



MARGINALIZATION

Marginalization is the result of exclusionary practices where people find themselves separated from the opportunities, resources, and economic values enjoyed by a formally protected group.

CHAPTER 2

MARGINALIZED BY MODERNITY

As early civilizations struggled to sustain antiquated systems of power, industrialization slowly shifted the focus of many settlements to economic growth and development. Manufacturers setup factories in population centers where they could find low wage workers, and people moved to these places to take advantage of new opportunities. As a result, density and crowding increased, creating a demand for housing and related services.

Responding to deteriorating conditions, and economic pressures, building and zoning codes were then adopted to regulate land use and general construction. These codes controlled growth, but they also raised values and construction costs, effectively reducing the availability of affordable housing because their development offered such a low return as a real estate investment.

Landless workers who could not afford the cost of housing found themselves marginalized from the advantages of a regulated economy. In response to these inequities, an informal way of life rose for those who by choice or chance were forced to take a self-determined approach to their survival.

- Industrialization
- Land Laws
- Exclusionary Zoning
- Divided by Design
- Housing as a Commodity
- Landless Poor
- Public Dependencies
- The Other Path
- Myth of Marginality

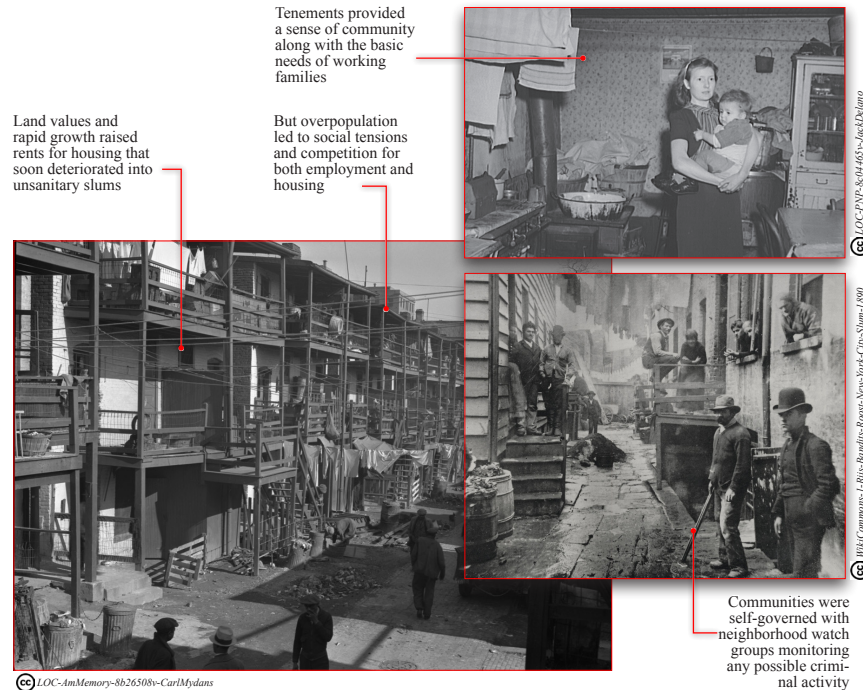
THE POINT

Laws passed to control growth and protect property values turned land and housing into a commodity, creating wealth for some while marginalizing others to a more self-determined approach to their survival.

INDUSTRIALIZATION

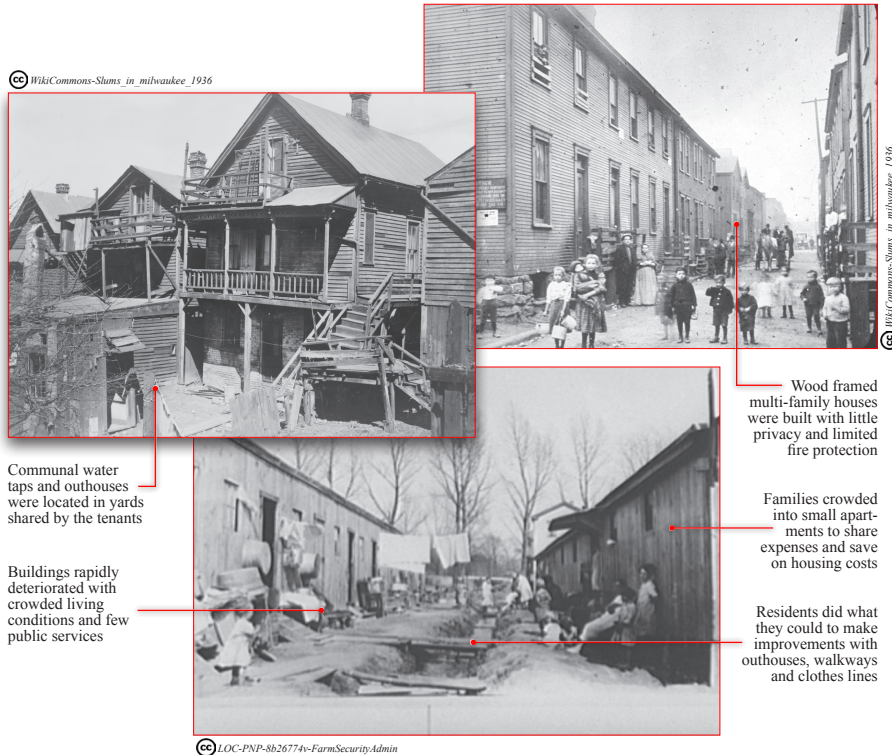
In the countries that were able to meet the growing demand for raw materials at the start of the Industrial Revolution, political systems emerged to control exports, generating wealth for some, while marginalizing others into globally dependent relationships. At the same time, the industrialized centers that imported these materials transformed them into consumable goods in factories with new machines and methods designed to increase production and profit. Meanwhile, large agricultural operations began consolidating small farms and mechanizing food production. Industrialized methods lowered prices, increasing availability for a growing economy, but mechanization also eliminated jobs in rural areas, pushing entire families into cities to find work.*

The rapid influx of new people caused overcrowding, increasing the cost of housing as low wage workers squeezed into apartments and tenement houses. Disadvantaged families found themselves living in working class communities with neighbors who shared their impoverished



Though conditions in the slums were difficult, they provided affordable housing for low income workers who remained in cities until they could pay for homes in the better outlying neighborhoods.

**As a consequence, the value of labor shifted from seasonal harvests and natural cycles, to hourly wages, where labor was measured in days and hours of employment, with quantifiable and predictable results.*



Worker housing was erected quickly and though the buildings were damp, cold, and dangerous, they filled a need for a growing population of wage workers by providing a low rent alternative with its own sense of community.

circumstances. By the end of the 19th Century, deteriorating conditions and overcrowding had taken their toll. It was soon clear that in order to sustain economic growth, promote further development, and protect property values, government action was necessary to improve living conditions and control land-use.

The need for action resulted in the political will to pass land laws that separated housing types and commercial activities, increasing the wealth of land holders and further marginalizing the poor. Rising values and market demand for better housing by those earning good wages, made it difficult to justify investments in the low cost housing necessary to meet the needs of those who were unable to pay higher rents or purchase a place to live. Excluded from a market system regulated to control property values, those without land and unable to pay for a house in better neighborhoods, found themselves marginalized by poverty and low wages in ways that didn't exist prior to industrialization.

LAND LAWS

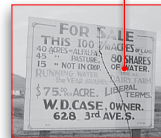
Rulers in early civilizations recognized the importance of installing the roads, communal buildings, and other public systems that were necessary to sustain their populations. Community projects were seen as long-term investments, strengthening local economies by addressing the need for social and physical order.

Industrialized planners recognized the same needs in a modern market based economy. In response, they took direct action to protect property values and promote growth and development, creating laws to regulate construction and how land could be used. These laws included building codes adopted to standardize materials and construction methods, as well as zoning codes that controlled commercial activities and the type of housing allowed by neighboring landholders.

The building codes set minimum material and structural standards, as well as requirements for heating and ventilation, room sizes, fire protection, and

Land laws are used to designate different types of housing and raise the quality of their construction

Decent housing leads to worker satisfaction, higher productivity, and greater profits



Density is controlled by restricting land-use, utilities, and public services

Governments enforce land-laws through building permits, certificates, and licenses

Developers install the roads and utilities needed for housing projects that then pay fees and property taxes for public services

Protected by land-laws that maintain existing property values, investors were encouraged to develop projects that met the demand for housing generated by industrialized workers earning the wages necessary to buy, or rent, a place in a growing middle class community.

access and exits for emergencies. At the same time, new zoning codes physically divided communities according to land use, density, and the overall size and location of buildings on the land. Governments enforced these codes through formal permits, issued after engineered plans were reviewed and approved. These permits were required to certify compliance with existing regulations and register the completed project as a legally taxable property.* Government agents retain the power to stop any work that deviates from the approved plans, or condemn a building for non compliance once it has been completed.

As a result, building and zoning codes raise both quality and cost for all types of construction. They also eliminated unapproved use of open land, divided populations according to what they could pay for a place to live, and set the stage for the exclusionary practices that follow.

**In kind of a Catch-22, fees and taxes are required by local agencies to pay for the cost of code enforcement. This means land and buildings are assessed for property taxes that are collected to support and sustain the same policies that regulate them. The taxable value of property is then directly linked to the size and strength of the agencies enforcing their land laws.*

Zoning controls housing density and land use, separating areas with higher property values from older or less affluent neighborhoods

Building and zoning codes set standards for construction practices and materials in order to maintain high property values

Higher quality construction increases rents and housing cost, but strengthens values and tax revenues

Code enforcement agencies monitor new and existing property owners to ensure compliance with current ordinances

Building officials are granted police powers to regulate construction and condemn buildings for noncompliance

Poor quality construction and deteriorating housing lowers property values and tax revenues

Code enforcement, community development, and tax revenues are directly related to current property values

Property tax revenues fluctuate with real estate trends and market values seen in recent sales for a particular neighborhood

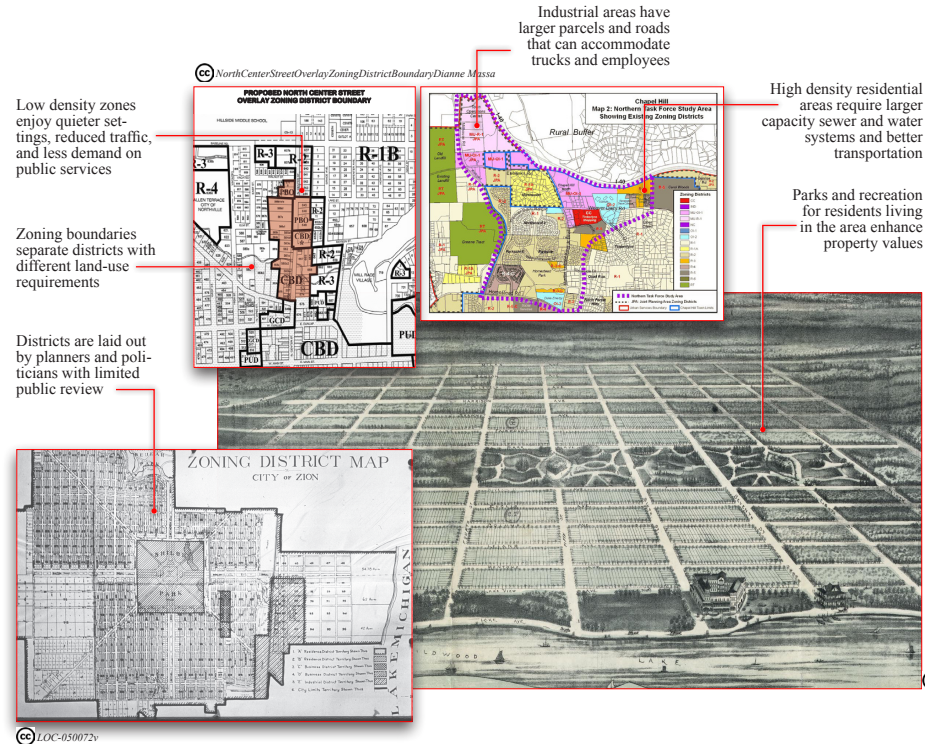
Building and zoning codes regulate growth and the quality of new and existing constructions, stabilizing property values and encouraging developers to invest in further development, increasing tax revenues for the government and enriching all existing property owners.

EXCLUSIONARY ZONING

These land laws inadvertently became the basis of exclusionary zoning. As villages evolved into towns and cities, governments began to carefully map the land within their jurisdictions. The idea was to define ownership and enforce boundaries with recorded titles in order to minimize disputes, assess taxes, and collateralize loans and mortgages for bankers and investors.* In this way, legal titles came to represent ownership and property rights for landholders, that were then formally protected by both the law and government authority.

These titles were based on boundary descriptions drawn on land surveys referenced to permanent geographic monuments. Planners combined these surveys to make zoning maps that divided neighborhoods into districts, designating the type of building that could be built on the land and how that building could be used once it was occupied. The original premise for zoning restrictions

**Stable property values are important for banks to secure long term mortgages, governments to assess tax revenues based on these values, and homeowners to capitalize on rising values that then led to personal wealth and a robust local economy.*



Zoning maps designate commercial, industrial, single family, and high density residential areas. They are used to plan the location of schools, transportation, and fire and police services, as well as to engineer and maintain roads, lighting, sewer, water, and power within a community.

came from an understanding that uncontrolled growth made it difficult to provide public services, increasing the potential for crime, conflict, and unhealthy living conditions. This was important to local governments because any threat to the well being of their citizens, also threatened property values, tax revenues, potential business investments, and further development.

But zoning regulations also separated people according to their income and ability to pay for a place to live.* On the one hand, skilled workers with good jobs and steady wages could buy property as a protected investment in low density single family developments. But on the other, low wage workers found themselves marginalized in a variety of low cost housing solutions, including multifamily apartments, row houses, and older homes in fading low income neighborhoods. Unable to buy or rent a place in better neighborhoods, it became difficult for the poor to take advantage of the opportunities available to a privileged class of landowners.

**Social divisions were clearly visible in the manicured streets and professionally painted facades of a regulated social system. The formal economy is in fact defined by material artifacts and house-forms that do not exist in the informal world.*

INDUSTRIALIZED BUILDER

Industrialization introduced new tools, machines, and methods that were quickly adopted by a new breed of builder as a specialist. Modern materials included graded lumber, steel, reinforced masonry, concrete, central heating, plumbing, glazing, and asphalt roofing. A network of suppliers and manufacturers supported these builders by delivering their products to jobsites according to carefully planned schedules and formal purchase agreements.

Competition between contractors, streamlined construction management practices, dividing the work into subcontracts in order to produce buildings according to predictable schedules, completion dates, and costs. Where builders once set stone, forged iron, and thatched roofs with traditional tools and local materials, an industrialized construction industry now built entire neighborhoods following the requirements of local building and zoning codes.

The value of the experience and training of skilled workers became increasingly important to a growing industry of regulated practices. At the same time, competition for jobs among unskilled laborers lowered wages, making it difficult for many to find steady employment.

Engineers are needed to prepare the documents for building permits and construction contracts



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An industry of industrialized builders rose to meet the demand for new homes, offices, and commercial buildings

DIVIDED BY DESIGN

In rapidly expanding industrialized centers, shortages encouraged land developers and investors to build the houses needed to meet market demand.* Working closely with regulators, they studied zoning maps to evaluate the potential of projects that would support community development. Formal review was important because new projects had an impact on existing roads, schools, services, and utilities. Overburdening public systems would negatively affect efforts to maintain property values and control growth.

The demand for housing came from skilled workers in stable economies, with steady wages and opportunities for advancement. These workers were able to enter into sales contracts for homes in good neighborhoods by leveraging their salaries through long-term mortgages. Homeownership and protective zoning, also meant access to better schools, parks, and services that increased resale values and the interests of homeowners.

At the same time, unskilled workers,

earning low wages, had no choice but to turn to more affordable housing alternatives in what were likely to be one of the less desirable areas of a city. This included a place shared with others who also couldn't afford the rents in better locations, taking to the road to find work, or living a marginal existence in a squatter settlement. Life for the families in these low income areas meant surviving where schools and public services would often suffer from insufficient resources, greater demand, and special social needs.

Ironically, as the wealth, tax revenue, and profit from land developments and property ownership stimulated growth in a local economy, the disadvantaged poor in many areas found themselves increasingly marginalized from the advantages enjoyed by a growing middle class.

**New building types included stores, offices, restaurants, manufacturer facilities, and garages, triggering a demand for not only skilled construction workers, but material suppliers and manufacturers.*

© The Atlantic 1970 Map Makers Go After New Orleans 19-11-1970



New developments required good roads, sitework, and utilities as preconditions to formal approvals

Houses are grouped by size into neighborhoods that were affordable to workers at different income levels

New construction improved the local economy, raised values, increased tax revenues, and created jobs, but also marginalized many from better neighborhoods



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When a project is complete, the utilities, roads, and improvements installed by developers are turned over to the government as public property

Zoning requirements for new developments include setbacks, landscaping, lighting, and safer roads. Once complete, owners pay property taxes based on the assessed value of the house and the land.

HOUSING AS A COMMODITY

Unlike a cave, hut, ancient dwelling, or a medieval farmhouse, housing became an object of exchange in a formal real estate market. As such, a place to live was now central to economically complex transactions that began by first finding land to subdivide, then designing neighborhoods while complying with zoning and building codes, installing roads and other engineered improvements, building houses through competitive contracts, and finally selling the finished product to qualified buyers in an open market.

Wealth was generated when a large parcel of open land with a single owner was subdivided into multiple titles, each with a new homeowner willing to sign a long-term financial commitment, make further improvements to the property, and pay taxes based on an assessed value. As a result, land development generated profit for investors, income for design and construction workers, tax revenues for local governments, and equity for homeowners.*

In addition, when successful, the completed project became an asset to a growing

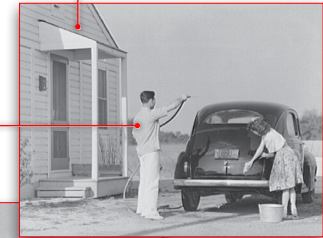
community, attracting new residents, and raising resale values for all property owners. For those able to buy housing in a good neighborhood, rising values meant greater equity. Equity was then available as an asset for lifestyle conveniences, higher educations, or to upgrade to a larger house in an even more exclusive neighborhood.

As a commodity in an industrialized market economy, what was once in its purest sense a simple shelter assembled from locally available resources, was now the basis of a formally regulated economy. A house and its land, were central to a network of transactions that included investment, speculation, profit, wages, taxes, and the anticipated wealth for a protected class of wage earners. At the same time, those who found themselves outside these transactions, were left to marginal existences in poorer neighborhoods or forced to wander as a landless poor.

**Equity is simple: the cost of the land plus the cost of construction and profit, equals the purchase price of the house as a tangible commodity. Equity is the difference between this original purchase price and the eventual resale value of the house in an ever expanding real estate market.*

Houses were built to match market demand in a variety of sizes and price ranges

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People with steady incomes became consumers and shelter became a commodity to be bought and sold



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Homeownership stabilized families so that they could take advantage of other opportunities



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With industrialization, simple shelter shifted from basic survival to the need to earn enough in wages to buy or rent housing on an open market.

LANDLESS POOR

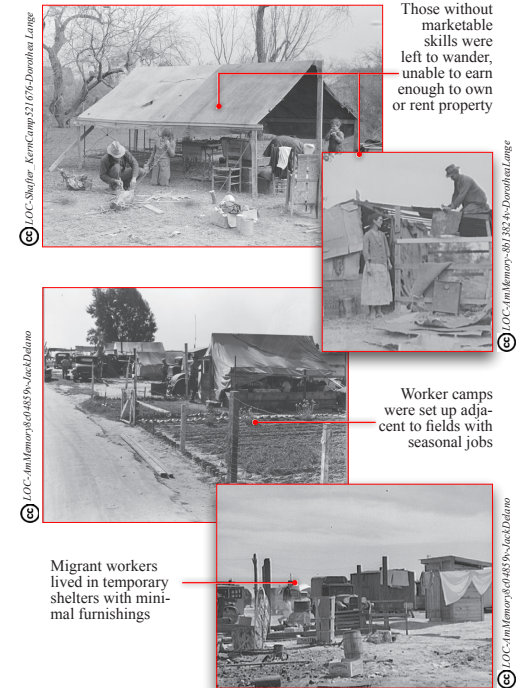
In a robust economy with fair practices, the cost of housing is balanced by good jobs and steady incomes. But wherever there is political instability, abject poverty, and inequality, exclusionary zoning based on economically motivated land laws, worked to marginalize a segment of the population who couldn't afford the higher cost of living. Unskilled workers were left to find employment for low wages, without the income necessary to buy or rent a house in a decent neighborhood.

In this way, codes that were enforced to raise construction standards and maintain property values for a privileged few, created economic barriers that left an entire class of people impoverished and outside the protection of formally regulated government policies.

For landholders, property meant comfortable housing, stable values, and the wealth that came with ownership. But for the landless poor, the absence of a

permanent place to call home, meant limited access to decent schools and the conveniences that came from living in formally protected neighborhoods. Those without the contacts, education, skills, or training necessary to earn enough to rent or own decent housing, found themselves isolated, roaming from job to job as migrant workers, forced to live in labor camps near mining, timbering, or fields during seasonal harvests, enjoying none of the comforts that came with a settled life in a formal economy.

Migrating to find seasonal work meant an uncertain life in housing that was by definition only a temporary solution. But things were not much better for those who chose to remain in industrialized towns and city centers. Increased mechanization and greater efficiencies meant fewer jobs and little work available to unskilled workers. With no choice except to sit and starve, thousands of



Industrialization shifted the value of labor to that of a resource in a competitive wage-based economy. Those without skills were left landless as day laborers, migrating to work wherever they could find it.

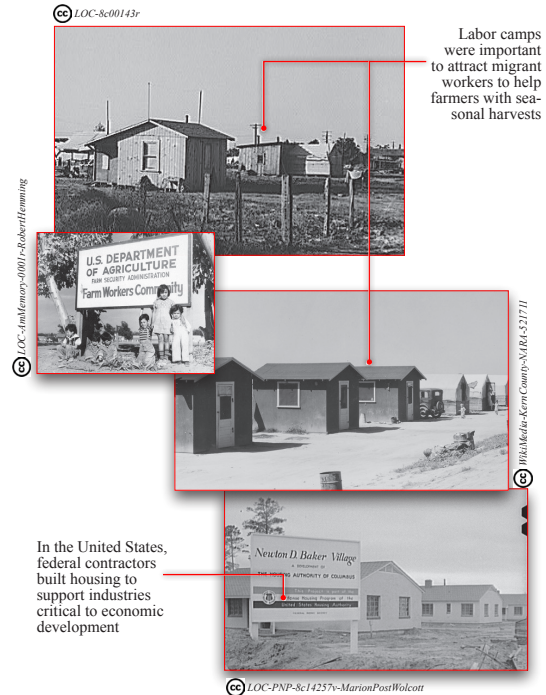
men and women were forced to compete at factory gates with others who were equally desperate to find something that would pay a living wage. Desperate people took whatever they could find to simply survive, waiting hopefully for something permanent to come along, resigned to their fate as one of the world's working poor.

Without education, training, or special skills, life for many families was increasingly uncertain. Vulnerable to exploitation, they remained hopelessly marginalized and unlikely to find any work, let alone earn enough to make life a little more comfortable.

Things were even worse in countries where dependent preindustrial exploitation, colonialization, and class barriers left people with few choices for housing and survival. As a result, disadvantaged countries, struggling for relevance in a global economy, were unable to offer substantive relief to their poor because of their

own tenuous circumstances. For those caught in one of the less developed backwaters of a rapidly expanding global economy, infighting and political exploitation left governments powerless to protect their poor and unable to take advantage of the changes that came with industrialization.

This meant groups of desperately disadvantaged people in many parts of the world were left with few housing alternatives. They could give up in frustration and join one of the homeless populations who had lost all hope, share a room in a crowded rental unit with family or friends, or endure the bureaucracy and dependent relationships that came with public housing. But even in affluent regions, subsidized public housing was not always available and when it was, it often left much to be desired.

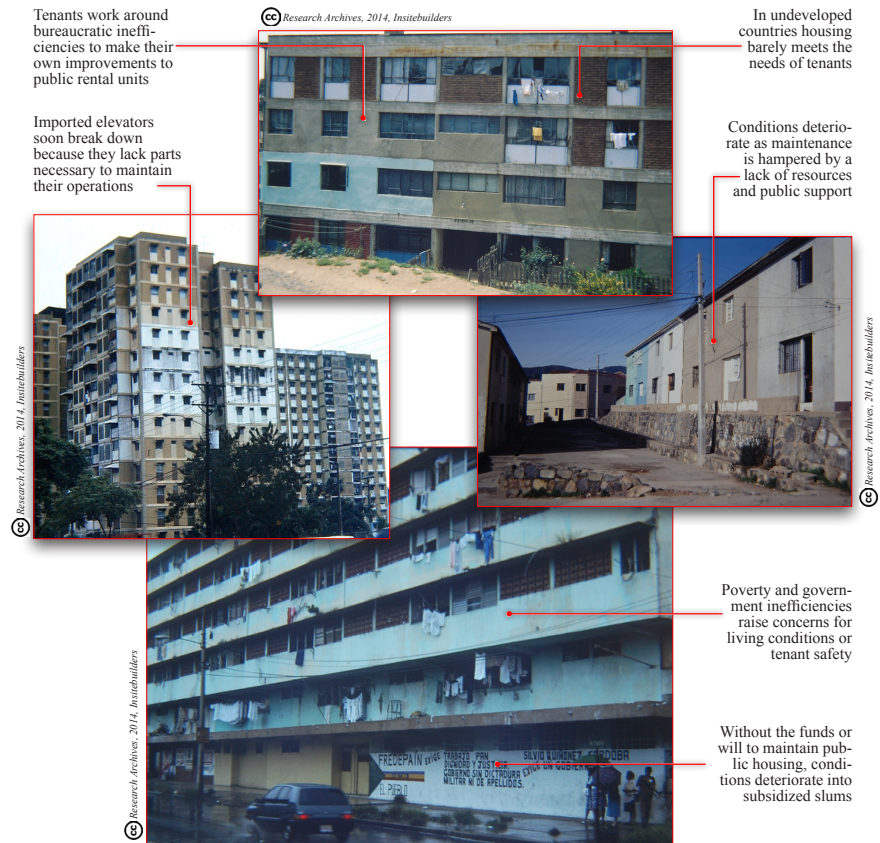


Worker housing was important to the success of remote agricultural areas, mining, milling, and factories because any shortage of housing made it difficult for companies to recruit workers and compete in a rapidly expanding global economy.

PUBLIC DEPENDENCIES

Steady property values might have stimulated housing production, but only in the zoning districts that promised the greatest potential profit. In fact, market forces and land-use regulations made it difficult for developers to build even modest housing in regions that couldn't promise reasonable returns for their investors. As a result, local governments were often overwhelmed with the demand for affordable housing, triggering political infighting and social discontent that destabilized market perceptions and discouraged further growth and development.

To mitigate the inequities and address the demand for low cost solutions for the marginalized poor, affluent governments used property tax revenues to subsidize rents and build public housing projects. Government agencies then allocated rental units in these projects with the expectation that tenants were then able to work one of the low income jobs necessary to sustain a community's broader economic objectives. But as often as not, the quality of poorly maintained public housing in the dispos-



Public housing projects were built to house the workers, keep wages competitive and sustain growth and development, but without strong property values, stable tax revenues, and political will, governments are left with none of the resources necessary to maintain public housing projects.

ressed regions of almost every country, along with the impoverished nature of their tenants, led to deteriorating conditions and social tensions that then required another government agency to resolve.*

In the end, government subsidized housing offered the working poor a direct dependency on the same regulatory system that was responsible for their exclusion. Faced with inherent bureaucratic inefficiencies, the builders among these workers chose instead to follow a deeply-rooted tradition of self-determined survival, taking it upon themselves to piece together their own housing solutions.

Incomplete Solutions

With limited oversight, unscrupulous developers take advantage of government inefficiencies to build public housing with substandard materials and systems. Buildings and services soon breakdown, leaving owners and governments with unfinished projects and little to show for their efforts.



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Housing shortages during the Industrial Revolution left many to piece together their own housing solutions



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Conditions varied with government enforcement, available materials and the motivations of each unregulated builder

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Builders survived by occupying land and piecing together their own shelters

Self-determined builders with limited marketable skills moved on to open land as squatters to piece together their own housing solutions from the waste of a rapidly developing industrialized economy.

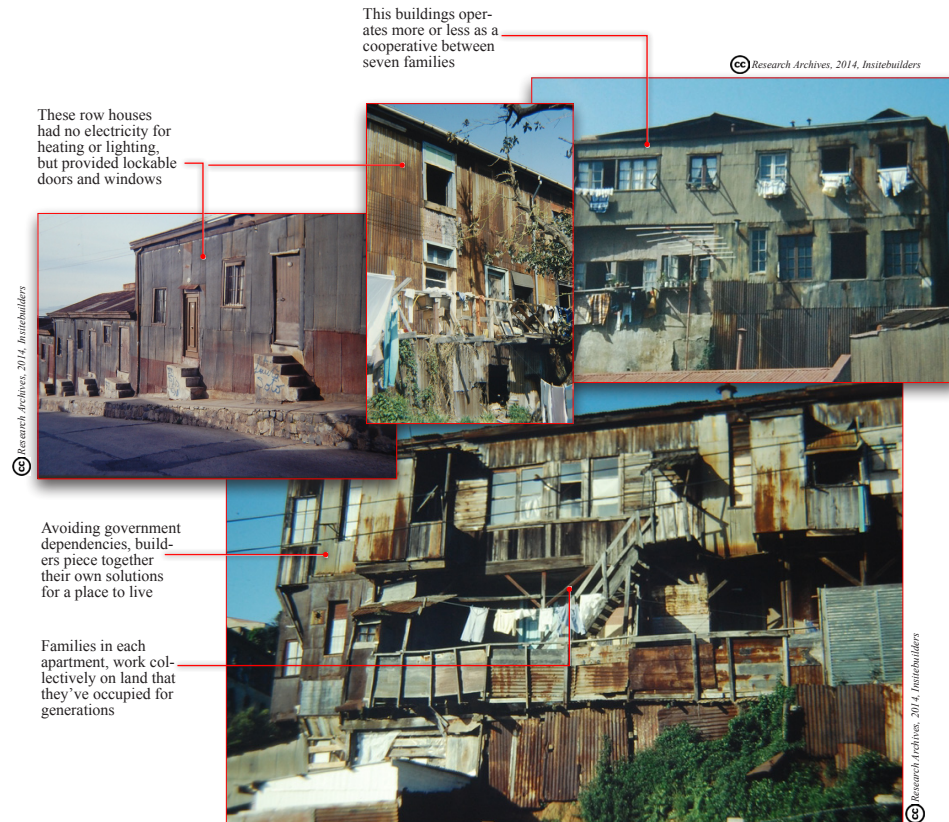
**The abject failure of this approach was abandoned after foreign governments were distracted by other concerns and planners and architects began to recognize that architecture was not really the problem. The problem was globally systemic and solutions could not be imposed by outsiders who could not understand the values inherent in an informal economy.*

THE OTHER PATH

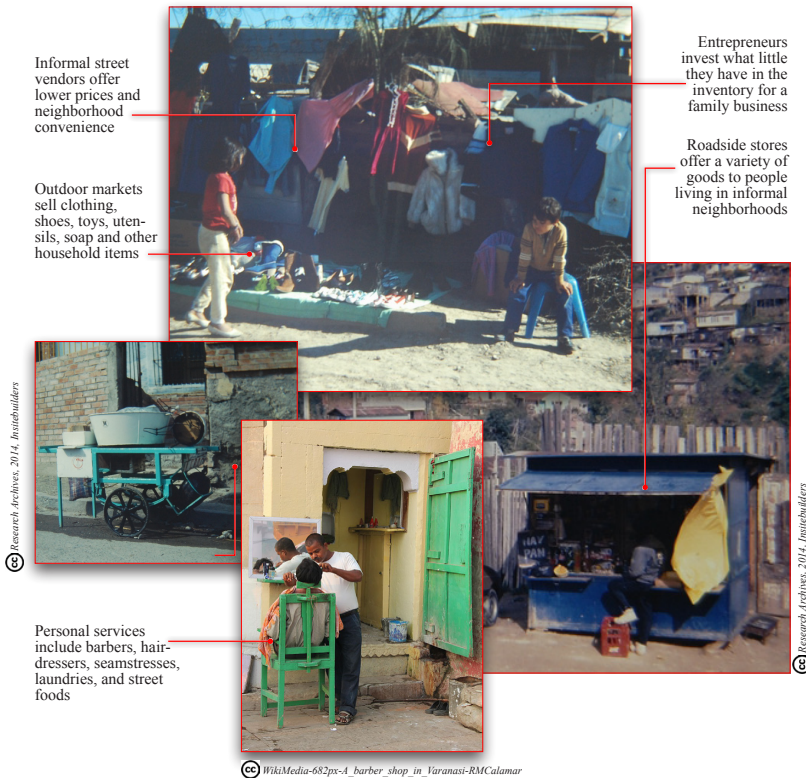
While marginality implies exclusion from a privileged social or economic group, it also means inclusion in what is often a larger community of similarly marginalized people. Those in public housing share poverty, dependency, and the frustrations of dealing with bureaucratic agencies, while others turn to personal relationships and communal strategies, living in rooming houses, or sharing an apartment or simple shelter in an informal settlement.

In his book, *The Other Path*, Hernando de Soto sees the informal settlements of Peru as a viable alternative to formally regulated development when economic conditions make it difficult for market systems to provide low cost alternatives to disadvantaged poor. His research shows people responding informally to government inefficiencies, the lack of housing, and the high cost of goods and services by coming up with their own solutions.* As entrepreneurs they set up micro-businesses in an unregulated economy, selling or servicing whatever might be needed, by investing

**Governments in countries that are unable to provide sufficient housing also find it difficult to enforce compliance to land laws, or generate the political will necessary to pass definitive building and zoning codes.*



Builders piece together a multifamily building close to the city center where access to jobs and services create a demand for affordable housing. Occupants in this building live close to work, schools, and services, even though conditions can be both miserable and dangerous.



Informal entrepreneurs invest in the inventory and fixtures they need to open small shops, services, and manufacturing facilities that provide for the basic needs of an informal economy. Any income supplements low wages and intermittent employment.

what little time and money they have to open a store, sell dry goods, work as a barber, run a day care, cook street foods, provide laundry services, or do anything else that might help them survive.

In the same way, many take it upon themselves to put together their own housing solutions.* In industrialized countries, this includes living temporarily in isolated homeless encampments or choosing life on the streets sleeping in public places with whatever possessions they can carry. In less developed countries, overwhelmed with the needs of their own destitute poor, people squeeze together in abandoned buildings, rent space from illegal landlords, or invade open land as part of an informal settlement. Recognizing the risks as well as the challenges of life in one of these settlements, self-determined builders take advantage of the absence of formal controls to occupy open space and piece together a household that strategically takes possession of a place to live that they can call their own.

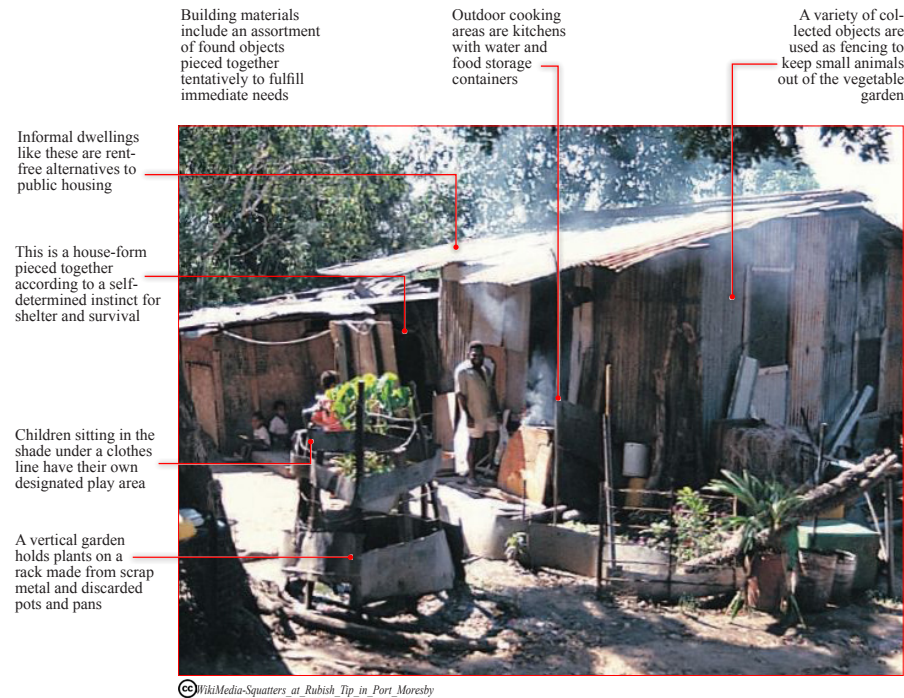
**Just as our earliest builders must have broken from constraints and conventions when they faced challenges to the resources they needed to survive, builders caught outside the formal economy, take this same self-determined approach to shelter and survival. .*

MYTH OF MARGINALITY

The myth of marginality is that people living and working in an informal settlement are poor because they lack the social and technical skills necessary to deal with life in a formal economy. But the truth is quite the opposite. Faced with deeply rooted barriers and the disadvantages that come with social inequities, many self-reliant individuals actually chose to live informally, finding a place in a settlement with others who share their economic circumstances.*

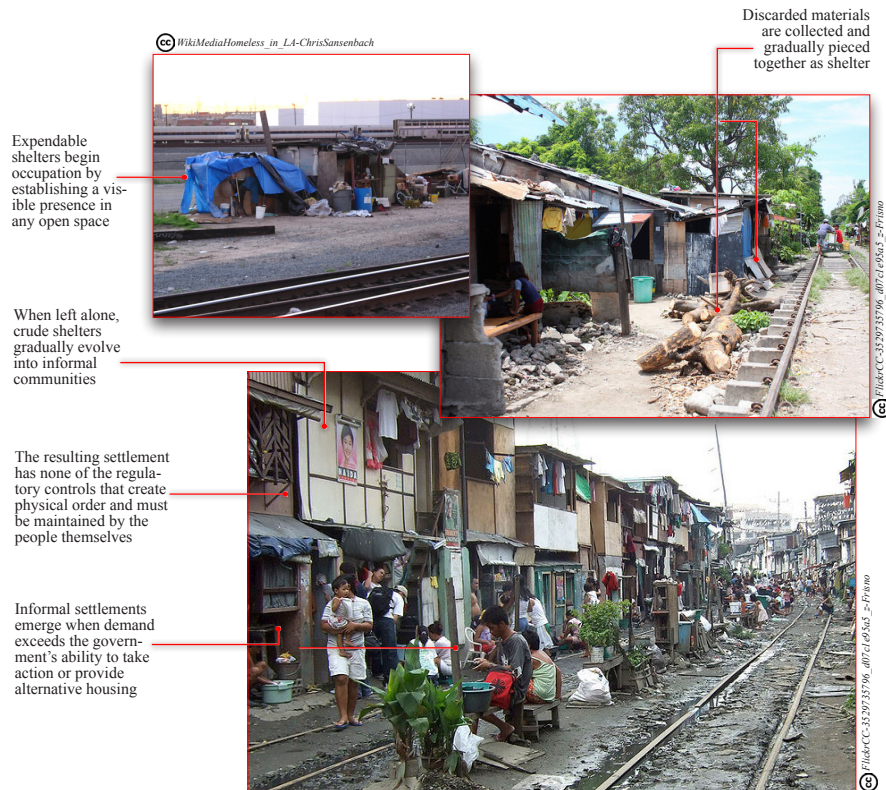
Marginalized by the high cost of living, they could wait in line for public assistance, crowd in with family or friends, turn to crime or fraud, or just give up and live on the streets as one of the destitute and homeless wandering every industrialized city in the world. Instead, these men and women chose to avoid the indignity of public dependencies and the bureaucratic fees, taxes, and higher rents that would take what little they have to survive.

With little money and even less hope for any real change, the absence of government support may appear to leave people helpless and impoverished, but researchers studying in-



The United Nations estimates more than one billion people or one-sixth of the world's population were living in informal settlements in 2010. Among these people are builders who strategically assemble a unique house-form from found objects in ways that help them take possession of open land or any available space.

**Marginality: is not a modern phenomenon. Some scholars even hypothesize a theory of marginality that suggests that the expansion of prehistoric human settlements was caused by the exclusion of certain groups of people considered to be outside the boundaries of prehistoric social norms. These splinter groups may have been the ones who moved out of their caves to try their luck in a different place and alternate form of shelter.*



Informal settlements are a self-reliant alternative to public housing. When left alone they evolve slowly into communities based on face to face transactions in a shared, self-determined struggle for survival.

formal communities have found instead people sharing a different set of values and their own ways of working together. There is a social and economic circumstance where it's possible to exist by bartering services, starting some small enterprise, negotiating micro-exchanges, while piecing together a place on their own.

Obviously the goods, services, and quality of housing in an unregulated economy don't meet the standards of the more privileged formal sector, but informality does offer a variety of affordable alternatives. These include inexpensive eat houses and street foods that save on the cost of storage and cooking. Vendors selling everything imaginable at negotiated prices, including low cost single and multifamily rentals, boarding houses, and open spaces where an ambitious builder might be able to occupy a place long enough to become a recognized landholder. Of course, with little money and few resources to fall back on, everything is a struggle, but living "under the table," makes it possible for otherwise vulnerable people to avoid regulations and shifting political policies, joining an informal system made up of similarly marginalized people.