

# **The social housing policy in the neoliberal era in Mexico City. From informal to formal transgression.**

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The main objective is to reveal the conditions of social housing policies from the 1990s in Mexico City, and explain the transgression from illegal settlements towards self-production programs through recent financialisation as part of neoliberal schemes for the social housing delivery, engaging to the Constitutional provision of the right to housing. The hypothesis is that neoliberal policy integrates the public-private market of self-build housing on the outskirts due to the increasing demand of working class in metropolitan areas of Mexico; they cannot afford social finished housing in the private market. By other side, housing became an important part of urban policies for strengthen the real estate and finance activities which are conforming districts of mixed uses.

The theoretical approach considers housing as part of the structural conditions for social reproduction (Hidalgo, 2007; Ortiz, 2013), and its recent promotion embraces the city as a space for neoliberalisation, which is challenging public housing. For understanding the profound changes in new housing policy of Mexico City, the social composition is analysed, as the effective demand for housing, and accessibility according differentiated social groups, such as migrants, formal and informal workers, bureaucracy clerks and unions.

Subsequently, it is questioned the financing of public and social housing, and also the subsidy policies, responsible for the precarious workers and the middle class housing. Will be analysed the spatial consequences of housing policies, considering the informal developments, large and extended units on the suburbs and outside the city fringes, and the displacement and exclusion of popular and social housing for the deprived in central areas.

Finally, I examine the self-construction without financing, and the recent policy that adapts the legalization of self-construction, considered in the today's discourse as a "solution" to social housing, and before as illegal or transgressive of the formal order.

The structure of the paper is shaped with three parts, the role of government and the private sector, their convergence in power relations, transforming the obligation to provide decent housing for their workers, towards the creation of public housing funds together with external loans. It considers the public-private developments for the middle and lower classes in the outer margins of metropolitan areas. The discussion about how the state has supported the process of financialisation of the housing, as an asset that is bought and sold through financial instruments that can occur in an orderly fashion in the capital market, that is, without a purpose of social redistribution of wealth. Secondly, the demand for housing of workers is analysed from the perspective of affordability and accessibility, in line with the effective demand, and

discussed in terms of social need, and the use of popular patronage settlements, as a mechanism to stop the social unrest. The social groups benefited from policies of housing finance are concentrated to the families with more than six minimum wages, rather than precarious and informal workers, who represent less than 10% of supply. The third part evinces the spatial implications of housing policy, peripheralisation the deprived with today's restrictive compact city policy that promotes densification and gentrification with large projects in certain inner city neighbourhoods before workers'.

Keywords: Public social housing policies; peripheralisation of social housing; financialisation of social housing; social housing in Mexico

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