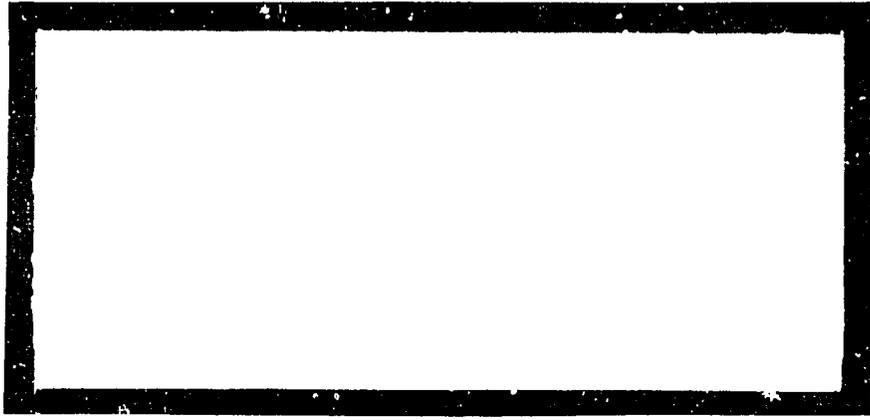


PN-ARB 6-939  
69688



---

CENTER FOR RESEARCH ON ECONOMIC DEVELOPMENT  
The University of Michigan  
Ann Arbor, Michigan 48109

---

**A Review of**  
**"What is Not the Same About the Urban Poor:**  
**The Case of Mexico City"**  
**by**  
**Sheldon Annis**  
**for the Michigan State University Colloquium**

**October, 1988**

**Prepared by**  
**Center for Research on Economic Development**  
**In partial fulfillment of**  
**Contract #PDC-0180-0-00-8121-00**  
**Bureau of Program and Policy Coordination**  
**U.S. Agency for International Development**

What is Not the Same About the Urban Poor:  
The Case of Mexico City

Sheldon Annis

for the Michigan State University Colloquium

OVERVIEW

In Annis' words, "the key assertion of this essay is that the urban poor are becoming increasingly effective and aggressive interlocutors in their own behalf." Annis defends this view through an interesting, well-presented case study of the urban popular movement in Mexico City.

HIGHLIGHTS OF PAPER

How Aid Donors Think About Urban Poverty

"Despite the accelerating growth of Third World cities — and the poverty that grows with them — the trends of aid donors have not followed the demographics...Aid donors have steadfastly held to a 'pro-rural tilt'."

Annis gives several reasons for this:

1. Poor though they may be, in most countries the urban poor still seem relatively privileged compared to their rural counterparts;
2. National development policies are generally have an urban bias;
3. Urban poverty alleviation contains a built-in paradox: that solving the problem makes it worse (i.e. as urban conditions improve, more migrants are attracted to the cities);
4. Most of the common prescriptions of the 1970s — subsidies — are now viewed as problems in their own right;
5. The best urban ideas from the populist era have not worked very well. "Donor resources and existing project instruments so thoroughly overwhelm the needs of cities as to be trivial by all but the kindest or most self-serving of standards."

The Policy Content of Urban Poverty Projects: Who Decides?

What constitutes "good policies?" Until now, the urban poverty questions have been debated between donors and governments. And academics and development practitioners are fond of asking themselves whether they are asking the "right" questions. In Annis' view, the 1990s will be an era of extraordinary change.

"We may find ourselves spending considerably less time asking whether we know the right questions and shift our attention to a more profound issue: who is asking the questions, and more importantly, who is involved in the deciding?"

As stated in the overview, Annis sees the urban poor as becoming an increasingly important partner in the debate on urban poverty.

### The Case Study of Mexico City

Most of the paper is devoted to a discussion of the evolution of the "urban popular movement" in Mexico City and the powerful role the movement has played in steering urban policy actions. The movement's accomplishments in the wake of the 1985 earthquake make very interesting reading and an effective illustration of Annis' key assertion.

WHAT IS NOT THE SAME ABOUT THE URBAN POOR:  
THE CASE OF MEXICO CITY

Sheldon Annis  
Overseas Development Council

How Aid Donors Think About Urban Poverty

Few changes on the global landscape have been so dramatic or socially far-reaching as Third World urbanization. In 1950, when the largest city in the world was New York, six of the world's ten largest cities were located in Europe and the United States. But since then, Third World cities have been growing approximately three times faster than those in the industrial world.<sup>1</sup> By the turn of the century (when for the first time in human history half the world's population will be urban), 18 of the world's 21 largest cities will be located in the Third World.<sup>2</sup> At this rate, the Third World will absorb nine-tenths of all global urban growth over the next 30 years.<sup>3</sup>

As the world's population becomes proportionately more urban -- or more precisely, as the urban population becomes proportionately more Third-World -- so too is poverty urbanizing. As fast as Third World cities themselves are growing, squatter settlements, shanty towns, and low-income neighborhoods are growing approximately twice as fast within cities.<sup>4</sup> In the very poorest countries, such as Haiti and Burundi, as many as half of all city dwellers live in absolute poverty; in India, about 40%; in less-poor countries such as Morocco or the Philippines, about 30%.<sup>5</sup>

Curiously, despite the accelerating growth of Third World cities -- and the poverty that grows with them -- the trends of aid donors have not followed the demographics. As John Lewis points out in the introduction to this volume, the "populist aid doctrine" of the 1970s has steadfastly held to a "pro-rural tilt".<sup>6</sup> Overall, only about 8% of all multilateral and bilateral development assistance is explicitly directed to urban problems.<sup>7</sup> USAID maintains an urban and housing program of about X% of its total budget -- roughly \$200-300 million per year worldwide. The World Bank, whose urban poverty lending in recent years has averaged about 3.5% of total lending, re-merged infrastructure, water, and urban departments, signaling its reluctance to continue to treat "urban" as a stand-alone poverty problem.<sup>8</sup> The Inter-American Development Bank only recently formed an urban planning unit -- in a sense, just catching up to where AID and the Bank were 15 years ago. And private voluntary organizations and small grantmaking agencies, like the Inter-American and African Development Foundations, generally avoid urban projects altogether.<sup>9</sup> Indeed, if dollars from donors define "strengthening the poor," then it is hardly accidental or a matter of editorial bias that explains why 12 of the 13 papers commissioned for this volume focus on rural themes.

There are four nominal reasons -- and one much more fundamental reason -- why development donors are likely to hold to their pro-rural course in the 1990s.

First, though an increasing proportion of the poor may be

urban or urbanizing, a majority of the very poorest people remain rural.<sup>10</sup> Poor though they may be, in most countries the urban poor still seem relatively privileged compared to their rural counterparts.

Second, even if donors are biased toward rural, national development policies are generally biased toward urban. Even where 60-70% of the population may be rural, it is common for Third World countries to allocate about 20-30 percent of their budgets to rural sectors.<sup>11</sup>

Third, the concept of urban poverty alleviation carries with it a built-in paradox: that "solving" the problem makes it worse. Migrants are attracted to opportunity, and making life better in the city attracts more migrants; therefore, most donors would argue, the best way to help both countryside and city is to make life better for the rural poor.<sup>12</sup>

Fourth, in the 1980s donors have come to view most of the common prescriptions of the 1970s -- particularly prescriptions that the poor themselves generally favor -- as problems in their own right. Yesterday's solutions are today cast pejoratively as "subsidies" -- for food, housing, education, fuel, and transportation. Such subsidies are almost invariably seen as fiscal black holes that are politically manipulated and disproportionately appropriated by the nonpoor.<sup>13</sup>

This fourth reason suggests the fifth, even more basic reason: namely, the best urban ideas from the populist era have not worked very well. Quite honestly, no one who knows the turf

well knows what to do, leading to a kind of intellectual agnosticism that weighs heavily against boldness. Today's urban technicians are generally to be found pondering a set of project options that -- they believe -- range from those that flatly make matters worse, to those that merely don't work very well, to those that work under restricted conditions but cannot realistically be financed or implemented on a wide scale.<sup>14</sup>

Take, for example, the case of housing. Since the most buoyant days of the Alliance for Progress, when John Kennedy encountered tens of thousands of people in the streets of Latin American cities, and later, when Robert McNamara was met by millions<sup>15</sup> in the streets of Calcutta, development donors have wanted to help build decent, affordable houses for the poor. Yet in the end, every round of publicly-supported house-building has proved to be "too expensive" -- even with genuine innovation in technology, materials, financing, and institutional support.<sup>16</sup> Even with self-help, mutual help, sites and services, progressive slum upgrading, institution building, and wholesaling rather than retailing, the simple truth seems inescapable: if we could assume honesty, bureaucratic efficiency, good use of technology, and community participation, no system of state-sponsored housing seems able to keep pace with -- let alone gain ground upon -- cities that grow 3 to 5% in size year after year.<sup>17</sup> The problem is that in housing in particular, but in urban projects in general, donor resources and existing project instruments so thoroughly underwhelm the needs of cities as to be trivial by all

but the kindest or most self-serving of standards.

Given this ambiguous state of the art, what are donors left to think about urban poverty alleviation? Where to next? For that matter, what now?

### The Policy Content of Urban Poverty Projects: Who Decides?

For most of the past two decades, urban poverty lending has been a two-sided debate between governments and donors. In staging this debate, donors have always believed that the "policy content" of their lending was more important than the actual amounts of dollars transferred. No one disagrees that good projects nested within bad policies are exercises in futility; so in large measure, the contemporary debate now focuses on what precisely constitutes "good policies." How are the needs of the urban poor balanced against the needs of the rural poor, the requirements of growth, the constraints of austerity?

If one could be a fly-on-wall to eavesdrop on this "policy dialogue" between donors and governments, the kinds of urban poverty questions that one would surely hear debated are: Who receives the benefits of physical infrastructure? Who pays for it? Can cheap urban food be sustained; and if so, at whose expense? How can tax systems be constructed to pay for urban services? How can minimum wages be set that simultaneously protect the poor and slow inflation? Where in metropolitan areas should the poor be housed? To what extent can open admissions and free tuition be maintained in public universities that serve

the poor? Are rent control policies good or bad for the poor?  
What scale of industrial investment best generates jobs for low-income workers?<sup>18</sup>

In most respects, these "new" policy questions that are at the center of debate are, I believe, the right ones. The central questions of urban poverty inevitably lead back to a more fundamental set of poverty issues that are discussed in other chapters of this book.<sup>19</sup>

Academics and development practitioners, such as the authors of this book, are fond of asking themselves whether they are indeed asking the "right" questions?

In this regard, I believe that the 1990s will be an era of extraordinary change. For the social and political character of the poor -- especially the urban poor -- is rapidly changing, and as this happens, we may find ourselves spending considerably less time asking whether we know the right questions and shift our attention to a more profound issue: who is asking the questions, and more importantly, who is involved in the deciding?

The key assertion to this essay is that the urban poor are becoming increasingly effective and aggressive interlocutors in their own behalf. A three-way "trialogue" will increasingly challenge the assumption of two-way dialogue. In some respects, the forces that drive that process seem inevitable and irreversible; but in other respects, they can also be supported and guided from within development institutions.

In order to illustrate how and why this is so, I have

described below the milieu of Mexico City -- which may offer a glimpse into Latin America's (if not necessarily the Third World's) urban future.<sup>20</sup>

#### Growth and Popular Organizations in Mexico City

By the turn of the century, roughly three-fourths of more than half a billion Latin Americans will live in cities.<sup>21</sup> That means that Latin America will be as urbanized as North America, Europe, East Asia, or the Soviet Union.<sup>22</sup> The world's two largest megacities -- by a considerable margin -- will be Mexico City (with a projected 26.3 million population by the year 2000) and Sao Paulo (with a projected 24.0 million).<sup>23</sup>

In Mexico City, which has been incorporating a half-million new people a year since the mid 1970s,<sup>24</sup> the pace and scale of urbanization defies comprehension. There are newly sprouted areas within Mexico City that, by themselves, are larger than all but the very largest North American cities -- for example, the city-within-a-city, Netzahualcoytl. In the 1950s, "Netza" was an inhospitable, dried up lake bed, with a population of a few thousand squatters. Today it is a teeming urban zone of nearly 3 million inhabitants, only slightly less populous than Los Angeles or Chicago.<sup>25</sup>

How, one might well ask, can an unplanned urban agglomeration such as Netza mushroom from virtual zero to nearly 3 million in about the time that a single individual grows to adulthood? What social, physical, economic, and political

processes turns so much rocky lake bed into so many houses, roads, postal routes, jobs, school districts, and family living spaces?

It has now become commonplace to respond that this vast ad hoc urbanization is carried out "by the people."<sup>26</sup> In Mexico, it is certainly incorrect to say that this urbanization is carried out "by the state" (much less by the formal construction industry); but on the other hand, the by-the-people argument can easily be overstated to underplay the state's direct participation in the process.

First, the vast "self-built" city does not refer to the sea of carton shacks and sheet metal hovels like those of Lima, Guayaquil, or Lagos<sup>27</sup>. Neither does it suggest highly self-sufficient NGO-led efforts at mutual help in which neighborhood construction crews have cooperatively built each others' homes after work and on weekends.

The actual situation is more complicated. Over the past 20 years, most poor Mexico City neighborhoods have been built by individual homeowners who purchased (extralegally) rather than squatted (illegally) upon property at the edge of the central city.<sup>28</sup> These families then toil year by year to upgrade the value and quality of their living space. Through legalization of their property titles, steady inputs of family labor, occasional cooperative labor, and gradual purchase of materials and services from informal and commercial sector builders, services and materials from formal sector, they eventually create liveable

communities.<sup>29</sup> When looking down upon a typical poor neighborhood from, say, the rim of the valley surrounding the megacity, one sees tens of thousands of iron reinforcement rods sticking out of concrete posts. It is as if each finished surface is also unfinished -- like a child's Leggos, each completed step pointing out the next step to be taken.]]

No family can provide everything that goes along with a house. As families manage household construction, neighborhood groups form, reform, hybridize, and affiliate with non-neighborhood groups in order to reach out to the public sector for water, sewerage, electricity, garbage removal, pavement, schools, teachers, health posts, mail service, phones, buses, parks, municipal markets, police protection.

In Mexico, this process not only encourages -- but demands -- organization. What is needed is a years-long effort in which individuals within constantly shifting alliances make contacts, learn the ropes, ask, barter, and demand services from various extensions of the public sector. For its part, the state's ability to grant or deny these requests in exchange for loyalty is one cornerstone of the PRI's 60-years of political control.<sup>30</sup>

The hundreds of millions of individual actions, collective actions, and transactions with the state add up to create urban fabric. One result is the creation of new neighborhoods, and these inevitably merge together to make up new zones of the Leggo-like city-under-construction. But to see just the physical result would be to seriously misread the essence of the process;

for, as described below, there is also a newly created social, political, and cultural fabric that is no less unprecedented than the massive sprouting of neighborhoods.

### The Urban Popular Movement and the Politics of Housing

Corresponding to the physical "massification"<sup>31</sup> of the megacity, an equally unprecedented non-physical process has taken place. Over the past two decades, an intricate web of organizations, activists, and neighborhood institutions has evolved that corresponds to the newly evolved physical webs. This social web is thick, centerless, and has no simple point of origin. Its intertwined strands wind back not just to the neighborhoods, but to opposition political parties, the PRI, the public sector, the Catholic Church, the universities, foundations, charities, and foreign private voluntary organizations.

The descriptive term used in Mexico -- and elsewhere in urbanizing Latin American cities<sup>32</sup>, -- to describe this phenomenon is the "urban popular movement" (movimiento urbano popular). The term is generally used generically -- as in "civil rights movement" or "labor movement." It is a movement that has no single leader, no unified ideology, and no agreed-upon plan for political action<sup>33</sup> (though many individuals and organizations energetically seek to provide that).

The Mexican urban popular movement is generally described as having its geographic roots in the industrial and border cities

of the north.<sup>34</sup> Its political roots are in the operatura democrática, in which the administration of Luis Echeverría (1970-76) sought to re-legitimize the PRI after the violent repression of the student movement in 1968. In particular, Echeverría recognized the volatility of the asentamientos. His "populist" administration devoted considerable political and technical resources to the rapidly growing population of urban poor, creating government agencies to increase the housing stock<sup>35</sup> and to legalize property titles<sup>36</sup>.

Throughout the 1970s, many student and leftist activists also turned their energies to organizing the urban poor.<sup>37</sup> As the enrollment of the National University (UNAM) shot up in the late 1960s and 1970s, an increasing proportion of students came from the poor and urban middleclass. They had family roots in the barrios, technical skills, political commitment, and practical knowledge.<sup>38</sup> Meanwhile, labor bosses generally controlled the new state-generated housing and local PRI leaders manipulated the legalization of land titling and provision of utilities.<sup>39</sup> So an intensely bitter competition developed between the state and party on the one hand, and the students and independent political parties on the other -- with neighborhood people slyly playing all options while constantly complaining about the sell-outs and false promises of the various "semicaudillistas" who represented them.

As had his predecessor, President Jose Lopez Portillo (1976-82) tried to reassert control over the increasingly forceful

urban popular movement. He created his own plethora of government-sponsored barrio-level community organizations; centralized the diverse array of existing urban agencies; inaugurated new urban planning instruments;<sup>40</sup> and in 1980, created FONHAPO, a low-income housing authority that was financed primarily by the World Bank<sup>41</sup>.

FONHAPO represented a curious blending of the government's standard approach to housing (i.e., to provide low-cost, highly subsidized finished units to those who knew how to ask), the World Bank's ideas on progressive slum upgrading,<sup>42</sup> and the know-how of key activists from the Mexican urban NGO community<sup>43</sup> on how to provide low-cost housing.

In essence, FONHAPO created -- then enlarged<sup>44</sup> -- a second "window" within the public housing programs of Mexico. The established window was largely allocated to state and municipal employees, labor organizations, and politically important subgroups.<sup>45</sup> The new "social sector" window opened credit to barrio associations, cooperatives, and community groups.<sup>46</sup>

Looked at from the community point of view, the differences between the public and social sector approaches were night and day. Practically, FONHAPO transferred considerable power to local groups by allowing them to solicit their own credit, participate in design, select their own technical assistance, and contract directly for construction services (thus circumventing a major source of graft and shoddy construction).

FONHAPO was almost immediately swamped with requests for

local projects, ensnared in partisan politics, besieged by the old guard, tangled by bureaucracy, confronted with technical limitations, and frustrated by community organizations that were more adept at political manoeuvring than actually building houses. One would not wish to overstate the degree to which FONHAPO actually "reformed" the public sector's approach to low-cost housing.<sup>47</sup> Nevertheless, at a minimum it created a "new model" for community-state relations, and deepened the incentives for local people to become better organized.

Frequently, groups that were unsuccessful at obtaining concrete goals such as FONHAPO loans quickly disappeared. But perhaps more often, the "social energy"<sup>48</sup> of failed efforts was "transformed and mutated"<sup>49</sup> into new organizations and larger collective actions. By the early 1980s, federations of urban popular organizations became increasingly effective in taking on larger city-wide issues -- for example, organized resistance to forced relocations due to road construction or unified opposition to cutbacks in food, transportation, and education subsidies.<sup>50</sup> In 1981, the generic MUP (or rather, a part of it), formalized as CONAMUP, a "confederation" of urban organizations that, in itself, became one of several coordinadoras that make up the Mexican independent (i.e., non-PRI) left.<sup>51</sup>

### The Earthquake and its Organizational Aftermath

On September 19 and 20, 1985, two fierce earthquakes struck directly into the heavily populated central zone of Mexico

City.<sup>52</sup> Government figures put the death toll at 5,000. About 40,000 people were injured and 350,000 people were made homeless.<sup>53</sup>

The public visibility and political force of the urban popular movement was frequently said to be waning in the mid-1980s;<sup>54</sup> but by all accounts, it came alive after the earthquake.<sup>55</sup> Within a day or two, organizations throughout the affected areas mobilized to prevent landlords and government officials from using the disaster to evict low-income tenants. Refusing government attempts to disperse them to relocation sites,<sup>56</sup> they camped out by their damaged or destroyed homes, and demanded that the government provide adequate temporary shelters that did not require separation from neighborhoods.

With astonishing speed and political acumen, a vast coalition of damnificados (earthquake victims) united to bring pressure to bear.<sup>57</sup> As a direct result, on October 11, 1985, the first of several presidential decrees were issued that led to the expropriation of over 4,000 damaged lots in 70 central city neighborhoods. Reconstruction funds were allocated by the World Bank -- in large measure, through institutional links created by FONHAPO -- to finance a program known as Renovacion Habitacional Popular.<sup>58</sup>

The Coordinadora Unica de Damnificados (CUD) unified scores of organizations. By refusing to bargain separately, by legal maneuvering, and with deft manipulation of the media, the organized earthquake victims were successful in wresting

innumerable concessions from the government -- and then maintained unrelenting pressure to force compliance with what was promised. In May 1986, an extraordinary event occurred: the signing of a Concertacion Democratica -- a kind of "social pact" in which the president of Mexico and the heads of virtually all relevant government agencies formally agreed to a set of reconstruction ground rules laid out by CUD, the barrio groups, foreign funders, university groups, and local housing NGOs.<sup>59</sup> This agreement became the essential blueprint that was actually carried out by the World Bank-financed reconstruction program.<sup>60</sup> Whenever the government dragged its feet, pressure was applied. In May 1986, for example, CUD announced that tens of thousands of still-homeless earthquake victims would link hands around Aztec stadium during the internationally televised World Cup Soccer championship. This was called off at the last minute as a crash construction program begun in April began to show visible results.

In light of actual construction and repair of about 50,000 units<sup>61</sup> -- more or less on time and approximately within budget -- the Mexican government, the Bank, and the urban popular movement have each proudly proclaimed "their" success in the reconstruction effort. Whichever combination of versions and credits one chooses to accept, it is undeniable that when compared to other natural disasters,<sup>62</sup> Mexico City managed to build a remarkable number of reasonably low-units that were not a simple giveaway<sup>63</sup> and did not ride roughshod over the pre-

existing character of the city.

Yet while government is now pleased to discuss the success of its reconstruction program and even more interested in electing a new president, the barrio associations are far from satisfied. They angrily point out that the government's housing program has touched only the tip of the "damnificado problem." From their point of view, the reconstruction program, at best, has simply brought the low-cost housing effort back to the starting line. What about the situation before the earthquake? What about legal protections for renters facing evictions? What about enforcement of housing codes? What about expropriating abandoned property and non-taxpaying properties for building sites?<sup>64</sup> What about new credit to renters and property owners willing to renovate rental units? What about an agency-by-agency review of all government housing to see who is building what for whom and at what cost? What about rewriting of building codes, property tax laws, and regulations governing landlord-tenant-state relationships? What about the creation of new "territorial reserves" on the periphery of the city upon which to build new low-cost housing?

Not surprising, CUD has declined as a political force as an increasing numbers of earthquake victims have been re-housed. But at the same time, a new configuration of associations<sup>65</sup> has reformed and is aggressively pressing the post-earthquake agenda.

The "leader" of the post-earthquake movement is Super-Barrio, a Robin-Hood-like lucha libre wrestler whose true

identity is unknown (and unimportant). Dressed in his yellow tights, red cape, and SB-emblazoned superhero wrestler's mask, Super Barrio seems to appear everywhere at once ("Where the people are struggling, I am there...Where there is injustice. . . .etc... etc.").

Super Barrio's sworn adversary is the bureaucracy, the greedy landlord, the political boss, and the state. He leads street protests of tens of thousands of people; and because he ~~loses~~ his superstrength when cut off from the sight of the people, he forces the bureaucracy to negotiate on-the-street (in front of television cameras and reporters) and steadfastly refuses to negotiate in more dignified closed-door sessions.<sup>66</sup>

The Mexican press, naturally, loves Super-Barrio and avidly follows his every move. In August, for example, when Super Barrio announced he would wrestle his arch-enemy Augustino Creel<sup>67</sup> in front of the National Cathedral, the government responded angrily on the basis of the unseemly location. The government's willingness to allow the match (and where it would be held) became an issue of negotiation and the subject of innumerable political lampoons. However, after agreement was finally reached to hold the match behind the Cathedral, the ring was stolen in the wee hours before the match -- prompting taunts, accusations of fraud, government theft, and new waves of protest....

By creating a media hero who symbolizes the lucha of the poor <sup>and</sup> is squared off against the government, the barrio

associations have managed to create considerable excitement and a "cause" that partially substitutes for the momentum lost after the earthquake period. In some respects, the good-humored Super Barrio is in the Yippie<sup>68</sup> tradition of the American protest movement of the 1960s. But he is also equally a highly confrontational, direct-action figure in the most aggressive Saul Alinsky tradition: he breaks the established rules of negotiation (and gets farther as a result), cleverly uses the media, creatively applies public anger and humor, and generally refuses (with 10,000 or so observers behind him) to take no for an answer and go away.

Because of his capacity to embarrass the government, Super Barrio negotiates and commands reluctant attention at the highest levels.<sup>69</sup> The barrio organizations have forced concessions and put on the table an enormous range of sensitive issues that are dead center at the heart of the future urban policy debate.

#### Mexico City as a Glimpse into the Future

To return now to the question that this essay asks, "What is not the same about the urban poor?" And more specifically, "Are there new ways for donors to think about urban poverty?"

One can certainly argue that Super Barrio (who at this writing is energetically running for President of Mexico) has done more for the interests of the Mexican urban poor than have many roomfuls of World Bankers with the best of poverty-oriented sensibilities.<sup>70</sup> Yet even if this is so, the case of Mexico City

need not necessarily preview the future of other Latin American cities -- much less the future of non-Latin American cities or of the rural poor.

Still, I believe that there are important lessons to be learned by closely observing the trend lines of Mexico City. Development donors are looking for new ways to renew poverty lending. Without exception, they are interested in exploring what nongovernmental organizations can, should, and cannot do. Moreover, they are interested in projects that have poverty-oriented policy content. Certainly social movements that rise in cities are nothing new on the Latin American landscape.<sup>71</sup> But on the other hand, the tendency to wearily say la plus c'est la meme chose may cause us to overlook something that is genuinely new: the scale of mobilization among the urban poor, the magnitude of social energy that it has captured, and the certainty that the poor will increasingly be negotiating in their own behalf.

## ENDNOTES

The research for this essay has been variously supported by the Inter-American Foundation, the World Bank, and the Ford Foundation. I wish to thank all three institutions for their confidence and generosity.

1. The annual urban growth rate of the Third World is approximately 3.5% per year, Rafael Salas, The State of World Population 1986 (New York: United Nations Fund for Population Activities, 1986), cited in Lester R. Brown and Jodi Jacobson, "Assessing the Future of Urbanization," State of the World 1987, Lester R. Brown, ed. (New York and London: W. W. Norton for Worldwatch, 1987), p. 39. (For urban growth rates of individual countries and regions, see World Development Report 1987, Table 33, p. 266 (Washington, DC: World Bank, 1987)).
2. Estimates and Projections of Urban, Rural and City Populations 1950-2025, United Nations, New York, 1985.
3. Salas, The State of World Population 1986, cited in Brown and Jacobson, p. 39.
4. Janice E. Perlman, "Megacities and Innovative Technologies," Cities (May 1987), p. 129.
5. UNICEF estimates that in the very poorest countries (which are ranked and classified according to under-5 infant mortality rates), 35% of the urban population lives below the absolute poverty level, contrasted to 65% of the rural population. In slightly less poor countries, the average urban rate is 30%, contrasted to 45% in rural areas. The State of the World's Children 1988, (New York: Oxford University Press for UNICEF, 1988), Table 6, pp. 74-75.
6. John Lewis, Overview, p.

7. Perlman, p. 130. (Note: the source of this 8% figure is not provided in the article. I assume that it is a rough estimate that includes obvious urban infrastructure projects + urban-tagged projects in other sectors. This will be checked out.)
8. "IBRD and IDA Cumulative Lending Operations by Major Purpose and Region, June 30, 1987," The World Bank Annual Report 1987, p. 158.
9. The exception, in both cases, is support for small-scale urban microentrepreneurs, which accounts for 12% of the Inter-American Foundation and \_\_\_% African Development Foundation's total support. For a brief explanation of why the Inter-American Foundation has backed off from its earlier support of self-help housing projects, see "A Snapshot of Decisionmaking at the Inter-American Foundation: A Self-Help Housing Review in Argentina," Grassroots Development, Vol. 9, No. 1 (1985).
10. An excellent discussion of the relative trends in rural versus urban poverty is to be found in "Human Settlements," World Resources 1987, (New York: Basic Books for World Resources Institute and International Institute for Environment and Development, 1987), pp. 25-38.
11. For discussions of urban bias in national development projects, see, for example, Michael P. Todaro and Jerry Stilkind, City Bias and Rural Neglect: The Dilemma of Urban Development (New York: The Population Council, 1981), Judith Tandler, Rural Projects Through Urban Eyes: An Interpretation of the World Bank's New-Style Integrated Rural Development Projects (Washington: World Bank Staff Working Papers, 1982); and Michael Lipton, "Urban Bias and Food Policy in Poor Countries," Food Policy, November 1975 (see Costa Rican case study for example).
12. Governments throughout the Third World have widely experimented with measures to stem cityward migration -- closed city policies, dispersion policies, and rural or regional development policies. These measures have generally been most aggressive in centrally planned economies (for example, Cuba). While migration flows have in some cases been at least partially controlled, reviews of the literature generally confirm that these measures have had little overall success in slowing the growth of primate cities. See, for example, Janice Perlman and Bruce Schearer, "Migration and Population Trends and Policies and the Urban Future," UNFPA International Conference on Population and the Urban Future, Barcelona, Spain, May 1986.
13. ((Cite work by Guy Pfefferman and others.))
14. I recognize, of course, that many colleagues may strongly disagree with this grim assessment of the state-of-the-art. The conclusion is based on review of documents, past personal

experience, and discussions with a wide range of development technicians. The general conclusion, I believe, is reinforced by Per Lejung memo, World Bank Urban Poverty Task Force, and [various] AID documents. ((need ample citation here)). I also recognize that there is currently a great surge of enthusiasm for the "urban informal sector," which is widely viewed as an alternative engine for economic growth. On this matter, I follow Portes and Castells, who find many of these claims ideologically motivated, sociologically naive, and thoroughly divorced from empirical data. That discussion is beyond the scope of the present work, but is taken up in, Annis, forthcoming. To clarify, my conclusion is not that nothing works, but nothing works well or at the level of the problem. No technological equivalent of the Green Revolution exists, where we may say, "The world is awash in houses."

15. ((These "millions" may be apocryphal. They are millions as told to me in interviews. Have to check this.))

16. See, Michael Cohen, "The Challenge of Replicability: Towards a New Paradigm for Urban Shelter in Developing Countries," Regional Development Dialogue, Vol. 4, No. 1 (1983); also Learning by Doing (Washington, DC: World Bank, 1983); Johannes F. Linn, "Urban Housing: Land, Services, and Shelter," in Cities in the Developing World: Policies for their Equitable and Efficient Growth, (Oxford and New York: Oxford University Press for the World Bank, 1983).

17. The point I wish to emphasize here is not that public institutions do not know how to build houses (they do), but that they do not know how to build houses in a fiscally sustainable manner faster than the poor's growing need for houses.

18. Two especially useful summaries of urban policy issues are George Tolley and Vinod Thomas, eds., The Economics of Urbanization and Urban Policies in Developing Countries (Washington, DC: The World Bank, 1987) and Johannes F. Linn, Cities in the Developing World: Policies for their Equitable and Efficient Growth, (Oxford and New York: Oxford University Press for the World Bank, 1983).

19. ((Citations to other chapters.))

20. It goes without saying that what holds true for Mexico City need not necessarily hold true for Rio de Janeiro -- much less for the rest of the world. Other authors will certainly draw different conclusions. However, I do believe that the social-political processes described here roughly correlate with urbanization -- not with the specifics of the Mexican case -- and what we see in Mexico can be expected, with variation, to repeat itself elsewhere.

21. Ricardo Jordan, "Population and the Planning of Large Cities in Latin America," Paper presented at the International Conference on Population and the Urban Future sponsored by UNFPA, Barcelona, Spain, May 19-22, 1986; cited in Brown and Jacobson, op.cit.

22. By the turn of the century Latin America is projected to be 77% urban. North America will be 78% urban; Europe, 79%; East Asia, 79%; and the Soviet Union, 74%. In contrast, China, will be 40% urban; Africa, 42%; and South Asia, 35%). Source: Carl Haub, Population Reference Bureau, 1986 World Population Data Sheet; cited in Brown and Jacobson, p. 40.

23. Estimates and Projections of Urban, Rural and City Populations, 1950-2025, New York: United Nations, 1985.

24. Johanness F. Linn, Cities in the Developing World, (New York and Oxford: Oxford University Press for the World Bank, 1983). See also, Philip M. Hauser and Robert W. Gardner, "Urban Future: Trends and Prospects." In Population and the Urban Future. Report on an international conference, Rome, Italy, September 1-4, 1980. United Nations Fund for Population Activities, 1980.

25. That means: if Netza were in the US, it would be about the 4th largest city in the country. It's nearly the size of Chicago or Los Angeles; more than twice the size of Detroit or Dallas. In the mid-60s, its squatter population grew to 10-20,000 -- and since then, to \_\_\_.

26. The by-the-people argument is enunciated most powerfully in J. F. Turner's two well-known books, Freedom to Build (with Robert Fichter, Macmillan, 1972) and Housing by People (Marion Boyars, 1976) and the many writers that have expanded upon his fundamental insights. See, for example, John Friedman, "The Right to the City" in Development Dialogue Vol. 1 (Uppsala, Sweden: The Dag Hammarskjold Centre, 1987).

27. In 1985-86, Mexico City gained considerable international press notoriety for the large number of people living in makeshift burrows in a hillside garbage dump. The earthquake of 1985 also, literally, blew the lid of abysmal housing conditions -- for example, the azoteros (maids and service sector employees renting space from tenants on the roofs of government-owned Tlateloco housing project); and scores of families who were revealed to be squatting in abandoned warehouses. Nevertheless, in fairness such conditions are not the norm in Mexico City. The sea of the tin-and-tar paper shacks of Lima, LaPaz, Guayaquil, or Guatemala City are, for the most part, the exception rather than the rule in Mexico City.

28. I refer here mainly to post 1950s growth on the first and second contorno of the city. The housing stock for central city residents consists mostly of rented vecindades built between the turn of the century and World War II. ((Fill this out with CENVI and ICEPAC data on percentages of total housing stock built by different means.))

29. ((Indicate that there are, of course, many variants to this "typical" construction process. Use ICEPAC data to indicate %ages of the Mexico City housing stock that comes from various sources, i.e, public housing, old rental stock, modern condominiums, etc.))

30. Alan Gilbert and Peter Ward, Housing, the State and the Poor: Policy and Practice in Three Latin American Cities (Cambridge: Cambridge University Press, 1985); and Gilbert and Ward, "Community Participation in Upgrading Irregular Settlements: The Community Response," World Development, Vol. 12, No. 9 (September 1984), pp. 913-922.

31. The English translation "massification" is borrowed here from the Mexican journalist/urbanist, Angel Mercado, who has articulately explored the social-cultural dimensions of massificacion. See, for example, "Las Masas, Protagonistas del Futuro," La Jornada (April 10, 1985), p. 15.

32. For discussion of urban popular movements in Brazil and Chile see Scott Mainwaring, "Urban Popular Movements, Identity, and Democratization in Brazil," Comparative Political Studies, Vol. 20, No. 2 (July 1987), pp. 131-159; Alexandrina Sobreira de Moura, "Brasilia Teimosa: The Organization of Low-income Settlement in Recife, Brazil," Development Dialogue, Vol. 1 (1987), pp. 152-129; Renato R. Boschi, "Social Movements and New Political Order in Brazil," in State and Society in Brazil: Continuity and Change, Edited by John D. Wirth, Edson de Oliveira Nunes and Thomas E. Bogenschield (Boulder: Westview Press, 1987), pp. 179-212; and Fernando Kusentzoff, "Urban and Housing Policies under Chile's Military Dictatorship 1973-1985," Latin American Perspectives Vol. 14, No. 2 (Spring 1987), pp. 157-186.

33. In Mexico, the term "MUP" is the generic term. "CONAMUP" (Confederacion de los Movimientos Urbanos Populares" refers to a formalized membership organization.

34. The Monterrey "Tierra y Libertad" land invasions of the early to mid 1970s. See Manuel Castells The City and the Grassroots (Berkeley and Los Angeles: University of California Press, 1983), p. 197; and Pedro Moctezuma, "Apuntes sobre la Politica Urbana y el Movimiento Popular en Mexico," Sociologica Vol. 2, No. 4 (Summer 1987), pp. 133-142.

35. INFONAVIT and INDECO

36. FIDEURBE and CORETT. In addition, a key event was the Passage of the "Ley General de Asentamientos Humanos" in 1976, which established many of the groundrules which allowed extralegal settlements to be converted into legal, state-regulated settlements. For an overview of the organizational responses to these actions by the state, see Moctezuma, p. 137.
37. Javier Farrera, Efren Rodriguez and Gloria Tello, El Movimiento Urbano Popular en el Valle de Mexico, "Cuadernos de Dinamica Habitacional, Vol. 4/82 (Mexico City: Centro Operacional de Vivienda y Poblamiento, A.C. (COPEVI), 1982.), pp. 27-28; and Juan Manuel Ramirez Saiz, "Asentamientos Populares y Movilizacion Social," Ei Dia Suplemento Especial, (June 1987), p. 22.
38. Traditionally, an overwhelming proportion of Mexican intellectuals and political leaders have lived in Mexico City and have come from the upper classes (see Roderic A. Camp, Intellectuals and the State in Twentieth-Century Mexico (Austin, Texas: University of Texas Press, 1985), especially pp. 73-98. However, with the "massification" of UNAM in the 1970s, a much wider swath of students from working class backgrounds emerged in positions of intellectual and political leadership (my conclusion from the vantage point of the 1980s, not Camp's). A very large number "paid their dues" through on-the-ground organizational work among the vast poor and working class communities that fed the public university system.
39. Farrera, et.al., p. 55.
40. The ambitious Plan de Desarrollo Urbano in 1980. ((describe briefly))
41. ((a brief history of World Bank loans to FONHAPO goes here.))
42. Cohen, Learning by Doing (World Bank, 1983). Also, Bank project documents related to FONHAPO.
43. Most notably, FONHAPO's current director, Enrique Ortiz, who served a 20 year apprenticeship in the Christian Left and who co-founded and directed, CENVI, the best-known Mexican housing NGO.
44. ((Numbers and %-ages go here.))
45. FONVI, INFONOVIT, AURIS, etc.
46. FONHAPO does not build housing, but is a financial mechanism that lends for construction. FONHAPO is essentially a public trust fund (a fideicomisio), administered by the state-owned Banobras and operating within SEDUE, the Secretariat of Urban Development and Ecology. It represents a relatively small percentage of total public investment in housing (only about 10% in 1986, according to one government official I interviewed). As

recently as 1981-82, over 90% of loans went to public sector entities to finance finished housing. By 1985, lending to the "social sectors" accounted for 67% of FONHAPO's portfolio. Adjusting for size of loans, roughly half of all FONHAPO loans are now going to public sector entities, half are going to nongovernmental community associations and cooperatives, and a very small segment to the traditional "private sector."

47. One public official who I interviewed in 1985 estimated that FONHAPO provides, at most, about 10% of public sector financing for house construction and upgrading.

48. I use here a concept that is eloquently developed by Albert O. Hirschman in Getting Ahead Collectively: Grassroots Experiences from Latin America (Pergamon Press, 1984), and has more recently be developed by Norman Uphoff (Cite Uphoff article here.)

49. See Hirschman, "The Principle of Conservation and Mutatation of Social Energy," op cit., Chapter 4.

50. Barry Carr, "Introduction," The Mexican Left, the Popular Movements, and the Politics of Austerity, Monograph Series 18, Barry Carr and Ricardo Anzaldua Montoya, eds. (San Diego: Center for U.S.-Mexican Studies, University of California, 1986), pp. 1-18.

51. For accounts of the history of CONAMUP, see Ramirez et.al., Mercado, Moctezuma, Hernandez, and Carr. Other coordinadoras are ....

52. Approximately 2 million people -- living in 300,000 housing units -- reside in the colonias affected by the earthquake.

53. However, nongovernment sources say that the dead and injured probably total at least two to three times these official estimates. Church sources estimate that 8,880 (multiple) housing units were destroyed or damaged.

54. ((This statement needs some explanation and discussion.))

55. See Alejandra Massolo, "Que el gobierno entienda, lo primero es vivienda," Sociologia, (April-June 1986), pp. 195-238.

56. Government planners generally favor de-concentration of the central zone of Mexico City. In general, this means moving the poor to more peripheral areas and using high-value, central city real estate for commercial development or centralized functions. The poor vigorously oppose these efforts, of course (the best known case is the barrio of Tepito ((cite sources)) ). For this reason, the most pressing policy question to be immediately decided in the aftermath of the earthquake was whether the

government would use the occasion to finally "rationalize" the City.

57. For description and analysis of the Coordinadora Unica de Damnificados (CUD), see Mas Solo.

58. ((Cite RHP documents))

59. Virtually all elements of the urban popular movement -- with the exception of strident left -- signed and participated in the concertacion. The concertacion was reproduced widely in all newspapers, discussed at length by the electronic media, and reproduced in its entirety as a wall poster that appeared everywhere in the affected areas of the city.

60. Key provisions of the concertacion are: benefitting families will receive their house and lots for debts not to exceed 2.8 million pesos (about US \$4,700 at the then prevailing exchange rate), houses will be a standard 40 square meters (from about 10 alternative floor plans), mortgages will be paid in a maximum of 8.5 years in monthly installments not to exceed the equivalent of 30% of the legal minimum wage (that is, an annual interest rate of about 18%. (I am well aware that the rules, who gets credit for them, and the degree of government adherence is controversial. The government claims greatly underplay the degree to which it was "forced to do anything"; the World Bank views program as an extension of its own highly skilled staff and considerable experience in disaster reconstruction; NGOs and CUD generally give the government credit only for responding to pressure.)

61. The World bank reports 48,800 in "Mexico City: A Remarkable Recovery," The Urban Edge, Vol. 11, No. 8 (Washington, DC: The World Bank, October 1987). ((Other sources....))

62. ((check with Alcira Kraemer and Ned Echeverria for good comparative cases. Guatemala City in 76? Managua in 71?))

63. Houses built under the reconstruction program generally followed the pre-existing vecindad model and provided families with about 40 square meters. The government and World Bank cite construction costs of \$4,080 per unit, with the expectation of 50% eventual cost recovery ("Mexico City," op.cit.). However, some PVOs charge that the government has misrepresented its actual costs and absorbed subsidies in order to drive NGO competition out of the reconstruction process. One knowledgeable estimate is that the government's actual cost could be no less than about \$6,500 per unit.

64. Because of strict rent control that has been applied since the end of World War II, urban properties that house low-income tenants cannot be rented out and well-maintained at a profit to

nonresident property owners. On the other hand, the appreciation of real estate makes central zone properties extremely valuable. Landlords often discontinue maintenance of their properties in order to force out their tenants. They also discontinue payment of property tax or pay out-of-date assessments. The barrio associations argue that such non-taxpaying, semi-abandoned, unsanitary properties in the central city that are being held for speculative purposes are not in the "social interest" and therefore should be expropriated by the state in order to provide building sites for the second phase of the National Reconstruction Program.

65. The most forceful element within MUP is now the Asamblea de Barrios, a confederation that draws upon the damnificado movement, the poor living in nonearthquake central zones, and those in the barrio associations of the outlying zones.

66. To the popular movement, the "closed door" is associated with sell-outs, bribes, offers of jobs, and compromise. By insisting that government officials negotiate awkwardly on the streets -- with a symbol in wrestler's costume and in front of television cameras -- the movement has devised a powerful weapon to counter what it considers its greatest weakness: vulnerability to "cooptation" by the government.

67. The wrestling opponent Augustino Creel is a takeoff on Augustina Creel, a well-known, tightfisted, villainous landlady who appears on a popular day-time soap opera.

68. I trust that non-American readers or readers under the age of 30 are not confused by the difference between Yippies and Yuppies.

69. ((Illustrations go here... letters to and from the president and heads of agencies.))

70. Although one can and should argue that Super Barrio's presence, for better or worse, also has a least something to do with past roomfuls of World Bankers (and others) with poverty-oriented sensibilities.

71. ((Long footnote here briefly noting several past and contemporary urban social movement.))