

Financing Low Income Housing

Micro Credit—Application and Influence in Balzar–Guayas.



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Guayaquil—Ecuador Shelter Situation Analysis

Basic General Data about Ecuador and Guayaquil City.



Geography and Administration

Ecuador is in South America. It is divided by the Equator imaginary line. It borders Colombia (North), Peru (South and East), and the Pacific Ocean (West).

The official language is the Spanish; however, most of the indigenous population speaks Quichua. There are 18 different languages or dialects among native communities.

Ecuador has four regions: Galapagos, Coast, Andes and Amazonian with twenty-two provinces, it has an area of 283,560 sq km, The climate throughout the country ranges from tropical equatorial rain in the Amazon to perpetual snow on the top of the mountains.

The population for July 2007 is estimated in 13,755,680 inhabitants. The official currency is the American dollar. The government is de democratic.

Guayaquil is the capital of the Guayas province, it has one of the main ports in the country, it is the largest and most populated city in Ecuador with 2,168,319 inhabitants (estimated 2006-by INEC); it is a hot and humid city, the temperature varies from 30°C to 38°C during the day.

Demography and Health

According to the census of 2001, Ecuador at that time had 12,156,608 inhabitants, distributed by sex in 49.5% men and 50.5% women, (July 2007) the population is estimated in 13,755,680 inhabitants. It is estimated in 2.58 % the rate of the population growth; the rate of birth is 21.91 births/1,000 population (this data is estimated to July 2007); also the Death rate for July 2007 is estimated in 4.21 deaths/ 1000 population; also the rate of migration is estimated to -2.16 migrant(S)/ 1,000 population. Country wide 7 of each 10 Ecuadorian do not have any health security; and the life expectancy, for the total population is 76.62 years, for men 73.74 years and women 79.63 years.

Economy

Ecuador has substantial petroleum resources, which have accounted for 40% of the country's export earnings and one-third of central government budget revenues in recent years.

Consequently, fluctuations in world market prices have a substantial domestic impact. In the late 1990's, Ecuador suffered its worst economic crises, with natural disasters and sharp declines in world petroleum prices driving Ecuador's economy into free fall in 1999, the currency was depreciated 70%, after this tragedy the US (\$) dollar was adopted as the official currency; Ecuador also produces and exports banana, cacao, flowers among others, shrimp is cultivated and the tourism is being developed.

According to the census of 2001 labor force by occupation was distributed as follows, agriculture 8%, industry 24%, services 68%; The official rate for unemployment is 10.6%; and it is estimated a rate of 47% for underemployment; and the population below the poverty line rate is 38.5%; according to the survey about living conditions (2005–2006) claims that 38% of the urban population and 61% of the rural population are affected by poverty, also the

inflation rate estimated in 3.4% and as a consequence of that about 25% of the population has immigrated to other countries.

Guayaquil is the city with the highest rate of unemployment. The unemployment rate by 2004 (first trimester) was 11.1%

Shelter Related Fact and Figures

Housing Stock

According to the 2001 census in Ecuador there are 2,848,088 (100%) housings that are in use, 1,796,069 (63%) corresponds to urban areas and 1,053,019 (37%) corresponds to rural area; 60% of the total urban housings and 79% of the total rural housings belong to their occupants. Guayaquil has 20% of the housing deficit with respect to the country. In Guayaquil 56% of the housings belong to the category of informal settlements

Housing Deficit (quantitative and qualitative)

There are many interpretations about the housing deficits, the government through its official institution (MIDUVI) says that by 2010 there will be a deficit of 899,285 (100%) housings, 728,961 (81%) in the urban areas and 170,324 (19%) in the rural areas.

On the other hand an NGO called “Viviendas Hogar de Cristo” estimates a deficit of housings in 1,250,000 (100%) Qualitative deficit 710,679 (57%) and Quantitative deficit of 539,321 (43%).

Another important NGO called “Ciudad” estimates that 590,000 (57%) of housings in urban areas and 450,000 (43%) of housings in rural areas have a deficit of services or have structure in bad conditions.

Housing Deficit (Housing - 2001)			
Sector	Qualitative Deficit	Quantitative Deficit	Total of Housings
Country	710,679	539,321	1,2500,00
Guayas Province	345,026	123,335	468,362
Guayaquil	166,579	81,699	248,278

Source: Hogar de Cristo – INEC 2001 Census

Water System

The access to potable water pipes to national level reached only the 48% in 2006, and 60% of the offered water is not potable.

Hygienic Services

1.859.119 houses have a bathroom with exclusive use; 318.059 of common use; 223.944 latrines; and 478.803 houses do not have any service.

Solid Waste Management

The recollection of the solid waste is of: 48% in the highland, 39% in the coast, 24% in the orient; about 1.257.000 of the houses do not have access to this service.

Accessibility

Thousand of families are affected by mobility limitation; access to the services centers and labor activities.

Yearly Percentage Increase in Number of Dwelling Units.

According to MIDUVI every year 54,000 new housings are needed and approximately 33,000 are built with public and private participation.

The ONG called “Ciudad” estimates that every year 54,700 new homes in the urban area and 9,000 in the rural area.

Occupancy

In 2006, the occupancy was estimated in 2,152,290 (66%) urban housings, and 1,112,576 (34%) rural housings.

Housing Standard

According to the census 2001, there are 1,288,899 housings with a bedroom, and 839,599 housings with two bedrooms; there is an average of 4,2 persons per housing.

Tenure of Households

In the urban area 53% do not have legal title to land, and in the rural area 40% do not have legal title to land.

Ownership (formal and informal)

60% of the urban housings belong to their occupants and 79% in the rural area.

Housing Affordability Ratio

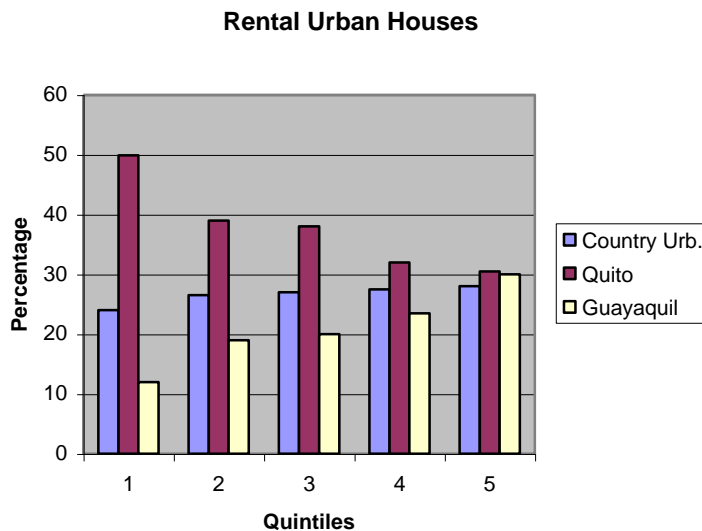
33,000 construction of new housings are done by the private and public sector.

House Price to Income Ratio

\$165.00 is the cost of each m2 approximately.

Rental (formal and informal)

23% of the population rent housings according to 2001 census.



Land (formal/informal)

441,000 new informal settlements were built during 1990 to 2000

Housing Construction

Housing construction is done mainly by private and public sector.

Building Materials

Most housings owners prefer to use structure of cement and iron, walls of block, roof of asbestos or zinc sheet, and the floor of cement; in the coast the cane is an important building material for the informal sector.

For materials, design and structure, in the rural areas, the indigenous houses are the ones that have a higher percentage of inadequate construction material (49.4%), followed for the Afro-Ecuadorian houses (15.1%). The rest of the population (13.3%)

Access to and cost of Basic Services/Infrastructure

According to 2001 census 48.5% of the housings country wide have access to sewage; 90.8% of the housings have electricity; 47,9% has access to potable water; solid waste management got a raise of 30 marks with respect the 90s. In 2001 the poverty rate reached 45% of the country (based on the consumption),

Access to and Cost of Education

The public education system is free (primary, secondary and undergraduate); according to 2001 census, 91% of the total population is literate, *male*: 92.3%, and *female*: 89.7%, taking into consideration people who is age 15 and over who can read and write.

Housing Policy

Ecuador does not have a clear policy in the housing matter, even though our constitution mentions it as a need in its article No. 27; through the years the official institutions created by the different governments (BEV, JNV, IESS, and MIDUVI) have been the responsible for the implementation of housing programs.

From 1999 to 2006 there was a subsidy given by the central government to the low-income earners, through the mechanism called A+B+C, where A means saving, B means Bonus, and C means credit, \$ 1,800 for new housings, and \$ 750 for housings improvement; 102,330 bonuses were given.

For this year the bonus will be higher \$ 3,600 for new housings and \$ 1,500 for housing improvements.

Ecuador has entered in a new stage of its life as a Republic, at the beginning of 2007 we had a new president, an economist who wants to implement some reforms to the constitution that will be done by September/07, so now some candidates to the “Constituent Assemble” are working in their campaign to capture Ecuadorians’ vote.

IPUR and The Catholic University of Guayaquil with support of Lund University through PROMESHA program in August-2007 offered a seminar (in the two main cities Quito & Guayaquil) called Housing Policy, with the intervention of the different housings stakeholders, the housing situation of Ecuador was presented by some lecturers, and at the end two documents which sum up the opinions given will be transformed in a single one, and will be given to the new Assembeists.

Actors in Shelter Delivery and their Roles

The Central Government official institution MIDUVI represented by the minister architect Maria Duarte, has recently signed the document which defines the procedure for the implementation the new subsidy, and the parameters that they will be used to determine who will receive it. Sadly I have to say that the low-income earners will not get it. Land title is a requisite, consequently the informal settlement are excluded, except on those cases where the municipality accepts the way they have access to water and sewage.

The new assembly representatives will start the hard work to elaborate a new constitution; right now there is a political campaign to capture the votes. They will have to decide about the housing matter.

Guayaquil local government led by major Jaime Nebot for a couple of years has a project of giving title to the families that live in informal settlement, there are still many areas where it has not been implemented due to the characteristics of the physical area; the program “Mucho Lote” which was an attempt to regularize the settlements in our city has stimulated positive and negative the comments of all the sectors. It is important to mention that the municipality has departments that do social work in different settlements that are located in the fringes of the city.

The private sector has also offered to the market some housing solutions for the middle and high income families; a segment of this sector has also worked in “Mucho Lote” offering gated neighborhoods.

NGOs such as “Hogar de Cristo”, “Fundacion Huacavilca”, as the well known play an active role in the provision of new housing and housing improvement to the low-income sector who live in informal settlements.

Catholic University of Guayaquil (UCSG), and Guayaquil State University have also been alert to what has been happening in our city, our role is to be counselors, observers, trainers, researchers and diffusers of the best practices. UCSG through the Architecture Faculty has a voice and has been a link with the main stakeholders of our society.

The families where the different NGOs work, are well organized and with effort have improved their lives conditions.

Shelter Design

Physical Planning

The informal settlements have households without any planning and usually its self-helping construction is progressive. For the ones who can afford the construction of a new household it is planned, to be permitted to build it.

Land Use

The settlements regulated by the local governments respects land use, such as wide of roads, green areas, and community services; for the informal settlements the criteria for the land use responds to the interests of the person(s) who organize the informal settlement.

Population Density

According to the 2001 census Ecuador has a density of 47,4 hab/km² considered one of the highest in Latin America.

Shelter Quality

Informal households are usually settle on land with precarious characteristics, land which is vulnerable to floods, or sliding, or on hills sides; with difficult access to the basic services or public equipment; in the coast the use of zinc for roof increase the heat inside the households, also the cleaning of big areas (trees removal) leave the user with no protection to the sunrays. Because of the materials cost the initial household has one or two rooms where that whole family remains.

Function

Many informal settlements give to their households other uses such as small business where different services are offered.

Safety

There is a high rate of delinquency in the biggest cities (with many gangs) so the families usually use metal fences, windows with protection bars, and metal doors.

Comfort

As it was mentioned above in the interior of the households there is lack of criteria about ventilation and natural lightning, and in the exterior limited o no access to communitarian equipment; they are victims of the weather (sun if they are in the coast or wind if they live in the highlands)

Gender Issues

Woman headed families are very common

Norms and Codes

The norms and construction codes are different from each municipality, they respond to their local needs, they usually determine the dimension of the lots, front and back yards, corridors, windows location (the side of the lot), etc; they also specify the construction material, in Guayaquil seems to be a contradiction, since the Municipality forbids the use of the wood for structure and wall that is the predominant material that is used for almost all the informal settlements, because of its price and workability.

The Research Institute of the Architecture Faculty of the Catholic University of Santiago of Guayaquil (IPUR)

IPUR was created in 1989 by the UCSG. Its mission is to be a unit of research, training, consulting and publication that will impulse the sustainable development for the urban and regional level to favor the different sectors, especially de vulnerable ones.¹

IPUR main activities are Research & Publishing, Consultancy, Continuing Education, Training and Technical Cooperation in Themes Related to Urban, Regional Planning and Environment.

IPUR strategic areas of work are: Housing and New Technology, Architectural and Urban Patrimony, Social Projects for Vulnerable Sectors; Planning for Local and Region Development, Planning and Environmental management, Sustainable Urban Design and Architectural Projects.

IPUR belongs to a net of organizations called “*Contrato Social por la Vivienda (CSV)*”, one of CSV’s goals is to get expressed in the new constitution the framework that permit to develop policies in favor to the right of housing (understanding for housing not just the construction but the surrounding also) that looks for the quality of life improvement specially for the low-income families, CVS’s members are lobbying the assembly members who are elaborating the main document that will guide our civil life; 2007 was a year full of activities such as debates, forums, seminars, and others organized by the CVS members they were done in the main cities, all the actors have been invited to participate actively and the outputs generated were collected and given to the member the assembly.

¹ For more information of the activities at IPUR see www.ucsg.edu.ec/ipur

Strategic proposal for change and improvement

There are two main areas where the intervention is possible, one of them is on the educational field since there is a good relation with a university decision makers, and also there is a direct relation with a NGO which nowadays is starting to work with a spontaneous settlement and it is looking for strategic alliances these situations give the opportunity to put into practice all the theory and practice learned through the SDD course, for both cases the challenge is different but they could be taken.

Social responsibility is a common term used at the Catholic University Santiago de Guayaquil, since its mission a vision is based on Christ doctrine, one question that come to the mind is what could be done to inspire students to get involve and wake up the willing to put their hand on any problem related so human life improvement. The answer might be through education. There is a subject called “Technical English and last semester themes such us poverty alleviation, slums upgrading, and the ones that appeared in “building issues” were the readings proposed. There were two goals behind it, one was to let the new generation of professionals be aware of their social role in a foreign language and to motivate them to develop or work on projects that have as the main aim solidarity and equity. What else could be done in this area, the SDD international training should be offered in Spanish for those professionals who do not have the chance to be trained because of the language barrier.

Since one stakeholder's work will not have a big impact on the matter of social problems solving and it will be even worst if one knows that the funds are limited, in such a case the development of the partnership with other stakeholders is a strategic decision to make. In Ecuador there some international NGOs which work with families who live in deplorable conditions, one of them is Plan International (Plan), Plan has offices in several provinces, one of them has started its intervention in a spontaneous settlement near Guayaquil where everything has to be done. To upgrade Blazar city slums the communitarian social worker Victor Segarra who works for Plan is looking for alliances to implement some projects to improve the community development based on the participatory approach looking for integrated sustainable solutions, Plan has an office and personnel there, who work in health matters, education, training, among others projects, the finance mechanism to improve the settlements (infrastructure & housing) is one of the main constrains, but there is a bonus given by the government which could be used to start with the housing improvement.

Short Term: SDD international training program in its Spanish version could be developed to train more professionals who can not attend this course because their language limitations.

To validate the implementation to this proposal a SWOT analysis is shown bellow:

Strengths

- The UCSG physical and technological facilities
- The UCSG image to persuade to participate to potential attendees.
- The expertise of IPUR on implementing trainings.
- Connections with potential speakers around the world
- Some lecturers could be done by video conferences
- The time invested and the knowledge acquired on the ITP - SDD
- The training will be addressed to decision makers from different local and central governments
- HDM's SDD program can adapted to Spanish language

Opportunities

- Look for strategic partnership with different stakeholders in order to obtain funds.
- To get together different stakeholders discussing and learning a new approach about shelter
- The training could be open to the region too

Weaknesses

- Participants who are not friendly with the use of technology
- High cost if we bring international trainers to Ecuador
- The time invested in the training versus the themes covered
- The participants will not visit the case studies presented by the lectures
- The training aim might be misunderstood by the participants (poverty alleviation) since the title might be seen as a technical matter.
- Distances within the different provinces and Guayaquil
- It will demand at least one person dedicated to implement it for a while
- The No-funds to start the project
- Enough relevant material to be provided to the participants (in Spanish)

Threats

- It might be costly (The attendees will have to cover their participation, transportation and accommodation fees)
- There might be few participants from other provinces
- Guayaquil and Ecuador do not have remarkable experiences in shelter solutions

- To strengthen the local and international Spanish speaker stakeholders capacities
- There is no similar training at local and region level
- The attendees will become other group of professionals working on long-term plans to combat poverty.

The main objective:

SDD international training program in its Spanish version will provide professionals working in the shelter field to get knowledge to enable them to become agents of change to fight poverty specially those who can not attend this kind of training in English because their language limitations.

The Strategy:

To raise funds: IPUR will look for sponsorship of governmental institution such as SENACYT, and from different institutions of the private sector, luckily we might get 50% of the costs cover so we should look for international support to get the rest.

The adaptation of SDD program into Spanish will be done and the supervision of HDM will be required at this stage.

A couple of international speakers will be invited and in some cases their lectures might be done through video conferences to reduce costs.

BLAZAR PROJECT

Long term: At the community level, there are several areas where projects could be implemented, such as improvement or development of sanitation system, waste management, income generation, capacity building, etc. NGO Plan which has a decisive role in Balzar since it poses limited funds strategic alliances with the different social actors will contribute its work related to community development. Another decisive factor is to help the CBOs that are present in that sector to develop their capacity building, if one of the main aim is to assure continuity in the execution of the projects.

Plan has made contact with key social actors who could contribute to the settlement upgrading project, this NGO has started its job developing the communitarian organization; and according to them the municipality of Balzar through its major has expressed the willingness to support these families especially with land tenure, in addition since the

majority of the families belong to the first and second quintile most of them are illegible for the housing bonus given by the MIDUVI.

All the input received through the SDD course will be carefully discussed and revised in the master plan that has to be designed to guide the upgrading implementation that will be carried out by Plan. The experience gained here should be compiled and shared to learn from it and to reply the best practices.

The Strengths that Balzar case has are:

Plan International is an NGO which has an office right there, their intervention is recently, they have gotten credibility of the families, they have been there for about three years, they have direct contact with about 800 families; also the major of Balzar has demonstrated the willingness to provide secure land tenure; and for housing improvement there is a state bonus that could be solicited by the families.

The Strategy:

Start some work sessions with ONG Plan International's to understand their main aim of intervention to define the strategy that can be implemented in poverty alleviation matter.

Design the feasible intervention actions that could be done to a short, mid and long term.

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