



CHAPTER 6

Recommendations on Regularization Policy



Regularization remains a work in progress in Latin America. Different approaches have been tried in different countries, ranging from those narrowly focused on formal titling to those attempting to improve all neighborhood services. The costs of full regularization are 50 to 80 times greater than those of titling alone, but available evidence indicates that the benefits to the occupants, measured in increased property values and improved services, exceed the costs of both approaches.

While regularization has long been resisted or implemented slowly, it is now becoming a political imperative in Latin America.

Recommendations for improving regularization policy and specific programs must address the following issues.

1. Evaluation. More systematic efforts must be made to evaluate the performance of regularization programs, including the collection of both baseline data before program implementation and subsequent data on program costs and outcomes. Conceptually, program impacts should encompass welfare at the household level, services at the neighborhood level, and the extent of informality citywide. Performance evaluations also are needed for alternative modes of addressing regularization issues.

Metrocable provides an innovative solution for mass transportation and sociospatial integration between peripheral informal settlements and central areas of Medellín, Colombia.



A former slum area in San Salvador, El Salvador, was upgraded with the help of FUNDASAL, a pioneering agency created in 1968 to promote improvements in low-income neighborhoods.

2. Customized Approaches. Successful regularization policies need to be adapted to the facts, context, and history of each settlement, because a single approach is unlikely to work well across all situations. Moreover, such policies are likely to require revisions over time as conditions and practices evolve. Regularization should be considered as part of a broader social policy aimed at social integration. This may mean that program elements go beyond infrastructure services to include such components as employment, training, public education, and health services.

3. Appropriate Titling. Freehold titles are most common in regularization programs, but other types of titles and rights, such as leasehold, cooperatives, land trusts, or communal ownership, may be more appropriate in settlements that are highly irregular in physical layout or located on public lands. In some cases, possession titles may be more effective than freehold titling to protect occupants and ensure the socio-economic sustainability of the community.

4. Gender Equity. Regularization programs also need to seek the participation of both men and women to avoid building gender bias into the process by assuming that household heads are always male. The direct involvement of all the program's beneficiaries in its design will also increase its long-term effectiveness.

5. Financing. Regularization needs to be more self-sustaining financially. For example, payment of property taxes after regularization produces local revenue and also strengthens the legal claims for citizenship and services. Charges on urban infrastructure and service improvements to capture part of the resulting land value increment should reflect payment capacity and be based on principles similar to those applied in formal areas that are benefited by public interventions. If services in formal areas are paid by the municipality, they should also be paid in regularized neighborhoods. All in all, cost recovery in regularization programs should not impose a relatively higher fiscal burden on the poor than on other segments of the society.

6. Research and Analysis. More consistent definitions of informality should be based on readily available data, such as census reports, so that informal settlements can be tracked reliably over time and credible determination can be made if the situation is improving or worsening in particular cities. For progress to be made, more work is needed to prevent the establishment of additional informal settlements, particularly when they are thought to be caused by regularization programs themselves.