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Precarization and Urban Growth in Metropolitan Mexico City
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Abstract
This essay examines precarization as a process produced by recent housing and urban growth agendas in Metropolitan Mexico. Our contribution highlights the relations between housing policies and urban conditions to demonstrate that inequality and precarity are not unfortunate casualties of urbanization, but rather have been produced and sustained by governmental policies and programs. Based on a review of the predominantly English language literature about housing policies and urban growth in both central and peripheral areas of Mexico City, we demonstrate how precarization is inherently built and normalized into past and present housing policy and urban growth agendas. The concept of urban precarization emerges as a double process combining socio-spatial precarization that results from systemic social structures and the institutionalization of insecurity through the planning system related to housing.

KEYWORDS: precarity, precarization, housing, urban growth, Mexico City.

Resumen
Este trabajo examina la precarización como un proceso generado por las recientes agendas de vivienda y crecimiento urbano en el área metropolitana de México. En esta contribución se destacan las relaciones entre las políticas de vivienda y las condiciones urbanas para demostrar que la desigualdad y la precariedad no son víctimas desafortunadas de la urbanización, sino que más bien se han producido y sostenido por las políticas y programas gubernamentales. El concepto de precarización urbana emerge como un doble proceso: la precarización socioespacial derivada de las estructuras sociales sistémicas, por un lado y, por el otro, la institucionalización de la inseguridad, a través del sistema de planificación de la vivienda. Basado en una revisión de la literatura (predominantemente en inglés) sobre las políticas de vivienda y el crecimiento urbano en las zonas centrales y periféricas, nos centramos en tres dimensiones interrelacionadas de la precarización: individuo/colectivo; infraestructural y relacional/política. Demostramos cómo la precarización está inherentemente construida y se normalizó en la actual política de vivienda y programas de crecimiento urbano pasadas y presentes.

PALABRAS CLAVE: precariedad, precarización, vivienda, crecimiento urbano, Ciudad de México.

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Mexico City is often described as “many cities within the city” (Garza, 2000; Gobierno de la Ciudad de Mexico, 2013). With a population of 8.8 million in 2010, Mexico City sits at the center of a metropolitan region of 20 million in the adjacent State of Mexico, and a megalopolis of 36 million with surrounding states such as Puebla, Hidalgo, Queretaro and Morelos (INEGI, 2010). Since the mid-twentieth century, urbanization in Mexico City has raced from the historical center of the capital over ancient lakebeds, and outlying prehispanic towns to reach the foothills of the Trans-Mexican Volcanic Belt. The expanding metropolis has often been depicted as a case of urban gigantism where growth went from object of modernizing pride to, not so much an incurable disease but rather, a chronic affliction of precarity (Ibargüengoitia, 1991; Gallo, 2004). In a country where the brutality of narco-violence and conflicts created by both criminal activities and military harassment are deeply etched into the consciousness of all Mexicans, urban insecurity and vulnerability have been increasingly normalized at the structural level into a mode of governance. The resulting precarity, however, is not universal. It is imposed and experienced unevenly according to social location.

The impressive urbanization of Metropolitan Mexico City is marked by ingrained socio-spatial inequalities and continuing imbalances between a large impoverished population and a growing number of multimillionaires. Socio-spatial contrasts between the precarious and the affluent —dramatized in Neil Blomkamp’s (2013) science fiction movie *Elysium* filmed in

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4 The territory of the metropolitan area of Mexico City roughly coincides with the Valley or Basin of Mexico but is not an official jurisdictional entity. It includes the Federal District, 58 municipalities of the State of Mexico and one municipality of the State of Hidalgo. The megalopolitan territory is determined by administrative boundaries of states.

5 Consejo Nacional de Evaluación de la Política de Desarrollo Social (Coneval, 2012) estimates that 46 per cent of the total population of Mexico lives in poverty in 2010. Of that percentage, 11 per cent lived in extreme poverty. Poverty is usually accounted in terms of social deprivation (in matters of education, health care, social security, diet, quality of housing, and basic services related to housing). On the other end of the spectrum, Mexican multimillionaires held 43 percent of the total individual wealth in Mexico in 2010, well above the worldwide average of 29 per cent (WealthInsight, 2013).
metropolitan Mexico City—blatantly expose the relational valorization of human lives and urban spaces.  

6 The profound socioeconomic disparities of Mexico City are embedded in its social, political and urban history and concomitant spatial segregation. A deep pattern of socio-spatial differentiation delineates the geography of this city of many cities. In the northwest and the western parts of the metropolis, upper and middle class families have settled with positive externalities such as fresh water, higher elevations safe from floods, woodlands, and access to roads and services (De Jong, 2011; Connolly, 2009; Ward, 1998). Low income households and rural migrants have successively established in irregular settlements in the eastern part of the Valley and in the hills of the Sierra de Guadalupe in the north, incrementally building their own homes with limited resources (Connolly, 2009; Pezzoli, 1998; Ward, 1998). Differentiated neighborhoods were created not only by incomes, but also by quality of housing stocks, availability of public services and facilities, and disparities in land value (Monkkonen, 2011). Luxurious residential estates with gates and gentrified inner city condominiums contrast with self-built concrete cinder-block neighborhoods and vast subdivisions of prematurely aging housing. New globalized corporate and commercial neighborhoods evoking international trade and foreign investments are the antithesis of self-built settlements where residents must contend with normalized precarization (Moreno, 2010).

These axes of relative wealth and poverty (see figure 1) are inevitably approximations over a vast patchwork of different neighborhoods each with its own social economic profile and shape. Though, it is clear that there is a string of very wealthy neighborhoods with a gated-community typology running through the western periphery of the city from Condado de Sayavedra through Lomas Verdes, Huixquilucan, and Santa Fe, there are also poor self-built neighborhoods, as well as middle-class neighborhoods interspersed among them. Along the eastern edge of the city, such gated communities are practically inexistent (Amozoc in Ixtapaluca being the only exception we are aware of), though there are many middle-class and poor self-built neighborhoods. The central area is more homogenous with fewer exceedingly wealthy enclaves of the rich and fewer poor-self-built neighborhoods, though both can be found. In this central area between the two axes, there is also a transition from the more modest residences and neighborhoods amid the decaying industry of the northern part of the

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6 *Elysium* by film director Neil Blomkamp (2013) is a science fiction action thriller set in 2154 where the very wealthy live in a pristine space station called Elysium (partly filmed in Interlomas-Huixquilucan on the west side of the Federal District) and the rest live in a dystopian Los Angeles/ruined planet earth (filmed in Iztapalapa on the east side of the Federal District).
Urban growth in Mexico City has been a contested and contingent process (Davis, 1998). Urban planning never really succeeded at managing growth but rather attempted, with mixed results, to address housing shortages, to manage resources, and to provide basic services through subsidized private developments or regularized self-built settlements (Ward, 1998; Wigle, 2014). Housing policies, both at the national and local levels, have generally focused on increasing housing access and controlling metropolitan expansion. However, as a result of
urban development and land valuation, these two goals have frequently been in tension. Since the late 1940s, housing in the central city was particularly needed but the pressures of shortages, planning restrictions, lack of political will and rising real estate and land values pushed populations to the outskirts into irregular settlements or out of the city limits into smaller towns.  

In the early 2000s, local housing policy (in Mexico City) sought to counter the loss of population to surrounding areas, to contain periurban expansion, and to maximize existing infrastructure through a densification program in central neighborhoods. In the same period, national housing policy attempted to reduce the severe housing shortage for low and middle income populations by expanding its housing finance system and relying on public-private partnerships to build new subdivisions of single-family ‘social interest’ housing in the peripheries of the city where land was available and cheaper. Housing policies have often fallen short of their stated intentions and ended up intensifying the problems they aimed to solve.

Central areas have become unaffordable as national and local housing policies converged in their goals of densification and reliance on private sector in housing production. Programs favoring the concentration of housing in these areas, further increased land and housing prices and pushed populations outwards into irregular settlements or subsidized housing subdivisions. Single-family housing developments in these peripheries made homeownership a reality for many salaried households, but the developments often lacked services and deepened segregation (Bayón, 2009). Overall, investments in urban infrastructure, services and amenities have not paralleled the rapid housing production of millions of small houses built in the peripheries. To limit sprawling urbanization and costly infrastructures in the peripheries, the national policy by the current Peña Nieto’s (PRI) government officially shifted the focus of housing policy to the redevelopment of central areas, 

7 The City of Nezahualcóyotl (adjacent to the northeast corner of the Federal District in the State of Mexico) is a prime example of informal settlements emerging of that era. Nezahualcóyotl was built on the drained lakebed of Lake Texcoco following intensive drainage projects in the first decades of the 20th century. With the construction of the Mexico City-Puebla highway in the early 1930s, informal settlements grew but lacked public services (notably potable water) until municipal incorporation in the mid-1960s. The City of Nezahualcóyotl became the second most populous municipality in the State of Mexico (1.1m in 2010) and, along with its surrounding settlements, was once deemed the “world’s largest mega-slum” (Davis, 2006: 31).
In many peripheral and central neighborhoods, precarity has become the prevalent motif of urbanization and an ontological condition of life (Butler, 2004; Lorey, 2011). 

**Argument**

This essay examines precarization as a process produced by recent housing and urban growth agendas. Our contribution highlights the relations between housing policies and urban conditions to demonstrate that inequality and precarity are not unfortunate or natural casualties of urbanization but rather, have been produced and sustained by governmental policies and programs. We examine the interrelated individual/collective, infrastructural, and relational/political dimensions of precarization. Our contention is that precarization affects both the individual and the collective life. At the individual/household level, precarization is manifested in the search for everyday livability and security through affordable and decent housing, employment, financial stability, personal safety, and access to basic services — to name but a few dimensions. At the collective level, precarization is experienced as a deficit in public services and urban amenities related to education, health care, or transportation; for example, available to particular groups. We therefore argue that urban and housing policies contribute to continue the precarization of certain groups by normalizing urban infrastructure deficiencies (transport, water, drainage, etc.) and housing shortages. The concept of urban precarization emerges as a double process, on the one hand, the socio-spatial precarization that results from systemic social structures and, on the other, the institutionalization of insecurity through the planning system related to housing. As a mode of governance, precarization also involves the normalization of state inaction and withdrawal from service delivery through a proliferating discourse of financial and administrative crises. Finally, we see precarization as the result of two complementary modes of governance: first, an increasingly neoliberal urban development regime relying on the private sector and second, a deeply rooted clientelist traditions where urban improvements are exchanged for political support.

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8 We see precarity beyond its generally understood equation with poverty. As the standard measure of poverty, income and economic deprivation are foundational to precarity, but they are not the sole determining cause. Socio-spatial (dis)integrity and personal (in)security are interacting forces that structure and produce the process of precarization.
Objective and Methodology

In our review of the predominantly English language literature on the urbanization of Mexico City, we therefore seek to understand how precarization emerges from the disconnection between housing policy and urban development in the peripheries, as well as from the limits of urban redevelopment in providing affordable housing in the central areas. Our broad approach seeks to stimulate a discussion on the process and cumulative effects of precarization imposed by both *laissez-faire* and planned growth, and also the new taken-for-granted institutional practices shaping metropolitan urbanization in the recent years. We do not provide a detailed, statistical, empirical or experiential analysis of precarity in Mexico City. However, our analysis of precarity and socio-spatial inequality complements Bayón’s (2009; 2012) work on the subjective dimension of deprivation in Mexico (see also Bayón and Saravi, 2013). Bayón’s (2009) view of inequality accounts for more than socio-material deficits; it is interested in the experiences, perceptions, and expectations that shape the internalization of poverty and inequality (Bayón and Saravi, 2013). Such view of deprivation goes beyond the conventional measurement of income to consider a more nuanced and complex understanding of inequality, as socially and spatially produced and normalized in urbanization processes.

In what follows, we first trace the theoretical contours of precarization distinguishing between precarity as an ontological condition of insecurity (Giddens, 1991) and precarization as a political process of normalization (Butler, 2004; Lorey, 2010). We briefly ground our intervention in the social theory of exclusion (Foucault, 1976; Agamben, 1998) and the urban theory of social and spatial justice (Harvey, 1973; Soja, 2010). This is followed by an examination of urban policies supporting growth in the peripheries and, more recently, attempting to take growth back to central areas. The coexistence of informal and formal urbanization, the recent unparalleled (and increasingly contested) state-driven housing development boom at the urban edge, and the gentrification of core areas make Mexico City a particularly interesting case study of urban precarity and precarization.
Precarization as a Productive Process

If we fail to understand precarization, then we understand neither the politics nor the economy of the present.

LOREY (2015: 1)

The concept of precarity is generally associated with, but certainly not limited to, insecure employment and uncertain income (Standing, 2011). In Mexico, a large number of workers have to contend with no or limited work and income, no health insurance, no social security, no pension, and inevitably limited assets. In an era where work is a defining criterion and the way to better oneself, precarious employment often translates into working longer hours, multiple jobs (in different places and times), the involvement of more family members in paid work to raise household revenues without any guarantees of added security. As Lorey (2015) reminds us, precarization, while not new, is no longer a marginal phenomenon affecting the poorest populations on the peripheries of society but one that it has spread out amongst populations to create a more generalized insecurity.

Drawing on Butler’s (2004) point about precarity as relational i.e., as socially and existentially shared, Lorey defines precarization as a generative process:

Precarity—or, in my terms, precarization—as an effect of specific conditions of domination means, on the one hand, that this is not the ontological concept of precariousness, but rather a political concept [...] Yet, on the other, precarity is therefore not to be understood as determinate but, on the contrary[...] as decidedly productive: in its productivity as an instrument of governance and a condition of economic exploitation, and also as a productive, always incalculable, and potentially empowering subjectification (Lorey, 2010: 8).

Rather than taking it as a prior or collateral condition of urbanization, looking into the productive forces that generate precarity allows us to see how it implies a transfer of urban vulnerabilities to individuals, households, and communities through the systemic lack of affordable housing, legal tenure, urban amenities, or control over planning decisions. It also allows us to follow how precarious living and working conditions become structurally normalized. Precarization results from multiscalar public policies and institutional practices that converge to visibly produce and sustain precarity; or by invisibly failing to address or alleviate it. Understanding precarization as a productive process pivots around the transformation of political decisions and social practices into material effects through which
some lives are protected in their accumulation of capital and power, while others are exposed
to vulnerabilities (Lorey, 2011; Butler, 2004). Such vulnerabilities also emanate from the
constant threats of poverty and violence that saturate everyday life and debilitate the national
policy. What is at stake with precarization is the normalization of socio-economic and political
dynamics that destabilize particular bodies and lives and the privileging of particular forms of
urbanization over others. In this sense, precarization acts both as an instrument of govern-
ance and a basis for capitalist accumulation that promotes social regulation and control (But-

Building on Lorey’s (2011) concept of governmental precarization, precarization in
Mexico City can arguably be framed as a policy-led process forged through the privileging of
private developer-led housing agendas that evacuate public interests from urban
development and planning programs. Many conditions contribute to urban precarization,
including but not limited to, development restrictions in the center of the city, the rapid spread
of irregular settlements, infrastructural deficits, the privatization of communal (ejidal) lands,
exclusive housing finance programs, and record growth in the housing sector (Mokkonen,
2011; García Peralta and Hofer, 2006; Connolly, 2004; Davis, 1998; Ward, 1998). These
institutional and social factors have led to understanding precarity as an unfortunate or
inevitable condition affecting the poor. Housing stock is being proactively built in the
peripheries, but the lack of accompanying services and infrastructure effectively means that
urbanity has been suspended. Thus, as Lorey contends:

Understanding precarization as governmental makes it possible to problematize the
complex interactions of an instrument of governing with conditions of economic
exploitation and modes of subjectivation in their ambivalence between subjugation and
empowerment. A governmental perspective allows for precarization to be considered
not only in its repressive, striating forms, but also in its ambivalent productive
moments, as they arise through techniques of self-government (Lorey, 2011).

It is in this ambivalent double-edged sense that precarization becomes a productive neoliberal
instrument of governance and governmentality. Working dialectically through social insecurities
and urban inequalities, neoliberal culture allocates differential human value to certain people
or neighborhoods (Foucault, 2003; Giroux, 2004). For many workers, high land and real
estate values dictate a daily commute of two or three hours between neighborhoods of
privilege and settlements of precarity. Domestic employees crossing the city to service
affluent households traverse these social divisions. Across the service economy, Bayón and Savari (2013: 48) point out that “fear of the ‘other’ results in avoidance of strictly controlled interaction between different classes, which are embedded in structures of subordination where the ‘other’ is the domestic employee, the chauffeur, the gardener, the car cleaner, the person in charge of valet parking, or the secretary”. In a market economy, these subordinated interactions and controlled transactions normalize socio-spatial inequalities and perpetrate a deep socio-economic polarization. From the critical geography literature, we know that social justice is contingent upon social processes (Harvey, 1973) that are explicitly spatialized (Soja, 2010). The idea of socio-spatial in/justice is central to our understanding of how urban growth achieves precarization. Thinking spatially about justice not only enriches our theoretical understanding but also uncovers significant insights related to the inequitable geographical structuring and distribution of resources, services, access (Soja, 2010), and the socio-spatial causality of precarization.

Agamben’s concept of “bare life” (1998) resonates here as people excluded from the structures of society become vulnerable and exposed to ongoing precarization through the everyday violence of social, spatial, and urban inequalities. About 60 per cent of Mexico City residents work in the informal economy (INEGI, 2012) and “do not earn a sufficient income to be able to afford to buy or rent their housing through the formal land and housing market” (Wigle, 2014: 576). In addition to occupational insecurity, poor housing, poor access to services, low educational levels, malnutrition, and spatial isolation all serve to impoverish and render some people more vulnerable to experience precarization and exclusion (Bayón, 2009).

Despite the weight of these factors, people often demonstrate a remarkable capacity to subvert the powerlessness of precarity as they create an alternative normality through a predictability that structures their everyday actions and interactions (Giddens, 1991; Lorey, 2010). People living in precarized conditions constantly negotiate with the state and the rest of society to eke out forms of security and stability. Yet, despite the resistances and implicit emancipatory drives that precarity engenders, precarization echoes Foucault’s (1976) articulation of biopower as strategy and technology of disciplinary power. As domination of particular conditions, precarization is a practice of regulation of subjects though subjugation and marginalization. Whether through active agendas or laissez-faire approaches, precariousness and precarization have long been understood as mechanisms to regulate and control particular populations (Foucault, 1976; Butler, 2004). As Bayón (2009: 165) points out, the
disadvantages of precarious lives are not derived by exclusion or “the absence of social relation” but rather are the outcome of a “set of particular social relations with society as a whole”. Inequality and democratic deficits are the result of unfavorable and differential inclusion in a social system. These systemic inequalities become normalized in society and naturalized into the built environment; they are routinely incorporated in the everyday often transgressing across generations (Bayón, 2009). In the urban context the regularization of informal settlements illustrates how the normalization of precarization has been used as a state and social strategy to remould residents into disciplined homeowners, taxpayers, and propertied/indebted citizens (Ward, 1998). Thus, the consolidation of stratified housing provision and gaps in services not only divide residents in particular interest groups, but also reproduce social relations through the physical structures of urban development.

**Policy-Led Precarization in Mexico City**

Precarization has been historically embedded in Mexico City’s urban growth. Post-war industrialization based on a national import substitution policy concentrated economic activities in the capital until the 1970s. National industrialization attracted an unprecedented number of rural migrants to the metropolis and the population grew rapidly from 2.9 million in 1950 to 12.9 million in 1980 (Connolly, 2003). The import substitution economic model integrated many rural migrants into the urban labour market, but the core city was incapable and unwilling to house them (Davis, 1998). Anti-growth policies and development restrictions in the capital city contributed to uncontrolled urban expansion and the emergence of multiple irregular settlements (*colonias populares*) into the immediate peripheries (Davis, 1998; Ward, 1998; Connolly, 2009). Urban growth was not only the product of rapid industrialization and demographic growth, it was also the product of competing urban policies and political struggles in and between the capital city and surrounding municipalities of the State of Mexico (Davis, 1998; Ward, 1998; García and Hofer, 2006). Restrictive downtown development and a laissez-faire improvised urbanization together generated many of today’s infrastructural problems of Mexico City’s metropolitan urbanization. These problems have prevailed since the 1950s and 1960s when urban expansion quickly outpaced the city and country’s fiscal capacities for basic urban services (Davis, 1998).
By the late 1970s, formerly outlying towns grew significantly and were absorbed into the built up metropolitan area. Wigle (2010) describes this particular growth pattern as a double process of expansion of the core city combined with the expansion of small towns into rural areas. Communal lands were increasingly encroached by irregular settlements and planned greenfield developments (Wigle, 2014). Irregular settlements spread into flooding-prone lakebeds and onto the steep hillsides of the valley creating —physically as well as socially— precarious living and working conditions in fringe areas. Despite the lack of services, amenities, and the absence of land and property titles, irregular settlements or self-built neighborhoods became the predominant housing form in Mexico City. Without land use permissions, legal property titles, and/or access to urban services, residents built up their houses and neighborhoods according to their basic needs and meager resources. By 2005, irregular and self-built settlements represented 64 percent of the total urbanization of Mexico City (Connolly, 2009). With time, some settlements became regularized through a bureaucratic process that eventually gives residents legal ownership of the land and houses they occupy (Ward, 1998; Varley, 2002). Urbanization in Mexico City is the result of complex and interactive formal and informal modalities that are produced by and, in turn, reproduce material and social precarization (Connolly, 2009; Wigle, 2014; Bayón and Savari 2013).

From the Center Out

In the early 1980s, Mexico’s oil boom (and worldwide inflation led by rising oil prices) produced a disastrous economic crisis. The conjuncture of governmental deficits, incapacity to meet foreign debt obligations, scarcity of credit, low levels of investment, rising inflation, and declining employment and wages culminated in a drastic currency devaluation. The country’s model of economic development shifted from state supported industrialized import substitution to a free market economy through the signing of free trade agreements, privatization measures (enriching business monopolies), deregulation, and a drastic reduction of public expenditures. As markets and job opportunities tightened, unemployment and lower wages pushed struggling middle-class families to look for cheaper housing on the outskirts of the city. The capital city lost 1 million residents as the peripheries grew by over 3 million. The 1985 earthquake (magnitude 8.1) devastated the city, killing more than 10,000 people. Despite the reconstruction programs and the mobilization of urban and housing organizations
to expand and to rehabilitate housing in core city’s neighborhoods, urban expansion kept spreading out.

Civil mobilizations in the 1980s contesting poor housing conditions, accelerated rent increases due to high inflation; housing evictions were key in demanding more political and administrative autonomy for the Federal District. As a capital city, Mexico City did not have an elected local government and was administered by the President and his appointed regent until 1997. Social housing production became an important aspect of urban policy as a newly elected municipal government created an agency (Instituto de Vivienda, Invi) responsible for housing construction and rehabilitation. Densification programs provided credits for low-income populations, but access to affordable housing remained a persistent problem. Between 2000 and 2005, then-mayor Andrés Manuel López Obrador dedicated unprecedented resources to affordable housing production and rehabilitation. His program *Bando Dos* sought to alleviate the pressing housing shortage and curb rapid peripheral expansion by building housing and commercial developments in central areas.

The local government imposed municipal restrictions on formal housing development outside four central jurisdictions in an attempt to re-densify the inner city and to control peripheral sprawl. Between 2001 and 2005 private developers built around 60,000 units (in multi-unit buildings where old single family houses once stood) but most of them were unaffordable to lower income households (Connolly, 2009; Stolarsky Rosenthal, 2006). López Obrador’s plan did not settle well with the disenfranchised. Ortega (2006) points out that the *Bando Dos* re-densification program was met with fierce opposition by local residents who denounced the gentrifying effects of such policy, notably the displacement of existing residents from the central city, strained services delivery, soaring land, and housing prices. According to Ortega (2006), “*Bando Dos* has become a victim of the lack of regional governance and ended up intensifying some of the problems it set out to solve”. This controversial program was accomplished through expropriation and demolition of housing declared deficient by local authorities. It resulted in the fastest development of housing in the urban core and a significant rise in land and housing prices (Ortega, 2006). The consequences were a further displacement of lower-income populations to remote areas in the peripheries of the State of Mexico where developers built massive housing subdivisions replicating the exact problem *Bando Dos* was intended to solve. The logics of downtown real estate and land values dictate high prices of production that make housing developments
unaffordable to most residents—and particularly to the poorest who have no access to financing. The re-densification model in central areas therefore fails to improve housing conditions for existing residents and instead displaces large sections of the population to outlying areas. *Bando Dos* is a clear example of how housing and urban redevelopment programs not only deepen the problems they were created to solve, but also become active channels for the production of social and spatial precarization.

**Growing the Peripheries**

In the absence of effective affordable housing programs and equitable urban policies, informal or irregular settlements became the dominant form of housing production in Mexico City (Connolly, 2009; Castillo, 2001). For residents living in irregular settlements, the journey from squatting to regularized or consolidated settlements varied in the length of time and became marked by precarious status and service provision, political negotiations, and administrative hindrances (Connolly, 2009; Ward, 1998).

After the end of the 71-year PRI ruling in 2000, the PAN governments adopted a new Housing Act in 2006, which positioned the housing sector as central to economic growth. The state also made a marked turn to private development companies for the construction of affordable housing to address the growing housing shortage. Homebuilding developers, in partnership with mortgage financing agencies, were given a prominent role in developing ‘social interest’ housing (García and Hofer, 2006). A little more than 10 million of homes were built across the country between 2000 and 2012. This is in stark comparison to the 8 million constructed in the previous 30 years (Román, 2012). Much of this rapid construction took place at the urban periphery of Mexico City (within the State of Mexico) where homebuilding companies developed large subdivisions of thousands of identical small single-family houses (30-50m²) between ‘irregular’ settlements. Ixtapaluca, with its 47,547 units development, is the poster-case of this type of housing (Corona, 2011).

This wave of state-sponsored housing development was enabled by many factors including the deregulation of communal (ejidal) lands in 1992, the expansion of the public mortgage finance system, and public-private partnerships between the state and a homebuilding industry, which registers the largest companies on the Mexican stock exchange. Mexico’s major public mortgage lender Infonavit became the largest mortgage
Infonavit financing has become so central to the development of housing industry that it is said to be the “cornerstone of housing policy” (BBVA, 2010: 18). While the ‘social interest’ housing program has been seen as a success in terms of access to property for many households, Sánchez Corral (2012: 108) contends that “developers are not building homes for people, they are building for financing institutions who at the end are paying them to build”.

Housing production in the peripheries was quantitatively significant, but mortgage programs excluded the self-employed, informally employed workers, and the poorest households. Those who did not qualify for financing programs were simply barred from access to the new housing developments. ‘Social interest’ housing, despite the speed of construction and numbers of units built, therefore did little to reduce housing shortages and precarity amongst a large majority of Mexico City’s residents (Mokkonen, 2011; García and Hofer, 2006).

Additionally, the quality of tract housing developments, limited to streets connecting rows of small buildings with little room for expansion and lacking many necessary services and amenities, raised daily problems. For residents buying into newer small mortgaged housing developments, similarly to residents who settled informally and incrementally built their own houses, the main problem with urban and housing policy remains the limited access into public services. Both the economics of mass-built housing developments and irregular settlement steer housing policy towards using as much land as possible for residential development. The planning and financing for essential public amenities and spaces, which have no direct financial return, are often left off the table. As a consequence, many recent ‘social interest’ housing subdivisions, like self-built neighborhoods, experience unreliable water supply, power outages, drainage problems, and long travelling distances, and costly commutes to work or school.

Municipalities generally responsible for the provision of basic services do not have the technical and financial capacity to deliver services to mitigate the rapidly increasing social and spatial divides. In 2008, urban infrastructure inside residential subdivisions represented 16

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Instituto del Fondo Nacional para la Vivienda de los Trabajadores (Infonavit) provides housing financing for private sector workers who put about 5 per cent of their annual salary into a fund and become eligible for a mortgage when meeting a minimum of requirements based on income level, contributions, and family size (Monkkonen, 2013). Between 40 and 50 per cent of the population, notably the poorest households, are however excluded from such program (Fundación CIDOC and SHF, 2011).
per cent of construction costs while infrastructure outside of them was limited to only 2.5 per cent (Sánchez, 2012). These costs were much lower than administrative costs estimated at 26 per cent (Sánchez, 2012). With so little investment in the urban infrastructure during construction and limited possibilities for local municipalities to manage growth and service remote areas, the ‘social interest’ housing policy that sought “to improve access to housing… [and] to reduce informality, enhancing poor families’ quality of life by helping them move from precarious settlements into new housing” remains unrealized (Rolnick, 2013: 1063). The gap between housing provision and infrastructural support is becoming entrenched into planning patterns, as serious urban deficits expand out from informal settlements and become an entrapped feature of recent formal state-contracted housing developments.

The lack of services and amenities in new housing subdivisions also creates deficiencies related to social relations and insecurity. In her studies of material and subjective dimensions of exclusion, Bayón (2006, 2009, 2012) emphasizes the relational aspect of poverty and inequality, as well as its intergenerational reproduction. Inequality is not only a matter of income and outcome, but it is also about differentiated opportunities and vulnerabilities (i.e., the concentration of social and infrastructural deficits), inherited disadvantages, and a range of barriers that maintain and reinforce precarious living conditions. Many residents —caught between mortgage payments, prematurely crumbling construction, long and costly commutes and the lack of basic services— have simply abandoned their homes and moved closer to the city centre or relocated to another city entirely (García and Hofer, 2006).¹⁰ In addition, the unprecedented housing production of the past decade ultimately did very little to address the housing shortage (estimated to 9 million households nation-wide). The need to house new populations and to continue changes in household arrangement means that the demand continues to exceed the supply of homes (Connolly, 2009; Herbert et al., 2012; BBVA, 2012; 2013a).

Researchers also explain the issues and shortcomings of metropolitan growth in terms of local planning constraints and administrative deficiencies (i.e., weak coordination and differential capacity across agencies and governmental levels), limited infrastructure planning and financing, legacies of authoritarian regime, clientelistic relations and regulatory oversights.¹⁰

¹⁰ In 2011, the average percentage of unoccupied or abandoned houses was 7.9 in the Federal District, 12 in the State of Mexico, and reached up to 45 per cent in Huehuetoca in the State of Mexico (BBVA, 2012). More recently, Infonavit estimated that one out of four homes financed by the lender between 2006 and 2009 was vacant (BBVA, 2013b).
(Davis, 1998; Ward, 1998; Pezzolli, 1998; Connolly, 2003; 2009; Wigle, 2010; 2014). Planning failures, implementation gaps, institutional weaknesses, and fiscal anemia — taken separately and collectively — contribute to the mechanisms and discourses of precarization etched into the blueprints of housing and urban development.

**Back to Central Areas**

However, the housing industry, once touted as the strategic sector of Mexico’s economic growth and social development, nearly collapsed alongside the policy changes, remote location, scarcity of services, the premature signs of deterioration that led to homebuyers dissatisfaction, housing vacancies, and the abandonment of large portions of the housing stock. ‘Social interest’ housing production in the peripheries accelerated the sprawl and the high volume of construction, at a relatively low cost, that facilitated economies of scale using cheaper peripheral lands, as well as a vertical integration of activities, and the homogeneity of cookie-cutter construction. Both government officials and the development industry viewed this housing model as very successful in meeting the housing needs of a large population entering the mortgage market. Following the 2008 global financial crisis, the large homebuilding companies that had previously made notable profits on housing and land banking in peripheral areas faced declining sales, liquidity problems and showed signs of financial difficulties (BBVA, 2013b). The old sprawling housing model was exposed as dependent on particular political relations and less than flexible in adapting to economic and policy changes.

In an attempt to control both irregular and subsidized urban sprawl in remote peripheral areas where basic services and infrastructure provision is difficult and costly, the current national housing policy shifted towards urban containment and “orderly”, sustainable, vertical development in central areas (Gobierno de México, 2013). The most recent housing policy reflects a new urban growth model promoting dense vertical development as a way to stem population losses from central areas, prevent urban expansion at the urban fringe and stop the encroachment of nearby conservation lands. This shift breaks with the previous centrifugal urban development policy and instead it seeks to contain sprawl, densify central

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11 A so-called sustainable development approach was promoted by the previous PAN governments and by the Federal District government in the recent years, notably in relation to public transportation, climate mitigation, water management and environmental conservation.
areas, and maximize existing urban infrastructure (Gobierno de México, 2013). Calling for “ordered urban growth”, President Peña Nieto (PRI) declared that “cities have grown chaotically, without integral planning. This type of urbanization has led to uncontrolled expansion of urban sprawl, lowering competitiveness and sustainability”. Peña Nieto’s 2012-2016 housing plan calls for the stronger institutional coordination, expanding financing credits and subsidies, the reduction of the national housing gap, and increased housing improvements to promote quality of life (Gobierno de México, 2013; BBVA, 2013a).

The new policy heralded a major change in the home construction industry. For the homebuilding companies, the shift to a vertical construction model in central neighborhoods meant an increase in their working capital cycle, longer times in the movement of units, the accumulation of unsold inventory and significantly increased financing costs (BBVA, 2013b). As the industry is plunged into a financial crisis and their capacity to produce housing has been significantly reduced, the peripheral land reserves that were secured by large homebuilding companies are now being held for speculative gain (BBVA, 2013b; Sedatu, 2013).

The present focus on “ordered growth” and verticality in central areas, housing policy is an acknowledgement of the uneven spatial distribution of housing development and service provision in peripheral areas but remains silent on the pressing need for affordable housing alternatives for the city’s poorest populations. The current housing policy is centered on new multi-units redevelopment projects in the urban core that attract more economically affluent, mobile and/or transnational investors, firms and residents. Similarly to the massive housing subdivisions in the peripheries, such projects are economically attractive and politically conspicuous. For ruling political parties, housing programs are not only generative of economic growth, their gleaming promises also generate votes and short-term popular support.

Despite governmental support for residential construction to repopulate the central city, the predominant urban discourse has been about revitalization of public spaces, urban renovation projects (many of them involving the removal of informal vendors), and public transportation infrastructure. Numerous renewal projects have been implemented in the historic center of Mexico City. These projects include Alameda Park, the Zócalo, La Merced (Becker and Müller, 2013) and large redevelopment projects such as the corporate neighborhood of Santa Fe (Moreno, 2010) and upscale shopping and mixed-use neighborhood of Nuevo Polanco by investor Carlos Slim (Turati, 2014). Exclusionary islands of gated communities, luxury apartment buildings and gentrified neighborhoods are emerging
in the core area and immediate peripheries where physical separation (walls, gates, security technologies) preventing any unwelcomed and uncontracted interactions between the poor and the rich become concrete borderlines that mark and sustain social differentiation. Global competition for capital and economic trade dictating that the city be made safe for investments make securitization and exclusion central to the drive for urban renewal (Becker and Müller, 2013). While revitalization projects have included housing provisions, the logics of finance, land development, real estate values and gentrification prescribe the displacement of lower income residents towards the peripheral areas.

As the social and geographical focus of the housing policy shifts back to central city areas, national and local housing policies are working with overlapping goals and both increasingly rely on the private sector (Kanai and Ortega, 2009). Affordable housing remains limited in the central cities and even as housing becomes more affordable for some populations in the peripheries, periurban housing developments still lack the basic urban infrastructure, services, opportunities, heterogeneity and vitality found in the core city. As Sánchez (2012) insists, governments and their private partners have not created cities; they created houses with little flexibility for homeowners to access services, expand their homes or relocate. The national densification housing policy remains mute on both the stark deficits in existing peripheral housing settlements and the overloaded, congested infrastructures in central areas. The absence of a political commitment and necessary budgetary investments to tackle the quality and delivery of infrastructure and services mean that new housing policies, however forward looking, do not address the problems faced by for lower income populations across the metropolis. Access to affordable housing, basic urban services and amenities. Economic opportunities remain the unspoken unfulfilled promise of urban redevelopment in Mexico City.

Over the years, the various housing models, whether focused on sprawling peripheral developments or densification of the city, have largely benefited landowners and developers as well as organizations close to political power who secure land, credits, or services in exchange for political loyalty. Urban and housing development is increasingly driven by neoliberal logic mingling with a longstanding process of urban governance complicated by so-called formal and informal modalities (Guarneros, 2009; De Alba, forthcoming; Gilbert and De Jong, 2015). In Mexico City neoliberal privatization and state withdrawal is drawn onto an urbanity deeply anchored in regulatory and fiscal deficiencies, altogether with weak
institutional coordination, large differentials in the capacities of public agencies across all levels of government, an ineffectual planning framework uncertain of its role and authority in land use and infrastructure planning; inadequate infrastructure financing, and deep-rooted institutional legacies of authoritarianism and clientelism. Although public-private partnerships are a central feature of neoliberal urbanism, alliances between the public and private sectors related to urban infrastructure are not new in Mexico. There is an old tradition of varied public-private agreements in the construction and delivery of basic services such as water or sewerage and road networks that privilege businesses and political allies. These traditions of the state operate through corporatism and clientelism and dovetail with the principles of neoliberal urbanism.

In Mexico’s political culture, widespread cronyism and other patronage arrangements have long been central to the governance process. Arguing that clientelistic relationships have naturalized across levels of political powers and sectors, Guarneros (2009: 468) affirms that “[t]he dependence that citizens have had on a particular leader has enhanced paternalistic and protectionist relationships inherited from colonial times. This paternalism has been associated with the formation and implementation of policies, programmes and projects adopting a top-down approach: from nation to other subnational levels of government and from governors to citizens”. While this culture of paternalism and political favor-trading extends beyond the state and corporate sectors and permeates different social groups such as workers, peasants, popular groups, elite, etc., it is the political and entrepreneurial elites who have been the major players and beneficiaries of urban development policy and practices (Guarneros, 2009; Sánchez, 2012).

Conclusion

Urban and housing development has been recognized by the state as a strategic sector for Mexico’s economic growth and social development. Old and new political linkages that dominate the urban planning and redevelopment process have historically favored agendas that prioritize short-term political and economic gains over longer term planning objectives and the housing needs of the majority of residents. This has resulted in housing policies swinging back and forth from an emphasis on sprawling growth at the urban edges to densification plans in the central city. Despite their different appearances, a line of continuity
runs through both programs. Both ends of the spectrum produce socio-spatial inequalities that become entrapped in an urban landscape that pushes the most impoverished of the metropolis to the city’s geographical and social limits. Precarization is enmeshed with urban growth. Precarization and socio-spatial inequalities have been intricately produced and normalized (i.e., became normal and taken-for-granted) through urban policies supporting growth in the peripheries and, more recently, attempting to direct growth back to central areas.

For the poorest who are marginalized in remote areas and dispossessed of urban infrastructure and amenities, urban processes in Mexico City are filled with competing tensions. Recent outer tract housing developments appear to fulfill the dream of a single family home as a tangible family and patrimonial investment. This dream of homeownership is poorly balanced against the absence of higher costs for basic services, longer time and higher costs of commuting to informal and low-paid jobs and basic urban services. In central areas, where these amenities are available, the working poor have been displaced by waves of gentrification that have cast large sections of the population to the peripheries.

Bayón’s (2009: 165) contention that the disadvantages of precarious lives are not derived by exclusion or “the absence of social relation” but rather, are the outcome of a “set of particular social relations with society as a whole” alerts us to the pitfalls of planning agendas fixated on ‘inclusion’. Hollowed out promises of urban inclusion through homeownership in Mexico City’s housing programs are directly implicated in the production of socio-spatial inequality. The inequalities they produce are directly expressed in differential access to opportunities but also become hardened as dramatic social distances. Thus, inequalities are normalized in society and naturalized in the built environment, routinely incorporated in the everyday and often transgress generations (Bayón, 2009).

Metropolitan Mexico City’s evolution has created a mismatch of housing supply and demand; it has sharpened asymmetries of affluence and precarity. Sprawling urban developments and their associated paucity of services have kept the poorest entrapped in the spatial, social, economic, and political margins. Laissez-faire planning and development policies have steadily relegated the poorest populations to the underserviced peripheries of the city. Even as there are great stories of survival and resilience, the city’s poor populations must constantly contend with limited opportunities as well as the persistent insecurities and vulnerabilities of everyday living. Through the differentiated actions, interactions and inactions of state and development actors, precarization of housing translates into precarization of
living. As Rolnick (2013: 1064) contends, “[t]he reform of housing policies –with all its component of homeownership, private property and binding financial commitments –has been central to the political and ideological strategies through which the domination of neoliberalism is maintained”.

The question of housing and urban development in Mexico is clearly a difficult problem but not a terminal disease. How to provide housing without increasing socio-spatial segregation? Can housing and urban policies alone solve engrained uneven development and the concomitant entrenched socio-economic disparities? How can central and peripheral development be reconciled in multi-jurisdictional metropolitan governance? Official rhetoric and social policy reforms cannot work without a shift in the fundamental framework. As Castañeda and Aguilar Camín (2009: 3) remind us, simply reciting a reform script focusing on orderly development, reducing housing shortages, providing dignified housing —so much in discordant contrast with the everyday life of a large segment of the population— is hardly enough to address the democratic deficits generated by precarity and inequality. In Mexico City, socio-spatial precarity is produced in the silences and gaps of reform agendas sponsored by the state cut from the cloth of neoliberal principles and imposed onto a clientelist urban landscape carved with deep grooves of crony capital, paternalistic politics, and disingenuous democracy. Lorey (2011) reminds us that the counterpart to precarity is protection and socio-political immunization against danger. Changing the parameters of who is offered security requires unearthing the precarities produced by planning policies and housing development trajectories. More empirical work is certainly needed to track the multiple trajectories of precarization produced by this dissonant urban process and the distribution and accumulation of social vulnerabilities, political (dis)entitlements and economic surpluses within the city. This is especially needed as Mexico City’s metropolitan area grows into a megalopolis.
Bibliography


