

## The case of Quito, Ecuador

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## I. INTRODUCTION: THE CITY

### A. THE URBAN CONTEXT

#### 1. Overview of Ecuador<sup>1</sup>

##### 1.1 Geographical Setting

Ecuador is one of the smallest countries in South America, with a total land area of approximately 250,000 square kilometres and a population of about 12 million. Located in the central Andean region, it encompasses three main geographical regions: the lowlands in the west (known as *la Costa*), the Andean highlands (*la Sierra*), and the Amazon in the eastern part of the country. Quito, in the central Andean region, is the capital city.

##### 1.2 Historical Background

Ecuador's history dates back to 10,000 BC with evidence of indigenous settlements mainly on the Pacific coast and in the Andes. Before the arrival of the Incas, these settlements experienced a significant population growth and concentration, developed new crops, engaged in exchange with communities of different regions, and had developed complex organisational, technological and cultural patterns. The Incas invaded this territory in the late 15th century AD, imposing an organisation based on three main elements: a system of scattered agricultural settlements (*llactacuna*), a sophisticated system of communication and spatial organisation of the territory (*capacñan*), and a system of strong

political, social, religious and military power centres (Gómez 1992).

Arriving in the early 16<sup>th</sup> century, the Spaniards found a powerful and very well structured agrarian society, with two main political centres: Quito and Cuzco. The newcomers imposed a different socio-economic and political scheme based on the founding of cities as nodal centres for political, military, religious and administrative purposes, the concentration of indigenous population masses in Spanish labour organisations<sup>2</sup>, and the application of European systems of agriculture, mining and manufacturing production processes that allowed the monopolistic concentration of wealth in the hands of Spaniards, local creoles and the Church (Gómez 1992, 11-12).

During the colonial period, mining, textile manufacturing, and agriculture for domestic consumption were the basic economic activities performed by a large indigenous labour force. The Spanish exploited native abilities and skills, existing infrastructure and social organisations, spatial structures and towns. Throughout this period, the Andean highlands were the country's main area of settlement.

In 1830, Ecuador gained independence from Spain and became an independent republic. With the independence movements in the late 18<sup>th</sup> and early 19<sup>th</sup> century, came social, economic and political changes. Independence meant, among other things, the freeing of commercial barriers imposed by Spain. This situation

was accompanied by a world capitalist expansion, which underlay the development of tropical products for export. The coastal lowlands provided the best conditions for such production, but these were unpopulated<sup>3</sup>, which meant that the population of the Sierra would have to move to provide labour in the plantations along the coast. This move was encouraged by the persistence of semi-feudal conditions in the Sierra, resulting in low productivity, and as such moving to the coastal plantations was the only alternative for the peasantry (Cueva 1973, 5).

Simultaneously with the appearance of wage-labour, small scale trading became a very important and profitable source of capital for people indirectly engaged in agriculture. Seemingly overnight, numerous settlements appeared on the coast, populated by traders and consumers. The existence of commercial activities around the port of Guayaquil promoted the formation of a powerful social group that controlled trade and finance, in opposition to the traditional Andean landlords and the Catholic Church.

With the social and economic developments of the 19<sup>th</sup> century came a need for profound structural changes, to accommodate a future capitalist expansion. The socio-political vehicle for such changes was the Liberal Revolution of 1895-1905, conducted by Eloy Alfaro with the financial and ideological support of the Guayaquil bourgeoisie and a massive contingent of coastal peasants (*montuvios*). Even though the Liberal Revolution did battle against some of the archaic dependencies of the semi-feudal regime, it did not eliminate them. Land remained the basic source of power for the Andean landlords and the Church.

Urban labourers and coastal peasants began to organise themselves. By 1920 they had achieved a relatively advanced degree of organisation, and the basis for the future, *Confederación de Trabajadores del Ecuador* (Confederation of Equadorian Workers - CTE) was laid. At the same time, social groups benefiting from liberalisation measures emerged as the embryo of

a future urban middle class.

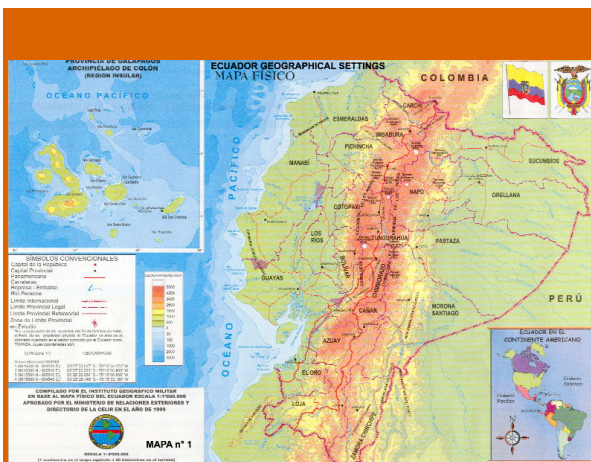
The economy, which since the late 19<sup>th</sup> century had been based upon cacao exports, declined suddenly in 1922 as a result of crop diseases and international market constraints. Hundreds of peasants were driven from the plantations, small-scale producers faced difficulties in selling their products and the Andean economy also suffered collateral effects. Massive migrations occurred from 1922 to 1945, mainly from the Sierra to the Costa and from rural areas to Guayaquil and other coastal urban centres.

The long awaited economic expansion began at the end of the 1940s and was based on bananas, as they replaced cacao in the plantations.<sup>4</sup> During this period of economic expansion the quarrels among the ruling classes subsided, and democratic governments changed only three times between 1949 and 1960 (Moreano 1976, 214).

As an effect of international market pressures, banana production declined heavily after 1960 and this contributed to the ruin of Ecuador's economy between then and 1972. During this decade, efforts were made to overcome this crisis by following models applied in other Latin American countries, based, for example on industrialisation, import substitution, modernisation of the state apparatus and institutions, capitalist-oriented agrarian reform and expansion of the internal market. However, efforts to expand the economy failed, industrial development was weak, agriculture, rather than being stimulated by reform and investments, stagnated, the modernisation of the state was accompanied by corruption and the internal market did not expand because few jobs were created and wealth was increasingly concentrated in the hands of the upper class. This process was supervised mainly by the Armed Forces which controlled the government between 1963 and 1970 (Ayala Mora 1993).

This critical period for the country suddenly came to an end with the beginning of oil exports in 1972. At the same time, a military coup brought a change of government, the new one following a nationalist ideology. With increasing oil exports,<sup>5</sup> the state's economic capacity grew enormously.<sup>6</sup> As a result, the government's investment capacity increased, and an emphasis was placed on financing infrastructure (roads, electricity, telecommunications, and water services) to provide a basis for industrial expansion. The military leadership decided to step down in 1978 in favour of an elected government. A new constitution was prepared and approved through a process of public consultation. Elections took place in 1978 and Jaime Roldós was elected President. Since then Ecuador has been a democratic country and has encountered some stability, with a succession of elected governments.<sup>7</sup>

The volume of oil exports has stayed relatively constant but prices have declined. This has resulted in a severe economic crisis since 1980. Democratic governments, during the last 15 years, have concentrated basi-



MAP 1. Ecuador geographical setting

cally on "administering the economic crisis" and its effects: shortage of social services, increasing social unrest, corruption and political struggles.

Since 1990, an active indigenous movement has entered the social and political scene of Ecuador. Its activity started with a national indigenous uprising which blocked the main roads, demonstrated with marches, and presented some demands to the government concerning Indian minorities. The movement became a real political force.

Other important events to have taken in Ecuador during the last two decades, stimulating political tension include the departure of President Bucaram, the "rebellion of the colonel", united with the indigenous movement, which led to the overthrow of the president Mahuad, the short-lived creation of a triumvirate which included an indigenous leader; and finally the constitutional pathway to the presidency of Gustavo Noboa. All these episodes in recent Ecuadorian history led to "dollarisation" of its economy as a last resort process to rescue the country from the unsustainable economical crisis.

The immediate future of Ecuador includes many unknowns. People have persistently questioned the way Ecuador has tackled democracy as they want it to be effective and real, in order to produce a society with a good level of economic development, but also with social justice, human equity, and some dignity in the international arena.

### 1.3 Urbanisation Trends

Migration constitutes the core of urbanisation, and Ecuador, like many other developing countries, faces a process of sustained migration. The transfer of the economic base from Sierra to Costa with the development of tropical agricultural production during the early 20<sup>th</sup> century, the expansion of oil-based capital, and the prominence of the two major cities, Quito and Guayaquil, have had a major effect on Ecuador's pattern of contemporary urbanisation (Carrion 1987, 9).

In comparison with other Latin American countries Ecuador faces a peculiar process of concentration of population in urban centres: on the one hand, Quito and Guayaquil provide two major poles of attraction while on the other hand there is a fairly evenly distributed

population in the medium-sized cities.

Concentration of population and specific activities in the capital city Quito and in the port city of Guayaquil ensures their primacy. Of the total population of the country 21.6 per cent was concentrated in these urban areas in 1974, 25.6 per cent in 1982, and 27 per cent in 1990. With a relatively good communication network, the two cities can share functions and benefits (Guzmán 1994).

The concentration of population in the urban areas has increased steadily: in 1950, 17.8 per cent of Ecuador's population was living in cities; in 1962, this percentage was 27.9, growing to 41.4 per cent in 1974, 49.3 in 1982, and 55.1 in 1990 (see **Table 1**). However, a major process of urbanisation had occurred in the Costa in 1974, and 54.5 per cent of the country's total urban population was living in the coastal urban centres, while in the *Sierra* the percentage was 44.5. In 1982 these numbers were respectively 55.4 per cent and 43 per cent; and in 1990, 55.7 per cent and 42.3 per cent (INEC, 1950, 1962, 1974, 1982, 1990).

### 1.4 Main Urban Problems

The urbanisation process in Ecuador is a recent phenomenon in comparison with other Latin American countries. This process has caused substantive changes within the national context. Cities have grown at an accelerated rhythm and society has not been able to conceive and implement means to confront social and economic development in order to provide jobs, housing, services and infrastructure to meet needs. It has also been unable to develop adequate forms of democratic social participation. Ecuador is undergoing a sustained urbanisation process within a national context of state modernisation, decentralisation, and privatisation.

### 1.5 Demographic Trends

Recent data show that between 1982 and 1990 birth control policies resulted in a national decline in birth rates. The rates were 2.2 per cent in this period, in contrast with 2.7 per cent between 1974 and 1982 (see **Table 2**). These national figures also show a decline in both urban and rural areas (Guzmán 1994).

However, the lower rate of growth in rural areas (0.7 per cent in the period 1982-1990) is explained by a migration to urban areas. This means that cities, even

**Table 1. Ecuador Population 1974 - 2001**

	1974	1982	1990	2001
Total Population	6,521,710	8,060,712	9,622,608	12,090,804
Urban Population	2,698,722	3,968,362	5,305,911	7,372,528
Rural Population	3,822,988	4,092,350	4,316,697	4,718,276

Source: INEC Population Census of 1974, 1982, 1990, 2001.

**Table 2. Ecuador: Population Trends**

	1974-1982	1982-1990	1990-2001	1974-2001
Total Population	2.6%	2.2%	2.1%	2.3%
Urban Population	4.8%	3.6%	3%	3.7%
Rural Population	0.8%	0.7%	0.8%	0.8%

Source: INEC Population Census of 1974, 1982, 1990, 2001.

though they have shown a decline in their natural increase, still keep growing at a significant rate: an average of 3.7 per cent for the period 1982-1990, while between 1974 and 1982 it was 4.9 per cent.

By 1990, 55 per cent of the population of the country lived in urban areas and 45 per cent in the countryside. These figures are the result of a rapid urbanisation process in which rural to urban migration is a clear trend. Data show a doubling of the urban population between 1974 and 1990. It was anticipated that by the year 2000 the urban population would comprise more than 60 per cent of the total.

## 2. The History of Quito

Quito is the capital of Ecuador and is located in the middle of the central-north Sierra. It is an important migration pole and has experienced significant demographic growth in the last decades (3 per cent between 1980 and 1990). It has a population of 1.5 million, 12 per cent of the national population, 16 per cent of the EAP (Economically Active Population), 30 per cent of manufactured industry and more than 50 per cent of the country's public services (MDMQ-DGP 1996a, 15).

In the last two decades, the Quito region has experienced important land transformations. The urban area has evolved from a "centrally-oriented city", derived from the incorporation of minor urban centres and the peripheral agricultural area, towards the formation of an agglomeration that covers the valleys of Tumbaco-Cumbayá, Los Chillos, Calderón and Pomasqui-San Antonio de Pichincha.

Urban planning has had an important influence on the shape and spatial characteristics of the city. The physical planning process started at the end of the 1930s. The Plan Jones Odriozola (1942) embraced an area of 3,376 hectares, the schemes of the Metropolitan Area Plan (1993) and its Land Use Plan (1995) covered 19,014 hectares, while the Quito Strategic Plan 2020 (1998) and the General Development Territorial Plan (PGDT, 2000) cover 42,472 hectares (MDMQ-DGP 1996b, 26; MDMQ-DGP 1995, 4; MDMQ-DGP 2000). See **Map 2**.

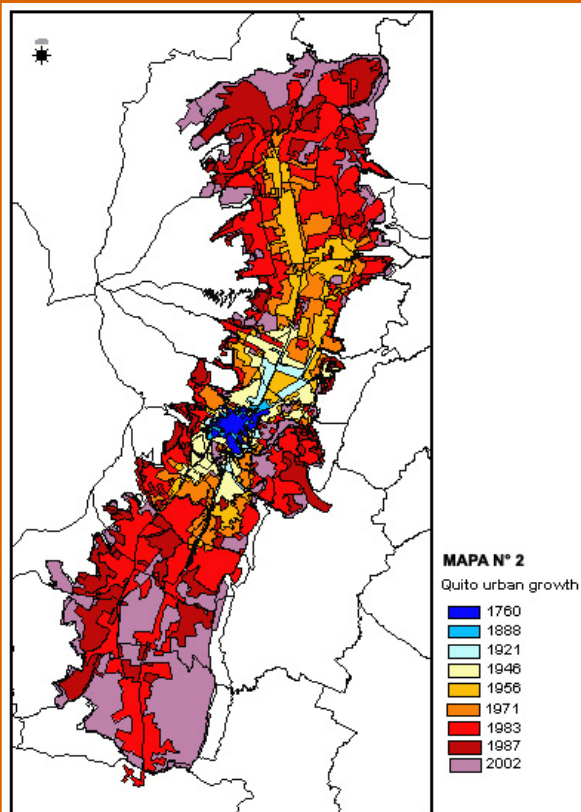
The planning processes in Quito have been mainly motivated by technical rationality but have been subordinated, in practice, to *faits accomplis* that legitimised *de-facto* situations or concerned political and economic interests. In most cases, the weakness has been the difficulty of enforcing land use guidelines and regulatory controls established for this purpose.

Since 1993 the Law of the Metropolitan District of Quito (LDMQ) has provided a wider legal framework than the traditional municipal competencies outlined in the National Municipal Law (LRM).<sup>8</sup> The LDMQ is a legal instrument only applicable to the urban and rural management of the Metropolitan District of Quito. This Law has generated important administrative changes in the Metropolitan Area with respect to the decentralisation of the city's management.

## B. THE PHYSICAL CITY

Quito is located in an Andean valley running north-south at an altitude of 2,860 metres above sea level, between the Pichincha Volcano in the west and the Itchimbía Hills in the east.<sup>9</sup> It enjoys mild weather with an average maximum temperature of 21° C and minimum of 8° C; an average relative humidity of 75 per cent and a rainy season from October to May.

The total area of the Metropolitan District of Quito is 424,717 hectares. It comprises three land uses: 42,273 hectares of urbanised areas, 191,723 hectares of natural reserves, parks and ecological protected areas, and 189,921 hectares of agricultural land. The urban area of the city of Quito occupies approximately 20,000 hectares. The urban structure has been conditioned by the scarcity of flat land, the topographic irregularities of the surrounding mountain system and the numerous east-west slopes.



Source: Metropolitan Studies, Planning Office of Quito Town Hall, 2002

Map 2. Historic urban growth of Quito



## 1. Demography

The evolution of the population in Quito between 1950 and 2001 shows an increase of 1,200,000 inhabitants, an increase of 7 times in 50 years (see **Table 3**). This increase has meant important changes in the shape of the city.

Preliminary data from the 2001 Census give the following results: total population in the Metropolitan District 1,841,200, of which 804,638 were males, and 857,689 were females. In the central area of Quito the population is 1,413,694 and in the metropolitan and rural areas of the district the population is 427,506. This slight decrease in the total population, compared with the estimates from the 1990 census is due to the strong emigration occurring in the past few years.

An estimation of the indigenous population living in the rural areas of the Metropolitan District of Quito is 27,954 inhabitants, which is 7.5 per cent of the rural population (CODENPE, 1995).

The last Census was carried out in November 2001 by the National Institute of Census and Statistics (INEC). At the moment this Census is being completed, and the results will not be ready before the end of this year.

## 2. The Urban Economy

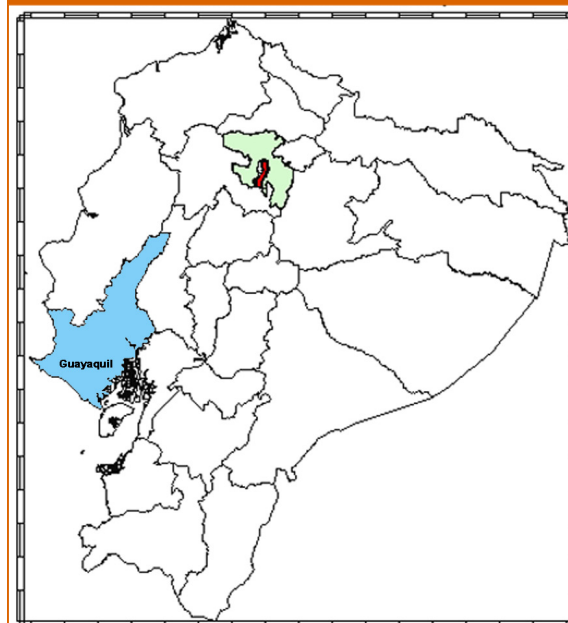
Employment by sector (1999) could be categorised as: community and social services 36.4 per cent; commerce and catering 26.4 per cent; industry 17.9 per cent; financial services 8.4 per cent; transport and communications 4.4 per cent; construction 4.4 per cent; agriculture 1.2 per cent; mining 0.8 per cent; informal sector 24 per cent. (See **Table 5**)

According to the Living Conditions Survey carried out in 1999, the working population was 715,415 with an unemployment rate of 11.3 per cent and an informal employment rate of 31.1 per cent (see **Table 4**).

The economic growth of Quito is a consequence of the development of non-traditional exports in which the industrial component is quite significant. The metallurgy, textile and agriculture sectors have diversified their exports. The economy of Quito has been reactivated because of its commerce with Colombia.

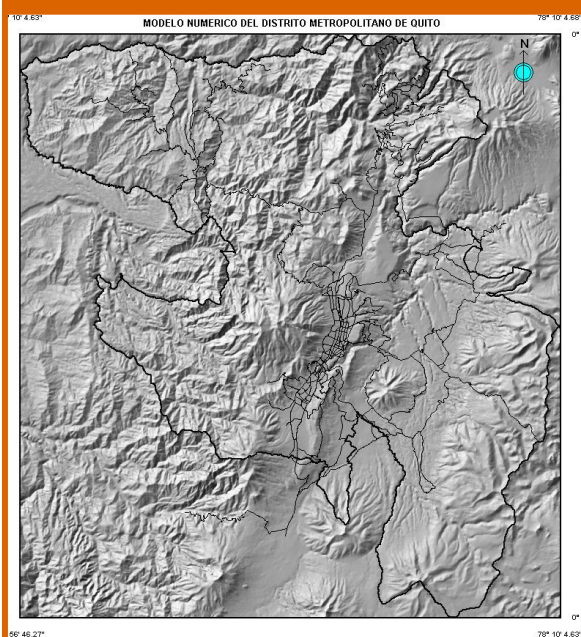
Among the non-traditional exports, the agro-industrial exports predominate in the international market, acting as a catalyst in the regional economy. This (re)activation of exports is an unprecedented process in the economic growth of the city, as it is the first time Quito has entered the international market with such strength and magnitude.

Despite this commercial development, which has enabled the reactivation of Quito's economy, there is some uncertainty regarding the sustainability of the process. Even more so if we consider the commercial competition between countries. (Miño, 1999).



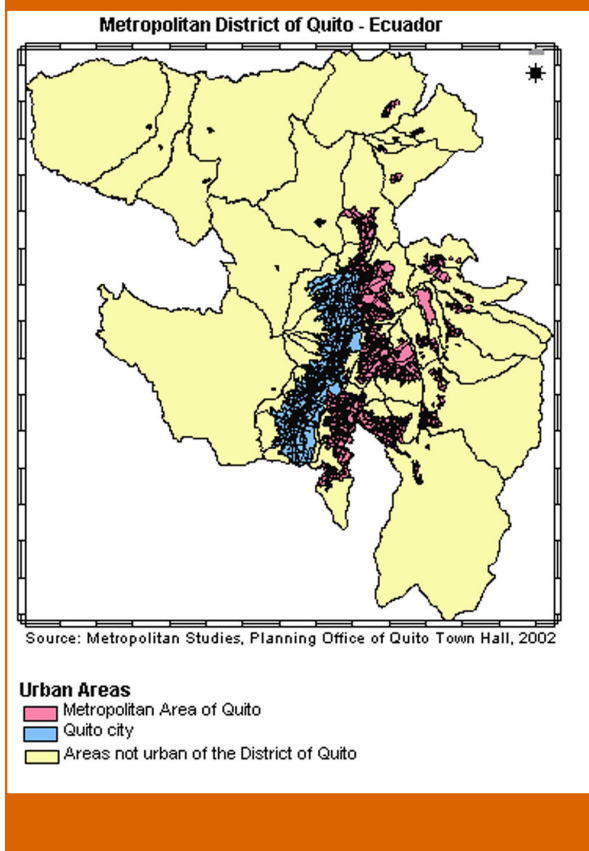
Source: Metropolitan Studies, Planning Office of Quito Town Hall, 2002

Map 3. MDMQ: Location within The National Context



Map 4 MDMQ: Geographical Setting Map (Three-Dimensional Model)

Map 5: Metropolitan District of Quito



### 3. Governance

#### 3.1 Governance System Structure

The Metropolitan District of Quito is administered by its municipality. Fifteen elected councillors compose the municipal council for a four-year period. The mayor is appointed by direct democratic elections also for a four-year period. In territorial and administrative terms, the DMQ is divided into eight zones<sup>10</sup> The municipality has six metropolitan secretaries, eight metropolitan enterprises, and six public-private corporations<sup>11</sup>

The current administration of Mayor Mr. Paco Moncayo (August 2000-January 2005) is being run on

a community participation system in planning, budgeting, and monitoring. The participatory system is structured through a set of *cabildos* (assemblies) for different territories, sectoral issues, and social groups.

The Municipality of Quito is an autonomous local government according to the Ecuadorian Constitution. It has a special status due to its condition of capital of the country. The municipal government has assumed some decentralised competencies such as health and education services, transport, environmental policies and control, tourism promotion and control, and main urban services such as water and sewage, solid waste, public transport management, electricity and public works.

#### 3.2 Main Political Parties

Since Quito is the capital city of the country most national political parties are represented in the political arena. In the current political representation of the municipal council, there are six councillors of *Izquierda Democrática* (ID), two of *Democracia Popular* (DP), five of *Patria Solidaria*, one of *Movimiento Popular Democrático* (MPD), and one independent councillor.

#### 3.3 Revenue Base

The Municipality of Quito's total budget for the year 2001 was US\$108.5 million<sup>12</sup>. Revenue is based on US\$39 million from taxes, US\$14 million from own resources, US\$52.5 million from national government transfers, and US\$3 million from other sources.<sup>13</sup>

#### 3.4 Public Policy Issues

The municipal government has defined a set of public policy guidelines in the "Quito 21<sup>st</sup> Century Plan" (*Plan Quito Siglo XXI*) presented by the Mayor Mr. Moncayo during his election campaign. This plan mentions that Quito will be integrated into the country as a generating axis of nationality, and will have an ordered space with welfare and solidarity for all. It will have optimal environmental and aesthetic qualities, with its historic and heritage areas being protected, preserved, and used with equity, and will show security when faced by natural and human hazards. It will have an autonomous and efficient management capacity, and will be governable and answerable democratically to a united society with identity and self-esteem.

Table 3. Quito General Data

Weather	
Average Maximum temperature	21
Average Minimum temperature	8
Relative Humidity	75
Rainy Months	October-May

Source: Metropolitan Studies, Planning Office of Quito Town Hall

Table 4. Quito: Evolution of the Population, 1950-2001

	1952	1962	1974	1982	1990	2001
Quito	209,932	354,746	599,828	866,472	1,104,958	1,413,694
Metropolitan District	275,399	446,375	742,537	1,083,528	1,371,461	1,841,200
Pichincha Province	386,520	587,835	988,306	1,382,125	1,756,228	2,392,409

Source: Metropolitan Studies, Planning Office of Quito Town Hall

Map 6:  
Quito, Population  
Density

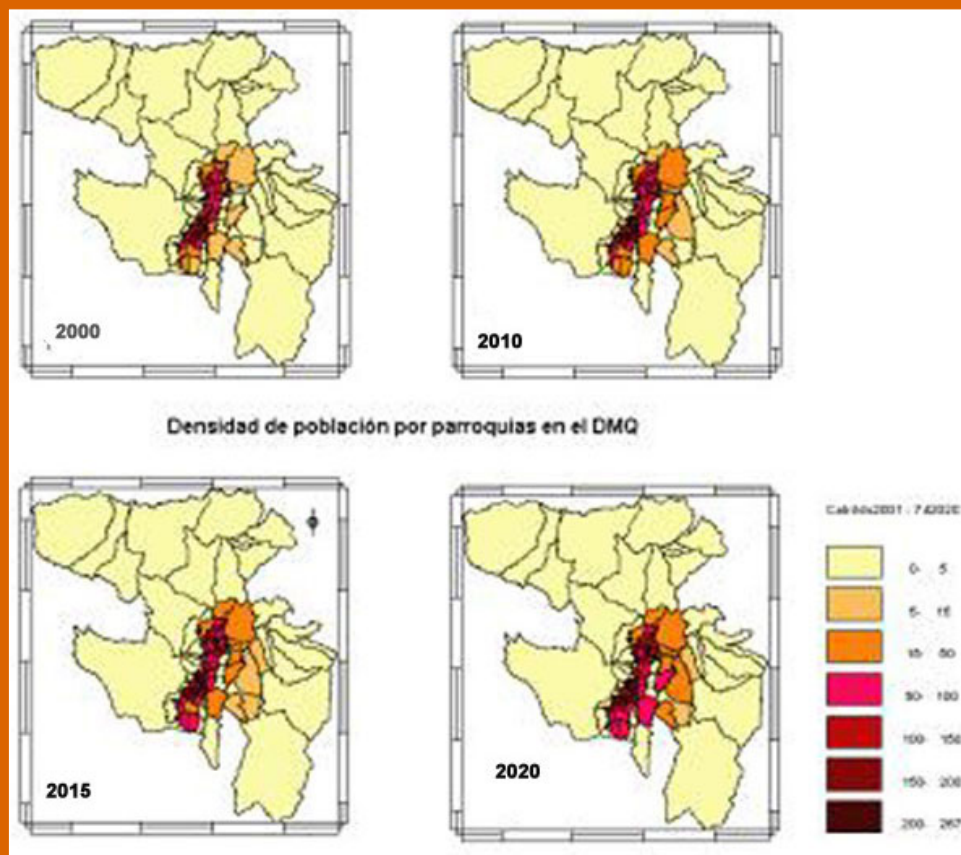


Table 5. Quito: population structure by age and sex (1995)

Age	Total	%	Male	%	Female	%
0-9	286,816	22.34	152,137	25.16	134,679	19.83
10-19	244,497	19.05	110,217	18.23	134,280	19.7
20-29	253,937	19.78	113,581	18.78	140,356	20.67
30-39	207,699	16.18	92,639	15.32	115,060	16.94
40-49	111,967	8.72	57,309	9.48	54,658	8.05
50-59	80,498	6.27	35,513	5.87	44,985	6.62
60 and over	98,371	7.66	43,343	7.17	55,028	8.10
Total	1,283,785	100.00	604,739	100.00	679,046	100.00

Source: INEC. Living Conditions Inquiry

Table 6. Quito: Economic Data

GDP	n/d
GDP Growth rate	n/d
GDP per capita	n/d
Working Population (1999)	715,415
Unemployment (1999)	11.3%
Informal employment (1999)	31.1%

The central social policy of the municipality is based on integration, under a comprehensive approach. Such a policy includes the search for an adequate harmony between urban and rural areas, as well as a cross axis that considers gender, ethnic and age equity as priorities for action. All policies should promote the generation of citizenship, social harmony, solidarity, and justice, through citizen participation, social control, and accountability.

## II. SLUMS AND POVERTY

### O. DIFFERENT TYPES OF SLUMS IN QUITO

#### 1.Types

In Quito there are three main types of slums: barrios periféricos (popular neighbourhoods located at the urban edge); conventillos (deteriorated tenements in the historic



Photo 1: Pheripheral Slums A (*Barrio periférico*)

Source: IDB Management Project of the Slopes of the Pichincha Mountain

centre); and rural neighbourhoods that house low-income families commuting to the urban area. Most low-income households are located in the *barrios periféricos*.

## 2. Location

Historically, in Quito, the low-income population has settled in popular neighbourhoods mainly located in three areas: on the edge of the urban area, in the city centre and in some central neighbourhoods, and in surrounding towns. This pattern has been a permanent feature during the past three decades.

## 3. Age and Origin

The phenomenon of low-income neighbourhoods in Quito is relatively recent. It started during the mid-seventies as a result of massive migrations to Quito. A low-income population seeking housing settled in the peripheral areas of the city, in deteriorated houses in the historic centre, and also in houses in nearby towns. This process has been consolidated during the last decade.

## 4. Population Size and Characteristics

No actual data are available about the number of inhabitants in slum areas. The only existing estimate was made in 1992, of a population of 172,976 people living in slums (MDMQ-DGP, 1992).

The characteristics of this population have been analysed in another document focussing on poverty in the district, which presents the results by neighbourhoods, divided into four groups. The methodology used

was a combination of measures of poverty on two levels: living conditions and income. The elements pertaining to the very poor group could include the characteristics of the different types of slums (*barrios periféricos* and *barrios marginales*) that exist in Quito.

The recent settlements located in areas of irregular topography in the northern and southern peripheries of the city are composed of dwellings such as huts, hovels, and small houses built with inadequate materials. There is no drinking water, no sewage, although some of these dwellings possess latrines. The rubbish collection service is non-existent or inefficient, and the main or secondary access roads are in poor conditions, as is the street lighting. People don't own the land on which they live, and crime is increasing. The neighbourhoods mainly form part of the informal sector of the economy, with inhabitants doing some piecework or being shopkeepers.

The population living in this group is of approximately 54,034 inhabitants, corresponding to 104 neighbourhoods. 81.8 per cent of the people living in these areas can be classified as poor on an income basis, and 82.9 per cent because they have unsatisfied basic needs (MDMQ-DGP, 1995). Educational indicators show a low level of education among heads of family and a high number of unsatisfied people, regarding housing services and occupational activities.





Source: IDB Management Project of the Slopes of the Pichincha Mountain

## D. OFFICIAL DEFINITIONS OF SLUMS

### 1. Definitions and their Predominant Use

Besides the popular use of slum terminology, there are some official definitions used for policy purposes. For the case of popular neighbourhoods located on the urban edge that have been developed informally, the municipality defines them as *barrios ilegales* (illegal settlements, meaning that these neighbourhoods don't possess official approval or urbanisation licences). In these cases, the municipality is carrying out a massive process of land regularisation. In relation to loans and subsidies, low-income housing is known as *vivienda de interés social* (social housing).

*conventillos* (inner city slums), and *barrios rurales* (rural neighbourhoods).

### 2. Relevant Local Terminology

In Quito there are no variations with the terms defining slums. Popular understandings as mentioned in the previous section are those commonly used.

### 3. Slum Dwellers' Perception of their own Status

In Quito, slum dwellers' perception of their own status is of integration. This means that low-income sectors develop a strategy leading to a process of progressively upgrading their living conditions and their social inclusion with time.

## E. UNOFFICIAL DEFINITIONS OF SLUMS

### 1. Popular Understandings of Slums

The common names for slums are: *barrios populares* (working neighbourhoods), *barrios periféricos* (peripheral neighbourhoods), *barrios clandestinos* (clandestine neighbourhoods), *invasiones* (squatter settlements),

## F. OFFICIAL DEFINITIONS OF POVERTY

### 1. Definitions and their Predominant Use

The existing concept of poverty in Ecuador is given by the "Social Front" (*Frente Social*) attached to the presidential office, the SIISE (*Sistema Integrado de*



Photo 3. Rural Slums B (Barrios rurales)



Source: IDB Management Project of the Slopes of the Pichincha Mountain

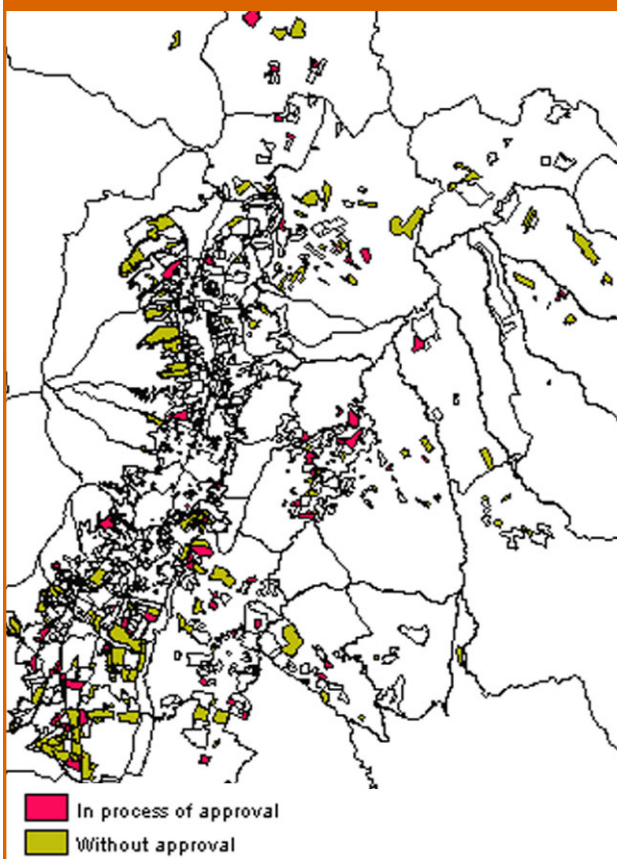
Photo 4: Pheripheral Slums B (*Barrio periférico*)



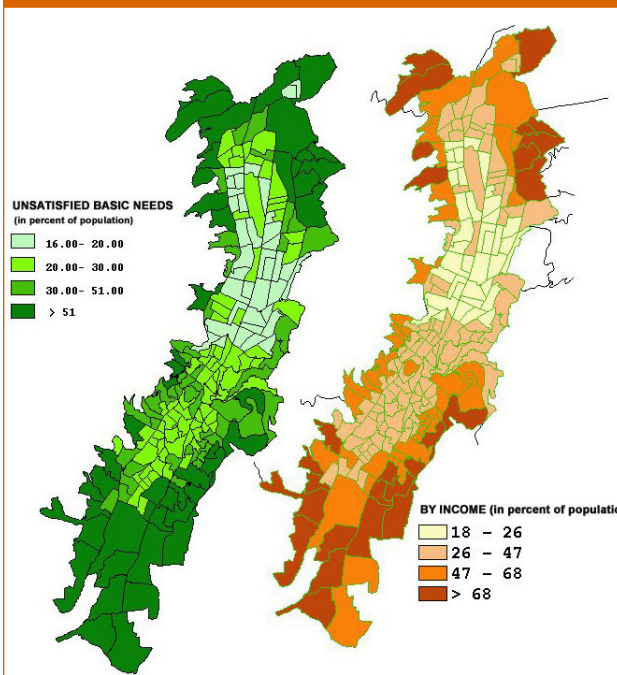
Source: IDB Management Project of the Slopes of the Pichincha Mountain



Map 7: Legal situation of neighbourhoods in 1993



Map 8: Quito: poverty groups by income and by basic needs (% of population)



Source: MDMK - INEC90

*Indicadores Sociales* - Integrated Social Indicators System), which has elaborated some indicators with two different perspectives: that of absolute poverty and that of relative poverty.

Absolute poverty is a condition of deprivation suffered by a person or a household, and which prevents them from meeting their basic needs, material or not. This concept of poverty has, in turn, two emphases: consequential poverty and causal poverty.

The concept of consequential poverty tries to evaluate the deprivation suffered by a person or a household in their quest for meeting their basic needs, with an emphasis put on material necessities. To assess the situation, two main methods are used: an indirect method (or method of income or consumption), and a direct method (or method of unsatisfied basic needs).

The method for measuring poverty according to income (or consumption) tries to evaluate poverty at the level of the purchasing power of a person or a household. It is an indirect method as income is a resource which gives access to living needs, but which in itself doesn't measure the quality of life that is attained. The limit of extreme poverty (or the "indigence point") is constituted by the income necessary to cover the cost of a family's shopping basket that would meet their basic nutritional needs.

The method of measuring poverty according to unsatisfied basic needs (*necesidades básicas insatisfechas* - NBI) is based on the deprivation of the material means needed to meet basic human needs. Usually, the basic needs considered are: clothing, education, health, nutrition and employment. The measures taken from the NBI have the advantage of allowing an analysis of the impact of poverty in the long term.

There are some other methods which try to reflect the dynamics of poverty. One of them combines both the methods mentioned above.

There currently exist some new approaches to the problem of poverty, with an emphasis on its explanatory factors instead of focusing on immediate results. This intends to consider such aspects as needs, assets and resources, as well as non-material needs. According to this emphasis, poverty represents the absence of the potential essential for proper functioning. A person is therefore defined as poor when s/he lacks the opportunity for attaining a minimum acceptable level of functioning.

Even if the Social Front of the government acknowledges all these emphases and all these methods for evaluating poverty, at the moment, the setting of indicators depends on the availability and reliability of existing basic statistics and on the need for data related guidelines aiming at eradicating poverty. In this respect, the three basic elements directing the setting of the indicators of poverty present at national level are: a proper focus on poverty, an evaluation of poverty, and the characteristics of the poor (SIISE, 2000).



## 2. Changes to Definitions Over Time

Definitions of poverty have changed over time evolving in parallel with international developments in the same topic. In the 1980s poverty measures started to be a priority all over the world, especially with the appearance of digital maps and GIS. In Ecuador, even though the official institutions acknowledged the international concepts and methods, the setting of indicators depended on the actual availability and reliability of the statistics.

In Quito, the Planning Office carried out studies of poverty in the district and in the urban areas, using a combined methodology (living conditions and income levels). The results of these studies presented in 1995 with information from 1990 have enabled the drawing of the first poverty map made at this level. The unit of study in this research was based on neighbourhoods in the urban area, and on zones in the metropolitan area. This poverty map still represents the most important information used in this project.

## G. UNOFFICIAL DEFINITIONS OF POVERTY

### 1. Popular Understandings of Poverty

In general, the middle classes understand the concept of "clandestine neighbourhoods" as illegal settlements on the edge of the city, having no basic services such as water and sewerage, and with the streets in poor condition.

## H. THE ORIGINS OF SLUMS

### 1. Social, Economic and Political Forces that have Formed and Removed Slums

The main social, economic and political trends that have shaped the history of the various types of slums in Quito are:

The growth of the population, especially concentrated in the urban areas (4.4 per cent between 1974 and 1982)

"Economic growth - the "modernisation process" and the policies implemented have not had universally good results

"Policies based on industrial development have not enabled economic growth to benefit all social groups

"Economic instability in Ecuador

"During the 1980s the local economy decreased because of a reduction in oil income, and it affected industry and construction activities.

### 2. The Social, Political and Economic Advantages of the Slums to the City

Even if the illegal or popular neighbourhoods of Quito have generated an increasing disorder, it has to be

noted that they have contributed to solving the problem of overcrowding and the lack of housing in low-income areas, especially when considering that the popular housing solutions proposed by housing authorities have not involved the underprivileged classes.

Urbanisation, as well as the gradual construction of houses are, at the moment, the real alternatives to the economic crisis facing the country and affecting the low-income sectors (MDMQ-DGP, 1992).

**Table 7. Quito: working population by main activity (1996)**

Activity	Population	%
Community and social services	222,791	36.4
Commerce and catering	161,863	26.4
Industry	110,084	17.9
Financial services	51,691	8.4
Transport and Communications	26,886	4.4
Construction	26,767	4.4
Agriculture	7,077	1.2
Mining	4,723	0.8
Non specified	333	0.1
Total	612,215	100.00

Source: INEC Employment, unemployment and informal sector, 1996

## I. DATA ON THE CITY'S SLUMS

### 1. Maps

See **Maps 9, 10** and **11**

### 2. Census Data

Unfortunately, the 2001 Census is still in process of analysis. At the moment the only data we have about this subject are very general and most of them are from the 1990 Census.

## J. DATA AVAILABLE ON POVERTY IN THE CITY

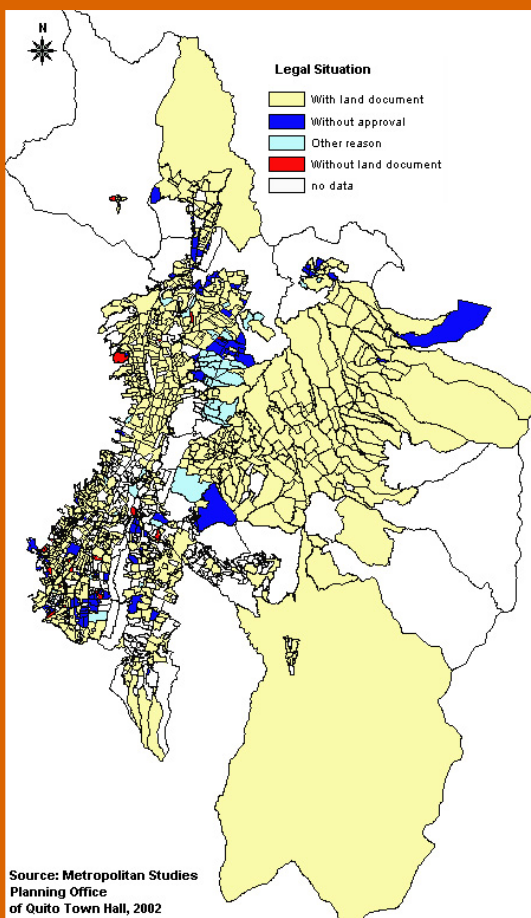
### 1. Maps

See **Maps 9, 10** and **11**

### 2. Census Data

This poverty data came from research carried out by the Municipality in 1995, combining two different methodologies to quantify poverty: the base line and Unsatisfied Basic Needs. These combinations identified four different groups: chronic poverty, recent poverty,

Map 9 Quito: Legal Situation of Neighbourhoods of Quito Metropolitan District, 2002 study



Source: Metropolitan Studies, Planning office of Quito Town Hall 2002

Map 10. Quito: Popular Neighbourhoods Legalised During the Year 2001

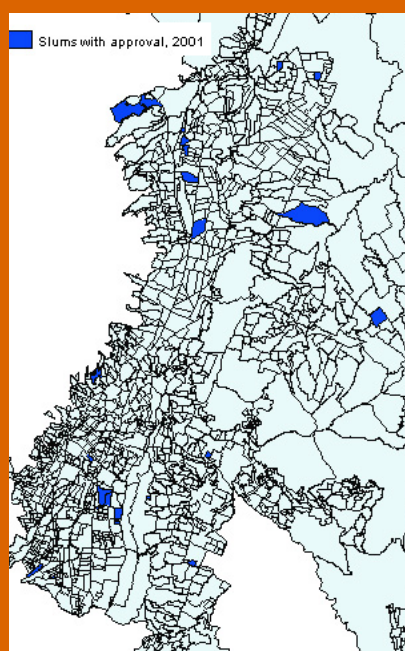
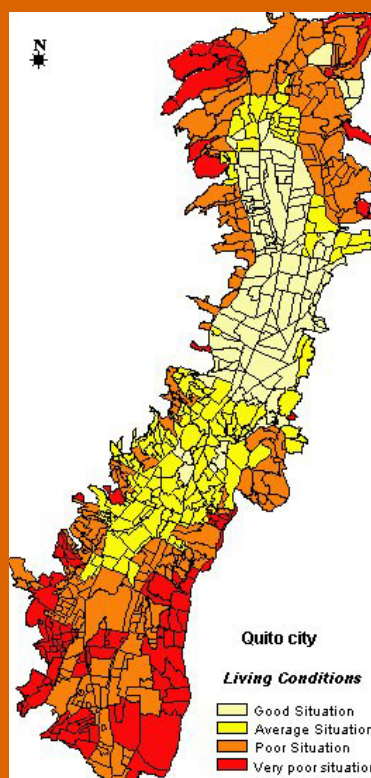


Table 8. Quito Data about City Slums

	Poverty	
	Chronic	Recent
Permanent structures by type (% of total in slum area)	12.7	17.2
Access to water (% of households in slum with sewerage)	13.6	21.7
Access to sanitation (% of households in slum with sewerage)	13.1	20.7
Access to sanitation (% of households in slum with solid waste collection)	16.1	22.6
Access to electricity (% of households with home service in slum area)	n/d	n/d
Transport and delivery (% of streets/paths passable by small truck)	n/d	n/d
Access to health care (residents per primary health point)	n/d	n/d
Access to education (%population with primary stuydies)	49.8	37.6
Access to education (%population with secondary stuydies)	27.5	34.0
Access to education (%population with superior stuydies)	7.8	12.7
Crime rates (homicides,rape,assault)	n/d	n/d
Under five mortality rates	n/d	n/d
Density (population of slum divided by area of slum in km)	n/d	n/d
Secure tenure (% of households with secure tenure)	23.3	24.9

Source: INEC Census Data 1990 and Poverty research by the Planing Office of Quito Town Hall, 2002

Map 11. Quito: living conditions, by clusters 1995



inertia poverty and the integrated population.

Chronic poverty refers to people with low income levels and unsatisfied basic needs. Recent poverty means people with low income levels but satisfied with public services and other necessities. Inertia poverty means people who have a normal income level that allows them to buy the family shopping basket, but they cannot satisfy other needs. The integrated population is not poor, meaning they are integrated normally in society, because they can afford the family shopping basket, and they have normal income levels with which they can satisfy other human needs.

### III. SLUMS: THE PEOPLE<sup>15</sup>

#### K. WHO LIVES IN THE SLUMS?

##### 1. Short Histories and Key Events of Typical Slum Households

**Typical Story 1.** A woman from the neighbourhood, aged 35, born in the central part of Quito, married for 12 years, (3 children, aged 11, 9 and 6), has been living at Corazón de Jesús for the last 10 years. Unemployed since she got married, domestic chores consume all her time. As her husband works as a carpenter on building sites, he is absent from home for several days or even weeks, and she has to run the household and manage the family budget. She only studied until the third year of secondary school and has discarded the possibility of finishing her studies. However, she would like to receive some training or assistance to set up a productive business, in order to complement the family income. Her day starts at 6:00am and ends at 11:00pm, except on Sundays. She admits to not having any specific time for herself but assumes this is a normal situation for a woman and a mother. The family bought a plot of land

and built the house by themselves, using the husband's skills, with support and help from relatives and friends, working at weekends. (GTZ, 2001)

**Typical Story 2.** A single young man aged 21, born in Corazón de Jesús, where he attended school has been a messenger for a private company for the last two years. His day begins at 6:30am. He has to commute by bus for about 30 minutes, and he works from 8:00am to 5:30pm. He attends an evening school until 9:00pm, returns home and does his homework or watches TV until 11:00pm. At weekends, he goes shopping and plays football with his friends. Before he was born, in 1978, his family (father, mother and 2 sisters) came to Quito from another city and settled down in Corazón de Jesús. His father works as a security guard in a factory, his mother is a housemaid and his sisters go to school. Their house was financed by a family loan "at the proper time".

##### 2. Aspirations, Plans and Limitations to their Fulfilment

**Typical Story 1.** The woman would like to start a small business to increase the household income. She hopes to be able to maintain the living conditions for her family and to educate her children, and does not have any intentions of moving to another part of the city. She discards the possibility of improving or repairing her house, as her saving capacity is almost non-existent, and therefore obtaining a loan is impossible. In her opinion, the living conditions in the neighbourhood are acceptable and will improve in the future, despite the current insecurity and the lack of several services. The commuting time is, in her mind, the worst limitation for the residents, particularly for the young wishing to attend better schools, located in the central part of the city.

Table 9. Key Events in the History of the Neighbourhood of Corazón de Jesús, Quito

Years	Physical Conditions	Social Conditions	Population
1930-60	Part of a large rural estate owned by the Catholic Church for farming and cattle raising.	Peasants could use small plots of land for housing and farming as part of their wages, under a scheme applied since the Colonial Period.	10 - 50 families
1961-70	National Agrarian Reform, (64) Local School built (68)	Peasants receive property titles for their plots. Average areas between 0.5 - 1.5 Has (64). Name for the neighbourhood chosen by initial residents	50 families
1971-80	Main roads opened. Electricity provided (74) Water delivered by cistern-trucks (70-84)	New families buy smaller plots and move into the neighbourhood (79)	100 families
1981-90	Studies for the drinking water system carried out (86) Access road paved (88)	The community forms the first neighbourhood committee (86) A civic council manages a spring and builds a water system on the lower side (87)	500 families
1991-02	Sewage system for the upper side built (92-94) Main street paved (94) Other streets on the upper side paved (95) Solid waste collection service provided (95)	ASA, an NGO related to the Catholic Church, begins its activities in the neighbourhood. (94) A communal store and several other community-based projects launched	1,000 - 1,500 families



**Typical Story 2.** The young man expects to finish his studies, to obtain a diploma and to migrate to Spain or any other European country, following the footsteps of several relatives, seeking job opportunities. His current income does not allow him to make plans to get married or to raise a family. He is very critical of the neighbourhood and the passivity and lack of commitment of his neighbours. The worst problem, for him, is the lack of opportunities for young people in Ecuador.

## L. INDICATORS FOR WOMEN-HEADED HOUSEHOLDS AND OTHER HOUSEHOLDS, IN SLUMS

### 1. Housing Types and their Percentages

According to the municipality<sup>16</sup>, detached houses are the predominant housing form in Quito (48.1 per cent), more than flats and rooms for rent (42.5 per cent), which are the most commonly found housing in the central areas of the city (1990).

There are two types of houses in Corazón de Jesús. On the upper side, 75 per cent of houses are made of concrete and bricks. The inhabitants have some small businesses, stores or workshops within the house, while others grow crops such as corn or vegetables or raise some animals (chickens, pigs or cattle) in their yards. This part of the neighbourhood has a higher density, is more developed and, being closer to the access road, has all the basic urban services (drinking water, sewage, electricity, telephone lines).

On the lower side, the other 25 per cent of the houses are built on larger plots, are scattered and made of earth and timber. Only a few roads are paved and although there is electricity in all houses, water is provided by a spring looked after by the community itself. Sewage and solid waste collection cover only part of the area. The population is poorer, relying mainly on farming their land for subsistence. Several non-legalised and communally-owned plots of land are a source of conflict. That is also why there are some cases of insecurity of tenure on the lower part of the neighbourhood.

### 2. Incomes by Quintile and Household Characteristics

On the upper side, families have an average monthly income of about US\$350-400. This covers the costs of food and other basic needs, and might enable the household to buy non-essential goods, such as clothing, furniture or domestic appliances (stoves, refrigerators, TV sets, etc).

Families on the other side have lower incomes, (US\$200-250). Most of them depend on farming their plots for survival, but also obtain further income from any available unskilled jobs.

Due to the national financial crisis of recent years, even the wealthier families in Corazón de Jesús feel they have lost their saving capacity. Non-essential expenditure (and even health care) has been discarded or drastically reduced. Female heads of families are in a particularly difficult situation, as their income is usually in the lowest range.<sup>17</sup>

### 3. Household Members

On average, families in the upper part of Corazón de Jesús comprise 5 or 6 members (usually the father, the mother and three or four children), above the average for the whole city (3.9). In the lower part the average is even higher, as many families have more than four children or other relatives form part of the same household.

As a reference, in 1992, slums in the north-west area of Quito<sup>18</sup> (CIUDAD 1992) had an average of 4.5 persons per household, 4 or 5 being the number of members usually found (48 per cent).

### 4. Birth and Fertility Rates

No quantitative data are available in the case of Corazón de Jesús, but it is noticeable that the percentage of children and youths is very high. In a study based on 34 neighbourhoods in the south-eastern part of the city (CIUDAD, 1996), it was found that children (0-11 years) account for 30.3 per cent of the total population, with youths (12-24 years) accounting for 31.6 per cent. However, there is no local information available about the demographic impact of the recent national migratory process. (Most migrants are of reproductive age).

### 5. Types of Tenure and House Ownership

Being, in its origins, a rural settlement generated as a result of the National Agrarian Reform, the neighbourhood has evolved through a slow process of subdivisions of the initial large plots. For this reason, almost all residents own their houses and land. Only an estimated 10 per cent are tenants. In some cases, families have been unable to obtain the legal ownership of their property.

This information confirms what the Municipality of Quito pinpoints as the general tendency at a city level (1996): 42 per cent of the households in Quito are owners. According to the same source, the tendency is even higher in the peripheral zones (64 per cent) and within poorer households (54 per cent).<sup>19</sup>

### 6. Literacy Rates by Age and Sex Group and Other Relevant Variables

The National Government provides the local school of Corazón de Jesús. "Solidarity & Action Association, ASA", a NGO linked to the Catholic Church, manages a nursery school, a public library, an orphans' centre and

a pre-school and support centre for children. Nearby, there are two secondary schools, but there is a strong feeling that a better education is only provided at schools located in central areas.

In general, in the slums of the north west part of Quito, (CIUDAD, 1992), 40.8 per cent of the adult population has primary studies, and the same percentage (40.8 per cent) has attended at least part of the secondary studies programme, while only 3.3 per cent is illiterate and about 10 per cent has had some type of further education. Among the women, there is a slightly higher rate of primary studies (41.7 per cent), but a lower percentage of secondary studies (38.7 per cent) and also a higher level of illiteracy (5.4 per cent).

## 7. Occupancy Ratios

No data are available for the neighbourhood studied. In the study of slums in the south-eastern part of Quito, the average is 4.2 persons per household and 2.7 persons per bedroom.

## 8. Length of Household Residency in Slums

There are families who have been living at Corazón de Jesús since the neighbourhood was formed, almost 40 years ago. However, less than 15 years of residence is the average. Most families plan to stay there in the future, gradually improving their living conditions, and progressively assimilating the neighbourhood to the urban context. Incidentally, this type of vision is common in most slums of Quito.

## M. COSTS OF LIVING IN SLUMS

### 1. Commuting to Work

Residents consider that commuting times and distances impose severe restrictions on their mobility. Public transport by bus is available on the upper side of the neighbourhood, with a monthly cost that varies from US\$8 to over \$20 per person, depending on the number of connections required. Many residents work near their homes, but there are cases of people who spend more than 3 hours per day travelling. In that respect, although the transport costs are average for Quito, commuting time is, in this case, higher than the average.

### 2. Price of Water and Other Services

Subsidised tariffs are applied to electricity and running water services for the slums of Quito, but they do not apply to women heads of family. At Corazón de Jesús, families pay less than US\$10 per month for water and slightly more for electricity bills. Telephone bills are over

US\$10 per month, but in this case only four of every ten households have the service. Most families use natural gas for cooking (about US\$5 per month).

### 3. Rental Rates

As most of the families own their houses, tenancy only concerns 10 per cent of the population of Corazón de Jesús. As rental takes up about 25 per cent of the average income, house ownership is a real and important way to improve the family budget. Renting a detached house in the neighbourhood can cost about US\$80 per month, which is a high price considering that a well-located and well-serviced house in the central part of the city can be rented for US\$150-200 per month.

### 4. Availability of Housing Finance

There are very few cases of housing credit being available in Corazón de Jesús. Less than 10 per cent of the families have obtained a credit for housing, (loans from banks, co-operatives or mutual funds associations). Many families are aware of the availability of housing credits from ASA, the local NGO, and also know about other types of loans and their conditions. However, after the recent crisis of the financial system of Ecuador, the population views with scepticism banks and loans whose interest rates are considered unacceptable.

### 5. Health Problems

A health care unit, provided by an NGO is available in the neighbourhood. The local government manages a local hospital. Residents do not see health as a major problem, but the lack of sewage and paved roads are likely sources of disease. Respiratory and gastro-intestinal infections and malnutrition symptoms within children and other vulnerable groups are common in the slums of Quito. Pregnancy among teenagers was mentioned as being a commonplace and significant problem in the community.

### 6. Discrimination in Employment and Education

There is a long history of conflict between the families of peasants who originally formed the neighbourhood and those who arrived later, as the former group was opposed to the integration of the area to the urban context and to the provision of public services. As a result, mutual discrimination and distrust eroded the unity of the whole neighbourhood. There is also a problem of racial intolerance against a group of Afro-Ecuadorian families despite their being well organised and having developed a number of cultural activities to strengthen their roots and to create links with the rest

of the population. Nevertheless there is still a strong feeling of distrust against them. This tendency, also observed in other parts of Quito against other ethnic minorities, reinforces their exclusion, and reduces their opportunities to work and study.

### 7. Victimisation and Insecurity

From the point of view of many residents, urban insecurity is the main problem in Corazón de Jesús, where burglaries and assaults are frequent. The presence of gangs and the lack of surveillance of public spaces and streets are considered to be direct causes for the situation, but poverty and lack of opportunities for young people are also presented as being the main reasons. The weakness of the community organisation is also considered to be important, not only for insecurity but also for other community problems. However, individual or mass evictions are non-existent in the neighbourhood.

### 8. Psychological Trauma

Alcoholism is considered to be a serious problem. Drug consumption among the youth is also reported, and both are presented as factors generating destructive and violent behaviour. Cases of domestic and gender violence are not mentioned, but are probably frequent, as studies in similar areas have proved.

### 9. Expenditure for a Typical Slum Household: Expenditure on Housing, Food and Transport

On average, the households of Corazón de Jesús have the following weekly expenditure:

Table 10. Average expenditure per family

Item	Average weekly expenditure perfamily (US\$)	Percentage
Food	32.62	38.6%
Transport	15.95	18.7%
Housing	15.00	17.6%
Clothing	9.66	11.4%
Health	3.81	4.5%
Other expenditures	2.48	2.9%
Telephone	2.28	2.7%
Electricity	1.64	1.9%
Water	1.43	1.7%
Total	85.05	100.00%

The table does not cover items of expenditure that require complex analysis and calculation, as in the case of non-essential acquisitions, or education which normally requires an important spending at the beginning of the school term and sporadic expenditure throughout the year. The results, however, show the impact of the cost of food and transport on the economy of poor urban families.

## N. ASSETS AVAILABLE TO SLUM DWELLERS

### 1. Social Capital

Corazón de Jesús has two main community organisations. The Neighbourhood Committee, (*La Directiva*) involves most of the residents of the upper side, while the Water Council includes the households from the lower side in the management of a spring assigned for communal use. Both of these organisations have been important actors in the neighbourhood development but have experienced mutual conflicts and divergences over many issues, such as the management of communal plots, the building of streets or the supply of basic services.

According to the residents, neither of them exercises real democratic functions, as frequently their board of directors impose their views and overrule the opinion of the majority once they are elected.

Another community-based organisation is the Neighbourhood Sports League, which has little involvement in community issues except for football tournaments. There is also a Cultural Group formed by young Afro-Ecuadorian residents, and a parents' association in the school.

### 2. Financial Capital

Banks, mutual fund associations and other formal financial mechanisms have no acceptance or impact among the residents. For emergencies, the common tendency is to obtain support from relatives or friends. However, there is high interest on loans for setting up productive enterprises, when provided by a co-operative or any other type of communal association.

### 3. Human Capital

Most adults in Corazón de Jesús have received primary education and many of them have attended a secondary school. Further education and technical skills are more frequent within males, but most children attend the school without any gender distinctions. On the lower side, there are some cases of adult illiteracy, and children's attendance at school is limited, as many are required to help their parents at work.



#### 4. Physical Capital

Property deeds provide security of tenure for the majority of families in Corazón de Jesús, but there are some cases of precarious ownership and legal conflict. Many families have small businesses, workshops or stores within their houses, while others practice some type of urban agriculture or raise domestic animals. On the upper side all the basic services are available, but on the lower side the lack of a sewage system impedes the paving of the roads and, consequently, access to other services such as solid waste collection or public transport.

There are health and educational facilities available at a reasonable distance. There is also a park and a football field, although in very poor conditions. Food and other basic supplies can be obtained at an open market located nearby, but for other services public transportation is required. In general, the restrictions imposed by the coverage and frequency of the public transportation system are seen as reasons for isolation and therefore as important problems for many residents.

#### 5. Supportive Public Policy

An institutional diagram, drafted by the residents, shows the relative importance they assign to each supportive programme available in Corazón de Jesús. First comes the Catholic Church, which is close to the community, as its NGO, Asociación Solidaridad y Acción (Solidarity and Action Association - ASA) sees to many of the local priorities (nursery school, library, small children's and pregnant mothers' attention centre, etc). In the second place, they mention the local government that provides water, electricity, and solid waste collection services and also manages the hospital, the open market and the fire department. Finally, the national government, which only provides education, is referred to as not being very important. No reference is made by the residents to national programmes trying to alleviate poverty through subsidies. (See **diagram 1**)

## IV. SLUMS AND POVERTY: THE POLICIES

### N. POLICIES AND ACTIONS TAKEN TO IMPROVE SLUMS AND ALLEVIATE POVERTY

#### 1. Locational Targeting: Official National, Regional and City Policies and Programmes to Eradicate or Upgrade Slums

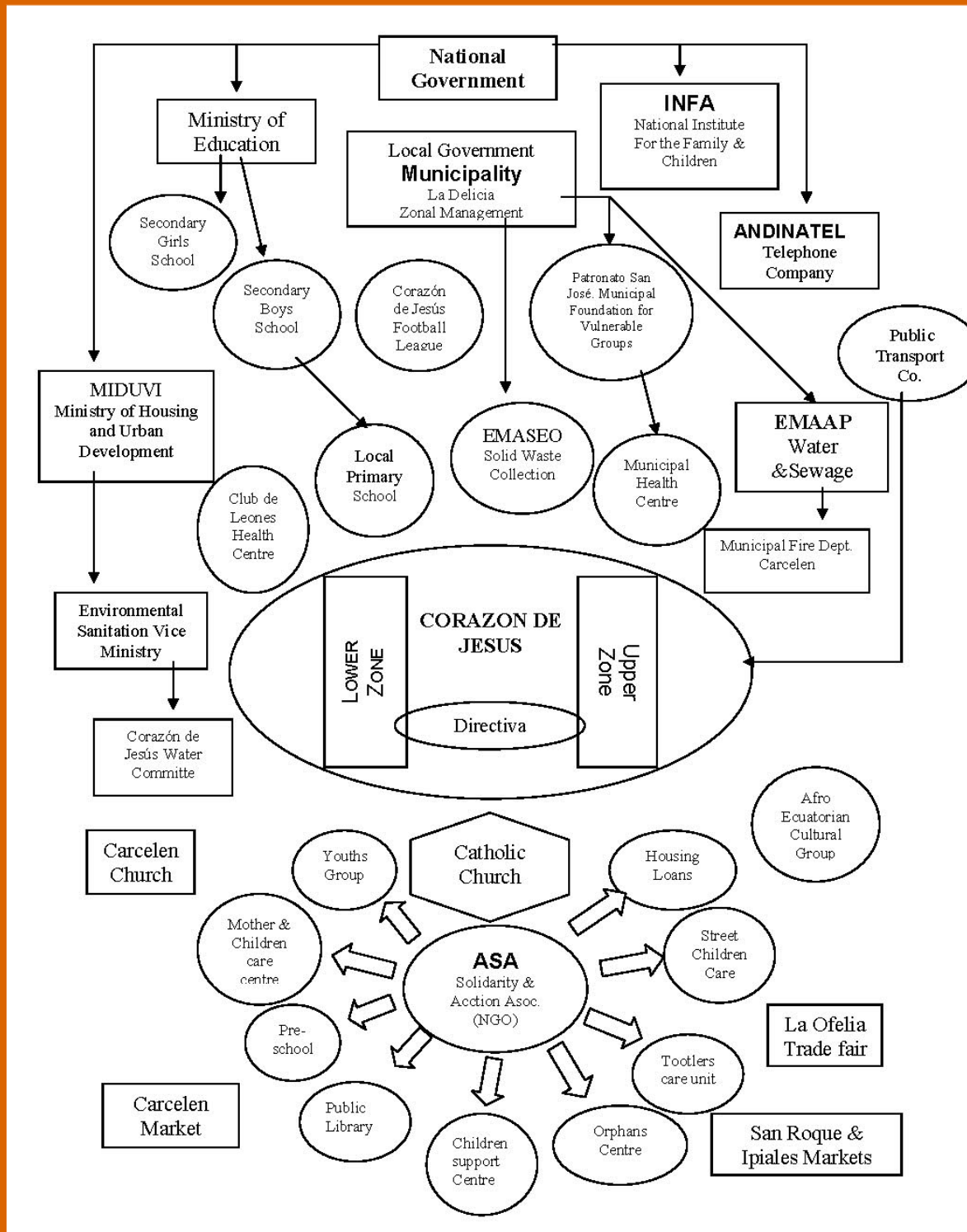
A national programme for upgrading slums, called the "National Housing Improvement System", managed by the Ministry of Housing and Urban Development, with financial support from the Inter-American Development Bank, is the most recent governmental effort to respond to urban trends. To build new houses or to improve existing ones, it draws on three levels of resources: family savings; a subsidy from the government; and a bank loan.

Between 1998 and 2001, the programme has provided US\$60 million in subsidies and US\$5million in credits to 45,000 Ecuadorian families, of which about 11,000 live in Quito or in its surrounding province. Through this investment, the programme has generated an aggregate value of about US\$157 million and mobilised additional resources of about US\$211 million, therefore being considered a successful experience.

The local government, apart from heavy investments in conventional infrastructure services such as drinking water, sewage, roads, etc, (more than US\$200 during 2001), has adopted two innovative strategies to upgrade slums: a) a programme to provide security of tenure to slum residents that has delivered property deeds to 13,000 families in 40 slum neighbourhoods within the city, and b) a metropolitan land and housing enterprise - conceived of as a public-private partnership that aims to regulate the prices of land through direct participation in the market. However, this policy is currently in the process of legal approval. It was recently voted in by the city council, but no final decisions have been adopted yet on the precise involvement that civil society (private sector, NGOs, CBOs) will have on its operation.

Type of subsidies	Beneficiaries In Quito	Individual Amount US\$	Expenditure per Month	Expenditure per Year
Solidarity bond for mothers	104,638	11.50	1,203,337	14,440,044
Solidarity bond for the elderly	1,200	7.00	186,410	2,236,920
Solidarity bond for the disabled	1,200	7.00	84,000	1,008,000
Scholarship Programme	1,778	12.00	21,336	256,032
Productive credit	2,395	N/A		637,990
Total	136,641			18,578,986

Diagram 1: Institutional Diagram of Corazon De Jesus Neighbourhood



(According to key local actors). GTZ, (2001). Informe sobre el barrio "Corazón de Jesús" (unpublished)

## 2. Socio-Economic Targeting: Official National, Regional and City Policies and Programmes to Eradicate or Alleviate Poverty

The national government is currently applying a set of subsidies to alleviate poverty. The most important is called "The Solidarity Bond", that provides US\$7.00 or \$11.50 per month to mothers, senior citizens and the disabled. In the past three years 1,241,000 poor families in Ecuador have received this benefit. A scholarship programme pays US\$12.00 per month to mothers about to abandon school. Other, less effective, mechanisms provide credits for micro-enterprises. Recent official data give an overview of the results of those mechanisms in Quito.

The Municipality of Quito has recently created a Secretariat for Social and Economic Development. Among other actions, it has set a fund for opportunities of productive initiatives and a programme to support the families of migrants. Additionally, the local government manages a number of conventional programmes in education, health and other issues, some of them specifically oriented to supporting vulnerable groups: homeless children, women and senior citizens. Attention is also paid to ethnic minorities, indigenous groups and Afro-Ecuadorians, through specific administrative units.

## 3. Non-Governmental Interventions: Community-Based and NGO-Based Programmes to Improve Slums and to Alleviate/Eradiate Poverty

Quito has a long tradition of community-based initiatives for solving housing problems, improving slums and alleviating poverty. Originally conflictive during the 1970s, most CBOs have found new strategies and channels to articulate their needs within the urban context, although in most cases through the informal sector of the economy and with strong investments - money, time and effort - provided by the communities themselves.

Each neighbourhood in Quito usually has some type of grassroots-organisation. Some of them joined together, forming second-degree federations, although none of these federations has been able to include them all. Co-operatives are also active, and several of them have enough experience and capacity to manage large housing projects, small credit systems, productive programmes, etc.

For the last 20-30 years, those efforts have been supported by a vast group of NGOs. Their expertise covers many issues and fields of work, including housing, urban problems, environment, gender, credit, etc. There are several examples and successful experiences from this type of collaboration in Quito. However, with some exceptions, the capabilities of NGOs are

commonly conditioned by the scarcity of resources and sources of financing, therefore reducing the scale and impact of their efforts in most cases.

## P. IMPACT OF EFFORTS

### 1. Success Stories and Potential Best Practices

In 1996, about two hundred poor families invaded and built their slum housing in a strategically located piece of public land assigned by the Municipality of Quito for building a park near the historic area of Quito. For over six years the problem was untouched, until a new administration took office in the municipality and developed a quick process of negotiation. In a very short time, a group of partners were able to provide a simple and integral solution: on another plot of land provided by the municipality, a private company built several blocks of flats to accommodate all the families. The project was financed by a loan from a co-operative owned by the Chamber of Commerce, with further financial support provided by the National Housing Improvement System (Ministry of Housing and Urban Development). An NGO provided technical support and conveyed the required seed money from an international co-operation agency. Currently, the former invaders are ready to move to their new apartments, and the city has recovered the land and is now able to build its park.

Some key figures from this project: are:

■ 200	housing units
■ 800	inhabitants
■ 14,748	m <sup>2</sup> building
■ 6,500	m <sup>2</sup> open spaces
■ 1,200	m <sup>2</sup> communal spaces
■ \$ 219,000	Municipal contribution (land & basic infrastructure)
■ \$ 715,100	Families' contribution (loans, seed money, savings)
■ \$ 352,800	Ministry of Housing contribution (housing improvement system)
■ \$1,286,900	Total investment

**Matrix 1** provides an image of the broad-based partnership involved in this initiative:

### 2. Reasons for Successes and Failures

The experience mentioned above proves the importance of agreements between several parties to find a viable solution to a complex problem: the national and local governments, entities from civil society and the private sector, together with the communities themselves, had to learn how to negotiate and agree with



each other. The political willingness of the mayor has been the key factor resulting in success, together with the perseverance and energy shown by the community.

After 30 or 40 years of attempted solutions to the problems of slums and poverty in Quito, it seems clear that unilateral and small-scale efforts have fewer possibilities of success. Results are also limited when authorities and public entities adopt a vertical or authoritarian position. Above all, not to include the strength and potential of the communities and their organisational capacity usually leads to failure.

### 3. Lessons Learned

What has happened in Ecuador during the last five years, clearly shows that there is not an "ideal context" for the eradication of poverty or the improvement of slums. The search for the "right conditions" could mean the indefinite postponement of solutions. Another lesson is that a key element remains the combination of willingness from all parties involved enabling them to become involved. For the same reason, clear leadership is also required.

Experiences in Quito prove that even in financial terms, the sustainability of projects depends more on the potentialities and capabilities of the communities than on the availability of sources of finance, expertise or advice. Loans or even subsidies could be important but not as essential as the capabilities and potential of the people involved.

A final lesson is that any programme to improve slums or to alleviate poverty requires proper targeting, but this has to be done from the supply side instead of trying to cope with the increasing demand.

Matrix 1

Sector	Institution	Involvement
Local Government	Municipality of Quito	Land, Infrastructure
	Central Zone Office	follow-up
National Government	Ministry of Housing and Urban Development	Subsidy
	Ministry of Health	Health care
Private Sector	Chamber of Commerce Co-operative	Loan
	ECO architects / Solandes Construcciones	Building
	Graiman Bank	Technical support
	SERFIN	Follow-up
Church	Comunidad Salesiana	Social support
	Grassroots Christian Communities	
	Colegio Sagrados Corazones	
	Tierra Fraterna	
NGOs	Centro de Investigaciones CIUDAD- (FORHUM and Paso a Paso Programmes)	Micro-credit, Promotion Technical advice
	Acción Ecológica	Further support
	CEDHU	
	Consorcio Nuevo Ecuador	
	Chasqui net	
	MAPP International	
	Utopia	
CBOs	Asamblea ecuatoriana por los derechos de los Jóvenes	Follow-up
	CEDOCUT	
	CONAIE	
	CONFUNASSC	
	Coordinadora de Movimientos Sociales,	
	Coordinadora Popular de Quito	
	Organización de Derechos Humanos de La Tola	
Universities	Facultad de Arquitectura - Universidad Católica	Planning
	Facultad de Arquitectura - Universidad Central	
International Co-operation	European Union	Seed capital
	IEPALA (Spain)	
	KATE (Germany)	

## **Q. COMMITMENTS TO REGULAR MONITORING AND FEEDBACK, AND ADJUSTMENT OF POLICIES AND PROGRAMMES**

Traditional approaches to urban poverty are being reviewed in Ecuador as a result of the severe crisis recently confronted. Several innovative initiatives have been launched and most of them include schemes for monitoring and assessment, usually as a requirement from the financial entities involved. However, not all the control and feedback mechanisms have been sufficiently tested, and for this reason adjustments are not always adopted at the proper time.

### **1. Budget Commitments**

At a national level, there is resistance to providing further resources for what is called "the social debt" to the detriment of other areas. Slum and poverty-oriented policies and programmes have received further resources during recent years, but nevertheless, those increments do not match the rate of growth of poverty in Ecuador.

At a local level, the municipal budget assigned to economic and social development has been increased notoriously during the last two years, in order to support new competencies and innovative actions derived from a participatory and decentralised form of urban management.

### **2. Policy Commitments**

A conventional, thematic approach to dealing with social issues is still prevalent at national government level (health, education, etc.) However, co-ordination between sectors has improved and new channels have been opened for the treatment of cross-sectional issues such as gender, environment, poverty, etc. These innovations have resulted in successive changes in the legal, institutional and planning framework of the governments and their policies.

These types of changes have also been frequent and positive at a local government level. The Municipality of Quito has adopted mechanisms to follow up and assess its policies, apart from institutionalising a Participatory Management System that involves radical changes to the role and responsibilities of urban actors. This innovative proposal of the local government in charge (2000-2004) seeks to promote the involvement of the community in local government, to enforce a comprehensive and decentralised administration throughout the territory of the district, to build public-private alliances for priority development projects, to enforce transparency, accountability and control by the community, and to establish strategic agreements with Universities, NGOs, CBOs and other urban actors.

Goals achieved to date include:

- **Governance:** citizens participate in the development of policies and in the execution of programmes and projects at neighbourhood level.
- **Public-private alliances:** in partnership with the private sector, the municipality has formed several corporations to carry out a number of projects for improving the urban environment, regulating the price of land and housing, building a new airport, improving public safety, reinforcing the health system, among other issues.
- **Participatory Democracy:** new community leaders have decision-taking capabilities and provide follow-up for joint municipality-community projects at the neighbourhood level.
- **Transparency:** the budget is open and distributed with equity. Accountability and social monitoring have been included as common administrative practices.
- **Equity:** women, children, youth, senior citizens, the disabled, indigenous and Afro-Ecuadorian groups elect delegates to the Metropolitan Equity Council of Quito.

### **3. Commitment of NGOs to Monitoring Slum Conditions**

For a long time, local NGOs have been committed to the monitoring and assessment of programmes oriented to improving slum conditions, or to alleviating poverty. Their involvement, however, is still residual, as in many cases other monitoring mechanisms are required by the financial entities involved.

### **4. Commitment of International Technical Co-operation Agencies**

Multi-lateral co-operation agencies, particularly those from the UN system, apply significant efforts to following up and monitoring and assessing projects oriented to alleviating and eradicating poverty in the slums of Quito and in Ecuador as a whole. The results of those efforts are periodic reports that serve as guidelines for action for the national and local governments. Many bilateral or non-governmental agencies are also involved in that type of initiative, together with several financial entities.

## ACRONYMS

ASA	Asociación Solidaridad y Acción (Solidarity & Action Association -NGO)
CEN	Corporación Editora Nacional (National Editorial Corporation)
CIUDAD	Centro de Investigaciones CIUDAD (Research Institute)
CODENPE	Consejo de Planificación y Desarrollo de los Pueblos Indígenas y Negros (Council of Development and Planning of Indian and Black Towns)
CTE	Confederación de Trabajadores del Ecuador (Ecuadorian Workers' Confederation)
DGP	Dirección General de Planificación (National Planning Office)
DP	Democracia Popular (political party)
DMQ	Distrito Metropolitano de Quito (Metropolitan District of Quito)
DMTV	Dirección Metropolitana de Territorio y Vivienda (Metropolitan Office of Territory and Housing)
EAP	Población Económicamente Activa-PEA (Economically Active Population)
EMAAP	Empresa Metropolitana de Alcantarillado y Agua Potable (Water and Sewage Co.)
GDP	Producto Interno Bruto-PIB (Gross Domestic Product)
ID	Izquierda Democrática (political party)
IDB	Banco Interamericano de Desarrollo-BID (Inter-American Development Bank)
INEC	Instituto Nacional de Estadísticas y Censos (National Institute of Census and Statistics)
LRM	Ley de Régimen Municipal (Law of Municipal Organisation)
LDMQ	Ley del Distrito Metropolitano de Quito (Law of the Metropolitan District of Quito)
MDMQ	Municipio del Distrito Metropolitano de Quito (Quito Town Hall)
MIDUVI	Ministerio de Desarrollo Urbano y Vivienda del Ecuador (Ministry of Housing)
MPD	Movimiento Popular Democrático (political party)
NGO	Organización No Gubernamental-ONG (NGO - Non Government Organisation)
PGDT	Plan General de Desarrollo Territorial (General Territorial Development Plan)
QMD	Distrito Metropolitano de Quito-DMQ (Quito Metropolitan District)
SIISE	Sistema Integrado de Indicadores Sociales (Integrated System of Social Indicators)
SIG	Sistema de Información Geográfica (Geographic Information System-GIS)
SUIM	Sistema Urbano de Información Metropolitana (Urban System of Metropolitan Information)

## GLOSSARY

*La Costa* The western lowlands

*La Sierra* The Andean highlands

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## ENDNOTES

- 1 Section based on Carrión Diego (1996).
- 2 Such as some settlements of Indians converted to Christianity (reducciones), ranches (haciendas), logging camps (obrajes), filling machines camps (batanes), as forms of control and exploitation of the indigenous labour force.
- 3 By 1781, Quito Province (in the Sierra) had 311,649 inhabitants, while Guayaquil Province had only 31090. (Pazy Miño, Telmo, 1936, p.37).
- 4 In fact, Ecuadorian banana exports rose from 13,881 tons in 1944 to 169,600 in 1950 and continued rising till 1959, reaching 855,871 (64.2 per cent of total exports).
- 5 Total exports: 1971, US\$243 m.; 1972, US\$323 m.; 1973, US\$575 m.; 1974, US\$1050 m. (Source: Banco Central).
- 6 The National Budget increased by 178.6 per cent between 1971 and 1974 (4.100 million sucres to 11.430 million).
- 7 1978-1980: Jaime Roldós (died while President) and was succeeded by his vice-president Oswaldo Hurtado (1980-1992); 1982-1988: León Febres Cordero; 1988-1992: Rodrigo Borja; 1992-1996: Sixto Durán Ballén.
- 8 The following powers of land use control have been added to the powers established by the LRM for all municipalities: compulsory authority in the definition of ecologically-protected and environmentally-protected areas; compulsory authority in the assignation of land uses; compulsory authority in the co-ordinating role of territorial management; compulsory authority for the management of the transport planning. (Because of the impact of transport on the generation of positive or negative valorisation of sites and real estates).
- 9 Quito is located at Latitude 0° 15' 30" and 0° 35' 49" and Longitude 78° 57' 05" and 78° 10' 13".
- 10 Administrative Zones: Quitumbe, Eloy Alfaro, Manuela Sáenz, Eugenio Espejo, Equinoccial, Calderón, Tumbaco, and Los Chillos.
- 11 Metropolitan Secretariats: Health, Security, Education, culture and sports, Territory and Housing, Sustainable Human Development, Transport and Roads, and Environment. Metropolitan Enterprises: Water and Sewage, Rubbish Collection and Disposal, Public Works, Historic Centre of Quito, Fund for the Conservation of Cultural Patrimony, Land and Housing, Transport Management, and Public Transport Services. Public-private Corporations: Tourism, Security, Vehicle Revision and Control, Airport and Free Trade Zone of Quito, Patronage San José Foundation, and Environmental Health.
- 12 The 2002 budget is calculated to be US\$135 million.
- 13 These figures do not include budgets of municipal enterprises that accounted for approximately US\$200 million for the year 2001.
- 14 Even though this research is quite old now, it is the only one made about this type of neighbourhoods. MDMQ, 1992. Asentamientos Populares, Plan Distrito Metropolitano N 6.
- 15 This part of the document is based on a study by the Municipality of Quito, with support from GTZ, in November 2001, about "Corazón de Jesús", a neighbourhood located on the northern part of Quito. It has been selected not only for

having updated information but also for being a reflection of many other neighbourhoods of Quito.

- 16 Quito, Housing policies. Municipality of Quito. 1996.
- 17 In a recent study, in one of the poorest slums of Quito, single women were heads of family in 40 per cent of the households, and their average income was about US\$ 187,00 per month.
- 18 Study of the neighbourhoods on the north-west part of Quito. CIUDAD, FORHUM Programme, 1992
- 19 Quito, Housing Policies. Municipality of Quito. 1996.
- 20 Between 1995 and 2001, five governments took power in Ecuador and the two which were democratically elected stayed in charge for less than a year. In the same period, the private banking system almost collapsed and an estimated 1,000,000 Ecuadorians left the country, migrating to Europe and North America in search for job opportunities and better living conditions.