

## ***Barriadas* and elite in Lima, Peru: Recent trends of urban integration and disintegration**

With more than 8.2 million inhabitants, Lima is a city of high primacy which houses approximately 30% of the population of the whole country and keeps growing with a high annual rate, as it concentrates more than 50% of the economic activity of Peru. The urban growth of Lima can be characterized as a process with two different spatial logics, not mutually exclusive but rather highly interrelated. One is the process led by the real estate market, a regulated and supposedly 'formal' process. The other is the result of an 'informal' process of urbanization of the periphery, shaped by the collective action of the poor, who have been systematically denied access to affordable land and housing. This informal process has been permitted and sometimes organized by the State and/or local governments. Due to the limited presence of the State in urban matters, the two main urban actors in the urban scene have been the financial sector (as the real estate sector is dominated by the financial sector in Lima) and the urban poor; in other words, the economic elite and the *barriadas*.<sup>1</sup>

After a decade of deep economic crisis and political violence, the 1990s have brought about huge political-economic transformations linked to the international neo-liberal agenda. Lima's recent spatial development presents typical features associated to 'global' processes observed in other Latin American metropolises, with 'islands of modernity' emerging in different places of the city, geared towards the tastes and demands of a cosmopolitan elite. However, Lima presents exceptional features that are not easily seen elsewhere. The elite have not moved from their traditional quarters and Lima has not developed 'fortified enclaves', while an important share of the new urban facilities has been located outside the traditional prestigious locations to attend the demand of the 'new' consumers from *barriadas*.

These contradictions in the use and production of the urban space make Lima a useful case to report the combined effects of both *integrative* and *disintegrative* forces in the use and production of urban space, headed by the two main actors, the economic elite and the *barriadas*. Lima case is also useful to strengthen the relevance of the cultural perspective in the urban debate. The purpose of this paper is to present the particularities of these simultaneous processes of democratization and social exclusion.

The paper begins with a brief historical account of the main features of Lima's singular type of urban development, in which *barriadas* are a central feature. The second section addresses the situation in the 1990s and the recent trends of urban development, focusing on the main spatial transformations and the changes in the urban functioning. The third section discusses the new processes and trends, relating them to economic, political and spatial aspects. The fourth section provides some final reflections on the urban situation in Lima and the lessons that can be drawn.

### **1. *Barriadas* as an important way of life in Lima**

Since its Spanish foundation in 1535, Lima grew at a steady pace, which slightly accelerated during the 1920s. Since the 1940s, however, great demographic changes began to affect Peru, accelerating population growth. The country began its process of demographic transition, mainly due to decrease of mortality rates due to improvements in health and food. Figure 1 illustrates the curve of this process in Peru.

A huge migration stream, among the strongest in Latin America, headed to Lima coming from rural areas of the Andes. Under the impossibility of the newcomers to get land or housing in the city, the first informal settlements, *barriadas*, began to form in the nearby hills or in dangerous places along the river, close to the city centre.

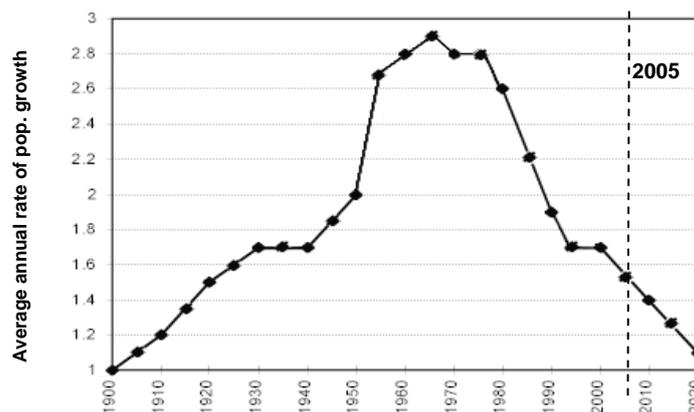


Figure 1. Annual rate of population growth in Peru, 1990-2020 (Source: Agenda Peru, 2001)

The explosive expansion of *barriadas* since the late 1950s broke up the traditional patterns of organization and growth of the city, and originated a substantial transformation of its image. Lima's spatial expansion was structured along two axes, towards the north and the south, which gradually became important parts of the city's structure. Present Metropolitan Lima is usually divided into a central area, which corresponds to the 'formal' Lima, and the so-called Cones, the peripheral areas which correspond to the informal expansions. Figure 2 shows the evolution of *barriadas* in Lima in 1954, before the peripheral *barriadas*, in 1971, with the expansion North and South, and in 1986.

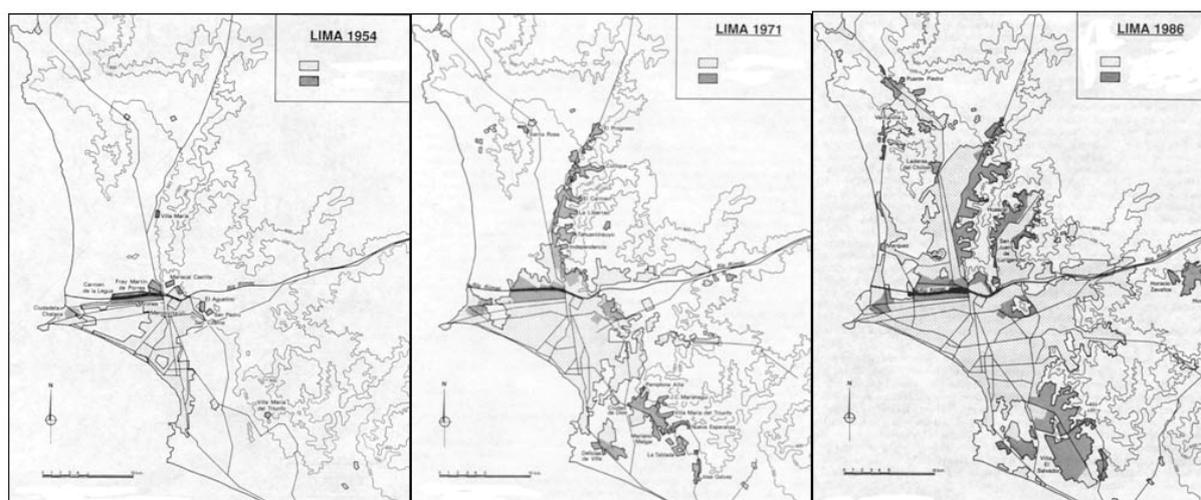


Figure 2. Lima and its *barriadas* in 1954, 1971 and 1986. (Source: Driant, 1991)

*Barriadas* constitute an informal way of urban development, in which the population settles in the land before it has been developed. The development of the neighbourhoods becomes then a collective enterprise. After settling in the land, the residents organize in territorial and functional organizations, addressing local concerns and demanding the solution of their basic needs from the government. In Lima, the *barriadas* process has been more extensive, more organized and in some ways, more thought-provoking than in other cities of Latin America. Spatially, this process has produced orderly neighbourhoods, which follow the traditional urban grid used in other parts of the consolidated city. Functionally, this process has effectively provided access to land and housing to great part of the city dwellers.

Although the physical qualities of *barriadas* are sub-standard, the cultural interpretations of the process are very positive, and served as international example. Inspired in what he saw in Lima, John Turner (1967) proposed an unorthodox approach for housing. Before Turner, conventional academic wisdom considered informal neighbourhoods by definition as slums, places of delinquency and social breakdown. With anthropologist W. Mangin, Turner proved

that in Lima's *barriadas* it was the reverse story.<sup>2</sup> For him, *barriadas* were an expression of own effort and optimism in the future.

Indeed, *barriadas* have allowed the development of new ways of life and behaviour in Lima, and the emergence of a new popular culture. This culture combines values and practices coming from both the urban present and the Andean past of *barriadas* dwellers. The strengths of *barriadas* were proved during the difficult 1980s, when a deep economic crisis with hyperinflation affected the whole society. *Barriadas* experienced the flourishing of grassroots associations, survival mechanisms, reciprocity networks, and new associative practices. Grassroots networks addressed survival issues, mainly food- and health-related matters. They became a sort of 'informal welfare institutions', in view of the lack of public welfare.

At the same time, the *barriadas* were gradually transforming from mere dormitory areas into sites for informal production and commerce. The oldest *barriadas*, Comas, in the North Cone, and San Juan de Miraflores in the South Cone, developed their own commercial centres and became important centres of informal economic activities.<sup>3</sup>

However, the most dramatic processes were played in the political sphere. Processes of political violence and terrorism appeared in the poorest areas of Peru in 1982, gradually advancing to take control up to 60% of the total territory of the country. Between the end of 1989 and mid-1992, Lima became the main scene of political struggle. While subversive groups consolidated a significant presence in popular sectors - especially within youth groups - a huge increase of terrorist acts, some of them of extreme violence and cruelty, traumatized the population. Bombings, political assassinations and electricity black outs became part of daily life. The conflict, which eventually produced nearly 70 thousand deaths, caused a notorious weakening of the country's productive capacity.

## **2. A new Lima emerges in the 1990s**

The 1990s begin in Peru with huge economic changes. The recently elected president Fujimori applied a 'shock therapy' to the economy at the beginning of his administration in July 1990. This drastic measure, accompanied by a profound State reform eventually succeeded in stopping the hyperinflation, stabilizing public finances and re-structuring the economy. Processes of privatization and deregulation were launched soon after.

In 1992 the government succeeded in fighting the insurgent groups and public order was rapidly restored. Since then, foreign direct investment flowed into the city and the country, in a period which coincided with the wave of economic globalization. The openness of markets had dramatic consequences for the local manufacturers. Entire sectors were devastated due to their inability to compete with cheaper imported products and had to sell their factories to large multinationals, which became important urban actors. The participation of the informal sector in the urban employment increased even more.

### **a) Main spatial developments**

Lima's main urban project during the 1990s was the 'recuperation' of the historic centre in 1997, from the hands of street sellers after almost two decades of total abandonment and decay. Unlike other Latin American metropolises, which built large urban projects and extended and modernized the road infrastructure in the periphery, Lima's main spatial developments were the result of individual or relatively small-scale private business initiatives.

After the restoration of public order in 1992, national and foreign real-estate investment groups introduced huge capital into new projects. Among the highest growing sectors in the 1994-98 period were the construction sector, with an average annual growth rate of 14,4%, the real-estate sector with 23,6% and hotels and restaurants, with 23,5% (INEI, 2000). The new centralities that appeared were not the result of urban plans but of uncoordinated private

projects. These are especially clear in the business sector (a), the industrial sector (2) and the commercial and entertainment sector (c).

(a) While the financial and the telecommunications sectors expanded greatly thanks to foreign direct investment, Lima stock market exchange grew by 15 times between 1991 and 1997, and Peru's international trade grew 86% in the same period (Chion, 2002). A new business district began to take shape in the district of San Isidro, in which most banks built their new office towers, soon followed by exclusive hotel towers and 'executive office complexes' (Ludeña, 2001).

(b) Four informal clusters developed in the city in the 1990s. The largest, Gamarra, concentrates 70% of the textile and clothes manufacturing industries of the whole country (Ludeña, 2001). Furniture manufacturing in the industrial park of Villa El Salvador, and shoe manufacturing in San Juan de Lurigancho are clusters of metropolitan importance. Further, a cluster of ICT businesses located in the historic centre (the so-called Wilson) rapidly grew in the late 1990s, providing hardware, software and informal ICT services.

(c) The most spectacular spatial transformations have been the new commercial and entertainment centres built in different points of the city, combining boutiques and bank offices with hypermarkets, multiplex cinemas and fast food chains. The largest, Jockey Plaza, is located close to the hippodrome and only accessible by car. Others have followed in different locations for different types of public, be it at the seaside in Miraflores (Larcomar), or along the highway to the South. But there are also several large new centres built in 'unexpected' places, for residents of *barriadas* districts. These are located in the North Cone (Mega Plaza and Royal Plaza). A huge entertainment and night-life centre with a multiplex cinema, discotheques and casinos has also flourished in the districts of Comas and Los Olivos in the North Cone, which attracts a huge clientele from the whole city.

With all these new centralities, the pattern of multiple centres that began to emerge during the 1980s has been further reinforced. This has produced a more dispersed and decentralized urban structure that extends itself towards the Cones. Figure 3 shows the location of the new centralities in the three sectors.

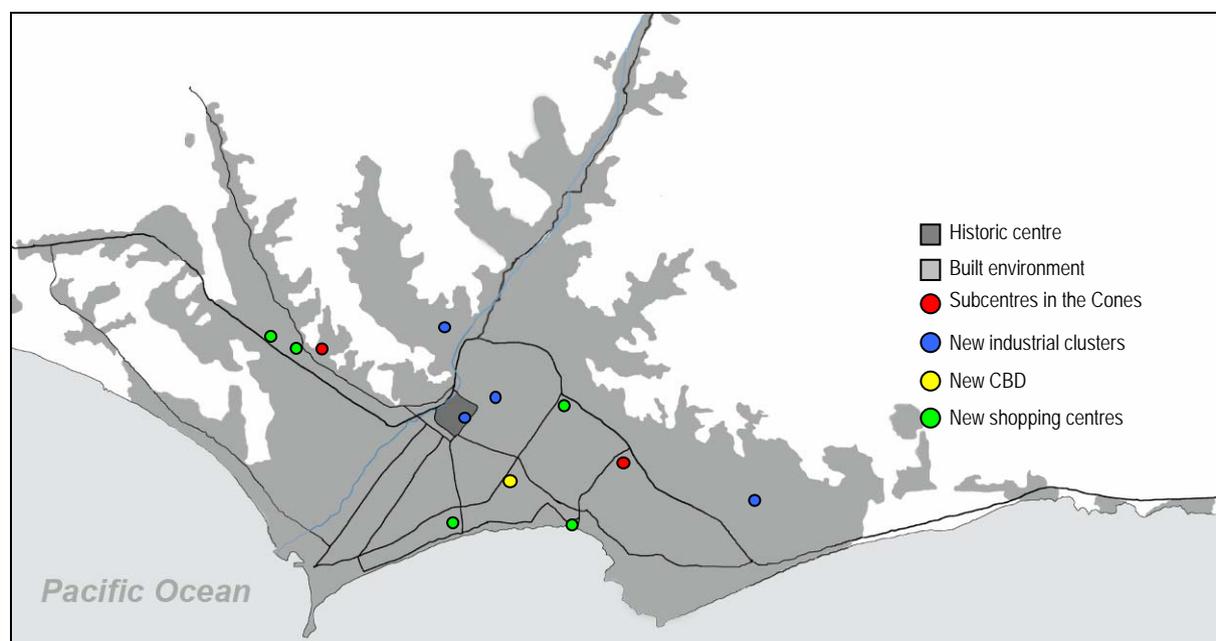


Figure 3. Lima and its multiple centres in 2005.

Remarkably, Lima has not experienced the fast growth of private neighbourhoods as it happened in other Latin American cities during the 1990s. The elite have not moved from their traditional quarters in formal Lima, where 98.6% of them live (El Comercio, 2004).

Neighbourhoods with walls and gates with own security personnel have, however, developed as private beach resorts along the coastline at the South of Lima. These are secondary residences, used only during the three summer months, located at the beaches along the Pan-American Highway, from km 90 to the South of Lima onwards. However, as temporary houses, they cannot be considered as 'fortified enclaves', but only recreational facilities.

### **b) Main changes in urban functioning**

A radical *laissez-fair* characterized the 1990s' urban scene. The enormous changes at national level had great effects in the local political scene, making urban planning even less influential than before. As a result of the new laws and regulations, metropolitan planning was virtually abandoned in Lima. It became a matter of diagnoses and plans but without real effects, programs or projects for the whole city. The major offered little resistance and reduced its tasks to the city's central area (Calderón, 2005).

The weakening of the local government ran parallel to increased presence of foreign private capital in key sectors of the city which were traditionally in the hands of local public and private enterprises. As a result of this, public competence in urban management decreased. The privatization of urban services concerned roads, telecommunications and electricity infrastructures, real estate and construction, retailing (large department stores, supermarkets and hypermarkets), and transport (the privatization of public transportation). From them, the most profitable sectors were bought by foreign firms, the less profitable by the local informal sector. The three more salient examples are:

- **Housing**

The constitution of 1993 simply eliminated the right to housing that was instituted in the previous constitution. Consequently, the Ministry of Housing and Construction was eliminated too. The housing construction sector was completely left to the hands of the free market, while the very few programs for public housing and access to land were abandoned. The entire financial system to promote housing construction (the Housing Bank, Mortgage Bank and other associations and cooperatives for housing goals) was also eliminated (Calderón, 2005).

At the end of 1995, the government transferred the process of legalization of land in *barriadas* from the local to the central government. In this way, instead of the local government, the central government became the controller of urban expansion in public land. In 1997, a new law transferred this task to the district municipalities, instead of the provincial ones, which in fact diminished even more the functions and responsibilities of Lima's metropolitan government.

- **Public transportation**

In 1990 the government deregulated public transportation, eliminating the existing bus company. It also eliminated controls and technical revisions and authorized the import of second-hand vehicles. Informal entrepreneurs became in charge of public transportation, since no formal company could see any benefit to undertake this business. Since then, thousands of mini-vans – the so-called *combis* – have flooded Lima's streets, driven by inexperienced chauffeurs through unimaginable routes. The result has been increased urban chaos and congestion. Lima is now the only Latin American capital that does not have an organized system of public transportation.

Avellaneda (2005) has recently evaluated public transportation in Lima, drawing remarkable conclusions. He claims that despite its bad local image, public transportation in Lima is very efficient and economical for the users. His argument is that the network of transportation lines has a very high coverage. Even in peripheral *barriadas*, people have to walk no more than 500 meter to get a *combi*. Waiting time is also very little: 83% of the passengers waits a maximum of 4 minutes to begin the trip. Additionally, the price of public transportation is very

low (33 cents of a US dollar) and has increased very little since 1991. Further, this system costs nothing to the State.

Indeed, some of these indicators are unsurpassed in comparison with other Latin American cities, but the transport informality has also negative sides. While the number of vehicles per 1000 inhabitants is very high (7) for Latin American standards, their average age is also very high (16 years). This, in combination with inexperienced drivers and no technical check-ups becomes a dangerous combination, which translates in frequent accidents. Additionally, the trips are very long because the average speed at peak hour is only 7 km/hour (Avellaneda, 2005). However, one has to admit that despite its low quality this system is convenient in the sense that it provides wide and affordable access to public transportation.

- **Digital connectivity**

Another important service run by the informal sector is access to digital connectivity. The telecommunications sector was completely liberalized in the 1990s; the public monopoly was sold to Telefónica of Spain. Lima has now very good telecommunications coverage, but one of the most expensive telephone tariffs of Latin America. It is no surprise that Peruvian the number of lines per inhabitant is among the lowest in Latin America (Fernández-Maldonado, 2004).

Thousands of informal entrepreneurs have established commercial cybercafés – the so-called *cabinas públicas de Internet* – in middle and low-income neighbourhoods, as a family business. There were more than six thousand *cabinas* in Lima in 2005 (Fernández-Maldonado, 2005). Thanks to them, the lower-income sectors are benefiting from cheap and widespread access to ICT connectivity without any support from the State. More than 85% of the total Internet users go to *cabinas* in Lima. Thanks to this, low-income sectors have a level of access to the digital networks that is unseen in other Latin American cities (see Figure 4).



Figure 4. View of *cabinas* in Lima, outside and inside (Own archive)

Like public transportation, access to digital connectivity is widely available and cheap in Lima. It also has problems due to the low quality of the service, although these are less deep than the problems produced by informal public transportation. Unlike public transportation, the image of *cabinas* in Lima is very positive. Users, especially the youth and the popular sectors, express that Internet use is effectively improving their daily lives. The use of computers and Internet by school and university students has become common. Furthermore, (poor) people have much better communication with their relatives abroad, which seems to have increased the level of remittances to the country. At city level, *cabinas* are offering different urban services, which did not exist in *barriadas*. Libraries, post offices, recreation facilities, study places, youth centers, training centers, etc., that have been always lacking in *barriadas* are now present and combined in the multiple digital services offered in the *cabinas* (Fernández-Maldonado, 2004).

### 3. *Barriadas and elite in Lima: discussion*

Lima's urban personality is highly conditioned by the presence and development of *barriadas* and the dynamic of their residents, which became important urban actors since the late 1950s. The economic and political crisis during the 1980s deepened the urban problems, made the informal economy widespread in the city and polarized the society. But an extra dimension to these problems was added with the new *laissez-faire* policies that begun in the 1990s.

The life of Lima's residents has become more differentiated than before, which means the intensification of urban disintegration. High and middle-income sectors use private facilities: schools, universities, health services, private car transportation, and have home connection to telephone and Internet. They also have modern houses in consolidated central neighbourhoods with many urban facilities. On the other hand, lower-income sectors use public schools, universities, health services, which due to the prolonged economic crisis have greatly decreased in quality. They also get informal public transportation and public access to digital connectivity. They live in unfinished dwellings in poorly consolidated peripheral neighbourhoods with a minimum of urban facilities.

However, this process at two speeds hides other processes towards democratization and social equalization going on in Lima. The dichotomy between the formal/informal or rich/poor sides of the city becomes, by far, inadequate to describe Lima's urban scene. The 'new Lima' is more complex and contradictory than ever before, while its urban development exhibits a combination of integrative and disintegrative trends.

#### a) *Trends toward urban disintegration*

The trends towards urban disintegration are evident in different urban aspects. Here we address three crucial aspects:

- The economic divide

Income distribution is evidently highly skewed in Lima, but this worsened even during the 1990s. Despite the optimism of the political class because of improved macro-economic indicators, the application of neo-liberal economic policies contracted the demand and consumption due to the reduction of public expenditures and the increase of taxes. Poverty deepened and inequalities became more acute, while living expenses increased in 400% in the 1990-2000 period (Calderón, 2005:34).

Under these circumstances, the composition of socio-economic sectors in Lima changed dramatically. Table 1 illustrates the increase of economic polarization, showing the differences in the composition of socio-economic sectors in 1991 and 2003. Middle-income (B) and low-income (C) sectors declined during this period, while the very-low income sector increased enormously. 19.9% of the population belonging to high-income (A) and middle-income (B) sectors received 58.6% of the total income in 2003. The average household income was US\$ 434 (the median US\$ 257) (Apoyo, 2003).<sup>4</sup>

	<b>High-income sector (A)</b>	<b>Middle-income sector (B)</b>	<b>Low-income sector (C)</b>	<b>Very-low income sector (D)</b>
<b>1991</b>	3.8%	21.0%	38.7%	36.5%
<b>2003</b>	3.6%	16.3%	26.6%	53.5%
<b>Evolution</b>	- 0.2	- 4.7	- 12.1	+ 17

Table 1. Evolution of socio-economic sectors of households in Lima 1991-2003 (Elaborated with data from Apoyo, 2003).

- The political divide

The emergence of *barriadas* in the late 1950s later determined the incorporation of new social actors in the city, the *barriadas* settlers, which gradually gained more space in the local urban politics. The restructuring of the political-economy and the withdrawal of the State in the 1990s has meant a huge transformation in the position of urban actors. The introduction of foreign capital greatly increased the presence and influence of foreign firms in the city. Telefónica, the telecommunications company, became the largest firm in the country. While the local government and the local formal sector of the economy have greatly decreased their influence, the informal sector has gained positions and entered sectors that should have been of public responsibility, as public transportation and digital connectivity services. In this way, the balance of local forces has been greatly modified.

- The spatial divide

Lima's spatial development since the 1990s presents typical disintegrative features observed in other Latin American metropolises. On the one hand, powerful private companies and real estate developers are producing the privileged spaces for the cosmopolitan elites, the so-called 'islands of wealth'. These include residential islands in the form of gated neighbourhoods, productive islands in the form of new business and industrial nodes, and consumption islands in the form of shopping malls, luxury hotels, entertainment centres, etc. Meanwhile, the poor continue building the 'informal city' by their own means. The informal city keeps growing at steady pace while urgent urban problems accumulate regarding housing, infrastructure and the provision of basic services.

In Lima, however, these spatial processes linked to global capital have not been as deep as in those other Latin American cities. The work spaces of the most globalized sectors of the economy (banking and telecommunications) have received a physical upgrading, with the business district located in a better physical environment, surrounded by exclusive restaurants and hotels. New commercial and entertainment centers have been built in the richest parts of the city, as well as a series of urban amenities that were previously in public hands as exclusive schools, universities, clinics, graveyards, etc.

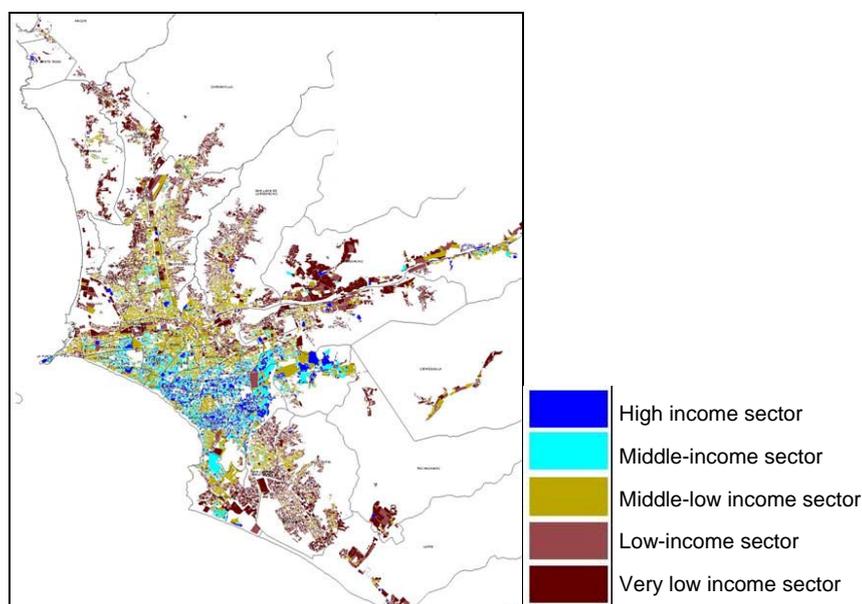


Figure 5. Spatial distribution of socio-economic sectors in Lima (Source: Avellaneda, 2005)

However, the most visible spatial divide in cities of Latin America, the proliferation of 'gated neighbourhoods' for the high (and middle) income sectors, has not been experienced in Lima. Although there were some building projects in this direction, they were not completed due to the lack of demand. There are not 'fortified enclaves' extending the urban limits of Lima, as it happens in São Paulo, Mexico City or Buenos Aires. Figure 5, indicating the

spatial distribution of socio-economic sectors, illustrates how the high and middle-income sectors (in dark and light blue), remain in the central quarters of Lima, while the periphery is the domain of the poor.

Despite that Lima deeply changed its urban scene in the 1990s, these were merely superficial changes. They concerned the modernization of the privatized gasoline stations, new public telephones, public lights and huge commercial advertisements. At the same time, large department stores, fast food chains, flashing discotheques and casinos have deeply 'americanized' the urban scene. On the other hand, there have been no serious urban regeneration projects; no large urban projects have been constructed in Lima as it has happened in other cities of the region. Similarly, no significant processes of gentrification have been observed. With the exception of few towers for local bank headquarters, restaurants and hotels in the new business district, the spatial transformations in Lima have been small-scaled and shallow. They have only represented a 'change of skin'.

### ***b) Trends toward urban integration***

Two main trends that can be considered as integrative are salient in Lima's recent urban development. The first one refers to the informal sector as provider of affordable services to the lower-income sectors. The second concerns trends towards the use of new urban amenities and public spaces by both elite and *barriadas* sectors.

What makes Lima a singular case in Latin America is the increasingly central role of the informal sector in its urban development. This sector is the only able to provide some of the services residents need at affordable prices. Informal housing, informal economy (production and commerce) and informal welfare institutions have been the traditional trends. Informal public transportation and informal digital connectivity have been added in the 1990s. Providing these services to the poor sectors, these informal processes should be considered as forces towards urban integration. The services may be of low quality but they improve the quality of life and the right to transport and communication of residents of peripheral areas.

On the other hand, it has become clear that the *barriadas* are not uniformly poor. On the contrary, the great commercial success of the large commercial centres located in the North Cone has promoted reflection about the incorporation of part of these seemingly poor sectors to global consumption dynamics. Informing that a new middle-class is emerging in the middle of the shanty-towns in Lima, the Economist writes: "Mega Plaza looks very much like any shopping mall, with its smart boutiques, a big department store, a multiplex cinema and a huge gym. Next door stands a second mall, Royal Plaza. What makes these dueling malls unusual is where they are: on a congested and dusty stretch of the Panamerican highway, in what once were shanty towns and today form part of Lima's northern suburbs." (The Economist, 2004:52) (see Figure 6).



Figure 6. Main entrance to Mega Plaza (Own archive)

Urban researchers have been arguing that a new middle class is emerging in the peripheral suburbs of Lima, which greatly differs from the traditional middle class living in formal Lima (DESCO, 2003). The latter was the fruit of the Lima's post-war industrialization process, while the first one seems linked to successful (informal) entrepreneurs. While the latter settled in Lima since long time, the new middle-class has a clear migrant and Andean origin, and darker coloured skin and it seems that it is not moving their place of residence to other districts of 'formal' Lima. They prefer to stay in the (former) informal neighbourhoods that their parents built with their own effort.<sup>5</sup>

Thanks to this huge success, and the awareness that great part of the public of the commercial centres in formal Lima are also coming from outside these neighbourhoods, real estate firms presently developing projects to build more of these type of centres in peripheral areas.

These trends give evidence of the incorporation of people from *barriadas* to commercial and entertainment amenities formerly only designed for the traditional middle- and upper class. At the same time people living in central Lima are also now going to peripheral areas to buy in the informal clusters that have developed during the 1990s, especially clothes and furniture. Increasing the contacts between all sectors of the society in different ways, these recent processes should be considered as trends towards urban integration.

#### 4. Final reflections

Ludeña describes Lima's changes since the 1990s as a "*contradictory process of democratization and social exclusion in the use and development of the urban space.*" (2001:17). Indeed, despite the deepening of the economic, political and spatial divides, the levels of these forces towards urban disintegration have been relatively lower than in other large cities of Latin America. At the same time, the recent urban development of Lima shows auspicious trends towards urban integration that are not easily seen in other cities of the region.

The consideration of informal urban processes as integrative trends should not lead to visions that overestimate the informal trends so as to consider them as the ultimate remedy for all urban diseases. Informal trends are essentially provisional and substandard alternative to urban lacks. Local and national governments should have a more decisive role in urban matters than what it now has in Peru, giving all people right to housing and to the city. The radical *laissez-faire* and lack of regulation observed in Lima is evidently the easiest way-out for a troubled State with low resources but it evidently increases urban chaos and disorder.

It is important to note that there is still very little existing knowledge about informal processes operating at urban level in Latin America. "Properly construed, informality is an essential element of cohesion in cities, and the analysis of its urban properties and processes is an important endeavour for those of us who are, in the end, responsible for the city." (Brillenbourg and Klumpner, 2005:43).

The processes of self-construction and self-urbanization in *barriadas* have been extensively researched, debated and documented in Lima, mainly by social scientists. Informal economic activities have also been the object of academic attention, especially after De Soto (1986). However, most all other informal processes have remained without proper academic consideration. More importantly, research on the articulation of all these different informal processes with each other, in a sort of 'informal urbanism' is still under-explored in the Latin American context. The same happens with the articulation between informal and formal processes in the cities.

The trends observed in Lima are also useful to contradict positions that see and analyze cities exclusively as economic engines articulated to global networks. Lima's urban development, and especially the informal urban trends, cannot be understood without reference to socio-cultural developments. It becomes important that urban professionals pay attention to them. However, there is a great difficulty to approach informal urban processes

and its effects in the city, in view of the multi-disciplinary approach they demand. From Mexico, Alfonso Iracheta asks: "How are we going to propose and advocate socio-spatial changes if we do not have architects who are experts in popular architecture; if our urban designers are not able to design the spaces that the poor require; if in the university we do not learn to know or to understand this reality?" (Iracheta, 2005:8).

Therefore, it becomes important to explore and elucidate which of these informal urban practices work, to draw lessons that can serve to develop more successful urban interventions. At the same time, it is relevant to support those other processes that need to be improved for the sake of the users.

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<sup>1</sup> Geisse and Sabatini (1988) extend the main features of this process of urban growth *à deux-vitesses* to the large cities of Latin America, in which “it might seem as if there were no room for planning between the spontaneity of the informal sector, expressed by irregular settlements, and that of the formal urban sector where speculative markets prevail” (Geisse and Sabatini, 1998:323).

<sup>2</sup> Turner’s ‘self-help’ approach for housing the poor advocated to support and legalize the informal process of urban development rather than jeopardizing it (Turner, 1967). His pragmatic approach promoted a shift from central housing provision to local ‘enablement’ policy recommendations. Poor residents in Third World cities were stimulated to build their own shelter progressively. Community participation in neighbourhood upgrading programs was strongly promoted.

<sup>3</sup> This process inspired De Soto (1986) for a second ‘pragmatic approach’ for the urban economy, in similar fashion as Turner’s approach for social housing. De Soto highlighted the capacities of the poor for generating new urban jobs, praising their individual effort and entrepreneur spirit as essential values. The informal sector was advocated as the ‘other path’ for economic development; actually, another version of the neo-liberal ideology.

<sup>4</sup> Recent economic figures indicate that if Peru grew constantly during the last five years, the population living in poverty only reduced from 54% to 51%, which shows the very defective income distribution.

<sup>5</sup> Recent figures confirm this argument. Only 52.9% of the middle-income (B) sector lives in formal Lima, the rest are dispersed in the other five zones. Four peripheral districts of (former) *barriadas* are increasingly becoming the living quarters of the new middle-class (El Comercio, 2004).