



## Housing for the largest number

Nuno Teotónio Pereira (1922-2016)

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## Housing for the largest number

The gap between housing needs and individual resources to meet them is at the heart of the housing problem: a gap that covers ever large sections of the population, as it is more pronounced in urban areas subject to strong pressure from demand, and unevenly increasing, as components of housing costs (land, urbanization, construction) have increased more rapidly than the wages of the needy population.

But a fundamental aspect of this phenomenon of deprivation is its progressive nature. The demographic pressure in areas undergoing urbanization, mainly caused by the influx of rural populations, is aggravated by secondary factors: the reduction of the size of families in urban areas (and, therefore, the need for more housing for a given population); the absorption of housing houses by activities of the tertiary sector; the constant elimination of homes due to urbanization works; the aging caused by the constant rise in housing standards, etc.

In a developing country, where the industrialisation process has only just begun, this phenomenon is not accidental, but corresponds to a continuous process in permanent acceleration. And when it is not matched by a parallel supply of new housing, the housing crisis tends to worsen.

For this reason, the housing problem today can no longer refer only to certain categories of the population, called the most favored or economically weak: the extent of the crisis has constantly embraced new layers, and has now become a phenomenon on the scale of the population as a whole.

These two aspects of the problem – accelerated growth in needs and widening of its scope impose a radically different perspective from the one usually faced: a perspective that presupposes planned urban development schemes. The problem of housing cannot be solved today with the construction of some neighborhoods, as it could no longer be solved yesterday only with the construction of some houses.

Therefore, *the largest number* is not a static reality: its dynamism must be recognized in a realistic perspective, which will enable it to forge the necessary tools for solving the problems that concern it.

Indeed, if the lack of resources is a fact, the lack of instruments of action further makes the possibilities available more limited. The necessary legal mechanisms are lacking for the disposal of land under appropriate conditions of location and cost; there is a lack of financial mechanisms necessary to bring capital into scheduled major operations; there is a lack of administrative structures leading to the coordination of undertakings at different levels; there is a lack of devices to overcome the limitations that affect the construction industry in terms of materials, labor and construction processes; and finally, there is a lack of instruments to enable the pooling of efforts, the convergence of resources, and the minimization of costs.

It would be relatively easy to show that the bottlenecks affecting our housing programmes result primarily in the lack of adequate instruments; in the absence of resources, it will be only a second barrier, which is often not even reached.

### **Build for the largest number**

From the considerations just made, some criteria that allow guiding actions or housing developments effectively aimed at the *largest number* can be extracted with the precautions that the summary of the method advises. And considering these criteria, we will now make some comments on the Portuguese experience in this field.

In fact, it has often been the case that developments aimed to the most poorly housed populations are implanted in segregated places, outside the public transport circuits, deprived of basic equipment. Often still obeying precarious construction systems, with no possibility of further improvement: the neighborhoods of fiber cement or even brick for the so-called poor classes or for the inhabitants of shacks, are examples of a wrong view in the construction for *the largest number*.

Indeed, housing programs aimed at *the largest number* necessarily imply a certain dimension – the quantitative factor cannot be left aside – or even a pressing urgency; but they will not be isolated, even if large or emergency ones, undertakings that can contribute to the solution of the problem, as exposed above. Such programmes have always benefited (and perhaps precariously) a small percentage of the population masses in need at an increasing rate. And they can create the illusion (and have done so) that something is being done to really stamp out the scourge.

Only actions that are part of the rapid process of overcoming the current crisis, as well as the absorption of foreseeable needs soon, will be directed to the *largest number*: a process that considers the housing needs not only in quantitative, but also in qualitative aspects (level of rents, urban insertion, etc.) and that is directed towards the maximization of the available resources and the minimization of costs, inserting itself in a perspective of progressive resolution. A process, finally, that points to a reform of the sector's structures, even if the quantitative expression, in terms of house building may be reduced in an initial period.

High construction volumes can therefore be achieved without necessarily building for the *largest number*. And, conversely, it is possible to build relatively little (in an initial period), while building for the *largest number*, provided that, for example, investments are concentrated in pilot enterprises of an innovative nature or applied in orderly urban expansion programs, or in which there are involved structural reforms of the sector; in any case, to obtain technical, legal or administrative instruments capable of allowing a rapid increase in housing production, as part of an orderly growth of cities, integrating at the same time marginal fringes and recovering degraded areas.

From this perspective, for example, would result the following: the adoption of legal regimes allowing the use of urban land to make the general interest prevail over particular interests; the organisation of financing and leasing systems which substantially reduce the distance between housing charges and the economic possibilities of users; the use of increasingly fast, rigorous, and productive programming, design, administration, implementation methods.

This also means that, from the point of view of the *largest number*, they count not only the quantity and quality of the enterprises, but their multiplier or generalising effect, in a process in which each action must benefit from previous experiences and seek to translate into new instrumental acquisitions, of ever wider scope.

Considering the specific plan of urban expansion, only this process will overcome the current situation, which consists of the so-called disciplinary or corrective action to which planning tries to compel the mechanisms of production, integrating these same mechanisms in the orderly expansion of the city.

## The Portuguese experience

Over almost 40 years of legislation and achievements, our experience in housing matters is varied and susceptible to an overall assessment, which has been made, particularly in the preparatory studies for the latest development plans.

In addition to a marked shyness in attempts at structural change, it is characterized mainly by the lack of continuity: the actions undertaken, some of a certain amplitude, are generally punctual in their own way, not taking advantage of the experience gained from one to another.



In the following considerations, we will briefly seek to review the national experience, in the light of the criteria previously set out for the *largest number* of construction, and it is easy to verify that much of the potential that was created in innovation and experience was not then used; and that a good part of the resources invested, in legislation, initiative, studies, funding, etc., have not been convergent, which necessarily translates into low profitability.

The so-called *Economic Houses* regime, created in 1933, had highly innovative aspects – access to property, life insurance, and the occurrence of scheduled and realized enterprises. But its limited amplitude is well evident: in 33 years of permanent operation (1934 to 1967), about 13.500 dwellings were built in the whole country under this regime, which gives the modest average of 400 per year.

The strengthening that welfare capital brought to the system at a certain point did not result in an increase in the pace of construction, because state financing, which in the initial period had exclusively fed this regime, has been reduced to practically zero in recent years. The only step forward that this modality has seen, over decades of routine achievements, was the abandonment of single-family dwelling and the closed neighborhood as solutions that were considered mandatory until recently.

The post-war period was prolific, especially in terms of legislation. *Houses for Poor Families* and *Houses of Economic Rents* were created in 1945, *Agricultural Farms* and *Fishermen's Houses* in 1946, *Limited Rents Houses* in 1947.

The first two modalities have had a quantitative expression already of greater significance (respectively, 600 and 500 dwellings per year, between 1949 and 1967) and extended to the entire territory; the Houses for Poor Families, bringing together state subsidies in local resources, and the Houses of Economic Rents, investing social welfare capital. As for the other schemes, their scope has been small (*Houses for Fishermen*), practically null (*Agricultural Couples*) and temporary (*Houses of Limited Rents*).

Between 1949 and 1960 – because from this year onwards the modality was practically no longer applied – about 800 houses per year were built in Lisbon under the Limited Rent regime, which shows its potential. However, the existence of speculative maneuvers was not used against them, the instruments provided for in the law itself, preferring the pure and simple abandonment of the system. Started under the best auspices, even with projects prepared by the municipality itself, this regime showed the possibility of giving private capital investment in housing a greater social reach. A new regulation, enacted in 1958 with the purpose of combating speculation, which required even the city halls to reserve for limited rent at least 50% of the lots sold at public auction, and in which drastic measures were announced in case the proposed objectives were not reached, had no application, having missed an opportunity to verify to what extent, and from the experience already gained, one could count on the social profitability of the application of private capital in housing.

A few years before the legislative proliferation referred to, something of major importance was accomplished with a view to a housing policy: the City Council of Lisbon, under the impulse of the then mayor Duarte Pacheco, began a vast operation to purchase land throughout the outskirts of the city. It was this operation, continued in subsequent years,



that made it possible to carry out the important housing programmes carried out later, namely Alvalade and Olivais; these were programs of greatest significance in the Portuguese experience in the field of social housing.

The neighborhood of Alvalade, entirely planned by the municipality and started around 1947, integrated various construction regimes, from the Economic Rent Houses financed by the Social Security to the Limited Rent Houses and Free Rent Houses, and even including an important portion built by housing cooperatives. The innovative aspects of this achievement were numerous: planning of the whole perfectly integrated into the city, and operated on fully available land, diversified urban fabric, planned, and executed equipment, convergence of initiatives and capital sours.

The core of this development was the construction of a set of Economic Rent Houses, with totally unpublished methods that were not used again, not even in the similar works in Olivais: elaboration of standard projects, previous construction of an experimental group, unfolding of the work in works of industrial volume (500 units), supplies together of certain materials and elements of construction and creation of shipyards for its manufacture.

In Olivais (North and South) enterprises, begun in 1960 and now in completion (except for collective equipment still virtually non-existent), the innovative aspects were given all in the legislation. Indeed, Decree-Law No. 42 454 rigidly fixed certain characteristics to ensure the social reach of the enterprise, such as the maximum rents by categories, the percentages of each of them, the maximum values to be attributed to the cost of the land, etc. In the implementation plan, all the experience accumulated in Alvalade was abandoned, although something of interest has rehearsed, such as the participation of a greater number of entities in the construction and a wide distribution in the order of projects. It should be noted, however, that the construction crisis that occurred in the 1960s caught up with this undertaking.

Another achievement that is interesting is that of the program for the elimination of so-called islands in the city of Porto, providing for the construction of 6000 dwellings in 10 years, from 1956. The innovative aspects of this enterprise, characterized by austerity and discipline on the one hand, allowed its full realization within the stipulated period, mainly translating into the financing plan (by combining very different sources and regimes, including State subsidies and loans from Caixa Geral de Depósitos) and in the strict fulfillment of the objectives.

Something also interesting to mention is about the most recent institution regime: social security loans for the construction, acquisition, or improvement of homes, created by the law 2029 in 1958. This system, whose essential feature focuses on supporting individuals (individuals, companies, and People's Houses) has shown increasing dynamism: about 15 000 dwellings financed until 1968, of which close to 13 000 for the construction or acquisition of own homeownership. Supporting the individual initiative and taking advantage of the small savings, the usefulness of the system in the whole of Portuguese legislation is indisputable, therein residing its innovative character. But the lack of selective criteria in lending is becoming disastrous in urban ordination: designed for rural areas, it contributes increasingly to the chaos of growing urban belts. And what



is more serious, it fuels speculation and poor-quality construction, especially through the horizontal property acquisition modality, which is skyrocketing.

Preserving the merits of the system, it would be necessary to condition loans to minimums of urban quality, to stimulate the construction of well-located and organized and adequately equipped residential complexes. On the other hand, it encouraged the grouping of social security beneficiaries in housing cooperatives, which is in fact in the spirit of the law itself, but it was not regulated.

The shortcomings of this law are typical of what happens with all Portuguese legislation on housing: official intervention is done by independent sectors and according to partial and incomplete viewing angles. The creation of the National Institute of Housing, insistently claimed in recent years and already foreseen in the recent plans of Development, seems an indispensable condition for the implementation of an urban policy, whose absence has allowed the progressive extension of scourges which it will be increasingly difficult to heal. A housing policy that ignores aspects of soil organization can never effectively serve the *largest number*, leaving all investments and efforts condemned to a very precarious social profitability.

### **The untapped resources**

The entire national experience of housing promotion systematically ignores the potential resources of the populations to be accommodated. This is both for permanent housing, as well as intentionally temporary constructions, such as the 1940s fibrocement districts, or emergency programmes for those displaced by the works of the bridge over the Tagus River or the victims of the 1967 floods in Lisbon. Even when houses are in summary conditions of habitability, they have been built entirely by the promoters and delivered to residents, without any possibility of expansion.

As a result, as mentioned above, given on the one hand the capital and initiative constraints of the promoters, and on the other hand the gap between the purchasing power of the population and the cost of normal housing, everything is combined so that housing deficits remain if they do not increase.

On the one hand, it is verified that the populations, left to their own resources, have often been able to obtain precarious housing by their own hands, that gradually improve. This phenomenon, largely seen in rural areas, is particularly visible in the suburban region of Lisbon, through clusters of huddled houses or so-called clandestine neighbourhoods. Although many of the buildings carried out in these conditions are the product of small contractors, a large percentage is the work of the residents themselves who, having found a piece of land (usually by rental and sometimes by purchase), improvise a shelter that, with the passing of time and the progressive elevation of the standard of living, are expanding and improving. An example of this process is the Neighborhood of Liberdade, on the slopes of Monsanto, in Lisbon, which, started as a cluster of shacks at the beginning of the century, is today a housing area with almost normal characteristics.

It is this capital, the product of initiative, efforts, and small savings of large masses of population, and which can quickly reach considerable values, which must be made the most of, channeling in an orderly manner and guiding towards gradual urban expansion.



Countries with underdeveloped economies, or with very large housing deficits, have precisely practiced a housing policy aimed at supporting this type of self-construction, achieved through it not only the massive construction of new housing, but the social promotion of the populations concerned, through the framework and rationalization of their efforts. The most concluding examples are from North Africa, the Middle East, and Latin America.

There may be some reasons for the lack of achievements within this path: on the one hand, the fact that the housing crisis is expressed more through the overcrowding of normal buildings than the excessive extent of slums, which favours an image of the deficit rather benevolent in relation to reality; on the other hand, our legislation reveals a conviction that the crisis will be destitutively with the new regime that is in place, because it is unaware of the continuous and uneluting nature of the urbanization process; on the other hand, the spirit of the legislator has been averse to solutions that imply the agglutination of popular forces in order to solve their problems, systematically preferring paternalistic or authoritarian methods.

The achievements carried out in many countries and the studies that have been done on them show that the attitude of public activities, on the one hand, and the point of application of their contribution, on the other hand, must be radically different from what is in conventional housing programmes. The distribution of the roles will be done according to what each can give, naturally contributing the residents with the construction of the family cell and the authorities with the planning of the set, the land and collective equipment. Often, the support of the authorities goes so far as to offer technical assistance (projects, construction techniques, etc.) and even certain materials or building elements (e.g., prefabricated serially produced). Residents begin by building, either an initial cell likely to be enlarged and completed, or a temporary construction intended to be later replaced.

In these circumstances, the financial and technical resources of public authorities can reach a much larger number of households than current programmes, and thus contribute much more rapidly to the mitigation of existing deficits.

These solutions would not avoid certain problems of great difficulty under the conditions and with the current legislation: acquisition of land (which would be given in term or rented to residents, and not sold), urbanization and equipment of vast areas, urban planning, etc. But they would allow them to integrate in the process of urban expansion, in an orderly and therefore useful way, enormous resources that have been, or wasted, or accepted irretrievably in conditions of impossible further recovery.

The experience accumulated in other countries is already very important in this way: but it cannot be followed between us without pilot undertakings; and also without a mentality capable of exchanging the finished work, but for a few, for the incomplete but progressive work of a collective launched in a common enterprise; and able above all to reject an image of the city divided into facades and rear, accepting another where all take place within orderly development schemes.

This text repeats, in part, the lecture with the same title that the author did at the Colloquium of Funchal, of which we have already published other lectures.

