Poverty, Government Policies, and Exclusion in Latin American Cities.

Clara Salazar Cruz[1]

Introduction

I was asked to approach the issue of poverty, social exclusion and government policies in Latin American cities. I will begin by saying that I will not focus exclusively on the concept of poverty, since the latter refers to an ambiguous, multidimensional[2] phenomenon that fails to incorporate the territorial dimension of destitution (Sabatini, 1981). In Latin America, the most commonly used measures for describing poverty are: the Poverty Line (PL) and the Unsatisfied Basic Needs method (UBN).[3] PL emphasizes the basic needs that depend on income, whereas UBN highlights the satisfaction of needs that presume on the ownership of housing or the consumption of services produced by the state (Boltvinik, 1997).

UBN enables researchers to approach the dimension of housing implicit in poverty, since its variables include the characteristics of dwellings (materials, number of rooms, kitchens, etc.) and access to basic services (piped water, drainage and electricity). The problem with these indicators, as Schteingart

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[1] Professor of Centre for Demographic and Urban Studies, El Colegio de México, Mexico

[2] For more on the ambiguity of the concept, the various dimensions it involves and the levels of analysis at which it can be approached see: Schteingart 2001; Contreras, Jarquín and Torres, 1992.

[3] Poverty Line involves compares the per capita income of households. UBN compares each household on the basis of a group of specific necessities. In both methods, households that are below the poverty line or lack one or more basic necessities are regarded as poor. For more on this subject, see: Boltvinik. 1997.

points out (2001), is that they fail to address the configurations of space that determine the conditions of urban housing. For example, they fail to show the difficulties experienced by the low-income population in gaining access to land and housing or the way inequalities that cut across social class are created within these groups, such as gender inequities. Nor, of course, do they deal with policy complexities such as whether decisions made at the federal level necessarily correspond to the efforts made at the local level. Finally, they do not enable one to analyze how change in government policy regarding access to land and housing affect the social relations within groups that interact at the micro level such as the community and the family. Instead, these processes have been analyzed through the study of population dynamics in what is the greatest territorial expression of social exclusion in Latin American cities: *peripheral popular settlements.*

Given these considerations and without attempting to discuss the various levels of analysis necessary to explore the problem of urban poverty and social exclusion, this paper has been organized into three sections. The first refers to certain structural characteristics of Latin America's political economy in order to contextualize the conditions of urban housing. By this I mean the presence of urban households with an income of up to two times the basic food basket used to determine the PL together with the availability of basic services (availability of electricity, piped water within the home and drainage) used in the UBN.

Unfortunately, I will not be referring to overcrowding, since I was unable to find up-to-date, comparative data for this paper.

In the second section, I will focus on the problem of urban, peripheral settlements as the most powerful territorial expression of social exclusion in Latin American cities.[4] After proving a general overview of the predominant form of urbanization in the main cities of Latin America, I will emphasize the way they were formed, together with the development of the government policies implemented by the states in the region.

In order to illustrate the effects of these policies on urbanization, I will focus in the third section on the case of Mexico City, which, despite its particularities, exemplifies the problems of peripheral popular settlements in Latin American cities. I will provide a brief description of the evolution of the policies of access to land and housing in Mexico as a response to the mechanisms of structural adjustment implemented, particularly in the 1990's, when the neo-liberal model was fully adopted. Finally, I will reflect on the way these changes can have an impact on access to land and the improvement of housing for the low-income population.

In writing this paper, I have consulted the most recent statistics published on Latin America, together with various studies published mainly during the 1990s and at the beginning of this decade. For the case of Mexico City, I have included both, published and unpublished data provided by certain government

[4] And whose inhabitants were identified in the 1960s and 1970s with the concept of urban marginalization.

institutions. I would like to point out that this paper offers a fairly general overview, whose aim is simply to provide a basis for discussion. It would need to be expanded by more detailed research by specialists on the other cities in the hemisphere.

I. Development of Conditions of housing In Latin American Cities

Before describing the development of housing conditions in the region, it is important to consider certain structural characteristics of the region. From the 1940s onwards, the import-substitution model, which concentrated investment in specific urban centers created migratory flows from the countryside to those cities and so decisively changed the demographic geography of Latin America. Until the 1950s, its population had been predominantly rural, with only Argentina, Chile, Cuba and Uruguay having a largely urban population. As late as 1960, less than half the population in Latin countries lived in cities yet by 1970, the urban had begun to outnumber the rural population in most states in the region. By 1980, only Ecuador, Paraguay, Bolivia and Costa Rica continued to register a smaller urban than rural population and by the year 2000, at least half the population in those countries lived in urban areas. Today, Uruguay, Argentina, Venezuela and Chile have urban population levels of approximately 90%; while Mexico, Colombia, Brazil and Cuba have urban population levels over 75% (Table 1). This means that they have all achieved similar rates to those recorded in Canada and the United States.

Until the 1970s, the migratory flows from the countryside to the city had been directed mainly at the urban centers that had benefited from increased investment in the industrialization process, which in turn had created metropolitan areas. By the 1980s, major cities such as Buenos Aires, São Paulo, and Santiago de Chile were starting to show growth rates of less than 2%. In others, such as Mexico City, which at one time comprised 25% of the country's urban population, growth rates declined later but drastically, falling from 4.2% to 1.72% between 1970 and 1980 (table 2). Nevertheless, the population continued to grow, demanding urban land, and services. Mexico City's population increased by four million between 1980 and 2000, while São Paulo's rose by 5.3 million. The population of Greater Buenos Aires rose by 2.5 million, and that of Río de Janeiro by 1.9 million. Lima's population increased by 3 million during the same period, meaning that by the year 2010, its population was almost twice as large as it has been in 1980 (Diagram 1).

The flight of people to the cities did not solve the housing problems of Latin America's population. Table 3 shows a positive development in the introduction of basic services in urban areas over the past two decades. But, if we examine the indicators separately, we find that the majority of the Latin American urban population has virtually total coverage only in its access to electricity. Even so, in Guatemala, Honduras and Peru, the percentage of urban dwellings without electricity totals 30%. As for the indicators of piped water in households and drainage, lack of coverage continues to be extremely high in several countries.

By the late 1990s, piped water in households was only universally available in Argentina and Uruguay. Approximately 12% of urban dwellings in Mexico, Brazil, Honduras, Chile and Colombia still lack this service while only half the urban population of Jamaica and Nicaragua have it. The situation is even more critical when one analyzes the availability of drainage. Once again, conditions are particularly severe in Central American countries such as Honduras and Guatemala where 70% of urban dwellings have no drainage. An alarming around 35% of urban dwellings in Mexico, Brazil, Bolivia and Uruguay still lack this service. Even countries with the best basic services, such as Argentina and Colombia, have failed to reduce the shortage of drainage to less than 15% of dwellings (Table 3). In short, the indices of housing reviewed show that particularly in the 1980s, Latin American states concentrated on satisfying certain conditions of housing regarded as crucial by international standards, yet despite these efforts, they still lag considerably behind.

A glance at Table 3, giving the percentage of households with incomes of up to twice the cost of the basic food basket (PL), shows that, despite a reduction in the percentage of urban poor over the past two decades in virtually all the countries in the region, they were still a significant reality at the start of the new century. By the late 1990s, Bolivia and Venezuela registered 45% of urban poor, including the destitute. Colombia has so far been unable to reduce this percentage to 39 per cent of the population, while over 25 per cent of the population in Mexico, Brazil and Peru are still living below this poverty line. Not

even Chile, a pioneer in the implementation of neo-liberal strategies since the 1970s, managed to reduce urban poverty levels to below 17%. Uruguay seems to be the exception, with just 6% of the population with incomes of twice the cost of the basic food basket.

2. Settlements on the Urban Periphery. An Expression of Social Exclusion[5]

The main theoretical referent of the concept of *social exclusion* in Latin America, to which I will refer, is the concept of marginalization widely developed by DESAL in the 1960s and 1970s to refer to the population contingents that failed to become incorporated into the "social system". In other words, they did not have a job in the formal economy or access to material assets or political participation (Schteingart, 2001). In empirical terms, marginalized persons were identified as workers incorporated into the informal sector of the economy with extremely low wages and levels of educational attainment. Urban researchers often identified them as inhabitants of precarious dwelling on the outskirts of cities (Lomnitz, 1975). By the end of the 1970s, however, these specialists had stopped using the concept of "marginalized zones" to refer to the anarchic-looking urban belt due to the harsh criticism they received and to the theoretical ambiguities that the concept entailed at various levels. Critics argued that workers outside the formal

[5] Although some indicators of access to basic services suggest an improvement in the conditions of of the urban population, it is a well-known fact that cities in Latin America do not have much in common with cities in the United States and Canada. The difference, then, would appear to lie partly in the continuation of different models of urbanization in the two contexts. In the United States and Canada, cities grow towards the suburban zones the high-income, white population, which has benefited from excellent

labor market were not marginalized from the capitalistic system but rather a reserve army that helped lower the costs of the labor force. They held that the low-income households that inhabit the urban periphery contain members with a wide occupational spectrum, ranging from workers to employees in every branch of the economy to self-employed workers (Duhau, 1987; Schteingart, 1989; in Salazar, 1999). They also argued that the socio-economic characteristics of the "marginalized population" were not restricted to the inhabitants of the urban periphery and that this type of inhabitant also occupied other zones of the city, such as the center. Therefore, classifying the inhabitants of the urban periphery as "marginalized" had, in the thinking of the Chicago School, an ecological bias.

Given the theoretical-methodological difficulties of the concept, urbanologists agreed that the spaces on the urban periphery lacking any kind of services or basic infrastructure with precarious dwellings self-constructed without regard for building regulations or urban standards should not be regarded as marginal spaces. They were instead an expression of the social exclusion to which low-income groups are subjected. These groups are unable to obtain access to urban land in the formal market due to the differences in the metropolitan land market, and to the fact that there is no policy to create territorial reserves. Nor does the state provide a sufficient supply of housing for them. Although housing policy between the 1950s and the early 1970s was characterized by a significant presence of the state in the production of institutional housing, which included the

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transport and fast road networks and spacious green areas that guarantee access to environmental assets,

delivery of completed housing,[6] following the model of building multi-family apartment blocks, these programs primarily benefited the middle-class strata of the population, given the requirements for gaining access to them.

Within this context and given the growing expansion of cities caused by migratory flows, *peripheral popular settlements* became an object of study and an important empirical referent of social exclusion.[7] During this period, various facets of the population were analyzed; the various social actors that intervene in the transformation of rural land into urban land were acknowledged, and the various forms of access to land were identified, together with the processes of self-construction of dwellings, the survival strategies developed by households in this sphere, the various types of ownership of the land on which the popular sectors settled, the problems this implied and the government policies implemented by the state.

The import-substitution model and the industrialization process concentrated in specific urban areas were the macro-economic framework in which urban peripheral settlements became the predominant urbanization model of major

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services, and urban facilities.

[6] With significant financial investment from international organizations coming mainly from the Agency for International Development (AID), the Inter-American Development Bank (IDB) and the World Bank, in addition to savings and loan systems that have emerged. (For further information, see Puebla, 2002).

[7] The impact of the peripheral settlements was such that from the late 1970s they created a trend of thought led by John Turner and adopted by the World Bank which sought to outline the first actions of facilitating politics, by reducing investment in large multi-family apartment blocks and supporting the production of "self-constructed" . The principle governing was greater participation of the financial sector (i.e. the World Bank) together with the implementation of a system based on self-help, self-management and the elimination of subsidies for the poorest sectors. The effect, pointed out by several authors, was a significant reduction in the programs' impact, due to the problem of scale; the credits provided for self-construction, plots of land with services, and progressive, etc, were insufficient; the financial agreements were weak,

Latin American cities: the *favelas* in Río de Janeiro and São Paulo, the "pirate urbanizations" (*piratas*) in Bogotá, the irregular settlements in Mexico and the *barriadas* in Lima. This urbanization model is still in force at the present as the housing "option" for the most disadvantaged sectors of the population since they lack job security and the ability to save, and due to the immediacy of their everyday circumstances, they are only able to gain access to land on the urban periphery by invading the land or by paying for it through "recognized owners" (generally clandestine real estate developers) or through economic transactions based on a system of mutual trust, without documentation such as mortgage arrangements. This involves much lower prices than would be paid in the formal urban land market. In exchange, they receive land lacking any kind of basic infrastructure or urban facilities, do not expect the original owner to supply services such as water and drainage and accept the fact that they will have no legal security for many years.

The Permanence of Peripheral Popular Settlements in the Region

Although growth rates in major Latin American cities have declined considerably since the 1980s, the population living in peripheral settlements in self-constructed dwellings has increased in virtually all the cities analyzed. According to Gilbert (1997), the population that lived in the peripheral settlements of Mexico City in the 1950s totaled approximately 330,000; by the early 1990s, this population had reached approximately 9.5 million. Similar situations occurred in other cities in

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many of the institutions had overdue portfolios while economic supports were offered to those with greater

the region: in Lima, the peripheral population rose from 112,000 in the mid-1950s to 2.4 million in the late 1980s; in Caracas, it increased from 280,000 in the 1960s to 1.2 million in the early 1990s while in Bogotá, it grew from 360,000 to 1.2 million in 1991 (Table 4). These same data show that in Lima and Caracas, approximately 40% of the population live in irregular settlements. Schteingart and Azuela (1991) confirm that at least a third of the population in Lima live in “marginalized towns” or “young towns”. The high proportion of the population living in peripheral popular settlements in Mexico City is also documented by other authors. Duhau (1991) states that approximately 60% of the housing built in Mexico City in recent decades can be attributed to irregular settlements. Data provided by the Commission for Natural Resources (CORENA) of the Government of the Federal District show that by 1999, the rural area of the capital contained 589 irregular settlements and that between 1991 and 1999, the area they occupied had doubled from 1425 hectares in 1991 to 2780 hectares in 1999.

The city to show a considerable declination in the population living in peripheral popular settlements is Santa Fe de Bogotá. According to Gilbert’s data, between the 1950s and the 1990s, this population decreased from 40 to 26%. This behavior can partly be explained by the government policies described below.

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purchasing power (Puebla, 2002).

3. The policy of access to urban land in Latin America

1960s to 1980s

A review of a research project by Schteingart and Azuela (1991) shows that the policies towards the type of popular housing I have described have taken various routes in Latin America and that inside each of these; there have been changes in their directions depending on the domestic political conjuncture. Most Latin American states adopted a tolerant attitude until the 1980s, when the severe economic crises that struck in the region, together with international pressure, began to demand structural adjustment programs to reduce the internal fiscal deficits and ensure the payment of external debts.

The authors note that in Caracas, for example, the state relocated of peripheral settlements, with the unusual feature recognizing the relocated settlers' investment in their housing. From the 1980s onwards, the cost of relocation appears to have increased, with policies veering towards greater control of the settlements through their eradication and even acts of repression by force. In the case of Lima, government action also shifted from massive support to intolerance. Between the 1950s and 1970s, there were offers of lands and state property, with basic services and urban facilities, together with the legal recognition of possession through "pardons", at the end of this period. Since the1970s, there has been less tolerance and stricter regulation in local planning. Nowadays, popular urban sectors have begun to occupy empty plots of privately-owned land within the city, with the risk of repression and eviction. In the case of

Greater Buenos Aires, until the late 1970s, low-income settlers had access to cheap plots of land on the edges of the city, due to the fact that at that time, there were no urban regulations. By the 1980s, following the creation of the Province of Buenos Aires in 1977, the cost of plots of land had risen, which in turn reduced the supply for the popular sectors. The case of Bogotá is rather different in sequential terms: the policy towards the occupation of land that had yet to be urbanized began with a rejection of tolerance and the government's subsequent decision to reduce the urbanization rules and building standards, thereby managing to "normalize" "abnormalities" (Schteingart and Azuela, 1993). This decision may explain the reduction of the population living in pirate urbanizations. Finally, in Mexico, there was no overwhelming response by the federal government to the presence of irregular settlements until the 1970s although there was greater tolerance on the part of local government. Given the size of the problem they faced, the local authorities soon established clientelist relations with the settlers for whom they offered to begin the paperwork to introduce services in exchange for their participation in the official party's rallies and meetings (Azuela, 1991). The second half of the 1970s saw a significant step towards settler security with the creation of the Commission for the Regularization of Land Ownership (CORETT) through which, over the past two decades, the state has expropriated the social land[8] occupied by popular urban settlements and

[8] *Social land* is land that belongs to the agrarian community, of which there are two kinds, communities and *ejidos*. The former refers to the land that the communities were acknowledged to own as a result of having obtained title deeds in the colonial era, while the second are the result of the agrarian distribution that took place in the 1930's.

regularized it in favor of their squatters, recognizing the latter as the owners of urban plots of land under the private property system. This regularization policy was implemented until 1992. Before that date, according to Federal Agrarian Legislation, communal and *ejido* lands (social property) could not be sold, seized or transferred to third parties, meaning that they could only benefit a successor. The reform of Article 27 of the Constitution made it possible for *ejidos* to be turned into private property.

The 1990s and the liberalization of the Social land and market, with particular emphasis on Mexico City

In the early 1990s, Latin American countries fully embraced the neo-liberal model that had begun to emerge during the previous decade. The structural adjustment policies implemented as the means of reducing the internal fiscal deficit, ensuring the balance of payments (through the reduction of social spending), reducing inflation and paying off the external debt, hastened the implementation of neo-liberal principles to access to land and housing. The state gradually stopped intervening as an organization regularizing land ownership, and also as the supplier of Instead, it adopted the "facilitating" approach suggested by the World Bank, which implied regarding housing not as a social right but rather as "an element that included the building market, financing and professional services." Within this context, the World Bank identified seven instruments: 1) the development of property rights; 2) the promotion of mortgage financing; 3) the rationalization of subsidies; 4) the supply of infrastructure for residential

urbanization 5) the regulation of the urbanization of land 6) the organization of the building industry and 7) the improvement of the institutional framework (Pugh, 1994; Puebla, 2002).

The consequence of these “facilitating” recommendations has meant the modification of legislative, financial, economic and institutional frameworks in which, according to the World Bank, the market, Non-governmental Organizations (NGOs), communities and families can submit proposals to improve their housing conditions (Pugh, 1994; Puebla, 2002). Within this facilitating context, Latin American countries entered a third phase. Organizations in the housing sector have been reformed while credits have gradually shifted towards financial institutions. Nowadays, obtaining access to social housing no longer implies soft credits as it did in previous decades, but rather being governed by the rules of the market.

In Mexico, the housing sector now has far more sophisticated mechanisms promoting deregulation than it had in the 1980s. According to data provided by Enrique Ortiz Fernández[9], for the year 2002, 97.5% of the budget allocated for the sector has been assigned to the private sector and only 2.5% to the Housing Popular Fund (FONHAPO). This means that the real estate sector will be able to produce 275,000 housing starts a year, benefiting the middle class sectors and the population with the ability to pay, while the only institution that has a

[9] Professor of Autonomus Metropolitan University and Director of Habitat International Coalition. Formal speech in El Colegio de México, May, 22, 2002.

maximum ceiling for loans of twice the minimum salary will only be able to produce 400 completed dwellings and 1,500 housing sites.

As regards access to land, countries such as Chile, Ecuador, El Salvador, Honduras, Nicaragua, Peru and Mexico ended their agrarian reforms and although in certain countries in the region, such as Colombia, Peru and Brazil, indigenous movements demanded new legislation that guaranteed communal property rights, in all of them the privatization of land rights has been accompanied by programs to provide property deeds for land that favor the development of individual property rights over community rights (Deere and León, 2001). In principle, this could be seen as enhancing peasants' security if it were not for the unequal position it places them in vis-à-vis the capitalist sector, as we shall see below.

The Case of Mexico, with Emphasis on Mexico City

In the case of Mexico, the improvement of the institutional framework can clearly be seen in the modifications of Article 27 of the Constitution and the Agrarian Reform Law in 1992 during the administration of Carlos Salinas, and a year later, in the changes to the General Law of Human Settlements (LGAH). The objectives of the legislation favoring the individualization of agrarian rights included: 1) making the agrarian sector more effective in order to attract capital, 2) incorporating *ejido* members into the modernizing process, and 3) making it easier for states and municipal governments to create the necessary territorial

reserves for urban development through granting the preferential right to acquire land.

The new laws repealed the prohibition of the sale of social land[10] which accounts for half of national territory and 27% of the country's inhabitants, thereby allowing those located in the non-urbanized urban periphery to become privatized by three means: 1) The Certification of *Ejido* Rights and the Issuing of Property Deeds for Urban Plots of Land (PROCEDE) which permits the alienation of land to third parties that are non-*ejido* members, non-family members and do not work on the plots of land; 2) the adoption of *dominio pleno*[11], or their conversion into private property; and 3) the contribution of common lands by agrarian communities to civil and "mercantile" associations with either the public or private sector.

This policy of individualizing property rights, which was continued by Ernesto Zedillo and Vicente Fox, was implemented astonishingly quickly. By December 2001, 87% of the agrarian nuclei had been incorporated into PROCEDE while 77% of the total had been regularized. However, the contribution of common land to real estate projects has not taken place to the extent that its detractors assumed it would at the time that the Constitution was changed. By March 1997, only 466 fee simple agreements had been signed and only 14 mercantile societies had been created. A total of 194 agreements and 13 mercantile

[10] Comprising 30,161 agrarian nuclei, 27,218 of which are *ejidos*, 2,162 of which are communities and 6,781 of which are agricultural and cattle raising districts.

[11] "*Dominio pleno*" means that through the Ejido Assembly, the *ejido* owners that so desire may legally convert their land into private property and stop being *ejido* owners

societies were established in several urban zones throughout the country, all of which had overtly real estate objectives (Agrarian Reform, 2002). The main question is Why?

The first answer is that the agrarian economy has not been more successful after than it was before individualization policy began. According to specialists, there are no signs of spectacular private investment within the agro-industrial sector. Moreover, from 1990 to 1999, the growth rate in the agricultural sector was lower than total economic growth (1.2% compared with 2.8%)[12] and by 1997, the sector contributed a mere 5.3% to the total GDP (Appendini, 2002).

Secondly, the legislative transformations at the national level were not implemented with sufficient resources to achieve the desired social results. The Mexican state has not purchased social land reserves on the outskirts of the city to produce housing for the low-income sectors. In the last decade, according data published by INEGI (Instituto Nacional de Estadística, Geografía e Informática), the regularization of land in federal territory by decree at the national level has been only around 450 hectares, this means that it has been virtually non-existent.

Third, and last, the establishment of mercantile associations linking ejido owners with the private sector increased inequality between them. Ten years later, the *ejido* owners are not participating, to the extent they were expected to, as equal partners in the civil partnerships and mercantile societies they have created.

Research conducted on Mexico City (Maya, 2001) and San Luis Potosí (Jones and Ward, 1996) agrees that this is due to the fact that the structural conditions of inequality between *ejido* owners and real estate agents exclude the former from any form of negotiation. These conditions may be summarized, as Jones and Ward have done (1996) in three points; 1) Real estate developers control the project and obtain the greatest profits, the land provided by *ejido* owners is subject to formal appraisals by the a marketing company, bank or valuer, whereas the developers' capital contribution is calculated as the sum allocated for the infrastructure project and personnel; 2) the risk level is higher for *ejido* owners, since the capital offered by the private sector is often through debts in speculative ventures and the guarantee of payment is precisely the *ejido* land; 3) during the development of the project, the developers recoup their investment more quickly than *ejido* owners, with the latter having to wait until profits are divided up. Within this unequal context, it is understandably common to find that *ejido* owners that have established mercantile associations with the private sector have been forced to sell their land to the real estate sector. The latter, in turn, have chosen to promote property developments for the upper middle-class sectors, where profit margins are greater, rather than for popular.

For Mexico City,[13] for which the end of the agrarian reform is important because for decades, the irregular purchase and sale of land by agrarian communities has

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[12] The exception was 1995 when the agricultural sector grew by 1% while the economic crisis of 1995 plunged the country into a negative growth rate of –6.2%

[13] Mexico City or the Mexico City Metropolitan Area (MCMA) is composed of 16 *delegaciones* in the Federal District and 36 conurbated municipalities in the State of Mexico. It has an approximate area of

served as a means of access to urban land for the inhabitants of peripheral popular settlements[14] and great progress has been made through the issuing of property deeds to plots of land by CORETT, we can see two different kinds of situation.

In the Federal District, where the *ejido* certification program has yet to be implemented, the Commission for the Regularization of Land (CORETT) has continued to carry out the procedures for issuing property deeds for urban plots of land. Between 1991 and 2001, this organization regularized approximately 40,000 urban plots of land in favor of their owners, and 44% of the property deeds for the plots of land were issued to women. This result is very different from that obtained through the implementation of PROCEDE. Nationwide, only 5 out of every 20 Certificates of *Ejido* Rights are in the woman's name (Robles Berlanga, 2000).

Recent data provided by CORENA indicate that by 1999, there were still 589 irregular settlements on 2780 has, in which are around 40,000 households more This dynamic of occupation and regularization shows that attempts has not been enough, and that the same number of plots of land as in the last decade have yet to be regularized. The Federal District Government, whose Mayor is an opposition party member, is implementing other strategies for urban

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150,000 ha with an estimated population of 18.24 million for the year 2000 (CONAPO-Consejo Nacional de Población), which grew at an estimated annual rate of 1.6 over the past decade.

[14] By 1975, 48% of the city's territorial area consisted of social property (both *ejido* and community land) while 44% of the total *ejido* area of the Federal District had been urbanized (Schteingart, 1989). The period between 1970 and 1995 saw the emergence of 492 irregular settlements on 1718 ha in the Federal District (Cruz, 2001).

regularization. They include providing popular settlements in particular areas with assistance as a necessary step towards gaining access to the title process enabled by CORETT.

Conversely, in the conurbated municipalities of Mexico State, where the mechanisms for incorporating social land into the private sector have been implemented, we know that until 2001, Just 3 Mercantile Societies had been established. One of these never took shape; the two others were breakdown for ejido owners as explained in previous paragraph. In addition, PROCEDE had been implemented in 155 *ejidos* and communities, of 240 existences, through which 36214 ejido owners were certificated, and 1300 *dominio pleno* agreements, in 116 ejidos, had been signed.

The effect of these measures on *ejidos* is to rule out the possibility for the urban poor acquiring cheap land on the informal market. Settlers are no longer able to purchase non-urbanized land from *ejido* owners while CORETT is no longer authorized to regularize plots of land in *ejidos* that have already been certified.

In spite of this, it is important to mention that the privatization process is too strong. President Fox approved, last year, the controversial project of building a new Mexico City Airport on the San Mateo Atenco ejido without previous consulting the ejido owners. That has generated serious confrontations between the government of the Mexican state, whose governor is Eduardo Montiel of PRI Party, and the ejido owners, who refused to sell the land because the government offered a low amount of money for it. As a result, the government

offered more money, but they are sceptical and still refuse to cooperate. Ejido owners are now taking legal action against the elite.

Final considerations

An initial reflection that emerges from this study is the methodological difficulty involved in interpreting a phenomenon as complex as housing. In the Latin American context, improvement in access to basic services has been coupled with insufficient government efforts. These countries have seen the state's withdrawal from social policy in the sphere of access to land and housing together with the opening up of both areas to the market. In this paper, these effects have been observed in more detail in the case of Mexico where the process of providing property deeds to urban plots of land for the owners, who are usually from low-income sectors, is not a new phenomenon. Despite the clientelist attitudes behind this policy, they can be said to have had positive effects in social terms, since they constituted the means whereby the inhabitants of popular urban settlements were given legal security.

The deregulation of social land implemented in Mexico during the 1990s constitutes a different phenomenon, of title program implemented by CORETT in urban areas since the 1970s and has other implications. First, the privatization of the land in agrarian communities on the urban periphery has failed to benefit agrarian communities. As mentioned earlier, the latter cannot afford to compete in the formal urban land market, since real estate companies have prevented them from doing so by controlling the urbanization processes and concentrating

economic resources, as well as receiving government support to increase their profit margins and become incorporated into the "new global economy".

Secondly, the settlers with least resources do not appear to be benefiting from the new rules for privatizing land. The regularization processes implemented since the 1970s through CORETT enabled squatters to obtain access to land without having to pay for the cost of urbanization. The current tendency in this respect reflects a hardening of the once-permissive policies on irregular land occupation. At the same time, it gives housing promoters access to land that formerly belonged to agrarian communities, which has meant handing over territorial reserves previously occupied by the poorest sectors of the market. For its part, the government sector has failed to keep its side of the bargain by failing to acquire these reserves in order to be able to offer the poor urbanized land or social interest.

Finally, it is worth noting the number of women who received property deeds to urban plots of land through CORETT, in comparison with those that have benefited through PROCEDE. As mentioned earlier, PROCEDE's mechanism permits sale to third parties outside the home and community. Although no data are available yet, women are unlikely to benefit from this mechanism, since it implies a break with deeply-rooted patriarchal patterns. At the same time, adopting fee-simple ownership requires a certain amount of financial expenditure for a piece of property to be included in the Public Property Register.

Under the existing conditions of inequality among social actors who participate in constructing housing urban spaces, it is hard to understand how the liberal argument maintaining that liberalizing the land will increase the "competitiveness" levels of agrarian communities. Nor is it obvious how the conversion of land into a marketable good will generate profits for those with few resources rather than for land speculators.

As James Petras noted in an article published a few days ago,[15] the concentration of power is not simply due to efficiency, management and "know-how" but is the direct result of state policies. The inequality observed at the international level and expressed in the fact that Third World countries are unable to "liberalize" their markets due to the exercise of superior power and the control of resources by a small group may be what is being reproduced at the local level. The fact that the real estate sector develops the formal land market and that the popular sectors' access to land is increasingly restricted is not necessarily due to the fact that the former are more competitive but rather to the fact that they control the necessary social resources and enjoy the government's support, enabling them to maximize their control with the least possible risk. The land market has been placed in the hands of private banks that are receiving more subsidies and protection.

As a result of the new international rules, and particularly those that are imposed on Latin America, which give rights to elites, we found population and community

[15] In a recent article on globalization published in the newspaper *La Jornada* on May 31 2002, Mexico

reactions to neo-liberal changes have been skeptical. As we saw, the resistance of ejido owners in San Mateo Atenco, and the unsuccessful Civil and Mercantile Associations, are not about a simple resistance to cooperation. It manifests a popular refusal to be considered a social object, rather than a social subject. The privatization processes which are the elite's mantra, the lack of a social sense on the part of developers' associations, as well as the state's backing away from its social policy commitments: all of these factors strengthened small communities' solidarity.

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