

Private construction sector in new housing policy

New rol in Guayaquil-Ecuador



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1 Shelter Situation Analysis

1.1 Basic General Data, Geography and Administration

Ecuador is one of the 11 South American countries which is located in the northwest of the continent, with a privileged situation given by the Equatorial line, from which it takes its name, it has the whole west boundary with the Pacific Ocean, and also it is part of the Amazonian forest in its east boundary.

In the new world global order Ecuador has also become a very interesting site for trading intercontinental relations. Guayaquil is the main port and the most economically dynamic city, it is being prepared by the local government to become a great center for tourism and international conventions, as well as to keep being the principal sea port of the country.

Guayaquil's expected growth population is around 2.8 million for 2015, which will represent an increment of 33%.¹ The city is well known for its large number of unregulated settlements, 60% of its housing land use is occupied by poor settlements, which surround the city in the north, south and west boundaries.

The new elected president Rafael Correa² is trying to lead the country into an economic-political neo-socialism model with a very strong opposition of the Congress and the main traditional parties. New development model tries to reduce

¹ UN-Habitat, 2003

external financial dependency, so funds for subsidies the central government housing projects actually come from oil gains. One of the electoral promises was addressed in delivering 60.000 house solutions in 2007.

People saving incapacity and non legal land hold are becoming two big problems for a successful achievement of this plan.

Municipalities have shown political stability supported by decentralized policies, in spite of central government instability. In several cities, such as Quito, the country Capital city and Guayaquil have been achieved great modern urban transformations, especially in the last one. This city presents big contrast with the increasing unregulated settlement in the north west fringes of it, where exclusion situation does not get mitigated..

Demography and Health

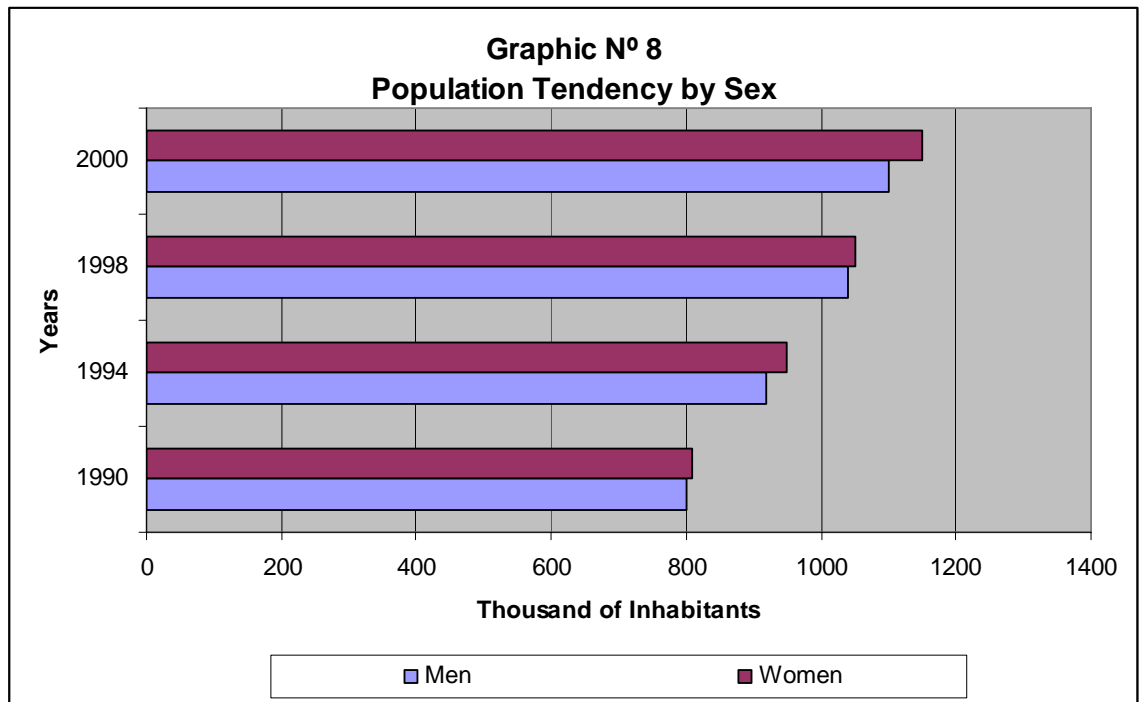
DEMOGRAPHIC UNIT	POPULATION				RATES (*)		
	1990	1994	1998	2000	1990-94	1994-98	1998-00
GUAYAQUIL CITY	1'613.206	1'810.043	2'069.050	2'158.976	2,92	3,40	2,15
MEN	796.924	892.170	1'017.559	1'059.194	2,86	3,34	2,03
WOMEN	816.282	917.873	1'051.491	1'099.782	2,98	3,46	2,27
METROPOLITAN AREA	1'704.884	1'925.867	2'226.776	2'353.588	3,09	3,70	2,81
MEN	835.393	944.060	1'092.234	1'154.906	3,10	3,71	2,83
WOMEN	869.491	981.807	1'134.542	1'198.682	3,08	3,68	2,79
NATIONAL URBAN	5'683.585	6'717.859	7'482.125	7'593.704	4,27	2,73	0,74
MEN	2'793.568	3'306.538	3'686.26	3'713.425	4,30	2,76	0,37
WOMEN	2'890.017	3'411.321	3'795.858	3'880.279	4,23	2,71	1,11

² Correa starts its government in January, 2007

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NATIONAL	10'264.137	11'221.070	12'084.628	12'146.095	2,25	1,81	0,25
MEN	5'044.823	5'531.988	5'987.993	6'024.463	2,33	2,00	0,30
WOMEN	5'219.314	5'689.082	6'096.635	6'121.632	2,18	1,74	0,20

(*) Rates of annual growing average of the population for each term
Source: INEC: Ecuador: Population Projections for Provinces, towns, Areas, Sex and Groups of ages. Years 1990-2000.
Elaborated by: DPLANG, Department of Strategic Programs and Plans (Urban Economic Area)



Nowadays, Ecuador population is 12,156,608 with a growing rate of 3.8 % more between 1950 and 2002 but by the 21 century it is expected to have a bigger growth, considering the youth majority. Even though migration to Europe and USA, started since 2000 has already reached to 3'000.000 people.³

Guayaquil population is around 2,039,789 habitants and has a 2.5% rate of growth; it corresponds to the 17% of the total population in Ecuador.

³ Last Census was done in 2000, we do not really know which is Ecuadorian real population at 2007, growing rate and strong migration have to be considered. Data in this paper is based in 2000 Census

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Health problems in poor areas are aggravated by overcrowded homes, sub-human conditions in extreme poverty situations and lack of sanitation.

Economy

Ecuador economy is based in the oil exportation and remittance as the most important sources. The currency is the United States dollar since 1999. Nowadays the dollarized economy is one of the main factors of financial stability upon which the construction sector has largely increased its production of private housing programs for high end and medium end people as well as for medium low ones. The new central government housing programs and the recently local government plotted serviced programs become an attractive sector for constructors, who find profit in the large scale of low end housing construction.

Concerning social aspects, there is a serious deep exclusion in the population: the poorest, 20% of the population receives, just 1.7% of total income. The basic salary is USD \$ 160 a month and the cost of the family shopping basket is around USD\$ 345 per month, this mean a shortage of \$185 in the worker budget, and the 50% of the population works in the informal sector.

Saving capacity is limited in low income population; even though latest experiences in communitarian micro credits for production show just 1% of non payment.

Poverty in Ecuador

Present poverty rate in Ecuador, based in consumption has fallen down from 51.3% 2000 to 36,6% in 2004, while during the former period was increased from 40% in 1990 to 45% in 2001. Reduction of inflation indices, unemployment decreased economy growth and also emigrant's remittance is the factors which explain this situation. (CEPAL)

1.2. Shelter Related Fact and Figures

Access to Shelter

Housing deficit (quantitative and qualitative)

Demand for housing in Ecuador was estimated in 445,754 units, in 2006. According Ecuadorian Housing and Urban development Ministry, housing shortage in the urban and rural areas arrives to 893,039 units among the quantitative and qualitative deficits at 2006.

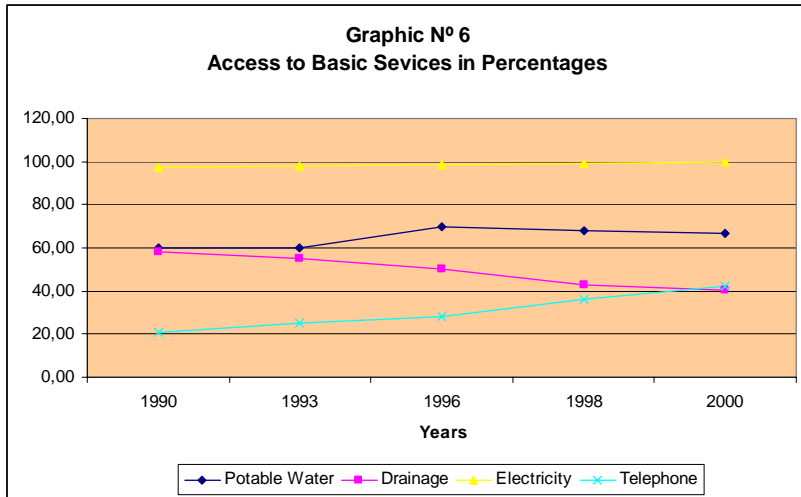
In Guayaquil, qualitative deficit is upon temporary construction material (bamboo and zinc roofs)⁴, and lack of sanitary conditions

Slums and basic services

TENDENCY OF THE LEVEL OF ACCESS TO THE BASIC SERVICES IN PERCENTAGES							
KIND OF SERVICES	1982	1990	1993	1996	1998	2000	
WATER SUPPLY	64,4	60,5	61,0	70,0	67,5	66,0	
DRAINAGE	52,1	55,2	53,4	48,8	45,5	42,0	
ELECTRICITY	95,7	97,4	98,1	98,8	99,0	99,0	
TELEPHONE	N/D	24,7	27,0	28,2	34,5	47,7	

SOURCE: INEC: Population and housing Census and poll of lives conditions.
Elaborated by: DPLANG, Department of Plans and Strategic Programs (Urban Economy Area), 2006

⁴ Bamboo houses are delivered by NGO Hogar de Cristo at national level as pre fabricated units. And are the most generalized answer for poor people.



620,000 houses units in Ecuador are in slum conditions, 940,000 without water access, 765,000 without sanitary units, and 1,190 units without drainage in the whole country at 2006. These units classified as qualitative deficient are added to the 573,535 unit's shortage. (Ciudad; Foro Urbano; Ecoarquitectos)

Yearly percentage increase in number of dwelling units

Guayas is the province with the biggest urban population (8 1.82%) Also Guayas is the province with the biggest housing shortage problem in Ecuador, and Guayaquil (capital of Guayas) is the 3rd city of the world with spontaneous settlements in very bad conditions, in relation to its population (2,039,789 people)

Occupancy

In Ecuador there are 2,848,088 (82%) of occupancy while in Guayaquil 480,587 the 92.28% of houses are occupied this is the 17% of Ecuador with 4.2% of people living in this houses

Tenure of households

The Ecuadorian capital, Quito and Guayaquil has the 83% of urban housing, from which 53% and 56% are not in regular tenure. And in several Ecuadorian counties the illegal household's tenure arrives to 70%.

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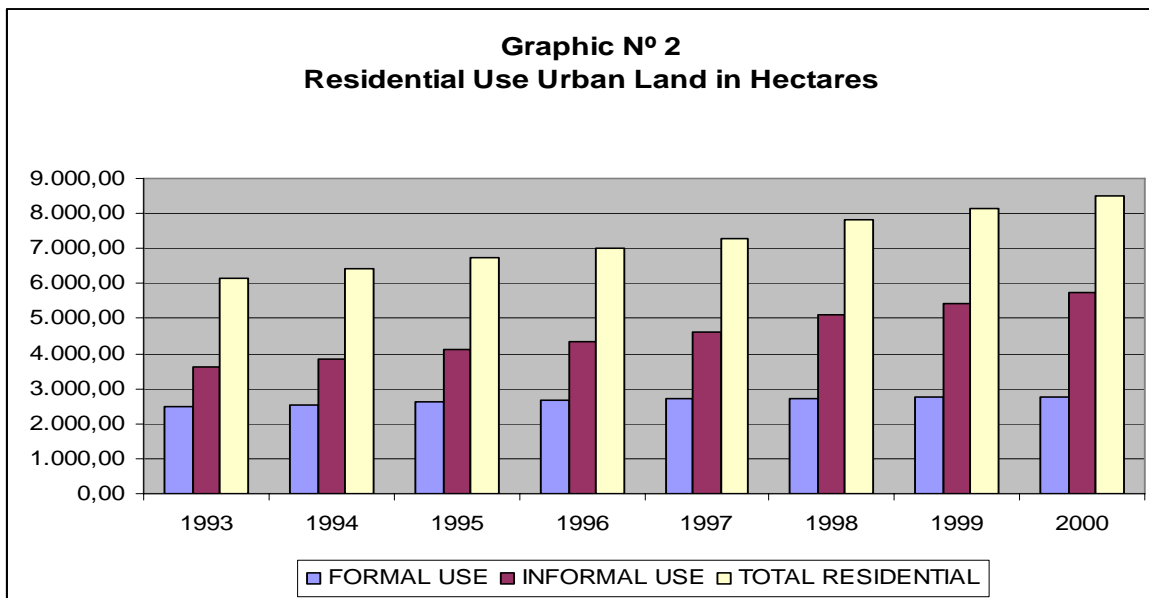
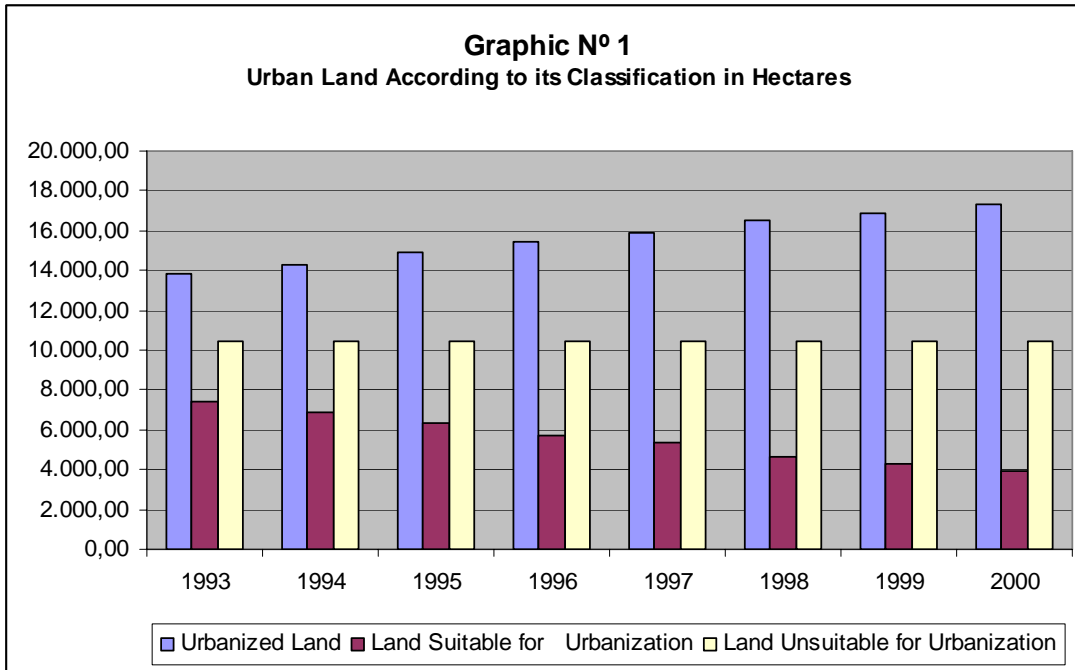
House price to income ratio

In order to let the low income people to have access to a 120 m² urban lot, the price should not be higher than \$3.300. It means \$14 to \$ 28 each meter. And for the lowest income people, the lot of the same size should be at \$1.330 it means \$6 to \$11 each m².

Land (formal/informal)

Guayaquil, the 60% of informal net residential land use average in earliest 90's has grown into 67.88 units in the 2000 while the formal one has been 40.70% and 32.41% in the same periods. (DPLANG, Department of Strategic Programs and Plans of Guayaquil)

From the total area (31.664,42 Has. in 2.000) one third (10.456,86 Has.) where considered unsuitable land for urbanization, most of it, is occupied now by poor settlements in the periphery zones. From 1993 up to now the suitable land for urbanization has been drastically reduced. (3.901,15 Has. In 2000) by the middle up classes urbanizations placed in the main exit roads of the city.



DISTRIBUTION OF THE URBAN LAND IN SUITABLE LAND FOR URBANIZATION AND UNSUITABLE LAND FOR URBANIZATION IN HECTARES

YEARS	URBANIZED LAND	Suitable Land for Urbanization	TOTAL for SUITABLE LAND	Unsuitable Land for Urbanization	TOTAL for URBAN LAND
1993	13.794,86	7.390,70	21.185,56	10.456,86	31.642,42
1994	14.326,16	6.859,40	21.185,56	10.456,86	31.642,42
1995	14.877,40	6.308,16	21.185,56	10.456,86	31.642,42
1996	15.434,25	5.751,31	21.185,56	10.456,86	31.642,42
1997	15.855,39	5.330,17	21.185,56	10.456,86	31.642,42
1998	16.532,09	4.653,47	21.185,56	10.456,86	31.642,42
1999	16.897,95	4.287,61	21.185,56	10.456,86	31.642,42
2000	17.284,41	3.901,15	21.185,56	10.456,86	31.642,42

Elaborated by: DPLANG, Department of Strategic Programs and Plans (Urban Economic Area) thousand of inhabitants

Housing construction

Since 2000 the construction sector has been strongly developed, due to dollarized economy. Potential stability in the market provokes longer payment periods and the mortgage credit offers are dynamical, in spite of the financial crisis of the 90's and the instability in the central government. In 2006 this sector grew up to 5.1% getting investment up of the \$3,220,000 (Management, Economic y Societal review, February, 2007).

Building materials

Poor housing in the rural coast region and in the fringes area of Guayaquil have been built in bamboo with zinc roofs as a temporary shelter, which last about 5 years before the house parts start to be changed in the urban areas, according to the owner

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savings capacity. The aim of poor is to reach a cement block house, and they arrives to it during a long period of time, by an self help and progressive construction system. In fact, Guayaquil has big consolidated⁵ popular areas with durable materials reached by this way.

Access to and cost of Basic Services/Infrastructure

Sanitary filling, through a modern plant, is in Guayaquil city the principal sytem of waste elimination (94.2%) since 1996. Unsanitary conditions were very high until that time. (INEC: Population and housing Census and poll of lives conditions in 1990.)

Toward 2001, the 51.6% of Ecuadorian households were in poor situation, from the ratio of unsatisfied basic needs (NBI)

Access to and cost of Education

The public expenditure in education was 16% and in the 2000 The investment was \$45 USD per inhabitant. Their own investment cause in 2004 that 700,000 children did not have access to formal education. In the health area the public expenditure was also low, only \$16 USD a year per inhabitant placed Ecuador in the lowest spots between 18 countries of the region.

1.3 Housing Policy

Housing policy in Ecuador is hold by Housing Ministry and executed by its regional offices in each of the provinces of the country. A Housing National Bank was created in past periods in order to manage the financial housing system, and it continues until now. Although, it has become a second floor bank, by including private financial system to play an active role by loading beneficiaries as well constructors. Unhappily private financial system is not interested to loan credit directly to beneficiaries.

⁵ Consolidated areas are in this paper, the ones which have basic infrastructure and certain level of social organization.

Ecuador new Government, missed, in place since January 2007, continues with similar housing program that the precedent one: The A+B+C system (Saving+Subside+Loan). The subsidies have been duplicated now to US\$ 3,800.00 and requirements for become beneficiaries continue being a struggled point for urban houses, specially in what concerns legal land tenure, income capacity for saving. Disposable urban land is another big problem, especially in the biggest cities. The Interamerican Development Bank (IAD) used to fund this program. Nowadays, President Correa government will finance it with Ecuadorian oil gains.

As well as in the precedent government, the actual one does not arrive to get housing regulations up to date. Middle and small private constructors has been participating very actively. Bigger ones claim for clearer and better financial bylaws also for shorter administrative procedures.

For several decades, Ecuador's housing problems were assumed by the state, which, through its central organization, supplied low-cost housing directly as a developer, builder and financial agent, acting though the Ecuadorian Housing Bank BEV (Banco Ecuatoriano de la Vivienda) and the Regional Offices of the Housing Ministry.. It involved subsidized, credit and direct housing construction.

Until December 2006, two programmes have been implemented by the Housing Ministry in order to deliver houses:

- **Urban and rural marginal houses:** In this case beneficiaries receive free just materials (steel for structure, steel sheets for roof, blocks and cement) with family work and some local material as counterpart in an amount of US\$500 for new house, and US\$ 250 for upgrading one.
- **The second urban program is the Savings + Subside+ Credit,** known like the A+B+C System, addressed to urban area. Beneficiaries have to save 10% of the cost of the house chosen by them, in order to receive a subside of \$ 1'800.00, (Subside has been increased to US\$ 3'600.00 since January 2007). They have to get a loan in any Bank or Financial Institution, in order to complete the difference of the value of the house, which top price should be US\$8,000. (top value of a subsidized house has been increased to US\$20.000 since January 2007).

Table of housing subsidy

House Value (USD)	Fee entry (USD)	Bonus (USD)	Credit (USD)	Month payment	Monthly Income
2,600	240	1800	360	6	32
3,600	360	1800	1440	26	130
4,500	450	1800	2250	41	203
6,000	600	1800	3600	65	259
7,000	700	1800	4500	81	354
8,000	800	1800	5600	97	360

Source: Ministry of Urban Development and Housing MIDUVI

President Correa's government has proposed as one of his electoral offers to deliver 60,000 houses in the present year. So, 16,000 for Guayas province, where is located Guayaquil city. After 4 months of this, just 4.000 postulants have applied and it seems, Housing Ministry has to reorganize its strategy in order to accomplish the goal.

Nowadays, the new housing bylaws, besides increasing the subsidy in 100%, has also increased the top of the value of the house to be subsidized to US\$ 20,000.00.(which, obviously will be addressed to low middle class beneficiaries with a larger private constructor participation).

Beneficiaries are required to be organized in groups of 25 members, with an own directory, and one private Technical Unit conformed by an Architect, an Account, and a Social Worker is in charge to manage and built the new houses or the upgrading ones.

The challenge for the new government is to guarantee the good quality of houses, not only in quantity. Also it has to survey for low costs face to the private constructor and promoters, especially the big ones which are expected to start participating intensively, with the government future new bylaw support.

Housing Policy from the Municipalities

The municipalities of Guayaquil, Cuenca and Quito are developing a number of modalities, including the following: public intervention, involving joint ventures with the private sector, to provide public or private land plots with basic infrastructure services and installations; private-sector development of low-cost housing or the sale of urbanized land plots for acquisition by low end families.

Guayaquil Municipality presents the largest low end houses project (15,000), “Mucho Lote” And it is preparing a second issue with the same size, both in the north periphery area of the city

Mucho Lote is an urbanization promoted by the Municipality. Since there is a seriously high shortage of housing and a low density of occupation of urban land, the Municipality has decided to develop a project called “Housing Plan of Plots with Basic Services Mucho Lote”. Its area is 1.627.700 m². It has been divided into seven phases. At the moment, one stage has been assigned to a private company and the third and forth stages are for sale.

Housing for low income families in Ecuador.

It is conformed by 15.000 plots with basic infrastructure, in order for low income families to be able to afford an urbanized plot where they could build a house and discourage illegal occupation of uninhabited lands in the city.

NGO’S ROLE.

On the other side, there are also some NGO’s proposals of organizations such as Hogar de Cristo which provides bamboo houses for very low income families, developing its own method of producing rapid and very low priced. During its thirty years of existence it has been delivering more than 500.000 houses. Nevertheless, these houses are a provisional solution to housing problem and the expected time to last is around five years. Even though the cost allows really poor people to afford

these houses, they are far from being the ideal response to the housing issue(Garcia, Shelter Design 2006)

1.4 Actors in Shelter Delivery and their Roles

- Central Government with its Ministry of Urban development and Housing – (MIDUVI), is the main financier for delivering subsidised houses, and housing policy maker
- Local government with its Municipalities, especially in Guayaquil is a new actor in the lots delivery.
- NGOs charged of low income housing: Specially, “Hogar de Cristo”, which has been delivering 500,000 bamboo temporary units in last 30 years.
- Private constructors and land promoters who are pressing for more clear bylaws to be included in public programs.
- Traditional Private financial system which attends the solvent credits excluding the non solvent poor people. This is one of the main obstacles to achieve the ABC system.
- Housing Cooperatives which are very active in Quito and the northern highlands provinces attending low end families, who belongs to ONGs dwelling programs.
- Academic units, universities and housing institutes which are working in new low income houses searching as well as training. IPUR of Catholic University in Guayaquil is very active in this subject:
- Beneficiaries, who have a weak organization in Guayaquil, but a strong and increasing one in Quito.

1.5 Shelter Design

Physical Planning

Urban planning follows the same “Spanish” lay out, in center city as well as in the poor areas. Size of blocks presents reduction in its measures in the peripheral poor areas. A very well structured grill road design divides Guayaquil city into functional sectors.

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Guayaquil has not had a complete official city plan, even though several ones has been started, informal housing goes faster than official projects in informal settlements.

Land Use

60% land use in Guayaquil is occupied by residential area. From which 70% average belongs to poor housing. There is absence of free land for urban social housing programs. Green spaces lack as well as social facilities in the poor neighbourhoods.

Guayaquil poor areas were placed in mangrove forest in the south and south west of the city, until 1980. Since then the north and north west has received continuous and vast illegal informal houses.

Population Density

Average in the city of Guayaquil arrives to 200 Hab/Ha. And less 150 Hab/Ha. In popular areas. The city is a flat and extended one.

Shelter Quality

The 70% of the housing land use belonging to the poor areas presents variety quality: consolidated areas have paved roads, electricity, pumping water, urban facilities, and houses in cement blocks. Lack of green spaces is the general problems as well as the absence of big social equipments. New dwelling areas have not paved roads, bamboo houses, water delivered by trucks, no assignment, etc.

Function

Shelter is used mostly for housing use; even though commercial use in the first floor is common in main streets as well as in corners blocks. Housing and workshop as double function for handcraft population is also very usual.

Social Inclusion

Several NGOs are working in depressed areas since 80s in Guayaquil for getting social inclusion. Guasmos areas are the most successful; the lasted incorporated ones

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in the North West of Guayaquil have lot of problems of self organization, then difficulties to be attended by social programs.

SOCIAL INDICATORS THAT MEASURE THE GAP BETWEEN WOMEN AND MEN

Variables	1993		1996		1998		2000	
	W	M	W	M	W	M	W	M
Rates of registration in education:							17.15	9.8
Level Pre-school (%)	24,71	22,21	24,62	22,46	24,45	22,58	25,47	23,52
Level Primary (%)	99,81	98,24	94,92	94,02	90,41	90,08	88,04	87,32
Level Secondary (%)	77,59	77,77	72,70	70,90	68,26	64,81	65,83	61,86
Index of adults literate	97,20	97,10	96,65	96,16	95,82	95,21	94,61	93,58
New Born Prospect of life (# years)	71,40	66,40	72,00	66,90	72,30	67,40	72,50	67,80
Children under 5 years old Mortality (x 1.000)	4,29	5,32	4,13	4,94	3,96	4,56	3,88	4,30
Rate of unemployment (% PEA sex)	12,20	6,26	16,70	9,01	15,50	8,50	17,15	9,87
Rate of informal employment (% PEA sex)	55,51	44,96	47,68	36,88	48,08	37,46	50,37	39,52

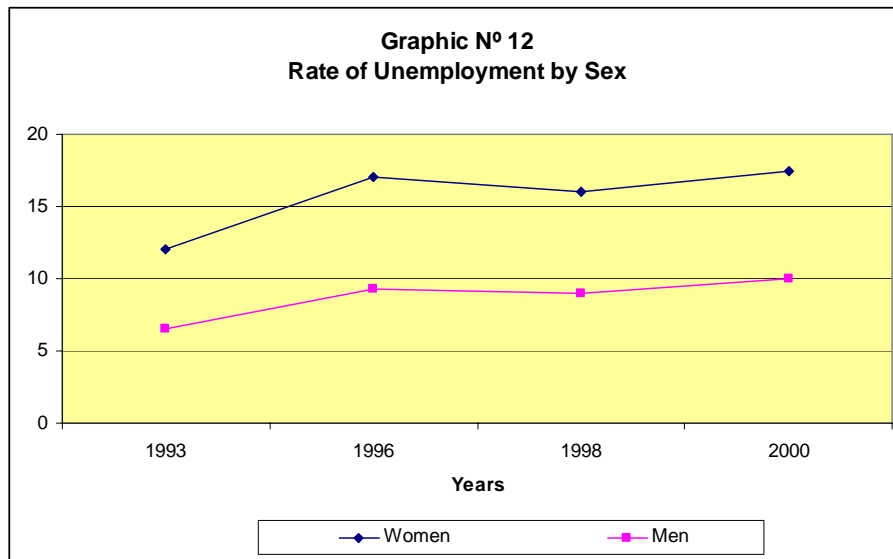
Source: Guayas Provincial Education office, Guayas Provincial Health office.
INEC: Poll of employment, underemployment and unemployment.
Elaborated by: DPLAN-G, Department of Plans and Strategic Programs (Urban Economy Area)

GENDER ISSUES

At 2000, the social gap between female and male is in favour of women, whom rates are a little higher in education levels but very high difference in unemployment (women 17.15%, men 9.8%) and in informal employment (women 50.37% and men

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39.52%) (DPLAN-G, Department of Plans and Strategic Programs (Urban Economy Area))



Sustainable Development

In Ecuador the sustainable development principles has not yet been applied into housing programs.

Dwelling sector continues with contamination problems, extensive land use, without its optimization, and economic, legal and political management is not efficient, mostly in what it is concerned to waste collection at national level.

Norms and Codes

Official norms are addressed for housing in blocks and cement. It does not exist codes about wood and bamboo construction. Neither exist construction norms for popular urbanizations, nor consideration for climate comfort, and sustainable construction material and technical processes.

In Guayaquil, there are special treatment for official housing projects' by accepting lower sizes in houses, and streets. Codes criteria system should be adopted for socialized housing

2 Organization

Instituto de Planificación Urbana y Regional (IPUR) (www.ucgs.edu.ec) is an academic unit created at the Universidad Católica de Santiago de Guayaquil (UCGS) in 1989. It is responsible in fields of urban, regional and environment planning. Activities include searching, education, training building, technical support, and spreading of information and knowledge. IPUR, who is one HDM's counterparts in the Promesha program, has developed a special interest in the fields of sustainable urban development, thermal comfort and sustainable building.

Housing for low income people is one of the issues which IPUR and the Architectural Faculty are very concerned. Several researches have been accomplished in the last 2 years in order to improve technical issues in bamboo, as well as to improve and to strengthen capacities in sustainable architectural and urban proposal in housing.⁶

Institutional credibility and high quality of the IPUR's performances let it to have access to the high levels of the Public Institutions, as the Housing Ministry and Municipalities of the region. Present proposal will be attended with a lot of interest and acceptance in this pre Constituent Assembly period. IPUR can play a facilitator role for the different actor's proposals for a new housing policy to be discussed and approved in the Assembly.

3 Shelter Problem

Middles 90 the ABC system is introduced in Ecuador by BID (IAD), which was already implemented successfully in Chile (in quantitative results, but it was questioned in lack of land policies and effects in segregation) and partially in Costa Rica, where it was adapted to their own social dynamic needs.

This housing system is part of the new global order by which governments should stop to be protectors and concentrators of the whole roles to become rulers,

⁶ The author of this paper was Director of IPUR from 2004-early 2007, and addressed it toward popular housing problems through academic researches and workshops.

facilitators, and motivators. Private housing sector should participate strongly. Also housing subsidies would be just for those who show their effort for saving, first.

During the 80s the save and loans policy organized through housing Mutualism was the previous experience for ABC system. The beneficiaries of this were the lower middle and middle end. Housing Ministry played the whole roles in house delivery (planner, constructor, financier, and ruler). Administration grew as well as corruption, recovering loans was not successful and house delivery was limited for the increasing popular demand.

At the beginning of the 90s Ecuador is conditioned by the BID to introduce the ABC system. The transition period between the former model into the neo liberal one started at that time and last until now, but it doesn't arrive to be achieved due mostly to:

A. legal land tenure,

This is one of the basic conditions for the individual subsidy approval. In spite of the great effort developed by Municipality of Quito and Guayaquil in order to legalize the land tenure in the informal areas, a large number of householders have not conclude the whole legal procedure; so they are disable for being beneficiaries to the subsidy.

In the same land availability issue, there are not large empty sites into the city boundaries for government low income housing programs, especially in Guayaquil.

The expensive private housing programs holed by private land developers are mostly addressed to middle and high middle end people and are located at each side of 4 express exit ways of the city. The latest consequence is an great increase of urban land value in spite of social housing programs, as well as it has an strong impact in urban extension and sustainability. So, It is necessary a sustainable and solider Land Policy. Municipalities might participate strongly to solve this problem

B. Funds Policies

Access to credit

Lack of a strong funding house system addressed to low income people is another strangled factor which limited to achieve completely the "A+B+C" system: low

income beneficiaries prefer to reach just the subsidy and avoid the credit. So, size and quality of the house obtained is the minimum allowed by the Housing Ministry, which amount would be US\$3,960.00⁷ Middle low end people are qualified to get credit, sometimes direct by the private housing developer, and sometimes from the formal banks, reaching to US\$8,000.00 houses value (offered by private promoter in “Mucho Lote” Municipality’s housing program). The same private promoters offer extra inside finishing, for US\$3, 000. 00 additional. In these cases, the official housing program switches from the original target beneficiaries to a higher income level.

New Housing Ministry has issued recently, latest modifications to the subsidy rules, which fix US\$20,000.00 as the highest house cost to be included in the A+B+C system. This amount means a US\$16.400 loan, only available for middle income people. Each time, the A+B+C system gets farther of the original target people.

Private Funding System

By the side of the private promoters, the lack of interest of the funding private organizations to get into the ABC system with reasonable loan’s costs limits their initiatives. Funds Policies are extremely necessary for a dynamic private promoters and constructors as well for the low income beneficiary access to credit.

Emigrant remittance

Emigrant remittance (\$2,500,000 in 2006) means 10% average of the funds addressed to housing investment, which is mostly captured by the private promoters. . And there is not any regulations or incentives around this funds to be addressed into socialized housing.

Renewal participation of the Social Security

⁷ US\$3,600 of present subsidy plus 10% of it, as beneficiaries saving.

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Funds from the Social Security are going to be addressed again to housing⁸ and there is not a housing policy up to date to include it.

The lack of housing sustainable policies, according to the present housing dynamic, does not let a transparent and well organized process for solving the shelter problem. This situation concerns because of the constantly increase of housing shortage, urban and rural land tenure which is not yet completed solved.

As well as the awaking interest of private constructors for the massive low income housing, after the big shut they suffer in their middle and upper class building projects as issue of the bankers crisis at the end of the 90s.

System as provider for mortgage loading, as well as the strong Municipality participation introduces three new actors. All of this, joint to the central government political promises for delivering 60.000 housing per an.

The following chart shows the former government role and the new one:

PROTECTOR

FACILITATER

<p>STATE:</p> <ul style="list-style-type: none"> • FUNDING EVERYTHING; ● DEFINING MODELS; ● BUILDING; ● RECOVERING PAYMENTS; ● SUBSIDIZNG TAXES; ● SUBSIDIZING ADMINISTRATION: JNV - BEV - IESS 	<p>STATE:</p> <ul style="list-style-type: none"> ● CO FUNDIG ● DIRECT POLICIES ● DEFINE RULES ● PROMOTE PRIVATE AND SOCIAL PARTICIPACION ● DIRECT SUBSIDIZE MIDUVI-SIV-PR PROGRAMMES
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OFERT MODEL

DEMAND MODEL

⁸ housing programmes for low middle end were first delivered in Guayaquil in the 50's and lasted until the 70's.

The following is a synthesis of shelter problem in Ecuador and Guayaquil specifically:

1. Ecuador has observed a huge political instability in the last two decades. Housing policies have not arrived to be continuous and lack of clear bylaws both has not answered BID expectation for ABC system, neither social housing demands. Nowadays, the political core of new government is the Constituent Assembly to be hold after October 2007 in order to restructure the state administration and to reduce the extremely participations of parties into the state control organisms as well as to reduce corruption.
2. It becomes the opportunity to establish a Housing State Policy for which several academic and social organized groups are preparing their proposals, among them IPUR of the Catholic University of Guayaquil.
3. Incursion of the private constructors into the public housing programs with their own housing design proposals, guided with a rental objective more than social and sustainable one, in many cases delivers inappropriate houses, especially for low income people. This should be considered in the new strategy for integrating this sector.
4. Incursion of Guayaquil municipality in huge massive lot and service housing programs addressed for low income people in the beginning, is turning for low middle class.
5. Neither the municipality planners nor the private constructor deliver these programs with sustainable considerations.
6. Also there is a lack of coordination and cooperation between the Municipality and the Central government due to political interest of their own parties.

In resume, Ecuador has different actors who are in conditions to be dynamic agents in a modern and clear new housing policy. This should be supported by a strong reorganization of the administrative institutions as well as in new creative initiative for private sector participation.

1. Proposal for change and Improvement

This Proposal aims to contribute for changes in the housing system in Guayaquil and in a dynamic and solid participation of private sector in the offer. It presets two levels:

First at all, considering the next Constituent Assembly as the major and most important opportunity to introduce new Housing policies, IPUR (FACILITATOR) will facilitate different meetings in order to get general agreements among housing actors, from several cities and different origins, to be proposed into the Assembly. These actions should be realized in short period, with the support of different institutions as the Housing Ministry, the PROMESHA program, Construction Chamber, and different allies as ONG Ciudad, Architects gremial organization in different cities, among another.

Secondly, a complementary target none less important is to learn from the lessons of different experiences involved with private participation in housing public system. For which, IPUR (RESEARCHER) will be made an exhaustive analysis about the achievement of the ABC system hold in different countries, focusing in Chile, Costa Rica since the quantitative success and the good coordinated public structure system is well known in the first; and the survival former assistant system combined with the modern ABC has given a special issue in the second. This will light out if the ABC system is appropriate or not for Ecuador and which modifications can be introduced.

Also, a synthesis about the Ecuadorian public housing experience and the private sector achievement will be done, in order to better understand the up to day issue, as well as to understand the causes of the limited private participations, its needs and aims.

Philippine's private sector participation in public housing will be also considered as one of the interesting practice concerning the joint venture modality, as well as the

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usufruct land tenure system⁹ and the high performance of an specialized unit for poor housing, adjoin to the Presidency.

Academic technical proposals for sustainable and alternative building proposals will also be integrated in order to guarantee a good house quality.

These researches will create the framework for specific proposals for the new housing bylaws, where IPUR will keep the facilitator target.

A SWOT analysis is made in order to determine the feasibility of the IPUR in relation to its role of FACILITATOR AND RESEARCHER for the New Housing Policy proposals to be delivered to the Constituent Assembly.

Strengths	<ol style="list-style-type: none">1. Big convoking capacity as Catholic University1. Cooperation with local and international networks2. Alliance with NGOs such as Ciudad in Quito city, Hogar de Cristo in Guayaquil, Fundacion Huancavilca and several communities organisations,3. Be counterpart of PROMESHA/ HDM program4. Knowledge and attainable competence in this specific area5. Experience in many public events in housing themes6. Excellent academic logistic infrastructure.
Weaknesses	<ol style="list-style-type: none">1. Low financial budget for organizing events.2. Institutional Priorities others than present task3. Professional Team discontinuity

⁹ Usufruct land tenure system is one of the last issues in Philippine housing by which government land is rented for housing projects. It reduces cost of houses.

Opportunities	<ol style="list-style-type: none"> 1. Government’s focus on Housing as a critical priority 2. New Constituent Assembly needs housing proposals 3. Good relationship with Housing Ministry. 4. Catholic University as Basic lines Commission member for the Constituent. 5. Support of PROMESHA as its counterpart
Threats	<ol style="list-style-type: none"> 1. Few collaboration from allies 2. Impossibility to get funds for events 3. Strong parties’ interest opposites of proposal document would not let it to be included in Housing commission of the Constituent.

SWOT Analysis

Annex: Action Plan

The hypothesis considers: *“by having a State Housing Policy, where shelter access is a HUMAN RIGHT guaranteed by the constitution, and where rules for each actors are defined as well as the integrated support structure (productive, financial, social, etc.) a stability and development can be reached in the sector.”*

So, private constructors participation in popular housing programs, (at technical, environmental, social participation and economic levels) can become an solidier allied, and adequate responses can be achieved, considering the high private performance in organization, creativity and competitively .

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Planned activities	Modality	Time Frame	Responsibility
<ul style="list-style-type: none"> Sharing knowlegment about housing situation Getting consensus among different actors about housing policies proposals in Quito and Guayaquil 	Conference and Seminaries Workshops I - II	Aug 2007	IPUR PROMESHA ONG CIUDAD
<ul style="list-style-type: none"> Continuing with same objectives in 5 another middle cities in Ecuador, IPUR will take responsibility over Manta, Cuenca and Machala 	Conference and workshops III to V	September 2007	IPUR Municipalities Local universities Housing Ministry
<ul style="list-style-type: none"> Consulting private sector: land promoters, constructers, funding agencies in Guayaquil and Quito 	Interviewin g Conference Workshop VI - VII	September 2007	IPUR ONG CIUDAD Private sector
<ul style="list-style-type: none"> Final edition of consensus document to be delivered to Assemblers 		October	IPUR ONG CIUDAD
<ul style="list-style-type: none"> Lobbing over Assemblers 	Conference Workshop VIII	November December	IPUR ONG CIUDAD Constituent Assembly
<ul style="list-style-type: none"> Monitoring Assemblers approval of housing consensus proposal 		January and on	Commission integrated by different actors, coordinated by IPUR , CIUDAD
<ul style="list-style-type: none"> Research about Chile, Costa Rica, Philippines ABC experiences and private sector participation 	Research visits in situs	November till Feb.	IPUR (Ana Solano) PROMESH

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