SOCIAL STRATIFICATION SYSTEM IN COLOMBIA

A socio-economic stratification system ranging from 1 to 6 divides all cities in Colombia into high and low income neighborhoods.

A blog by The International Federation for Housing and Planning

In Colombia, a socio-economic stratification system was implemented in the 1980’s to classify urban populations into different strata with similar economic characteristics. The system classifies areas on a scale from 1 to 6 with 1 as the lowest income area and 6 as the highest. In 1994, this stratification policy was made into law in order to grant subsidies to the poorest residents. The system is organized so that the people living in upper layers (strata 5 and 6) pay more for services like electricity, water and sewage than the groups in the lower strata.

STRATIFICATION IN BOGOTÁ

Bogotá is a city of mainly strata 2, 3 and 4 residents (low to medium) who live in the city’s periphery. 68% of Bogotanos live in strata 2 and 3. The poorest population is concentrated in the south and south-west of Bogotá in housing mainly built by the informal market while the rich gather in the north. Even though the social stratification system is intended to help the poor, it also divides the city into zones of wealth and poverty. The stratification system is an income-based spatial division that classifies and demarcates the citizens by law.

STIGMATIZATION OF THE POOR

According to Alejandro Rodríguez, project director of the urban consultancy firm Geografía Urbana, the stratification system keeps Bogotá in a deadlock and prevents physical and social mobility within the city. “We have a problem with social sustainability,” he says, “as the stratification system stigmatizes people and urban districts in the lower strata. Only people in the middle section of the strata will have a chance to move.”

STRATIFICATION AS A PLANNING INSTRUMENT

Former mayor of Bogotá, Enrique Peñalosa, however, thinks that the stratification system makes it easier for poor people to settle in areas where they can afford to pay housing and basic services. “It also makes it easier for the city to provide public transportation and schools, water supply and sewage to the areas with the highest needs and lowest income,” he points out. “So social stratification by law is not only a bad thing. If you created more diverse neighborhoods you would also need to implement schools, health care and shops that the lower income families could afford. This would be ideal, but is a great challenge in a city with such a big gap between the rich and poor.”

Commonsense practice or state-sponsored caste system? Social stratification in Bogotá, Colombia

Extracts

By Steven Bunce

A running joke in Colombia is that the rich want to be English, the intellectuals want to be French, the middle class want to be Americans, and the poor want to be Mexicans. – William Ospina, 1996. Since 1988, residential zones in Colombia’s capital have been organized into six strata (estratos). This holds an important administrative function by which the upper classes pay a higher rate for their services or utilities to subsidize the costs of services for the lower classes. While degrees of social stratification and grouping based on socioeconomic status are evident in all societies, there are very few cities in the world in which income-based class divisions are explicitly categorized and its citizens classified and demarcated via a public policy.

In her works exploring social mobility in Bogota, Uribe (2008) recalls a conference in which journalists and academics from several Latin American countries and the USA were shocked by the use of the word ‘strata’ and its socio-economic application in Bogota. They were alarmed by how unremarkable this system was to Colombians, who regarded it merely as a straightforward means of formulating taxes and subsidies for public services. By the end of the meeting the Colombians in the room were made to feel “as if we’d collectively acquiesced to a state-sponsored caste system.”

Trends in survey responses allowed Uribe to formulate certain conclusions about the impact of stratification citizens: The primary finding was that it had molded citizens perceptions of social mobility and created conditions in which hierarchy is perceived as ‘inherited’ and perpetuated a reality in which economic stratification acts as a barometer for social representation. Less apparent is how, in a little over two decades, the stratification of Bogota has made an indelible
“I am 23, 5’7”, from estrato 2. In another personals ad, a middle-aged man in search of “a woman who enjoys dining out and cuddling in front of the television” includes his strata level in the same sentence as his eye color and profession (Uribe, 2008).

I have since been compelled to explore what effect this ‘freezing’ has on the city’s social fabric and citizen perceptions of insecurity, particularly at time when so many residents have described the city as slipping back into chaos, high crime rates and widespread intolerance. Having arrived in Colombia with the intention to research forced displacement, I am consistently pulled in the direction of investigating the fragmentation of civil society and its relationship to, among other things, the country’s stratification system.

Bogota represents somewhat of an anomaly in terms of many Latin American cities, in that its urban socio-spatial segregation and north-south divide is not clearly visible in the landscape via a ‘city of walls’ (Caldeira 2002) or insulated housing estates, although buildings in the more affluent neighborhoods do have tighter security and guards. Instead, zones are allocated a number between one and six and administrative fees are charged accordingly. Unofficially, as many residents have conveyed to me, there is a strata zero (poor zones of informal housing) and a strata seven and eight (in the city’s northern outer limits).

Gonzalez (2007) argues that the stratification system has generated conditions of more acute socio-spatial segregation, which reproduces itself over time. This operates on several levels. For one, a 2002 study by McIlwane and Moser of poorer neighborhoods of Colombian cities revealed a high degree of ‘area stigma’. Even those with greater cultural capital (such as academic qualifications) found it difficult to overcome the stigma of residing in a poorer zone of the city. On the other hand, the increased cost of living in Bogota has provoked a trend in which residents wish to descend a stratum, or have no desire to ascend as the overhead is too costly, further indication of more acute spatial segregation and ‘freezing’.

Source: http://erinbtaylor.com, on 28/10/2011

Stratification and Public Utility Services in Colombia: Subsidies to Households or Distortion of Housing Prices?

Abstract

By Carlos Medina, Leonardo Morales, and Raquel Bernal

Domiciliary public utility services in Colombia have a cross subsidy system which charges subsidized rates to the households who live in houses located in strata associated to low wealth levels, and taxed rates to the better off. We assess the hypothesis that the flow of subsidies that potentially come from a particular house, are discounted by housing market agents so that most of them are transferred to the prices of the houses that generate the subsidies. By estimating a hedonic prices model applying a regression discontinuity approach, we find that the increment in house value estimated because of subsidies is similar in magnitude to the present value of the flow of subsidies. Likely effects are found on the rent amount. We conclude that subsidies to the poor population through public spending in domiciliary public utility services in Colombia is being achieved, if anything, in a very limited way. Most of the financial effort on this subject ends up distorting housing relative prices according to socioeconomic strata, with an annual cost of up to 0.7% of GDP in supposed gross subsidies to domiciliary public utility services.

Source: Torero Economía Vol. 7, No. 2 (Spring, 2007), pp. 41-99