

# Urban Land Policy in El Salvador

MARIO LUNGO UCLES

**W**ithin the framework of economic restructuring, privatization and globalization, the issue of urban land and conflicts over its use is a top priority for El Salvador. Numerous factors contribute to the critical status of land management in the country:

- The small geographical size of the country and its large and growing number of inhabitants.
- The extraordinary concentration of rural land ownership in a few hands. This historical trend has been the source of a peasant uprising (1932), a civil war (1981-1992) and two important agricultural reforms (1980 and 1992), the latter leading to the Program for Transfer of Land supervised by the United Nations for ex-combatants and those affected by the civil war.
- A weak legal and fiscal system that has

avored eviction and the generation of numerous conflicts; for example, a land tax does not exist.

- A serious process of degradation of the environment that introduces strong conditions and restrictions to the functioning of the land markets.
- An accentuated process of internal migration that has concentrated a third of the population in the metropolitan region of El Salvador.
- The large number of El Salvadoran migrants in the United States who transfer a major source of capital to their native country. This influx of cash through largely informal transactions has accelerated a booming property market.

The Lincoln Institute is working with the Salvadoran Program for Development and Environmental Research (PRISMA) to present a series of seminars for high-level municipal and national government

officials, private development agents and representatives of non-governmental organizations. Last spring the two groups cosponsored a course on the functioning of the urban land markets and this fall will follow up with a course on "Regulatory Instruments for the Use of Urban Land."

This program addresses the urgent need to create economic and regulatory instruments to promote strategic urban land management, contribute to the ongoing process of democratization and support sustainable development. The course is particularly timely because El Salvador is in the process of establishing a Ministry of the Environment and drafting legislation to address issues of territorial organization.

**Mario Lungo Ucles** is a researcher affiliated with PRISMA, the Salvadoran Program for Development and Environmental Research, in San Salvador.

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## Looking for Territorial Order

LUIS FERNANDO ALVAREZ  
AND WILLIAM J. SIEMBIEDA

**M**ost countries in Latin America today have become more urban than rural, and they are trying to develop their economies as integral parts of the global marketplace. This process introduces profound cultural and spatial changes, such as increased segregation and conflicts over the use of urban land.

There is a recognized need to strengthen citizen consciousness regarding the liberalization of markets and the withdrawal of state involvement in economic and planning schemes. This changing role of the state from "provider" to "enabler" creates a gap in addressing urban social needs. Participants suggested three approaches to simultaneously improve urban land management and provide for social equity.

First, basic tools to establish and support urban information systems. These include a monitoring mechanism capable of identifying agent and transaction data, including land prices; knowledge of the 'life cycles' of urban zones; and utilization of forecasting models capable of establishing the relationships of the local and na-

tional economies to the real estate market.

Second, urban policies to balance existing, often inconsistent, market mechanisms. For example, it is difficult to liberalize markets and at the same time impose limits on urban expansion, while trying to provide adequate land supplies to meet the needs of the working poor.

Third, recognition and support of positive actions by community groups and non-governmental organizations to break patterns of class segregation, as well as efforts by municipalities to utilize instruments such as territorial reserves, progressive financing mechanisms, and improvements in administrative and fiscal procedures.

A major territorial planning problem in Latin America is locating the "edge" of the city, especially when land tenure and occupation respond on the basis of social need rather than legal procedure. Among the forms of urban property outside the rules of commercial law, the most important is corporately held land (*ejido*), which in Mexico occupies more than 50 percent of the national territory and forms part of all major metropolitan areas. The *ejido* impedes the natural growth of the real estate

market and allows for the expansion of uncontrolled secondary (informal) markets.

To address these and related issues, leading academics and practitioners from the region met in Mexico in April to share their insights into the processes that influence urban territorial order and the instruments available and needed for effective public intervention to achieve social equity and territorial planning objectives. While the seminar participants remain uneasy about the long-term impacts of globalization on Latin America, they agreed that the arena for action, in the next few years at least, will be at the local rather than the national level.

**Luis Fernando Alvarez** is senior researcher at the Center for Metropolitan Studies, College of Architecture, Art and Design, University of Guadalajara, Mexico. **William J. Siembieda** is professor of planning, School of Architecture and Planning, University of New Mexico. The seminar on urban land and territorial reserve issues was cosponsored by the Lincoln Institute and the Center for Metropolitan Studies at the University of Guadalajara.

