



# Addressing spatial segregation of the low- income population through comprehensive social housing projects in Quito, Ecuador

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## **ABSTRACT**

Since the 1970s, urban sprawl in Quito has been accompanied by the valorisation of urban land in central areas, which has led to the spatial segregation of low-income populations towards peripheral areas of the city. The present policy paper is aimed at analysing the main consequences of spatial segregation, as well as the public policies required to address them. The method used draws on secondary analysis, including both qualitative and quantitative sources. Using the theory of change as an analytical framework, the research presented identifies a causal chain that links the specific goals regarding social inclusion in Quito, Ecuador, with the conditions and interventions needed to accomplish them. Spatial segregation has several consequences in economic, social, and psychological dimensions of low-income inhabitants' lives. These consequences include limited job opportunities, low-quality education, reduction of their labour supply and income, among other constraints they face to overcome poverty. Additionally, spatial segregation intensifies social problems such as crime, violence, and addiction. This phenomenon also affects the poor psychologically since it reduces their self-confidence and limits their aspirations. The analysis of theoretical and empirical evidence regarding policy options leads to the conclusion that the optimal intervention to address spatial segregation is the implementation of comprehensive social housing projects in the centre of the city. To ensure the success of these projects, their design should incorporate the establishment of mixed-income neighbourhoods, mechanisms to promote social mobility and reduce dependency, minimum quality standards for decent dwellings, and programs that guarantee the affordability of housing for the poorest tenants. Finally, these projects must be complemented by inclusive employment programs aimed at increasing information, skills, and job options for social tenants.

## INTRODUCTION

The “right to the city” is the right of a city’s inhabitants not to be excluded from its centrality and movement (Lefebvre, 1970:175). This implies the right to inhabit, work, and freely use time and places in the city. However, urbanization patterns in contemporary cities such as Quito, Ecuador, have led to spatial segregation of the low-income population towards peripheral areas, preventing them from exercising their right to the city.

This paper seeks to identify the primary consequences of spatial segregation for the disadvantaged and the public policies necessary to address them, focusing specifically on Quito. The first objective of this research is to recognise the main social, economic, and psychological effects of spatial segregation on the lives of the poor. The second objective is to identify the interventions needed to address these consequences and integrate the segregated population into the city’s urban dynamics.

Quito has 2,597,989 inhabitants, 30 per cent of which are considered poor (INEC, 2010a). Patterns of urban development in the city have created obstacles for the access of disadvantaged inhabitants to housing and labour markets in the city centre. Urban sprawl in Quito has been accompanied by increasing valorisation of land in central areas due to the concentration of employment, commercial activities, and high-quality services and infrastructure. Conversely, land in peripheral areas is sold at low prices due to its remoteness from employment centres and low provision of services. Consequently, most low-income households have been forced to live in peripheral areas.

Spatial segregation has several consequences for the development of low-income people. First, their remoteness from employment centres reduces job opportunities. Additionally, low-income students in peripheral areas have limited access to high-quality education. The lengthy commute made by segregated people on a daily basis reduces the amount of time they

could spend on productive activities to overcome poverty. Spatial segregation also leads the poor to establish informal settlements, which generates land tenure insecurity and further obstructs their access to services, infrastructure, and employment. Another consequence is the concentration of social problems such as crime, violence, and addiction in peripheral neighbourhoods. Finally, isolation from those with different social backgrounds leads the poor to limit their educational and employment aspirations. The aforementioned problems demand urgent and comprehensive solutions from local policy makers.

To identify these solutions, the present document begins by analysing the patterns of spatial segregation and its consequences in greater detail. Subsequently, I study different policy interventions such as the provision of infrastructure and services in peripheral areas, the regularization and relocation of informal settlements, the provision of social housing in central areas, and the implementation of inclusive employment policies. The advantages and disadvantages of such policies are assessed under the framework of growth management, with the objective of constructing an inclusive, sustainable, and compact city. The study concludes by recommending the implementation of comprehensive social housing projects in central areas of the city, aimed not only at correcting inequalities in the housing sector but also at integrating the low-income population into the labour market.

## **METHOD**

The research question is addressed through a literature-based analysis of theory and evidence regarding the main consequences of spatial segregation of the low-income population and the optimal policy response. The literature-based approach is complemented with the analysis and interpretation of statistical in-

formation from the National Census of Population and Housing of Ecuador and data provided by Quito's local government. This quantitative information is analysed spatially using geographical information systems, which allows us to contrast the theory with geographical patterns emerging in Quito.

The analytical framework for this research is the “theory of change”, understood as “an articulation of how and why a given intervention will lead to specific change” (Stein and Valters, 2012:2). Specifically, research presented here articulates how and why the public policies recommended will address consequences of spatial segregation. To this end, I follow the recommendations of The Centre for Theory of Change (2013) to identify the desired goals regarding social inclusion in Ecuador's capital city. Subsequently, I identify a causal chain that links these goals with the conditions and interventions needed to accomplish them.

The key variable studied in this research is the poverty rate, measured using the method of Unsatisfied Basic Needs. This variable is mapped at the district level to illustrate the issue of spatial segregation of the low-income population in Quito. Additionally, the consequences of spatial segregation are identified based on a literature review and empirical evidence regarding socioeconomic variables such as employment, access to services, crime, and security of tenure. Finally, the specific public policies proposed are aligned with the main socioeconomic outcomes affected by spatial segregation.

## **PROBLEM DESCRIPTION**

### **Patterns of spatial segregation of the low-income population**

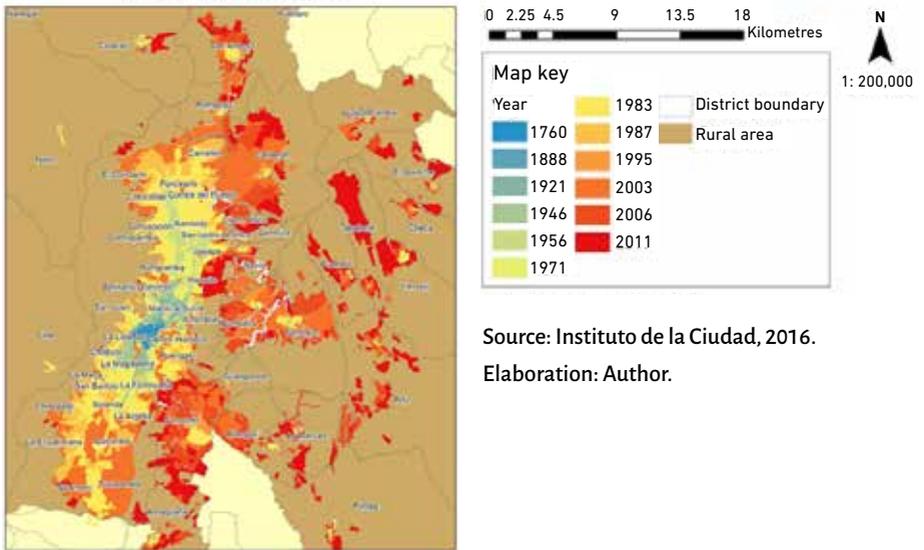
Since the 1970s, urban development in Quito has followed patterns of “urban sprawl”. Quito has expanded its territory from

5,189 hectares to 43,550 hectares between 1971 and 2011 (Instituto de la Ciudad, 2013). As Figure 1 shows, the expansion of urbanization since 1970 has followed “leapfrog patterns of development.” Districts like San Antonio and Pomasqui in the north of the city, Calderon in the northeast, and Cumbaya and Tumbaco in the east – that were located in areas far from the urban perimeter – started to grow in 1987. As a result, the city has begun to resemble a haphazard patchwork, consuming more land than contiguous developments (Gillham & MacLean, 2002:4). Remaining open tracts were filled with new developments over time.

Urban sprawl in Quito has been accompanied by the violent valorisation of urban land in central areas (Carrion *et al.*, 1987: 84). The higher cost of land in city centres can be attributed to two factors: clustering and access (Gillham & MacLean, 2002:10). “Clustering,” also known as economies of agglomeration, implies that businesses benefit economically from trade if they are located in the same geographical space. Additionally, employees benefit from the ability to search for jobs in the same cluster, and employers benefit from the resulting labour pool (Gillham & MacLean, 2002:10). “Access,” on the other hand, means that people who live and work in city centres have better access to markets, basic services, and facilities than residents of peripheral areas. Spatial differences in terms of the commercial value of urban land in Quito are evidenced in Figure 2. The price of a square metre of land in peripheral districts such as San Antonio, Pomasqui and Calderon is between USD 5 and USD 47, whereas the price in central districts such as Ñaquito and Mariscal Sucre can be as high as USD 930 per square metre (Instituto de la Ciudad, 2016).

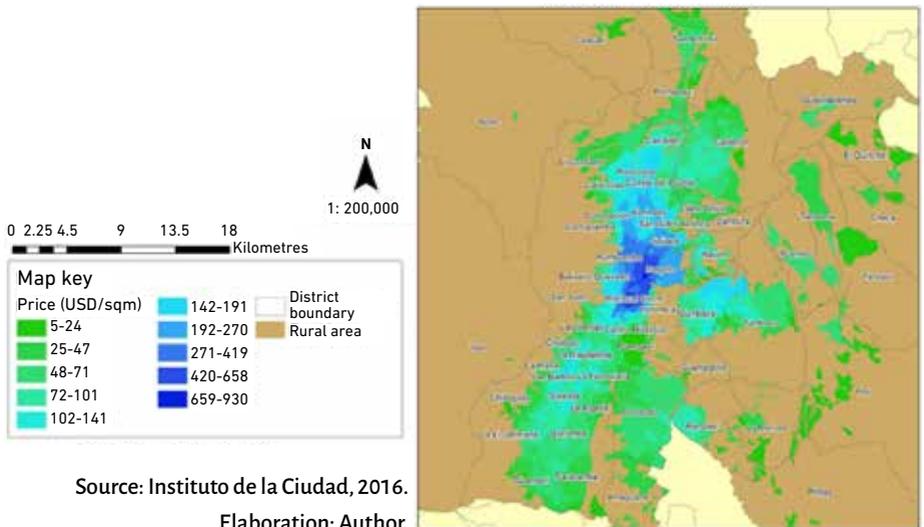
As a response to the high costs of land in the city centre, low-income people have been forced to live in peripheral areas. These areas are characterised by an abundance of land, low provision of services, and limited access to employment, which justifies the low cost of housing. Figure 3 illustrates how low-income

**FIGURE 1 MAP OF URBAN GROWTH IN QUITO**



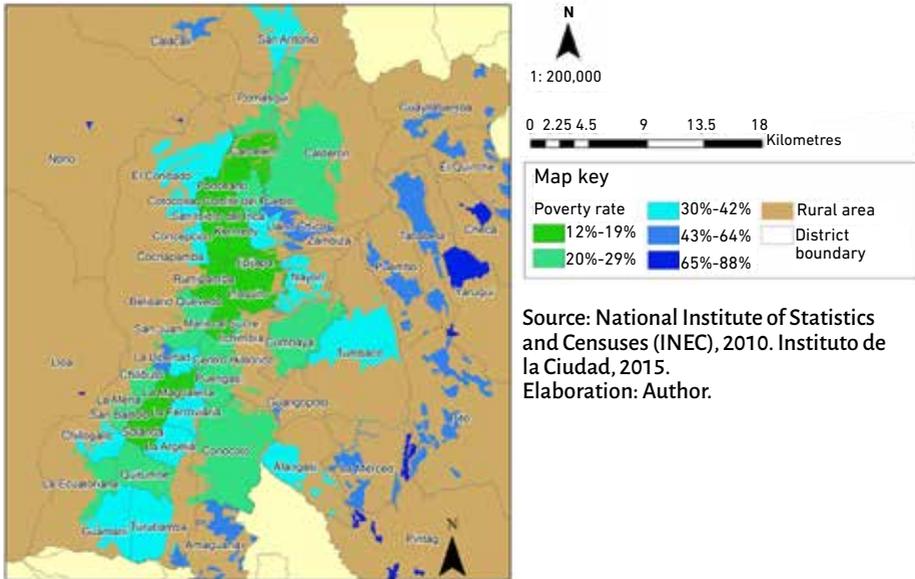
Source: Instituto de la Ciudad, 2016.  
Elaboration: Author.

**FIGURE 2 MAP OF PRICE OF URBAN LAND IN QUITO (USD PER SQUARE METER)**



Source: Instituto de la Ciudad, 2016.  
Elaboration: Author.

**FIGURE 3 MAP OF POVERTY RATE IN QUITO 2010 (UNSATISFIED BASIC NEEDS)**



Source: National Institute of Statistics and Censuses (INEC), 2010. Instituto de la Ciudad, 2015.  
Elaboration: Author.

households in Quito have been segregated to peripheral areas while high and middle-income classes live concentrated around the central business district. According to the Unsatisfied Basic Needs method, the percentage of poverty in Quito is 30 per cent (INEC, 2010a). However, the analysis of the spatial distribution of poverty shows important differences between Quito's districts. Centrally located districts, such as those located between Carcelen in the north and Mariscal Sucre in the south, have poverty rates from 12 to 19 per cent. The poverty rate of surrounding districts such as Pomasqui and Calderón increases up to 29 per cent. The most remote areas, such as Checa and Yaruqui, show poverty rates of up to 88 per cent. Hence, the more remote the district is from the city centre, the higher its poverty rate is.

## Consequences of spatial segregation

Spatial segregation affects economic, social, and psychological dimensions of low-income inhabitants' lives. The distance from employment centralities to peripheral neighbourhoods limits their job opportunities. The time spent in daily commuting reduces the amount of time they could spend on other activities, which constrains their capacity to overcome poverty. The quality of education in segregated neighbourhoods is likely to be lower than in central areas, which deepens inequalities in the long run. The establishment of informal settlements in the periphery also presents negative effects since residents have to dedicate time and effort to protect their property, which reduces their labour supply and income. The concentration of poverty in peripheral neighbourhoods also generates social problems such as crime, violence, and addiction. Lastly, segregation has psychological impacts on the poor, as it reduces their self-confidence and limits their aspirations.

### Economic consequences

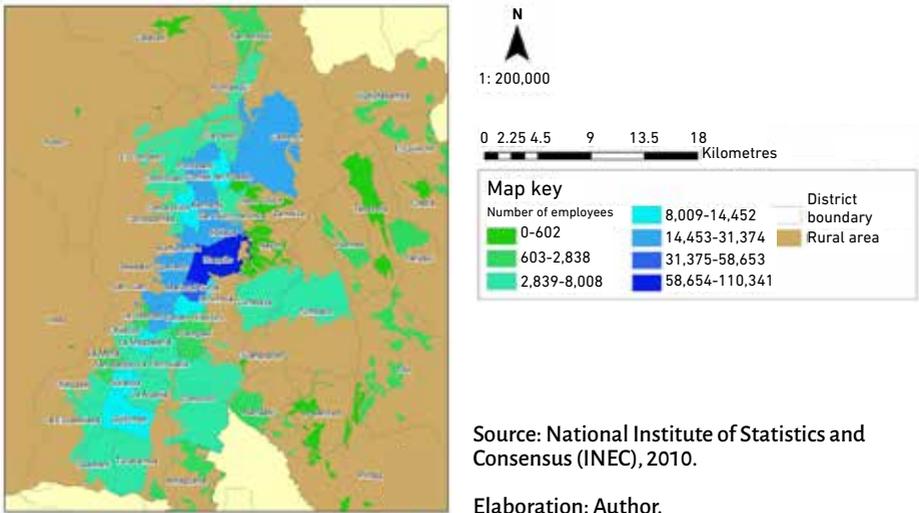
The concentration of employment in the city centre limits employment opportunities for the segregated low-income population. Figure 4 shows how employment is concentrated in one specific central district of Quito: Iñaquito. According to the National Economic Census (INEC, 2010b), the businesses located in Iñaquito employ 110,341 people or 7,356 people per square kilometre. On the other hand, businesses located in peripheral districts such as La Ecuatoriana, Guamaní, and Turubamba (in the south) employ between 150 and 290 people per square kilometre. The distance from peripheral areas to employment centres represents a barrier to the low-income population, who must commute long distances to get to work and to access new employment opportunities.

Commuting long hours every day increases the phenomenon of time poverty. The time spent in commuting prevents citizens from dedicating more time to work, study, rest, or family activities. In other words, this reduces the poor's "full income capability", which is "the income an individual could generate if he or she spent all available time in paid work" (Burchardt, 2008:12). In Quito, an average trip between the peripheral areas and the central business district can take between one and two hours by bus. In effect, the impoverished are constrained to generate income to overcome poverty as they waste two to four hours of paid work by commuting.

Segregation also affects the capacity of the poor to join employment networks and learn about job opportunities. Many residents in isolated areas of the city seldom travel to other neighbourhoods not only because they lack resources but also because they lack reasons, skills, and confidence (Kintrea, 2008:73). The disadvantaged "consider that the city centre is out of their bounds" (Kintrea, 2008:73). Consequently, they lack employment networks beyond peripheral areas and are less likely to learn about opportunities located in the city centre.

Low-quality education is another reality for segregated low-income residents. Most high-quality educational facilities are concentrated in central districts. Therefore, if disadvantaged students want to access high-quality education, they have to commute long distances. Additionally, when poor families are clustered geographically and there are few schools close to poor districts, disadvantaged students will also be clustered geographically. This phenomenon generates lower performance of impoverished students in comparison with those who study in central areas because schools in poor areas have greater needs regarding the quality of teachers, infrastructure and educational resources. Given the importance of human capital for future opportunities, lower-quality education for the poor perpetuates

**FIGURE 4** MAP OF NUMBER OF EMPLOYEES BY DISTRICT IN QUITO



poverty and is likely to contribute to widening income inequality over time (Levy 1995, as cited in Squires, 2002:65).

Spatial segregation leads the low-income population to establish informal settlements in peripheral areas. These communities are “settlements of the urban poor developed through the unauthorised occupation of land” (Huchzermeyer & Karam, 2006:vii). In Quito, the low-income population establish informal settlements as a mechanism to access low-cost urban land (Mena, 2010:6). The low prices offered by clandestine land developers to impoverished people are mainly related to the legal insecurity of land, the lack of basic infrastructure and services, and its location in peripheral and disaster prone areas (Clichevsky, 2003:10).

Living in informal settlements demands time and effort from impoverished people, which reduces the household’s supply of labour. The establishment of these unauthorised communities is time-consuming because inhabitants have to self-manage

land, housing, services, and community equipment (Fernández, 2004:23). Additionally, people that live in informal settlements spend time and resources maintaining tenure security through informal means such as informal policing, community organizations and staying close to home. This reduces the household's supply of labour and thus income (Field, 2007:1562). To sum up, being established in informal settlements reduces the possibilities for low-income people to overcome poverty.

### **Social and psychological consequences**

The concentration of the poor in peripheral areas leads to the concentration of social problems. As Rusk (1999) states, “poor neighbourhoods are poverty machines” (Squires, 2002:67). Residents of poor areas are frequently exposed to crime and counterproductive activities, which generates a cycle that perpetuates crime. The “street culture” of the poorest neighbourhoods is characterised by violence, drugs, sex, teenage pregnancy, and other problematic behaviours (Squires, 2002:65). According to Crane (1991), when people, especially teenagers, are exposed to negative behaviours in poor areas, they have a high probability of emulating these behaviours, even after controlling for the influence of a person's immediate family and personal characteristics (Squires, 2002:64).

Isolation of the poor from different contexts and social classes leads them to underestimate their abilities and limit their aspirations. Neighbourhoods are the areas in which beliefs, attitudes, and expectations are constructed through social relationships (Kintrea, 2008:72). Psychological and anthropological research has shown that the conditions of poor neighbourhoods generate “mental models” in low-income people, which limits their capacity to imagine a better life (The World Bank, 2015:14). These “neighbourhood effects” can be mitigated if impoverished households share spaces with mid-

dle and high-income populations, with different aspirations and expectations. Social interactions of poor people in mixed communities can increase important development outcomes such as school achievement and labour market participation.

## **POLICY OPTIONS**

The essence of spatial segregation is the interaction of housing systems and labour market derived inequalities. These are therefore the most relevant areas of intervention (Kintrea, 2008:69). The proposed policies should guarantee the “right to the city” for the poor, which involves not only the right to access the centrality and its movement but also the right to inhabit, work, and freely use time and places in the city (Lefebvre, 1970, as cited in Mitchell, 2012:18). Finally, the proposed policies must be comprehensive in the sense that they should address the economic, social, and psychological effects of spatial segregation.

Policy options will be assessed under the framework of “growth management” as the optimal approach to address uneven development in cities. Growth management refers to the attempts to use planning, policy and regulatory techniques to influence the allocation of new developments in cities (Gillham & MacLean, 2002:155). The main goal of growth management is to achieve “smart growth” in cities.

The Smart Growth Network (2015) proposes the construction of “compact cities” as a way to achieve smart growth. This implies the manipulation of urban size and structure in pursuit of the environmental, social, and economic benefits derived from the concentration of urban functions. Compact cities are characterised by high population density, large built areas and intensive urban, economic and social activities (Burgess, 2000:9). Additionally, smart growth requires promoting

the most effective use of existing land and infrastructure, establishing restrictions on development in outlying suburban areas and building more affordable housing in metropolitan areas (Squires, 2002; Smart Growth Network, 2015).

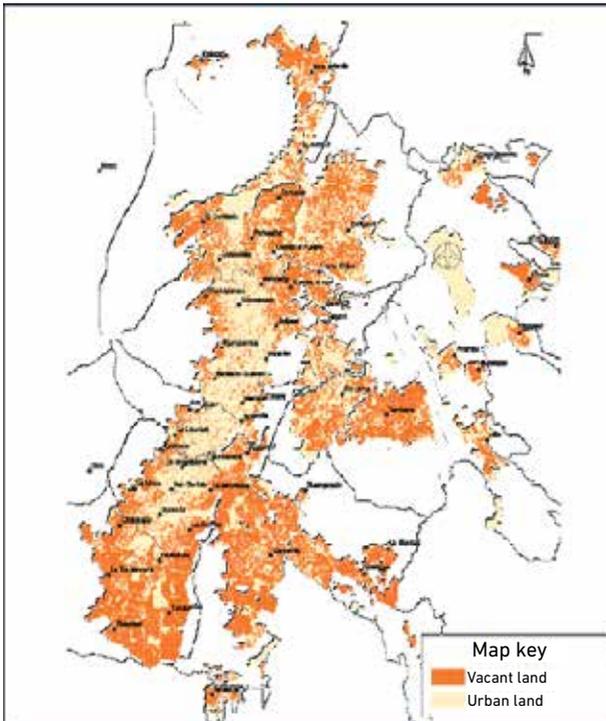
## Provision of infrastructure and services in peripheral areas

Urban sprawl and spatial segregation are important concerns for local policy makers not only because of their consequences for disadvantaged populations, but also because these phenomena present challenges in terms of provision of infrastructure and services. As more residential housing is built in peripheral areas, local governments need to increase their spending to build more schools, hospitals, water and sewage lines and electrical utilities (Williams, 2000:15). This is a suboptimal pattern of urbanization since the city continues expanding its urban territory instead of using efficiently the urban areas that are already equipped.

Quito is a clear example of an uncontrolled urban expansion that has led to the inefficient use of land. According to the Metropolitan Plan for the Land Management of Quito, there are 86,448 properties without construction in the urban area, equivalent to 21 per cent of this area. Additionally, 83 per cent of these unused properties have access to water, sewer, and electricity services, 15 per cent have access to at least two of these services, and only 2 per cent of these properties does not have access to any basic service. Finally, 6 per cent of vacant land in Quito is public property, which is equivalent to 401 hectares. (STHV-MDMQ, 2011:17). Figure 5 shows the distribution of vacant land across Quito.

Urban sprawl in Quito is characterised by low population density and suboptimal use of space. The current population density in Quito is 4,400 people per square kilometre (Demographia, 2016). This figure is relatively low compared with other Latin American capital cities such as Bogota (16,900 people/

**FIGURE 5 MAP OF VACANT LAND IN QUITO**



Source and Elaboration: STHV-MDMQ, 2011.

km<sup>2</sup>), Lima (11,900 people/ km<sup>2</sup>), and Mexico City (9,800 people/ km<sup>2</sup>) (Demographia, 2016). Furthermore, the allocation of individual families in single-family homes on individual lots indicates suboptimal use of space (Gillham & MacLean, 2002:7). In Quito, 99 per cent of the 634,611 existing homes are single family homes (INEC, 2010c). There are approximately 392,000 lots in Quito, with an average of 1.6 homes per lot. Therefore, infrastructure and services are not being used efficiently since the current population could be accommodated in a smaller area.

The provision of necessary services and infrastructure to the entire population should be a priority for local policy makers. However, the optimal strategy should not be to continue investing in the provision of services for new developments generated as a result of uncontrolled urban expansion. Instead, the strategy should be the creation of a compact city, taking advantage of the available vacant land, infrastructure, and services to include the segregated population in the labour and housing dynamics of central areas of the city.

### **Regularization and relocation of informal settlements**

The establishment of informal settlements and the consequences derived from this form of occupation are important issues when analysing spatial segregation of the poor. There are two solutions in addressing informal settlements in cities: regularization and relocation. The regularization programs are aimed at formally integrating these settlements in the urban area and providing services to the newly developed land (Clichevsky, 2003:13). The relocation programs are normally applied in contexts in which it is not possible to establish long-term housing for the poor in these territories; for example, when informal settlements are located in disaster prone areas.

Regularization of informal settlements represents clear advantages for their residents. The most important advantage is that occupants gain land tenure security through the incorporation of the property into the formal market. Additionally, regularised neighbourhoods are provided with infrastructure, basic services, and facilities. Both security of tenure and service provision are basic conditions to improve the welfare of the segregated population.

Informal neighbourhoods that participate in regularization projects should meet certain conditions, which differ between

projects and countries. Common requirements include that residents should have lived a minimum amount of time in the lot and that they do not own another property in the country (Clichevsky, 2003:17). It is important to point out that “regularization” does not mean that the piece of land is given for free to the occupants, but that the government frequently sells it at low or subsidised prices that can be paid in different instalments. Therefore, a common requirement in regularization programs, which often undermines the elimination of poverty, is to possess an income that allows some payment by the occupants (Clichevsky, 2003:17).

Quito’s urban sprawl has been accompanied by the establishment of informal settlements since the 1970s. The most notable regularization processes started in 2001. In the period between 2000 and 2010, 90 per cent of the new developments were built without the approval of the local authority. Half of these new developments were built in informal settlements (Cueva, 2011:2). In 2001, the local government counted 480 informal neighbourhoods and started the regularization process (Cueva, 2011:2). The process of regularization implies the delivery of property rights for the land and the implementation of required infrastructure, public spaces, risk mitigation projects, basic services, and facilities. By 2015, the local government had regulated 315 informal neighbourhoods (El Telegrafo, 2013, MDMQ, 2014:30, 2015:27).

Although regularization of informal settlements increases the quality of life of low-income residents, regularization programs have some disadvantages. These initiatives can perpetuate poverty and segregation since the regularised lots will remain located in peripheral zones, away from employment centres and high-quality public facilities. The new legal neighbourhoods will also be exposed to the consequences of the concentration of poverty discussed in the previous sections, with a high probability of becoming neighbourhoods prone to social problems. Moreover, local governments face significant costs derived from the provi-

sion of basic services, transport, and public facilities for the new legal developments. Finally, despite the fact that formalizing existing housing is cheaper for the government than building new houses for the poor, the conditions of the dwellings built in informal settlements are often unacceptable as human settlements for a decent life (Smolka, 2003:5). These low-housing conditions remain when the neighbourhoods are legalised.

The other option is to relocate informal settlements, which implies the provision of housing to people in central areas of the city. In the case of Quito, some illegal neighbourhoods have not received the approval to be regularised because they were established in risks zones or ecological protection zones. In these cases, the authorities decided which households would be reallocated based on their socioeconomic characteristics (Cueva, 2011:1). Given the considerable extension of vacant land in Quito, the low population density, and the suboptimal use of space, the relocation of informal settlements towards central areas represents the optimal solution in favour of the creation of a compact and inclusive city.

## **Provision of infrastructure and services in peripheral areas**

The provision of social housing in central areas of the city has the potential to address the main consequences of spatial segregation of the low-income population. Social housing comprises the establishment of publically funded dwellings typically let at sub-market rents to disadvantaged populations (Robinson, 2012:2). The principal objective of these projects is to ensure decent housing for people that are most in need or struggling with their living costs (Flouri *et al.*, 2015:2). The main advantage of social housing is that it provides stability, security and affordability in terms of accommodation for disadvantaged people. Additionally, the quality of publicly provided dwellings is usually

significantly higher than the quality of houses that impoverished tenants could afford in the private sector (Hills, 2007:18).

Although social housing projects around the world have achieved the objective of providing affordable and secure houses for the poor, they have presented some disadvantages. These projects generally constitute the poorest neighbourhoods of the city, prone to social problems that reinforce poverty conditions. As shown by Flouri *et al.* (2015:2), neighbourhoods with a high concentration of social housing have high levels of crime, unemployment, antisocial behaviour, low levels of educational attainment, and mental health problems. Therefore, some projects may be isolating the poor and their problems.

Some social housing initiatives have failed to consider the strong impact that neighbourhoods have on the personal development of an individual in their design process. The “social contagion hypothesis” states that neighbourhood influences, especially in relation to problems such as antisocial behaviour among older children, are transmitted through peers (Ingoldsby *et al.*, 2006 as cited in Flouri *et al.*, 2015: 1). Therefore, people exposed to antisocial behaviour in their neighbourhood are more likely to engage in delinquency and other counterproductive activities. Additionally, research has shown that neighbourhood contexts that make parents more exposed to stressful events may adversely affect their and their children’s mental health (Linares *et al.*, 2001 as cited in Flouri *et al.*, 2015:2).

To avoid problems derived from the concentration of poverty in neighbourhoods, social housing projects should be built in mixed communities where low-income people interact with those from different backgrounds and income levels. It is important to consider that once a social housing project is established inside a middle or high-income neighbourhood, there is a possibility that higher-income tenants decide to move to avoid adverse effects related to crime and counterproductive behaviours. Therefore, the design of social housing projects should include strat-

egies to retain higher-income tenants in their neighbourhoods. These strategies could comprise improving neighbourhood conditions and services and increasing crime control in these areas (Hills, 2007:8; Kintrea, 2008:75). Additionally, investment in high-quality public schools in close proximity to social housing projects is key for attracting people from different income levels (Joseph and Feldman, 2009:623). Furthermore, the impact of neighbourhood effects is greater during childhood and adolescence (Galster *et al.*, 2007:724); therefore, social housing projects should include public spaces in which children and teenagers from different backgrounds can interact. This will also contribute to creating bonds between these groups, disincentivising higher income families from leaving the neighbourhood. As a result of the presence of residents from different income levels, low-income tenants are expected to improve their educational outcomes, employment, and earnings (Department for Communities and Local Government, 2010:23).

Some social housing projects have failed to serve as an effective welfare service because they have generated dependency rather than social mobility (Robinson, 2012:1). Disadvantaged people might see housing provided by the government as a guaranteed and time-unlimited service, which can reduce incentives to increase their income to purchase a house in the future. Therefore, these projects have the potential to undermine self-sufficiency and reduce incentives to look for a paid work (Robinson, 2012:2). Finally, tenants do not experience the consequences of their behavioural and financial actions because they cannot lose their homes if they become indebted and default. Consequently, social housing encourages the poor to continue with a “poor payment record and anti-social behaviour to the detriment of the wider community” (Robinson, 2012:4). Taking into account these factors, the design of new social housing projects must include mechanisms to promote social mobility and compliance with obligations by the target population.

Although the quality of social housing is typically higher in comparison with the quality of houses that tenants could afford in the private sector, certain projects have failed to meet quality standards for “decent houses”. For instance, rates of overcrowding are higher in social housing projects than in other tenures in the United Kingdom; additionally, social tenants are likely to report dissatisfaction with their housing quality (Hills, 2007:3). Therefore, it is important that social housing initiatives guarantee “decent housing,” which means that dwellings must be designed according to household size and composition (Robinson, 1979:56-57). These houses must also provide “a reasonable state of repair, a degree of thermal comfort, modern facilities and services, and minimum levels of fitness for habitation” (DCLG, 2006 as cited in Morrison, 2013:2570).

Quito’s local government has implemented nine social housing projects throughout the city since 2009. These projects are aimed at selling 7,100 houses to low and middle-income populations at a subsidised price. Moreover, the projects seek to reallocate families that were living in informal settlements established in risk zones. Social dwellings are located both in peripheral areas (2,600 houses in the north and 3,000 houses in the south) and in the historical centre (1,500 houses) (Municipio de Quito, 2013, 2014).

According to the residents of social housing projects in Quito, these initiatives have represented an important change in their way of living. However, there are obstacles that prevent the poorest households from benefitting from these interventions. Zoila Perez, a resident of one project in the north, states: “I cannot describe in words the excitement that I feel when I arrive at my house, knowing that it is going to be here forever, and I will not be evicted.” There are two basic requirements to have access to social housing projects in Quito: a) To have savings equal to 10 per cent of the total value of the property; b) To be beneficiaries of the housing bonus provided by the government or to have

access to credit in any banking institution. It is unlikely that the poorest satisfy these requirements as they do not have savings nor access to credit. Therefore, these projects are mainly inhabited by middle-income families. Finally, most social housing projects in Quito are located in peripheral areas and have not made an effort to integrate social classes, keeping the poor isolated in poor neighbourhoods.

Social housing projects located in the centre of the city have the potential to address the main consequences of spatial segregation of the low-income population. However, the success of these projects is conditional on certain features of their design. First, these projects should consider the characteristics of the neighbourhood that surrounds them. These neighbourhoods should not concentrate poverty and social problems, but instead should be composed of households from different backgrounds and income levels. Additionally, the design of these projects should include complementary strategies to retain higher-income tenants in communities. Social housing projects should also include mechanisms to avoid generating dependency and promote social mobility, such as the establishment of obligations and conditions for tenancy. The dwellings provided must meet quality standards to be considered “decent housing.” Finally, these projects should be affordable for the poorest inhabitants, which implies the implementation of complementary programs that provide access to credit or certain concessions for rent payments.

### **Inclusion of segregated population into the labour market**

Strategies to overcome the concentration of unemployment in peripheral neighbourhoods include the promotion of diversity and the provision of services to increase jobs opportunities for the disadvantaged. The creation of mixed communities, in which people from different social backgrounds and professions

interact, will result in workless tenants interacting with employed people. This, in turn, will increase predisposition to work and job options for the unemployed (Robinson, 2008:106). Advice regarding opportunities in the labour market and assistance in job seeking, especially for young people, has increased employment among social tenants (Hills, 2007: 18). Social housing programs could also include the construction of training centres to strengthen skills and capacities of job-seekers. It is also important to promote initiatives aimed at facilitating tenants' work attendance, such as the implementation of childcare support. Moreover, employment opportunities created by the public sector should prioritise hiring low-income residents.

Another option is the attachment of conditions to social tenancies to encourage new tenants to improve their employability (Stephens, 2008:36). Commitment contracts in social housing projects are usually focused on responsibilities and obligations such as specific standards of conduct to tackle antisocial behaviour (Robinson, 2008:107). Similarly, these contracts can include the obligation to prove that unemployed tenants are continually seeking employment.

Finally, once tenants are successfully allocated in the labour market, there is a high probability that they desire to become property owners (Kintrea, 2008:78). If they are renting a dwelling provided by the government, they may look for the possibility of buying a house. If the conditions of the social housing project do not allow residents to buy the house, it is likely that they would leave the project to purchase their own property in another area. Therefore, it is important that social housing initiatives provide some flexibility in the type of ownership that allows tenants to upgrade their status and stay in the project once they have a higher level of income. This will increase positive neighbourhood effects in the community.

In summation, social housing projects must be comprehensive in the sense that housing policies must be complemented by

inclusive employment programs. These interventions comprise the provision of advice, training, and assistance in job seeking for social tenants. Additionally, the creation of mixed communities, the provision of child care support, and the prioritisation of social tenants for jobs created by the government will increase tenants' opportunities. Social housing projects should also create mechanisms for tenants to upgrade their type of ownership - from renters to owners, for example - as their income increases.

## **CONCLUSION AND POLICY RECOMMENDATIONS**

### **Conclusion**

The analysis of the economic, social, and psychological consequences of the spatial segregation of the poor has provided the basis to identify the primary goals for required interventions. Policy makers should guarantee access to employment opportunities and high-quality education in central areas of the city for disadvantaged people. The poor should also have access to housing in the city centre to avoid commuting long hours, which will increase the time they can spend on productive activities such as work or studies. It is necessary to upgrade informal settlements to reduce the time and resources that they spend stocking and protecting their homes. Additionally, it is important to reduce the concentration of the poor in specific neighbourhoods to avoid the proliferation of social problems and counterproductive activities. Finally, the interaction of the low-income population with people from different social backgrounds is essential to extend their employment networks, mitigate social problems, and increase their educational and employment aspirations.

Optimal policies to address spatial segregation of the poor should be designed under a smart growth framework, contribut-

ing to the construction of compact cities maximizing efficiency in resource use. The provision of infrastructure and services to the entire population must be a priority for policymakers. However, the optimal strategy to address spatial segregation is not to continue investing in service provision in the periphery as the city grows uncontrollably, but to take advantage of existing vacant land, infrastructure and services to build a compact city in the current urban area. The same reasoning applies to the treatment of informal settlements located in peripheral areas, for which the best option is not their regularization but their relocation towards central areas. The analysis shows that the optimal strategy to address spatial segregation of the poor is the construction of comprehensive social housing projects in central areas of the city.

## Policy recommendations

Spatial segregation of the low-income population can be addressed through the implementation of comprehensive social housing projects, which should be in line with the following guidelines:

- ▶ **Target low-income populations:** These projects should serve low-income inhabitants living in peripheral areas of the city, including residents of legal properties and informal settlements.
- ▶ **Central location:** Social housing should be located in central areas to guarantee access to employment, high-quality education, services, and facilities for the poor. These projects should take advantage of vacant land and existing services and infrastructure.
- ▶ **Mixed-income neighbourhoods:** Social housing should be accompanied by the construction of neighbourhoods where people from different backgrounds and levels

of income interact. Additionally, it is necessary to implement strategies to retain higher-income tenants in social housing neighbourhoods, which comprises improving neighbourhood conditions and services, increasing crime control in the zone, investing in high-quality public schools inside the neighbourhood, and building public spaces in which children and teenagers can interact. These interventions are expected to reduce the concentration of social problems and improve educational outcomes, employment, and earnings.

- ▶ **Promote social mobility:** Social tenancy contracts should include conditions related to time limits, specific standards of conduct, and the obligations for the unemployed to prove that they are continually seeking employment. These conditions will promote self-sufficiency and decrease the dependency of social tenants.
- ▶ **Affordability:** The dwellings provided must be accessible for the poorest inhabitants. Therefore, they should not require initial payments or access to private credit. Instead, they should be progressive; starting with sub-market rents that increase as a tenant's income rises. The public sector can also increase the affordability of social housing by providing credit under special conditions such as lower interest rates, flexible instalments, and the absence of collateral requirements.
- ▶ **Quality standards:** Dwellings must meet minimum standards to be considered “decent housing,” which includes: design according to household size and composition, a reasonable state of repair, a degree of

thermal comfort, modern facilities and services, and minimum levels of quality for habitation.

- ▶ **Complementary employment programs:** Social housing programs must be complemented with initiatives aimed at integrating the low-income population into the labour market. These interventions include the provision of advice regarding opportunities, assistance in job seeking, training to strengthen skills and capacities of job-seekers, implementation of childcare support, and hiring the low-income population for jobs created by the government.
  
- ▶ **Flexibility in tenure:** Social tenants should have the opportunity to decide whether to rent or buy properties. Tenants that start renting the dwellings should be given enough flexibility to buy their properties once their income increases.

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