, corresponding to the
southern sector of this city, had a poverty rate of 46.3 percent, while in comunas 2, 12, 13, and 14 in the northern sector of the city, this figure slides down to 14.1 percent. This is illustrated well in Figure 1. The darkest-shaded comunas that have highest average poverty rate—38 to 46.9 percent—and are located to the far south of the city. The lightest shaded comunas, on the city’s northern border and in the geographical center, are the best-off, with an average poverty rate of 14-24.9 percent. Middle sectors are located on the city’s western edge and in the downtown area.

**Figure 3.1**

Incidence of insufficiency of income for the Total Basket of Goods (%) according to zone in the City of Buenos Aires, Year 2009

In addition, overcrowding (more than three people per room) has an incidence of 23.3 percent in comuna 8, located in the south, and 3.9 percent and 14.5 percent in comunas 2 and 4, respectively, both located in the north. Other indicators such as attained education, health
insurance coverage, and employment status all indicate a higher level of wellbeing as we move from the south of the city to north (Bloque Nuevo Encuentro 2009). This inequality is a historical, plainly visible social phenomenon, commonly recognized by citizens and politicians. It is frequently a subject of public policy, and reducing the north/south gap is a frequently cited policy goal.

Like many large cities, Buenos Aires has an acute housing deficit. In 2004, the city government declared a national housing emergency which was later extended until 2013 due to the persistent high number of people who do not have access to suitable housing (Rocha 2010). According to the Legislative report previously mentioned, 500,000 poor people in the city suffer from a housing shortage, of which 210,000 (7.2 percent of the city’s population) live in villas and 30,000 in other conditions of irregular settlement (Bloque Nuevo Encuentro 2010). This villa population has quadrupled from 50,945 in 1991 (Torres 1993, 39). With the exception of one of the largest villas located in city center, Villa 31, within meters of one of the most exclusive neighborhoods in the city, the city’s villas are highly concentrated in the southern comunas (see figure 3.2, villas shown in red).

In addition to the center-periphery and north-south dichotomies, in the conurbano a stark difference exists between the standard of living of the urbanized areas hugging the main transportation axes to the north, west and south of the city and the interstitial areas conformed by these axes. Figure 3.3 shows these axes of urbanization, historically stimulated by the construction of railroad lines beginning in the 1800s, reinforced by the construction of highways in the latter half of the twentieth century. As can be seen in the figure, large expanses of territory lie between these axes, inaccessible by main transportation routes.
Figure 3.2
Location of villas in the City of Buenos Aires

Source: GCBA, 2011

Figure 3.3
Location of traditional centers in the MABA

Source: Kozak 2008, 158; adapted from Welch Guerra 2005, xiii
These traditional centers are a historic source of residential inequality within the city and its suburbs. Torres demonstrates how these axes are clear predictors of socioeconomic status, in terms of overcrowding and possession of a university degree. As can be observed in the following figures 3.4 and 3.5 respectively, households with a low level of overcrowding and the population who has attained a university degree highly correspond to these same traditional centers visible in figure 3.2, demonstrating the fact that households of a lower socioeconomic status are located between these centers.

**Figure 3.4**

1991 Overcrowding Indicator in the MABA

*Source: Kozak 2008, 159.*
As these data reveal, at least three important trends of territorial disparity exist within the metropolitan area of Buenos Aires: a concentration of wealth in the north compared to the south, in the capital city compared to the *conurbano*, and along the north/west/south axes of urbanization compared with the territories in between. These three tendencies have historical roots, as we will see in the following sections, and have been made more acute in recent decades, as argued in the following chapter. Housing policy historically and currently has, in general, not attempted to mitigate these territorial inequalities; however, some acts on behalf of the state in the early twentieth century tended toward the conditions for greater integration of social classes.
Many scholars consider the 60 years from 1870 to mid-1930s to be a pivotal period for the urban development of Buenos Aires and its surroundings. In these sixty years, the city went from being a large village to a fully urbanized metropolis, its population increasing tenfold. The events that transpired in this period by the hand of both the private and public sectors, shaped by massive immigration as well as the natural geography of the region, would help define the course of the city’s development and establish to some extent the territorial inequalities that exist today. James Scobie (1974) and others (Sargent 1974) attribute the growth that took place during this period to technological advances and the movement of the private sector, specifically the growth of the railroad, the creation of the port, and the development of the real estate market. Adrian Gorelik (2009b, 1998), on the other hand, emphasizes the hand of the reformist state that followed a plan of urban development until the mid-1930s. The mass waves of immigration and Buenos Aires’ own geography also played a role in the shape that the city took as it underwent this enormous growth.

In the paragraphs that follow, we will see how technological, political and geographic factors initially favored the development of the north side of the city over the south. Then we will examine the rapid urbanization of the entire federal district between 1887 and mid-1930s, resulting from urban-planning decisions made by the state. Finally, we will investigate the urbanization of the suburbs surrounding the capital district after 1930 and the subsequent lapse in development of the peripheral districts with respect to the city proper.

In the year 1869, the population of Buenos Aires was 171,000 inhabitants, and was known as the “gran aldea” (large village). Of this population, 85 percent was densely settled
within a two-mile radius around the central plaza, the Plaza de Mayo, where all important political, commercial and cultural activity took place (Sargent 1974, xv). As the city grew throughout the following forty years, the elites showed a preference for living near the plaza. They were highly connected to it due to its function as the commercial and political center of the city, where government buildings, banks, etc. were located. The plaza also became to be a symbol of status as “one’s prestige roughly equated with one’s proximity to the plaza” (Scobie, 1974, 114).

During these decades, however, the elites slowly began to show a preference for the north side of the plaza. Residential property values to the north of the plaza as compared to the south gradually rose for several reasons. The south’s proximity to the protected port at the mouth of the river Riachuelo made it conducive to industry, which made it less desirable for residential development, and there were no street car lines built in southern neighborhoods until 1910, making access more difficult (Scobie 1974, 21). Also, the continual concentration of newly arrived immigrants in the downtown district also pushed the wealthy northward. Finally, the yellow fever epidemic of 1871, which broke out in the southern neighborhood of San Telmo and which claimed 14,000 lives, created aversion among the elites of the cramped and unhygienic immigrant and working-class living conditions in the downtown and southern districts (ibid., 124). As a result of these factors, by the 1880s, property on the north side of the plaza was already valued higher, and the elites began to expand northward, building luxurious mansions, into a neighborhood known as Barrio Norte (Scobie 1974, 118).

Other subsequent developments, such as the construction of the city’s port, encouraged the concentration of wealth in the north. In 1870, it had become clear that the city was not sufficiently prepared to handle the increasing volume of goods that came into and left the city by
ship. As Scobie argues, the construction of the new port adjacent to the Plaza de Mayo favored the subsequent development of the northern neighborhoods by playing to the interests of politicians, business men, foreign capitalists, and agricultural producers who were invested in an agro-exporter growth model of Argentina as opposed to one of local industrial development. According to Scobie, an opposing proposal locating the city’s main port facilities in the southern, industrial district of La Boca, if implemented, would have spurred greater investment in infrastructure and increased commercial activity in the south, improving conditions and raising property values (Scobie 1974, 83).

Railroad construction, beginning in the 1850s, also exacerbated the breach between the north and south. By the 1870s, the city’s railroad foundation had been laid, creating three lines to the north, west, and south of the city (ibid., 91-92). The primary purpose of the railroad at this time was to connect agricultural producers in the provinces with the port in Buenos Aires; however, passenger traffic increased in the 1880s, albeit only among the upper classes, since fares were expensive. Thus, the railroad was influential in the development of outer neighborhoods by the upper class, especially to the north and west (ibid., 101). As the city developed and the elites moved outward from the center, the lower classes were excluded from accessing these newly developing neighborhoods, such as Villa Devoto, and Belgrano, which initially were completely dependent on the railroad. Street car lines, which remained expensive until 1900, also created the selective development of northern neighborhoods. In fact, as Barrio Norte became more developed and populated, the elites practiced explicitly exclusive practices to prevent the poor from infiltrating the neighborhood. Mayor Emilio V. Bunge and other elites publically argued against cheaper street car fares to Barrio Norte and the neighborhood of
Palermo, declaring that they would bring with them “an invasion of conventillos and cheap worker residences and depreciate the exclusiveness of Palermo Park” (Scobie 1974, 172).

This trend of the elite to expand northward toward Barrio Norte and other neighborhoods marked a general pattern of rising rents in the north and falling rents in the south. Scobie summarizes: “By the 1880s, the development of port works, streetcar lines, and beautification projects had created overwhelming support for the north” (Scobie 1974, 194). The general underdevelopment of the southern sector of the city and the territorial inequalities between these two areas was becoming increasingly evident. The economic inequalities translated into political inequalities: in 1882, of the 20 members of the city council, 15 belonged to the north and only five lived in the south, and Mayor Torcuato de Alvear favored the development of the north (Scobie 1974, 195). The south side also suffered a lack of public services in comparison with the north, including poor sanitary conditions, lack of paving, poor lighting, and the absence of parks and plazas. Throughout the 1880s, the city’s south side residents, led by councilman Tamini, protested public works projects in the north, such as pavement and beautification projects, until minimal conditions were established in the south, but these efforts were easily overpowered by the will of the political elites associated with the northern side of the city. As a result, the south took on an image of “shacks, slaughterhouses, garbage dumps, swampy open fields and muddy rutted streets” characterized by poverty and underdevelopment (Scobie 1974, 195-196).

While some factors put pressure on increasing residential segregation between the north and south sectors of the city, other tendencies were shaping Buenos Aires’ development in different ways. In the face of massive immigration from Europe, housing shortages and cramped chaotic conditions in the central city toward the end of the century, Buenos Aires was ripe for expansion. The country was in need of public policies that would facilitate this expansion,
helping to integrate thousands of immigrants and consolidating the Argentine nation and culture, and the country’s leaders were in need of measures that would allow them to control and shape the city’s growth in the face of mounting real estate market pressures (Gorelik 1998, 140-142). During these years, as Adrian Gorelik shows (1998), the hand of a reformist state showed great will to regulate and control the urban expansion that occurred in the following thirty years.

The federalization of Buenos Aires and the annexation of territories that expanded the city in the 1880s were the first events that revealed the state’s desire to actively plan the city’s expansion. In September of 1880, Buenos Aires became the federal capital of Argentina, finally diffusing tensions between the capital and provinces that had resulted in a brief civil war in the late 1870s (Scobie 1974, 108). At this time, Buenos Aires consisted only of the central city spanning a two-mile radius around the Plaza de Mayo. Farther out, connected to the city by railroads, were the villages Flores to the west and Belgrano to the north, popular destinations for summer homes of the wealthy. In 1887, the city underwent a massive territorial expansion in which the city’s four thousand hectares became 18 thousand, incorporating sections of the counties of Flores and Belgrano and extending north and west into the pampas (Gorelik 1998, 13).

This decision signified the will of the state to seek an ambitious project of urbanization, more than quadrupling the city’s territory. According to Gorelik, this urbanization project was an integrating and equalizing one. The state planned a grid and public park system for the entire expansion of the territory, which in 1887 was almost entirely unoccupied, except for small concentrations of population around the train stations in Flores and Belgrano. The grid system created the context for the growth of an integrated city that offered equality of opportunity as the city developed:
For the periphery, the grid worked as a promise of equity and integration, by the simple reason of assuming a common public drawing board that sought to ensure the future link and communication of multiple and uncontrollable private operations in the vast territory, that was now abruptly part of the market. This is a regular grid, that had always been rejected because of its monotony, but that allowed, in its uniformity, to materially set the equality of urban possibilities as an ideal (Gorelick 2009b, 71).

The development of Buenos Aires, which exploded over the next thirty years, did so based on this grid system, which laid the ground for an even development with minimal territorial hierarchies.

This expansion was assisted by government policies that facilitated popular classes to access the newly annexed territories. Prior to 1900, the street car, the primary mode of transportation within the city, was too expensive for the working class, which meant that most workers lived close to the Plaza de Mayo, within walking distance of their places of employment (Scobie 1974, 135). However, the electrification of the street car in 1904 and the significant decrease in fares made the empty expanse of land surrounding the central city available to workers (Gorelik 1998, 24). New private and public credit institutions also appeared on the scene, readily willing to lend small amounts for the individual buyer. As Scobie states, “After 1900, the mass of porteños began to profit from the availability of small new lots and homes. Workingmen could now afford this new ‘luxury’ because of the greatly reduced fare and the improved service of the street car, as well as the cheap lands and credit facilities offered by auctioneers and building companies” (Scobie 1974, 177-178).

Therefore, under the auspices of the state, urbanization of the surrounding land thus progressed, within the framework of the grid plan of the city. This plan delineated the entire expanse of the federal district into a grid of equal-sized lots, one that, according to Gorelik, had
“aspirations of homogenization”\textsuperscript{10}, in terms of social and cultural integration (Goelick 1998, 27). This grid scheme helped to rapidly fill in the rural gaps between the center city and the surrounding settlements, contributing to the unification of the traditional center with the new popular suburbs (Gorelik 2009, 2). Combined with the flat pampas free from natural landmarks such as valleys or rivers, the grid scheme avoided the pitfall of the typical “Latin American patchwork,” divisions causing urban and social segmentation that plague many Latin American cities. Instead, as Gorelik argues, “The uniformity of the plans generated a relative uniformity of real estate offerings, which produced a homogeneous distribution across the territory of social, ethnic, and national difference in the new suburban areas” (Gorelik 2009, 5).

This integrating and equalizing vision of the state was progressive for its time, especially in an extremely hierarchical society with soaring income inequality. Scobie reports that between 1870 and 1910, members of high society, who by means of their wealth, education, and prestige wielded power in Buenos Aires and the country, made up only 5 percent of the city’s population (Scobie 1974, 210). The remaining 95 percent were common people, divided among themselves according to level of education, skill, and wealth, but who had no influence on the political decisions that would direct their country’s fate. Nevertheless, despite their almost absolute economic and political power, the ruling class had a national project in mind that included developing the Argentine citizenry (Gorelik 1998, 148). The grid system, which would “function as a promise of equity and integration\textsuperscript{11}” (ibid., 142) along with other social policies, such as the public school and hospital, would construct a uniform Argentine population, as a way of consolidating the Argentine nation. In this context, we see language that explicitly values residential integration of social classes, in which an individual has maximum exposure to all

\textsuperscript{10} own translation

\textsuperscript{11} own translation
other social groups. Gorelik (ibid., 126) cites Domingo Selva in 1904: “I do not wish for a Buenos Aires of workers and another one of the rich. I wish to situate rather large groups in the city, in constant contact with other groups because of work, means of communication, and other reasons.”

Therefore, with the help of transportation subsidies and easily accessible credit, expansion was rapid and immense; between 1904 and 1914, the population in the western half of Buenos Aires jumped from 106,000 to 456,000 and the number of houses from 16,110 to 57,394 (Scobie 1974, 178). However, despite the social mobility demonstrated by many workers by purchasing their own lot in the suburbs, for a large mass of day laborers and unskilled immigrants, this dream was out of reach. Housing for these workers and their families consisted in tenement housing, or *conventillos*. *Conventillos* had begun to be built in the 1880s to accommodate the rising number of poor immigrants arriving to Buenos Aires. Census data show that in 1887, one third of the city’s population resided in *conventillos* (ibid., 115), and this trend continued after 1900, with their conditions worsening and rents increasing. As rents rose due to the speculative housing market, as many as 350 people were often squeezed into a building meant for 25 family members, and rooms could house up to twelve people (Scobie 1974, 150). Such overcrowding reduced the rent per capita and only in this way could many workers make ends meet.

In the years following 1900, as the more advantaged sectors of Buenos Aires’ population shifted outwards toward the suburbs, there still remained a shortage of low-income housing. The only access the poor had to the suburbs was in precarious squatter settlements, often located far from public transport or on floodable land. At the turn of the century, there was no national

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12 own translation
housing plan to provide housing for the poor; however, some isolated policies were implemented sporadically to provide worker housing. The first attempt at this was by Buenos Aires mayor Alvear in 1887. “Barrio Alvear” was created on public land in the neighborhood of Palermo (Sargent 1974, 31). In 1907, a will deeded land for worker housing, on which 74 houses were constructed, and in 1915 the National Affordable Housing Commission was created. Its goal was to construct three neighborhoods and four large apartment complexes. Construction did not begin until 1924, and 391 houses were built by 1934. In 1922, the government contracted out the construction of 10,000 five-room houses. These public housing projects were almost exclusively constructed on the city’s south side (Sargent 1974, 84). Despite these initial attempts at public housing solutions, they were fragmented and isolated, poorly implemented and lacking funds, and the fact remained that Buenos Aires’ poor residents had few housing options.

By 1930, the new neighborhoods of Buenos Aires were completely unified with the city center, and the city’s population had swollen to more than two million. An almost complete lack of public services and paved roads plagued the new neighborhoods, but as a result of transport improvements and newly available credit, thousands of porteños were able to gain social mobility and enjoy the tranquility of the residential neighborhoods beyond the city center. While the city’s plan of development based on a grid provided the grounds for social and residential integration, the city’s urban poor had little choice but to remain in squalid downtown conventillos, or in the developing squatter settlements for the most unfortunate. However, the overall trend of these thirty years was characterized by state intervention favoring social integration and territorial equality, contributing to the successful integrations of an entire generation of European integration. However, a new phase of urban expansion starting in the
mid-1930s would break with this model of urbanization, tending toward the emergence of new territorial inequalities.

Second Wave of Urban Expansion: The Conurbano

By 1930, the population of Buenos Aires had increased to 2,287,000, three times the 1895 population (Sargent 1974, 59). At this time, the city’s neighborhoods were largely integrated with the city center. Outside the city limits, in the conurbano, three branches of urbanization existed along the railroad lines to the north, south, and west, but between these axes, sparsely populated empty space abounded. After 1930, however, new immigration trends would help occupy the undeveloped gaps between the northern, western and southern axes, and the metropolitan area would undergo a new type of urbanization, breaking with the model of development characterized by state intervention of the previous thirty years. This wave of expansion would be characterized by the physical demarcation between the city of Buenos Aires and the province, more disorganized development with less state influence, and the appearance of villas in Buenos Aires.

By 1938, the city had reached its peak of 2.5 million inhabitants, and subsequent development would take place in the conurbano, which already had one million inhabitants in 1938 (Gorelik 2009b, 7). By this time, European immigration had all about ceased and was replaced by a new immigrant group: workers migrating from the interior of the country and eventually from other Latin American countries. Incentivized by growing industry in the city under policies of import-substitution industrialization implemented in the 1940s, migrants flocked to Buenos Aires looking for work. From the late 1930s to 1970, the population of the conurbano grew steadily, to 1.7 million in 1947, 5.5 million in 1970 and 7 million in 1980, while
the capital’s population remained steady. In this wave of massive and rapid suburbanization, two new elements of socio-spatial inequality would appear, one in which status and wealth would closely correspond to the distance between a family’s residence and the city center; as one ventured out from the prosperous center, one would increasingly find “bad” neighborhoods and concentrations of poverty (Torres 1993, 5-6); and the other in which socioeconomic status was closely related to one’s proximity to the urbanized axes along the railroad lines.

Gorelik argues that this stage of development was, as opposed to the urbanization of the city of Buenos Aires, characterized by the absence of state intervention in urbanization and chaotic development by rapidly arriving migrants. The first element that divided the grid-like urbanization of the city from the more uncontrolled development of the conurbano was the construction of the Av. General Paz in the late 1930s that completely surrounded the city, creating a physical division between the two jurisdictions. This jurisdictional split, which had its origins in the demarcation of the city of Buenos Aires in 1887 and that was now physically manifested, undoubtedly conditioned subsequent urban development of the conurbano, it depending on a completely different governmental body than the city. The capital city, controlled by the national government, enjoyed the benefits of a government highly involved in urban development; the provincial districts did not enjoy such luxury. As Gorelik puts it:

At the end of the 1930s, however, for the first time the city demarcated two distinct territories, each with their own institutional nature: the capital city, dependent on the federal government, center of political and economic life of the country, and the new periphery…fragmented in various districts (intendancies) of scarce autonomy and little economic or managerial capacity, each dependent on the provincial government (of the province of Buenos Aires) which had little interest in urban development (Gorelik 2009b, 7).

For Gorelik, this jurisdictional separation and the construction of the avenue meant that the metropolitan area would not be unified but rather fragmented, and no cooperation mechanisms
were created between the two jurisdictions. As Gorelik says, from this moment on, “Buenos Aires broke with its tradition of institutional inclusion” (ibid.), which had large implications for the subsequent development of the conurbano.

The development of the conurbano was based on the framework of the railway lines; new centers appeared along these lines, initially settled by the middle class. The organizational and educational level of these inhabitants meant that these areas were endowed with infrastructure and public services, well-connected to the central city. However, as new migrants arrived and these sub-centers began to grow, we see a different pattern of urbanization than that which took place in the capital:

unlike the capital city and the major urbanized axis, in these in between spaces, the government left the cycle of urbanization incomplete, with only the partial provision of infrastructure, institutions and public space, doing nothing to prevent nonviable lands and mudflats from becoming incorporated into a real estate market oriented to the poorest buyers, causing urban environmental conditions to become increasingly degraded (Gorelik 2009b, 9).

As a result, these three railroad lines came to constitute a source of drastic residential segregation: “the three branches can be understood as a pyramidal, multi-centered structure: suburban centers functionally and symbolically connected to the capital city, surrounded by zones that diminish in socio-economic capacity as they are further removed from each sub-center” (Gorelik 2009b., 8).

Two main factors accelerated the development of the conurbano. The first was advances in transportation; a network of colectivos, or small short-distance buses, appeared in the 1920s that connected towns in the conurbano and contributed to land speculation in still undeveloped rural areas (Sargent 1974, 74). A reduction in train fares had the same effect. As part of a new populist political orientation under President Peron who took office in 1945, the railroads were
nationalized in 1948, allowing the government to fix fares within the metropolitan area. This resulted in extremely cheap fares accessible to all workers and constituted a subsidy to suburban land (Torres 1993, 15).

The laissez-faire land development of small lots constituted the second factor that permitted the access of conurbano land to the lower classes. Development of lots was rapid and imprudent, with very little concern for long-term consequences or the quality of life that the lots provided. Torres writes: “The fractioning of the periphery was a simple line traced on the ground—without construction materials, pavement, or the provision of any kind of service—that reproduced the traditional block structure…without reserving any space for common or public use” (Torres 1993, 16). The lack of land use standards and the free reign of the market resulted in “savage” urbanization, guaranteeing low prices but leaving thousands without public sanitary services and guaranteeing the poorest buyers lots on land prone to flooding. Additionally, the implementation of a rental law in 1943, which froze the price of rents and made it more difficult to evict tenants, also facilitated widespread access to housing and actually promoted the sale of property over its renting (Torres 1993, 20).

While the Peron administration implemented policies that encouraged social homogeneity and mobility, such as public schools, public housing projects, and subsidized transportation and land, hierarchical forces were also at work. Peripheral development inevitably attracted poor workers to the metropolitan area, who occupied the cheapest lots farthest from the new subcenters and the city center itself. This stage of urbanization is referred to by many as “popular” urbanization, and Buenos Aires as transforming from a “city of elites” to a city of the masses” (Torres 1993, 10). Between 1930 and mid-1970s, a more and more acute process of the concentration of lower social classes in the periphery took place; in 1943, the average distance
between neighborhoods with a socioeconomic level higher than the average and those with a socioeconomic level lower than the average and the city center were equal at 9 km. With time, poorer sectors were pushed outwards, and by 1960, richer than average neighborhoods had maintained the same distance from the center, while the average distance between the poorer than average neighborhoods and the center had doubled to 19 km. A strong north-south divide could still be observed; suburbs directly to the north of the city remained their upper-class profile, while the south housed more and more poor people, but by 1960 this dichotomy has been obscured slightly with massive expanses to the west and far north being occupied by below-average socioeconomic level households (Torres 1993, 7).

This stage also saw the appearance of villas de miseria on a larger scale than in previous decades. First appearing on a large scale in the 1940s, occupying unused public land, often prone to flooding, or open spaces often next to railroad tracks or train stations, the villas comprised Buenos Aires’ most unfortunate residents who could not manage to claim a piece of the real estate market pie. Self-constructed out of wood, metal or canvas, later replaced with bricks or cement, homes consisted of precariously built shacks. Lack of space and materials resulted in overcrowding and poor sanitary conditions. The first census that included these neighborhoods in 1955 revealed that less than 1.5% of the city’s population and 5% of the conurbano’s population lived in villas; this had increased to 10% by 1970. The appearance of this phenomenon demonstrated the fact that the expansive model of the 1940s onward could not incorporate the total of Buenos Aires’ population, “a model that had begun to reveal a profound distributive injustice” (Gorelik 2009b, 12). By the mid-1970s, when growth in the conurbano was beginning slowing, marking the end of the city’s expansionist era, the area was characterized

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13 The earliest cases of villas in Buenos Aires were actually identified in the 1930s. However, they did not become widely visible until the 1940s, in part due to large numbers of migrants drawn to the city during the process of import-substitution industrialization (Kozak 2008, 195).
by new urban centers along the railways, flanked by increasingly poor living conditions, including thousands living in villas, as one ventured into the territory between the main railroad lines, giving testament to the unplanned, chaotic development that the conurbano underwent during this timeframe.

**Conclusion**

As we have seen, in one hundred years between 1870 and 1970 approximately, Buenos Aires was transformed from a large village into a thriving mega-city, continuously growing in population and territory. In these years, we see two different expansionary stages that shaped the city’s development. In the first stage, assisted by massive European immigration, we see conflicting forces at work. On the one hand, advances in technology, transportation and infrastructure and an eager real estate market tended to polarize the city, creating a social disequilibrium between the north and south parts of the city. On the other hand, we have a reformist state whose egalitarian vision of urbanization resulted in a grid scheme that dispersed social differences relatively equally throughout the territory. However, in the second expansionary stage, this tendency no longer existed as the conurbano began to become developed, resulting from the jurisdictional split between capital city and the province. This contributed to a concentration of wealth in the city with respect to poorer conditions in the conurbano and near the newly urbanized centers with respect to the interstitial spaces. As result, throughout this time period, we have an interesting mix of residential integration and segregation, of territorial disparities and uniformity.

Here it is important to make a clarifying caveat. These trends examined in the chapter also help us to recognize that spatial concerns alone do not account for the totality of residential
segregation and inequality in a city. In this thesis, I argue that policies favoring the residential integration of social classes are essential for the reduction of poverty and the creation of a more equal, cohesive society. In this chapter, we saw that between the years of 1900 and 1930, the state did in fact do this; the state implemented several urban development initiatives and other social policies that contributed to the homogenous distribution of classes throughout the city. However, residential segregation still persisted and worsened in following years. This is testament to the fact that residential segregation is fundamentally caused by income inequality, which is determined by structural economic factors, among others. During this time, income inequality in Argentina was high, as the country was firmly invested in an agro-exporter model of development, which greatly enriched a select sector of society, while policies seeking to develop national industry were largely ignored. Therefore, despite the homogenizing policies within the city of Buenos Aires, which undoubtedly contributed to residential integration and social mobility of its citizens, the hierarchical forces at work limited the penetration of these policies. This demonstrates that while housing and urban planning are crucial to the construction of an inclusive city with prospects of social mobility, these policies are limited by the economic structure to which they are confined.

In the next chapter we will take a closer look at government interventions with respect to housing and their implications for residential segregation, as well as observe more recent social trends that are contributing to residential segregation within the city presently.
Chapter IV:

Case study: Housing Policy and Residential Segregation in Buenos Aires

As seen in the preceding chapter, the first one hundred years of urban development in Buenos Aires, from the 1870- around 1970, can be divided into two periods of urbanization. The first, from 1870-mid-1930s, was characterized by massive urban expansion and the integration of thousands of foreign immigrants. The second period, from mid-1930s onwards, experienced a more gradual process of the urbanization of the city’s surrounding districts, receiving migrants from the provinces and neighborhood countries. During this time, three main manifestations of territorial inequality emerged, one being a north-south disparity, a center/periphery disparity, and a disparity between the areas surrounding the railroad lines compared with the territories between these major axes. From 1887 until the mid-1930s, while some processes, such as the implementation of the port and railroad systems, favored some geographic areas more than others, the state implemented policies tending toward greater social integration, such as public education, transportation subsidies, and the creation of a spatially cohesive grid city. Despite the lack of state planning the characterized the urbanization of the conurbano following the mid-1903s, the creation and consolidation of the welfare state from 1945 onward established an integrating context at the national level through the supposed guarantee of social welfare for all citizens. Despite multiple economic and political crises and persisting levels of inequality and poverty, Buenos Aires, prompted by the need to integrate immigrants and consolidate Argentine identity, has had a history of policies that in many ways have favored homogenous social integration.
Following the end of the expansionist stages in the 1970s, these trends changed. As the international context demanded structural adjustment, the reduction of the state and the dominance of free-market policies in developing countries, urban development in Argentina has followed a different path in the last several decades. Following 1970, Buenos Aires underwent progressively polarizing transformations. Buenos Aires would now undergo a selective process of modernization and internationalization that would favor the upper echelons of society, while the poorer sectors would suffer the effects of economic crisis and the 1980s and the subsequent retreat of the state in the 1980s and 90s. As the construction and real estate industries began to cater predominantly to upper classes, promoting the arrival of shopping malls, exclusive residential towers, gated communities and an extensive network of highways to Buenos Aires, the urban landscape was transformed into what Gorelik (2009b) calls an “archipelago city” with increasing residential segregation, homogenous enclaves of wealth and poverty and incidences of urban fragmentation.

This chapter will analyze these changes in trends in urban development from 1970 to the present and the history of specific housing policies in Buenos Aires to examine how they have affected residential segregation, serving to support the hypothesis that housing policy in Buenos Aires has failed to improve the poor’s conditions of social integration. The chapter will begin with a general outline of trends in urban policy and territorial inequality until the present. An analysis of specific housing policy since the 1940s will follow, demonstrating how Argentine housing policy has followed the patterns of many other countries, focusing on the construction of low-income housing projects which increase residential segregation. Following this, a look into residential segregation data in Buenos Aires reveal that after several decades of housing policy, Buenos Aires suffers from high residential segregation and that it worsened from 1991-2001.
**Trends in urban development since 1970**

Following the end of the expansionist periods in the 1970s, two tendencies began to take place that lent themselves to urban polarization: 1) a series of policies and market tendencies that catered to the upper sectors of society, creating a modern, luxurious type of suburbanization especially to the north of the city, and 2) a reduction in suburban urbanization, which had historically benefitted primarily mid-low and lower sectors. Regarding the first trend, the first precedent leading toward residential segregation in the north of the city was the construction of highways extending into Zona Norte, whose first main section was opened in the late 1960s (Torres 1993, 32). This spurred the car-dependent suburbanization of the entire northern sector of the city between 1960 and 1980, incentivizing a process of suburbanization of the private-vehicle-owning upper classes. As a result, a process of the improvement of living conditions in the north proceeded, and more and more traffic flowed to and from the city on these highways. Michael Janoschka argues that these main arteries in the city, receiving billions of dollars in investment, became the most important factor in the subsequent spatial development of the city, enabling the creation of a suburban infrastructure whose “common denominator [is] the interests of the middle and upper-middle class client” (Janoschka 2005, 96). This type of development created the conditions for an upper class enclave of suburbanization which would materialize itself in the 1980s and 90s.

Simultaneously, other changes made life more difficult for the popular classes. The redistribution policies of the Peron era having ended and the rental law and public financing for housing having been suspended, the military government from 1976-1983 imposed various measures intending to reorganize the occupation of urban space (Torres 1993, 24). More rigid land use laws and regulations limited the cheap sale of land and the self-construction of homes in
the periphery. In 1977, Law 8912 severely limited the strategies undertaken by the lower-middle and lower classes to solve their housing dilemmas. The law was put in place to regulate the use, occupation, subdivision and service provision of undeveloped land in the *conurbano*, in an attempt to control the chaotic, uncontrolled development that until then had enabled widespread urbanization of the suburbs. One of the objectives of the law was to limit the speculative sale of lots without any type of regulation or guarantee of service provision. The law placed new restriction on the sale of land, requiring lots to have access to basic services, fulfill certain size requirements, and be geographically suitable for urbanization, i.e. not floodable (LPPBA 1977).

While this law was meant to improve living conditions by creating a minimum standard for land development, it paradoxically limited access to new land for the lower classes. Gorelik (2009b, 12) writes: “it [Law 8912]…resulted in the complete closure of access to land for the most poor, which in turn pushed the inhabitants into a new type of illegal encroachment of land.”

This constituted the end of the historical *loteos económicos*, which had driven urbanization in the *conurbano* in previous decades by providing lower classes with cheap access to city lots (Ostuni 2007, 14), and partially as a result, from 1960-1990 no new centralities developed in these interstice areas (Jenks and Kozak 2008, 79). Instead, as Gorelik stated, the law created a new state of illegality for many inhabitants, either pushing them to illegal informal settlements, or onto “pirated lots,” lots sold illegally without city approval. It created a black market, so to speak, of the sale of lots that circumvented the poorly enforced law. Lots were created and sold without being properly registered with the city, especially in zones that had been explicitly deemed not proper for residential development. Buyers who purchased these lands inherited a precarious situation, as they came to inhabit illegal lots unrecognized by the
municipality, without a legal deed or the rights recognized by the state to the land they had purchased (Torres 1993, 29).

These new limitations were made even more problematic in view of the dictatorship’s eradication of 39,000 families living in villas within the federal capital between 1976 and 1983. Without easy access to land in the conurbano, these displaced families contributed to the swelling of the number of residents in living in precarious neighborhoods in the conurbano. The population of residents of villas in the conurbano had more than doubled since 1940, from 5% to 11.24% in 1970 (Torres 1993, 29), constituting an increase in the concentration of poverty. These policies reveal the state’s intolerance of unregulated housing and its unwillingness to acknowledge and deal with the shortage of low-income housing at the time. In addition, a reduction in transportation subsidies which resulted in a 187.9% increase in transport fares from 1965-1970 also signified increased hardship for the lower classes and constituted a disincentive for continued urbanization of the periphery (Torres 1993, 31).

During the 80s and 90s, these processes of polarization were consolidated. Partly as a result of the increased access to the northern periphery, following 1985 the phenomenon of gated communities appeared on the outskirts of Buenos Aires. These communities, located up to 40 km from the city center, represent upper-class enclaves, surrounded by physical barriers and protected with sophisticated security systems, accessible only to those who have explicit permission. These residencies, which initially were used as summer or weekend getaways, began to be converted into permanent residencies. As of 2007, over 500 gated communities had been counted within the metropolitan area, accounting for 250,000 residents. The 360 km² that these communities occupy constitute a surface area almost two times as large as that of the federal capital, where almost 3 million people reside (Fundación Metropolitana 2010).
The gated community in the Buenos Aires conurbano presents social conflict because it is an explicit manifestation of residential segregation and fragmentation. Frequently buttressed against villas or other poor neighborhoods, these private communities exacerbate social inequalities and impose exclusion upon the outside world. As Thullier says, gated communities “make socio-economic contrasts reappear in a growing way, exacerbating envy on one side and fear on the other” (Thullier 2005, 11). Some argue that these developments constitute sources of revitalization for the areas where they are built, since they bring business to the area and encourage investment in the form of supermarkets, shopping malls, cinemas, business parks, etc., creating new urban centralities and decentralizing economic activity (Torres 2001, 52). However, the overwhelming tendency of analysis within the academic realm is that gated communities are a reflection of polarizing tendencies in the real estate market, creating residential segregation, urban fragmentation and class tension (Welch Guerra 2005, Svampa 2005, Torres 2001, Kozak 2008).

Gated communities were not the only upper-class housing units to flourish in the 1980s and 90s; the city proper of Buenos Aires has also experienced the arrival of its own form of gated communities. Luxurious residential towers appeared on the map in the 1990s, offering a supposedly similar type of lifestyle to that of gated communities but located within the city limits: residential towers walled-in behind high-tech security systems, featuring private entertainment facilities, private green space, etc. These residential units, labeled “gated towers” in order to stress the gated and exclusive aspect (Kozak 2008, 211), make up part of the luxury housing boom that took place during the 1990s. Such housing complexes feature a residential tower set back from the street, surrounded by green space, which is in turn fully surrounded by a security wall, effectively breaking the traditional pattern of the street layout in which buildings
are constructed with their points of access on the street and green spaces in their cores (Kozak 2008). As another reflection of greater affluence in the northern part of the city, as of 2004, more than 50 percent of gated towers built in the city were built in northern neighborhoods flanking the Rio de la Plate (ibid., 214).

During the 1990s, luxury housing dominated the real estate market in the city of Buenos Aires. According to Torres (2001a), during the 1990s, the construction of residencies denoted lavish (*suntuosa*), as compared to three other categories—simple, comfortable, and luxury—grew the most among these four categories from 100,000 m$^2$ annually at the beginning of the decade to 300,000 m$^2$ at the end. Torres concludes that, “construction of homes within the formal market in the Federal Capital was clearly geared toward the highest income groups, to a greater and greater extent throughout the studied period$^{14}$” (Torres 2001a, 44). In addition, the increasing construction of shopping malls and entertainment complexes was another indication that urbanization in the 1980s and 90s leaned toward a preference for the upper-classes. The first shopping mall in Argentina was built in 1987, in the suburban district of San Isidro. Twenty years later, there were 79 shopping malls in all of Argentina, 37 in Buenos Aires, within both the city and in the suburbs (Kozak 2008, 201). Within the city of Buenos Aires, such complexes, as well as “hypermarkets”—retail complexes such as Walmart and other large grocery stores—break with the traditional grid of the city by reorganizing space according to consumption as the priority and sacrificing the function of the street as a place of universal encounter (Kozak 2008, 203). This phenomenon creates greater exclusivity and reduces the areas accessible to all citizens regardless of their ability to consume.

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$^{14}$ own translation
Partly in result of these new urban forms, some authors have argued that from 1994 onwards, Buenos Aires began to depart from its traditional ‘tree-like’ structure, in which the metropolitan area is comprised of an urban center with several branches of urbanization extending outward, to a ‘network structure,’ in which several different centralities are connected by a network of highways (Abba and Labora 2010). With the construction of gated communities, highways, business parks and shopping centers in municipalities located up to 50 kilometers outside the central city, especially to the north, new centralities have grown rapidly, marking a new tendency in the metropolitan area. This tendency is characterized by the continual suburbanization of the upper-class, the growth of car-dependent centralities, and the privatization of urban infrastructure, such as water and sewage treatment, health and education services (Jenks and Kozak 2008, 80-81). This trend is so strong that between 1994 and 2004, the MABA’s new centralities grew 148%, as opposed to 30% in the traditional centers. Abba and Laborda (2010) elaborate:

The emerging phenomenon of this decade is the expansion and growth of the new centralities, tending toward the completion of a reticule scheme that in 1994 barely existed. Opposing the traditional structure that grew around the historical center, the reticule is organized around prioritizing the northern sector and the first urban ring.\(^{15}\)

While the traditional structure of Buenos Aires is still present and the historical manifestations of residential inequality previously discussed are still visible, these authors argue that they are being obscured by these emerging urban patterns and setting the metropolitan area on the track to become more fragmented and dispersed.

Simultaneous to these tendencies, other processes on the opposite class spectrum occurred after 1980 that contributed to polarization at the bottom levels of the social spectrum.

\(^{15}\) own translation
While the city’s northern fringe has enjoyed attention from public and private investors, the central city has suffered neglect since the 1980s. The city’s historical conventillos, whose population dropped steadily from 1950 to 1980, once again experienced an increase during the 90s to 2.33% percent of the city, up from 1.64% in 1986 (Torres 2001a), reproducing its traditional conditions of overcrowding and general poor conditions. This is also experienced by those living in downtown hotels and pensiones, or residencies, housing options available without a rental contract or other requirements, paid at the price of overcrowding, unsafe or poor conditions and no tenant rights. Additionally, the number of inhabitants in villas within the federal capital grew steadily throughout the 80s and 90s, with a villa population of 11,157 in 1893, 39,897 in 1990 and 59,977 in 1995 (ibid., 45). Gorelik claims that villas have grown more than any other type of neighborhood since 2000 and that currently, more than 20% of the metropolitan area’s population lives in villas (Gorelik 2009b, 15).

We can see that the polarizing effects in Buenos Aires since the mid-1970s and especially since 1980 have worked in both directions, increasing the distance, both social and spatial, between the rich and the poor. Gorelik declares that in 2009, “50% of the current metropolitan population lives in various forms of urban poverty,” while more families than ever are living in exclusive luxury housing. He goes on to give us a conceptual tool to understand these transformations:

The contiguous coexistence of all these forms of urban life results in what I call the archipelago city. It is not a ‘dualistic’ model according to the old structuralist paradigm, but rather a city marked by social ruptures. Wealth and misery are simply two poles of a social and urban dynamic that works at different speeds, creating a multiplicity of circuits that intersect each other in different ways, no longer allowing us to imagine an undivided citizenry (Gorelik 2009b., 14).

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According to Gorelik and other authors, the model of urbanization in the past decades varies greatly from that of the expansionist periods from 1887-1970, in which the state pursued more equalizing policies and legal frameworks. Instead, land use laws, investment decisions, and the incorporation of the city into the global economy has created the conditions for greater territorial inequality and disparages in the ways different social classes experience and access the city.

In the following section, we will see how specific housing policies have intervened in these stages of development and in many ways have echoed their general trends. To do this, we will first jump back in time to the Peron era, when the state first began to pursue widespread low-income housing policies. Although Peron’s policies in some ways underscored the asymmetrical trends already present in the metropolitan area’s development, they were also progressive to the extent that they defended a common goal for all Argentines, that of homeownership. After 1960 however, congruent with the polarizing trends in the urban framework, housing policy began to be more divisive, tending toward the stigmatization of the poor.

**Housing Policy under Peron, 1945-1955**

Although we can find instances of public housing projects in Buenos Aires as early as the 1890s, these projects were isolated and decentralized; housing policy did not become a centralized part of the state’s agenda until Juan Domingo Peron became president in 1945. In a context of an industrializing city, driven by import-substitution industrialization and the arrival of migrants from the interior of the country, the need for housing accessible to the popular classes became acute. Through a number of redistributive policies, the state’s active role in the
construction of housing, and the government’s prioritization of widespread access to homeownership, government housing had made it onto the public agenda.

During this time, the state had two main strategies for housing provision: 1) subsidized loans for the purchase of single-family homes, and 2) the construction of worker housing complexes. The state’s main instrument for executing these plans was the National Mortgage Bank, through which the government provided subsidized loans for the purchase of land. These loans, along with the absence of restrictions on land development in the conurbano, resulted in the rapid sale and development of precariously delineated lots in the suburbs, the famous loteos económicos, which drove the urbanization of Buenos Aires’ surrounding districts, as explained in the previous chapter. This, combined with the nationalization of the railroads in 1948 and other transportation subsidies, constituted a strategy to guarantee the popular access to land for housing (Torres 1993). However, these new lots were frequently lacking in any infrastructure or public services, and were frequently floodable, meaning that living conditions in the conurbano were habitually inferior to those within the city limits (Torres 1975).

Simultaneous to this process, the 1948 Commonhold Property Law (Ley de Propiedad Horizontal) drastically changed the housing structure within the city of Buenos Aires. With this law, the individual units within a larger housing complex could be owned by separate owners, as opposed to previously when such units could only be rented out. This promoted the purchase of homes, creating a greater percentage of homeowners as opposed to renters and increasing the population density of the city, owing to the construction of multi-floor buildings under the commonhold property system (Torres 1975, 300). This situation, combined with the growing number of homeowners in the conurbano signified a break with the previously dominant model of property rental. Between 1947 and 1960, the number of homeowners in the metropolitan area
rose from 26.8 percent to 58.1 percent. While on the one hand the combination of these policies resulted in expanded access to housing for the lower classes in the conurbano, it simultaneously sustained the dichotomy between concentrated affluence in the capital city and poor living conditions in the conurbano (Torres 1975, 301).

However, despite this polarizing effect, the Peron’s push toward homeownership also had equalizing consequences. As a result of these policies and others, throughout the Peron era, the aspiration of homeownership, historical among the popular classes and a clear indication of middle-class status, became accessible for a wider gamut of citizens. In this sense, pro-homeownership policies became mechanisms of social mobility and blurred class lines, since they permitted low-skilled workers who would otherwise be considered lower class to gain access to homeownership (Ballent 2000). This ideal was further pursued through the state’s construction of worker housing. In addition to policies already mentioned, the Peron administration was the first to extensively pursue the state’s construction of massive low-income housing for purchase. The government explicitly valued decent housing for all citizens, and the population’s “right to housing” was written into the 1949 constitution (Aboy 2003). The state’s primary mechanism for the construction of housing was Plan Eva Perón, a sub-program of the National Mortgage Bank, as well as the Fundación Eva Perón and the Ministry of Public Works, through which single-family individual homes and multi-family housing complexes were built on a large scale. By 1960, the percentage of homeowners among Argentine households had increased to 57 percent, up from 37 percent in 1947 (Ballent 2000, 322). While it can be argued that more policies were needed to close the gap between the center/periphery, paying special attention to the interstitial spaces, in general Peron’s policies were homogenizing in nature, providing the ability to one one’s own home to a sectors lower down on the social hierarchy.
However, despite the active role the Peron administration took in housing in the 1940s and 50s, housing was still a serious problem after 1960, and the equalizing ambitions promoted by Peron were interrupted by subsequent political and economic crises. According to architect María Beatriz Rodulfo (n/d), Argentina has been experiencing a housing shortage since 1960, a shortage in which one third of Argentine households live in sub-par conditions. Since 1960, in general, the state has followed the two models set up by Peron regarding housing: the construction of public housing complexes and the provision of mortgage loans. However, the country’s changing political and economic structures from 1970 on influenced the scope, objectives, and implementation of these policies. Rodolfo describes the state’s intervention in this housing shortage from this date on in terms of three policy stages: 1) the creation of the national housing fund for the construction of massive public housing projects; 2) decentralization of the national housing fund and the incorporation of new policies; and 3) the 2003 Federal Housing Policy. While the three stages of housing policy differ in political orientation, objectives, and specific policies, the \textit{llave en mano} model, or turnkey system of housing provision has remained constant throughout the three stages of housing policy until the present, with only slight variation. And, despite the continuity of such programs since the 1960s, overall, as data reveal, the impact has been insignificant with respect to the need.

Rodolfo’s first stage of housing policy in Argentina began in the 1960s under a welfare state, which assumed the role of intervener and provider of social welfare, and whose ideology guaranteed certain social rights to all citizens. In 1963, the Secretary of Housing (Secretaría de Vivienda) was created, and in 1972, FONAVI (Fondo Nacional de la Vivienda), the National Housing Fund, was created in order to provide a legal framework for the recollection of funds for
the construction of public housing. FONA VI was a highly centralized institution; the federal government determined which programs to finance, the criteria for selecting beneficiaries, and provided its funding, while provincial governments were responsible for project execution. Through a mechanism that required workers to deduct part of their earnings to this fund, the state effectively guaranteed the redistribution of income for public housing projects, keeping true to its ideals of the welfare state.

By the early 1980s, with an annual budget of US$ 850 million, FONA VI had constructed 211,292 homes throughout the country, 50% one-family homes and 50% units in collective buildings (Rodulfo n/d, 9) with an average of 32,000 units per year (Ostuni 2007, 19). From 1976 to 2005, FONA VI constructed 980,354 housing units (an average of 33,805 per year), equal to an investment of US$ 20,750,000 (Rodulfo n/d, 11). However, these figures constitute a minute contribution compared to the enormous need. In 2001, there were 10,075,890 households in Argentina (INDEC 2011a), one third of which, 3,358,630 households, experienced a complete lack of or deficient housing. The FONA VI average over the past thirty years of 33,805 housing units built yearly constitutes less than one percent of this need, a clearly inconsequential effort at addressing the housing shortage.

Of the public housing units that have been built, like most public housing projects throughout the world, these homes were constructed collectively for the singular purpose of creating residential space, most frequently on the cheapest land located on the periphery (Ostuni 2007, 20). Frequently differing in use, style, and aesthetics from the surrounding buildings and infrastructure, the sudden insertion of public housing in the city had a fragmenting effect: “The effects on the country’s cities were not neutral, since they favored the selective development of the urban space, creating new territories, concentrating facilities in some urban sectors,
producing undesirable effects for places, people and activities, creating spatial inequalities and exclusion” (Rudolfo n/d, 9).

The construction of new homes continued to take place in peripheral areas, often times far from public transportation, green space, or on dangerous territory exposed to flooding. The relocation of housing beneficiaries to these locations often caused social dislocations and greater exclusion than previously experienced: “Distance or relative isolation has a bearing on the cost-time of the trips between the relocated population and the city and it does not generate an environment favorable to social and urban integration, making the access to urban opportunities and the creation of social networks more difficult, exacerbating unequal conditions and relative levels of marginalization16” (ibid., 11). As a result of this lack of integration, these residents of public housing projects suffer neighborhood effects. Very little social value is placed on such neighborhoods and as a result they quickly deteriorate: lack of maintenance and security cause public housing to quickly become run-down and dangerous places, surrounded by space further dropping in property value; consequently, these neighborhoods are scorned by non-residents and their inhabitants marginalized, “contributing to fostering conflictive social expressions, many of them conducive to the stigmatization of the neighborhoods and creating a new type of problem17” (ibid.). This shows that turnkey housing projects in Argentina suffer the same problems as in other countries: increased residential segregation of its residents and their further social isolation from other sectors of society.

In addition to the social problems originating from FONAVI public housing, the fund was also racked with institutional problems during its first stage. In its first two decades of existence, the FONAVI was highly centralized, its projects, funding allocations and beneficiaries being

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16 own translation

17 own translation
determined at the national level, and was the country’s primary institution for the financing of low-income housing. However, plagued with problems of excessively high building costs, mismanagement, inefficiency and a malfunctioning system of funding allocation to the provinces, the FONA VI managed to assist only a tiny percentage of potential housing beneficiaries throughout the 1970s and 80s (Zanetta 2007). In 1991, Diéguez and Tella (2008, 4) report that the housing deficit was still at 3,000,000 homes, representing 32.8 percent of Argentine households, a figure that has maintained stable in the previous thirty years, despite FONAVI interventions, again demonstrating that FOVANI constructions did not come close to reducing the housing shortage. These problems, combined with a changing economic and political context, let to the second phase of housing policy, that of decentralization. With all its institutional problems, the FONA VI stood to benefit from decentralization with regard to efficiency, management, and service delivery.

The second stage of housing policy began in the 1980s and extended into the 1990s. The 1980s was a turbulent decade for Argentina; the return to democracy after a six year dictatorship as well as hyperinflation and growing external debt marked these ten years. While during the 1980s the orientation of housing policy was not altered, different political power structures from those that prevailed previously affected the deliverance of housing benefits. A sharp process of the decentralization of FONAVI began which relinquished power to the provinces.

In 1992, as Argentina adopted a new orientation with respect to the economy, prioritizing macroeconomic stability and a reduced role of the state, the FONAVI was decentralized to the federal provinces. During this decade, the state underwent a transformation from its previous role of provider of social welfare to that of facilitator. As Cuenya puts it, from the 1990s on, “the State had to put aside its previous function as producer of housing and take on the role of
administrator throughout the sector and of facilitator of the performance of the structured and unstructured private realm, putting more emphasis on the overall function that housing fulfills in economic and social development\(^\text{18}\) (Cuenya 2000, 1-2). As Cuenya describes, the country, as did much of the world, adopted a “markets work” mentality that would direct government policy interventions throughout the 1990s. This consisted in transferring FONA VI funds to the provinces and entrusting them to implement housing programs according to their specific needs, with very little oversight from the national government (Zanetta 2007).

In 1995, a new legal framework was put into effect that provided new guidelines for FONAVI under the jurisdiction of the provinces. While the focus continued to be the use of government funds for the construction of housing units, new elements of ensuring property rights, the streamlining of laws governing credit and mortgages and regulating the construction system to give a market-driven focus to the provision of social housing were implemented. This resulted in the gradual reallocation of resources from massive housing projects to the provision of individual loans in order to acquire housing unit in the private market. The 1995 law required that 15 percent of FONAVI spending be allocated for mortgage loans, to reach the goal of 45 percent by 1998 (ibid., 7). This measure, while certainly beneficial for middle-class citizens seeking to buy a home, constituted in a subsidy exclusively for the formally employed. Members of the lower-middle and lower classes with low and inconsistent salaries, commonly employed informally, were denied access to such personal loans (Ostuni 2007, 19).

This and other policy changes reveal the state’s withering resolve to provide pro-poor housing solutions and its tendency toward policies inevitably that increased housing inequality. In addition to the use of FONAVI funds for personal loans, new financial instruments appeared

\(^{18}\) own translation
which expanded the supply of mortgage credit in the private market. In 1997, the national mortgage bank was privatized, which encouraged private lending and the stimulation of a long-term credit market. While these financial instruments were effective in stimulating the private housing market and assisting middle-class residents, it encouraged the private construction of mostly luxury housing on territory in the conurbano, exploiting sites traditionally occupied by poorer sectors living in informal settlements (Rodulfo n/d). This new system favored only those who in fact could pay and were not in need of housing assistance and therefore was exclusionary to the poor; in general households whose monthly incomes exceeded 1,500 Argentine pesos\(^\text{19}\), i.e. the middle and upper classes, were eligible for these loans. Argentine homes clearing this threshold consisted of only 35% (Cravino 2002, 2). Additionally, as a result of the rising cost of the turnkey housing and the fact that the state did not recuperate any of its investment, the suggestion became to construct housing exclusively for the upper and middle classes and encourage properties newly vacated by these sectors to be occupied by lower class residents. This measure of using abandoned pre-existing housing as low-income housing was adopted by the Housing Institute of the Province of Buenos Aires after 1992, displaying the state’s tendency to favor advantaged sectors and abandon its inclination to seek inclusive, equalizing policies (ibid.)

At a superficial glance, it appears that the FONA VI reform of the 1990s was successful in a number of ways. Despite the new emphasis on personal loans for use in the private housing market, the construction of new housing continued to prevail as the dominant housing policy model, as FONA VI increased its production of homes from its previous average of 35,000 per

\(^{19}\) This level of income falls between the 2001 average income levels of upper-middle ($819) and upper class ($1,725) households in the city of Buenos Aires, based on the highest level of education attained by the head of household, meaning that even middle and lower-middle and many upper-middle class households were excluded from housing financing based on this system (Rodriguez 2008, 11).
year to 55,000 (Rodolfo 2008, 4). In addition, a new set of diversified housing policies aimed at low-income groups began to be implemented, such as Housing and Basic Infrastructure Improvements and Neighborhood Improvement Program (PROMEBA). These programs attempted to offset the supposed middle-class bias of FONAVI individual loans and to alleviate the qualitative housing deficit rather than the quantitative one by structurally improving homes and neighborhoods. These are apparent successes of the new housing scheme: greater efficiency, greater production of homes, better regularization of home ownership and the implementation of new, more diversified policies.

However, many authors maintain that the 1990s failed to improve the housing conditions in Buenos Aires and that the housing crisis continued to exist. Cuenya shows that despite the attempts to diversify housing policy through credits and other policies, such diversification was minimal; in 1998, investment in the construction of housing units outnumbered other solutions 3 to 1 (Cuenya 2000, 7). Although efficiency seemed to have increased in terms of number of units constructed, other efficiency indicators show otherwise; a distorted relationship between the amount of FONAVI funds received in many provinces, including Buenos Aires and the federal capital, and the number of housing units built between 1989 and 1998 shows elevated construction costs, and, although the opposite result was expected as a result of decentralization, administrative and operational costs were sky high, at 22.4 percent of all FONAVI spending (Zanetta 2007, 9). In addition, subsidiary programs designed to meet lower class needs were fragmented, poorly funded and supported, and hardly made it past the “pilot” stage of functioning. Rufolfo (2008, 4) writes: “The efforts of the new operatives did not manage to alleviate the situation of disadvantaged groups due to the reduced level of funding available in
relation to the social needs requiring attention. In fact, following 1995, the FONA VI began to go through a series of conflicts that severely limited its abilities to deliver benefits. It suffered political struggles over who should control the FONA VI, who its beneficiaries should be, and how much funding it would receive. After 1998, battles in Congress demonstrated reduced political will to support the FONA VI, and funds continued to dry up.

As disadvantaged sectors found it more and more difficult to access the housing market, the 1990s saw the population of villas skyrocket, some estimates putting population growth at 200% during this decade (Cravino et. al. 2009, 5). The state’s response to this phenomenon also shows how it has tended toward policies that have made housing segregation more acute. As the self-construction of homes on land un-owned by its residents—commonly on public and “unusable” land created by the construction of infrastructure—had more and more incidence in the 1980s and 90s, the government of Buenos Aires pursued policies to regulate the issue of land titles, impelled by the growing demands and social action of villa residents. In 1996, the first Constitution of the City awarded the rights of ownership to residents occupying public land. Through this policy, while granting villa residents the status of “homeowner,” a historically idealized condition, the state in effect recognized and legitimized the villa—which frequently lacked basic public services, with severe deficits in infrastructure and rampant social problems—as an acceptable living environment for the lower class: “This made it possible for these residents to aspire to homeownership, which implied the recognition of the fact that villas and settlements no longer constituted a stairway to virtual social mobility but rather, the opposite, that these were surely the only type of environment that they could expect” (Cravino 2002, 7).

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By the end of the 1990s, with the *villa* population higher than ever, it was evident that FONAVI and other policies had failed to find a true solution to the city’s ever-growing housing needs.

While the economic policies of the 1990s worked to polarize Argentine society, the financial crisis of 2001 took this polarization to a new level, in which Argentina experienced unprecedented levels of poverty and unemployment. In this context, the country once again experienced an institutional shift, this time back toward taking a role of heavy participator in managing the economy and providing social welfare. In this context, we see the third stage of housing policy emerge. The state once again decided to transfer private funds to the public system of housing provision, constituting a “re-centralization” of the national housing program, hoping to generate desperately needed employment through the construction of homes and to continue to provide housing to a very needy, newly impoverished population (Zanetta 2007). This stage of housing policy is the most innovative and includes broader social goals beyond the mere provision of housing. Three different stages of interventions were included in this greater vision, called the Federal Housing Policy (Política Federal de Vivienda).

The Federal Housing Policy, implemented after 2003, consists in three phases. The first includes reactivating paralyzed FONAVI works, completing uncompleted constructions and stimulating employment, resulting in the programs Housing Reactivation Programs FONA VI I and II, Housing Solidarity, and the Housing Emergency Program. The second phase consists in continuing with the objectives of the first phase and improving the quality of housing units, resulting in the production of 120,000 homes and a secondary program, Federal Program Live Better (Programa Federal Vivir Mejor), which carried out 140,000 home improvements. This has been the first program to make a dent in the housing shortage with respect to quality instead of quality.
Finally, the third phase launched in 2006, has the most holistic view with respect to housing. In its objectives, it lists things such as “increase investment to boost growth in the construction industry,” “promote sustained growth in employment” and “substantially improve quality of life by contributing to family consolidation," etc. (Rodulfo n/d 14). This third phase was implemented similarly to the other two phases, but through a new institutional framework called Semi-annual Program of Home Construction (Programa Plurianual de Construcción de Viviendas), whose goal is to build 300,000 housing units. In terms of the traditional construction of new housing, upon being elected in 2003, President Nestor Kirchner launched several new housing programs with the goal of constructing 440,000 new homes and upgrading 140,000 existing units. As of 2006, only 42,400 housing units had been completing, representing approximately only 10 percent of the overall target, revealing that actual implementation is falling short of the original goal.

Due to their recent implementation, studies regarding these policies are so far non-existent, but we can see that at least regarding policy objectives, the newest housing policy interventions are seeking a more integral approach to the housing deficit, including a focus on neighborhood improvement and attention to unemployment. However, no policy proposals have yet come to the table that attempt to disperse poverty by locating public housing in more desirable neighborhoods, or create mixed-income housing. Time will tell if policy makers are able to offer a housing solution to disadvantaged sectors that does not solely include the creation of lower-class neighborhoods segregated from other sectors of society.

As we can see, Argentina has followed a similar path of housing policy as many other countries, focusing on the construction of massive low-income housing complexes. While

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slightly reducing the housing deficit in the country, many authors have argued that such public housing interventions have caused greater social problems by creating isolated enclaves of poverty, stigmatizing public housing and making the creation of social links between classes virtually impossible. Policies of the 1990s, focusing on mortgage loans for the middle class, and FONAVI’s shrinking funds and deteriorating political cohesion made it even more difficult for the poor to access housing, tending toward greater territorial inequalities. Policies implemented after 2000 have been slightly more diversified in terms of objectives, but residential integration has yet to make it onto the public agenda as an explicit goal. In general, since the 1970s, it can be said that housing policy in Argentina has been fragmented, disorganized, at times contradictory, minuscule compared to the need, and has not managed to offer disadvantaged groups with desperately needed housing mobility. The following section will conclude this chapter by discussing the city of Buenos Aires with respect to empirical data on residential segregation, to demonstrate that housing policy has not been successful for the social integration of the urban poor by reducing residential segregation.

*Residential Segregation in Buenos Aires*

As explained previously in this work, various Latin American authors claim that socio-economic residential segregation has been increasing in the region (Sabatini et al. 2001, Katzman 2001, Rodríguez 2011b, Arraigada and Rodríguez 2003, etc.). While empirical research on this topic in the region is scarce, two preliminary studies (Rodríguez 2008 and Groisman and Suarez 2006) have been done that attempt to capture empirically the incidence of residential segregation in the city of Buenos Aires, and one comprehensive study has addressed this topic in all of Argentina (Rodríguez 2011a, 2011b). These authors employ two main indices to measure
residential segregation: Segregation Index (SI) and Dissimilarity Index (DI), developed by Massey and Denton (1988), which both measure the percentage of members of a minority group that would need to relocate their place of residence in order to achieve the same proportion of members of that group in each census area with respect to this proportion of the city at large. SI measures the distribution of one group compared to the whole population, while the DI measures the distribution of two groups against each other. To delineate social classes, Rodríguez used the highest level of education attained by the head of household as proxy of socio-economic status (SES), creating four groups: lower, mid-low, mid-high and high levels, and he divided the city into 260 arbitrarily defined areas. Rodríguez found that from 1991, the SI for the group of lowest SES, went from 20% in 1991 to 23% in 2001, and for the group of highest SES, 28% and 26% respectively. This reveals an increase in residential segregation for the lowest group on the spectrum and a decrease for those at the top (Rodríguez 2008, 17). The DI shows more extreme values and indicates that socioeconomic status is highly correlated with the occupation of space. In 1991, 41% of the members of the group with the lowest SES had to relocate in order to achieve an equal distribution with respect to other groups represented in the city at large. This percentage lowered just one percentage point to 40% in 2001. While this measure indicates that residential segregation did not change much from 1991-2001, the high value of the index shows that different social groups share scarce residential space (ibid., 18).

Rodríguez employs other indices that help paint the picture of residential segregation in Buenos Aires. Average Proximity (AP) accounts for the level of concentration of social groups, measuring the distance between members of the same group (Pxx) and between members of different groups (Pxy). Rodríguez shows that Pxy was greater for all groups in 2001 with respect to 1991 and that this distancing was greater for the mid-high and high levels of SES. For Pxx, the
data show that the only group that was more concentrated at the end of the decade was the group of lowest SES, revealing a greater tendency of residential segregation and isolation for the city’s poorest (Rodríguez 2008, 21). Finally, a clustering index shows whether or not areas predominantly of a certain social class are contiguous to other areas of a similar social composition. Rodríguez considered areas with 1.5 times greater number of low SES households than that of the city’s average to be “poor areas” and found that while in 2001, the number of these areas had decreased, they were more grouped together than in 1991, indicating a large geographic expanse of highly-concentrated poor neighborhoods and as a result, greater residential segregation (Rodríguez 2008, 24).

Groisman and Suarez present similar results. Using level of education attained, health insurance coverage and immigration status as proxies for socioeconomic status and using school districts as their spatial reference, these authors also discovered increasing levels of residential segregation in the city of Buenos Aires. These authors found that the DI increased for only the lowest socioeconomic group according to educational attainment, from 16.9% in 1991 to 19.8%; this index remained virtually unchanged for the mid-low group and decreased slightly for the upper two groups. For the other two socioeconomic proxies, the effect was greater: for homes without health insurance, the DI increased from 10.3 to 18.8%. Homes whose head of household was born in a bordering country, indicating immigrant status, saw their DI increase from 13.7% to 24.7% (Groisman 2006, 23).

These data, while to be taken with caution, are revealing for this study. They suggest that socioeconomic residential segregation is at substantial levels in the city of Buenos Aires and that it increased during the decade of the 1990s. This supports the hypothesis that housing policy in Buenos Aires has failed its poor residents by not offering them a way to access more
heterogeneous neighborhoods. This is supported by the fact that the data reveal the greatest residential segregation among the poorest sectors of the city; upper sectors experienced slight decreases in the levels of segregation. However the group with the lowest socioeconomic level experienced the highest level of SI, was most spatially concentrated and farthest from other groups at the end of 2001, and high poverty neighborhoods, while fewer in quantity, were more grouped together in 2001 than in 1991. This data is consistent with the theory that housing policy in the 1990s favored middle and upper sectors, granting them greater housing options and mobility, while many members of the poorer sectors slipped through the cracks, unable to participate in the private housing market or gain access to housing constructed by the state.

In this section we have seen how the urban trends in Buenos Aires since 1970 have departed from the historical tendencies of the state to value integrating policies. Policy decisions have led to the greater polarization of Buenos Aires; investment choices have favored the upper-class residential mobility toward the north, while limitations on land use for middle and lower classes in the \textit{conurbano} have severely limited these sectors’ housing options. Lack of attention to deteriorating housing conditions in the city center and the growth of \textit{villas} and other less than legal housing solutions has meant a growing concentration of poverty in precarious neighborhoods. Growing poverty and income inequality during the 1990s complicated this situation even more, the social needs growing and no solution being provided. Urban policy in Buenos Aires during this time period, while benefiting middle and upper sectors, has exacerbated the housing shortage and contributed to the spatial separation of social classes.

Although the issue of housing officially became part of the public agenda in the 1940s, this section has shown that it has utterly failed at helping the urban poor access decent housing, let alone practice residential mobility. After 70 years of housing policy in effect, the housing
shortage still remains at approximately one third of Argentine households. The construction of public housing units, while providing a roof over family’s heads, has contributed to residential segregation by concentrating beneficiaries in marginal neighborhoods that are scorned by upper classes, creating stigmatization and greater social cleavages. The greater access to personal mortgage loans has only benefited those sectors who are formally employed with relatively high salaries, excluding the most vulnerable. This latest stage of housing policy is promising in that it includes more holistic goals, encompassing increased employment and neighborhood improvement. However, poverty dispersion has not yet entered into the housing discourse, making the prospects for true social integration and urban cohesion questionable.
Chapter V:

Review of Worldwide Desegregation Policies

Although a relatively new issue in public policy around the world, several policy experiments in various countries, mainly in the U.S. and Europe, have attempted to address growing residential segregation and the territorial concentration of poverty. Through different desegregation strategies, these programs attempt to overcome territorial disparities and increase the social inclusion of the poor. Most of these policies worldwide are neighborhood-based, seeking the integration of residential areas as a whole, through neighborhood revitalization efforts and assistance offered to residents in the context of their neighborhood. In this section, I will question the extent to which such programs actually challenge residential segregation. While they do contribute to neighborhood improvement which leads to better living conditions for citizens, cities implementing such strategies remain segregated according to social class. Such policies are most common in Europe. The United States model on the other hand, one of dispersing individual poor families in non-poor neighborhoods and encouraging integration through housing mobility more directly reduces residential segregation and the neighborhood effects present in a poor neighborhood. In this section I will review several such desegregation programs in various countries with the objective of comparing them and their tentative results. The section is divided into three sections by region: the United States, Europe, and Latin America.
In most countries around the world, desegregation policies, if they exist, are highly experimental and new to the housing policy arena. However, in the United States, policies aiming at deconcentrating poverty have been on the map since the 1970s, and since the 1990s they have become the new policy paradigm for the U.S. Department of Housing and Urban Development. Without a doubt, the U.S. is the international forerunner for desegregation programs, and the experiences of these policies hold lessons for policy makers around the world.

The United States has a 75 year history of housing assistance policies, based on the belief that decent and affordable housing will contribute to better health, social order, and happy, healthy lives for Americans. These policies are largely administered by the U.S. Department of Housing and Urban Development (HUD), and two main types of program have historically predominated: 1) the construction of public housing projects, frequently high-rise apartment complexes owned, maintained and managed by the local housing authority, and 2) housing vouchers, which supply beneficiaries with a subsidy to rent affordable housing in the private market. These vouchers are based on Section 8 of the 1937 United States Housing Act which authorizes the provision of housing vouchers for beneficiaries to rent units in the private housing market. Section 8 vouchers are primarily administered through the Housing Choice Voucher program (Newman 2008, 898).

In 2008, 8.7 million Americans received housing benefits, and of this, 2.2 million people lived in public housing projects, mostly concentrated in New York City, Chicago, Los Angeles, Philadelphia, Boston and Baltimore (NCHPH 2010). Nationwide, public housing projects suffer innumerable material and social problems. Cheaply built and poorly maintained, public housing projects are frequently in poor conditions that cause serious health hazards for residents: poor
ventilation, infestations of roaches, mice and rats, lead paint, asbestos, and overcrowding (Newman 2008, 903). They are also almost exclusively constructed in very poor, frequently all minority (mostly African American) neighborhoods and house only the very poor, constituting “underclass communities” (Wilson 1987). In 2008, the average annual household income for households (average household size: 2.2 people) in public housing projects was $12,569, well below the 2006 poverty line of $13,617 for a family of two; 89 percent of public housing residents fall into HUD’s “very poor” category, with an income of less than 50 percent of the national average (NCHPH 2010). Nationwide, in 1994, 65 percent of households in public housing were headed by single women with children, more than 50 percent of adults had less than a college education, and 45 percent of adults are unemployed (USDHUD 1994). As previously discussed, the residential concentration of the very poor also concentrates undesirable circumstances such as drug abuse and trafficking, violent crimes, vandalism, domestic abuse, and teenage pregnancy. The result is that these underclass communities become materially dilapidated, highly distressed, dangerous, chaotic places that constitute undesirable living conditions.

Section 8 vouchers offer an alternative option to public housing projects; they provide recipients with a voucher for the cost of renting a unit in the private market, minus 30 percent of household income. While this alternative appears to give residents the option of freely choosing where to live, counteracting segregation, in reality the private market present serious barriers for poor people, and most recipients are not practically able to exercise housing mobility. Many voucher recipients have never lived outside of public housing projects and lack information about private markets and the processes for renting. Although poor families may desire to move to non-poor neighborhoods, they often lack the social networks to locate properties,
transportation, the social skills to negotiate with landlords, or the knowledge and confidence to retaliate against potential discriminatory practices to do so. Additionally, many housing assistance recipients are ill-informed about or do not understand Section 8 rules about eligibility, calculating the subsidy, or are resentful of the program, viewing it as a way for white people to “take back the city” (Popkin et. al. 2000, 925). As a result, the majority of Section 8 recipients move to poor, distressed, violent neighborhoods similar to their original environments. In a focus group study analyzing the results of Section 8 vouchers in Chicago, a resident describes his new location subsidized by a Section 8 voucher:

When I found my place…my neighbor said, ‘This is a place where they gonna kill you when you get ready to go to work.’ And when I be going to work they [drug dealers] stop [me], they say you want a rock [crack] or a blow [powdered cocaine]? I say I’m trying to make it to work, that’s what I’m trying to do (ibid., 926).

Although appearing to be a housing mobility program, in practice, the Section 8 voucher program has not achieved poverty dispersion, due to the barriers the private market presents to poor movers.

Given the bad conditions of public housing projects and the concentration of Section 8 residents in poor neighborhoods, the first attempt at intentionally decentralizing public housing and creating greater integration for housing assistance beneficiaries began in the 1970s. In 1966, Dorothy Gatreaux, along with other public housing residents sued the Chicago Housing Authority for the discriminatory practice of building highly segregated housing projects in exclusively low-income, black neighborhoods. In 1976, a final ruling, upheld by the Supreme Court, established a plan that would open up the larger Chicago metropolitan area to public housing, breaking the historical pattern of public housing beneficiaries residing in exclusively inner-city, dilapidated neighborhoods (USDHUD 1994).
The plan called for public housing residents to receive Section 8 vouchers to rent housing in the Chicago area; however, differing from the Housing Choice Voucher plan, movers were required to relocate to a neighborhood with a black population of less than 30%. The hope was that by moving to more racially mixed neighborhoods, movers would experience improvements in employment, education, health, social lives, etc. Participants attended an orientation workshop and were assigned to a counselor who assisted them throughout the moving process: searching for properties, inspections, negotiating with the landlord, signing the lease, paying bills, etc. Since 1976, the Gatreaux program has facilitated the move of 5,600 low-income, black families from all black, low-income neighborhoods, with more than 50 percent of them relocating to predominantly white suburbs, and the program has spread to other cities, such as Cincinnati, Dallas, Memphis, and Hartford (USDHUD 1994).

Gautreaux participants, especially those who moved to the suburbs, experienced very positive results. Most black movers reported making friends and making new social networks in their white communities, contrary to the theory that they would feel socially isolated (ibid.). In terms of educational outcomes, results showed that children who moved to the suburbs were more likely to graduate from high school, take college-track courses and attend college than children who moved within Chicago. In the long-term, Gautreaux families achieved a greater employment rate than those who did not move. Finally, almost 100 percent of movers expressed extreme relief at living in calmer and more secure neighborhood, having left the violence and turmoil of their previous neighborhoods behind (Turner and De Souza Briggs 2008, 6). In general, Gautreaux movers, especially those who moved to the suburbs, experienced extremely positive results in different aspects of their lives, providing promising evidence for programs of its kind. Although some have criticized the Gautreaux research for its small sample sizes and
problem of self-selection, these results are largely accepted as evidence that poverty dispersion programs can work (Popkin et. al. 2000).

One conclusion of the Gatreaux program is that it was far more successful than the regular Section 8 housing vouchers. Why was this the case? One crucial component to the Gautreaux plan was the intensive assistance that participants received from housing counselors. As seen in the Section 8 experience, oftentimes poor residents do not have experience renting in the private market and therefore do not have the skills necessary to do so, especially in middle-income neighborhoods. In the Gautreaux plan, mobility counselors worked with participants through the entire process of relocation. The counseling not only helped participants to successfully move, but it also helped them to learn the skills to negotiate subsequent moves and remain in middle-class, racially mixed neighborhoods (USDHUD 1994). The success of the Gautreax program rested on this intensive mobility counseling to assist movers in overcoming the barriers to accessing the private market. This point is further demonstrated by the Moving to Opportunity program.

Moving to Opportunity, a program similar to the Gautreaux plan, constituted a second round of experimentation with regard to poverty dispersion. Upon being approved by Congress in 1991, the Moving to Opportunity (MTO) program, a ten year housing experiment, was implemented in five cities: New York, Chicago, Baltimore, Washington D.C. and Los Angeles. The program maintained the fundamentals of the Gautreaux program: poor families received Section 8 vouchers to subsidize their renting of a property in the private housing market. The main difference from the Gautreaux program, however, is that the program targeted neighborhoods in which the poverty level was less than 10 percent rather than focusing on racial composition. This policy demonstration contained three groups assigned at random: one group
received a Section 8 voucher with the obligation to move to a low-poverty neighborhood and received counseling to do so (experimental group). Another group also received a normal Section 8 voucher with no geographic restriction and did not receive counseling (Section 8 group); a third group received no additional assistance but remained eligible for public housing (control group).

Although the results of this experiment are still forthcoming, several studies have already been conducted and can give us an idea of the outcomes. Kling et al. (2007) analyze survey results on MTO recipients taken in 2002 and show the outcomes of this program to be mixed. First of all, the “compliance” rate, or the rate of families who successfully moved using vouchers, was 47 percent for families for the experimental group and 60 percent for recipients of normal Section 8 vouchers. Those who did move were younger and had no teenage children, lived in high-poverty neighborhoods, reported that they felt very unsafe in their neighborhoods, were unhappy with their apartments, and were optimistic about finding a new apartment if offered a voucher. In other words, they were younger families with a strong motivation to move and felt positive about the prospects of finding a new place to live compared to non-compliers (ibid., 86). As the more general study by Turner and De Sousa Briggs shows (2008, 3), of those families who did move, only the experimental group was successful in moving to non-poor neighborhoods. Consistent with previous Section 8 experiences, the Section 8 group in its majority moved to neighborhoods with elevated poverty and crime rates, highly resembling their original housing developments.

Kling et al. (2007, 101-102) show that the well-being outcomes determined by the study are also mixed. In the experimental group, the researchers found resounding positive effects on adult mental health for various measures (stress, depression, anxiety, sleep). The authors attribute
this improved mental health to the reduction of violence in the low-poverty neighborhoods and movers no longer having to fear they or their families members (children) being victims of random violence. In fact, experimental movers to low poverty neighborhoods reported a 30.3 percent increase in the perception of neighborhood safety (Turner and De Sousa Briggs 2008, 5). Other positive results could be observed for educational and behavioral outcomes for female youth. This is especially significant since youth and teenagers are often seen as a particularly vulnerable group to the adverse effects of a high poverty neighborhood. Female youths in the experimental group showed improvements in all 15 indicators used to measure mental health, risky behavior and education. This was not the case, however, for male youths; in fact male youth in the experimental group experienced negative outcomes as a result of moving, especially with regard to injuries and substance abuse (Kling at al. 2007, 103). The study did not find significant results for adult economic self-sufficiency or physical health.

Another interesting finding of the MTO experience is that although many families moved to low-poverty neighborhoods, many of these same families moved a second or even a third time soon after the original move, often times back to neighborhoods with high-poverty levels. This contrasts with the Gautreaux program, whose long term findings show that most of the families that moved to low-poverty, predominantly white neighborhoods did not move back to poor neighborhoods. However, MTO subsequent moves were mostly due to rent increases or problems with the landlord. Researchers found that dissatisfaction with the neighborhood was not a main reason for leaving the new neighborhood, and that subsequent moves were in fact involuntary and not a result of feeling uncomfortable in their new home: “Although some families found their new neighborhoods uncomfortable socially, there is no evidence that dissatisfaction with the initial placement areas was a widespread problem or that movers suffered a general loss of
social support or socializing time with relatives or friends. To the contrary, rates of neighborhood satisfaction were very high overall…” (Turner and De Sousa Briggs 2008, 4). As important as mobility counseling has proven to be during the moving process, it seems that continued counseling after the move is also necessary, to facilitate negotiations between the movers and the landlord and to help families remain in their new neighborhoods.

The final and most recent attempt at poverty dispersion in the U.S. is policies that intentionally create mixed-income communities through public housing. Since 1993, the HOPE VI program provides government resources for the revitalization of distressed public housing, authorizing the demolition and replacement of thousands of deteriorating public housing units and replacing them with mixed-income assisted housing complexes. To complement the HOPE VI program, the Quality Housing and Work Responsibility Act of 1998 has made public housing benefits available to a much wider range of incomes. The hope is that higher-income residents will result in better building maintenance, less crime and drug use, greater neighborhood investment by businesses and public institutions, improved schools, and better living conditions in general. In 2000, HUD approved the demolition of 14,000 of Chicago’s public housing units to be replaced by new units aimed at mixed-income renters built alongside private, market-rate housing. This arrangement will create a community of poor, working, and middle class residents living in one community.

In this and other mixed-income projects, a percentage of the original poor residents remain in the housing project, while the rest are offered Section 8 vouchers to rent private housing elsewhere. The Chicago plan will relocate approximately 6,000 residents through Section 8 (Popkin et. al 2000, 918-919). These mixed-income housing construction projects are more controversial than the traditional model; while participants usually volunteer to move under
the Section 8 voucher program, in this case, many poor people are forced to move as a result of their public housing developments being demolished. Results for the HOPE VI are not yet available, but in order for these projects to be successful, special care must be taken to guarantee that poor residents of the original housing project find adequate housing in good neighborhoods and receive assistance to integrate themselves into these neighborhoods. In order to truly constitute a pro-integration policy, the program must be perceived as favoring poor people by improving their neighborhoods and increasing their choices of where to live and not as displacing poor people for the benefit of the middle class. While creating a mixed-income neighborhood from scratch has interesting potential, forcing poor residents out of their neighborhood and replacing their homes with more expensive real estate runs the serious risk of hurting the neediest beneficiaries.

In conclusion, we can see that desegregation policies in the U.S. focus on the dispersion of poor families throughout various neighborhoods and increasing housing mobility. The belief is that social mobility comes as a result of housing mobility, resting on the assumption that poor people want to move out of their distressed neighborhoods and that they will thrive, albeit with assistance, in more socially mixed neighborhoods. This success of these programs is also dependent on the city’s proportion of poor people. Such programs lose validity if they majority of residents are poor and relocation to non-poor neighborhoods is impossible. However, in the U.S. experience, the results of the Gautreaux and Moving to Opportunity programs are promising. While much work has to be done to improve and perfect these policies, including intensive counseling for movers during and after the move, working with recipient communities and landlords, etc., the results give hope that poverty dispersion policies are effective for social mobility and the social integration of poor residents.
Two European Cases: England and France

In addition to the US, several countries in Europe have also identified residential segregation in their cities as a problem for general development and are addressing this problem through public policy. In general, desegregation policies focus on neighborhoods rather than individual families. Policies are largely “territory based,” focusing on neighborhood revitalization and offering assistance to residents within the context of their residential area. With the exception of France, housing mobility does not make up a part of desegregation policies in Europe. Also differing from the U.S. case, desegregation policies began much later; the classic model of large-scale housing projects dominated until the 1990s. However, in the last 20 years, countries have implemented diverse policies to address the social isolation of troubled neighborhoods and growing territorial inequalities. In this section, I will focus on the experiences of Great Britain and France, briefly describing their desegregation policies and results. However, the recent nature of these programs means that fewer studies have been conducted on their results in comparison with the experiences in the United States.

Both Great Britain and France were of the first European countries to pursue large scale housing policies in the face of housing shortages, the arrival of immigrants, the deterioration of certain neighborhoods, and growing territorial disparities in their cities in the 1970s. Keeping with the original U.S. model, in 1968 in Great Britain, urban policies focused on urban renovation and a change of image of declining industrial zones and depressed neighborhoods through the construction of high-rise public housing projects, meant to house between 5,500 and 24,000 residents, mostly ethnic minorities (Davy et al. 2005, 56). Likewise, the French policy project, Habitat et Ville Sociale, implemented in 1977, also constructed massive public housing complexes, meant to improve the physical condition of housing in low-income neighborhoods.
While these policies remained the status quo for about twenty years, with the arrival of the 1990s came a new paradigm that would shift policy away from poverty concentration through public housing projects and toward policies for social integration of these neighborhoods and their residents.

Greater London, faced with the flight of upper-class residents to the suburbs, the continual arrival of immigrants, and growing physical and social problems in troubled neighborhoods, recognized the need for territory-based policies to help fight the isolation of its most disadvantaged neighborhoods. A holistic approach was adopted to improve neighborhoods as a unit with regard to infrastructure, employment, health, culture and social relations. In 1997, the fight against socio-territorial disparities became an explicit part of national policy. Two programs were put in place to achieve neighborhood improvements: the New Deal for Community in 1998 and the National Strategy for Neighborhood Renewal in 2001 (Davy et. al. 2005, 52).

The New Deal for Community (NDC), a ten-year program directed at 39 neighborhoods and 9,900 residents, was designed to transform troubled neighborhoods through programs of revitalization and assistance. Program objectives include improving neighborhoods with regard to three “place-related outcomes:” crime, community and housing, and three “people-related outcomes:” education, health, and worklessness (Batty et al. 2010, 5). The goals of the program also include reducing inequalities between the target neighborhoods and the rest of the country, improving the relationship between delivery agencies, such as the local police, schools, day care centers, and the neighborhoods, and creating a lasting impact in the neighborhoods after the ten-year funding ceases. Between 1998 and 2008, the NDC spent approximately 2.4 billion pounds
on 6,900 projects and interventions, constituting the most exhaustive and extensive area-based initiative in England.

NDC programs included a wide variety of interventions intended to improve conditions across the board in target neighborhoods. “Place-related” programs included increasing police presence, a neighborhood warden patrol service, increased neighborhood resident participation on program planning boards and committees, improvements to social housing and public spaces like parks, and improvements to private housing, e.g. painting, and the demolition of derelict buildings and the construction of new facilities. The goal of these projects was to restore social order and improve the sanitary, safety and aesthetic conditions of the neighborhoods. In terms of “people-related” outcomes, NDC programs included employment services including training and job search assistance, employment liaisons to work with local employers, improving the accessibility and visibility of these services in the neighborhoods, increasing child care and preschool offerings, collaboration with schools to offer programs to improve educational attainment, drug and alcohol support, child obesity support and food coops. These programs were directed at creating opportunities for residents to improve their lives in terms of employment, education, and health.

As of 2008, Betty et al. (2010, 22) found that the NDC had achieved positive results in their target neighborhoods. Neighborhoods saw improvements in 32 of 36 indicators covering crime, the physical environment, housing, community, etc. The greatest results were found in improvements in residents’ perception of the neighborhoods; comparing survey results before and after the implementation of NDC programs, there was a 27 percent increase of residents who felt that NDC had improved their neighborhoods, an 18 percent increase in residents who felt that the neighborhood had improved over the past two years, and a 13 percent increase in those
reporting being more satisfied with the area. Crime outcomes were also substantial; results showed an 18 percent decrease in lawlessness and dereliction and a 14 percent decrease in fear of neighborhood crime among residents. Positive results were also recorded for improved physical conditions of the neighborhood and housing. Indicators for health, education, and worklessness improved, but only marginally (between one and five percent improvement). In general, the study reports that “it can safely be argued that there has indeed been considerable change: most outcome indicators moved in a positive manner with particularly large increases on indicators reflecting how people feel about these areas and the changes brought about by their local NDC partnership” (Batty et al. 2010, 22).

The study found that it is much easier to produce place-related results than people-related results, in part because physical improvements to the infrastructure of a neighborhood is relatively straightforward, has high visibility, and affects a large number of people at the same time. People-related outcomes are much more difficult to achieve, since they depend on the individual decisions of residents and these decisions only affect the individual and the people very close to him/her (family, dependants). For this reason, the program saw meager results in education, employment and health outcomes. The study also expressed concern that the outcomes did not reveal improvements in social capital indicators, such as neighbors’ ability to influence local decisions.

Great Britain’s National Strategy for Neighborhood Renewal (NSNR), and other programs in European countries are similar in that they are neighborhood-based. Launched in 2001, NSNR is largely similar to the NDC in that it focuses on improving employment, health, education, crime, housing, and environment indicators in troubled neighborhoods. Its specific vision reads, “within 10 to 20 years, no one should be disadvantaged by where they
live” (AMION Consulting 2010, 5). The program set about achieving this goal by implementing programs specifically designed for disadvantaged neighborhoods, such as employment training and counseling and renovation of neighborhood infrastructure. Many other countries in Europe have followed this model, attempting to combat residential segregation through programs of neighborhood improvement. The programs Soziale Stadt and Stadtumbau Ost in Germany, the programs URBAN, Pla Integral de Lluita contra la Pobresa i l’Exclusio Social, and Pla de Desenvolupament Comunitari in Barcelona, Spain and various urban policies in Sweden (Andersson 1998) all treat the neighborhood as a singular unit to be improved from within, as opposed to the U.S. model of housing mobility for individuals.

To sum up, the New Deal for Community—as well as similar European programs—was an attempt to reduce residential segregation and reduce territory-based inequalities. The implemented programs did produce substantial improvements in neighborhood infrastructure and appearance, crime reduction, and neighbors’ perception of the areas. However, it produced only scanty results for indicators of education, employment, and health. While the literature indicates that this program was intended to fight residential segregation, the program interventions do not attempt to create more socioeconomically heterogeneous neighborhoods. Betty et al. (2010, 27) do mention the possibility that, “having enhanced their skills through NDC funded projects, some residents who benefit from people-related interventions will leave the area taking their ‘outcomes’ with them,” which might, in this case, constitute housing mobility, empowering residents to move to other, more integrated neighborhoods; however the authors do not measure this and it remains merely speculative. So, while the NDC has improved neighborhood conditions and certainly, the people-related programs produced positive results for some neighbors, we cannot conclude that the NDC reduced residential segregation. We might denote
the program instead a neighborhood revitalization program, which are certainly necessary for segregated and fragmented cities, but should not be considered an anti-segregation policy. This begs the question of whether housing mobility programs are necessary for the fight against urban poverty, or if neighborhood improvement schemes are sufficient to help the socially isolated poor become more integrated into society.

While English and other European urban policies have focused on neighborhood improvement initiatives to fight social isolation, the French model directly addresses residential segregation, showing more similarity with the U.S. model, by explicitly valuing “social mixing.” Like Great Britain, France started out with large social housing projects concentrated in one area in the 1970s, with the goal of improving housing conditions in troubled neighborhoods. However, by the 1990s, a new objective came into the lime light, that of the social insertion of residents of these housing projects. The pressing issue therefore became how to combine “urban” objectives (demolition, reconstruction, revitalization) with “social objectives” (social integration, culture, education, health, access to services). With this came the mission to create social mix within neighborhoods, simultaneously achieving neighborhood improvement and creating social relations between classes: “Through objective of social mixing, the issue is bringing affluent populations to the neighborhood and welcoming disadvantaged populations in places where they are less present” (Davy et al. 2005, 58).

The French philosophy of social mixing was materialized as law during the 1990s, when programs for the concentration of poor people in public housing projects was traded for policies seeking housing diversified according to social class, “highlighting heterogeneity as the main objective to be reached” (Davy et al. 2006, 6). In 2000, the Solidarity and Urban Renewal law

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(SRU), was passed, with social mixing at its core. The law requires that the stock of social housing in all urban communes be brought up to 20 percent of its housing stock by the year 2020. The law also attempts to limit urban sprawl through planned development and implementation of more public transportation, in order to limit the areas where car use is necessary (Guet 2005). While this program differs from American housing mobility programs in which families choose homes dispersed with the private market, not surrounded by public housing, this program does provide needy families with a choice of neighborhood by providing assisted housing in all urban communes, regardless of its social makeup. As a result, policies such as these contribute to greater residential integration than neighborhood revitalization programs.

In addition to policies of social mixing, France has also embraced the more typically European model of neighborhood revitalization. The 2003 National Urban Renewal Program pledges to completely renovate 53 deprived neighborhoods, affecting five million residents. Urban solidarity grants are allocated to the country’s poorest communes, helping them to take action for improvement from within their neighborhoods. Finally, the National Agency for Social Cohesion and Equal Opportunities, created in 2006, operates social development programs in target neighborhoods to fight against crime, improve education, health and employment, and combat discrimination (GSUSD 2010).

The French model is interesting because it combines the philosophy of social mixing and creating heterogeneous neighborhoods with policies aimed at assisting poor and excluded residents within their own neighborhoods through neighborhood revitalization. Since most of these programs are very new—less than ten years old—the results of such interventions are not yet available. However, the French experience makes sense intuitively; the combination of
strategies is necessary. Social mixing and heterogeneous neighborhoods are required to fight residential segregation: to overcome the neighborhood effects of disadvantaged neighborhoods, foster interaction and relationships between people of different social classes, influence the attitude of the middle class toward the poor for the better, and vice versa, and create overall social cohesion. However, regardless of the magnitude of social mixing policies, disadvantaged neighborhoods will still exist, made up of residents who did not want to or could not move to more integrated neighborhoods, especially if the proportion of poor people in a city is particularly high. Therefore, territory-based programs of neighborhood revitalization are also necessary to fight territorial inequalities and encourage the overall social development of the city.

This line of thinking is beginning to take hold in England. The first proposal for affordable housing quotas came in 1996, but did not materialize until the 2000s. In London, a 50 percent target of affordable housing construction in new housing developments was placed, but this move was highly controversial and has been fiercely contested in the London Assembly ever since and never fully implemented or enforced (Cooper and Dowler 2008). A 2007 report on large-scale urban development programs in Europe focuses on the Thames Gateway region of Greater London, a former industrial zone which now houses some of London’s most disadvantaged population and is ripe for renewal and development. The program desires to renew and improve this area and create social mix through “the production of affordable rented accommodation and through enabling underprivileged populations to stay” (Guigou 2007, 173). While tentative plans for this project include attracting all types of demographics to live in the newly developed area through offering different types of housing—public/private, for rent/for ownership, houses and apartment buildings—the question remains of how to let underprivileged populations stay in the area while at the same time attracting middle class residents. This plan is
still in its formative stages, and its objectives of social mixing depart from the typical model of neighborhood revitalization, but the program has yet to be implemented. This program shows a tendency toward explicit desegregation, but we have yet to know if they will actually be implemented and what the results will be.

Latin America

Latin America has followed a similar pattern of housing policy to that of Europe in the sense that it began with the production of turnkey public housing followed by complementary programs aimed at neighborhood improvement. While falling short of reducing residential segregation, these complementary programs have moved toward the European model of reversing the cycle of social isolation through territory-based programs. The new orientation of these programs is to view the “home” (vivienda) as a process rather than a mere physical construction, meaning that housing policy must incorporate other factors that influence one’s experience in his home, such as the provision of public services, neighborhood infrastructure, transportation, community life, etc. (Zarricueta 2006, 3). Since Latin American cities have an extremely high incidence of slums and other informal living arrangements (59 percent of families in Bogota live in slums, 50 percent in Caracas and 10 percent in Buenos Aires) (ibid., 4), many of these programs are specifically focused on formalizing these neighborhoods and incorporating them into the proper city infrastructure. Some programs are solely focused on the urbanization of slums through physical modifications, i.e. paving of roads, infrastructure renovation and service provision (Sao Pablo, Medellin, Mexico City, and Buenos Aires) (Arriagada and Rodríguez 2003, 61), while others are more holistic, tackling various social problems within troubled neighborhoods, like crime and unemployment.
One such program is PRIMED (Integral Improvement Program for Sub-normal Neighborhoods\textsuperscript{25}) of Medellin, Colombia, implemented in the 1990s. This program attempts to improve the quality of life in “invasion neighborhoods,” integrating these informal settlements and reducing violence through specific objectives of planning and management, community participation, improvement of housing and the granting of house deeds. Specific steps taken include the construction/improvement of homes, the expansion of water and sewage services, the improvement of pedestrian infrastructure, the construction of educational, health and recreational facilities and the active involvement of residents and community organizations. Throughout the 1990s, this program affected 30 informal settlements and more than 111,000 beneficiaries (Fundación Corona n/d). A similar program was also implemented in Chile, Chile-Barrio, which is designed to address urban poverty and exclusion by implementing programs of community development, job training, and improvements of homes and neighborhoods (Arraigada 2000).

Perhaps the most extensive policy of this type in the region is Rio de Janeiro’s Favela-Bairro program, applied in the 1990s. Rio de Janeiro, notorious world-wide for its towering \textit{favelas} which house more than one million residents (Serge n/d, 4), began to discuss ways to address the social problems of poverty, isolation, drug-trafficking and violence present in the \textit{favelas} in the beginning of the 1990s. With this program, the city of Rio de Janeiro departed from the traditional model of massive housing construction; the main goal of the program was the “formalization” of the \textit{favelas}, in order to grant equal access to the city for all citizens, that is, “to substitute the isolated action of building houses with the organization of an urban structure, in which the stratum of populations excluded from public services are integrated into the functional and vital dynamic of the ‘formal’ city (Serge n/d).  

\textsuperscript{25} The Spanish acronym stands for \textit{Programa de Mejoramiento Integral de Barrios Subnormales}. 

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The basic motto of the Favela-Bairro program was to “bring the city to each citizen” (Andreatta 2005, 3), meaning to provide basic infrastructure, services and public goods to all residents of Rio de Janeiro, no matter where they live. The social integration of favela residents, achieved by possessing an official address, having easy access to public transportation, improved neighborhood infrastructure, greater security and more parks and public space were also explicit goals of the program. By the year 2000, after six years of existence, the Favela-Bairro program had reached 169 favelas and 500,000 people, about half of Rio’s favela population. Author Andreatta (ibid., 7) argues that granting favela residents greater access to the city more fully assigns them the status of citizen and that this program has a successful step in achieving the social integration of favela residents.

As we can see, Latin America echoes the European experience in the sense that several urban policies try to reduce territorial inequalities through neighborhood-based programs. Several of these programs are specifically geared toward the physical integration of settlement communities into the formal city by improving infrastructure and service provision, and the construction of education, health and community facilities often accompany these infrastructure-based programs. Desegregation and housing mobility programs, like those in the U.S. and France, have not made it to the region yet and are not present in the current urban policy discourse, and despite the emergence of new neighborhood-based projects, the construction of concentrated public housing units still largely make up urban policy interventions. As in the European case, the question remains, are neighborhood-based policies sufficient to generate social mobility for poor groups, or are policies specifically aimed at de-concentrating poverty necessary? Despite the few innovative and holistic programs attacking urban poverty in certain neighborhoods, the region has a long way to go toward making the shift to policies that more
effectively create social cohesion and present new opportunities for disadvantaged groups. We can look to the U.S., Europe, Brazil and Colombia for lessons, but the reality is that there is much to learn and much work to do in this area across the globe.

**Conclusions**

In this chapter, we have analyzed desegregation policies in the United States, Europe, and Latin America. While the construction of massive public housing projects has dominated housing policy in these regions historically, we see that many countries departed from this exclusive model since in the 1990s. In the U.S., class and racial de-segregation have been explicit goals of housing programs since the 1970s. The Gatreaux and Moving to Opportunity programs attempt to offer residents of poor, segregated neighborhoods the opportunity to access housing in the private market in more racially-integrated, middle-class neighborhoods. Other explicit de-segregation programs can be found in France, where urban developers have attempted to intentionally create mixed-income housing with the objective of achieving a greater social mix between residents in a given neighborhood. This type of policies is also emergent in London.

Such housing mobility programs effectively reduce residential segregation by removing beneficiaries from distressed neighborhoods and creating more heterogeneous housing complexes. While these programs have been small in scale compared to the traditional construction of public housing units, they have had successful results for beneficiaries and constitute effective de-segregation policies. Such policies differ from models implemented in England, France, and several Latin American countries, which focus on reducing inequalities between neighborhoods, not between individuals. These policies, while improving neighborhood conditions and perhaps contributing to less inequality between neighborhoods, do not contribute
to greater residential integration, since residents are not encouraged to practice housing mobility. Following the logic of the neighborhood effects theory, residents of these improved neighborhoods would still face social isolation by living in close quarters with neighbors exclusively in their same social situation. Certainly improved transportation and infrastructure would make such neighborhoods more accessible and appealing, improving communication with other sectors of the city. However, based on the fact that such programs do not promote housing mobility, they cannot be considered actual de-segregation policies.

However, we must pose the question of how much impact programs like the Gautreax and Moving to Opportunities programs can have in cities with excessively high levels of poverty and informal neighborhood residents (villas, favelas, etc.). Housing mobility programs in general can only be realistic on a small scale, since it is not feasible to relocate all poor residents. One of the keys to success of the Gautreax program was that movers were integrated into new neighborhoods gradually and in small numbers, as to not disrupt or “invade” recipient neighborhoods (USDHUD 1994). Additionally, only a certain number of eligible families will be interested in moving or able to move. Consequently, poor, segregated neighborhoods will continue to exist despite the implementation of housing mobility programs. While such programs are the most direct ways to combat residential segregation, their potential impact is probably limited to a small number of beneficiaries relative to the number of residentially segregated citizens.

Therefore, to comprehensively attack residential segregation and territorial inequalities, other policies are also required to fight social isolation at the neighborhood level through neighborhood improvement programs and the construction of mixed-income housing. The most successful housing approach will comprise a combination of these three strategies. Of course,
myriad other, more structural, policies affect residential segregation, such as labor laws and other economic policies, land use policies and real estate market regulations, which fall outside the scope of this thesis. However, in the absence of structural policies favoring social integration, housing policies, like those discussed in this chapter, can work against tendencies toward residential segregation and improve social mobility for all city residents. More creative policy strategies and the political will to implement them are needed across the world to help fight against one’s opportunities being limited by his/her address.
Chapter VI:

Conclusions

This study has argued that current and past housing policy in Buenos Aires has not been effective for the social insertion of the poor, because, by focusing primarily on the provision of housing, it has not attempted to reduce residential segregation and mitigate the consequences of living in a poor neighborhood. I supported this hypothesis by providing a presentation of state of the art of residential segregation and housing policy in Buenos Aires. The main objective of this study was to reconstruct past and current housing policy and demonstrate how this has contributed to the current situation of residential segregation in the metropolitan area, in order to provide a launching off point for future empirical studies and policy recommendations to improve housing equality for the city. In this final chapter, I will summarize the main arguments of this thesis and provide some concluding remarks.

Chapter summaries

Following the introduction, the second chapter of this thesis intended to justify the theoretical link between residential segregation and urban poverty. This study stemmed from the theory that the urban poor live in a state of social isolation that makes their condition of poverty extremely difficult to overcome. Not only lacking sufficient income to meet their daily needs, the urban poor live at the bottom of the social hierarchy, in a state of marginalization that prolongs and reproduces poverty. This position consists in exclusion from mainstream sectors of society that offer resources for social mobility, such as job networks, public services, and educational
opportunities. The socially isolated poor lack various types of capital—economic, educational, cultural, social—and experience discrimination, scorn or fear from more powerful members of society. Unfavorable patterns of behavior, such as delinquency, drug and alcohol abuse, teenage pregnancy and unstable family structures make the urban poor’s successful insertion into mainstream society even more difficult. As a result, the urban poor have very limited life choices which reproduces the structure of inequality and marginalization in which they live.

One of the greatest sources of social isolation of the urban poor is the lack of opportunities to socialize with the middle class. Social networks are crucial for the sharing of resources, whether these be financial or material resources or sources of information, contacts, trust, friendship, or participation in collective action for the solving of problems. When these social networks are made up of a heterogeneous grouping of people, members are exposed to new resources which enhance social mobility. For this reason, participation in middle-class social networks is of great importance to the urban poor; its nonexistence is a source of social isolation. Residential segregation, as a result of being physically separated from members of the middle class, constitutes an enormous barrier for the construction of social capital between classes.

The neighborhood effects theory, on which this thesis firmly rests, argues exactly this. As a result of living in a residentially segregated neighborhood, one interacts solely with others of his same social class. In a poor neighborhood, this produces adverse effects. In a poor, residentially segregated neighborhood, residents have very little opportunity to interact with the middle class; they will not attend the same churches, neighborhood clubs, political organizations, etc., their children will not go to the same schools, and they will not casually encounter each other in public parks or on public transportation. As a result, the poor remain effectively excluded from middle-class social capital and new resources. The middle class also constitutes
role models who demonstrate that holding a steady job, valuing education, and maintaining a stable family life is a beneficial and feasible way to live. When such role models are not present, other models of social reproduction prevail, such as welfare dependency, idleness, and criminality, causing further social dislocations. In addition, in a neighborhood inhabited by only poor people, local institutions, such as businesses, churches, schools, suffer from lack of patronage, causing community life and organization to break down. Such neighborhoods are also treated unequally at the political level, receiving less investment, poorer quality public services, and less attention from policy makers.

Residential segregation also reinforces an unequal social structure because it causes class estrangement, defined as the physical, social and cultural distance between social classes. The scarce interaction between social classes resulting from their separation by neighborhood fosters feelings of resentment, fear, and general aversion towards others of a different social class. Such class prejudices make the breach between the rich and the poor wider and more rigid, causing the flowing of resources between classes virtually impossible, reinforcing class inequality.

In short, residential segregation produces a number of effects that cause the urban poor to be cut-off from mainstream financial, social, political and cultural resources, a situation that magnifies and reproduces inequality within a city. A residentially integrated city, on the other hand, would be one in which one’s life chances are not affected by his/her address. The conclusion of these theories is that housing policy, in addition to providing a physical home, must also combat residential segregation in order to assist the poor in improving their social position and quality of life. The subsequent chapters served to prove that this has not been the case in Buenos Aires, Argentina.
Chapter three discussed the urbanization of the metropolitan area of Buenos Aires from 1870 until the 1970s, explaining trends that contributed to the current-day Buenos Aires. Buenos Aires has traditionally been characterized by three different patterns of territorial inequality: the historical divide between the northern and southern neighborhoods, wealth being concentrated in the north, the *conurbano* paling in living conditions with respect to the city proper, and greater concentration of poverty in the areas between the three railroad axes as opposed to districts directly adjacent to the railroad lines. Although more recent contributions argue that new trends are now shaping the city in different ways, in this chapter, I focus on these three sources of territorial inequality, discussing factors that led to these.

Factors such as the constant arrival of lower-class immigrants to the city center, the construction of the port and street car lines and the geography itself of the city contributed to the initial move of the wealthy to northern neighborhoods before 1900. Scobie (1974) explains how these factors gradually resulted in the rising price of land in the north with respect to the south, which eventually translated into the concentration of investment and political power in the northern neighborhoods and the comparative neglect of southern neighborhoods. However, Gorelik (2000; 1998) demonstrated that during this time period, especially between 1900 and 1930, the state took an active role in the city’s planning, revealing its initiative to create a socially integrated city. The planning of a grid and park system, creating equal-sized lots and a circuit of public space allowed for the equal distribution of social classes within the city. Other state measures, such as transportation subsidies, made it possible for the lower as well as the middle and upper classes to participate in this period of urbanization, accessing developing neighborhoods. While the northern neighborhoods showed a tendency toward greater affluence, state policies during these years contributed to moderate social integration within the city.
After the 1930s, however, Gorelik argues that the model of urbanization changed, creating a distinct difference between the socioeconomic levels of the city and the surrounding conurbano. The jurisdictional divide between the city and the province meant that the provincial districts were not included in the urban planning conducted by the city, and subsequent urbanization in the conurbano followed a different model than that prior to 1935. The urbanization of the conurbano was characterized by the arrival of immigrants from the interior of Argentina and neighboring countries coupled with the absence of state intervention in urban planning. Therefore, urbanization took place without the creation of public space, services or institutions, on land unsuitable for construction, inaccessible by public transportation, laying the foundation for a chaotic and underdeveloped urban environment. During this time, the villas de miseria increased in number, highlighting the absence of the state in urban planning. This chapter highlighted the origins of residential segregation in Buenos Aires, providing background information important to understanding the following chapter.

Chapter four is the key chapter in support of the study’s hypothesis. It takes an in-depth look at housing policy and urban planning in Buenos Aires since the 1960s, and indicates that such policies have not reversed the growing trend of residential segregation in the city. The chapter begins by explaining that two trends in city’s urban development caused increased residential polarization: 1) market tendencies catering toward the middle and upper classes, producing the construction of personal-vehicle-based neighborhoods centering around consumption, especially in the northern sectors of the metropolitan area, and 2) policies that made it increasingly difficult for popular sectors to access the formal housing market, such as new restrictions on land development, the elimination of transportation subsidies and a lack of investment in much of the conurbano and the central city. These constituted great challenges for
the lower-class in terms of housing, resulting in the explosion of population in villas and other informal housing solutions, such as squatters and tenement housing. With the dominance of neo-liberal economic policy throughout the 1980s and 1990s and the market’s preference for luxury development, the city became more polarized than ever, and some argue that Buenos Aires has actually begun to depart from its traditional structure to a new formation centered on newly emerging elite neighborhoods in the periphery.

This context set the stage for the analysis of Argentine housing policy from the 1940s onward. During the Peron era, housing policy was first pursued on a large scale with the provision of loans for the purchase of homes and the construction of low-income housing. The explicit goal of the Perons with regard to housing was that all Argentines have the possibility to be home owners, in a way equalizing the housing playing field. Following 1955, there was a temporary lapse in housing policy until 1972, when the National Housing Fund, FONA VI, was created. Since this moment on, the overwhelming trend of housing policy, similar to that of most other countries, has been the construction of massive public housing complexes, located on the cheapest land available, mostly in peripheral neighborhoods. However, while such housing units did and continue to help beneficiary families by providing a sturdy structure in which to live, they do not help combat poverty by reducing residential segregation. Quite the contrary, they in fact create new exclusively low-income neighborhoods, effectively concentrating poverty. According to several authors, the result of this type of housing in Argentina has been to further isolate by confining the poor to stigmatized neighborhoods in non-desirable locations where they are discriminated against by other social classes.

In the early 1990s, following the neo-liberal model being implemented across the region, the state took on a new role with respect to housing policy, that of facilitator, whereas previously
it had acted as provider. As a result, FONA VI was decentralized to the provinces and new market-driven elements were introduced, which created a new dynamic for housing policy implementation. A 1995 law defined percentages of FONA VI funds that must be allocated for personal mortgage loans targeting the middle class. While this measure was certainly beneficial for middle-class Argentines looking to purchase a home, it drained funds from projects intending to benefit the most disadvantaged. Strict lending requirements excluded a great portion of even middle-class homes, limiting housing mobility exclusively to the upper-middle and upper classes. The failure of housing policy to assist the poor in gaining access to the housing market and combating residential segregation during the 1990s was made evident by the skyrocketing growth of *villas* in Buenos Aires.

Another change in paradigm occurred after the financial crisis of 2001, in which the state reclaimed responsibility for providing social wellbeing in the country. For housing policy, this constituted a re-centralization of policy interventions, as new ideas for housing solutions appeared on the table, within the context of the 2003 Federal Housing Policy. This Policy would primarily continue with the tradition of the construction of public housing but would also offer some alternatives. These alternatives included neighborhood improvement programs aimed at improving infrastructure and sub-par housing units in poor neighborhoods, and the newest phase of the Policy, launched in 2006, featured more holistic goals, such as fighting unemployment and increasing investment. While these latest policies indicate some tendency toward broadening the goals of housing programs, the Federal Housing Policy has continued to concentrate poverty through the construction of low-income housing projects. Since the 1970s, housing policy in Argentina has followed this trend, contributing to greater residential segregation and failing to offer its urban poor opportunities to overcome social isolation.
Finally, an analysis of measures of residential segregation between 1991 and 2001 corroborates that housing policy has not treated this issue. Two empirical studies use various measures of residential segregation to demonstrate that this phenomenon increased during this decade. Not only do these studies indicate that residential segregation has increased in general, but they also show that the poorest groups are the most segregated and have become more segregated than other social classes throughout the decade. As this chapter shows, housing policy in Argentina has not been beneficial to the poor for accessing non-poor neighborhoods. On the contrary, housing policy has overwhelmingly worked to concentrate and further isolate the poor. Combined with polarizing market tendencies since the 1960s, Buenos Aires has become more residentially segregated, the poor facing greater obstacles in exercising housing mobility.

The study’s final chapter reviews de-segregation policies in the United States, England and France, and Latin America, with the objective of demonstrating alternative policies to those implemented in Buenos Aires. Although all these cases mentioned have also followed the historical model of massive low-income housing construction, more innovative de-segregation policies have come out of the woodwork in recent years. In the United States, the prevailing model is housing mobility programs that provide vouchers to poor families to rent in the private market. Also provided with counselors to assist in the move, beneficiary families have been able to access homes in middle-class neighborhoods, demonstrating improved results in mental health and education, primarily. France and England have implemented strategies for developing heterogeneous neighborhoods through constructing mixed-income housing developments and implementing neighborhood quotas for social housing. These policies all effectively reduce residential segregation by intentionally generating social mixing through urban planning and promoting housing mobility on behalf of the lower classes.
Other European policies attempt to reduce residential segregation at the neighborhood level through neighborhood improvement programs. Such programs include measures to improve infrastructure and service provision, increase safety, build parks and other community facilities, job counseling, educational and health campaigns, and the promotion of community involvement in neighborhood improvement schemes. These programs attempt to create greater integration of struggling neighborhoods as a whole, reducing inequality between various districts of the city. London has seen success with this type of programs, in which positive results regarding neighborhood conditions and residents’ perception of their neighborhood have been evident. This neighborhood model has also been implemented to a limited extent in Latin America, with a special focus on urbanizing informal settlement neighborhoods. Colombia and Brazil especially have implemented programs with the explicit goal of integrating residents of slums into the formal city, making public services and transportation available to all citizens.

However, it is debatable to what extent such neighborhood programs reduce residential segregation. Without doubt, such programs improve the quality of life in poor neighborhoods and contribute toward reducing some aspects of territorial inequality. However, it does not promote residential mixing between social groups; after undergoing such neighborhood interventions, poor neighborhoods still remain poor neighborhoods. Programs of this sort do not promote housing mobility or encourage people of different social classes to live near each other. As a result, these programs fail to address the problem of neighborhood effects and the lack of social capital between social classes. Therefore, while certainly beneficial in other respects, it is questionable to what extent neighborhood improvement programs.

In synthesis, a large sector of the urban poor live in a state of social isolation, cut off from mainstream sectors of society and deprived from resources and opportunities enjoyed by the
middle class. Residential segregation is a form of such isolation; the confinement of the poor to homogeneous, marginalized, rundown neighborhoods gives rise to neighborhood effects and class prejudices that deepen and perpetuate class inequalities. In Buenos Aires, as in most countries, housing and policy has not been successful for the social integration of the poor, because it has contributed to the concentration of poverty rather than its dispersion. Other countries have successfully implemented housing mobility and mixed income housing development policies that have are intended to reduce residential segregation. While these types of policies are the most promising for progress toward the goal of social residential cohesion, neighborhood improvement programs are also necessary to revitalize depressed neighborhoods.

Limitations of the study

This study has focused on the distribution of social classes in the urban territory as a determinant of poverty and wellbeing. The thesis argues that residential segregation is a cause and consequence of poverty and that spatial factors, such as the existence of villas, gated communities, and spaces of universal encounter (parks, public transport, etc.) have a large bearing on the poor’s opportunities for social mobility and class relations. Following this, policies affecting housing and urban development are the best tools to fight residential segregation and create more equality of opportunities.

While this thesis has argued the aforementioned, it must be said that regardless of the housing and urban policies implemented in a society, a city’s level of inequality is really what is at the heart of residential segregation. The unequal distribution of social classes in the urban territory is simply one manifestation of structural sources of inequality at work in a society. In this doctoral thesis, Rodríguez (2011b) showed that residential segregation in Argentina is
intimately connected to the level of income inequality in the country’s cities, meaning that no matter what policies are in place to alleviate the isolation of poor people in segregated neighborhoods, the level of income inequality is truly what has most bearing on this issue. Of course, there are many complex causes of inequality at the local, national, and international levels. A country’s economic structure, its relationship with the international economy, labor laws, income redistribution and other social policies, educational opportunities, technology, issues of race, gender, religion, etc., among myriad other factors contribute to inequality at the structural level that will trump housing policy aimed at reversing these effects.

This being true, some of the assertions in this thesis may seem overly idealistic. A key hypothesis of this study is that the spatial separation of social classes exacerbates poverty and that the daily interaction of people from different social classes will help to reduce it. This optimistic hypothesis rests on the belief in the general goodness of people and their willingness to participate in a spirit of community, trust and reciprocity, given the right circumstances. While this hypothesis has sound theoretical support, it is imperative that its limitations be recognized. Of course, rubbing elbows on the subway with people from other social classes will not produce tangible improvements in poverty levels, and the removal of a wall separating a villa from a wealthy neighborhood will not force the residents of each to interact with each other. However, what this thesis has attempted to argue is that the policies implemented in a society send a message to its citizens about the reality that is being created in their country, that policies affect perceptions, relationships, and behaviors. In a global economic system which constantly generates the polarization of social classes and the accumulation of wealth in few hands, the policies a government implements has important bearing on how citizens react to and experience the inequality created by such a system. As Turner and De Souza Briggs stated in their comments
on U.S. housing mobility programs (2008, 1): “A change of address alone will never compensate for the major structural barriers low-skilled people face in our economy. But assisted housing mobility is enabling people to live in healthier, more secure environments, free of fear and the constant risk of victimization.”

Topics for further research

The topic of residential segregation is still new in Latin America, and scarce empirical research has been done in the region. Since the hypothesis of this study has limitations, those expressed above, research needs to be done to test these limitations to have a better understanding of what policies would be most effective to create greater territorial equality. A study measuring how much points of universal encounters affect class relations would give insight into if desegregating the poor would produce positive results in terms of social capital and feelings of marginalization. Investigating the differences between the neighborhood effects in class-heterogeneous Buenos Aires neighborhoods like San Telmo and Almagro and more homogeneous villas would shed light on how the poor’s experiences differ depending on the heterogeneity of their neighborhood. While these variables are difficult to measure, it is important to explore these issues more concretely, in order to corroborate the hypotheses presented in this thesis empirically. Doing so would constitute better grounds to implement the policies needed to desegregate the urban poor and create a more cohesive city.

Gentrification is a highly related subject not addressed in this thesis that deserves greater attention. Processes of gentrification are often criticized by pro-poor activists, since they are considered to displace poor people from their neighborhoods for the benefit of the middle class. However, gentrification is extremely interesting for the issue of residential segregation,
since at certain points throughout the process, it creates a mixing of social classes in neighborhoods. More research needs to be done on how to manage this process so as to simultaneously attract more affluent citizens to a struggling neighborhood while permitting lower-income residents to remain there.

More research remains to be done on this issue, especially in Latin America, where inequality, segregation and the existence of informal settlements are high. This thesis has provided a question of the art of the subject for the city of Buenos Aires, demonstrating the need for housing policies that desegregate the poor. While the level of inequality is the ultimate determinate of the distribution of classes in a territory, the policies implemented can be influential for obtaining desired goals. For this reason, a combination of housing mobility, mixed-income housing development policies, accompanied by complementary neighborhood improvement policies, should be implemented in Buenos Aires in order to improve the social integration of the city’s disadvantaged groups.
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