

Running head: Gentrification in Cuenca, Ecuador

An Analysis of the Gentrification, Segregation, and Inequality in Cuenca, Ecuador

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Introduction

As the human population of the world is growing at exponential rates, the movement of people has caused a multitude of issues around the globe. Of the effects of population growth, many urban areas have had to deal with the issue of gentrification and subsequently racial segregation and instilled inequality. Latin America is one of the regions that suffers from a high rate of gentrification the most than any other area. To be specific, Cuenca, Ecuador has increasingly been seeing expatriot North Americans move towards the center city ever since the late 2000's. An analysis of the historical and present effects of socio-spatial change in this city can reveal the reasons why this flock of Americans are coming, the positive effects, and the negative effects of the subsequent gentrification.

What is Gentrification?

Defined by the Merriam-Webster online dictionary (n.d.), gentrification means “the process of renewal and rebuilding accompanying the influx of middle-class or affluent people into deteriorating areas that often displaces poorer residents”. In many cases, this influx of wealthier people is triggered by the attractive low price tag on taxes and homes in deteriorating neighborhoods. Affluent people see these low costs as an ideal opportunity to create the space as a hub for economic development, which at face value can be considered positively improving neighborhoods and communities. Gentrification is an exceedingly growing issue that is occurring in urban areas all around the world. Although gentrification has a much deeper history in the US, it is still very much prevalent in Latin Countries such as Ecuador.

Gentrification in Ecuador

Ecuador, known for its unique Galapagos Islands, and its portion of the beautiful Andes and Amazon, has become an increasingly favored destination spot for both vacationers and migrants. In 2013 there was a total of 359,315 international immigrants in Ecuador, this accounts for the 22% migrant increase since 1990 which then only saw 78,663 immigrants (n.d). In a study recording the number of international arrivals between 1995 and 2015, there is a blatant representation of the ever-growing tourist influx in the nation. In 1995 Ecuador has had its lowest number of arrivals at 440,000, in 2014 Ecuador had its highest number of arrivals at 1,557,000 people (2016). Of course, it is no surprise that the rate of growth in tourism grew at so quickly considering the increased convenience of traveling as technology advances. The increase of migrants, though, does have a correlation to the increase of tourism. The top origins of migrants into Ecuador is Colombia, United States, Peru, Chile, and Venezuela respectively (see figure 1) (ESA UN). The main reason why Colombia places as the country with the highest number of migrants in Ecuador is because of the Colombian refugee crisis. As of 2013, Ecuador hosted an estimated 250,000 reported and unreported

Migrant stock by origin (2013)

Top 5 countries or areas of origin	Total
Colombia	181 115
United States of America	39 038
Peru	19 960
Chile	16 518
Venezuela (Bolivarian Republic of)	12 965
Total	269 596

Figure 1: Chart of Migrant stock by top five origins in 2013

Colombian refugees, this is the largest population of refugees in Latin America (2014). Officially, there are 54,500 refugees as of 2011 (UNHCR, 2012). As for those who immigrated from the United States, there were about 10 – 15,000 American migrants in Ecuador as of May 2013. The biggest difference between the Colombian immigrants and the American immigrants is their reason for moving into Ecuador. For over 40 years, there has been an ongoing war between the Colombian government, guerilla groups, paramilitaries, and narco-traffickers

costing of about 50,000 – 200,000 people (USCCB). Many Colombian refugees have come to Ecuador, mainly in Quito and Guayaquil (Jokisch, 2014), to seek asylum since Ecuador neighbors Colombia's border. In contrast, the American population in Ecuador is a direct result of seniors trying to find a pleasant and cheap area to live out their retirement. The bulk of these retirees end up residing in Cuenca, Ecuador which is the city that faces the most gentrification in the nation.

The Cause

As of May 2013, about 7,000 Americans have settled in Cuenca, Ecuador (May 2014). To Americans, Ecuador is the mother of all vacation spots. They come knowing that they will find adventure, beautiful landscapes, and a new culture all for a very low price. As Femke van Noorloos and Griet Steel discuss in their paper "Lifestyle migration and socio-spatial segregation in the urban(izing) landscapes of Cuenca (Ecuador) and Guanacaste (Costa Rica) (May 2016) puts it:

"In Latin America, most lifestyle migrants are North Americans who move either temporarily or permanently to the continent in search of a more relaxed lifestyle, a lower cost of living and better weather conditions. Together with wealthy domestic migrants, returnees and foreign entrepreneurs, they are investing increasingly in Latin American real estate markets and converting specific areas of the Latin American city into new spaces of consumption more amenable to Western lifestyles. Cuenca and Guanacaste are two of Latin America's most popular destinations for international lifestyle migrants, and as such are experiencing escalating real estate development." (p.51)

In 2012 alone, about 285,000 U.S. citizens have flown into Ecuador (May 2014). In Cuenca, the amount of retirement perks is too much for many to resist. For one, those who are 65 years and older get a group of senior benefits including half-price water and electric bills, half-price tickets to cultural and sporting events, and sales tax refunds. In addition, seniors can cut to the front of any line at the grocery store or bank. Even as non-senior citizens, the great medical care at a low cost can bring any American to their knees. Especially after the rave the International Living Magazine gave Cuenca in its “Global Retirement Index”, describing Cuenca as “the top spot to retire in 2009”, retirees couldn’t help but see for themselves. The International Living Magazine continues to make Cuenca seem like the dream for seniors to flock to with this description (January 2018):

“Many expats choose to start their Ecuadorian experience in Cuenca. This colonial city of 580,000 is easy to navigate, offers plenty of amenities and entertainment options, and is already home to several thousand North Americans. You’ll find the best of both Latin culture and back-home comforts here. Rentals are plentiful and affordable. Sara Coppler, from Kentucky, is renting a one-bedroom apartment right in the city center. “It’s by the Rotary Market, costs \$200 a month, and is semi-furnished. The owner bought new appliances for me, and it has beautiful hardwood floors,” she says.”

Those who decided to try out their luck in Cuenca have decided to reside there permanently with the same enthusiasm as 65-year-old Ernie Kinnard who describes Cuenca as a city with “great medical care, cost of living, the weather, [and] the people are wonderful” (May 2014).

Many of those who have decided to call Cuenca their new home have a strong belief in integrating themselves in the society that already existed. Being aware that they are foreigners in a country they now call home, many Americans make an effort to be as pleasant and as

compliant as possible as well as being accepting of the culture around them. To some people like Bill Collins, this means learning Spanish because “now that we’re in their country, we need to learn their language. Otherwise we’re hypocrites” (May 2014). To others this means integrating themselves in the local culture; Bill Collins and his wife attend Argentine tango classes where they are the only “gringos”, or non-Latin American/non-Hispanic people.

The Positive Outcomes

Many times, gentrification is an indirect result of what would seem to be good intentions. For example, in Cuenca there has been a noticeable increase of businesses and services popping up in order to accommodate the influx of gringos. According to Edward Miranda, Cuenca’s Director of Foreign Affairs, “a lot of services and new restaurants have been implemented throughout the city, which we see as positives” (May 2014). As a way to make a good impression, the American expatriots in Cuenca do a lot to give back to the community in small ways. For example, some volunteer at hospitals, other partake in spaghetti dinner fundraisers. Others find these small good-Samaritan acts are not enough and will support providing life-saving surgeries to impoverished children. In Cuenca, expats are able to keep in touch and discuss issues such as integrating in the culture in blogs, message boards, and websites like GringoTree.com that are solely made for the communication between these American dwellers.

In many urban areas of the world that deal with gentrification, the biggest negative outcome is the displacement of citizens who lived in the area before the newcomers. This happens by a heightened price in real estate when affluent people come into the city and refurbish and renovate older homes, as well as when new businesses are incorporated into certain blocks of the city. Cuenca does not really suffer from this. Even in “gringolandia”, located in a Northwest suburb of the city (see figure 2), area is not as exclusively for North American

migrants as the name might suggest. The dominant real estate investors in the area are returning Ecuadorian migrants and upper middle-class Cuencanos. In some cases, “developers refused to

sell their
condominiums
to foreign
buyers because
they are
considered to
be too
demanding”

(Steel,
Noorloos,

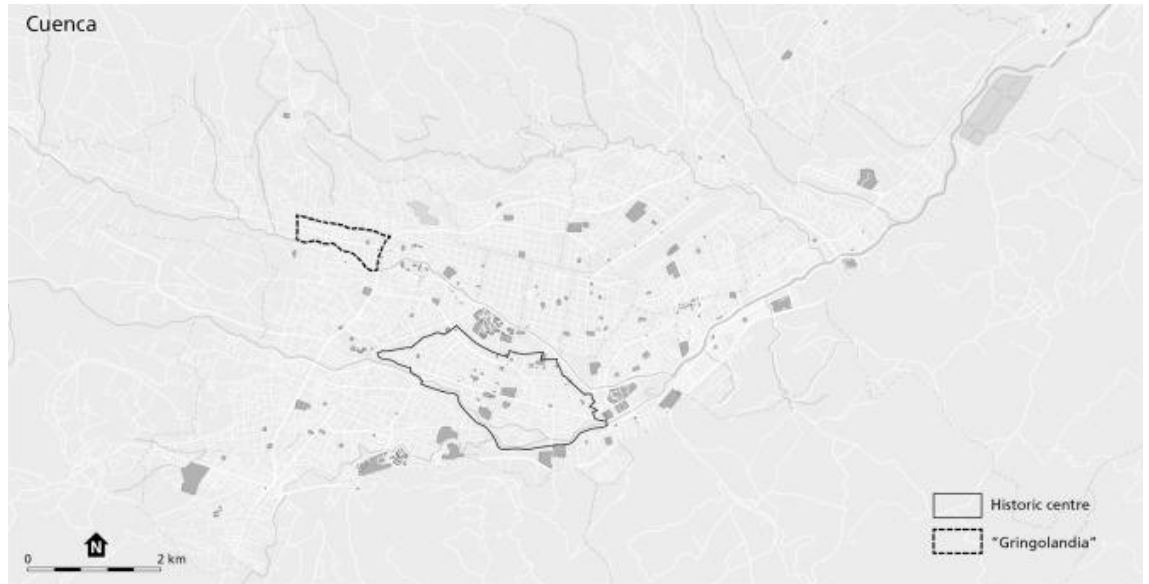


Figure 2: Map of Cuenca with “gringolandia” denoted with slotted line (Steel, Noorloos, September 2015).

September 2015). Considering most North Americans in Cuenca prefer to rent their homes anyway this may not seem so significant, but the fact that the generally wealthier Americans have not disturbed the real-estate for the locals is an unheard-of phenomenon in most cities.

The Negative Outcomes

Of course, the negative outcomes will almost always outweigh the positives. Luckily, Cuenca has not been completely devastated by gentrification, although it has seen its fair share of negative effects as a result of the gringo migration. For one, gringos tend to inadvertently drive up goods and services. Because of previous experience with overpriced costs in the United States, many expats how a certain about of disregard for the change in prices since even a few dollars added is still cheap to them. Some natives will even complain that taxi drivers ignore them for gringos, knowing that they won’t mind or won’t care if the fare is doubled from the

usual \$2 to \$5 (May 2014). Another frustration for natives in Cuenca is their concern that some Americans don't contribute to the economic growth yet reap the social benefits. As previously mentioned, senior citizens receive more than generous benefits through the nation yet they are not required to vote, nor do they have any business in the country, nor are they contributing economically to the city nearly as much as they could be. At a glance, it can be comprehensible that one would be upset about their lack of responsibility. Although, one can rebuttal with the argument that the gringos' tendency to overpay contributes to the economic welfare of small businesses, there are much more negative outcomes than there are positive. Even though business owners and their families benefit from the gringos, the rest of the city struggle to pay for the heightened prices. It's even more frustrating for natives who have worked in Cuenca nearly all their life and don't qualify for senior benefits yet to watch foreigners take benefits like half-price water and electric bills without contributing in the Cuencan workforce whatsoever. The biggest disturbance the gentrification in Cuenca has caused is the cultural hierarchy that has been created. Those who do not fit the characteristic of "cultural elite" (heritage conservation) or "economic elite" (investors, real estate developers) are grouped into the category of those who occupy public spaces, but do not have the cultural status to be involved in the newer areas of the city, like El Ejido. Griet Steel and Christien Klaufus in their conference paper "Displacement by/for development in two Andean cities" (October 2010) explains that "gentrification in El Ejido is not about the displacement of working class residents in a strict sense, but about old and new upper-class families who try to exclude each other, as well as working-class "migrantes" who have worked their way up" (p. 16).

Conclusion

Gentrification does not have to inherently be a bad thing. In some cases, it can lead to economic security for business owners, and real estate development. In many cases, gentrification can lead to the deterioration of the city, symptoms including: heightened prices for goods and services, higher real-estate prices, and cultural separation due to the exclusion of those who don't hold a high cultural "status". The gentrification of the city Cuenca in Ecuador is highly complex, luckily many of the expats residing there are very self-aware of their actions and how it can affect those around them.

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