



# **Assisted Social Production of Housing in Mexico City's Metropolitan Area**

---

A model to promote inclusionary housing for low-income sectors

**Carlos Cruz**

Supervisor: Prof. Dr. Dirk Heinrichs

Submitted in partial fulfilment of the requirements for the  
Degree of Master of Science in Urban Management  
at Technische Universität Berlin

Berlin, 1st of March 2021

## Statement of authenticity

This thesis contains no material which has been accepted for the award of any other degree or diploma in any institution. To the best of my knowledge and belief, the research contains no material previously published or written by another person, except where due reference has been made in the text of the thesis.



Carlos Cruz  
Berlin, 1st of March 2021

## Abstract

Since late 2018, Mexican housing policy has focused on solving the country's worsening housing issue primarily through programs that provide technical assistance and financial aid for the *social production of housing*—housing that is created by self-producers and self-builders and is primarily oriented towards meeting the low-income population's housing needs, rather than for-profit purposes. While these housing programs are already being promoted, it remains unclear how low-income sector housing needs can be addressed and how social production functions can be supported. Thus, policy-makers are at risk of worsening the qualitative lag and condemning low-income sectors to exclude their housing needs systematically. This study formulates Mexico-specific criteria for inclusionary housing policies addressing the low-income sector housing needs. It then assesses whether policies supporting social production modes can be adequate instruments to fulfill Mexican inclusionary criteria. This research postulates that both the policy-making process and the policies have to be formulated by adapting themselves to the features displayed by socially produced housing solutions to address the low-income sectors' needs and the housing lag through a more inclusive and equitable framework.

**keywords:** *social production of housing, assisted social production of housing, incremental and self-help housing, self-production, low-income sectors inclusionary housing policy, inclusionary criteria, qualitative housing lag*



## Acknowledgments

This work was carried out within the Urban Management Program at the Technische Universität Berlin and was partly sponsored by Conacyt. Therefore I am grateful to these institutions for granting me the knowledge and resources to produce this thesis.

I am profoundly grateful to my supervisor Prof. Dr. Dirk Heinrichs, for guiding and supporting me throughout this investigation journey and being patient with my concerns and crisis at all times. I could not have asked for anything else.

Finishing this work would never have been possible without Evelyn, who demonstrated what it really means to be a team throughout this study. I hope to learn from you and one day being able to give back everything you have taught me. You are the best.

I want to thank my colleagues and friends of the UM program, my professors, Claudia and Bettina. Meeting every single one of you made this master's program unbelievable.

Thanks are also due to all interviewees, especially Lucia, who gave me valuable advice and properly introduced me to this fascinating topic.

Special thanks to Dominique and Mauricio for the valuable advice regarding this study's content and style.

I want to acknowledge Rafa and Roberto. It was through you that I realized my professional path. I hope to continue working closely with you in the future.

Pablo and Isaac, I hope you maintained a dash of hope that I would never give up pursuing this topic. I want to thank both of you for trusting me and always setting the bar high. I never stopped working towards the goals I set with you.

Finally, I am eternally indebted to my family, Claudia, Carlos, and Oxse. Without your unconditional support, I would not be.

## **Table of contents**

*Abstract*

*Acknowledgments*

*Table of contents*

*List of figures, tables, and abbreviations*

### **Chapter 1 – Introduction**

*1.1 Problem statement*

*1.2 Research aim and hypothesis*

*1.3 Research question and operational questions*

*1.4 Research justification*

*1.5 Document structure*

### **Chapter 2 – Methodology**

*2.1 Literature Review*

*2.2 Selection of case studies*

*2.3 Qualitative interviews and selection of key stakeholders*

*2.4 Coding*

*2.5 Limitations*

### **Chapter 3 – SPOH and low-income sectors inclusionary housing policy conceptual framework**

*3.1 Definitions and terminology*

*3.2 Association of incremental processes to informality*

*3.3 Aided self-help: sites-and-services and upgrading approach*

*3.4 The enabling approach*

*3.5 Mexican rationale: housing as a finished product vs. housing as a process*

*3.6 Characteristics of self-help, incremental housing processes*

*3.7 Initial low-income sectors inclusionary housing policy criteria*

### **Chapter 4 – ASPOH policy instruments regarding initial inclusionary criteria**

*4.1 Open and flexible policy model*

*4.2 Gradually planned and flexible operation*

*4.3 Capacity development and control framework*

*4.4 Participatory design processes*

*4.5 Cooperation among all stakeholders*

*4.6 Use of housing microfinance instruments*

*4.7 Connection to income generation opportunities*

*4.8 Integrate ASPOH programs to settlement upgrading policies*

*4.9 Alternative strategies for accessing and preserving affordable land*

*4.10 Property registration, clean title, security of land tenure*

## **Chapter 5 – Local context**

- 5.1 The housing-issue in the Metropolitan Area of the Valley of Mexico*
- 5.2 Mexico's self-help, incremental housing policy history*
- 5.3 Mexico's change of perspective since the 2000s*
- 5.4 Federal housing regulations and policies concerning the SPOH*
- 5.5 State housing regulations and policies concerning the SPOH*

## **Chapter 6 – ASPOH programs**

- 6.1 ASPOH key stakeholders*
- 6.2 Program 1 - Programa de Vivienda Social - SHP*
- 6.3 SHP schemes*
- 6.4 SHP participatory design process*
- 6.5 SHP resources*
- 6.6 SHP accountability and capacity building*
- 6.7 Program 2 - Programa de Mejoramiento de Vivienda - HIP*
- 6.8 HIP schemes*
- 6.9 HIP participatory design process*
- 6.10 HIP resources*
- 6.11 HIP accountability and capacity building*

## **Chapter 7 – Qualitative semi-structured interviews**

- 7.1 Interviews results general overview*
- 7.2 Mexico-specific low-income inclusionary housing policy criteria*
- 7.3 Characteristics of SPOH and importance of ASPOH*
- 7.4 Programs instruments and consolidation strategies*

## **Chapter 8 – Discussion and recommendations**

- 8.1 Low-income sector inclusionary housing criteria*
- 8.2 Assisted social production of housing as an inclusionary tool*
- 8.3 Technical assistance*
- 8.4 Financing*
- 8.5 Operation, accountability, and capacity building*
- 8.6 Stakeholders*
- 8.7 Complementary programs*
- 8.8 Policy recommendation strategies*

## **Chapter 9 – Conclusion and future research**

- 9.1 Conclusion*
- 9.2 Future Research*

*References*

*References of Figures and Tables*

*Appendix*

## List of figures, tables, and abbreviations

### *Figures*

- Figure 1** Research Framework: Inclusionary ASPOH policy in Mexico
- Figure 2** Three-pronged review of academic literature
- Figure 3** Transformation and expansion of two habitable spaces through time
- Figure 4** Gradual expansion of a self-built dwelling over time
- Figure 5** Low qualitative condition of a self-produced dwelling
- Figure 6** MAVM political entities and municipalities
- Figure 7** MAVM urban area through the years 1990 - 2015
- Figure 8** Percentage of national affordability according to income decile during 2019
- Figure 9** Qualitative housing deficit in Mexico
- Figure 10** ASPOH Stakeholders
- Figure 11** Federal budget for social and development programs 2019-2020
- Figure 12** Total credits granted per year 2001-2019, HIP
- Figure 13** Primary topics addressed during interviews by number of mentions
- Figure 14** Low-income sectors inclusionary housing criteria main subdivisions by number of mentions and imposing group factors
- Figure 15** Social production modes characteristics by number of mentions
- Figure 16** ASPOH importance related comments by number of mentions
- Figure 17** Upgrading of a family's dwelling through ASPOH
- Figure 18** Relation between increasing subsidies and improving loan conditions
- Figure 19** Variety of self-produced housing configurations in Mexico City

### *Tables*

- Table 1** Housing as a finished product vs. Housing as a process
- Table 2** Definition of SPOH and its processes within the Mexican Housing Law
- Table 3** Social Production of Housing within the Housing Law Title nr.7
- Table 4** Strategies addressing the SPOH within the National Housing Program 2019-2024
- Table 5** Articles referring to the SPOH within Mexico City's Housing Law
- Table 6** SHP budget per year

## Abbreviations

<b>ASPOH</b>	Assisted Social Production of Housing
<b>CDMX</b>	Mexico City
<b>CONAVI</b>	National Housing Commission
<b>CLT</b>	Community Land Trust
<b>DLS</b>	American Dollars
<b>FONHAPO</b>	National Fund for Popular Housing
<b>FOVISSSTE</b>	Housing Fund of the Institute and Social Services of State Workers
<b>GDP</b>	Gross Domestic Product
<b>HIP</b>	Housing Improvement Program
<b>HPA</b>	Housing Production Agency
<b>INEGI</b>	National Institute of Statistic and Geography
<b>INFONAVIT</b>	National Workers' Housing Fund Institute
<b>INVI</b>	Mexico City's Housing Institute
<b>IP</b>	Interview Partner
<b>LDUDF</b>	General Urban Development Law for the Federal District
<b>LVR</b>	Land Value Recapture
<b>MAVM</b>	Metropolitan Area of the Valley of Mexico
<b>MXN</b>	Mexican Pesos
<b>NGO</b>	Non-Governmental Organization
<b>NHP</b>	National Housing Program
<b>NRP</b>	National Reconstruction Program
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>PEA</b>	Project Executing Agency
<b>SEDATU</b>	Secretary of Agrarian, Territorial and Urban Development
<b>SEDUVI</b>	Secretariat of Urban Development and Housing
<b>SHF</b>	Federal Mortgage Society
<b>SHP</b>	Social Housing Program
<b>SPOH</b>	Social Production of Housing
<b>SPOHC</b>	Social Production of Housing Committee
<b>UIP</b>	Urban Improvement Program

## Chapter 1 – Introduction

### 1.1 Problem statement

In Mexico, as in other Latin American countries, most households have addressed their shelter needs through self-help, incremental housing processes (Ward et al. 2011; McBride & French 2011; Greene & Rojas 2008). These housing solutions are processes by which "people transform their habitable space through time" (Van Noorloos et al. 2020, p.1). In Mexico, approximately two-thirds of total housing was constructed using self-help, incremental solutions (Stolarski & Acuña 2015; Kunz & Espinosa 2017).

The development of incremental settlements in Mexico goes in tandem with a historical lack of adequate government programs to address the poorest sectors' housing needs. For decades, Mexico's principal housing programs ignored the most impoverished populations, overwhelmingly excluding non-salaried households (Salinas & Soto 2019). Faced with the adversity of not having immediate opportunities to meet their housing needs due to the lack of low-income sector inclusionary housing policies, the population reacted by self-producing housing through long-term, adaptable and progressive strategies.

In Mexico (DOF 2006, Ortiz 2012), housing created by self-producers and self-builders—and is primarily oriented towards meeting the low-income population's housing needs—is called *social production of housing* (henceforth SPOH - *Producción Social de Vivienda*<sup>1</sup>). In this sense, social production refers to housing built by those who will become its beneficiaries. Accordingly, socially produced housing is not intended for-profit purposes.

In recent years, the SPOH has regained considerable attention in Mexico since it was revealed that 9.2 million dwellings needed qualitative improvement or rehabilitation in 2016 (CIDOC 2019). This figure represents a significant challenge for Mexican policy-makers because a large portion of the existing housing stock—which was built primarily through SPOH modes—demands housing programs to improve its qualitative conditions.

Since late 2018, the Mexican government housing policy's main line of action is assisting socially-produced incremental housing (SEDATU 2020c; SEDATU 2019c), which means providing self-producers and self-builders with technical assistance and financial aid to help improve the housing's quality. However, despite the increasing importance of the SPOH

---

<sup>1</sup>\***Note:** Throughout this thesis, abbreviations will refer to the English translation of the Spanish term, except for official government institutions names, which will be left in Spanish.

within Mexican housing policy, “how incrementalism both functions and can best be supported and managed is still under debate” (Van Noorloos et al. 2020, p.2). There is a lack of studies in Mexico that put forward strategies to properly assist the SPOH regarding the current supporting programs because few researchers have studied them.

Without a clear understanding of how social production works and how programs should assist the SPOH, policy-makers are at risk of increasing the qualitative lag and systematically excluding low-income sectors’ housing needs. It is essential to formulate Mexico-specific criteria for inclusionary housing policies that address the low-income sectors’ housing needs. Additionally, the adequateness of policies supporting SPOH models to fulfill Mexican inclusionary criteria should be analyzed (Bredenoord & Cabrera 2014).

### **1.2 Research aim and hypothesis**

Previous studies have examined conditions of pre-existing programs that assist the SPOH in Mexico (Almazán 2015; Lerín Rueda 2015; Kunz & Espinosa 2017). However, the current administration has recently reformulated all of these programs. Hence, additional qualitative research is needed to evaluate the programs' adherence to inclusionary criteria.

The aim of this research is to evaluate two programs' attempts to address the housing needs of low-income sectors by assisting social production modes: the *Housing Improvement Program* (HIP - *Programa de Mejoramiento de Vivienda*) and the *Social Housing Program* (SHP - *Programa de Vivienda Social*). The first program covers Mexico City's (CDMX- *Ciudad de México*) legal territory. The rest of CDMX's metropolitan area is covered by the second program, which has national coverage.

Since improving the SPOH “could be the starting point for socially relevant, realistic solutions for persistent housing shortages” of both qualitative and quantitative nature (Van Noorloos et al. 2020, p.1), a significant task for housing authorities relies on how to combine the intrinsic—“inclusive, flexible, and adaptive”—approaches of incrementalism with formal policy-making (Ibíd, p.2).

Regarding the previously described task, the SPOH is a social phenomenon that counters the failed, government-promoted housing policies. It attempts to provide access to dwelling opportunities by providing the tailored conditions for low-income families to acquire housing. For that reason, the SPOH conditions are by definition in opposition to the set-up

imposed by formal policy-making. Thus, the SPOH characteristics should not be framed through the traditional policy-making process but the other way around.

This research posits that both the policy-making process and the policies themselves have to be formulated by adapting them to the SPOH properties. Suppose the *assisted social production of housing* (ASPOH - *producción social de vivienda asistida*) programs are adapted to the characteristics and needs of low-income sectors. In that case, these programs will address the housing lag through a more inclusive and equitable framework.

### **1.3 Research question and operational questions**

The present evaluation research is policy-oriented with a scope in CDMX's metropolitan area. The purpose is to prepare a qualitative assessment of the two previously mentioned social programs that provide economic support (via subsidies and credits) and (technical) assistance to households that engage with SPOH. The main research question is:

*To what extent are the HIP and the SHP adequate instruments to promote inclusionary housing for low-income households?*

Within this research question, there are four operative questions:

- a.** What does inclusionary housing policy mean from the perspective of low-income households? Answering this first operational question will help construct a framework that defines initial inclusionary criteria.
  
- b.** What instruments are the programs using to address this inclusionary framework? By answering this question, one can identify the key actions that need to be analyzed in order to determine whether they are adequate to address low-income sectors' housing needs or not.
  
- c.** What is the stakeholders' experience of trying to tackle the low-income housing issue through such programs? By understanding the experience of operating programs that try to tackle low-income sectors' housing needs, the local gaps that require attention and thus need to be reformulated will be highlighted.
  
- d.** Which recommendations can strengthen the programs? After answering all operational questions and understanding the key implications, the findings of this research will be used to formulate key policy recommendations, which serve to consolidate the programs as adequate instruments to address low-income sectors' housing needs in Mexico.

### **1.4 Research justification**

The subject of study in this thesis is responding to several gaps in the related literature. As recent contributions show, mass-producing housing in Mexico is complicated, and the government's efforts during the last couple of decades have failed to address the national housing issue. A much-needed alternative policy would formulate specific strategies to promote and further develop incremental, self-help housing (Monkkonen 2018). Therefore, it is important to shed new light on what makes social production a good alternative to address Mexico's housing shortage.

Many current official housing policies concentrate on integral neighborhood upgrading from a broader city perspective (Bredenoord & van Lindert 2010). It is well-identified that this integral neighborhood upgrading should be implemented simultaneously with specific housing policies that help low-income sectors self-construct and self-produce housing (Ibíd). Thus, another important reason to study programs that assist social production is to identify which additional programs should compliment them.

Finally, the qualitative housing deficit in Mexico is large; frequently, the result of self-help housing processes consists of poorly built homes. The house's integrity is compromised from the beginning of the construction (McBride & French 2011). Low-income households would benefit from technical and legal assistance while producing their dwellings (Bredenoord & van Lindert 2010). The assistance should result in shorter construction periods, as well as more effective and less costly housing, and fewer resources spent by the families to obtain *adequate housing*<sup>2</sup> (McBride & French 2011). Thus, this study is relevant to discern how to address the right to adequate housing through assisting the SPOH.

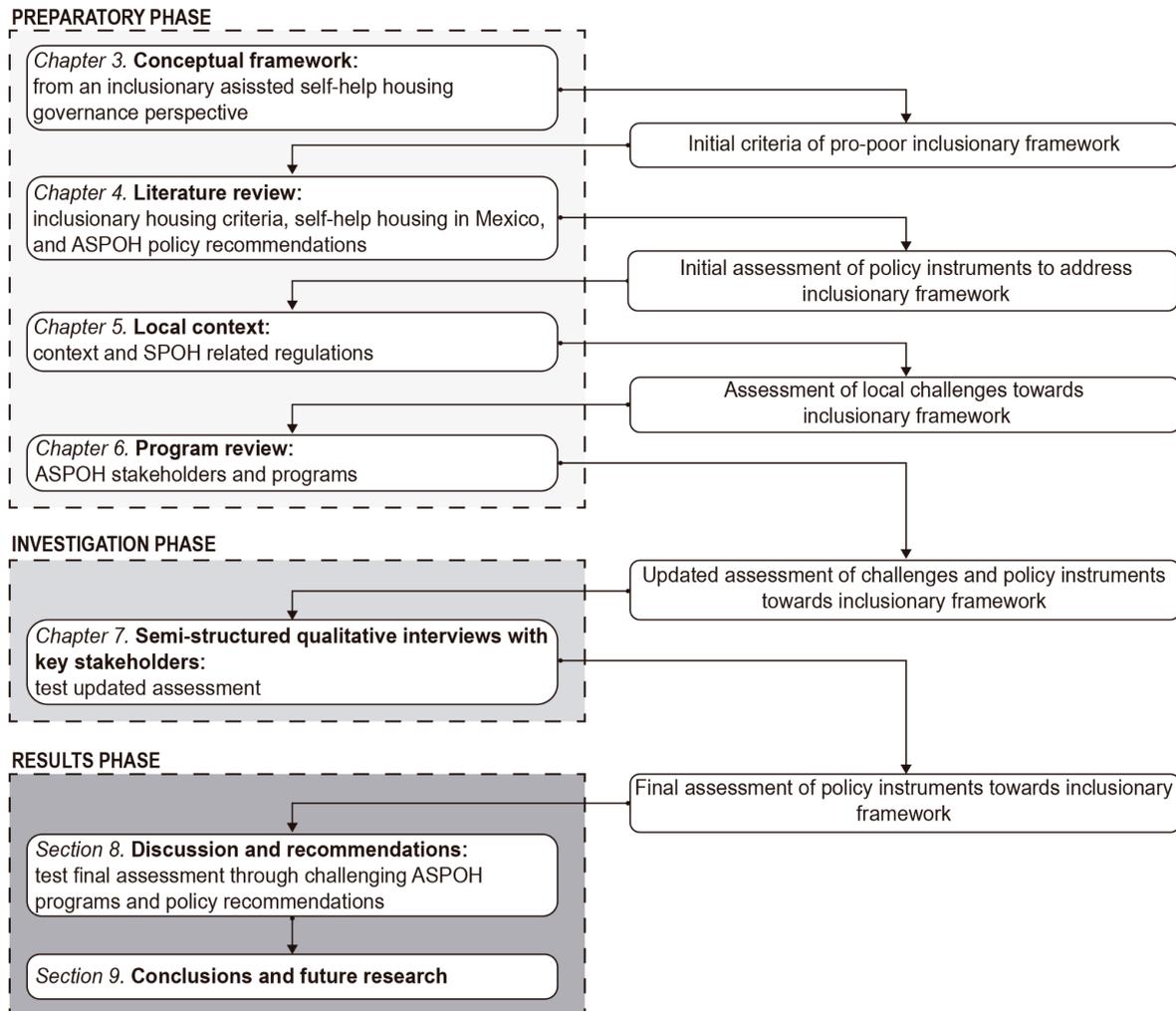
### **1.5 Document structure and research phases**

The remainder of this thesis is divided into eight chapters. Chapter 2 explains the methodology used. The third chapter provides a theoretical background to the key concepts discussed throughout the thesis and a conceptual framework regarding inclusionary housing policy in Mexico. In the following chapter, Chapter 4, a literature review identifies the main ASPOH policy instruments concerning the initial inclusionary framework. Chapter 5 presents and analyzes the local context of CDMX's metropolitan area. The following section, Chapter

---

<sup>2\*</sup>**Note:** In this thesis, the standard meaning of *adequate housing* is defined within the framework of UN-Habitat (see UN-Habitat n.y., pp.3-4).

6, describes the government ASPOH programs, i.e., the HIP and SHP. Chapter 7 presents the result of the twelve interviews carried out for this study. Then, Chapter 8 discusses results and the recommended policy instruments. Finally, the research conclusions are drawn in the final chapter.



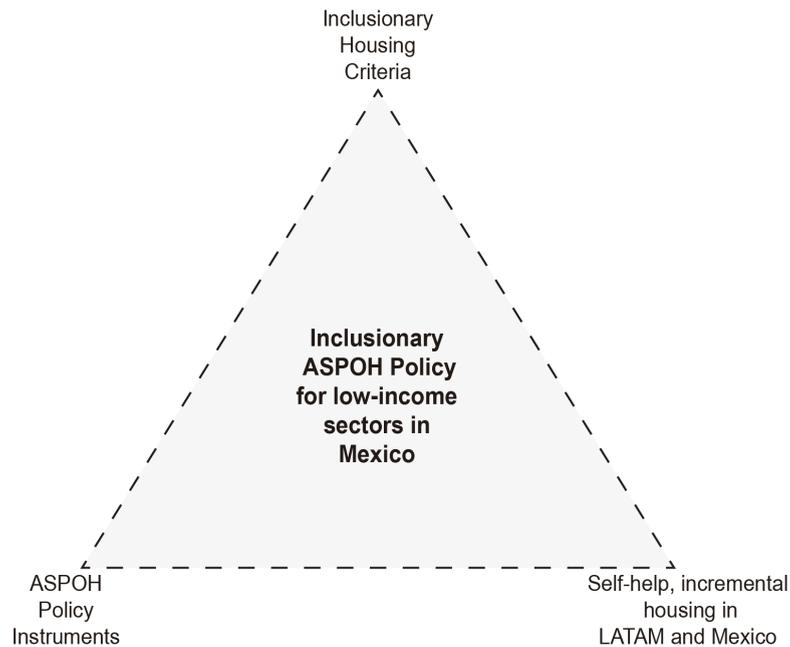
**Figure 1 - Research Framework: Inclusionary ASPOH policy in Mexico (by the Author)**

This research will follow three main phases, as presented in *Figure 1*. The Preparatory Phase relies mainly on secondary data, namely academic and practitioner literature. The Preparatory Phase result is an updated assessment of challenges and policy instruments towards an inclusionary framework. Then, the Investigation Phase is supported by primary data collected from qualitative interviews with key stakeholders. The result of the Investigation Phase is a final assessment of policy instruments towards an inclusionary framework. This assessment will then be discussed in the Results Phase, Chapter 8, to finalize the research in Chapter 9 with the conclusions and future research.

## Chapter 2 - Methodology

### 2.1 Literature review

The study's subject lies at the intersection between three research areas, depicted in *Figure 2*. These three research branches were selected in order to: (a) recognize the features of the SPOH, to then identify the relationship between the SPOH and the initial inclusionary criteria, and (b) point out what policy instruments are being used to address low-income sectors inclusionary housing through ASPOH programs.



**Figure 2** - Three-pronged review of academic literature (by the Author)

Given the vast amount of literature on self-produced, incremental housing, references included in the present thesis had to meet at least some of these criteria: (a) studies addressing self-produced, incremental housing, or SPOH/ASPOH; (b) studies addressing low-income sectors housing needs (c) studies making a geographic reference to Latin America, Mexico, and CDMX; (d) studies from the last two decades.

This study aims to assess programs that promote assisting the SPOH, which can be used to formulate low-income sector inclusionary housing policies. Therefore, the most common keywords and topics searched for were *the inclusion of low-income sectors, housing-policy for the urban poor, affordable housing for low-income sectors, housing-subsidy for low-income sectors, housing financing for the poor, housing production for low-income sectors, and facilitating access to housing for the poor*. Regarding the SPOH and its processes, this study considered studies related to *self-help housing policies, autoconstruction, social production*

*of habitat, incremental construction, assisted self-help housing, housing upgrading as a policy, and incremental housing.*

Only research published within the last two decades was included. The seminal documents on self-help, incremental housing published last century were not included. However, those seminal studies' learnings are reflected in the final selection of 37 more recent contributions.

## **2.2 Selection of case studies**

To evaluate the instruments used to address the housing needs of low-income sectors, this study decided to analyze two programs (the HIP and the SHP) as case studies that implement those instruments. On the one hand, the Housing Improvement Program (HIP) operates within the CDMX legal territory and is the first program that assists the SPOH. As it is the ASPOH model program in Mexico, it has been studied and evaluated in past administrations. However, the new administration reformulated it in 2019, so there is no updated evaluation data. The present research finds it beneficial to study the program with the longest history since the instruments can be identified in relation to their changing reasons over time.

On the other hand, the Social Housing Program (SHP) is the first ASPOH program that operates at the Mexican federal level. This program operates in CDMX's metropolitan area, which is outside CDMX's legal territory. It is necessary to analyze both programs to carry out a non-fractional study of CDMX's metropolitan area. The new administration also reformulated the SHP in 2019, and to the best of my knowledge, there are no recent studies on this program's update. Analyzing both programs is beneficial because it allows for comparison between two programs implemented in the same territory.

CDMX's metropolitan area was selected because of the prominence of themes of self-produced housing in this region. CDMX is a classic example of uncontrolled urbanization. As the first phenomenon of uncontrolled and self-produced urbanization in Mexico, CDMX has been the object of studies related to housing's social production since the late 1960s.

Moreover, CDMX is home to the majority of non-governmental organizations specializing in housing in the country and houses the headquarters of federal and local housing and territory institutions. It also has some of the most recognized academics on urban issues

and houses social organizations specialized in SPOH. In other words, the most significant policy-makers and practitioners at the national level are located in CDMX. The vast amount of available secondary data specialized in issues related to CDMX and its importance as the headquarters of key stakeholders in the ASPOH were aspects that this research could exploit to obtain results.

Finally, the size of the city is equivalent to the size of its housing problems. The city has the country's greatest housing challenges since it does not count with sufficient affordable land and needs coordination between three different governmental entities. CDMX's metropolitan area was selected because it provides an exemplary case for finding inclusionary housing solutions. The solutions identified in this study could be used as a starting point to address the housing problems throughout the country. Thus, CDMX was used as a case-study that, up to a certain point, allows one to understand the country's general housing issue.

### ***2.3 Qualitative interviews and selection of key stakeholders***

Given that the research objective is to evaluate programs, the analysis is based on qualitative interviews with key ASPOH stakeholders. By interviewing different stakeholders, it was possible to contrast their evaluations of the programs with the instruments and initial inclusionary criteria obtained from the literature review. Hence, this cross-referencing exercise allowed for the formulation of policy recommendations based on local experiences to overcome challenges and strengthen the programs in Chapter 8.

The updated assessment of policy instruments towards an inclusionary housing policy model obtained through the Preparatory Phase provided a reasonably clear focus to enter the Investigation Phase. The Investigation Phase's qualitative interviews were semi-structured, allowing the interviewer to address more specific issues (Bryman 2016, p.472) to challenge the Preparatory Phase results.

With the help of an interview guide (see Annex 2) that contained the questions and specific topics to be covered, the interviewee could go deeper into the topics and policy instruments they believed to be most significant (Ibíd, p.471). Despite the central role and freedom of the interviewees to respond, impromptu questions were also asked by the interviewer to pick up on specific topics said by interviewees intending to obtain deeper insights and uncover any aspect that may not have been highlighted in the Preparatory Phase.

In order to ensure consistency in the analysis, by and large, all questions included in the interview guide were asked to all interviewees, and the interviewer adhered to the guide as much as possible (Ibíd, p.471). All interviews, except the one with the SHP beneficiary, were conducted through the video conference platform "Zoom" and were recorded for analysis, exclusively for academic purposes. The interview with the SHP beneficiary was the only interview made by phone call. The phone call was recorded too. Every interviewee agreed to be recorded, and none of them rejected being mentioned within the research.

In this study, twelve interviews were conducted. All recordings were transcribed to allow a more thorough and repeated examination of the interviews (Ibíd). All interviews took place between the 5th of November 2020 and the 25th of December 2020. The shortest interview lasted 35 minutes and the longest an hour and a half, but the average duration was an hour. The transcription, codification, and analysis started simultaneously after the first interview.

The number of interviews cannot provide statistically significant results since the relatively small sample cannot represent the underlying population. However, each of them provided great qualitative insights into assisting the SPOH in Mexico and a deeper understanding of the relationship between stakeholders. Identifying and later analyzing the actors' practical approach was critical in complementing missing inclusionary criteria and understanding better social production modes.

According to Bryman (2016, p.57), when assessing social programs, different academic views "typically coalesce around a recognition of the importance of an in-depth understanding of the context in which an intervention occurs and the diverse viewpoints of the stakeholders". Thus, this study opted to identify key stakeholders related to ASPOH in CDMX's metropolitan area and interview them.

The goal was to find experts who could provide local experiences to formulate the final inclusionary criteria and evaluate the instruments according to that criteria. At least one key stakeholder of each type of stakeholder was interviewed (view *Annex 1*) to obtain a comprehensive approach to the experience of operating both analyzed programs and avoiding unilateral approaches.

The key stakeholders interviewed for this study were selected based on their involvement in the SPOH, their vast academic or practitioner knowledge on the topic, and their influence

regarding policy-making. Those ASPOH stakeholders who do not comply with the latter were left out (for example, material suppliers).

To contact the *interview partners* (IP), an email was sent to the government authorities' official email address, to the *Project Executing Agency* (PEA - *Organismos Ejecutores de Obra*) *Centro de Apoyo Mejoremos*, the PEA and social financing institution *Échale!* and to key ASPOH scholars. The rest of the IP were contacted through snowball sampling until ensuring representation from each stakeholder group.

The SEDATU director could not be interviewed. However, a written answer was obtained to the interview guide's questions, which was not used within the results but helped understand the government's official position. The SEDUVI director, and some key scholars, did not reply.

## **2.4 Coding**

Two different coding levels were used based on Bryman's (2016) approach: open coding and axial coding. The meaning of open coding in this research is "the process of breaking down, examining, comparing, conceptualizing and categorizing data" (Ibíd, p.569). By doing this type of coding key concepts were identified and grouped into subdivisions. Axial coding allows links between subdivisions to be created and puts codes together in new ways. The latter is done by relating codes to "contexts, to consequences, to patterns of interaction, and to causes" (Ibíd, p.569). Axial codes' value was then challenged by assessing them through transcripts and the previously identified findings.

The codes' development began with an initial reading of the transcripts and notes made during the interviews. The reading occurred simultaneously as the interview's recording was played to grasp the interviewees' connotations. In this first reading, an attempt was made to quickly recognize comments that contradicted findings and strategies found during the Preparatory Phase and those that could lead to an insight.

Later, in a second reading, the researcher worked in tandem with an Excel document in which all the quotes that would be converted into codes were transcribed. The file was divided into quote, code, emphasis, subdivision, other subdivisions, and notes (see *Annex 3*). The quote is an exact quote from the transcript. From the quotes, an index of terms was generated to help interpret and theorize on the thesis' information (Bryman 2016). To take into account

and remember each code's context and narrative, when necessary, the emphasis that the interviewee gave to his comment was also noted.

Afterward, the codes were linked to subdivisions. Subdivisions are categories and concepts found in the preparatory phase, like policy instruments towards an inclusionary framework. By answering the questions proposed in Bryman's methodology (2016, p.577), connections were found between codes, subtopics, and previously registered findings. As a result, some codes relate to more than one subdivision. The notes section highlighted the relationship between the codes and more general theoretical ideas and connected them to framed categories within the research (Ibíd). These steps were crucial to hypothesize insights and reduce the vast amount of information obtained during the interviews.

The original file was kept with the citation and emphasis related to the code to avoid the shortcomings of coding, like losing the narrative flow and the context in which the interviewee spoke by extracting chunks of text (Ibíd). Besides, when an interview's citation was used within the thesis's body, the related context and emphasis were also explained.

## **2.5 Limitations**

The investigation was affected by the conditions forcibly imposed by the COVID19 pandemic. Surveys and fieldwork were restricted because of lockdowns in Mexico. Despite recognizing that communities impacted by the programs studied in this work should have a prominent voice in a qualitative investigation of the ASPOH programs, it was not possible to include a larger amount of interviews from beneficiaries that would have been necessary to obtain a better perspective from the programs' beneficiaries.

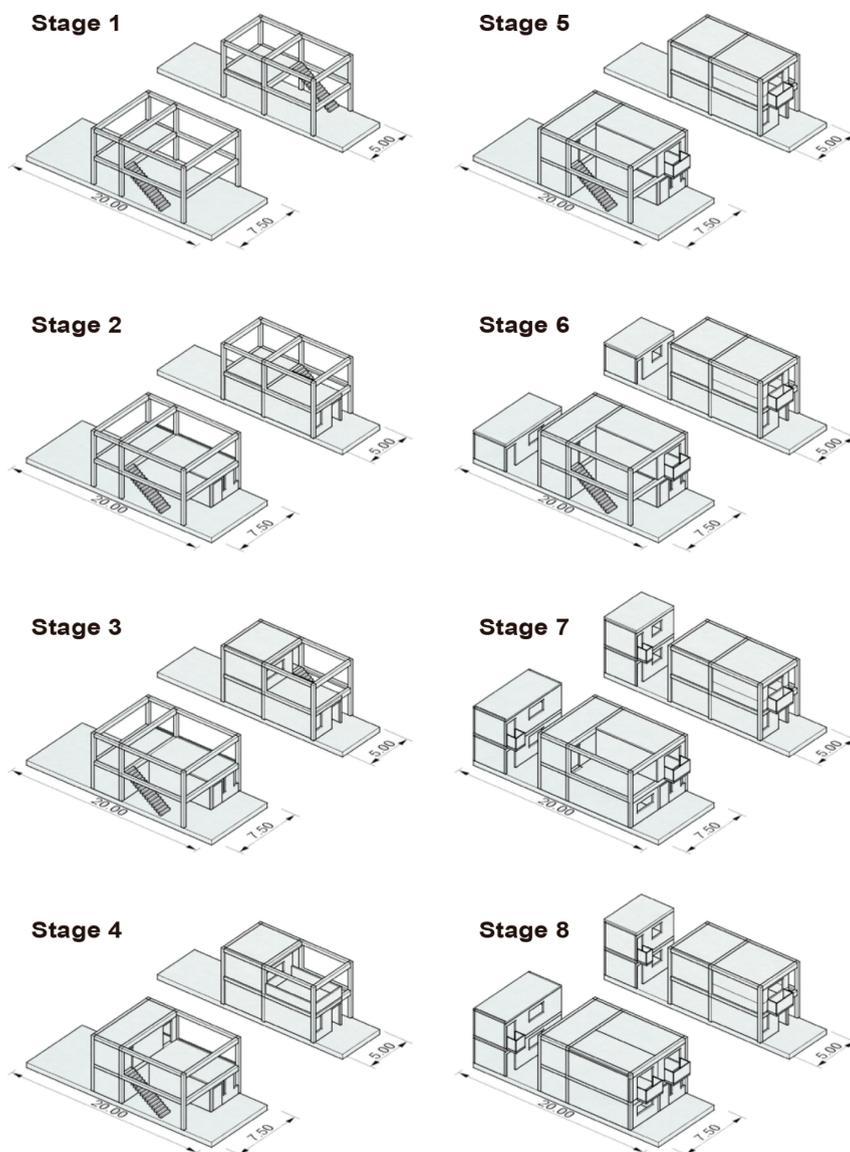
In Chapter 6, this study describes the conditions of the two analyzed ASPOH programs. This study tried to describe them similarly, but official information regarding the HIP is limited. Thus, in comparison, the description of the SHP is more thorough.

Even though identifying the instruments to consolidate the programs was an objective of the research, the results obtained here can be further analyzed. Concretely, further analysis is needed to delve into each of the instruments. However, this goes beyond the scope of this thesis and is left for future work. Finally, recall that the aim of this thesis lies in identifying qualitative conditions. Therefore, quantitative results are also left for future research.

## Chapter 3 – SPOH and low-income sector inclusionary housing policy conceptual framework

### 3.1 Definitions and terminology

A great demand for affordable housing accompanied CDMX's rapid urbanization process starting in the '50s and '60s. The lack of adequate and scalable housing programs drove millions of low-income households to self-produce their habitat (Bredenoord & Verkoren 2010). Self-produced housing is a social and cultural product that requires its inhabitants' active participation in its management and gradual development (Ortíz 2012). The latter can be a starting point to define terms related to self-produced housing.



**Figure 3** - Transformation and expansion of two habitable spaces through time (by the Author)

The meaning of *incremental housing* is "the process by which people transform their habitable space through time" (Van Noorloos and Ed 2020, p.1). However, this definition does not mention that people are the actors in transforming their own homes. Therefore, the term *self-help housing* is used (Bredenoord and Cabrera 2014; Bredenoord and Verkoren 2010; Ward 2011) to describe housing produced by the people through "self-organized, incremental and long-term building processes" (Grubbauer 2020, p.2). Incremental housing and self-help housing are very similar. Both terms refer to a dwelling's transformation through time and refer to the people being the dwelling production's main actor (view *Figure 3* above).

In Mexico, self-help, incremental housing modes are recognized within the concept of *Social Production of Housing*. SPOH refers to housing that is carried out under the control of self-producers and self-builders. Instead of seeking profit from selling the finished housing units, the SPOH aims to address the low-income population's housing needs, who are also the same people that self-produce or self-build (Ortíz 2012; DOF 2006).

The term social production of housing was created for its collective aspect; the term *social production* means made by the people and for the people who self-produce. Thus, the household or community that produces housing plays the central role in the SPOH, and such collective efforts represent a high degree of social resources. These collective efforts mean "mixing resources, construction procedures and technologies based on their own needs and their management and decision-making capacity" (DOF 2006, p.3).

Furthermore, the following terms are modes of SPOH. The term autoconstruction is similar to self-build and self-construction. It means that the people who live in the housing unit are the same people who build it through step-by-step processes (Caldeira 2017). The term self-managed is equivalent to self-organized, and it means that the people who will live in the housing unit are the same people who manage the resources to produce it.

Self-production and autoproduction refer to the same thing; the people who will live in the housing unit are in charge of organizing the efforts to produce it, but not necessarily building it, as masons or friends can build it. Finally, incremental processes are processes that transform the housing unit through time, for example, housing extensions or upgrades (adding services, adding equipment, structural reinforcement, repair, rehabilitation).

### **3.2 Association of incremental processes to informality**

The formulation of policies to address the SPOH was affected by the association of incremental processes with informality. Thus, there is a need to understand how this association affects the formulation of inclusionary criteria.

In general, the link between incremental housing and unregulated land settlements persists because this type of housing is often built on land that is inadequate for residential use. These structures are often located in unplanned and unofficial plots that lack land tenure security and typically do not follow the construction regulations (Greene & Rojas 2008). It is also widely noted that autoconstruction processes often address housing needs outside the formal sector, without government intervention, and outside the formal housing market (McBride & French 2011).

Although the nature of incremental processes upends formal schemes—legal property, formal labor, state regulation, and market capitalism—incremental processes do not go against formal schemes but rather operate along with them in transversal ways (Caldeira 2017), like social norms and understandings. By engaging the complexity of these schemes, incremental processes give them new meanings, causing heterogeneity and political reactions.

Caldeira (2017) proposes to remove the idea of informality by thinking in terms of *transversal logics* to grasp new interpretations of these diverse and changing urban settlements. While citizens are the main city-making actors, the Government “regulates, legislates, writes plans, provides infrastructure, policies, and upgrades spaces” (Ibíd, p.7). Hence, incrementalism is not a lack of state regulation or planning but rather a process in which citizens and governments progressively interrelate in complex alternative manners.

Approaching informality in terms of transversal logics means rejecting the formal vs. informal dichotomy (Roy 2005). “Informality is not a separate sector but rather a series of transactions that connect different economies and spaces to one another” (Ibíd, p.148). Importantly, the previously described point of view reveals informal settlements “to be as ordinary, and as complex, as anywhere else in the city” (Lombard 2014, p.17). These settlements organically produce the city’s reshaping itself (Ibíd).

Thus, there is a need to avoid the formal vs. informal dichotomy and understand self-help, incremental housing as ordinary processes, which, as any other housing solution, relate equally to other urban and social systems. Only by starting to understand and study these processes as ordinary and complex and not as “informal” will policy-makers be able to start addressing them by formulating more inclusionary solutions.

### ***3.3 Aided self-help: sites-and-services and upgrading approach***

In the early years of the rapid development of self-produced, incremental settlements, governments worldwide did not pay much attention to developing intervention policies, so these settlements were mostly ignored (Ward et al. 2011). However, in the late 1960s and early '70s, when research (led by JFC Turner's seminal writings) started to demonstrate that settlements could be improved through self-production and with the social capital of these communities, an approach named *aided self-help* began to be formulated by governments and international policy-makers (Chiodelli 2016; McBride & French 2011).

In particular, housing policies must consider the conditions of the poorest social groups so that the budget of low-income countries could implement the policies. In this sense, "the key role of the public authorities must be to recognize and provide support to further the self-help building processes of the city's inhabitants" (Chiodelli 2016, p.792). Thus, there was a change in perspective. Initially, governments established illegal self-production processes as the problem to eradicate, but then they came to understand them as key resources and part of the solution (Ibíd).

The first policy interventions, named *sites-and-services* and *upgrading*, used by governments in the '70s, looked to regularize the dwellings and improve the physical conditions of incremental neighborhoods. The actions granted official ownership titles to the lands' legitimate owners and gradually provided settlements with services and infrastructure to consolidate them as working-class neighborhoods (Ward et al. 2011; McBride & French 2011). Thus, policies in the Global South were already supporting the consolidation of socially produced settlements.

### ***3.4 The enabling approach***

During the '80s and '90s, governments worldwide underwent a significant transformation. The state became a facilitator; instead of providing homes, land, or services, the state's responsibility shifted to formulating the political, legal, and regulatory conditions necessary

for families to address their housing needs through the formal private market, which was known as the *enabling approach* (Chiodelli 2016; Ortíz 2011; Salinas & Soto 2019).

It was believed that administrations should employ their resources to consolidate the institutions and services needed to achieve the previously described objective. The enablement approach meant scaling the perspective, changing from aiding local projects which were rarely replicated in broader, federal projects to "enabling structural influence" on the governments' agendas (Chiodelli 2016, p.793).

By trying to follow the enabling approach, Mexico "subsidized interest rates on mortgages issued from government-run pension funds" (McBride & French 2011, p.23) to give formally employed households an opportunity to access privately constructed housing. Even though this approach enhanced housing access for many middle- and low-income people, it did not attain widespread equal opportunities.

Policies employed in the formal sector left most low-income families out of reach (Almazán 2015; McBride & French 2011; Salinas & Soto 2019). The enabling approach did not seek to solve the housing-issue by providing equal access to housing for every social sector. In reality, it sought to increase the level of regularization through subsidies and credits that would place as many low-income populations as possible into the formal mortgage financing system and the real estate market (Caldeira 2017).

Consequently, this strategy extricated many low-income populations from alternative housing production and financing forms, transforming the poor's housing market at an unprecedented level of capitalization (Ibíd). As we will see with Mexico's example in the next section, social housing promoted by the state became another commodity.

### ***3.5 Mexican rationale: housing as a finished product vs. housing as a process***

Incremental housing and other self-production modes are a social response to the persistent gap between the real estate market's housing-supply characteristics and the needs of the low-income housing-demand (Di Virgilio & Rodriguez 2013).

The formal real estate market offers finished housing, ready to occupy from the tenancy's starting point. Tenants have access to the formal real estate market through financing instruments, like mortgage credits bound to long-term amortization periods paid while

occupying the finished house. By contrast, at the beginning of an autoconstruction process, the household counts only with some elementary attributes. Upgrading occurs gradually depending on the household's economic means and family needs. The final result, a consolidated dwelling, is achieved at the end of a long-term process (Greene & Rojas 2008).

In the last four decades in Mexico, mainly through Enrique Ortiz's (2010, 2011 & 2012) work, a rationale has been developed that divides housing into two categories: a finished product and a process. *Table 1* summarizes the essential differences between both concepts.

The market's logic translates housing needs into potential and effective demand. The effective demand is limited to those groups with the economic resources or entitled to the necessary financial instruments (e.g., grants, mortgage loans, subsidies) to acquire housing in the formal market (Ortíz 2012). In other words, the formal market supply focuses on people's financial conditions and not on their specific needs; it is subordinated to the logic of money (Salinas & Soto 2019; Valenzuela 2017).

<b>Housing as a finished product</b>	<b>Housing as a process</b>
Higher initial cost	Starts with limited solutions and progressively consolidates
Produces and offers to sectors subject to credit	Produces in accordance to the resources of its participants
Produces limited spaces	Grows adapting to the household's dynamic
Provides a lower quality of life in the long-term	Achieves a higher quality of life in the long-term
→ <b>Minimum housing</b>	→ <b>Incremental housing</b>

**Table 1** - Housing as a finished product vs. Housing as a process  
(by the Author based on Ortiz 2012, p.30)

In Mexico, social housing produced by the private sector, with support from the state, responds to the idea of solving, from its inception, the housing needs of its users; a finished dwelling. Because it is considered an asset, this type of housing (1) channels investment to limit the number of units, (2) aims its offer at groups with the ability to pay and those entitled to financial instruments, (3) has a small living space and is located in the periphery (Ortíz 2012). The last strengthens "class separation and spatial inequality" (Caldeira 2017, p.13).

To add to this, dwellers have a lower quality of life in the long-term due to the housing's lack of flexibility to adapt to families' needs and aspirations and the absence of public spaces and facilities that complement their spatial deficiencies (Ortíz 2012). As a result, housing as a finished product for low-income sectors carries with it the concept of "*minimum housing*" (Ibíd, p.29).

In contrast, housing as a process responds to the social action by which most Mexican population addresses their housing needs following their changing means, goals, and requirements. It is important to remark that this process can start precariously. However, if well planned, it can deliver a better quality of life in the long-term and more flexibility to adapt to family circumstances (Ibíd).

To sum up, conceiving housing as a process rather than a finished product is an opening point for formulating more pro-poor inclusionary policies. The characteristics of progressive housing are tailored to low-income families' needs and resources through an open and flexible model that allows them to pursue their housing aspirations. In contrast, housing seen as a finished product tries to impose a closed and rigid model that tends to limit and suppress families' changing housing desires.

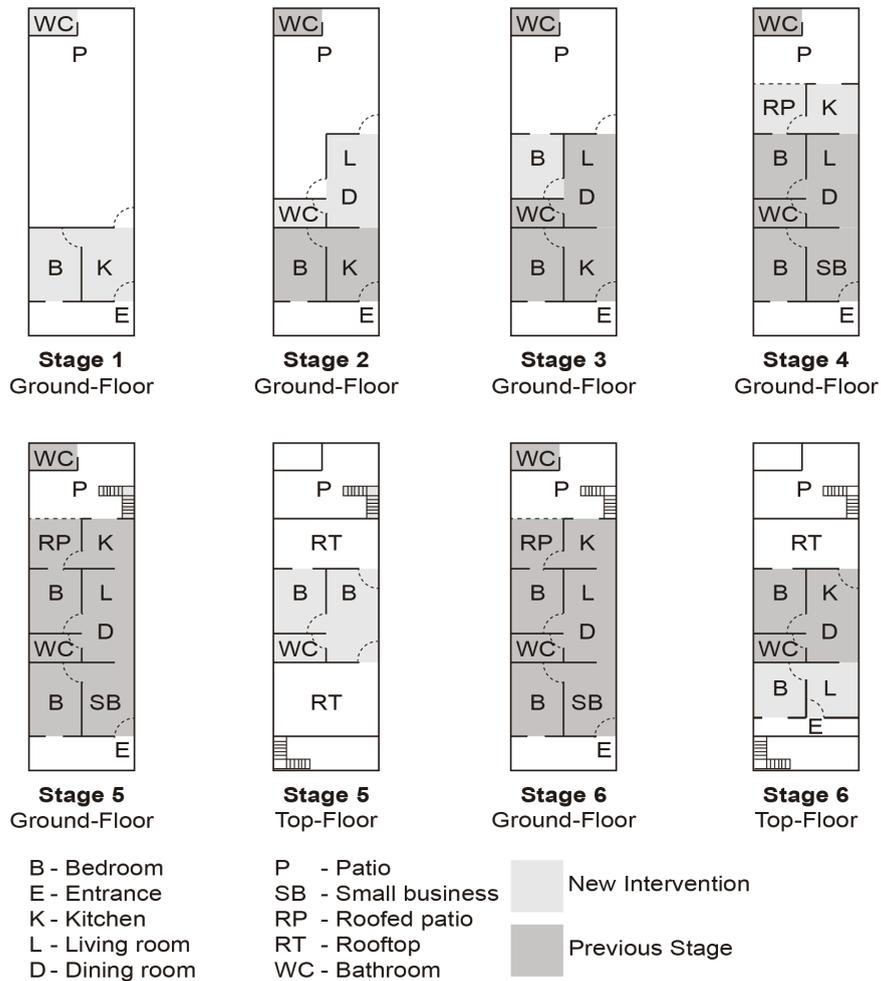
Finally, the flexible model that represents progressive housing makes each housing solution unique, unlike commercial housing that reproduces the developers' principles, assuming what people need. An inclusionary policy promotes access to housing through an open system that encompasses a greater diversity of housing solutions.

### ***3.6 Characteristics of self-help, incremental housing processes***

A vast number of scholars (Caldeira 2017; Grubbauer 2020; McBride & French 2011) define incremental processes as self-organized, long-term, and incremental. Occupants take the developers' role, employing their labor and financial resources to build their low-rise housing (McBride & French 2011; Ortíz 2012).

Another characteristic of self-help housing highlighted by several authors is that households gain full decision-making power at the moment of upgrading, suited to their primary concerns and needs (Bredenoord & van Lindert 2010; Van Noorloos et al. 2020). Such upgrading is also charted by a gradual framework (Caldeira 2017), in which the

constructions are not finished but grant habitability (Van Noorloos et al. 2020). As a result, the resulting spaces are under constant transformation (view Figure 4).



**Figure 4** - Gradual expansion of a self-built dwelling over time  
(by the Author based on Ward 2011, p.469)

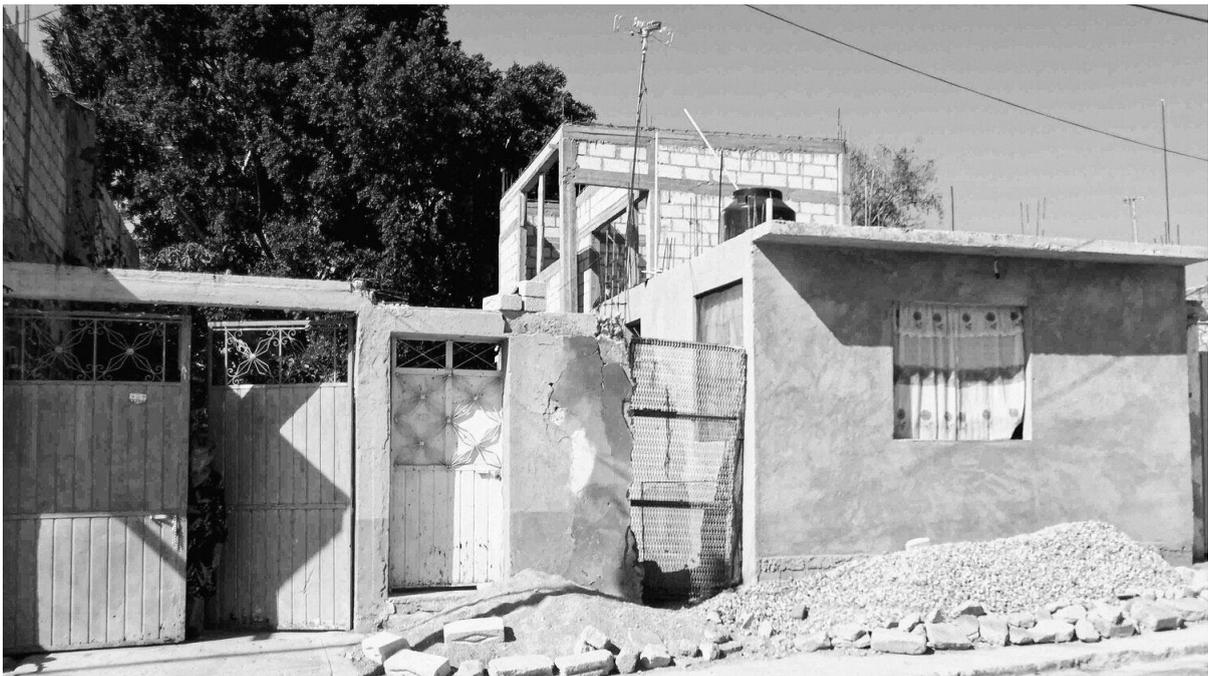
Though there are significant upsides, it is essential to highlight the deficiencies inherent in self-production processes and results. As self-producers do not count on standardized, technical processes, many employ inadequate materials and engage with long-term consolidation timeframes. In the end, this results in a high degree of effort for self-managers and self-builders (Stolarski & Acuña 2014). Moreover, many of these self-construction processes result in houses with structural, habitability, and functioning problems, which creates constant adversity and uncertainty (view Figure 5 below).

Kunz and Espinosa (2017, p.687) identify other issues concerning incremental processes:

1. When the dwelling is produced outside the real estate market, it generates extra costs to settlers and the government. To obtain the land and produce the dwelling,

settlers have to give up economic and time resources progressively. Local governments often have to proceed with expensive, complex, and long-term regularization processes.

2. From the perspective of territorial planning, it can be argued that incremental housing is an irrational way of occupation, as often it appropriates inadequate places (insecure, natural reserves).
3. Despite its social nature, it can also be argued that incremental processes do include profit-making transactions. Agents who sell land outside the formal sector search for profit. Moreover, by promoting the operation of the programs, many social organizations search for political quotas. Politicians too search for political empowerment and are often open to obtaining dubious revenues when promoting incremental settlements upgrading.
4. The final dwelling is often of low quality compared to the time, money, and energy employed in its production.



**Figure 5** - Low qualitative condition of a self-produced dwelling (Mejoremos 2020)

Despite the uncertainty and adversity, the series of modifying—and many times upgrading—steps that self-built settlements take present an example of a social movement, as they become "the material embodiments of notions of progress" (Caldeira 2017, p.6). Thus, incremental processes also symbolize the resilience and organizational capacity of low- and middle-income households in Latin America and the world.

To promote the benefits and prevent the deficiencies of self-help processes, Greene & Rojas (2008, p.91) call for programs that "support the gradual process of construction, extension, and upgrading of dwellings" by using "the potential to mobilize the efforts and savings of poor households, supporting them with goods and services". This support should grant technical and social assistance to reduce the upgrading time frame that allows for acquiring adequate housing (Stolarski & Acuña 2014).

Because of the flexible characteristics of incremental housing highlighted in this section, standard solutions do not exist. The solutions—policies, programs, and regulations—should remain flexible, following incremental processes' characteristics, without leaving aside that self-producers should remain at the center of the decision-making (Ibíd).

### ***3.7 Initial low-income sectors inclusionary housing policy criteria***

In this chapter, initial criteria were identified that make socially produced housing an appropriate option for formulating a low-income sectors inclusionary housing policy:

1. Conceiving housing as a process is an opening point for formulating low-income sectors inclusionary policies. Self-help, incremental processes have allowed excluded low-income households to address their housing needs through adaptive and resilient properties and make them the center of the housing solution.
2. Socially produced housing is built out of a social need. Homes are built to be used, not to be sold.
3. Housing is produced according to the self-producer's circumstances, gaining full decision-making power at the moment of upgrading.
4. Socially produced housing should be seen as ordinary social processes.
5. The SPOH's open and flexible system tailors itself to low-income families' needs and resources, allowing them to pursue their housing aspirations.

The initial subject, which this thesis refers to as *low-income sectors inclusionary housing policy*, is a policy that provides the option of acquiring a home to all households, regardless of their social and economic condition, adapting flexibly to their housing needs and longings, and promoting decision-making by those who will be its users during the dwelling consolidation process.

## **Chapter 4 - ASPOH policy instruments regarding initial inclusionary criteria**

### ***4.1 Open and flexible policy model***

Both Caldeira (2017) and Van Noorloos (et al. 2020) suggest that incremental constructions and settlements are bound to complex, changing systems that produce the city and hence, need to be jointly studied, not only to formulate better theories but also better planning practices. Practical knowledge should result from examining the interrelation between specific, progressive, self-managed exercises and "broader industries, value chains and city-making practices" (Van Noorloos et al. 2020, p.3).

On a similar line of argument, Caldeira identifies four intrinsic characteristics of autoconstruction processes: they "(a) operate with a specific form of agency and temporality, (b) engage transversally with official logics, (c) generate new modes of politics through practices that produce new kinds of citizens, claims, circuits, and contestations, and (d) create highly unequal and heterogeneous cities" (Caldeira 2017, p.4).

By acknowledging these criteria of change, diversity, and transformation, an incremental housing policy model must remain open and flexible to respond to change (Ibíd). This quality is an essential guideline to adequately address progressive processes' features, thus becoming more inclusionary of low-income sectors' needs.

### ***4.2 Gradually planned and flexible operation***

Some researchers suggest that ASPOH public programs should be based on the gradual transformation essence of self-production processes, incorporating this nature into their design and execution (Greene & Rojas 2008; Caldeira 2017).

A key finding from Grubbauer (2020) states that, usually, families who decide to invest their resources in an improvement project do so by trying to anticipate distant future needs based on their current situation. However, the passage of time is the only thing that allows households to know whether they will need another type of housing configuration. Thus, programs should aim at providing more than one opportunity to obtain technical and financial aid to households.

Through the existing programs, low-income households can generate a more sizable upgrading project than they would otherwise obtain using only their own economic resources. However, there are some limiting qualities of ASPOH programs in Mexico (Ibíd). Households need to comply with "disciplines" (Ibíd, p.8).

For example, in order to get a loan, households need to pay two down payments. In most cases, the problem is that low-income households cannot always access the required liquidity to provide said payments at specific dates. Moreover, there are tight deadlines to finish the upgrading constructions, affecting aided families' self-organization of resources. More importantly, the operating institution expects finished projects, which means families have to build according to regulation (Ibíd).

Despite these limitations, households often decide to extend the dwelling's area as much as possible without necessarily finishing the construction, hence acting cautiously for future conditions. The very thought of delivering a finished product goes against the nature of incremental processes. Households, and not the operating institutions, should decide whether they finish a project or want to leave room for future interventions. Policy-makers should consider and formulate operational conditions that allow the dwelling to adapt to changing circumstances gradually.

#### ***4.3 Capacity development and control framework***

ASPOH programs are created to operate for decentralized incremental processes (Monkkonen 2018). The drive for decentralized, local development, under the responsibility of local administrations that are constrained by limited budgets and a lack of consolidated management capacities, calls for "an increased demand for training support, knowledge exchange, capacity development, and institutional strengthening" (Bredenoord & van Lindert 2010, p.280).

Simultaneously, policy-makers should find new ways to operate the programs by an established control framework that grants accountability, capacity building, and policy upgrading recommendations. This strategy's importance is that everyone who is part of the program operation understands and builds capacities around the same meaning of ASPOH. Mexican policy-makers must clarify the change of perspective regarding the housing policy at all levels so that everyone is taking the low-income sectors' needs into account.

#### ***4.4 Participatory design processes***

Suppose programs aim to be inclusive and address the real needs of low-income households. In that case, the assistance should try to understand the intervention project through a participatory design process (Mier y Terán 2017). Previous studies (Grubbauer 2020) have shown that families are frequently convinced to proceed with their intervention projects first after taking part in the proposal's design and after watching finished projects from other settlements' neighbors.

One significant matter is that governments habitually promote community participation as a form of validating the political system. Nevertheless, public sector officials have not entrusted real decentralization of power to the communities by granting decision-making capacities. Hence, significant benefits of such community participation have not been produced and remain superficial (Chiodelli 2016). Programs, too, are at risk of only validating a theoretical "low-income sector inclusionary vision" by not implementing a participatory framework where households have an effective power of decision-making.

#### ***4.5 Cooperation among all stakeholders***

One key challenge to address is the "productive cooperation among the local public utility companies, central and local governments, financial institutions, civil society and the beneficiary families" (Greene & Rojas 2008, p.93). In short, it is imperative to find the most effective cooperation among all stakeholders.

Accordingly, "the coordination in time and space of such a varied set of inputs, including subsidies, microcredit, building materials and technical assistance" can be acknowledged as the primary objective for enabling the consolidation and upgrading phases of the self-help housing process (Ibíd p.103). Policy-makers should make all stakeholders work in a constantly optimized synergistic manner (Mier y Terán 2017), providing inputs like land, microfinancing, building materials, labor, and technical assistance as needed (Greene & Rojas 2008).

#### ***4.6 Use of housing microfinance instruments***

Housing microfinance is small-value, non-mortgage loans provided by financing institutions that aim to upgrade incremental housing conditions (Grubbauer 2017). Like many governments, many practitioners, international organizations, and policy-making authorities

agree that promoting housing microfinance is useful for obtaining scalability and more efficient incremental processes (Ibíd).

At the same time, it is important to mention some microfinance shortcomings. Some key points of criticism include (1) when clients are granted multiple loans that result in contracting excessive debt levels, and (2) when users do not use the granted loans for their long-term housing needs but rather for other necessary expenses such as groceries, utility or medical bills; (3) the increased access of loans for non-target customers like wealthy, high-income persons and, (4) the "ongoing commercialization of microfinance coupled with excessive profit margins and high-interest rates" (Ibíd, p.16).

Furthermore, many of these adverse results are the consequence of the inherent difficulties of microfinancing which include that (a) small loans make transaction fees higher, (b) when users are low-income and unsalaried is harder to assess risk and, (c) collateral is challenging to provide if households lack properties (Grubbauer 2017, p.16). These characteristics can make microfinance institutions unsustainable when trying to meet low-income households' needs and reduce their adversity, strongly dividing opinions about its use (Ibíd).

Despite its critics, many national housing policies in LATAM and international organizations try to consolidate ASPOH programs using these non-mortgage microcredit instruments and institutions (Grubbauer 2020). The goal of strengthening microfinance institutions within national housing policies requires recognizing their role and risks.

Microfinance institutions as social actors are mediators when setting pro-poor or anti-poor "financial rationalities and disciplining work" (Ibíd, p.2), which in turn create spaces of a political character. Moreover, these institutions create conditions for extracting value; its frameworks can be used for profit-seeking goals (Ibíd). Private interests are broad, and thus, the social factor of the SPOH could be overlooked. Therefore, there is a considerable risk of SPOH becoming another commodity type.

Ultimately, the overall impact of the housing instruments and institutions described in this section is hard to assess due to a lack of research. A literature review of housing in LATAM and the Caribbean (McTarnaghan et al. 2016) found that the second-least researched housing topic is microfinance, just after displacement.

#### ***4.7 Connection to income generation opportunities***

Self-construction is not only a way of obtaining housing. As others (Bredenoord & van Lindert 2010; Jaramillo 2012) have observed, self-construction is also an instrument for obtaining income. Whether the family intends to rent a spare room or repurpose rooms for workshops or businesses, the search for income is a powerful reason to embark on self-construction processes.

For many households, the income obtained through these businesses is strategic since it is often more consistent than income obtained outside the formal sector. Thus, this source of income constitutes one of few savings opportunities (Jaramillo 2012). These businesses are also a way for households to complement their workforce employed when self-building. Thus, creating opportunities to generate income while supporting self-construction processes is a way for programs to recognize the households' social efforts of addressing their housing needs on their own.

#### ***4.8 Integrate ASPOH programs to settlement upgrading policies***

Greene & Rojas (2008) express doubts about integrating upgrading policies with local and regional development plans. Such a strategy would require assisting individual self-help housing while simultaneously coordinating the provision of basic services and infrastructure to their neighborhoods. One challenging task would be to join utility companies—many of them held by private owners—to coordinate and expand their networks at a similar pace as the settlements' upgrading (Greene & Rojas 2008).

Some scholars (Bredenoord & van Lindert 2010; Greene & Rojas 2008) suggest that incremental neighborhood dwellers tend to invest more in their homes if they feel confident about their land tenure and if the area they live offers the necessary services and infrastructure. This would mean reaching adequate housing conditions within these incremental settlements faster. Therefore, many early improvement projects had an initial priority to regularize land tenure to create the feeling of housing-security within dwellers (Bredenoord & van Lindert 2010).

There are risks involved when infrastructure is upgraded, and services are developed in self-constructed settlements. Improved neighborhood conditions can, for example, create displacement or market-led gentrification (Caldeira 2017). Developing programs should consider land price consequences when improving public services and infrastructure to

secure inclusionary progress and the necessary opportunities to acquire and preserve low-cost land.

#### ***4.9 Alternative strategies for accessing and preserving affordable land***

Among the obligations that the government has concerning territorial planning is the promotion of strategies that ensure the availability of affordable land. It is necessary to have land reserves for urban housing expansion and regulating land prices (González 2011).

Private property is not synonymous with the security of land tenure; it does not guarantee it.

Low-income families who possess land can be vulnerable due to the different taxes and costs of maintaining the land (González 2011).

Two strategies to obtain long-term land affordability are:

- a. **Community Landownership and other non-market models:** Community Land Trusts (CLT) are non-profit, community-based organizations that develop housing at permanently affordable levels for long-term community benefit (Ryan-Collins et al. 2017). These are possible because these organizations separate the value of the land from that of the building. The CLT owns the land and then leases it to families who buy a house to sit on its land. Its members should democratically manage these organizations. CLT assets can only be sold or transformed to benefit the community (Ryan-Collins et al. 2017). As land prices in the city's central areas are much higher, one challenge lies in identifying land in the city's central areas that the community could buy.
  
- b. **Public ownership of land** ensures that socially desirable uses, like housing or other public benefits, are preserved in particular locations (Ryan-Collins et al. 2017). Typically, the formal market dictates the use of well-located city areas for more profitable goals. Through public ownership of land, the administration can lease long-term to the private sector, which brings good public revenues, having a say in which uses are socially convenient while maintaining the ownership. One obstacle is to count with a committed government that wants to invest in sufficient land for entire new settlements (Ryan-Collins et al. 2017) and create a trustworthy inventory of publicly owned land available in the city (Burchard-Levine 2016).

In any case, strategies to access and preserve affordable land are a crucial complement for ASPOH policy consolidation. Policy-makers have to find ways to integrate housing and settlement upgrading programs with affordable land strategies.

According to Greene & Rojas (2008), only the government can find ways to promote the supply of affordable land for low-income families through:

- Extracting land from the market developers
- Modifying the law and creating regulations to force private companies to provide affordable land plots as a condition to develop commercially
- Coordinating landowners to provide infrastructure in areas planned for urban expansion and then "sharing in the capital gains by retaining part of the land and designating it for social uses" (Ibíd, p.97)

Interventions that aim to grant affordable land to poorer sectors are controversial. Their operation requires consensus among all actors and consolidated legislation (Ibíd).

#### ***4.10 Property registration, titling, and housing rehabilitation***

In the CDMX's metropolitan area, many households within incremental settlements have been consolidated for more than 30 years, and their homes have been inherited to second and third generations (Grubbauer 2017; Ward et al. 2011). Many of these families share self-built homes with their siblings and parents, as it represents one of the few alternatives to owning a home where they can live and raise their own families (Ward et al. 2011).

These extended families' intervention projects most likely involve reorganizing and rehabilitating these self-built houses since they are usually in a state of disrepair after many years of use (Ibíd). In this sense, the incremental process of the same dwelling continues for the legitimate inheritance beneficiaries.

Notwithstanding some lack of livability aspects like overcrowding and insufficient private spaces, consolidated incremental housing offers key property advantages and social resources for second and third generations. Some of these benefits translate into being "able to mobilize the resources of poverty through reciprocal exchange relationships, household extension, shared living expenses and child minding with kin living on the same lot, and so on" (Ibíd, p.468).



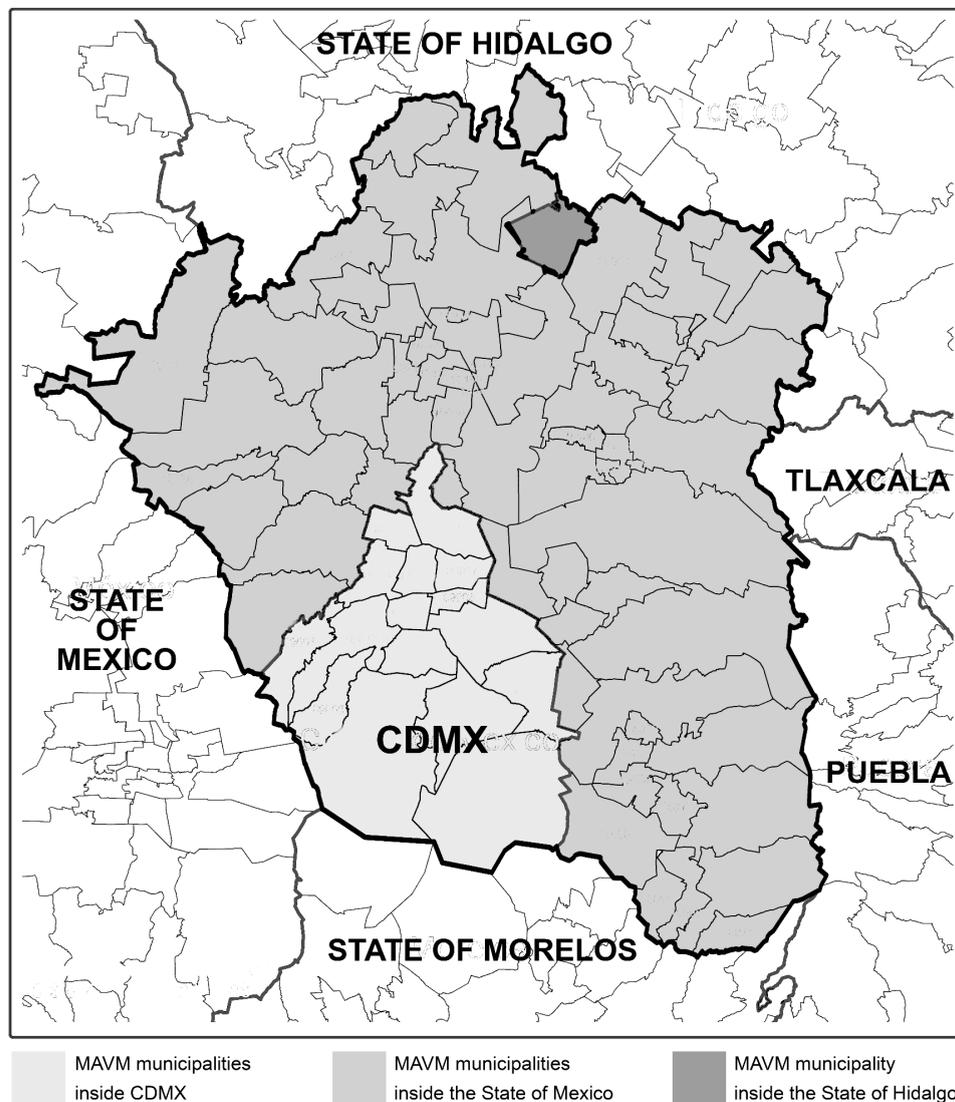
The evidence from Ward et al. (2011) demonstrates that incremental housing owners could create a significant asset and consolidate social networks through their upgrading efforts. Thus, "there will be an urgent need to develop a new generation of housing policies that will facilitate inheritance, titling, and housing rehabilitation" (Ward et al. 2011, p. 470; Ward 2012) for the many 30-50-year-old incremental settlements.

Policy-makers will face the challenging task of promoting new regimes of titling or ownership registration that formulate around the figure of *family property* or *popular property* and more pluralistic or hybrid legal structures (Ward et al. 2011; Mier y Terán 2017). To achieve such ownership regimes and aim for a testamentary culture among low-income sectors, administrations will need to be careful and creative to produce solutions that genuinely provide better incentives (Ward et al. 2011).

## Chapter 5 - Local context

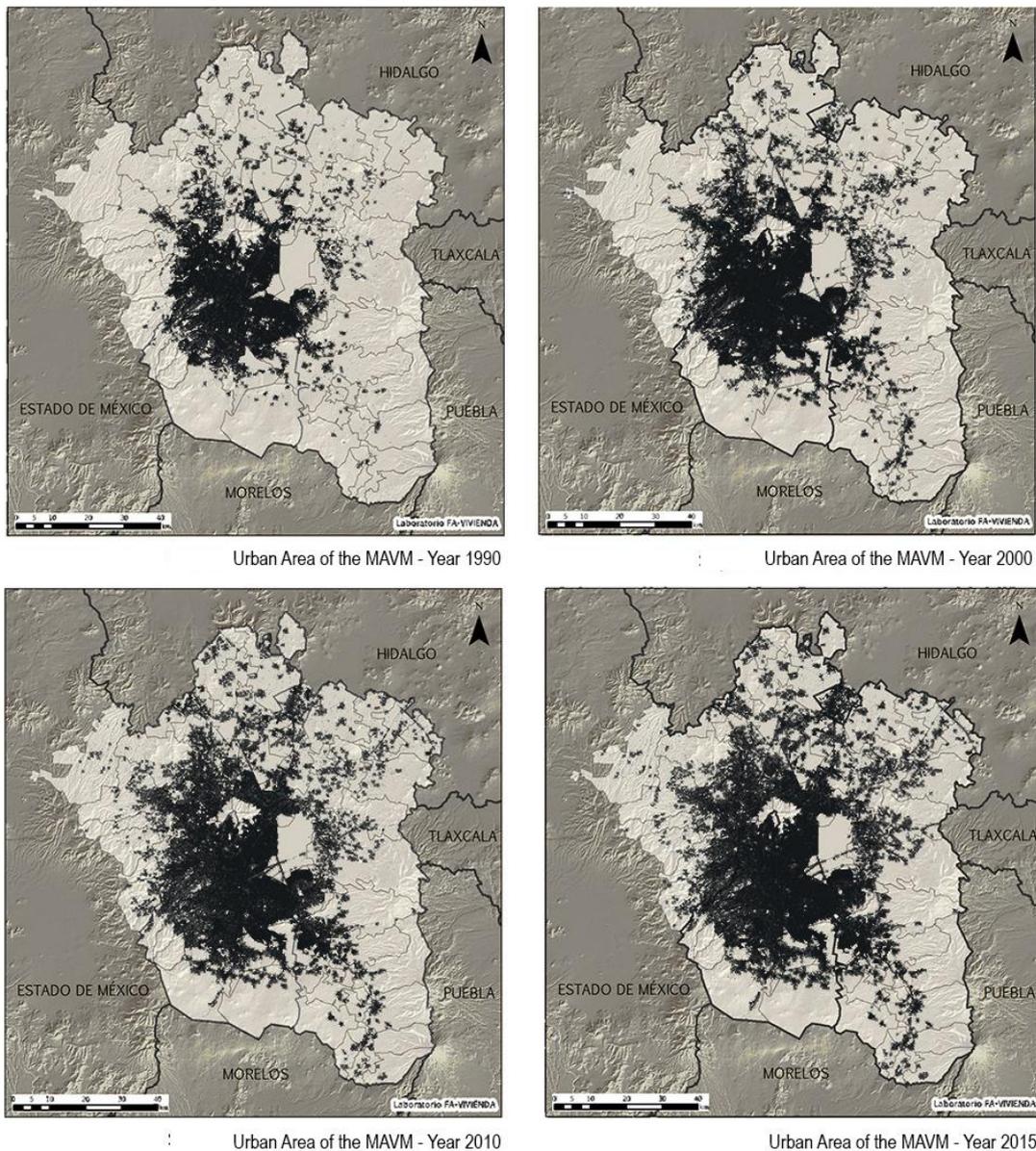
### 5.1 The housing issue in the Metropolitan Area of the Valley of Mexico

Mexico City's metropolitan area, officially known as the *Metropolitan Area of the Valley of Mexico* (henceforth MAVM - *Zona Metropolitana del Valle de México*), covers the 16 municipalities of CDMX, 59 further municipalities of its surrounding state, the State of Mexico, and one final municipality of the State of Hidalgo (CIDOC 2019; see *Figure 6*). All in all, the MAVM encompasses a total of 76 municipalities. Its area of expansion is around 7,866 km<sup>2</sup>, and it is considered the third-largest metropolitan area in the world in terms of population with close to 21 million inhabitants (Ibíd). Such a population represents 17% of the country's total (OECD 2015).



**Figure 6** - MAVM political entities and municipalities (by the Author based on Juventudes)

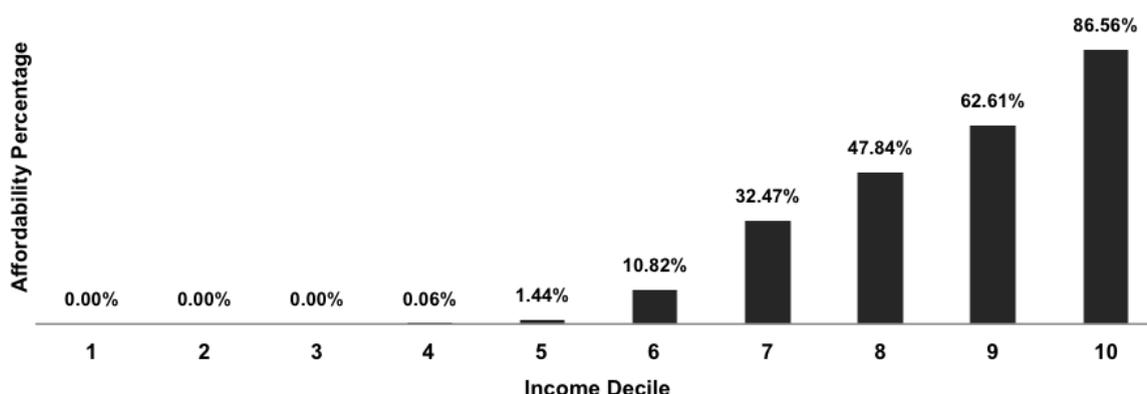
Since the 1960s, the city's metropolitan area has witnessed a chaotic urban expansion. *Figure 7* (see below) demonstrates the extension of urbanization since the 1990s. A massive number of poor inhabitants has been established towards the capital's northern and eastern periphery, into the State of Mexico (Salinas & Soto 2019).



**Figure 7** - MAVM urban area through the years 1990 - 2015 (Suárez Pareyón 2015)

Mexico City's metropolitan area has a complicated governance scheme because it is governed by three different political entities: the capital and two other states. These three government entities did not coordinate adequately with one another throughout the city's urban expansion, creating unequal opportunities for lower-income sectors to access land and housing (Ibíd).

The price per square meter of land and housing in CDMX is highest within the MAVM and in the entire national territory. The average price per square meter of housing in the MAVM has grown significantly year to year in the last decade. Between 2012 and 2018, for example, it increased by almost 28% (CIDOC 2019). Steadily rising house and land prices have a direct impact on affordability. Home affordability is defined as households' purchasing power to buy a home relative to their income (Ibíd). In 2018, CDMX represented the city with the least housing accessibility in the country: only 1.8% of the total available housing was classified as affordable (Ibíd).

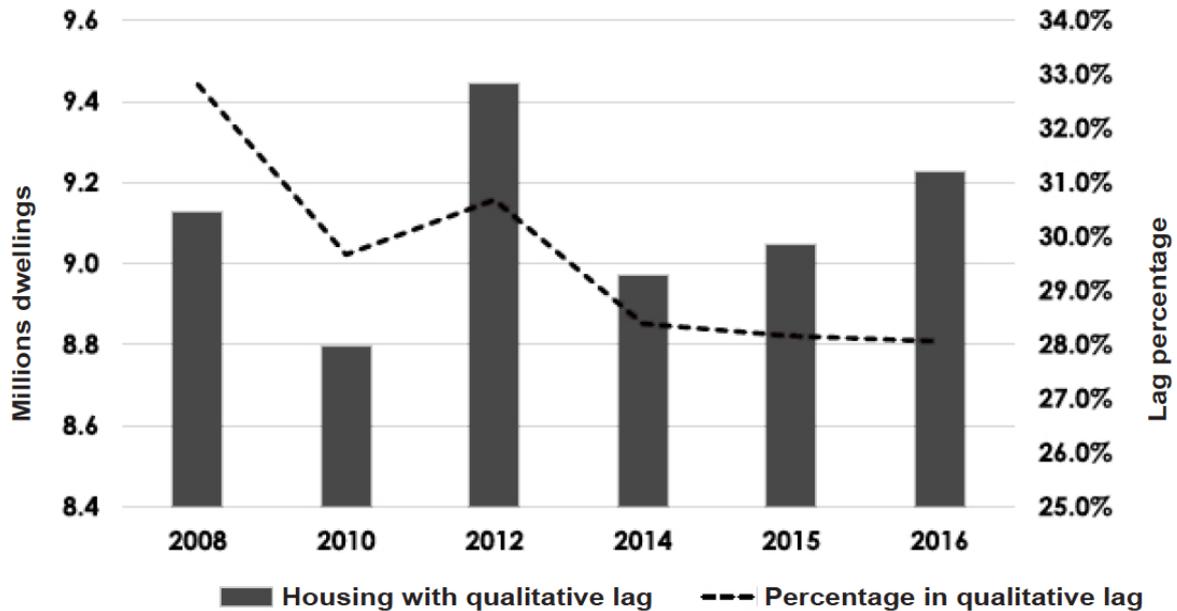


**Figure 8** - Percentage of national affordability according to income decile during 2019  
(by the Author based on CIDOC 2020, p.73)

On a national scale (see *Figure 8*), in terms of the percentage of affordability, 50% of the population only has access to 1.44% of all homes (CIDOC 2020). Moreover, the bottom 40% of all households practically do not have access to any type of housing (Ibíd). In other words, the poorest households in Mexico have no way to access housing on the real estate market. Therefore, Mexico's government shows significant challenges for policy-makers to enable better housing affordability to its low-income inhabitants.

A further dimension to consider is whether Mexican housing policies show any clear pattern among the different financial instruments available. Even though the number of loans granted for home improvement purposes between 2012 and 2018 was larger than the number of loans given for home purchases (new or used), there is a clear pattern favoring the use of resources for housing acquisition (new or used), given that the latter account for 94.6% of the total amount of loans (Ibíd).

In short, housing policies have enabled the real estate market to promote private property over the improvement of homes' habitability and qualitative lag. At the national level, as shown in *Figure 9*, the number of dwellings in conditions of qualitative lag was 9.2 million in 2016, which was equivalent to 28% of the housing stock (Ibíd).



**Figure 9** - Qualitative housing deficit in Mexico (CIDOC 2019, p.74)

Summing up, this section highlights the importance of formulating policies that meet the housing needs of low-income households that have, so far, remained unaddressed. As suggested by CIDOC's report (2019), a reasonable starting point could rely on providing a more significant fraction of resources to resolve the significant qualitative lag.

## 5.2 Mexico's self-help housing policy history

International development organizations and scholars have linked CDMX's rapid urbanization from the '60s to the growth of settlements created through unregulated processes, such as land invasion and appropriation or the development of new housing from the subdivision of urbanized land (Ward et al. 2011). By identifying that inhabitants of these settlements were part of the groups with the lowest incomes, the formulation of solutions to solve their housing needs began.

Consequently, during the 70s, the Mexican government addressed low- and middle-income sectors through a vast production of core houses and site-and-services interventions. However, access to this type of housing was exclusively for individuals employed in the

formal sector and households receiving two to four times Mexico's minimum wage. As a result, a large group of the population remained unaddressed (Bredenoord & Cabrera 2014).

The government reacted by creating new low-income-oriented housing programmes and institutions, explicitly addressing households that lacked a registered salary and were previously not eligible for accessing social housing programs. Between 1981 and 1997, the National Fund for Popular Housing (FONHAPO - Fondo Nacional para Habitaciones Populares) was in charge of granting dwelling aid for the unregulated workforce (Bredenoord & Cabrera 2014).

Despite previously described efforts, there were essential modifications through the internationally recommended *enabling approach* promoted during the 1980s, changing the State's role from housing constructor and provider to housing facilitator (Salinas & Soto 2019). Since then, changes in Mexican housing policies have focused on creating the appropriate conditions for capital reproduction. Housing has been conceptualized as a commodity and a primary tool for economic growth (Ibíd).

In the '90s, inspired by the reconceptualization of housing of the previous decade, the leading state housing institutions, Housing Fund of the Institute and Social Services of State Workers (FOVISSSTE - Fondo de la Vivienda del Instituto de Seguridad y Servicios de los Trabajadores del Estado) and the National Workers' Housing Fund Institute (INFONAVIT - Instituto del Fondo Nacional de la Vivienda para los Trabajadores), had a radical role change. They grew from being participants in the planning and construction of housing to participating exclusively in housing policy-making and financing. Private and social developers were now in charge of producing the new housing stock (Bredenoord & Cabrera 2014; Salinas & Soto 2019).

Due to lower land prices, private developers produced a significant quantity of social housing located away from CDMX's central areas, at the periphery, mostly in the State of Mexico's municipalities. The last occurred while higher-income sector real-estate developers built within the core areas of CDMX (Salinas & Soto 2019). They fostered real estate speculation that dramatically raised house and land prices, making access to housing in the city's central areas for low-income populations increasingly complicated, if not impossible (CIDOC 2019).

### 5.3 Mexico's change of perspective since the 2000s

The change in perspective regarding self-help housing has been gradual (Stolarski & Acuña). The Housing Law, created in 2006, is seen by some scholars (Almazán 2015; Bredenoord & Cabrera 2014; Grubbauer 2020) as a critical sign to an important change in government perspective on self-help housing policy. Importantly, it recognized social efforts of self-producing and self-building housing as formal housing solutions for the first time in over 50 years, framed under SPOH (McBride & French 2011).

Since 2007, the government has tried to improve and promote subsidies for low-income groups on a national level by combining savings<sup>3\*</sup>, subsidies, and credit (Bredenoord & Cabrera 2014). The program's focus on financial means combined with technical assistance facilitates small-scale rehabilitation of incremental housing on peripheral settlements (Grubbauer 2017).

This model has had ups and downs but has always maintained political support from the Social Production of Housing Committee (SPOHC - Comité de Producción Social de Vivienda) and the so-called Housing Production Agencies Network (Red de Productores Sociales de Vivienda), which consists of socially oriented Housing Production Agencies (HPA - Agencias Productoras de Vivienda).

During the 2012-2018 administration, the ASPOH model in Mexico did not count with much political support. Thus, efforts that had strengthened the ASPOH model between 2007 and 2012 were at risk. However, after a period of political negotiations, the model continued with the difference that lucrative financial players were now involved (Grubbauer 2017).

Moreover, since December 2018, president López Obrador's administration has intended to expand assistance programs for the SPOH by further strengthening the participation of for-profit stakeholders (Grubbauer 2020). Consequently, in recent years, mixed financing has been composed of micro-credits from for-profit institutions with cash subsidies and family savings. The model seeks to improve and remodel existing dwellings rather than encourage the purchase of completed new homes from private developers (Ibíd).

---

<sup>3\*</sup> **Note:** The *savings* feature within the "saving/subsidy/credit" scheme means combining beneficiaries' previously earned means (e.g., money, construction material, previously constructed structures) with a state subsidy and a financial institution loan.

#### 5.4 Federal housing regulations and policies concerning the SPOH

The right to housing is recognized in article four of Mexico's constitution. This article indicates that the law must establish the necessary instruments for all families to exercise this right (DOF 1983). Consequently, the Housing Law is the legal reference that describes the different modes of production and housing construction at the federal level. *Table 2* shows the definition of the most relevant terms concerning the SPOH in the Housing Law.

<b>Autoproduction of housing</b>	The process of land management, construction, and distribution of housing under the direct control of its users individually or collectively, which can be developed by hiring third parties or through self-construction processes.
<b>Autoconstruction of housing</b>	The process of construction or building of the house carried out directly by its own users, individually, family or collectively.
<b>Housing upgrading</b>	The action aimed at consolidating or renovating houses that have deteriorated physically or functionally, through activities of expansion, repair, structural reinforcement or rehabilitation that promote a decent home.
<b>Social production of housing</b>	Housing, carried out under the control of self-producers and self-builders that operate non-profit purposes and is primarily oriented towards meeting the housing needs of the low-income population, includes that which is carried out by self-managed and solidarity procedures that prioritize the value of use of housing above the commercial definition.

**Table 2** - Definition of SPOH and its processes within the Mexican Housing Law  
(DOF 2006, pp.2-3)

As *Table 3* shows below, the Housing Law's seventh title refers specifically to the SPOH and serves as evidence that in recent decades a legal framework around social production modes has been developed and is still in the process of consolidation. Currently, the 7th title defines a holistic approach to support the SPOH.

**Article Nr.** **7th Title - Social Production of Housing**

---

<b>Article 85</b>	The Federal Government must support the social production of housing in its various types and modalities through the development of legal, programmatic, financial, administrative, and development instruments.
<b>Article 86</b>	CONAVI will promote (...) the development of land and housing programs aimed at: I. Self-producers and self-builders, individual or collective, for their different types, modalities and housing needs.
<b>Article 87</b>	Policies and programs aimed at stimulating and supporting the social production of housing (...) must: I. Contemplate the entire process of housing production, including the different types, modalities and needs of housing; II. Preferably serve vulnerable, marginalized or poor groups; III. Offer support and technical, social, legal and financial assistance that combines savings, credit and subsidies with the work of the beneficiaries in the different types and modalities of housing; IV. Consider the comprehensiveness and progressiveness in the solution of housing needs, with a medium and long-term vision, continuity and complementarity of the comprehensive assistance and the material or financial support provided to them; VI. Address the different legal forms of ownership and possession of land, as well as individual or collective ownership, private or not, adapting the various instruments and financial products for this purpose
<b>Article 88</b>	CONAVI (...) shall promote the inclusion of productive activities and the development of income-generating activities aimed at the economic strengthening of the population participating in them in the social housing production programs and projects.
<b>Article 89</b>	In support of the development of social production of housing, the Commission will promote the execution of training, research and technological development agreements with universities, non-governmental organizations and specialized consultants.

**Table 3 - Social Production of Housing within the Housing Law Title nr.7 (DOF 2006, pp.29-30)**

Article 8 of the Housing Law refers to the National Housing Program's content (NHP - Programa Nacional de Vivienda). Unlike the Housing Law, which does not change depending on the administration—unless specific reforms are made to its content—the National Housing Program is a document prepared by each new administration. Housing objectives are proposed for a six-year term. The NHP confirms each administration's political position on housing.

The NHP 2019-2024 exhibits 15 specific actions concerning the SPOH. Most of these actions are described within the context of *objective number 1.0*, which seeks to "guarantee the exercise of the right to adequate housing for all people, especially groups in the greatest condition of discrimination and vulnerability, through financial, technical, and social solutions following each population group's specific needs" (SEDATU 2019, p.26). The 15 lines of action exhibited in *Table 4* demonstrate how assisting the SPOH is the main strategy to address the right to adequate housing within this administration.

Strategy Nr	General Line of Action	Focus
1.1.7.	Promote actions for the improvement and expansion of housing that focus on groups in vulnerable conditions	-Cultural & spatial conditions -Adapt to family's needs
1.2.	Develop programs to promote the habitability of homes	-Through improving, expanding and replacing those with a qualitative deficit
1.2.1.	Create financial mechanisms addressed	-Homes with the greatest qualitative lag
1.2.2.	Formulate programs for structural improvement, replacement of roofs, walls, floors, and home completion	-Adequate housing parameters
1.2.3.	Promote consultancy for the design and construction of solutions for the expansion and optimization of space	-Overcrowded homes
1.2.4.	Coordinate a comprehensive improvement program	-Local Scale
1.3.	Formulate and implement alternative solutions to homeownership (SPOH) that improve affordability	-Historically discriminated groups
1.3.3.	Design solutions that allow progressiveness in self-production and urbanization	-Fair conditions for the population in conditions of vulnerability
1.3.4.	Provide comprehensive technical assistance for self-production	-Beneficiaries participation in design and management
1.3.5.	Collaborate with states and municipalities to support housing self-production processes	-Ensure structural, construction and design quality
1.5.5.	Offer a financing alternative and technical advice for self-production in social housing	-Represent an affordable, accessible and adequate financing for the beneficiary
1.6.	Promote social production of housing	-Vulnerable areas
1.6.1.	Disseminate among state and municipal governments the programs of social production of housing	-Emphasizing criteria to generate progressive and flexible solutions
1.6.2.	Identify the dwellings with the greatest lag and focus investments in improvement and expansion on them	-Making use of good quality local materials, and improving their access to basic services
3.1.6.	Provide incentives for the private and social sectors to increase their participation	-In the SPOH

**Table 4** - Strategies addressing the SPOH within the National Housing Program 2019-2024 (SEDATU 2019a, pp.37-43)

### ***5.5 State level housing regulations concerning the SPOH***

CDMX Housing Law establishes that its government must create concrete measures to fully support the SPOH, such as promoting the regularization of land tenure through fiscal, notarial, and registry support, as well as granting facilities related to the transfer of ownership and the granting of permits and licenses for construction (GODF 2017). Besides, the City's Housing Law recognizes the SPOH and defines primary objectives to approach its assistance (see *Table 5* below).

However, CDMX Housing law does not define clear actions to achieve the objectives. The document in charge of defining those actions is the NHP. Hence, CDMX loses autonomy because of its dependence on the NHP. Another problem lies in the fact that the NHP is redefined every six years by every new administration. Therefore, the continuity of efforts to promote social production as an adequate solution to address the housing issue is regularly threatened.

To sum up, although it is clear that currently, promoting the ASPOH is becoming the main strategy to tackle the housing issues, not only in the MAVM but in Mexico, there is still a need to escape the laws' declarative superficiality and reformulate laws in a way that gives them structural hierarchy.

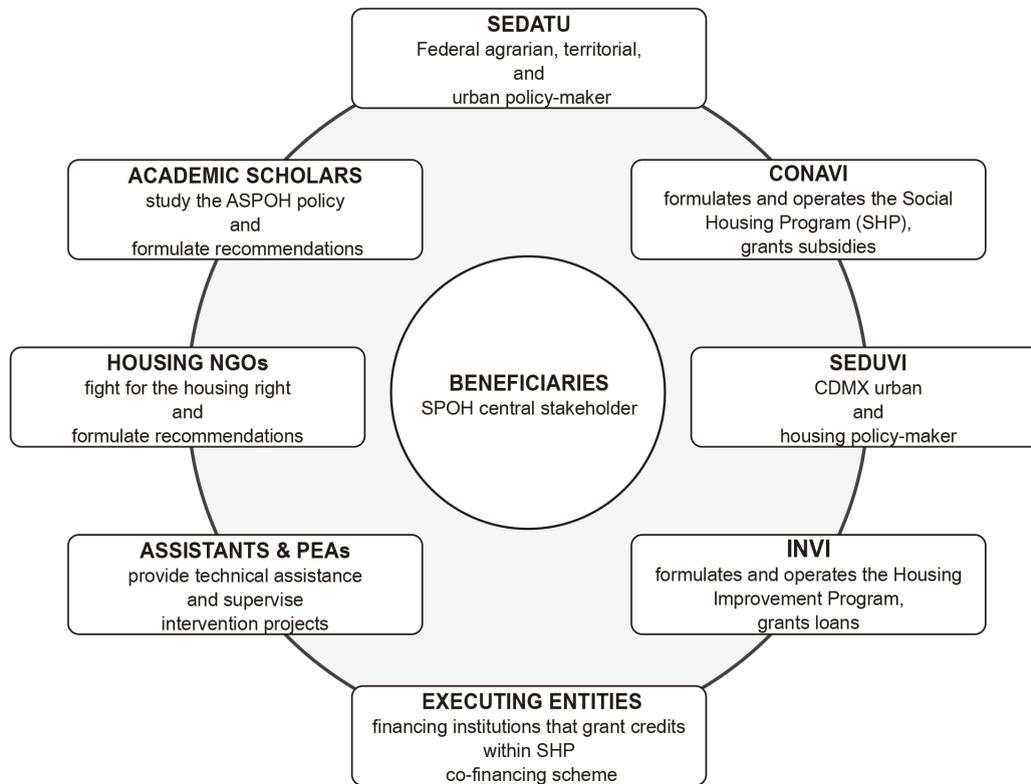
Article Nr	Housing Law for Mexico City
<b>Article 1</b>	XIV. Promote, guide and encourage the participation of the public, social, academic and private sectors for the social production of housing, habitat, improvement and self-production of housing in all its forms.
<b>Article 66</b>	Mexico City's Government must promote programs that encourage: I. The upgrading of housing; II. Citizen participation in the upgrading of housing; III. Progressive housing.
<b>Article 68</b>	The SEDUVI, will establish and apply specific measures to support and promote the social production of housing and the social producers of housing and habitat: I. Guarantee the legal certainty of the housing of the housing complexes or units, through administrative facilities and the necessary fiscal, notarial and registry support; II. Manage administrative facilities to obtain alignment and official number, proof of zoning and land use, manifestations of work and construction licenses, subdivisions, mergers, environmental feasibility, total or partial exemption of parking spaces, tax reductions and appraisals among others of a similar nature; III. Manage before the Ministry of Finance support in the payment of taxes and rights provided in the applicable legal systems in the matter, related to the transfer of property that the authorized projects require; IV. Provide comprehensive technical advice and training during self-construction, self-production and self-administration of housing; V. Design incentives, supports, credits, social benefit aids and subsidies to promote the social production of habitat and housing; VI. In the construction of the house, community spaces will be incorporated to develop cultural and productive activities, in order to strengthen social cohesion.
<b>Article 69</b>	The Government of Mexico City (...) shall promote qualified comprehensive technical assistance in favor of all actors involved in the social production of housing, through training, dissemination and exchange of experiences between technical teams of social and civil organizations, institutes, centers or independent professionals (...)
<b>Article 70</b>	The actions that are implemented to support the SPOH must respect and contemplate the capacities, knowledge, culture and values of the beneficiaries.
<b>Article 71</b>	Promote the recognition of cooperative housing societies for the social production of habitat and housing.

**Table 5** - Articles referring to the SPOH within Mexico City's Housing Law

(GODF 2017, p.3 and pp.32-33)

## Chapter 6 – ASPOH programs

### 6.1 ASPOH key stakeholders



**Figure 10** - ASPOH stakeholders (by the Author)

The key ASPOH stakeholders were identified based on their involvement in the Mexican SPOH (e.g., vast academic or practitioner knowledge on SPOH, influence regarding policy-making). From *Figure 10*, one can note that this study identified nine current key ASPOH stakeholders\*<sup>4</sup>:

1. Beneficiaries: Person or household who meet the requirements and benefit from the program (DOF 2020).

2. Secretary of Agrarian, Territorial and Urban Development (SEDATU - *Secretaría de Desarrollo Agrario, Territorial y Urbano*): The federal entity in charge of "the design, coordination, and implementation of policies for land use, agrarian development, urban development, and adequate housing" (SEDATU 2020). While SEDATU grants the SHP budgets, it delegates the program's operation to an internal body, the *National Housing Commission* (CONAVI - *Comisión Nacional de Vivienda*).

<sup>4</sup>**Note:** Besides the nine current ASPOH actors, the FONHAPO was also identified as a previous ASPOH stakeholder worth interviewing (see *Annex 1*). Since the '80s and until recently (2019), FONHAPO was still in charge of addressing the most vulnerable and low-income populations' housing needs.

3. CONAVI: it is "the operating entity of strategies and programs derived from the National Policy, particularly in attending to the housing needs of the population living in poverty" (SEDATU 2019a, p.6). CONAVI develops and operates the SHP.

4. The *Secretariat for Urban Development and Housing* (SEDUVI - *Secretaría de Desarrollo Urbano y Vivienda*): "is the agency in charge of designing, coordinating, and applying urban policy in CDMX" (SEDUVI 2020). SEDUVI is in charge of granting the budget for the HIP. However, SEDUVI delegates the program's operation to an independent body, the *Housing Institute of Mexico City* (INVI - *Instituto de Vivienda de la CDMX*).

5. INVI: The operating entity of the HIP in CDMX. Its objective is to meet the housing needs of the population residing in CDMX, mainly those with low economic resources (INVI 2020). INVI grants the loans to HIP beneficiaries.

6. Executing Entity: A financial organization registered with CONAVI, which "grants credit to acquire, build, expand or improve a home, which accompanies the federal subsidy and the prior savings of the possible beneficiary" in the SHP (DOF 2020).

7. Project Executing Agency (PEA): "Individuals or legal entities registered with the Commission (CONAVI or INVI), responsible for providing technical assistance to develop, accompany and execute the design and construction process, as well as promote social cohesion during the housing intervention process" (DOF 2020, p.27). Technical Assistant: "Individuals or legal entities in charge of providing technical assistance throughout the housing intervention process" (Ibíd, p.27).

8. Non-Governmental Housing Organizations: NGOs have played an important role in finding those social gaps that the government is not addressing. In terms of socially produced housing, HIC-AL is the main NGO that has an important link with the federal administration in advising and guiding in the formulation of ASPOH programs.

9. Academic Scholars: Through their studies, academic scholars have generated important recommendations both internationally and nationally around the SPOH and ASPOH. Furthermore, in conjunction with the government, efforts have been made to create diplomas and specializations to increase the number of specialists on the subject.

## **6.2 Program 1 – Social Housing Program – SHP**

In 2007, an ASPOH program with national coverage ran by the National Housing Commission (CONAVI) named *This is Your House (Esta es Tú Casa)* was created. In 2018, under the current administration, it was renamed as *Social Housing Program (SHP - Programa de Vivienda Social)*. The SHP has national coverage, and in the case of MAVM, the program covers the territory outside the legal territory of CDMX.

Currently, the program's objective is to reduce the deficit of adequate housing for vulnerable sectors of the population due to income, risk, or socio-demographic characteristics (DOF 2020). Eligible households must earn less than 4.8 times the minimum wage\* and eligible individuals must earn less than 2.6 times the minimum wage (Ibíd).

## **6.3 SHP schemes**

Either through a federal subsidy or a combination of federal subsidy, credit, and savings, the program seeks to reduce this deficit through housing replacement, improvement, or expansion projects (Ibíd). It is worth mentioning that a significant difference compared to former administrations is that currently, CONAVI considers beneficiaries' in-kind resources as part of their savings. These can be pre-purchased building materials, previously made foundations, as well as labor (Ibíd). Considering in-kind resources is significant because they represent a higher degree of opportunities for very low-income sectors to enter the program.

Resources are applied as follows: (a) Acquisition of new or used Housing; (b) Self-production; (c) Housing Reconstruction; (d) Relocation of Housing; (e) Comprehensive Sustainable Improvement; and (f) Improvement of Housing Units. With any of the application modalities, the beneficiary family obtains technical assistance, including "technical, financial, organizational, legal and management aspects, appropriate to the characteristics of the beneficiary families of the program" (Ibíd, p.15).

If the beneficiary household receives the subsidy directly from CONAVI, a registered assistant is assigned. However, if the household participates in the credit, subsidy, and savings co-financing scheme, it receives assistance through a Project Executing Agency (PEA, see *Annex 5* and *Annex 6* to see the Flowcharts - Granting of subsidy that operates with and without a PEA). The PEA is registered at CONAVI (2020) and is also known as Housing Production Agency (HPA), a social enterprise registered under the Federal Mortgage Society (SHF - Sociedad Hipotecaria Federal 2020a). In the co-financing scheme, the PEA

supports the project's design and supervision, while another intermediary financial organization, called Executing Agency, grants the credit (SHF 2020b).

In both schemes, the subsidy is delivered step-by-step as the intervention projects progress. CONAVI pays the subsidy directly to the beneficiary household, except for the percentage of the subsidy destined for technical assistance, which is paid directly to the assistant (DOF 2020, p.30). In all cases, the subsidy is measured according to the current minimum wage\*<sup>5</sup>.

#### ***6.4 SHP participatory design process***

According to the program's operating rules, beneficiaries must receive assistance that guarantees their participation in decision-making (DOF 2020). The objective is to optimize economic, social, and in-kind resources while ensuring structural and architectural design quality. To support families' efforts and improve the housing stock's quality, the current administration calls for a paradigm shift. "It is not only to do it *for them* but to do it *with them* in participatory processes that promote more significant cultural adaptation", and that promotes the families' central role as decision-maker (Ibíd, p.5).

A strategy to improve technical assistance was to formulate a procedure that indicates the minimum steps that the consultant must consider when doing the design process. This procedure can be found in the document "Technical criteria for adequate housing" (Sedatu 2019b).

In this document, the stages of the process are explained: how to approach the problem, research, knowledge, generation of design ideas, specification, and evaluation (Ibíd, p.19). Also, it should be possible to show the design process through photographs, attendance lists, models, sketches, and the forms that the assistant proposes and arranges. Furthermore, the document specifies that the following questions should be considered: "What do the beneficiaries want? What do the beneficiaries need? What resources, materials, and non-materials do the beneficiaries have?" (Ibíd, p.19).

#### ***6.5 SHP resources***

The target population of the Social Housing Program is almost 15 million people. In 2019, approximately forty-three thousand people were served, which is 0.29% of the target

---

<sup>5</sup> \*Note: For more information about the guidelines with which the amount of subsidy to be awarded is decided see DOF 2020, pp.18-20.

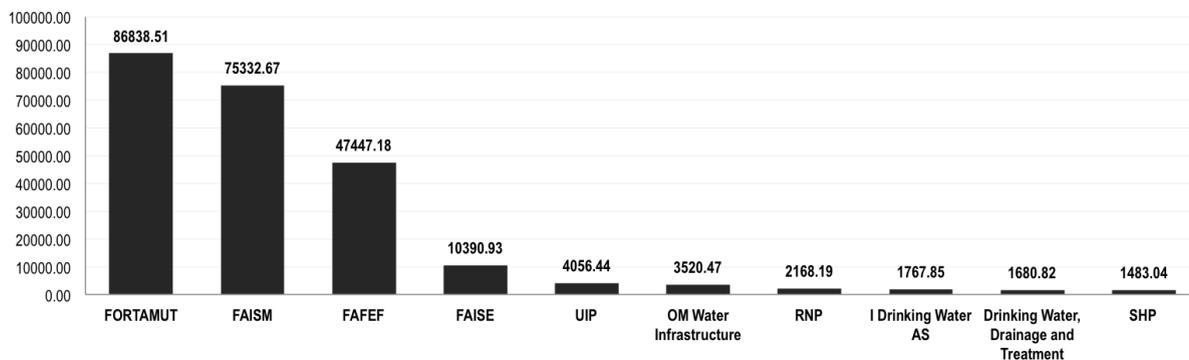
population (CONEVAL 2020). The program faces great challenges given the vast target population.

As the new administration formally began in December 2018, it has operated the program for two fiscal years (2018-2019 and 2019-2020). The program budget has been considerably reduced over that time compared to previous years (Ibíd), as shown in *Table 6*. This significant reduction contradicts the national strategy of attacking housing problems through the ASPOH.

Year	Budget in millions MXN
2016	7,939.13
2017	3,917.64
2018	4,646.56
2019	1,338.41
2020	1,483.04

**Table 6** - SHP budget per year (by the Author based on CONEVAL 2020, p.1)

It should be noted that part of the budget for development programs has been allocated to another housing program that assists social production (view *Figure 11* below), the National Reconstruction Program (NRP). Through ASPOH, the NRP is in charge of addressing the housing demand of the population affected by the 2017's earthquakes. Once the demand for reconstruction is fulfilled, it would be crucial to significantly increase the SHP budget since it is currently the social program that receives the smallest federal budget. The reorientation of these resources would represent a greater source of income for the SHP's target population.



**Figure 11** - Federal budget for social and development programs 2019-2020 (by the Author based on SAE 2019, p.17)

Apart from the budget reduction, an important change in the program is that the subsidy-only scheme was created to access low-income populations with great vulnerability. Before 2019, there was only co-financing, so much of the target population was excluded from the program because they did not fulfil the requirements to access financing (CONEVAL 2020).

### ***6.6 SHP accountability and capacity building***

Part of the program's consolidation process has been creating capacity-building instruments to strengthen non-governmental actors like Housing Production Agencies (HPAs) and financing institutions and the accreditation (legal, organizational) of these organizations. These improvements seek to guarantee professionalization.

The SHP has an internal evaluation mechanism to control the program's operation and verify whether its objectives are being met. The internal evaluation also serves to corroborate income and expenses and serves to identify deviations in operation. The CONAVI evaluation should help the program take corrective measures to improve its conditions (DOF 2020).

In addition, to strengthen the SHP's accountability and transparency, the program undergoes external evaluations (Ibíd). The program's official documents do not provide more details concerning the external evaluation. It is worth mentioning that there was no external evaluation in previous administrations.

### ***6.7 Program 2 – Housing Improvement Program – HIP***

The Housing Improvement Program (HIP) is the first program that assists the different modes of SPOH at the national level. It was created in CDMX as a pilot program in 1998 and established as an official program in 2000. The INVI, which was created in 1997 to meet the housing needs of low-income populations by granting social interest loans (INVI 2020) is in charge of running the program.

It is a program that grants micro-credits and technical assistance to low-income sectors that participate in their homes' self-production to improve their habitability conditions (INVI 2020b). Eligible households must earn less than eight times the minimum wage, while eligible single persons must earn less than five times the minimum wage (INVI 2020b). Its general objective is to address problems of overcrowding, family unfolding, precarious, deteriorated, at risk, or provisional housing (Ibíd).

## **6.8 HIP schemes**

The HIP has a single operating scheme that offers financing through credit and technical assistance through assistants registered at the INVI. The technical assistance takes the shape of qualified comprehensive advice in the social, legal, financial, technical, and sustainable development areas. The HIP is applied in "buildings located on urban land and low-density rural housing land; regularized or in the process of regularization, proving ownership or possession; in neighborhoods that do not re-densify and in departments of social and popular interest" (INVI 2020b).

These specific objectives are addressed by the HIP (Ibíd):

1. Promote the intervention to stop, prevent, or solve the housing inventory deterioration, expanding the space of an already built house to increase the house's value, surface, and quality.
2. Increase the useful life of homes through their rehabilitation. The renovations range from the reinforcement of the structural elements to basic maintenance of any kind.
3. Encourage new housing construction on upper floors in family properties or substitution of precarious or deteriorated housing.
4. Implement actions that reinforce the habitability of homes, such as the reconfiguration of spaces.
5. Promote actions to build, improve, or rehabilitate a place for economic activities for family support.
6. Cover the expenses of the constitution of the property regime's process covering studies, projects, legal procedures, notarial and administrative expenses.

## **6.9 HIP participatory design process**

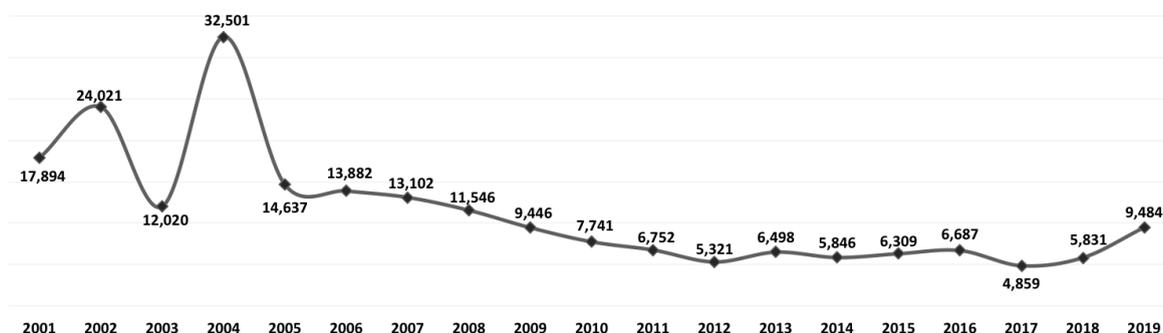
The program demands a participatory design process that involves either the beneficiary household or community. The technical assistance must include "the survey of existing buildings, a preliminary project, costs and budgets, control and supervision of the construction process and settlement of the work" (INVI 2020b). Official HIP's documents are not very specific about its program's technical assistance procedure, displaying a lack of official information.

## **6.10 HIP resources**

In 2019, the HIP received 1,170 million Mexican pesos\*, representing 39.5% of the budget for social programs in CDMX. 9,484 intervention projects were authorized, representing an increase of approximately 63% compared to 2018 under the former administration (Ibíd).

Figure 12 shows that since 2006 the number of credits granted has tended to decrease (INVI

2020c). However, through the new pro-ASPOH administration's support, the number of credits should increase year by year.



**Figure 12** - Total credits granted per year 2001-2019, HIP (by the Author based on INVI 2020b)

The credits granted in the five main lines of financing (Expansion of Housing; Housing Improvement; New Progressive Housing; Housing Improvement or Expansion; New Housing in Family Lot) are aimed at stopping, preventing, or solving the deterioration of the housing stock, or at expanding the space of an already built home. Together these lines constitute 92.6% of the total credits granted between 2001 and 2018 (INVI 2020c).

The second lines with the highest number of credits granted correspond to external works, preventive, corrective, and general maintenance, representing 7.2% of total credits. The lines with the lowest number of credits are productive housing, family condominiums, property cataloged housing, housing expansion for lease, and finished new housing, which represents 0.2% (INVI 2020c).

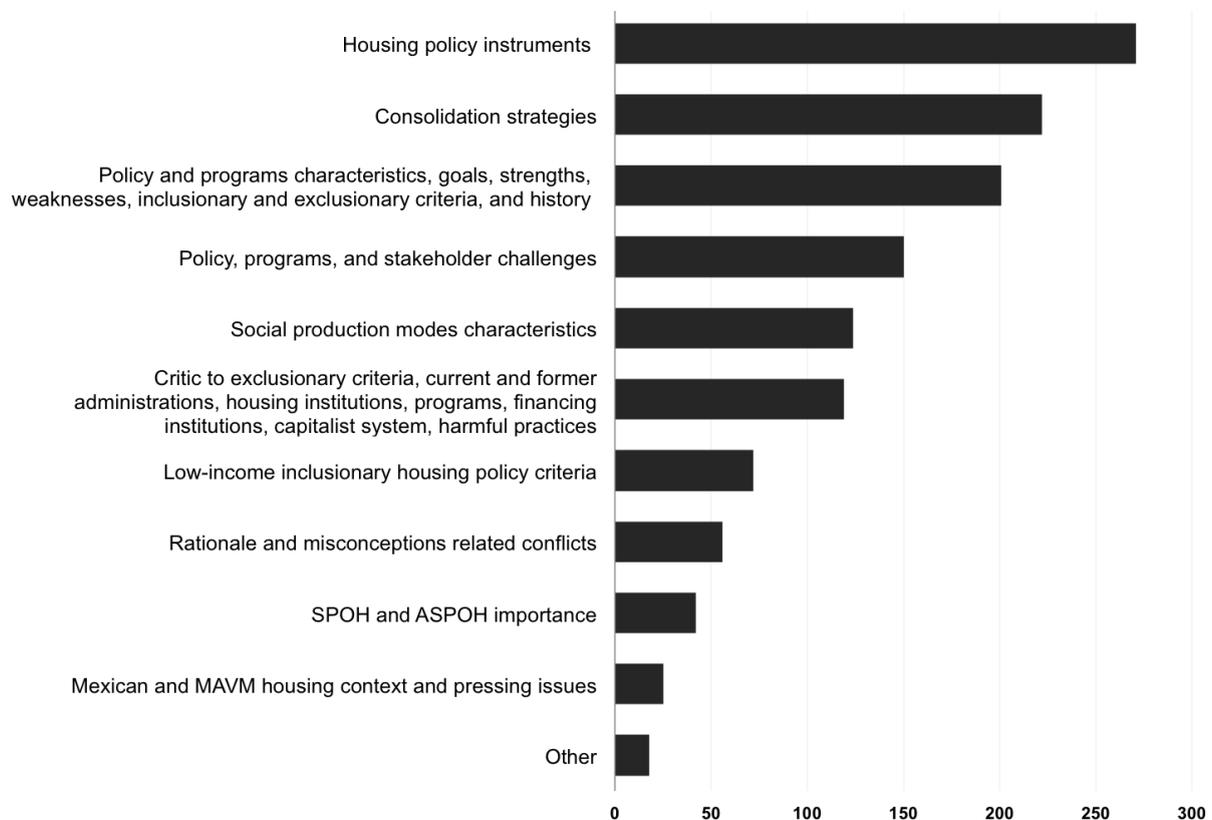
### **6.11 HIP accountability and capacity building**

The INVI also performs an internal evaluation with which it intends to identify if the program's objectives were achieved and whether the program's design and operation to achieve the objectives were adequate (INVI 2020). After the fiscal year 2019, they found that the demand exceeded the financial capacity of the INVI, so it became necessary to focus aid on those families who are more vulnerable (INVI 2020).

## Chapter 7 – Qualitative semi-structured interviews

### 7.1 Interviews results general overview

The 12 interviews conducted for this study resulted in a vast amount of information represented in individual transcripts of each interview. Nine hundred fifty (950) citations were coded, of which many have a connection to more than one subdivision, for a total of 1300 code-subdivision connections. After repeated rounds of greater coding and synthesis through an inductive method, 11 main subdivision groups were summarized in *Figure 13*, which displays a general approach to the interviews' topics by the number of mentions (1300 total mentions).



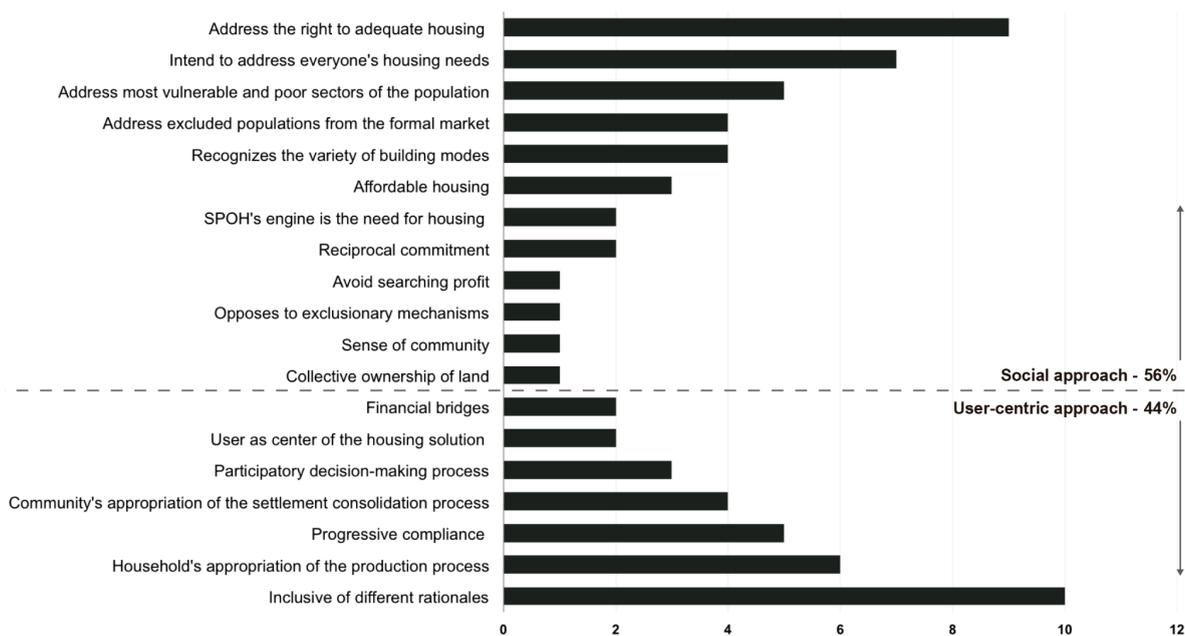
**Figure 13** - Primary topics addressed during interviews by number of mentions (by the Author)

The higher concentration of conversation around housing policy instruments and strategies is consistent with how the interview guide (see Annex 2) was structured, as it had a larger proportion of questions about housing programs. Most interviewees addressed housing policy issues and the programs assisted by the SPOH, with a little more than two-thirds of the total mentions (65% - 844). This percentage is reflected in the sum of the first four groups presented in *Figure 13*.

The other third of the comments are consistent with the first part of the Interview Guide in which the features of the SPOH and the criteria of an inclusive housing policy were discussed. These comments display 124 mentions regarding the SPOH modes' characteristics, followed by 119 mentions about criticism and 72 mentions about the inclusion criteria. The group Rationale and misconception related conflicts presents 56 comments, and there were 42 comments related to the importance of SPOH and ASPOH. The most pressing issues in the MAVM and Mexico were also mentioned 25 times. Finally, the results show 18 comments for which a specific subdivision was not found.

### 7.2 Mexico-specific low-income inclusionary housing policy criteria

Comments made by interviewees about inclusionary housing criteria can be divided into two factor groups; comments regarding a social approach (40 - 56%) and comments indicating a user-centric approach (32 - 44%). *Figure 14* exhibits both factor groups and comments regarding inclusionary housing criteria by the number of mentions.



**Figure 14** - Low-income sectors inclusionary housing criteria main subdivisions by number of mentions and imposing group factors (by the Author)

#### Social approach

The condition of self-produced homes is a common concern about inclusionary housing policies in Mexico among those interviewed. Millions of people live in dwellings that, due to their precarious condition, are "not even a dwelling yet; it is a dwelling effort" (IP11 - interview partner nr.11). This dwelling effort "must be [...] made into an adequate house" (IP11). An

inclusionary housing policy "is the power to provide housing to all those who do not have the opportunity to have adequate housing" (IP11).

Interviewees' comments relate providing adequate housing to the human right to housing. An inclusive housing policy would be one that "includes all social sectors; this is a human rights perspective. So the state has an obligation to create the conditions so that everyone, even those in the most difficult conditions, can make this right effective, which is universal, it is not just for a few" (IP9).

Attending everyone's needs means "recognizing that you do not have a homogeneous population" (IP1). There is a "mosaic of needs," and therefore, a "mosaic of [construction] alternatives" (IP1) is needed because the population finds different ways to access and build their dwellings. In this sense, an inclusionary housing policy must "recognize this mosaic of building modes" (IP1).

Throughout the interviews, it was suggested that serving "the most disadvantaged groups of society" (IP10) in the Mexican context also implies "recognizing that not all have access to the formal market" (IP1). Therefore, an inclusive housing policy has to focus on those historically excluded by previous housing policies, those that "cannot enter the formal market" (IP1).

According to IP9, a member of Habitat International Coalition Latin America (HIC-AL) and one of the most prominent SPOH figures in Mexico, every right carries responsibility. The responsibility of the right to housing for the population is "according to your abilities, your possibilities, to be able to complement what the state is putting in your favor so that you can access housing".

A term that emerged across these conversations was *mutual commitment*. Just as the state has the responsibility to provide the best conditions for everyone to have access to housing, the citizenry must also commit with their responsibility to complement the state's promoted opportunities so that they can access housing. This represents a challenge for policy-makers and -operators to create strategies for beneficiaries to identify that sense of co-responsibility.

## User-centric approach

The term *progressive compliance* implies establishing agreements and conditions between beneficiaries, practitioners, and operators regarding the programs' intervention projects, which consider the beneficiaries' needs and circumstances so that they have a higher chance to fulfill the projects' self-production accordingly. Progressive compliance is an inclusionary aspect that had not been considered in the Preparatory Phase. However, interviewees reinforced the concept using examples based on the idea that programs do consider progressive interventions.

In the interview with INVI officials, they commented that families have the possibility of entering the HIP "with a solution, perhaps a rather precarious initial one" (IP4). The INVI does not expect the family to consolidate their dwelling with a single financial support and intervention project. Rather, "there are also successive credits. It is not only an initial credit" (IP4). Households can progressively upgrade their dwellings through several credits "if people keep up with their payments" (IP4). Through the progressive compliance strategy, adapting the requirements to the family's circumstances allows the INVI "to serve people with very low income" (IP4). In addition, mutual commitment is encouraged because beneficiaries have to commit to recovering the financial aid to access more financing.

IP10, the director of PEA *Casa y Ciudad*, criticized the programs by saying that the operation model diminishes collectiveness. "This administration works with families, it is not a new thing", she explained, "governments avoid working with communities [because] working collectively is very complicated" (IP10). She believes that the programs intend to work, as much as possible, with individual households, not with groups. The IP10 proposed, "yes, the family at the center, but I would say, it can also be the families at the center". Accordingly, an inclusionary housing policy also works with groups, promoting a "sense of community" (IP7).

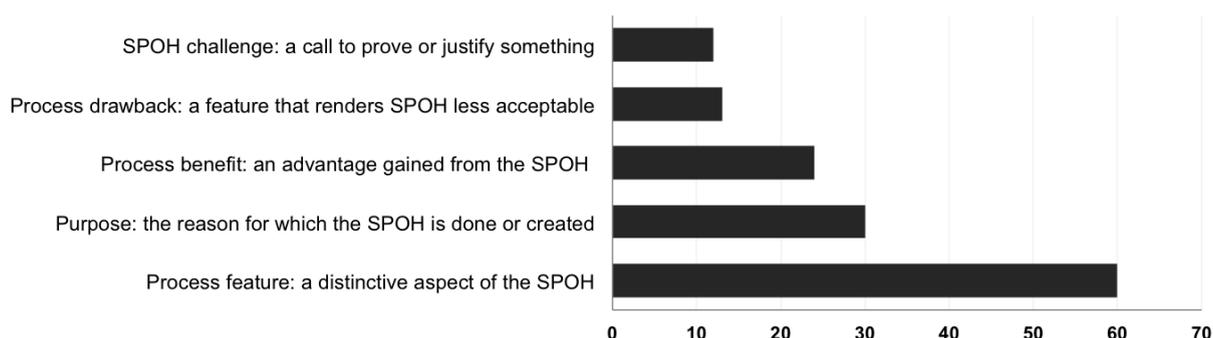
The Deputy Director of the CONAVI reiterated the Preparatory Phase's idea that the housing policy and its programs must "understand that the person is what is at the center" (IP3). To do so, beneficiaries must be allowed to express their housing needs and aspirations through "strategies that are sensitive to people's housing needs" (IP5). Being sensitive to people's needs can be translated into being inclusive of different rationales. Being inclusive of different rationales means considering the reasons or intentions that cause particular needs, beliefs, and opinions of everyone involved in a given housing project.

One negative example unveiled when FONHAPO's public workers mentioned that housing projects implemented by them were different in each state "because the cultural belonging of the indigenous peoples of action was respected" (IP2). The intention behind FONHAPO's strategy sounds right. However, they used finished prototypes to address the beneficiaries' housing needs. Thus, although FONHAPO's officials believed they were inclusive of different rationales, they ended up imposing what they believed was adequate for each region by implementing finished prototypes. One recommended strategy to adequately address the idea of inclusiveness of different rationales is implementing participatory design processes (related results will be presented in section 7.4).

Finally, apart from promoting participatory design processes, interviewees also postulate that decision-making processes within the formulation of the programs are needed "to truly engage communities, households, and members of the household in policies that are likely to affect them, both in terms of the design of those policies, but also the configuration of those policies for particular households, families, and communities" (IP5).

### 7.3 Characteristics of SPOH and importance of ASPOH

This section analyzes the interviews that consider social production as an adequate housing mode to formulate and address an inclusionary policy. As depicted by *Figure 15*, comments regarding SPOH modes features were separated into five groups. *Figure 16* (see below), shows comments regarding the importance of ASPOH.



**Figure 15** - Social production modes characteristics by number of mentions (by the Author)

#### SPOH purpose and main process features

In general, interviewees understand social production not only as a means of obtaining housing but also as a social movement. Millions of persons who cannot access the formal

market choose the SPOH as an "organizational option" (IP10) and produce their homes using the resources to which they do have access. "The engine of social production is the need" (IP3). Socially produced housing "is for its use, not for speculation" (IP7).

"The Latin American context can easily and coherently explain the social production of housing (...) because it is part of the culture of popular growth in Latin America" (IP10). When talking about the conceptualization of social production in different contexts, the IP10 understands that "this phenomenon of growth, land acquisition, struggle, acquisition of services, housing construction" did not occur in Europe. For this reason, very often, academics "want to reduce it to issues such as informality, self-help, incremental housing, when it is much more complex than that" (IP10). "It is a solution with a very important social approach" (IP10).

Interviewees' comments made it clear that socially-produced housing is like "an organism that grows according to the needs of families" (IP4). This housing is expanding according to "the financial, economic and support possibilities they have" (IP6). "It is expected that it responds fully to the characteristics of the family, to the needs of the family, needs that are socio-demographic needs and cultural needs" (IP3), "because it is the inhabitants themselves who design their own house" (IP7). The intrinsic way of decision-making in social production is "a participatory process" (IP7). That is another reason why the interviewees consider that the SPOH is an inclusionary housing production alternative and a way to address adequate housing criteria.

One key feature of social production is that "there are social networks. For example, they are going to know a bricklayer, or they are going to know an acquaintance who can help them build the house (IP1). There is "the backhand" (IP9) or *mutual building assistance*, which means that "you build your neighbors' house, and your neighbors later help you build yours" (IP9). Households are therefore not paying for standardized building processes. Instead, housing comes together through social networks. These social resources represent the nature of bottom-up housing solutions.

Social production replaces "liquidity limitations" (IP8) with social efforts. Socially produced housing can be considered financed through effort. Moreover, one key strategy to counteract liquidity limitations and achieve the dwelling's consolidation is the simultaneity between the

occupation and housing production. "You inhabit first, and then you build progressively" (IP1).

### **Process benefits, drawbacks, and social production challenges**

The poor qualitative condition of socially produced housing is a general primary concern for interviewees. "It is a question of identifying where the problem is and then focusing on addressing it. And the problem is there, it is in how very low-income people have tried to solve their housing problem but have not done so adequately" (IP3). Families "finance themselves with the discomfort of not having a complete home" (IP8). In other words, they end up "paying" credit interest rates in alternative ways, by suffering substandard housing's discomforts.

On the contrary, IP9, who has been working on housing issues and its social production in Mexico for more than 50 years, explains,

*"What social production generates is people who know each other when they are organized, which is the highest level. (...) In a housing complex made by people who have facilities, who have sports facilities, who have production facilities, and socio-administrative equipment, you will have permanence because people have to manage (community's social goods). That is why we speak (referring to HIC-AL) of production and social management of habitat. We are not only talking about social production. We are talking about social production and management because when people have participated at a high organizational level, they will control their settlement. There will be security-conscious, active, responsible citizens. You will know how to resolve conflicts because they will always arise, but you know how to resolve them, and thus you can also face pressure."*

IP7, a scholar on Mexico's government promoted social housing who is now working with SPOH, also recognized the benefits of community resources. "For example, improving the community environment, the infrastructure, for all that, there is more possibility. Because people know each other and already have this experience of cooperating with each other". In short, one of the benefits that counteract the precarious initial condition of housing and settlements is upgrading community resources.

Though often perceived as a drawback, the long-term consolidation process of social production has potential benefits because it constructs community and the capacity of coexistence. "In this process, everyone knows each other, there is a sense of solidarity, and that will have long-term impacts" (IP7).

The IP12's case, for example, demonstrates some long-term solidarity effects. First, he assured that his community (19 households) "is united". To ensure security, they do "rounds of surveillance in the early mornings" (IP12). The community also performs "maintenance work" collectively and holds meetings where they "make agreements" regarding the community's organization regularly (IP12).

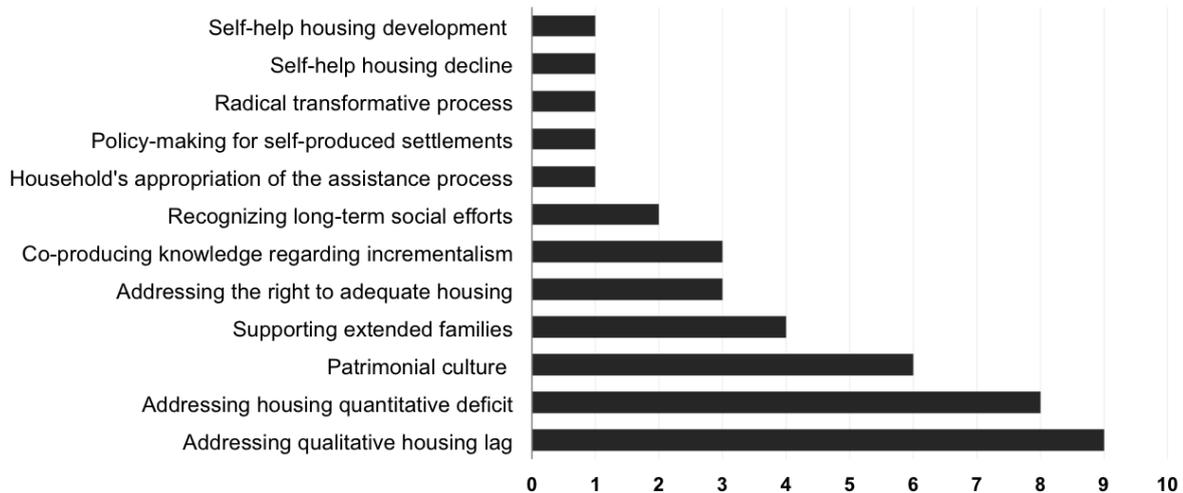
Despite long-term solidarity effects, IP8, an expert on land policies, finds it important to highlight the other side of the SPOH consequences. The SPOH has given housing to many Mexican families "at a very high cost. A very high cost for them, a high cost for the government, which then has to regularize, has to correct the services, (...) a very high cost for the city, because they are carried out in places with high environmental impact, in risk areas" (IP8).

In this sense, IP9 identified a misconception. Although social production can cause extra costs to the stakeholders, SPOH critics "don't take into account that people actively participate in the process, even with voluntary work". "It is not taken into account that there is solidarity, that there is mutual help (...). So people's resources are much more important, much richer" (IP9). Social resources and efforts are key benefits of the SPOH that need to be considered in policy-making; future research is still required to understand how.

IP7, on the other hand, unveiled a conditioning factor for the SPOH's social resources. Settlements built from social efforts "are islands of cooperation, of solidarity, but around them there is speculation. The interests of real estate or the authorities want to gentrify those areas" (IP7). Socially produced settlements "exist in a capitalist system [and] it is not easy to resist real estate interests" (IP7). The first generation created a sense of collaboration. However, "as time goes by, it is the second and third generations who did not experience these (collaborative) trajectories", so they have different interests as the first generation.

For the IP7, "it is a question of long-term management, how to sustain this solidarity over time?"; how to avoid the beginning of a process of low-income households expulsion. Therefore, policy-makers must find instruments for social production to endure in the face of the system's adversity that surrounds it.

## ASPOH importance



**Figure 16** - ASPOH importance related comments by number of mentions (by the Author)

In order to support the SPOH in Mexico, interviewees recognize the need to attack the poor qualitative housing conditions. "The great advantage of assisted socially produced housing, or assisted social production of housing, is that it reduces the inefficiency of the process and maximizes efficiency" (IP8). Through assistance that reverses housing deficiencies, the ASPOH becomes "a way to guarantee the right to adequate housing" (IP3, see *Figure 17*).



**Figure 17** - Upgrading of a family's dwelling through ASPOH (Échale 2020)

Interviewees agree that the quantitative housing deficit can be addressed too. "How can you take advantage of the soil, which is your scarce resource, to be able to provide a housing solution to a population that is growing more and more?" (IP1). "The Social Production of Housing is a necessary (...) alternative because we are working in built spaces" (IP1). By densifying the socially produced settlements, support for *extended families* is promoted. In

Mexico, "the extended family is fundamental in poverty to defend themselves economically" (IP9). Thus, taking advantage of already built family plots is an important task of the ASPOH.

It is clear to the interviewees that owning a home is crucial for the population. "We are a heritage economy, where the main asset of any family is the home" (IP11). The ASPOH recognizes the efforts that families have made to access housing "with their own resources and with all the difficulties it represents" (IP3). The ASPOH helps extended households to strengthen their most valuable goods.

Finally, the government's assistance of social production is crucial to developing and strengthening self-production-related knowledge. "Assisting social production has a fundamental role because it is a process that knows how to work progressively" (IP1). By working with households and communities engaged with social production, policy-makers have an opportunity to co-produce knowledge to formulate better, more inclusionary policies.

#### ***7.4 Programs instruments and consolidation strategies***

This section explores both ASPOH programs' goals, characteristics, challenges, and consolidation strategies as identified by the interviewees in five subsections: (1) financing, (2) assistance, (3) operation, accountability and capacity building, (4) stakeholders, and (5) land, and complementary programs.

##### **Financing**

According to many interviewees, "the [programs'] weakness was and continues to be the financial model" (IP11). In the case of the SHP, the instruments used by financial organizations have wreaked havoc on low-income families since "they do not meet the needs of the people and (...) the debts have become unpayable, it is a trap that people fall into" (IP6). Instead of promoting the same model, IP11, who runs an ASPOH social financing institution, stated that social financing institutions are "seeking to make this financial system more equitable and more accessible".

The interest rates promoted by microfinance institutions are generally an obstacle for low-income households to access financing. "Interest rates were criminal. They are still high, but before, they were criminal. Because financial intermediaries are not used to it, there is no microcredit product for housing. Either we have a mortgage product, or we have microcredit.



The microcredit (used in Mexico) is for consumption; it is not for housing" (IP11). It is necessary to formulate specialized financing instruments to support social production.

In an attempt to scale the Social Housing Program, former administrations increased the use of private for-profit microfinance institutions throughout the country. As a result, private microfinance institutions gained power. They currently diversify their instruments, serving most of the ASPOH demand, tackling non-housing financing branches, and going public in search of increasing their revenue. "In those cases, the interest rate is very high, and obviously, that does not help people" (IP6).

On this matter, IP6, a researcher currently focused on ASPOH microfinance in Mexico, stated that "when a private company is asked to satisfy rights, then you have to weigh between the need to tackle the right and making profit" (IP6). In other words, when private companies are asked to address a human right, they are going to address it by simultaneously searching for profit. Addressing human rights by promoting profit-making is paradoxical.

An alternative strategy would be to promote "that savings and credit cooperatives [...] give the (financial) support and (...) that these cooperatives receive state support" (IP6), and that state support is "not necessarily financial, but also logistical, technical; assistance regarding the management of resources" (IP6). In summary, interviewees suggest supporting those financial institutions that work from a social approach, trying to supply the demand for SPOH, seeking "greater vigilance to profit-seeking actors" (IP6), and reducing the intervention of private microfinance institutions.

Among the alternatives, interviewees suggest promoting the growth of Cooperative Savings and Loan Societies (SOCAP - Sociedades Cooperativas de Ahorro y Préstamo), or Community Financial Societies (SOFINCO - Sociedades Financieras Comunitarias) "which do not have a profit purpose, but (...) a more social purpose" (IP11). In the case of SOFINCOs, "everything that goes out, everything that comes in, everything that it generates, stays within the SOFINCO in order to continue generating loans or lower interest rates" (IP11). Thus, these institutions' benefits impact their members, who should be part of the same community.

However, in the SHP financing, there is a very large variation between the different financial organizations' operations that participate in the co-financing scheme. "Each cooperative and

each company has a different way of granting loans (...), they operate differently" (IP6). Microcredits do not always benefit recipient families. Because financing instruments carry different conditions, many recipient families end up being harmed (e.g., penalized by private financing institutions, owing more than the agreed loan). Thus, many microloans are usually poverty traps.

To benefit recipient families, interviewees propose different strategies to obtain a more narrow and positive range of results from financing instruments (microcredits). The first is to regulate financial organizations. Specifically, they suggested regulating "how much interest they can charge" (IP6). In order to know how to regulate, it is crucial to look for "friendlier models of financing at the base of the pyramid market" (IP11) since "the intention at the national level is to serve vulnerable populations" (IP1).

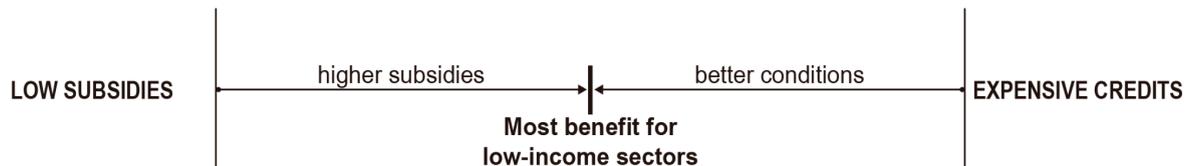
Both in the SHP and the HIP, the key is in "how much the person can pay" (IP4), "so you have to be sensitive to their payment capacity" (IP1). The strategy is to adjust financial aid to families' real payment capacity, promoting financial bridges, and not poverty traps. Financial bridges are "financing mechanisms that do not put people in debt", rather, "they are a bridge so that people can access the dwelling; they are a support rather than a [poverty] trap (IP6).

As mentioned before, one key characteristic is that the benefited family appropriates the production process. In this sense, in the financing sector, "the current government's policy is that the resource is delivered directly to the person" (IP11). The last was an important topic of discussion during the interviews. Delivering assistance directly to the beneficiary carries the risk that they will "use it for their primary needs. In your food and drink first, not in the (housing) action" (IP2).

However, for both the SHP and the HIP, an interesting control strategy has been formulated. "You are not giving people the money right away, but you are doing it depending on construction progress" (IP1). "The ones buying things are the people, but the one doing the construction control is the technical advisor [...] If you want to get the resources, you have to abide by the rules of the program" (IP1). When financial aid depends on work progress, the programs create a solution that promotes accountability and mutual commitment.

When it comes to financing that addresses low-income sectors' needs, there is a close relationship between the process of increasing the ceiling of subsidies and improving the

conditions of financing instruments (see *Figure 18*). On the one hand, granting loans helps to finance a more ambitious project. The co-financing scheme "has a prior saving by the borrower. The beneficiary has a subsidy from the federal government. To this subsidy, you can add a state subsidy or a municipal subsidy, or perhaps adding the services, and have a credit. And the credit, what it facilitates, is being able to make the effort of the saving and the subsidy a complete home" (IP11).



**Figure 18** - Relation between increasing subsidies and improving loan conditions (by the author)

On the other hand, not all families have the capacity to pay a loan back. Thus, giving only subsidies allows serving families with the lowest incomes. Through the scheme that is "100% subsidy, we could serve very, very vulnerable populations" (IP1). Therefore, it is important to "strengthen these subsidy schemes" (Escobar 2020), to increase the scope of intervention projects for households who do not have the means to pay back a loan.

Another key interview result is *differentiated support*. Due to the different capacities of families, it is necessary to maintain a range of flexibility in granting financing to be inclusive to everyone. IP5 proposes granting *differentiated support* as a strategy, which means knowing how to differentiate which support is suited to the family's financial situation to support them in their dwelling's progress and improvement without jeopardizing them.

Finally, the interviewees find it crucial that "the percentage of resources allocated to these programs be increased so that they serve more homes and the qualitative deficit is considerably reduced" (IP2). The demand for housing, both in qualitative lag and in quantitative deficit, increases year after year. Programs can quickly fall short if they do not increase the budget.

### **Assistance**

In both programs, "technical assistance is mandatory" (IP3). The assistant has a challenging task since "the assistance is not only technical, it is social, and financial because people will handle money. It is a much more complex assistance" (IP3). The assistant "is the one who



helps the family to identify their problem from a perspective of inclusion, rights, responsibility, openness, equality" (IP3).

However, as critical as this assistance is to the implementation of the SPOH programs, this assistance is not always positive. In fact, during 2019, CONAVI identified a series of "harmful practices" among assistants (IP3). Although interviewees did not discuss whether these behaviors were pervasive, CONAVI's deputy director stated that "there are many beneficiaries who call and say: the technical assistant does not visit me, so the construction is not progressing" (IP3). Assistants have been known to threaten beneficiaries by telling them: "if you denounce that I am not visiting you, then I am going to take the subsidy away from you" (IP3). Another harmful practice is data fabrication in CONAVI's control platform: "He only came to take a photograph next to a bricklayer and with the material. But after the photograph was taken, the material was taken, the bricklayer was taken, and the construction has not started" (IP3).

In 2020, both the CONAVI and INVI reformulated the assistants' training course and performance evaluations to ensure inclusionary practices and control the assistance. To identify assistants who carry out harmful practices, "we carry out a performance evaluation process that, from a more objective standpoint and by listening to the different actors (...), we see what the operational area says, we see what the technical assistant says and what the beneficiary says" (IP3). Using the evaluation's result, they identify which assistants should be left out of the programs, who require more training, and who meet the stipulations.

IP3 identifies positive changes in assistants through improved and clear communication. "That is what we tell the technical assistant: if you don't show that you have adequate work progress, that you worked on participatory design, that there was no mistreatment of people, then there are no more assignments. And by doing this, you can't imagine how they have been showing that they are expediting people, that they are doing participatory design, that they have an adequate budget, that they are uploading work progress to [CONAVI's] platform" (IP3).

Promoting that assistants are actively including everyone's rationales has been another major challenge related to harmful practices. "The technical advisor has to change his mentality too, that he knows how people should live" (IP3). Assistants should not claim that they know what type of project beneficiaries need. Their work is to assist beneficiaries in

achieving their beliefs. The interview results show that several assistants are not open-minded about understanding the beneficiaries' position. The training course for assistants was reformulated to promote assistance with greater openness towards the beneficiaries' needs.

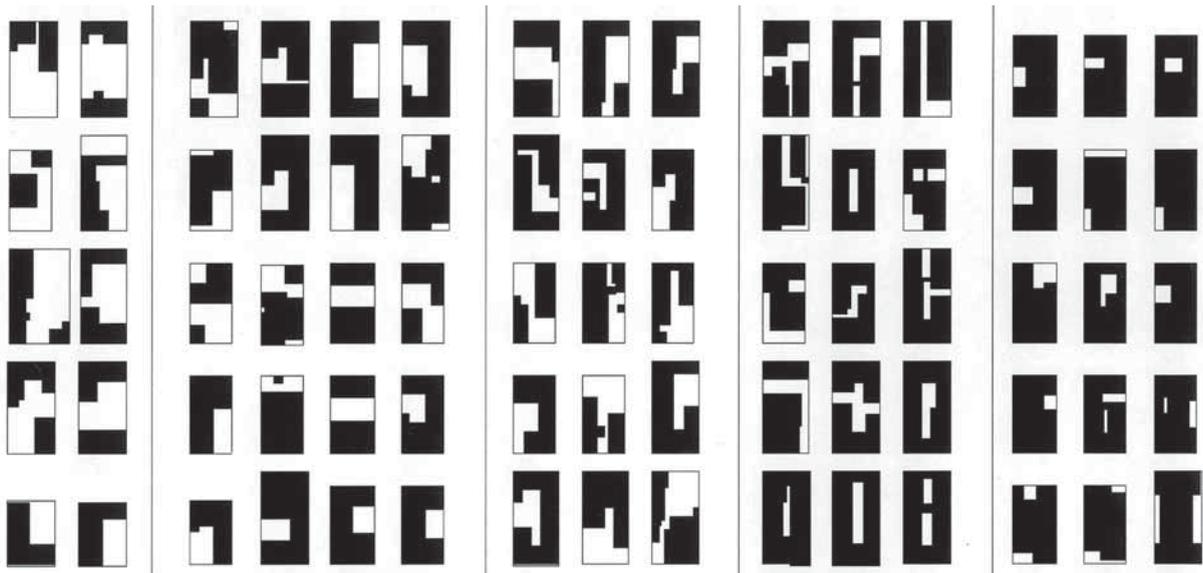
"What we saw is that harmful practices were not limited to the technical part of the work, but also extended to how technical assistants treated beneficiaries. There was no inclusivity; rather, there was abuse or discrimination, and well, the first module [in the training manual] is about that: What is technical assistance, what is the assisted social production of housing, and what is the right to adequate housing?" (IP3). Thus, the CONAVI tries to tackle gaps in "why the approach with the beneficiary is so important, and in respect and good treatment towards the beneficiary" (IP3).

In addition to mistreating beneficiaries, many assistants are not complying with the participatory design process parameters either. "They are delivering prototypes in territories where [those prototypes] have nothing to do with the need for housing" (IP3). "They are not addressing the need in an inclusive way. From the standpoint of inclusion, the beneficiary's need, the socio-demographic need, the cultural need" (IP3). As mentioned before, prototyping does not mean being inclusive of different rationales but rather imposing assistant's beliefs over those of beneficiaries.

"The origin of the program is fundamentally the question of the active participation of people in their construction process" (IP4), "that people have the power of decision" (IP1). IP1's PEA proposes that the technical assistants "sit down with people and do an interview: What do you want? What do you need? What is it that you desire?". To do their work, they should use "a social methodology that prepares people to be clear about what they want, their empowerment and their responsibilities" (IP1).

In the last regard, one key challenge is to convince beneficiaries to express their personal opinions clearly. During the interview with IP12, it was not easy for him to express his concerns regarding the program. When asked if he would have done something differently, he answered, "well, no" (IP12). Although the question was reiterated concerning the program's operation and the execution of the participation processes, the beneficiary once again demonstrated a lack of a concrete standpoint.

According to INVI officials, "although the HIP has had potential growth, what characterizes it is that each case is unique; this is very important. In other words, there are no general projects (...). Each case is a different case. The technical advisor has to dedicate himself to participatory design with the family, that is, he has to define with the family, with the applicant, what type of improvements have to be made in their home" (IP4). "Each case is different, and that also gives you a wonderful thing. It gives you diversity" (IP9). *Figure 19* shows the diversification of self-produced housing configurations in CDMX.



**Figure 19** - Variety of self-produced housing configurations in Mexico City (Ribbeck 2002, p.305)

IP1 also attaches great importance to the intention of attending each project individually. To scale the programs while maintaining the individualized nature of each project, IP1 proposes "systematizing the process", not the housing solutions (IP1). In this way, the programs that assist social production are improved without neglecting the inclusionary criteria.

However, one remaining task lies in formulating clear assistance processes. "We have many doubts about assistance because it is confusing, so to strengthen the process, supervision is needed" (IP11). The first strategy is promoting a project approved by the program operator. "There is a pre-phase, (...) before we can sign any type of credit or any type of subsidy, CONAVI evaluates the project. So it has to be a project approved by CONAVI that meets structural safety and habitability. That is an interesting institutional lock where the quality of the ASPOH is monitored" (IP1).

In addition, "technical assistance has to have a protocol and supervision, and the best way to do this is with a platform" (IP11). The mandatory use of digital platforms could strengthen the control and accountability of the programs. "That would be ideal for giving technical assistance the severity it requires. It does not have it" (IP11).

Although many commented on strategies to fix failed assistance practices, there were also positive experiences. The beneficiary of the SHP, expressed that he was well-treated and did experience a participatory design process. "Yes, we could change prototypes", "according to what the families saw" (IP12). During the process, IP12's community attended workshops where assistance processes were explained in detail.

At first, the community was not confident that they would get support. "The people here did not believe. We did not believe in this. (...) How are they going to give us a house overnight? (...) Without giving anything, right? Well, without the money" (IP12). Intending to build trust with the community, the assistants "were very friendly and attentive. They tried to explain it as much as they could" (IP12). In the case of IP12, trust was generated, and houses were built.

A big challenge for the program is to "give people confidence again" (IP9). The program's ability to regain people's trust depends "on their participation and that they receive the money" (IP9). In the case of IP12, both were fulfilled, and guarantees were also given. "After [the dwellings] had been delivered to us, we had a one-year warranty. (...) Report it (problems) to the builder, and they would come to repair it at no cost" (IP12). Thus, the assistants built trust in the community. "We are really grateful (...) to all those who have supported us" (IP12).

### **Operation, accountability, and capacity building**

In the interviews, CONAVI's deputy director addressed a central problem around capacity building and accountability: "The problem has been in the procedures, in the unfinished procedures, in the unclear internal procedures of the commission" (IP3). Formulating clearer procedures is an attempt to solve complaints, harmful practices, and uncertainty. "Where are the weak points in terms of procedures? We are working very hard there" (IP3).

Above all, the CONAVI has identified that most of the solution is within the organization itself. "The biggest problem is within the commission. Due to a lack of procedures, due to



practices that do not lead us to a good exercise of the resource, because we have not adequately transmitted to the technical assistant what their responsibilities are because we have not been clear with them, because we have not followed up properly" (IP3). Therefore, the idea of not systematizing the product but the process unveils as a key strategy for the entire program's operation.

CONAVI's deputy director recognized that they need to promote further the practitioners' knowledge as they work in direct contact with beneficiary families. "What is missing is that translation, that translation of what is happening in the field and how we can make it an operating rule or how we can make it a program" (IP3).

Speaking of experiences he had while working in the government, IP9 confirmed that giving "a very clear and open programmatic model" is a crucial internal strength. Also, IP9 recommends having "a lot of institutional flexibility. In other words, there were very clear rules of the game that had to be followed (for example: have a clear process of how financing resources are given, that everyone understands how the assistance proceeds, contemplate what is specifically expected of the beneficiary)", and they avoided "absurd norms: what size should the beds, the rooms, and the bathrooms be" (IP9). Such absurd norms are representative of a closed and rigid operating model. Having clear procedures but maintaining operational flexibility is crucial to serving households' different needs better.

The SHP's new intervention criteria exemplify the right relationship between procedures with clear objectives and maintaining operational flexibility. The CONAVI created specific intervention areas (UIP polygons) in which assistants and PEAs can participate. Through the Urban Improvement Program (UIP - Programa de Mejoramiento Urbano), "the government focused on those populations, communities, or municipalities that do not require a prior study, and which requires urban improvement as well as adequate housing" (IP11).

Before the polygons, "a PEA (Project Executing Agency) could go to a community, organize and implement the files (potential beneficiaries' socio-economic information cards), and take them for analysis" (IP11). In this way, programs could meet the needs of very vulnerable groups that were not on the government's map. On the other hand, the benefit of intervention areas (polygons) is that assistants and PEAs know which areas to intervene. It is a very focused strategy. That said, the programs require operational flexibility to attend both communities outside the intended intervention polygons and intervention polygons.

Another important aspect that the CONAVI has to consider is that "penetration in zones is not easy, because you have to gain trust, because there are violent situations that you have to be mindful of" (IP1). Although the polygons approach is part of a clearer program operation, policy-makers must plan for the long-term so that PEAs can address these new territories. "So I think that this part of capacity building is also very important, that [the CONAVI] understands (...) that this is a progressive consolidation and that it will happen over time" (IP1). Understanding and adapting to the time-frames of social production has been a major challenge for policy-makers.

### **Stakeholders**

The use of intervention polygons mentioned above also represents a challenge at the level of cooperation between stakeholders. The flexibility to tackle both intervention polygons and communities outside the polygons needed to be discussed between program-operators, PEA's, and assistants. Through this dialogue, IP1 considers that they "reached an agreement". "In the end, we all have interests that are playing, and we have to see how we can relate to each other so that we all win" (IP1).

Through this dialogue between different stakeholders, CONAVI allowed PEAs and assistants to continue working in territories where they already had a presence while penetrating the new intervention polygons. Avoiding unilateral decisions is necessary to try to promote positive conditions for all those involved.

However, CONAVI has had a hard time dealing with projects' timing. Many projects are not completed in the time agreed upon, which causes institutional delays for the CONAVI since they respond to SEDATU, who in turn responds to the Treasury every fiscal year. For CONAVI's subdirectory, rather than having patience with the PEAs and the assistants, the solution is to respect all the actors' agreements and commitments.

Many assistants and PEAs complain that the CONAVI's requirement for shorter timelines evidences their lack of understanding of social production processes since they take more time depending on the households' changing needs. However, CONAVI's deputy director believes that "it is rather a matter of agreements" (IP3). If CONAVI and the PEA's establish an agreement regarding an intervention project reaching a certain stage, then reaching that stage is "what the commission (CONAVI) demands" (IP3).

CONAVI's deputy director considers that they do understand the processes of social production, which is why they prefer to reach agreements in which all parties accept delivery times. "The problem is when an agreement is made with the social housing producer (also known as PEA), and that agreement is not fulfilled. That is the problem because we agree on things. In other words, (...) it is not rigid, nor is it authoritarian. We agree on timelines in which the project will be carried out. We agree on the scope of the intervention", and "that is what we ask to be resolved" (IP3).

One way of understanding everyone's needs is through participation mechanisms among ASPOH stakeholders. For example, "there was a council within CONAVI where certain actions (operation rules, stakeholders commitments) were discussed and taken. Academics were invited (as well as PEA leaders and NGO leaders)" (IP6). There is also a network of housing production agencies "where we can share our experiences and come up with proposals based on it" (IP1). IP1 assures that they present themselves "as a network to talk about the situation that is happening in the territories" before CONAVI, giving a collective voice to the HPAs (*Housing Production Agencies*). Thus, the practitioners' know-how is recognized and promoted.

Just as housing institutions, as well as assistants and organizations that work in the field, have to be more open, the beneficiaries have to be more open too. "At the beginning, the housing policy of direct resource transfer was very misunderstood" (IP11). Beneficiaries believed that once they were granted financial support, they would receive the money directly. "There is no money. There is a housing solution. This is something that has been changing, and people understand that a house cannot be given away, there is no way to do it, and that they too have to make an effort" (IP11). "And that is one of the most important benefits that I believe the Social Housing Program in Mexico has. There are rights and responsibilities" (IP1). The programs have the strength to implement strategies that create mutual commitment between all parties.

Despite having suffered many ups and downs since the programs and regulations that support the SPOH were created, in this administration, the programs' strengths include that "there is political will" (IP9) and there is "an accumulation of actors (...) who defend this position" (IP9). In short, there is a significant number of people committed to the SPOH that,

although they may have differences, their primary objective is to support social production and low-income sectors.

### **Land and complementary programs**

Many interviewees commented on land-related strategies as well as complementary programs to the ASPOH. The most pressing problem refers to the land. "Land instruments are missing". "Especially in the Valley of Mexico, the supply of land is already very low" (IP1).

Therefore, "what we need to do is provide land, and that land has to be totally social, non-commercial land" (IP11). "The state has to play a very strong role in its control to make effective that universal right that we have to a common good that nature gives us" (IP9). The land "is not a man-made resource, we manage it as a resource because we have turned everything into a commodity. Land is not a resource, it is a common good" (IP9).

IP8 proposes several instruments to get more out of the land for private use and thus get land for social use. "In Mexico, land value recapture (LVR) has not been taken advantage of" (IP8). One strategy is implementing higher economic levies on private land use and then using that revenue to access infrastructure or land. "I get land by buying it with resources from the land value recapture" (IP8).

Another option to get land is through swaps. "I let you develop in this place in exchange for land in another place, even if it is cheaper land, but with a larger surface area or an equivalent to the transfer of building or development rights" (IP8). In other words, the local government imposes conditions for private developers to obtain land for the government for social use.

In addition, alternative property regimes must be promoted, ensuring that the land remains for social use. The last can be done through community or public land trusts. IP8 explains what public land trusts are: "You can build your home there, you can own your home, but the land belongs to the municipality or the city's government" (IP8). Besides, according to IP6, the fact that the land is in cooperative ownership can stop other dynamics, such as speculation.

Interviewees also mentioned that in Mexico, historically, it has not been possible to formulate comprehensive support within city-planning; "there is a fragmentation of public

policies" (IP10). "Comprehensive support not only helps you build your house, but it also helps you build your house safely, it helps you access land if necessary, it helps you access financing, it helps you access services" (IP1). It is also required to "resolve the registry and notarial part" (IP8) of plots. However, "SEDATU is trying to do that, with the Urban Improvement Program (IP1).

The SHP is part of the Urban Improvement Program (UIP), a comprehensive support program in lagging urban areas, which contains federal housing programs, such as the Social Housing Program, but also a comprehensive neighborhood improvement program (public spaces, services, urban equipment, and infrastructure) and a housing deed program (SEDATU 2020b). "So, they are upgrading a specific area" (IP1). The MAVM is part of the intervention-polygons.

Complementary programs to the HIP are also being formulated within the legal territory of CDMX. In addition to assisting the SPOH, it is crucial to "provide housing policies that are affordable to low-income and very low-income groups" (IP5). "Currently, the head of government is proposing a policy (...) in CDMX (inside the core area), in which affordable housing will be created for people with limited resources" (IP4). The intention is to find ways to provide affordable housing within the CDMX territory, where land is the most expensive in the country.

Just as the UIP complements the housing programs with a federal deed program that has an impact on the MAVM, "making sure that there is a retitling process" (IP5) is also crucial inside CDMX's legal territory. The HIP's fundamental problem is the legal situation. "As the city and the population ages, properties remain intestate. So then this creates an irregularity, and we cannot enter those properties that are intestate" (IP4).

Although CDMX promotes regularization programs such as notarial sessions, INVI employees suggest a need for integration between the programs. "It would be important (...) to promote inter-institutional coordination because although there are notarial sessions and a series of instruments that help us to regularize the city, this is a very slow process" (IP4). The CDMX presents institutional fragmentation.

An inclusionary housing policy requires promoting alternative ways of accessing housing. Not all the population engage with social production modes. There are alternative ways of



accessing housing. "I would think that *inclusionary* can also be resolved in multi-family housing or rental housing" (IP8). The strategy would be similar to that used in other countries, such as Canada. "Social housing is rental housing, and the rent is based on income capacity, not based on what it could be worth commercially. Of course, all this implies important subsidies from the state" (IP8). Rental housing is a way of accessing housing that is still undervalued in Mexico.

Finally, it is important to mention that the Housing Improvement Program "serves families that already possess a family lot" (IP4). "We operate on properties that are not at risk and that are regularized or are in the process of regularization" (IP4). Therefore, "considering the concept of vulnerability, a housing improvement intervention is being provided to those who already possess land" (IP10). "So you are excluding those who do not have land" (IP10). The director of the INVI (IP4) suggests that in order to not exclude a sector of the population from housing programs, it is necessary to "constantly update our operating rules and our legal framework" in accordance with the excluded population's "changing needs" (IP4).

## Chapter 8 – Discussion and recommendations

### *8.1 Low-income sector inclusionary housing criteria*

A clear consensus across interviewee partners highlights the importance of a housing policy that provides housing solutions across population sectors. Providing housing for all is linked to a human rights imperative: the right to adequate housing. However, there are sectors of the population that have not received equal opportunities to access housing.

Seen from a pragmatic perspective, if the intention is to create opportunities for widespread access to housing, policy-makers will need to manage resources in a way that reduces the gap between the cost of housing and the citizen's income. A housing policy has to consider the conditions of the population whose economic resources are more limited or who find themselves in economic and social vulnerability.

The housing needs of low-income sectors are reflected in the diversity of housing solutions they inhabit and the flexibility they finance them. An inclusionary policy must remain flexible to recognize and promote a multiplicity of housing solutions as well as financing instruments.

In addition, for a housing policy to be sensitive to people's needs, interviewees agree that implementing mechanisms for household participation promotes approaches that are inclusive of different rationales. On this point, based on interviewees' comments, this research considers it imperative to involve beneficiaries directly in the policy-making process.

CONAVI and INVI officials accepted that policies have to be adapted to practitioners' know-how because they directly contact the target population. The last is evidence that the strategies used by programs to assist social production have to emerge from local experiences and practices, not formulated in top-down steering.

Practitioners have, therefore, currently the role of understanding the low-income sectors' rationales. However, the programs' target households and communities are not involved at an early decision-making stage. This could result in non-inclusive programs, disconnected from the housing needs of beneficiaries, hence defying the purpose of inclusion.

The only way to guarantee that low-income families' needs and rationales are thoroughly taken into account is to involve them in the formulation of policies that address them and give them real decision-making power within the formulation process. Clear evidence is that CONAVI has not completely adapted the programs' operation procedures to the SPOH features. Thus, neither policy-makers nor practitioners have been able to finalize translating learnings into consolidated strategies within the programs.

As shown by the interviews, and as it will be argued in section 8.2, socially produced settlements promote social resources and solidarity. Thus, community involvement at an early stage of the decision-making level could lead to promising prospects of belonging to the neighborhood as a whole. Additionally, the potential management of resources at a local level that interviewees highlighted will foster the value of social resources from the beginning.

Finally, like all rights, the right to housing implies certain responsibilities. Therefore, through the resources available to them, low-income households have a responsibility to reciprocally commit to the government to acquire housing when they receive opportunities tailored to their conditions. This represents a challenge for policy-makers to create strategies so that beneficiaries identify their co-responsibility. Evidence from this research showed some strategies that both programs have successfully found and implemented regarding co-responsibility.

## ***8.2 Assisted social production of housing as an inclusionary tool***

The interviewees exhibit a common consensus regarding social production in Mexico. First, housing produced by low-income sectors exists to be used by the same people who built it. Housing created by its users responds directly to their cultural needs through progressive, adaptive, and flexible housing solutions. Its essence is a participatory process in which users express their opinion, engaging with the dwelling production. Due to its participatory essence and its sensitivity to its users' needs, the SPOH can adequately address an inclusionary framework.

During the self-production process of a settlement, low-income households actively participate and get to know each other, forming a sense of community and solidarity that tends to have long-term impacts. One clear solidarity example is *mutual build assistance*, which means helping fellow neighbors build their dwelling means that those same neighbors

will later help you build your own home. Other long-term solidarity examples exposed by this research are surveillance rounds, community meetings, and the maintenance of common spaces implemented by IP12's socially produced settlement.

Despite displays of social resources and community solidarity, settlements produced through social endeavors face free-market influences. These settlements exist within a system that threatens the social use of the land they are located, given the permanent menace of a profit-driven housing market that often suffers from constant land price speculation.

From the free-market's impatient development perspective, the SPOH appears highly inefficient and expensive. Thus, there is a conflict between the costs (both material and emotional) of socially produced housing and the social resources it fosters. The present socio-economic system is characterized by processes that are the opposite of social-production processes. In social-production processes, social resources become more resilient in the long run. It takes time for people to trust one another, and it takes time to acquire what you long for (e.g., adequate housing, long-term community solidarity).

Currently, the SHP (*Social Housing Program*) and HIP (*Housing Improvement Program*) do not have strategies to address the problem of market pressures. How, if at all, might the socially-produced settlements endure amidst the system's adversities remains an open question. One starting point could be by fostering income-generating opportunities through social resources displayed by socially-produced communities. As postulated at the beginning of this thesis, the current strategies need to adapt to the SPOH features, as confirmed by the interview findings. Thus, to foster income-generating opportunities through social resources, devising a model adapted to generate revenue over a long-term period would be significant.

Concerning other drawbacks, interviewee partners exhibit huge concerns about the poor condition of most socially produced housing. Although most households engaged with social production modes are not financially burdened with interest on credit, they end up "paying" by suffering through substandard housing's discomforts throughout the dwelling's consolidation process. However, the fact that community resources help upgrade the precarious individual conditions of dwellings makes it possible to counteract this particular deficiency.

Both the SHP and the HIP were created to reduce the time it takes for families to obtain adequate housing and promote its benefits to assist the SPOH with technical knowledge and economic resources. Improving the SPOH in Mexico means attacking the country's enormous qualitative lag through the rehabilitation of homes. It is also an alternative to attack the quantitative deficit by taking advantage of the territorial reserve in these already built but not very dense plots.

Since each socially produced home or community is an individual case, it is not convenient to intervene through standardized solutions. The solutions must remain flexible, following the SPOH modes characteristics. Communities and beneficiaries must remain in charge of the process by promoting their role as the center of decision-making.

Finally, the SPOH is an intrinsic part of Mexico and Latin America's popular sectors' culture. The SPOH is a unique example of a social movement that acquires land struggling to introduce services and produces housing against adversity. To assist people who participate in the SPOH means recognizing their long-term social efforts as well as supporting their communities and extended families. It is also a unique opportunity to co-produce knowledge regarding social production modes, which is crucial to formulate truly resilient and inclusionary policies.

### ***8.3 Technical assistance***

As mentioned in section 8.1, for a housing policy to be sensitive to people's needs, interviewees agree that implementing household and community participation mechanisms promotes approaches that are inclusive of different rationales.

Within the participatory design process, households and communities must have the decision-making power to design and build their dwellings according to their beliefs and the way they understand their own needs. Assistants must show openness to those opinions and include them in the intervention projects. Although both policy-makers and practitioners point at the same inclusivity target, the programs have not guaranteed consistent results.

In theory, both ASPOH programs' technical assistance promotes a participatory design process and gives beneficiaries a central role in their intervention project. Nonetheless, evidence from this research's Investigation Phase suggests that the SHP assistants



frequently fail to meet these goals and instead harm beneficiaries. An unspecified number of assistants do not follow the assistance's goals and are not sensitive to the beneficiaries' housing needs. Thus, the SHP has not been able to comply with the inclusionary criteria fully.

The CONAVI and INVI restructured two instruments to control the technical assistance: a training course for assistants and a performance evaluation. The latter has had positive impacts on the assistants. The evaluation informs policy-makers which assistants are more committed to the social cause and who needs more training. More importantly, the training course explains the assistance's requirements very clearly and emphasizes teaching assistants to be more open to beneficiaries' needs, promoting inclusivity. Also, digital platforms that track projects' support have become another tool to strengthen the control and accountability of the programs.

The instruments described above seek to counteract harmful practices. However, if the practices continue, it will be decisive to reduce the number of assistants to allow a more focused control and make quality filters with higher standards to raise the assistance quality. There is no use attacking the qualitative housing lag through poor assistance and failed intervention projects. It must be a priority to first focus on the quality of the assistance before scaling-up the quantity of the assistance.

Another important discovery is that PEAs (*Project Executing Agency*) and technical assistants have different ways of conceiving what the participatory design process means, so each follows a different formula. There is a minimum of parameters established by the CONAVI and INVI, but there are different ways of executing participatory processes in practice.

Evidence from this research showed harmful practices implemented by assistants. The main problem is when the participation process is minimal, and opinions and beliefs of assistants end up imposing on those of the beneficiaries. This results in top-down steering, defying the main purpose of being inclusive of the users' rationales.

IP1 works at the PEA *Centro de Apoyo Mejoremos*, which promotes the participatory design methodology that CONAVI is currently implementing. The methodology consists of conducting interviews and round table discussions among the beneficiaries with the primary objective of "generating ideas, discussing them, exposing needs and interests, and agreeing

on priorities" (SEDATU 2019b). In other words, the participatory design process uses methods where the beneficiaries understand what they want, their empowerment about the process, and their responsibilities. Both programs still need to keep on promoting this methodology and keep control to assure consistent adequate results.

During the SHP beneficiary interview, he made his satisfaction with the program clear, but he notably lacked opinions regarding further recommendations. This study understands the limitations of having interviewed only one beneficiary. However, the result was clear. At least, in this case, the beneficiary was not sure about his central position in the decision-making process.

It is necessary to ensure that the beneficiaries understand their position in social production and take on a more prominent role on their own in the future. One possible way to know if a program is evolving in the right direction is to see if, little by little, beneficiaries are stating their concerns and aspirations more clearly. Thus, the beneficiaries' opinions must be recorded. If the number of clear opinions or concerns from the beneficiaries does not increase, new methods must be developed. Otherwise, the current method only serves to validate the system and its operation instead of giving people real decision-making abilities.

To ensure that the intrinsic characteristics of the SPOH are respected, as both programs grow and strengthen their instruments, it is crucial to maintain the strategy of addressing each case, be it a household or a community, as a unique case. Concerning this matter, one of the most valuable findings is the importance of not systematizing housing solutions but rather systematizing the process.

A mosaic of housing solutions (or not systematizing housing solutions) means respecting and promoting the beneficiaries' diversity of needs and aspirations. Systematizing the process is a mechanism for policy-makers to obtain greater control over the program results, for assistants to ensure their accountability, and to achieve housing objectives. A systematic process means clearly understanding how technical assistance operates and what its objectives are.

Another important challenge for program-operators and practitioners is to regain people's trust. During the interviews, it became clear that people do not trust the government nor the programs' operators. The interviews' results displayed three interesting strategies: (a)

Allocating financial aids directly to beneficiaries (b) Implementing participatory design processes (c) Granting warranties over the housing products. Further research is required to find more strategies to generate trust among all the actors. The case of IP12's community is a successful example of gaining people's trust.

Ultimately, a strategy that appeared time and time again in this investigation was the progressive compliance strategy. Adapting, through agreements between policy-operators (CONAVI and INVI) and beneficiaries, the programs' requirements to the progressive and changing needs of low-income sectors is a win-win mechanism. Not only is it better adapted to the conditions of the beneficiaries, but it also allows the operator to formulate more realistic objectives with a greater margin of error.

#### **8.4 Financing**

The Preparatory Phase suggested that more studies are needed to assess the overall impact of the funding mechanisms used in the programs. However, the results consist of qualitative findings that are worth discussing.

An initial insight is understanding the paradox of addressing rights through for-profit companies: it is not easy to find a balance between profit-making and addressing a fundamental human right. Addressing human rights clashes with promoting profit-making private interests. Both programs need to define their intention—which is (supposedly) already user-centered—and make efforts towards benefiting that intention.

The Investigation Phase showed how currently for-profit private microfinance companies fulfill a large part of the federal program's (the SHP) target demand. The problem is that the programs have activated the commodification of the SPOH. These companies impose very high-interest rates, which directly affects the most vulnerable low-income sectors.

To counteract this, housing policies must promote social financing institutions, which already exist in Mexico, but currently cover just a small part of the SPOH demand. At the same time, it is crucial to reduce the involvement of private microfinance companies. It is useless to impose financial aid on low-income families that become a poverty trap. The SHP needs to revise these strategies before continuing to solve financing issues through private microfinance companies.



When promoting alternative financing institutions, it is crucial to regulate their operation by, for example, limiting usury interest rates. Financing institutions should all function similarly and provide specialized instruments for the SPOH. During this investigation, it was constantly repeated that the crucial qualitative strategy is to adapt the instruments to the households' real payment capacity.

Initially, handing over the economic resource directly to the families was controversial. However, program-operators solved critics by handing the financial resources over in parts depending on the intervention project's progress. In other words, beneficiaries can request the next part of the financial support once they demonstrate that they have finished the intervention project's previous stage. Thus, accountability and mutual commitment are promoted.

There is an opportunity to make financial aid progressive. The HIP has the power to allow families to request successive financial aid, a solution that adapts itself to those of incrementalism. Although the SHP has a co-financing scheme that allows for more ambitious intervention projects, it should also formulate structures to grant successive aid.

Finally, another discovery is the relationship between increasing the ceiling of subsidies and improving the conditions of financing instruments. The main takeaway is that due to the different economic capacities of families, it is necessary to maintain a range of flexibility in granting financing. A clear next step for these programs is to create procedures that help program-operators recognize what type of support is right for each family. Finally, when distributing social programs' resources, policy-makers should increase the programs' budget considerably to scale their assistance and reduce the housing issue according to its growth.

### ***8.5 Operation, accountability, and capacity building***

Among the results, formulating clear procedures is a first step to operate the programs by an established control framework that grants accountability, capacity building, and policy upgrading recommendations. However, it is also an opening point for relevant discussions. First, formulating clear procedures gives a greater priority to the strategy of systematizing the operating processes and not the products. Programs are challenged to formulate these processes so that all efforts on those involved advance in the same direction.

Lastly, within the strategy of systematizing the procedures, interviews made it clear that it is essential to maintain an open and pragmatic institutional model to meet the needs of low-income households. The model needs to be flexible (open) but also have well-defined rules (pragmatic). Adapting to the time-frames of social production is a major challenge for policy-makers and policy-operators since the treasury currently focuses on short-term revenue goals, which does not adapt to the progressive characteristics of social production housing, limiting both programs' chances of becoming inclusionary.

### ***8.6 Stakeholders***

Respecting agreements between actors was identified as a principle to promote productive cooperation among stakeholders. These agreements are to be produced by listening to every actor's point of view and finding mechanisms that meet everyone's requirements to avoid unilateral decisions.

This study suggests that when agreements aren't fulfilled, it's objectives were not well articulated, specifically when it comes to timing, challenges, or action plans. Thus, the features of SPOH modes have not been completely understood by policy-makers nor practitioners. This represents a gap in research. In order to formulate realistic agreements, this study recommends implementing different documentation mechanisms to study them and consider the knowledge acquired when formulating agreements and intervention projects.

PEAs and program-operators participating in the assistance of the SPOH have created instruments that allow the voices of the different actors to be heard. Evidence from this research is the HPA's (*Housing Production Agencies* or PEAs - *Project Executing Agencies*) network and the SPOH Committee. More significantly, although the programs are still in the process of consolidation, an increasingly large network of actors committed to the same cause has been formed through these participation mechanisms.

### ***8.7 Complementary programs***

One urgent issue is formulating instruments that tackle the little land available in the MAVM and its excessive land prices. Mechanisms need to be created to recover land for social, non-commercial use. The state has an obligation to ensure that all sectors of the population have access to land.

Qualitative interviews revealed that the MAVM does not collect enough revenue from land swaps and levies to use private land. Implementing land value recapture (LVR) strategies are important to have liquidity later to get state land for social use. Not imposing LVR mechanisms on land currently inaccessible to low-income households is a way of facilitating the ongoing reproduction of speculation. Speculation ensures that prices continue to rise, making it harder for low-income sectors to access land. By not imposing conditions to recover land for social use, the state promotes mechanisms of social exclusion.

When obtaining and allocating land for social housing, it is necessary to promote alternative property regimes like collective and public land ownership. Maintaining the land of a social nature is necessary to ensure the permanence of vulnerable sectors.

Another important finding is that, historically, there has been a fragmentation of housing-related policies that could complement each other. The interviews highlighted the need to promote more comprehensive support. At the federal level, an effort is being made through the UIP (*Urban Improvement Program*), a comprehensive neighborhood improvement program that contemplates public spaces, services, urban equipment, infrastructure, and a housing deed program. Although within the CDMX territory, there are programs complementary to the HIP, it is necessary to integrate them toward the same effort, a mother program of sorts, and coordinate objectives and efforts.

As mentioned above, strong evidence showed that an inclusionary policy encompasses a range of housing solutions, as people have different needs and resources. Therefore, encouraging alternative ways of accessing housing like rental housing has not been exploited in MAVM and "is necessary to help those who cannot afford the (subsidized) purchase of a house or a self-help housing solution, such as people with disabilities, students, and the elderly" (Bredenoord & Cabrera 2014, p.233).

Finally, the HIP only serves people who already own or have possession of the land. So, by definition, the program excludes those who do not have land. The last is an exclusionary aspect, which contrasts with the inclusionary criteria analyzed throughout this research. Adding the land value to the program's costs would mean doubling the resources spent for each solution that requires land. With the current budget, less target population would be served. Thus, the need to complement ASPOH programs by implementing land instruments described in this section unveils crucial.

In conclusion, the central lesson is that some groups' needs are being taken into account when creating inclusionary criteria, but those of others are being left out. To solve this issue, new inclusionary parameters need to be constantly formulated. That must be a permanent task of a low-income sector inclusionary housing policy.

### ***8.8 Policy recommendation strategies***

By analyzing the findings, the present study reaffirms that policy strategies have to emerge from local practices and experiences. Therefore, recommendations were based on the fact that strategies have to be formulated and adapted according to the characteristics and needs reflected in housing solutions implemented by low-income sectors in Mexico.

1. **Implement participatory policy-making:** To ensure an adequate translation of low-income sectors' housing needs and rationales into program action strategies, CONAVI and INVI must start to involve the target population in programs' formulation and give them real decision-making power.
2. **Maintain an open and pragmatic institutional model:** Policy-makers must adapt instruments implemented by programs to meet the flexibility needed by low-income households' housing production, including longer time-frames, progressive compliance, and differentiated financing support.
3. **Formulating clear procedures:** Suppose policy-makers aspire to ensure a flexible institutional model. In that case, operating processes need to be systematized and have formalized rules, which means both processes and rules have to be clear for everyone involved.
4. **Clear-up the technical assistance:** Rather than continuing to provide inconsistent and unreliable technical assistance, as mentioned in the previous recommendation, it is necessary to ensure that everyone involved clearly understands the programs' objectives, requirements, and methods through the training course. Besides, it is convenient to control technical assistance through stricter evaluations and a digital platform that allows follow-up assistance processes.

5. **Treat each case as unique:** It is the process of assistance that must always remain the same, rather than the product. Thus, the participatory design process must ensure households and communities that understand their central role in the decision-making process, counteracting the lack of opinion and providing a unique intervention project tailored to their needs.
6. **Strengthen and form new strategies to build trust between actors:** The programs must (1) promote the households' managing role by giving them the financing aid directly, (2) encourage the beneficiaries' decision-making faculty within participation mechanisms, and (3) grant guarantees on the intervention projects.
7. **Implement progressive compliance strategies:** CONAVI and INVI must adopt the programs' operation processes, requirements, and targets to the progressive and changing needs of low-income sectors. These progressive compliance strategies must originate from agreements between the beneficiaries and policy-operators.
8. **Scale-up social financing institutions and adapt instruments to payment capacity:** Policy-makers must make social financing institutions the main entities to address the SPOH financial demand. By doing so, it is crucial to regulate their operation. They must all function similarly and provide specialized instruments for the SPOH. The crucial qualitative strategy is to adapt financing instruments' conditions to low-income sectors' real payment capacity.
9. **Implement differentiated support:** Programs must maintain a range of flexibility when granting financing in order to be inclusive of everyone's resource capacities. As mentioned in Recommendation 2, a key open task is to formulate clear procedures to recognize what type of support to allocate without jeopardizing anyone.
10. **Hand financial aid over in parts:** To create accountability and mutual commitment, programs must allocate the financing aid according to the progress of each intervention project.
11. **Apply successive financing aid:** Programs must formulate conditions to make it possible for a household to receive successive financing support. By doing so, households can address their housing progressiveness.

12. **Strengthen the subsidy scheme:** Increasing the programs' budget and their subsidies are crucial to serve the growing demand of most vulnerable populations and increase the scope of their intervention projects.
13. **Promote mutual commitment strategies:** Policy-makers should ensure that the programs' instruments promote a sense of mutual commitment between stakeholders. The guiding line is: if a household accepts receiving a benefit, the benefit must create the condition of giving something back to create reciprocity, e.g., mobilizing their social resources to produce the intervention project.
14. **Formulate ASPOH specific documentation mechanisms:** Policy-makers must create documentation mechanisms that allow obtaining a detailed understanding of the SPOH processes. A second step is to use that knowledge to generate realistic agreements and action lines among actors.
15. **Create methods to understand beneficiaries' development within participatory processes:** Beneficiaries' opinions must be recorded to know if they understand and promote their central role as decision-makers. If their participation does not increase, policy-makers should formulate new methods.
16. **Implement strict land-value capture strategies and alternative property regimes:** Policy-makers must use land-value capture strategies like land swaps and levies to acquire liquidity to obtain land for social use. When allocating land for social housing, policy-makers must promote collective and public land ownership.
17. **Promoting a range of housing solutions:** People have different needs and resources. Therefore, encouraging alternative ways of accessing housing, like rental housing, means respecting and promoting the beneficiaries' diversity of needs and aspirations.
18. **Promote a comprehensive policy:** Similarly to the UIP at the federal level, policy-makers in the MAVM need to devise and implement a comprehensive neighborhood improvement program that contemplates public spaces, services, urban equipment, infrastructure, and housing titling.

19. **Foster social resources:** To address market pressures and endure amidst the economic system's adversities, one guideline should be to foster income-generating opportunities through social resources displayed by socially produced communities. To do so, it is still required to follow Recommendation 2 to promote a model adapted to generate revenue over a long-term period.
  
20. **Constant reformulation of inclusionary parameters:** When creating inclusionary criteria, some groups' needs are being taken into account, but others are left out. Therefore, policy-makers must formulate new inclusionary parameters constantly; that must be a permanent task of an inclusionary housing policy.

## Chapter 9 – Conclusion and future research

### 9.1 Conclusion

In December 2020, Román Meyer, head of SEDATU, stressed that "the central point of the housing policy of this administration is to recognize the need to address the 9 million deficit actions that we have at the national level in terms of housing and that in its great majority, between 70 and 80%, can be tackled with self-production actions" (SEDATU 2020c).

In short, the Mexican government is trying to solve the country's housing issues by assisting SPOH modes. This primary housing policy postulates a paradigm shift. Instead of producing housing "for them," the government rather produces housing "with them," promoting participatory design processes and higher cultural adequacy (DOF 2020, p.5).

However, this strategy is already being implemented without clearly knowing how low-income sector needs can be best addressed and how social production functions can be best supported. Thus, policy-makers are at risk of worsening the qualitative lag and condemning low-income sectors to the systematic exclusion of their housing needs.

This study sought to address this matter by formulating criteria for inclusionary housing policies addressing the low-income sector housing needs derived from the Mexican background and then assessing the extent to which the HIP and the SHP are adequate instruments to promote inclusionary housing for low-income sectors.

This study provided an agenda for a Mexico-specific way to understand inclusionary housing policy for low-income sectors: *A policy that is co-produced by all the actors it involves and provides the opportunity to access (adequate) housing to all households, regardless of their social and economic condition, adapting flexibly to their housing needs and longings, and promoting decision-making by those who will be its users during the home consolidation process, creating a sense of mutual commitment between them and the state.*

The result of the Preparatory Phase was an initial framework of inclusionary strategies that was challenged through the experience of those key stakeholders who were interviewed in the Investigation Phase. By understanding the interviewees' experience of operating the SHP and HIP, the gaps that require attention and thus need to be reformulated were unveiled.

The analysis of the interviews makes it possible to return to the hypothesis and assert that the primary inclusionary guideline for the SHP and HIP is adapting their operation strategies according to low-income households' aspects and needs. Other policy recommendations formulated to strengthen the programs by this study were directly affected by this primary guideline as they arose from it. Thus, this study devised a methodology that created a basis for evaluating both programs and demonstrating to what extent they are adequate instruments to promote inclusionary housing for low-income sectors.

Taken together, this study suggests that the Social Housing Program and the Housing Improvement Program are adequate to address low-income sectors in the sense that they are part of a housing policy that seeks to address the country's housing issue through a human-rights perspective, which intends to grant the possibility of access to housing to everyone. Besides, both programs mobilize social resources by promoting the SPOH.

However, both programs are still in the process of consolidation as policy-makers have not finished adapting the programs to the conditions of social production processes. Key stakeholders interviewed within this investigation made it explicit that the programs are still "missing that translation" (IP3) from what households and communities are demanding to transform those needs into an operating strategy. In other words, knowledge regarding SPOH is not lacking; rather, the translation of that knowledge into adequate ASPOH program's strategies.

In conclusion, as policy-makers are still finding ways to adjust the programs' operation to low-income sectors' features and housing solutions, if they create an enabling environment to follow the primary guideline and policy recommendations formulated by this study, the SHP and HIP will adequately address low-income populations housing lag through a more inclusive and equitable framework.

To avoid becoming a stagnant, closed model and counteract the risk of becoming exclusionary, policy-makers must constantly formulate new inclusionary parameters. That must remain a permanent task of an inclusionary housing policy.

## **9.2 Future research**

To continue with this study's strategy, it is pertinent to focus future research efforts on finding practical evidence of the microfinancing impact and promote strategies. There is currently a "lack of sound quantitative evidence of the positive impact of microloans on poverty reduction" (Grubbauer 2017, p.16). The problem with this absence is that, at least in Mexico, the commodification of the SPOH has already begun through the micro-financing offered by private banks. If this continues without insights into the true impact of microfinance could result in social and economic catastrophe. Therefore, further research is urgently needed to demonstrate the true impact of microfinance from a practical perspective that allows generating adequate strategies to use this financing instrument.

It is also crucial to find strategies for socially produced settlements to generate income opportunities. This study's literature review indicated that programs should implement strategies so that communities and families obtain possibilities to generate income. The only evidence from the Investigation Phase that is indirectly related to generating income is that socially produced settlements are part of the capitalist system, which forces socially produced settlements to participate in their reproduction processes. This research considers it necessary to find ways for these microeconomies to endure amidst the system and preserve their social nature at the same time. As recommended above (see Section 8.8), one starting point could be to investigate how solidarity and social resources produced through SPOH work to then generate income opportunities by promoting them.

Finally, it is imperative to find ways to implement existing land instruments. Land instruments are key to unlocking the housing problems in MAVM. Currently, many instruments to access and keep land affordable already exist. The problem is finding practical knowledge to understand how to implement them. This study suggests that detailed strategies tailored for specific locations need to be formulated and implemented. Therefore, studies have to focus on smaller, local government entities (municipalities) where specific reforms to their regulations can be proposed and land instruments to provide affordable land can be implemented.

## List of References

- Almazán Villalobos, C. (2015): El posicionamiento de la producción social de vivienda en la política nacional de vivienda. Retos y perspectivas. In: Ziccardi, A., González A. (eds): *Habitabilidad y política de vivienda en México*. Universidad Nacional Autónoma de México, México, pp. 103-116.
- Bredenoord, J., & Cabrera, L. (2014): Affordable housing for low-income groups in Mexico and urban housing challenges of today. In: Bredenoord J., van Lindert P., Smets P. (eds): *Affordable housing in the urban global south: seeking sustainable solutions*. Routledge, New York, pp. 223-240.
- Bredenoord, J., & van Lindert, P. (2010): Pro-poor housing policies: Rethinking the potential of assisted self-help housing. *Habitat International*, 34(3), pp. 278-28.
- Bredenoord, J., & Verkoren, O. (2010): Between self-help–and institutional housing: A bird's eye view of Mexico's housing production for low and (lower) middle-income groups. *Habitat International*, 34(3), pp. 359-365.
- Bryman, A. (2016): *Social research methods*. Oxford university press.
- Burchard-Levine, A. (2016): Towards a Transit-Oriented Affordable Housing (TOAH) Strategy in Mexico City. *Urban Management Program*, Technische Universität Berlin, Berlin.
- Caldeira, T. P. (2017): Peripheral urbanization: Autoconstruction, transversal logics, and politics in cities of the global south. *Environment and Planning D: Society and Space*, 35(1), pp. 3-20.
- Chiodelli, F. (2016): International housing policy for the urban poor and the informal city in the global South: a non-diachronic review. *Journal of International Development*, 28(5), pp. 788-807.
- CIDOC - Fundación CIDOC (2019): Estado Actual de la Vivienda en México 2018. *Fundación CIDOC*. Sociedad Hipotecaria Federal, México.
- CIDOC - Fundación CIDOC (2020): Estado Actual de la Vivienda en México 2019. *Fundación CIDOC*. Sociedad Hipotecaria Federal, México.
- CONAVI - Comisión Nacional de Vivienda (2020): Padrón de Prestadores de Servicios. *Comisión Nacional de Vivienda* n.d.  
[https://www.gob.mx/cms/uploads/attachment/file/601691/PPS\\_Vigentes\\_16122020\\_5\\_Aprobados.pdf](https://www.gob.mx/cms/uploads/attachment/file/601691/PPS_Vigentes_16122020_5_Aprobados.pdf), accessed 25.12.2020



CONEVAL - Consejo Nacional de Evaluación de la Política de Desarrollo Social (2020): Ficha inicial de monitoreo 2019-2020 - Programa de Vivienda Social. *Consejo Nacional de Evaluación de la Política de Desarrollo Social*, México.

Di Virgilio, M. M., & Rodríguez, M. C. (2013): Producción Social del Hábitat. Abordajes conceptuales, prácticas de investigación y experiencias en las principales ciudades del Cono Sur. *Editorial Café de las Ciudades*, Argentina.

DOF - Diario Oficial de la Federación (2020): Reglas de Operación del Programa de Vivienda Social para el ejercicio fiscal 2020. *Diario Oficial de la Federación*, Secretaría de Desarrollo Agrario, Territorial y Urbano, 26.06.2020.

DOF - Diario Oficial de la Federación (2006): Ley de Vivienda. *Diario Oficial de la Federación*, Cámara de Diputados del H. Congreso de la Unión, Estados Unidos Mexicanos, 27.06.2006, última reforma 14.05.2019

DOF - Diario Oficial de la Federación (1983): Constitución Política de los Estados Unidos Mexicanos. *Diario Oficial de la Federación*, Cámara de Diputados del H. Congreso de la Unión, Estados Unidos Mexicanos, 07.02.1983, última reforma 08.05.2020

GODF - Gaceta Oficial del Distrito Federal (2010): Ley de Desarrollo Urbano del Distrito Federal. *Gaceta Oficial del Distrito Federal*, Gobierno del Distrito Federal, 15.07.2010

GODF - Gaceta Oficial del Distrito Federal (2017): Ley de Vivienda para la Ciudad de México. *Gaceta Oficial del Distrito Federal*, Gobierno del Distrito Federal, 23.03.2017

González, G. (2011): El problema de la vivienda y la Producción Social del Hábitat, del Sur al Norte de América Latina. In: Arévalo, M., Bazoberry, G. (eds): *El camino posible. Producción Social del Hábitat en América Latina*. Edición Trilce, Uruguay, pp. 239-247.

Greene, M., & Rojas, E. (2008): Incremental construction: a strategy to facilitate access to housing. *Environment and Urbanization*, 20(1), pp. 89-108.

Grubbauer, M. (2020): Assisted Self-Help Housing in Mexico: Advocacy, (Micro) Finance and the Making of Markets. *International Journal of Urban and Regional Research*.

Grubbauer, M. (2017): The Current State of Self-help Housing in Mexico. *Other Housing Strategies*, 13.

INVI - Instituto de Vivienda (2020): Acerca de. INVI 2020.  
<https://www.invi.cdmx.gob.mx/instituto/acerca-de>, accessed 22.12.2020

INVI - Instituto de Vivienda (2020b): Programa de Mejoramiento de Vivienda. INVI 2020.  
<https://www.invi.cdmx.gob.mx/programas/programa/pmv>, accessed 22.12.2020

INVI - Instituto de Vivienda (2020c): Reglas de operación del programa “Otorgamiento de ayudas de beneficio social a personas beneficiarias del programa Mejoramiento de Vivienda del Instituto de Vivienda de la Ciudad de México, ejercicio 2020”. Instituto de Vivienda de la Ciudad de México, México.

Jaramillo, S. (2012): Urbanización informal: diagnósticos y políticas. Una revisión al debate latinoamericano para pensar líneas de acción actuales. In: Salazar, C. (eds): *Irregular: Suelo y mercado en América Latina*. El Colegio de México, México.

Juventudes (n.d.): Mapas - Municipios de la Zona Metropolitana del Valle de México. *Juventudes*. <https://juventudes.sociales.unam.mx/mapas/>, accessed 01.02.2021

Kunz-Bolaños, I. C., & Espinosa-Flores, A. S. (2017): Elementos de éxito en la producción social de la vivienda en México. *Economía, sociedad y territorio*, 17(55), pp. 683-707.

Lerín Rueda, R. (2015): Los subsidios a la vivienda en México. In: Ziccardi, A., González A. (eds): *Habitabilidad y política de vivienda en México*. Universidad Nacional Autónoma de México, México, pp. 381-397.

Lombard, M. (2014): Constructing ordinary places: Place-making in urban informal settlements in Mexico. *Progress in Planning*, 94, pp. 1-53.

McBride, B. & French, M. (2011): Affordable land and housing in Latin America and the Caribbean - Volume 1. *UN-HABITAT*.

McTarnaghan, S., Martín, C., Srin, T., Collazos, J., Gold, A., Suminski, M., & Guzman, Y. (2016): Literature Review of Housing in Latin America and the Caribbean. *Urban Institute, Habitat for Humanity*.

Mier y Terán, A. (2015): El mejoramiento de la vivienda como política pública. Lecciones del programa de Mejoramiento de Vivienda del GDF, 1998-2006. Retos y perspectivas. In: Ziccardi, A., González A. (eds): *Habitabilidad y política de vivienda en México*. Universidad Nacional Autónoma de México, México, pp. 443-453.

Mier y Terán, A. (2017): ¿POR QUÉ ES IMPORTANTE EL APOYO A LA PRODUCCIÓN SOCIAL DEL HÁBITAT?. In: Ziccardi A., Cravacuore D. (eds.): *Los gobiernos locales y las políticas de vivienda en México y América Latina*. CLACSO, Ciudad de Buenos Aires, Argentina, pp. 231-262.

Monkkonen, P. (2018): Do we need innovation in housing policy? Mass production, community-based upgrading, and the politics of urban land in the Global South. *International Journal of Housing Policy*, 18:2, pp. 167-176.

OECD (2015): OECD Territorial Reviews: Valle de México - Mexico. *OECD Publishing*, Paris.

Ortíz, E. (2012): Producción social de la vivienda y el hábitat. Bases conceptuales y correlación con los procesos habitacionales. *Habitat International Coalition*, México.

Ortiz, E. (2011): Veinte años de políticas de vivienda. Impactos y perspectivas. In: Arévalo, M., Bazoberry, G. (eds): *El camino posible. Producción Social del Hábitat en América Latina*. Edición Trilce, Uruguay, pp. 223-235.

Ortiz, E. (2010): Derecho a la ciudad, producción social y gestión participativa del hábitat. La promoción de iniciativas comunitarias incluyentes en la Ciudad de México. *Hábitat y Sociedad*, 1, 55-70.

Ribbeck, E. (2002): Die informelle moderne: spontanes Bauen in Mexiko-Stadt. *Verlagerung Heidelberg*, Universität Stuttgart, Deutschland.

Roy, A. (2005): Urban informality: toward an epistemology of planning. *Journal of the American Planning Association*, 71(2), pp. 147-158.

Ryan-Collins, J., Lloyd, T., & Macfarlane, L. (2017): Rethinking the economics of land and housing. *Zed Books Ltd*, London, UK.

Salinas Arreortua, L. A., & Soto Delgado, L. (2019): Política de vivienda en México: entre la expansión y el retorno al centro. *Investigaciones geográficas*, (99).

SEDATU - Secretaría de Desarrollo Agrario, Territorial y Urbano (2019a): Programa Nacional de Vivienda 2019-2024. *Secretaría de Desarrollo Agrario, Territorial y Urbano*, Gobierno de México, México.

SEDATU - Secretaría de Desarrollo Agrario, Territorial y Urbano (2019b): Criterios técnicos para una vivienda adecuada. *Secretaría de Desarrollo Agrario, Territorial y Urbano*, Gobierno de México, México.

SEDATU - Secretaría de Desarrollo Agrario, Territorial y Urbano (2019c): Presentación del Programa Nacional de Vivienda 2019-2020. *YouTube* 29.11.2019. [www.youtube.com/watch?v=3iSj9LcsAM4](https://www.youtube.com/watch?v=3iSj9LcsAM4), accessed 24.08.2020

SEDATU - Secretaría de Desarrollo Agrario, Territorial y Urbano (2020a): Amplía Sedatu estrategia de vivienda; prevé realizar 165 mil acciones de ampliación o mejoramiento. *Secretaría de Desarrollo Agrario, Territorial y Urbano* 23.06.2020. <https://www.gob.mx/sedatu/prensa/amplia-sedatu-estrategia-de-vivienda-preve-realizar-165-mil-acciones-de-ampliacion-o-mejoramiento?idiom=es>, accessed 17.12.2020.

SEDATU - Secretaría de Desarrollo Agrario, Territorial y Urbano (2020b): Mi México Late - Programa de Mejoramiento Urbano. *Secretaría de Desarrollo Agrario, Territorial y Urbano* 2021. <https://mimexicolate.gob.mx/programa-de-mejoramiento-urbano/acciones2019/>, accessed 15.01.2021.

SEDATU - Secretaría de Desarrollo Agrario, Territorial y Urbano (2020c): Firman Sedatu y organismos nacionales convenio de colaboración para impulsar autoproducción de vivienda. *Secretaría de Desarrollo Agrario, Territorial y Urbano* 2020.

<https://www.gob.mx/sedatu/prensa/firman-sedatu-y-organismos-nacionales-convenio-de-colaboracion-para-impulsar-autoproduccion-de-vivienda?idiom=es>, accessed 20.01.2021

SHF (2020a): Agencias Productoras de Vivienda. *Sociedad Hipotecaria Federal*.

<http://doc.shf.gob.mx/guias/guiasntermediarios/Agencias/Paginas/APVsRegistradas.aspx>, accessed 07.10.2020.

SHF (2020b): Intermediarios Financieros que Otorgan Créditos para Autoproducción Asistida. *Sociedad Hipotecaria Federal*.

<http://doc.shf.gob.mx/Herramientas/directoriointfin/AutoproduccionAsistida/Paginas/default.aspx>, accessed 07.10.2020.

Statista (2021): Tipo de cambio promedio de pesos por dólar en México en septiembre de 2010 a 2020. *Statista* 2021.

<https://es.statista.com/estadisticas/614294/tipo-de-cambio-promedio-mxn-usd-mexico/>, accessed 14.01.2021.

Stolarski Rosenthal, N. & Acuña Fernández, C. (2015): Producción social de vivienda: una opción para población de ingresos medios y bajos. Retos y perspectivas. In: Ziccardi, A., González A. (eds): *Habitabilidad y política de vivienda en México*. Universidad Nacional Autónoma de México, México, pp. 629-643.

UN-Habitat (n.y.): The Right to Adequate Housing. *UN-Habitat*, United Nations. Fact Sheet No. 21.

Valenzuela Aguilera, A. (2017): Failed markets: The crisis in the private production of social housing in Mexico. *Latin American Perspectives*, 44(2), pp. 38-51.

Van Noorloos, F., Cirolia, L. R., Friendly, A., Jukur, S., Schramm, S., Steel, G., & Valenzuela, L. (2020): Incremental housing as a node for intersecting flows of city-making: rethinking the housing shortage in the global South. *Environment and Urbanization*, 32(1), pp. 37-54.

Ward, P. M. (2012): "A Patrimony for the Children": Low-Income Homeownership and Housing (Im)Mobility in Latin American Cities. *Annals of the Association of American Geographers*, 102:6, pp. 1489-1510

Ward, P. M., Huerta, E. R. J., Grajeda, E., & Velázquez, C. U. (2011): Self-help housing policies for second generation inheritance and succession of "The House that Mum & Dad Built". *Habitat International*, 35(3), pp. 467-485.

## References of Figures and Tables

Figure 1: Research Framework: Inclusionary assisted SPOH housing policy in Mexico

→ By the Author

Figure 2: Three-pronged review of academic literature

→ By the Author

Figure 3: Transformation and expansion of two habitable spaces through time

→ By the Author

Figure 4: Gradual expansion of a self-built dwelling over time

→ Ward, P. M., Huerta, E. R. J., Grajeda, E., & Velázquez, C. U. (2011): Self-help housing policies for second generation inheritance and succession of “The House that Mum & Dad Built”. *Habitat International*, 35(3), p.469

Figure 5: Low qualitative condition of a self-produced dwelling

→ Mejoremos - Centro de Apoyo Mejoremos (2020): Sustitución de vivienda Morelos. *Mejoremos*, <https://www.mejoremos.com.mx/sustituciondeviviendamorelos>, accessed 20.01.2021

Figure 6: MAVM political entities and municipalities

→ Juventudes (n.d.): Mapas - Municipios de la Zona Metropolitana del Valle de México. *Juventudes*. <https://juventudes.sociales.unam.mx/mapas/>, accessed 01.02.2021

Figure 7: ZMVM urban area through the years 1990 - 2015

→ Suárez Pareyón, A. (2015): Suelo para vivienda. *Conacyt*, <https://www.cyd.conacyt.gob.mx/?p=articulo&id=357>, accessed 24.11.2020

Figure 8: Percentage of national affordability according to income decile during 2018

→ CIDOC - Fundación CIDOC (2019): Estado Actual de la Vivienda en México 2018. *Fundación CIDOC*. Sociedad Hipotecaria Federal, México, p.76

Figure 9: Qualitative housing deficit in Mexico

→ CIDOC - Fundación CIDOC (2019): Estado Actual de la Vivienda en México 2018. *Fundación CIDOC*. Sociedad Hipotecaria Federal, México, p.74

Figure 10: ASPOH Stakeholders

→ By the Author

Figure 11: Federal budget for social and development programs 2019-2020

→ SAE - Subdirección de Análisis Económico (2019): Proyecto de Presupuesto Público Federal para la Función Vivienda y Servicios a la Comunidad, 2019-2020. *Cámara de Diputados*. Subdirección de Análisis Económico, México, p.17



Figure 12: Total credits granted per year 2001-2018, PMV

→ INVI - Instituto de Vivienda (2020b): Programa de Mejoramiento de Vivienda. INVI 2020.  
<https://www.invi.cdmx.gob.mx/programas/programa/pmv>, accessed 22.12.2020

Figure 13: Primary topics addressed during interviews by number of mentions

→ By the Author

Figure 14: Low-income sectors inclusionary housing criteria main subdivisions by number of mentions and imposing group factors

→ By the Author

Figure 15: Social production modes characteristics by number of mentions

→ By the Author

Figure 16: Upgrading of a family's dwelling through ASPOH

→ By the author based on Échale (2020): Tenosique. Échale,  
<https://echale.mx/proyectos/tenosique/>, accessed 20.01.2021

Figure 17: ASPOH importance related comments by number of mentions

→ By the Author

Figure 18: Relation between increasing subsidies and improving loan conditions

→ By the Author

Figure 19: Variety of self-produced housing configurations in Mexico City

→ Ribbeck, E. (2002): Die informelle moderne: spontanes Bauen in Mexiko-Stadt.  
*Verlagerung Heidelberg, Universität Stuttgart, Deutschland, p.305*

Table 1: Housing as a finished product vs. Housing as a process

→ By the Author based on Ortíz, E. (2012): Producción social de la vivienda y el hábitat.  
Bases conceptuales y correlación con los procesos habitacionales. *Habitat International Coalition, México, p.30*

Table 2: Definition of SPOH and its processes within the Mexican Housing Law

→ By the Author based on DOF - Diario Oficial de la Federación (2006): Ley de Vivienda.  
*Diario Oficial de la Federación, Cámara de Diputados del H. Congreso de la Unión, Estados Unidos Mexicanos, 27.06.2006, última reforma 14.05.2019, pp.2-3*

Table 3: Social Production of Housing within the Housing Law Title nr.7

→ By the Author based on on DOF - Diario Oficial de la Federación (2006): Ley de Vivienda.  
*Diario Oficial de la Federación, Cámara de Diputados del H. Congreso de la Unión, Estados Unidos Mexicanos, 27.06.2006, última reforma 14.05.2019, pp.29-30*



Table 4: Strategies addressing the SPOH within the National Housing Program 2019-2024  
→ By the Author based on SEDATU - Secretaría de Desarrollo Agrario, Territorial y Urbano (2019a): Programa Nacional de Vivienda 2019-2024. *Secretaria de Desarrollo Agrario, Territorial y Urbano*, Gobierno de México, México, pp.37-42

Table 5: Articles referring to the SPOH within Mexico City's Housing Law  
→ By the Author based on GODF - Gaceta Oficial del Distrito Federal (2017): Ley de Vivienda para la Ciudad de México. *Gaceta Oficial del Distrito Federal*, Gobierno del Distrito Federal, 23.03.2017, pp.32-33

Table 6: PVS budget per year  
→ By the Author based on CONEVAL - Consejo Nacional de Evaluación de la Política de Desarrollo Social (2020): Ficha inicial de monitoreo 2019-2020 - Programa de Vivienda Social. *Consejo Nacional de Evaluación de la Política de Desarrollo Social*, México, p.1

## Appendix

### Annex 1 - Interviews List

Interviewee Partner/s = IP

<b>Nr</b>	<b>Interviewee/Date</b>	<b>Background</b>	<b>Affiliation</b>
IP1	Lucía Valenzuela 05.11.2020	Independent researcher and manager at PEA <i>Mejoremos</i>	PEA - <i>Centro de Apoyo Mejoremos</i>
IP2	Lirio Rivera Carlos Marín Cleila Gaitán 10.11.2020	Director of the former primary pro- poor housing institution in Mexico, and two program practitioners	<i>FONHAPO</i>
IP3	Dr. Anavel Monterrubio 11.11.2020	Deputy director of the main Mexican housing institution on a federal level	<i>CONAVI</i>
IP4	Lic. Anselmo Peña Eleonora Contreras Gabriela Martínez 17.11.2020	Director of the main housing institution in Mexico City, and two program practitioners	<i>INVI</i>
IP5	Dr. Peter Ward 18.11.2020	Expert in SPOH rehabilitation and retitling, LAHN project coordinator	<i>University of Texas at Austin</i>
IP6	Luisa Escobar 19.11.2020	Expert in ASPOH financing, fellow researcher at Grubbauer's study on microfinance institutions in Mexico	<i>HafenCity University Hamburg</i>
IP7	Dr. Yu Chen 19.11.2020	Expert in Mexican social housing policies and SPOH	<i>University of Toronto</i>
IP8	Dr. Ignacio Kunz 27.11.2020	Expert in land policies and ASPOH	<i>UNAM at Mexico City</i>
IP9	Arq. Enrique Ortiz 08.12.2020	Member of HIC-AL and most relevant figure within ASPOH policy's development in Mexico	<i>Habitat International Coalition, LATAM</i>
IP10	Dr. Georgina Sandoval 15.12.2020	Scholar at UAM and SPOH assistant	Director of PEA <i>Casa y Ciudad</i>
IP11	Francesco Piazzesi 16.12.2020	ASPOH assistant and ASPOH financing institution	Director of the PEA and SOFIPO <i>Échale!</i>
IP12	Eduardo Aniceto 25.12.2020	SHP beneficiary	Totolapan Community

## Annex 2 - Link to Interview Guide

→ <https://docs.google.com/document/d/10gF4LGTdWmtSve-VosMAEGelljBCilHK-7Ggx9yjiHk/edit?usp=sharing>

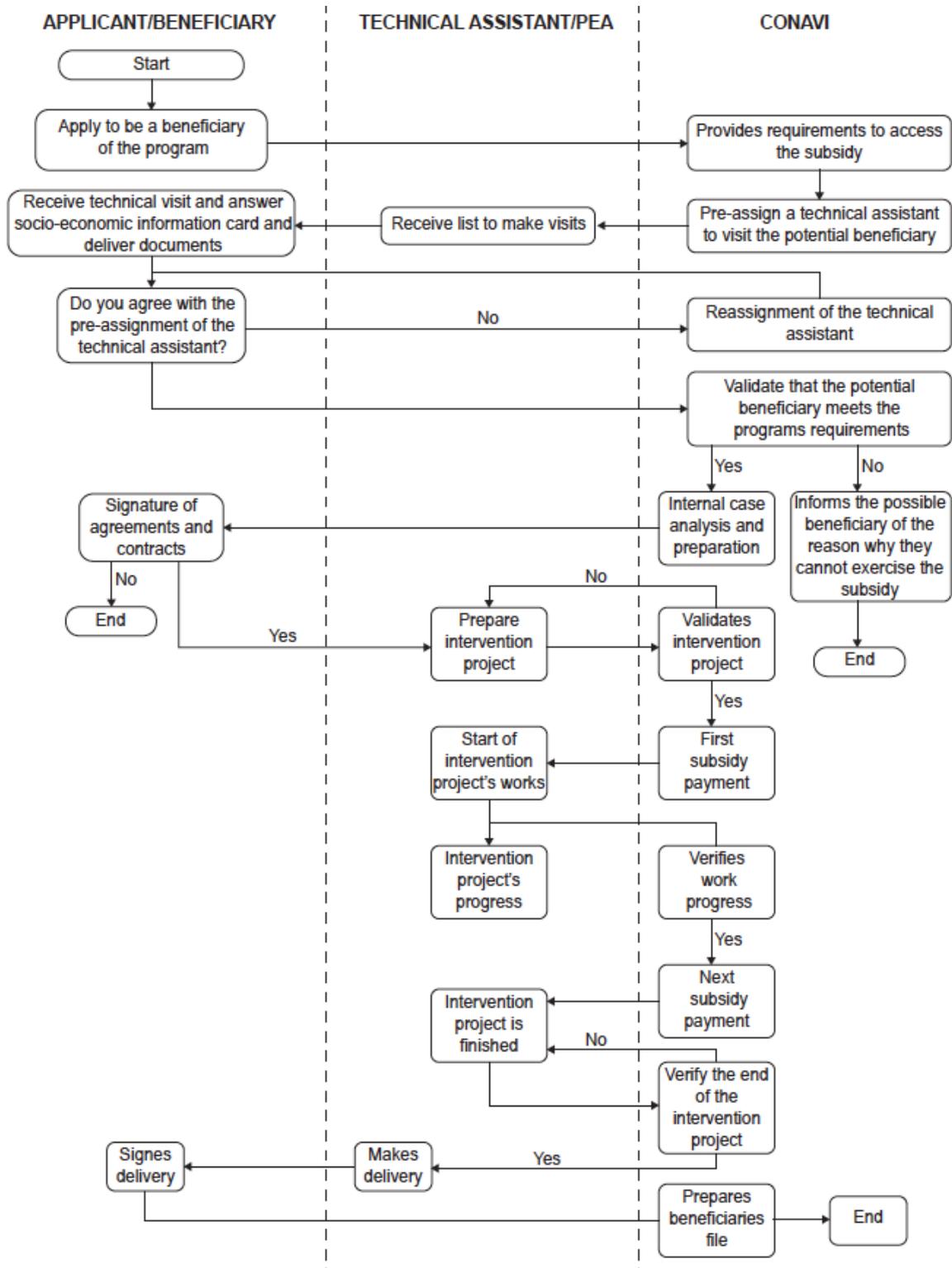
## Annex 3 - Coding example

quote	code	emphasis	subdivision	other subdivisions	notes
giving housing policies (...) that are affordable (...) to low-income and very low-income groups	Addressing affordability	low-income groups	Inclusionary policy criteria		
decision-making processes to essentially engage communities households members of the household in policies that are likely to affect them, both in terms of (...) the design of those policies, but also (...) the configuration of those policies for particular households, families, communities (...) (Academics and planners) need to be sensitive to people's needs	Participatory decision-making processes	granting decision-making, not just in the production of the house but in policy-making too	Inclusionary policy criteria		Quando los expertos definen inclusionary policy se habla de tomar en cuenta las necesidades y racionalidades de las familias de bajos ingresos. Sin embargo, ¿qué tanto se pueden tomar en cuenta sin involucrarlos directamente en el proceso de formular la política? La única forma de garantizar que se toman en cuenta las necesidades y racionalidades de las familias de bajos ingresos es, no sólo involucrarlos en la formulación de las políticas, sino darles la toma de decisión.
they (architects and engineers) superimpose what they assume people need by way of policy and it's essentially a projection of their own values.	Rationality inclusive	Own (academic) recommendation to not imposing own rationale	Inclusionary policy criteria		
understanding that, maybe, the paradigms of study, the paradigms of thinking that they (academics) project (...) need to be also inclusionary of the populations with whom we work.	Rationality imposition	Critic of imposing own rationale	Critic to exclusionary criteria		De no involucrar a las familias de bajos ingresos en la toma de decisiones sobre el programa, se corre un alto riesgo de imponer los valores de una forma top-down, "imposing their own values"
self-built housing: people basically (...) acquiring land in whatever format they can purchase, or squatting, or other means, and then building their homes over a period of time.	Rationality inclusive	Own (academic) recommendation to be inclusive of other rationale	Inclusionary policy criteria		
you actually do see a lot of self-help (...) around these manufactured homes people building porches, or or carports, or roofs over the trailers to sort of to reduce heat	Consolidation over time	Classical approach (John Turner)	Self-help housing characteristics		
you're essentially managing your own housing purchase process and that's the way these informal settlements are essentially (...) acquired or developed, it's through seller financing the (...) vendor of the land sells their sells you know... sells informally uh to the to the individual. Uh, they're working outside of mortgages or outside of loans and so forth so it's a self-managed system as well as a self-built, self-help system	Housing Upgrading/Extension	Manufactured homes also engage with self-help processes	Self-help housing characteristics		
very narrow view of self-help, which is essentially... it's just physically building your own home	Self-Management	Key element: Owner manages the purchase of land, building of the house, and the upgrading of the house	Self-help housing characteristics		
	Self-built	Warning: narrow view	Self-help housing characteristics		

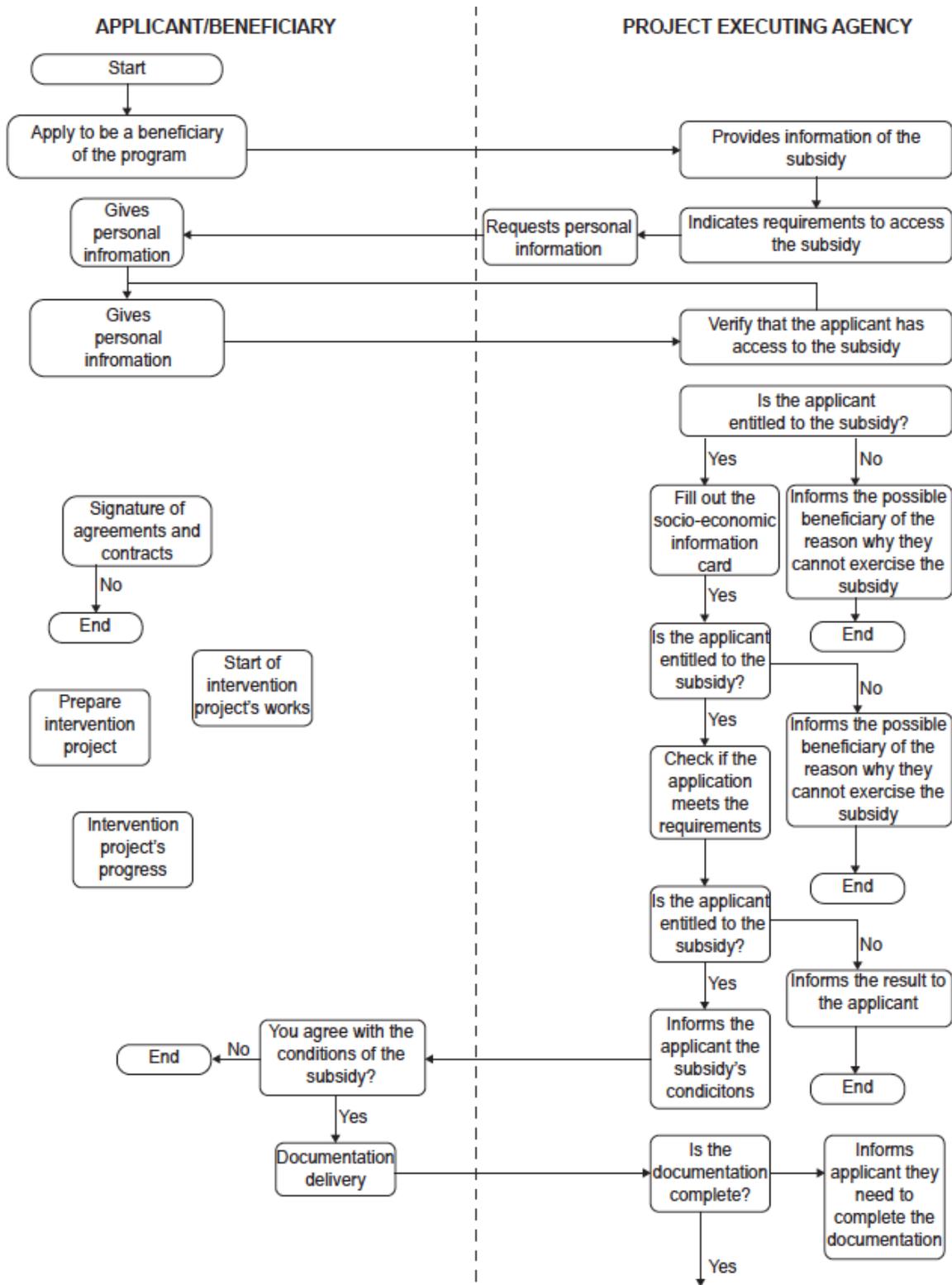
## Annex 4 - Links to Interview Transcriptions

→ [https://drive.google.com/drive/folders/1SpwKX0MskUzC5NTCYjBkI9KFJg\\_YTV3G?usp=sharing](https://drive.google.com/drive/folders/1SpwKX0MskUzC5NTCYjBkI9KFJg_YTV3G?usp=sharing)

## Annex 5 - Flowchart, granting of subsidy that operates without PEA



## Annex 5 - Flowchart, granting of subsidy that operates through PEA



APPLICANT/BENEFICIARY

PROJECT EXECUTING AGENCY

