

Illusion of Inclusion - implications of the transgressiveness of Mexico's social housing policies

By Pernille Maria Bärnheim

How we choose to plan our cities goes far beyond mere practicality of dwelling construction. The built environment is in all its aspects of architectural qualities, public space planning and economic contexts, hugely formative to the sociality that unfolds within its framework. However, the dominant approach to new housing construction in Mexico, and elsewhere, is based in a commodification of space that serves primarily as an instrument for economic logics embedded in notions of 'progress' and 'growth'. An interesting example of the magnitude and complexity of this shift is evident in the vast areas of single-family housing units aimed at lower-middle income households, constructed by private developers in collaboration with local and state governmental institutions and international banks. The main body of these developments are propagated as 'interes social', legitimized and to a large extent financialized through a close collaboration between the developers and the state-run public saving funds Infonavit¹ and Fovissste². In this essay I will critically perspectivise the implications of this collaboration, arguing that the current policies transgress the objectives traditionally appointed 'interes social', while preserving the discourse. The case studies brought forth in the text are from Ecatepec, Estado de Mexico, and Iztapalapa, Distrito Federal, and form part of fieldwork undertaken over the period 2009 – 2012.

Mexico City has undergone an explosive transformation from big city to megacity over the past 50 years. From the 1960s to the turn of the century alone the city grew from 5 to an estimated 18 million inhabitants, and today the Metropolitan Area of Mexico City is estimated to have more than 21 million residents. This intense pressure on the city's infrastructure has not surprisingly generated an array of acute issues to be addressed such as provisioning, transportation, education, sustainability, citizen rights, and not least affordable housing. In 1972 Infonavit and Fovissste were established to facilitate affordable loans for workers employed in the formal sectors, whom otherwise were not eligible for housing credit. However, following the economic crisis of 1994 the Mexican housing market underwent dramatic changes as a consequence of policy directions more or less dictated by the World Bank and the IMF. Firstly, the policies implemented made entry into the housing market considerably more expensive, increasing the annual interest rate from the 1992 level of 4% to the current 9%. In conjunction with this increase in mortgage costs wages have gone down by approximately 50%³. Before these policy changes a household income level of 0.5-2.5 of minimum salaries was required to enter the housing market, whereas today the same type of housing could demand an income level of up to 5.0-7.0⁴. Furthermore, a prioritisation was given to individual household loans, effectively putting an end to an otherwise successful strategy within Mexican social housing policies that granted collective loans for housing co-operatives. Even though the funding channeled into these types of housing developments only amounted to 4.2% of the state's housing subsidy budget, it generated 22% of new social housing construction with a back-payment rate of 93%⁵. The cost was in part kept down

¹ Instituto Nacional para el Fomento de la Vivienda de los Trabajadores

² Fondo de la Vivienda del Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado

³ Rino Torres, *La Producción Social de Vivienda en Mexico* (Mexico: HIC-AL, 2006) p. 31.

⁴ Enrique Ortiz Flores/ HIC

⁵ *ibid*

through strategies of resident involvement in the construction processes, which often transcended into later initiatives within the co-operatives. To compare, a house of 90 square metres in the co-operative Ce Cualli Ohtli⁶ located in Iztapalapa, Distrito Federal, had a purchase price of 42,000 pesos in 1999, whereas a single family house of 65 square metres in one of the private developments in Ecatepec, Estado de Mexico, had a 2010 purchase price of 390,200 pesos⁷. However, due to the high costs of the credit plans the actual price of the 65 square metre dwelling roughly reaches an exorbitant 1 million pesos by the time the loan has been paid. Further worsening the socio-economic impact of the new strategy of 'interes social' is the systematic overpricing of the new housing units, which has been approximated to be 40% above market price⁸.

However, the impact of these policy changes has a wider scope than the severe economic effects outlined above. They are changing the physical and demographic landscape of the city as well as accentuating rather than alleviating already difficult everyday realities, resulting in an increasingly segregated urban scene. The developments enforce an already problematic tendency of spatial division by socio-economic factors, clustering lower-income groups in isolated enclaves with poor connectivity to work places and scenes of civic and cultural activity in the central parts of the city. The areas generally suffer from weak social organisation and lack community involvement, which most residents say is in stark contrast to their previous neighbourhoods. A pervasive mentality of seclusion and insecurity is spatially expressed through the widespread fortification of homes through the installation of gated streets and barred doors and windows, as well as the erection of walls or cages around front lawns and patios. The absolute majority of residents spend long hours at relatively low-waged jobs in the more central parts of the city, entailing lengthy and costly commutes of commonly four hours in total. In combination with a workday of 10-12 hours six days a week, this is a significant cut into an already sparse resource. As the developments rarely have any after-school or public cultural activities on offer, the children and youngsters are largely left to spend time on their own, most commonly watching television in their homes. Many residents express concern about the disintegration of family life, and regard problems of teenage pregnancies and prevalent drug abuse amongst youngsters to be directly linked to this situation. Furthermore, the cost of transportation is crucially formative to the residents' integration in city life, as travelling to other parts of the city for recreational purposes, is something many families simply cannot afford. In addition to the overpricing of the houses, many residents soon encounter complications related to construction faults and poor quality materials, resulting in problems such as humidity and cracking walls, and in severe cases, even collapsing foundations. The single-wall separations, which make any sense of privacy unattainable as sounds travel easily between neighbour's homes, are furthermore a clear violation to construction codes. Frequenting public space is considered risk induced by all residents, and their movements and activities are informed by assessments of how to minimize the impact of possible victimization from crimes, and a general maximum reduction of public space use. Plazas and cul-de-sac's are often fenced off by residents in attempts to control entries, obstructing free flows of movements and impacting negatively on the possibilities for informal businesses to grow. Establishing a small business within the home can provide an important additional income, however little, and simultaneously offer an alternative to leaving children unattended. The main streets have some informal business growth but

⁶ Ce Cualli Ohtli was established in 1985-87. It is part of El Molino.

⁷ Fraccionamiento Los Héroes, Tecámac, Estado de Mexico, Grupo Sadasi.

⁸ 'Metodo de Deteccion de Fraude por Sobrevaluacion del Valor de la Vivienda', Report from La Sociedad Hipotecaria Federal (SHF)

very little pedestrian movement, and the larger plazas located on the fringes of the respective sections are in dilapidated states from maintenance neglect and perceived of as too dangerous to use, especially by women. The transportation system of buses and micros that most residents rely on to reach their workplaces are regularly subject to muggings. Police patrolling is generally infrequent and unreliable, and there are increasing incidents of shootings and lynchings of criminals and presumed criminals alike, both in the residential areas and on the transportation links, executed by random coming-togethers of residents.

Rather than engaging with an ambition for socially responsible urban development, the private developers are creating set-pieces of a visual quality that performs perfectly with the propaganda of their marketing strategies, utilising rhetorics of middle-class aspirations that promise home buyers good investments and safe, well-located, well-provisioned neighbourhoods within which harmonious family life will unfold. When newly constructed, the areas present themselves as easily-read, well-ordered, middle-class type neighbourhoods promoted as "your best option", "your best investment", "the best place to live", offering you "the joy of indulging in your family", and so forth⁹. On weekends developers arrange tour busses that show potential buyers around the most recently (or just semi) finished sections, continuously relocating sales offices from the 'real' physical environments of the older sections of their developments. However, as people move in and time quickly takes its toll on poor quality materials, the orderliness transforms into an expression of neglect, and social and economic conditions begin to manifest themselves spatially. Residents buy their homes with expectations of making a sound financial investment and providing better living conditions for their families. However, the reality they experience is a situation dominated by isolation, lack of municipal investment, loss of community ties, unemployment, difficulties in paying mortgages of artificially inflated prices, dropping real-estate prices, and everyday movements informed by fear. Effectively the dreamscapes encounter a very different reality, and what emerges is a dream transformed into imprisonment. The current policies positioning Infonavit and Fovissste as collaborators with private developers and international credit providers, do not contribute soundly to urban development or facilitate social agency, nor do they present real opportunity for low-income citizens to find foothold in the real-estate market.

These housing developments exemplify a perception of space as a static resource for extraction of immediate economic gain, in this case for intransparent and distant beneficiaries, rather than a more messy perception of space as an actor, an active participant, in the ongoing process of shaping social relations. The present commodification of people and space ties in with aspects of the prevailing notion of conceptualising space, as addressed and problematised by Doreen Massey (2005)¹⁰. Space has long been submitted to a discourse co-constructed with the notion of linearity of time, resulting in an already presupposed development of a future history, carved predominantly in the image of a westernised idea of modernity. This in turn entails a rather fixed set of ideas on what 'development' means and excludes a notion of space as a coming together of different trajectories in a multiplicity of stories-so-far. In the context of urban relations this is an important critique as an acknowledgement of space being constructed by an always-ongoing process of interrelations also calls for an acknowledgement of social responsibility. If we accept that the production of space is indeed intimately entwined with sociality, it necessitates an attitude towards city planning that implements

⁹ A selection from the marketing material of the developers Grupo Sadasi, Casas Geo, and Grupo Vinte, Real Paraiso, (translations by the author).

¹⁰ Doreen Massey, *For Space* (London: Sage, 2005).

considerations for a complexity of realities. Our reactions to space and its uses must be expanded with a further notion of space as an actor to enable an understanding of design and planning as part of a relational setup, where space is intrinsic in the processes generating social meaning and envisioning of possible futures. Urban space is subjected to a simultaneity of strategies, which all try to balance their objectives in relation to knowledge and notion in order to assess possible outcomes, and as such will always be inscribed with contestations. It is a scene of a multiplicity of relationships and interests intersecting, inflicting space with a multitude of temporal processes of change. Constraining these intersections through design and planning that limits the potentials of what processes of change can come about, does not reflect a very sound future for the city economically nor socially.

In the reality of Mexico City, which is under immense pressure due to an acute shortage of housing, pursuing housing developments like those discussed here can pose as a convenient solution. It is rapid, and ties in with the dominant global financial logic of the moment. But cities are projects over time and, as such, policies related to city planning ought to have a firm foundation in visionary outlooks that dare to take on a more inclusive understanding of the relations that, in some form or another, will be co-shapers of the possible outcomes. If city planning and design merely express the capacity to answer instantaneous problems with instantaneous analysis, the most likely outcome of this particular time-project will be lost opportunity – in human and economic, and their spatial, potential. Moreover, Mexico City is battling serious environmental issues that are largely left without consideration in these types of housing developments. This not only expresses an irresponsible and ignorant governmental attitude towards its citizens, but also entails a lost opportunity to engage in innovative design strategies for socially and environmentally sustainable social housing.

The current strategy performs mainly as an illusion of inclusion for residents. The only actual beneficiaries are the private companies that are allowed to extract economic growth with no obligation to responsibly engage in investments that would genuinely create a foundation for citizen agency. The end result is an urban development that fails to acknowledge that cities are indeed messy multidimensional spaces, made by and for people. Instead it construes space as something that can be subordinated to a stringent notion of planning, promoting a false belief that efficiency and development derive from orderliness. Furthermore, the strategy of "interes social" supported by the Mexican government through participation of public saving funds is, in effect, a rhetorically disguised exertion of power that results in exclusion and social immobility. An alternative is possible but it demands the courage for independent thinking and political will to take responsibility as representatives of citizens rather than promoters of private business interests. An approach to city planning with an openness to experimentation and flexibility is also an openness to citizen agency, thus encouraging potentiality and innovation and genuinely facilitating opportunities for people to seize responsibility for their lives and invest their capacities and dreams in a shared urban space project. The experiences from the co-operative Ce Cualli Ohtli support that positive potential opens with such an approach. The houses were originally designed in collaboration with architects, and are built in a material and earthquake proof technique that the residents were taught to manage on their own via self-construction. Many of the homes have over time been adapted to reflect changing needs in the life cycles of the families while maintaining an over all loyalty to the architectural style. Moreover, the residents pool their different resources of know-how and available time and have f.ex. organised initiatives to establish a communal garden, construct a library, and have after-school activities led on a voluntary basis to offer kids an alternative to the streets and television watching. Recycling and resource conscious infrastructure has been implemented and the co-operative is planning to save for

more. The residents express a high level of pride and communal feeling, with a sense of being agents of their own homes with the ability to exert some positive influence on their neighbourhood. And finally, rather than having experienced dropping real estate prices and mortgages difficult to pay, the absolute majority of the residents have been able to stay in their homes, and their houses have moreover increased their value.

With a highly competitive, expensive, and insecure housing market, in which several residents I interviewed in the privately developed housing areas had fallen victim to fraud, the majority of lower-income citizens rely on the credit schemes of Infonavit and Fovissste, and as such 'your best option' to a large extent really is the only option available. The term 'interes social' pretends a presence of a common project, but there is no investment in citizen agency or visionary inclusive urban development in the current policies. Mexico's 'interes social' imitates a discourse of a state engaged in efforts of providing adequate regulations to, more or less, provide support and protection for its citizens. However, in effect the outcome is exclusionary and lead to no more than a reconfiguration, and possible intensification, of marginalisation, while also manifesting itself in the urban landscape as increased physical segregation. Over the past few years citizens organisations¹¹ have initiated law suits against developers and the state on grounds of the inflated real estate prices. It is an important step to be taken, however, even if the result should rule in favour of the residents and prices would consequently be corrected, the negative implications of the current social housing policies will not be neutralised. What is needed, is for a real politics of 'interes social' to be developed, which is based in a reconceptualisation of space and acknowledgment of the positive potential a facilitation of citizen agency brings to urban development, while adjusting the insensitivity of the current partnership with neoliberal financialisation.

w: pernillemariabarnheim.wordpress.com
e: pernille.barnheim@gmail.com

¹¹ Frente Mexiquense en Defensa para una Vivienda Digna AC has initiated such cases in several states.