

City Growth and Community-Owned Land in Mexico City

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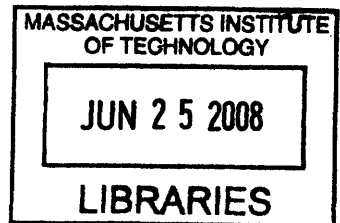
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Abstract

Sixteen years after the promulgation of the reforms to Article 27 that regulates land tenure in Mexico, there is consensus among political authorities, public officials, private investors, and scholars that the outcomes have been completely different than were predicted. In spite of the important changes produced in the legal status, internal organization, and governmental interactions of the agrarian communities, these changes have not translated into a massive privatization of *ejido* lands, and the incorporation of social land into urban development is far below what was expected. Furthermore, new forms of illegal social land sales emerged as a response to the privatization initiative.

In addition to the economic and legal arguments typically used to explain this phenomenon, this research identifies three key factors that also have a strong influence in the *ejidos'* behavior towards land privatization: the hindering effect of community participation on privatization; the permanence of a clientelistic relationship between *ejidos* and government; and agrarian communities' cultural attachment to land. These factors reflect the economic, political, and cultural dimensions of the *ejidos*, something that the ideologues did not take into account when they defined the mechanisms for land liberalization.

Key words: urban expansion, Mexico City, ejidos, Article 27, informal market, regularization, clientelism

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A mis viejos, como siempre

Al pueblo de Chile

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Table of Contents

| | Page |
|--|--------|
| Introduction | 9 |
| Explosive urban expansion and the failure of planning in Mexico City..... | 9 |
| Ejidos and urban expansion in Mexico City..... | 11 |
| Research questions and hypotheses..... | 13 |
| Methodology | 19 |
| Chapter 1: Article 27 and urban development in Mexico | 24 |
| Article 27 and State intervention in agrarian communities..... | 26 |
| Ejido context in 1992: a system in a deep crisis..... | 29 |
| A second agrarian reform..... | 31 |
| Chapter 2: Delimitation, Certification, and Privatization of Ejido Land | 34 |
| The incorporation of social lands into urban development..... | 36 |
| The implementation of PROCEDE and its omission in the DF..... | 37 |
| Land certification by PROCEDE..... | 38 |
| Three ways to incorporate social land into urban development..... | 40 |
| The expropriation of ejido land and the role of CORETT..... | 40 |
| Endowment of ejido land to mercantile societies (joint-ventures)..... | 44 |
| Declaration of land full ownership (dominio pleno)..... | 47 |
| A reform with diluted effects on urban development..... | 48 |
| Chapter 3: Land market in the MAMC after the reforms to Article 27 | 50 |
| Land price behavior in privatized lands..... | 52 |
| Housing supply in Mexico City..... | 57 |
| The displacement of the most deprived sectors..... | 59 |
| The persistence of the informal land market in the MAMC..... | 61 |
| Chapter 4: Case studies | 65 |
| Ejido San Gregorio Atlapulco..... | 65 |
| Ejido San Nicolás Totolapan..... | 67 |
| Chapter 5: The hindering effect of participation | 69 |
| Democracy at the community level: the case of San Gregorio Atlapulco..... | 71 |
| Democracy without participation..... | 72 |
| The participants..... | 74 |
| The ejido way of participation..... | 76 |
| Participation, conflicts and the increase in the transaction costs..... | 77 |
| When participation leads to informality..... | 80 |

| | |
|--|------------|
| Chapter 6: Clientelism and the persistence of the informal land market..... | 83 |
| The democratization of clientelism..... | 85 |
| The political dimension of ejidos..... | 87 |
| The lack of political support for land privatization..... | 90 |
| | |
| Chapter 7: Cultural attachment to land..... | 93 |
| Ejidos as social spaces..... | 95 |
| Preservation of the myth of the ejido..... | 97 |
| Informal land market and patrimony..... | 98 |
| A new approach..... | 100 |
| | |
| Conclusion..... | 102 |
| The Mexican gattopardo..... | 104 |
| Some ideas for the incorporation of ejido land into urban development..... | 106 |
| | |
| References..... | 109 |

Introduction

Cuando despertó, el dinosaurio todavía estaba allí.

Augusto Monterroso, El Dinosaurio

Explosive Urban Growth and the Failure of Planning in Mexico City

Rapid and unplanned urban expansion is a widespread phenomenon in Latin American cities. Recent history provides plenty of examples: Lima, Sao Paulo, Caracas, Bogotá, Rio de Janeiro, Santiago, and many other cities of the region experienced dramatic growth in the midst of the last century. This was the natural outcome of the massive migration of thousands of people from rural to urban areas due to the process of import substitution – and subsequent industrialization of the national economy – implemented by most Latin American countries during that time. This unprecedented process of explosive urbanization completely changed the territorial distribution of many of the countries of the area, which were not prepared to receive the avalanche of unskilled and deprived migrants that arrived in the main cities every day. Faced with this situation, the governments were simply overwhelmed by the challenge of providing housing to the massive wave of newcomers, and what the market supplied was unaffordable for people whose meager income barely allowed them to subsist.

In such a context, the only means by which the immigrants could find affordable housing was by illegally settling in vacant lands usually located in the outskirts of the cities. From an urban planning perspective, the consequences were disastrous: a significant percentage of the population living in precarious conditions in squatter settlements; chaotic public transportation

and traffic congestion; pollution and devastation of the environment; excessive exploitation of natural resources; loss of agricultural land; and in general terms a notorious decrease in the quality of life of most of the urban population.

This phenomenon was experienced in Mexico City with more intensity than in any other place in Latin America. Just to provide an idea of the magnitude of the urban expansion, the population increased from 5.4 million to 9.1 million people between 1960 and 1970 in the Mexican capital. This meant the increase of the urban area from 21,940 to 42,574 hectares in the same period.¹ Currently, more than 19.2 million people live in the metropolitan area comprised of the 16 delegaciones of the Federal District (DF) and 59 conurbated municipalities from the States of Mexico and Hidalgo.² This number makes the Metropolitan Area of Mexico City (MAMC) the second largest of the world, just behind Tokyo.

A direct result of explosive expansion is that more than 5.1 million people (30.3% of the population) lived in squatter settlements in the MAMC by 2001 (Iracheta, 2005). In addition, permanent traffic congestion is the direct outcome of chronic deficit of transportation infrastructure; air pollution reaches critical levels for a great part of the year; and the excessive exploitation of the aquifer has produced both severe problems in the water supply for a significant part of the urban area, and progressive sinking of the city, which reaches an average of 3 inches a year (Legorreta, Contreras et al., 1997).

¹ Source: Instituto Nacional de Estadística, Geografía e Informática (INEGI), <http://www.inegi.gob.mx>, and *Metrópoli 2025*, <http://www.metropoli.org.mx>

² According to the 2005 Population and Housing Census, population in the DF is 8,720,916 people, whereas in the 59 conurbated municipalities is 10,518,994 people. Source: Instituto Nacional de Estadística, Geografía e Informática (INEGI), <http://www.inegi.gob.mx>

Ejidos and Urban Expansion in Mexico City

What makes the Mexican case particularly interesting is the fact that most of the urban expansion in the recent decades has taken place on a type of property that does not exist in the rest of the Latin American cities. A legacy of the agrarian reform implemented as a consequence of the Mexican revolution started in 1910, *ejidos* are rural lands for collective use that currently occupy half of the territory of the country and 2/3 of the land that surrounds the main Mexican cities (Iracheta, 2001.) According to the data provided by the Register and Historical Archive of Agrarian Communities (PHINA), the 370 *ejidos* that currently exist in the MAMC own more than 260,000 hectares of land. This area is equivalent to 2.3 times the urban area of Mexico City, which by the year 2000 was calculated to be 114,000 hectares.³ In other words, due to the magnitude of their participation in land distribution, *ejidos* will always be relevant actors in the urban development of any Mexican city.

The legal status of *ejidos* is framed by Article 27 of the Political Constitution of 1917, which regulates land property in Mexico. This article establishes 3 types of land property: public, private, and social. The latter includes *ejidos* and also *comunidades*, which are areas in which the entire land is entitled to the whole community, and all of its members have the right of exploitation in a collective way.⁴ The most important statement of this article originally pointed out that social property was inalienable, imprescriptible, and non-transferable. In other words, either sale, rent, cession or use of land as a collateral for a loan were explicitly prohibited.

³ Source: *Metrópolis 2025*. <http://www.metropoli.org.mx>

⁴ Since *comunidades* own only 16% of the social property land in Mexico, this study will only analyze the relevance of *ejidos* in urban expansion.

However, what seemed like a system oriented to guarantee the livelihood of many generations of peasants, in practice became a serious urban problem when those communities, originally created for agrarian exploitation, started to be enveloped by the advance of urban sprawl.

As is usual in these cases, the pressure for lands to allocate to the new inhabitants of the cities was much stronger than the legal and institutional framework established both in the Constitution and in the Agrarian Code (*Ley Agraria*). Therefore, an explosive process of informal urban expansion has been experienced within *ejido* boundaries since the midst of the last century. A series of land invasions and irregular sales in which *ejido* leaders, public officials and political authorities were usually involved resulted in 40% of the population in Mexico City living in informal housing by 1980 (Oberai, 1993).

By the early nineties, the situation in urban *ejidos* was completely chaotic, regulated by an obsolete institutional framework that neither government nor *ejidatarios* were willing to respect. As the former director of the Secretariat of the Agrarian Reform Arturo Warman (1994) pointed out, the established system “not only hosted violence and leaderships engaged with speculative interests; it also severely affected the urban development, which had to follow the path created by consummated facts in lands that were supposedly off the formal market.”⁵

In addition, by that time the government was not able to provide new lands to all of the peasants who were not members of the existing agrarian communities, and agricultural production within *ejido* boundaries had fallen to unprecedented levels. This scenario led the government headed by President Carlos Salinas de Gortari (1988 – 1994) to decide to make drastic changes to Article

⁵ Translated from the original Spanish by Rodrigo Díaz.

27, to the laws that regulate land tenure, land use, and natural resources, and to all of the public institutions in charge of agrarian issues.

The reforms, passed in 1992, were in tune with the neo-liberal agenda promoted by President Salinas de Gortari (Vázquez-Castillo, 2004), and were considered a radical change in the way *ejidos* and communities had been treated until that time. Hence, they established a series of lines of action oriented, on the one hand to consolidate the property rights of *ejidatarios*, and on the other hand, to give more flexibility to the members of agrarian communities to administer their lands (Warman, 1994). The latter was the most controversial aspect of the reforms, because it abolished the inalienable, imprescriptible, and non-transferable characteristics that social property lands had had until that time. In practice, these changes allowed *ejidatarios* to create mercantile societies between members of the same community, and between *ejidatarios* and private investors, and, with the possibility given to *ejidatarios* to segregate their individual parcels from the *ejido*, transforming their land into private property which might be legally offered in the land market.

Research Questions and Hypotheses

Sixteen years after the release of the reforms to Article 27, there is consensus among political authorities, public officials, private investors, and scholars that the level of privatization of *ejido* land was significantly lower than expected both by its ideologues and detractors. In spite of the important changes produced in the internal organization of the *ejidos* and in the way they relate to the government, these changes did not translate into a massive privatization of social property lands (Siembieda, 1996; Jones and Pisa, 2000; Olivera, 2005). In fact, and according to the

projections made by the Program of Certification of *Ejido* Rights and Urban Plots Titling (PROCEDE), the incorporation of social land to urban development in the last 16 years should be evaluated as modest (Siembieda, 1996; Olivera, 2005). Furthermore, new forms of illegality emerged as more sophisticated mechanisms for sale adapted to the new legal and administrative frameworks were developed. Although this phenomenon has not been precisely quantified, it is a known fact that ancient informal practices persist, making a significant contribution to the uncontrolled expansion of the main Mexican cities.

In this sense, this research aims to address two fundamental questions:

1. Why the level of land privatization was much lower than expected in urban *ejidos*.
2. Why informal land markets persist when *ejidatarios* have the option to privatize and get a higher price in the formal land market.

Factors traditionally argued by the researchers who have studied the impact of the reforms on urban *ejidos* include the inadequacy of procedures for land privatization, which are extremely bureaucratic and time-consuming, making the incorporation of social land to the formal market economically unattractive (Siembieda, 1996; Jones and Ward, 1998; Jones and Pisa, 2000; Maya, 2004; Olivera, 2005); the insufficient supply of housing oriented to the urban poor, who are obligated to satisfy their needs in the informal market (Siembieda, 1996; Olivera, 2005; Schteingart and Salazar, 2006; Iracheta, 2006); the existence of an institutional framework that in some sense provides incentives for the irregular sales of *ejido* land (Jones and Ward, 1998; Olivera, 2001); and the traditional reluctance of *ejidatarios* to deal with public institutions and private investors (Siembieda, 1996; Aguado and Hernández, 2001; Maya, 2004; Olivera, 2005).

Although all of these factors are valid to explain why the majority of the *ejidos* did not participate in the process of privatization and incorporation of social property land into the urban development, they are not enough to entirely explain this phenomenon. In this sense, this research aims to demonstrate that there are three additional important factors, not considered in the existent literature on *ejido* issues, which enlighten the behavior observed in urban *ejidos* from 1992 to date:

- **The hindering effect of participation and transparency.** Privatization requires the fulfillment of a long and often complicated process comprised of three steps, all of which need the sanction of two thirds of the *ejido* assembly in order to be approved. This research aims to prove that process requirements that involve community participation and transparency of information are a hindrance to privatization and subsequent incorporation of social land to the formal market. In this sense, the common explanation for this phenomenon argues that the development of participatory processes in *ejidos* might be rooted in a collective action problem, in which the more stakeholders are involved in the decision-making process, the more complicated it becomes.

However, what makes the case of the *ejidos* interesting is the fact that never-ending discussions about whether or not to privatize the social land are not the only outcome of participatory processes. In fact, agrarian communities have experienced a significant increase in the number of disputes between *ejidatarios* about the size and limits of parcels and communal areas, an issue that was under control in the past simply because it was not publicly discussed, and because the government managed any conflictive situation within the *ejidos*. In such a context, transactions in the informal land market are simpler and faster, and

the possible disputes are discussed between the stakeholders directly involved, not by the entire community.

In addition, this research challenges the extended idea that reforms increased the relevance of the entire community in the administration of the *ejido*. In fact, rather than increasing the relevance of the *ejido* assembly, the reforms enhanced the power of *ejido* leaders, who usually are reluctant to privatize the land because it could mean the dispersion of their constituencies, and the loss of the economic and political benefits of the special status they have within the communities.

- **The democratization of clientelism.** Due to their importance, *ejidos* have always been an attractive constituency for the political power. The process of democratization that began in Mexico in the mid nineties was far from able to abolish the clientelistic practices developed throughout more than 70 years by the de facto single party political system. In fact, the agrarian realm saw a mutation of the model, characterized by the fragmentation of the stakeholders involved in it. Hence, *ejidos* and comunidades experienced on the one hand the multiplication of public institutions in charge of *ejido* issues, and on the other hand, the enhancement of the influence of new leaders, and the appearance of many interest groups within the communities that struggle for the control of the *ejido* and the subsequent access to political authorities. In this context, social land privatization acts as a disincentive because keeping the communal status of *ejidos* provides them easy access to politicians, services and subsidies, a privilege that most of the private landowners do not have.

Literature shows that Mexico is a highly politicized country in which state has traditionally intervened in the social organizations, so its relationship with agrarian communities would not be an exception. Nevertheless, *ejidos* are the most important and influential organizations in rural and peri-urban areas, and land ownership is the element that differentiates them from other groups. In fact, *ejidos* are probably the only social organizations in Mexico that are attached to a specific territory, so the best way to exercise political influence in the *ejido* realm is by keeping the communities together, something extremely difficult when land is privatized. This is one of the reasons that explain why the state displays the ambiguous behavior of on the one hand promoting privatization and incorporation of *ejido* land to urban development, and on the other hand keeping the package of benefits (subsidies, tax exemption, and grants) that acts as an incentive for preserving the communal status.

- **Cultural attachment to land.** More than commodities that might be transacted in the land market, *ejidos* should be considered as social spaces in which land possession is intrinsically related to the preservation of their identity as communities that are the heirs of the values that inspired the Mexican Revolution. This condition allows *ejidatarios* to enjoy a special status in the Mexican society, translated into preferential treatment given by politicians, public institutions, and the rest of the population.

It might be pointed out that *ejidatarios'* attitude is not unique since many communities consider that their cultural roots are attached to the place they work and live in. Also, *ejidos* have historically sold their land informally, so their behavior would not be coherent with the supposed cultural relationship with territory.

However, in the case of *ejidos* the cultural attachment is not necessarily related to the occupancy of land but to its ownership. In this sense, this research proposes to demonstrate that one of the explanations for the permanence of the informal market is the fact that it allows *ejidatarios* to let others use their lands while retaining its tenure. For them, privatization of land not only means the end of the *ejido* as a social entity, but also the disappearance of the last vestige of the Revolution and its ideals.

Methodology

The research uses both quantitative and qualitative approaches. The first aims to measure the real impact of the reforms in the urban land market in order to establish the levels of land privatization in practice and how the real estate market was affected by the incorporation of social land after the constitutional reforms of 1992. The second approach explores the factors that explain the outcomes of the reforms, both at the *ejido* and urban levels.

The case of the Metropolitan Area of Mexico City (MAMC) will be examined in order to evaluate the three hypotheses presented in the previous chapter. The MAMC was elected as a subject of analysis because it is the place where there was more pressure to incorporate new lands into the urban expansion, and where the phenomenon of illegal urbanization of *ejido* land has historically been expressed most dramatically.

The quantitative analysis includes the 16 *delegaciones* of the DF and the 59 conurbated Municipalities of the States of Mexico and Hidalgo that constitute the periphery of the MAMC. This approach will allow the evaluation of whether the urban processes developed in social lands have had the same characteristics in different urban zones with different institutional frameworks for land privatization.

The analysis of the factors that influence privatization of *ejido* lands will be based on two case studies: *ejido* San Gregorio Atlapulco, located in the *delegación* of Xochimilco, and *ejido* San Nicolás Totolapan, located in the *delegación* of La Magdalena Contreras. They were selected because they represent two different behaviors regarding irregular land sale and privatization. On

the one hand, San Nicolás could be considered the symbol of the informal land market in the MAMC. In fact, all of the expressions of irregularity can be found there (invasions, irregular sales, fraudulent expropriations, etc.). On the other hand, in spite of the significant pressure for selling the land for urban purposes, San Gregorio has traditionally rejected doing that, being the exception of Xochimilco, an area in which four of the six *ejidos* that once existed have already disappeared. In addition, both *ejidos* have different historical backgrounds, which helps identify common patterns to explain the behavior of urban *ejidos* in urban expansion and land privatization.

Structure

The first chapter of this thesis describes the legal framework that regulates land tenure in Mexico, emphasizing the historical importance of Article 27 in urban development and why it was utilized for political intervention in agrarian communities. The chapter depicts the situation of *ejidos* by the early nineteen nineties and why the government of Salinas de Gortari determined to introduce drastic changes to the Constitution that were oriented to give the agrarian communities more autonomy to administrate their lands.

Chapters 2 and 3 evaluate the success of the reforms to Article 27 regarding the level of social land privatization and the incorporation of land to the formal real estate market in the MAMC.

The assessment is done according to four parameters:

- Total area delimited and certified by the PROCEDE in the MAMC since the implementation of the reforms in 1992.

- Total area privatized in the MAMC through the endowment of land for mercantile societies and the adoption of full ownership (*dominio pleno*) of certificated parcels.
- Total area of privatized lands incorporated into the urban development of the MAMC.
- Housing demand and supply in the MAMC.

The first three parameters are evaluated according to data publicly available in the Register and Historical Record of Agrarian Communities (PHINA), developed by the National Agrarian Register (RAN). The assessment of the privatization process also takes into account the information provided by Maya's investigation (2004) on land market and privatization in the MAMC. In addition, data to examine land and housing markets was obtained from the Urban Development Office of the State of Mexico, the Secretariat of Urban Development and Housing (SEDUVI), and the studies carried out by Iracheta (2001, 2005) and Maya (2004).

However, it is worth mentioning that since this research addresses issues related to informality and illegality in land uses, the data available about these topics is not very reliable. In fact, it is very difficult to find adequate information about aspects, such as the price of land in informal markets or the number of people who live in irregular settlements located in *ejido* lands in the MAMC. In this case, information about informality was mainly obtained by interviewing *ejidatarios*, public officials, and researchers.

Chapter 4 presents the case studies utilized in this research: *ejidos* San Gregorio Atlapulco and San Nicolás Totolapan.

Chapter 5 addresses the effect of participation in privatization processes and the persistence of informal land markets in *ejidos*. The indicators to be examined in this section are the characteristics of the requisites established in the procedures for social land privatization, their comparison with the typical transactions in the informal sector, and the occurrence of conflicts within the communities over the discussion of land privatization.

The analysis is based on attendance to periodical community meetings for two months in *ejido* San Gregorio Atlapulco, interviews with *ejidatarios*, *ejido* leaders and public officials, and the review of literature about community disputes produced after the reforms were passed.

Chapter 6 deals with the democratization of clientelism within *ejidos* and how it hampers the goal of privatization and the incorporation of social land into urban development. The analysis involves the mapping of both the public institutions that address *ejido* issues and groups that have emerged within the communities, and their comparison to the relationship that did exist between government, politicians and *ejidatarios* before 1992. Examination was done according to interviews to *ejido* leaders of San Gregorio and San Nicolás, political authorities, and officials of public institutions in charge of *ejido* affairs.

Finally, chapter 7 shows the relationship between the cultural attachment to land and the permanence of the informal market of *ejido* land in the MAMC. This chapter identifies the elements that comprise the *ejido* culture and explains why they are attached to the land that they own. The analysis compares the social characteristics of the *ejidos* that already have sold part of their land with those that have refused to sell theirs. As in the previous two chapters, the analysis

is based on interviews with *ejidatarios*, attendance to periodical community meetings, and a review of literature about this issue.

The interviews took place in the months of August and September 2007 and January 2008. In the case of the *ejidos*, the interviewees were members of the boards of authorities (*Comisariás*), leaders recognized by the community, and *ejidatarios* randomly selected in the case studies. In addition, the research considered the attendance to *ejido* assemblies and ordinary meetings held in San Gregorio Atlapulco during that period. The research also involved meetings and interviews with public officials from the following institutions (Spanish acronyms are indicated in parentheses):

- Secretariat of the Agrarian Reform (SRA)
- Agrarian National Register (RAN)
- Commission for Land Tenure Regularization (CORETT)
- Program of Certification of *Ejido* Rights and Urban Plots Titling (PROCEDE)
- Secretariat of Agrarian Issues of the Federal District
- Trust National Fund for *Ejido* Promotion (FIFONAFE)
- Commission of Natural Resources (CORENA)
- Secretariat of Urban Development and Housing (SEDUVI)
- Delegación of Xochimilco
- Delegación of La Magdalena Contreras
- Balam Consultores

Finally, it is necessary to mention that the identity of the interviewees is confidential, and the names utilized in this research are fictitious.

Chapter 1

Article 27 and Urban Development in Mexico

The contemporary concept of *ejido* refers both to the communities of peasants that have received land from the government for its exploitation, and to the land itself. Its origins in Mexico can be found in the Laws of the Indies (Leyes de Indias) implemented by the Spanish conquistadores in 1523. They defined *ejidos* as “lands placed in the exit of the villages that are communally owned by the inhabitants of those villages. In them people get lumber, spend their free time, and graze cattle without damaging the others.”⁶ Nevertheless, land trusts were common in Mexico even before the arrival of the Spanish conquerors; in fact, a big part of the Aztecs’ agriculture was produced on community-owned lands. However, their use almost disappeared in the following centuries, being replaced by large haciendas owned by few landlords. The agrarian reform implemented after the Mexican Revolution, which was led by many peasant leaders, recovered this traditional form of land tenure that was then consolidated during the presidency of Lázaro Cárdenas (1934 – 1940). Since then, the endowment or restitution of lands benefited more than 3.5 million people grouped in more than 27 thousand *ejidos* all over the country, which occupy half of the Mexican territory. The *ejidatarios*, their family members, and other people who live

⁶ Leyes de Indias, Issue II, Book IV, Title VII, third edition. Quoted by Unanue, Manuel. La Reforma al Artículo 27 Constitucional”, presented in “Mesas del Diálogo para un Política del Campo,” México, 2003. Translation by Rodrigo Díaz

within *ejido* boundaries, called *avecindados*⁷, are one quarter of the total national population (Olivera, 2005).

As was mentioned above, the legal framework of agrarian communities was defined by Article 27 of the Constitution promulgated in 1927. This article, which might be considered the base of the economic and social model promoted by the Revolution (Azuela, 1989; Gordillo, 2007), recognized the right that agrarian communities had to exploit the lands they held in common, obligating the state to endow lands to all of the landless peasants, and also restituting territories to all of the villages that lost them after 1856. In that year, the Law of Desamortization of Dead Hands (*Ley de Desamortización de Manos Muertas*) was passed. It had the purpose of depriving the Catholic Church and some indigenous communities of the lands they owned, which were considered excessive. This law translated into the loss of thousands of hectares from peasant communities as they were appropriated by a small group of landowners (de Unanue, 2003). This was one of the main arguments used by the revolutionaries to justify the insurrection of 1910.

However, the Constitution explicitly subordinated land property to the interests of the entire nation. Thus, the first paragraph of Article 27 indicated that “ownership of the lands and waters within the boundaries of the national territory is vested originally in the Nation, which has had, and has, the right to transmit title thereof to private persons, thereby constituting private property.”⁸ This idea was enhanced in the third paragraph of the same Article, which stated that

⁷ The law defines *avecindados* as “Mexicans, adults, who have had residence in *ejido* lands for more than a year, and have been recognized either by the *ejido* assembly or by the respective agrarian court.” Procuraduría Agraria, *Glosario de Términos Jurídicos Agrarios* 2007.

⁸ Text translated from *Constitución Política de los Estados Unidos Mexicanos*, Trigésima Quinta Edición, 1967, Editorial Porrúa, S. A., México, D. F. Originally published by the Pan American Union, General Secretariat, Organization of American States, Washington, D.C., 1968. Available at <http://www.ilstu.edu/class/hist263/docs/1917const.html>

“the Nation shall at all times have the right to impose on private property such limitations as the public interest may demand, as well as the right to regulate the utilization of natural resources which are susceptible of appropriation, in order to conserve them and to ensure a more equitable distribution of public wealth.”⁹

These terms meant that social property was in an ambiguous situation in terms of land tenure because they established that *ejidatarios* had the right only to usufruct land whose ownership belonged to the whole nation. In other words, *ejidatarios* could economically exploit and live in the land, but they could not enjoy all of the benefits of its full ownership. However, and as some authors point out (Warman, 1994; Gordillo, 2007), the insecurity and precariousness generated by Article 27 were not accidental; they reflected the intent of creating a system in which the state exercised strict political control over the agricultural land and the communities who work and live there.

Article 27 and State Intervention in Agrarian Communities

Article 27 made it clear that the ultimate purpose of agrarian reform was not only to provide land to the historically displaced sectors in Mexico. The aspiration of many of the revolutionary ideologues to establish a peculiar political system in which all of the productive and social areas were controlled by the State was implicit in the Constitution. *Ejidots* would not be the exception.

Thus, Article 27 and its related laws set the legal framework to guarantee the effectiveness of governmental intervention in all of the issues related to the *ejido* realm, from the endowment of lands to the internal organization and administration of the agrarian communities. In this sense,

⁹ Constitución Política de los Estados Unidos Mexicanos, Ibid.

and despite the fact that the communities were theoretically the landholders, in practice their capacity for making decisions about internal affairs was extremely limited (Warman, 1994; de Janvry, Gordillo et al. 1999).

In this context, the most important resolution considered in Article 27 pointed out that social land would be inalienable, imprescriptible and non-transferable. In other words, *ejido* land could not be sold, rented, transferred, used as collateral for a loan, or be subject to taxation, because its purpose was to generate livelihood for the members of the different agrarian communities (Sánchez, 1995). In addition, the hiring of paid external labor was absolutely prohibited within *ejido* boundaries. This series of administrative and organizational prohibitions, which totaled 11, converted *ejidos* into institutions with null autonomy, unable to adapt to changing contexts (de Unanue, 2003).¹⁰

The Agrarian Code, which addresses the issues of internal administration regulation of agrarian communities, was also consistent with the purpose of guaranteeing the governmental intervention in the *ejidos*, providing a series of mechanisms that can be divided into three clearly defined lines of action (Gordillo, 2007):

¹⁰ The eleven restrictions identified by de Unanue (2003) specified that *ejido* lands:

1. Were inalienable
2. Were perpetual
3. Were non-seizable
4. Were not transferable
5. Could not be used as a mortgage
6. Could not be rented
7. Were not taxable
8. Could not be endowed
9. Could not be exploited in *aparcería* (a type of contract between landowner and renter)
10. Could not be exploited indirectly
11. Could not be exploited by foreigners

- **Legalization and supervision of internal processes of decision-making and election of community representatives.** All of the decisions taken by the *ejido* assembly needed the agreement of the governmental institutions in order to be implemented. The State also had to approve the election by the community of the three members of the board of authorities of the *ejido*, called *Comisaría Ejidal*,¹¹ who could also be removed of their charges by the government.
- **Conflict arbitration.** All of the disputes between *ejidos*, between *ejidatarios* and neighbors, and between members of the same *ejidos* had to be arbitrated by governmental institutions specifically created for that purpose.
- **Financial control.** Production of agrarian communities was economically planned and controlled by the government. In fact, *ejidos* could only take loans from public institutions. In addition, the state was the main buyer of their production. The lack of operational flexibility was so significant that even credits assigned for individual parcels needed the approval of the *Comisaría Ejidal*. In this case, the entire *ejido* guaranteed the loan payment, usually using production as collateral.

This system was supported by an enormous apparatus of public institutions, all of them controlled by the same party, that were in charge of the direct control of *ejidos*. These institutions many times provided credits, grants and subsidies to the communities; however, financial aid was usually tied to the political subordination to the government by the *ejido* members, a situation

¹¹ The elected authorities are the three members of *Comisaría Ejidal*: the Commissioner (*Comisario*), the Secretary, and the Treasurer. In addition, three members of the Committee of Internal Control (*Comité de Vigilancia*) are elected. They are in charge of the accountability of *Comisaría*'s behavior.

that created a strong clientelistic relationship between communities and government since the first years of the post-revolution.

Ejido Context in 1992: A System in a Deep Crisis

By the early nineties the outcome of the agrarian policies developed by the government was far from the original purposes promoted by the revolutionaries in the first decades of the past century.

Firstly, the government was facing the serious problem of not being able to carry out what was stated in fraction X of Article 27, which obligated the state to provide land to all those landless peasants that made a request for it. The Mexico of 1990 was not the same as that of the revolutionary days, when most of the population lived in rural areas and there were enough lands to share out among all the agrarian communities of the country. Mexican population had increased 4.9 times in 60 years, from 16.5 million in 1930 to 81.2 million in 1990 (Table 1).¹² In this sense, the calculations made by Warman (1994) in the early nineties indicated that, according to the number of landless communities in existence by that time, it was necessary to count on 523 million hectares to satisfy their possible requests. Needless to say, this was impossible since the total area of Mexican territory is just 196 million hectares.

From an economic perspective, Mexican agriculture was experiencing a severe crisis. Productive performance in *ejidos* was extremely low, technologies utilized were obsolete, and most of the production was exclusively for self consumption (de Janvry, Gordillo, et al., 1999). Therefore, and despite the fact that one quarter of the Mexican population lived within *ejido* boundaries, the

¹² Source: INEGI, <http://www.inegi.gob.mx>

value of what they produced was only 1/13 of the GDP (Warman, 2003). In addition, the processes of rapid urbanization, internal and external migration, and the advanced age of most of the ejidatarios due to the characteristics of the succession system established for the agrarian communities, produced that many of the parcels, especially in urban and peri-urban areas, were abandoned.

Nevertheless, the most serious of all of the consequences was the significant loss of *ejido* land due to invasions and illegal sales for urban purposes. As was mentioned above, for decades *ejidatarios* developed all kind of mechanisms to evade the property and land use regulations established in Article 27, the Agrarian Code and the General Law of Human Settlements (LGAH). According to the data provided by RAN, by 1992 more than 16,000 hectares had been expropriated by the Commission for Land Tenure Regularization (CORETT) to regularize squatter settlements located in *ejido* land only in Mexico City¹³; however, the irregularly urbanized area in the Mexican capital was significantly larger. In addition, many of these settlements were placed in environmentally protected areas, causing an irreversible damage to flora, fauna and natural resources (Vargas and Martínez, 1999; PAOT, 2003; Schteingart and Salazar, 2005).

As was pointed out previously, customers were usually low-income families who were not able to afford housing in the formal market. However, agrarian communities also provided land for the development of residential areas oriented to the wealthiest sectors, favored by a network of corruption that involved ejidatario leaders, informal developers, public officials and political authorities. They created the basis for the informal market that made it possible for thousands of

¹³ Source: Padrón e Historial de Núcleos Agrarios. <http://ran.gob.mx>

hectares to be available for urban expansion in the main Mexican cities (Azuela, 1989; Schteingart, 1990).

A Second Agrarian Reform

Taking into account the scenario described above, the government led by President Carlos Salinas de Gortari (1988 – 1994) passed a reform to Article 27 of the Mexican Constitution in January 1992. This reform, the most radical implemented in the agrarian domain since 1917, considered a substantial change in social property, giving *ejidos* and *comunidades* more autonomy and flexibility to administrate their lands. This included the recognition of agrarian community members as the legitimate owners of the land, replacing the legal figure of the usufruct. The modifications proposed the dismantling of a big portion of the mechanisms for state intervention in agrarian communities, which would mean a significant change in the type of relationships that had been established between *ejidos* and government by then (Gordillo, 2007).

In general terms, the modifications introduced to Article 27 addressed 6 fundamental aspects:

- **Endowment.** The state is no longer responsible for the sharing out of land to new communities due to the impossibility of doing this. In this sense, reforms to Article 27 end the agrarian reform in Mexico.
- **Land Ownership.** The amended Article 27 recognizes agrarian communities as full owners of the land in which they work and live, suppressing the ambiguous legal figure of usufruct of land that belongs to the entire nation.

- **Land Property Concentration.** The concentration of agricultural land in the hands of few landowners is prohibited through the abolition of large estate (*latifundios*). The modified article also points out that no ejidatario will be owner of more than 5 percent of the *ejido* of which he or she is member.
- **Mercantile societies.** The creation of mercantile societies that own social land is permitted. The amended Agrarian Code indicates that “*ejidatarios* and *ejidos* will be able to create *ejido* joint-ventures, rural associations of collective interest, and any type of mercantile or civil societies that are not prohibited by law, for the commercialization and transformation of products, and for the provision of services oriented to improve the activities of *ejidatarios*.”¹⁴
- **Internal Organization.** It is established that the general assembly is the supreme organ of authority in agrarian communities, whereas the *Comisaría Ejidal* is responsible for executing the assembly’s resolutions. This reform frees the *ejido* from state intervention in the internal processes of decision-making and in the administration of the common properties.
- **Agrarian Justice.** The reform created the Agrarian Courts (*Tribunales Agrarios*) and the Agrarian Attorney Office (*Procuraduría Agraria*) as independent institutions in charge of dispute arbitration and justice administration in the agrarian realm.

The modifications related to land ownership and mercantile societies within *ejidos* are the most relevant of the package of reforms, because they dismantled a large portion of the existing administrative obstacles both to the productive exploitation of land and to its free administration and commercialization. Thus, and in the scope of urban development, the *ejidos* were authorized

¹⁴ Agrarian Code, Article 50. Translated by Rodrigo Díaz.

to formally participate in the land market, an area in which they had been informally involved without receiving the benefits of the real value of urban land, and also causing a severe damage to the structure of the cities after adding vast unplanned areas to the urban fabric.

| Year | Population | Urban Population | % Urban | % Rural |
|-------------|-------------------|-------------------------|----------------|----------------|
| 1930 | 16,552,722 | 5,540,631 | 33.47% | 66.53% |
| 1940 | 19,653,552 | 6,896,111 | 35.09% | 64.91% |
| 1950 | 25,791,017 | 10,983,483 | 42.59% | 57.41% |
| 1960 | 34,923,129 | 17,705,118 | 50.70% | 49.30% |
| 1970 | 48,225,238 | 28,308,556 | 58.70% | 41.30% |
| 1990 | 81,249,645 | 57,959,721 | 71.34% | 28.66% |
| 1995 | 91,158,290 | 67,003,515 | 73.50% | 26.50% |
| 2000 | 97,014,867 | 72,406,270 | 74.63% | 25.37% |
| 2005 | 103,263,388 | 78,987,743 | 76.49% | 23.51% |

Source: INEGI, Population and Housing Censuses

Chapter 2

Delimitation, Certification, and Privatization of Ejido Land

The most important outgrowth of the institutions derived from the 1992 reforms was the Program of Certification of *Ejido* Land Rights and Urban Plots Titling (PROCEDE), which had a mission to “give juridical certainty to land tenure through the endowment of parcel rights certificates and/or certificates of rights for the use of common lands, or both according to the case, and also to give property titles to all of the individuals with rights who are members of the agrarian communities that request them.”¹⁵

Participation in PROCEDE was voluntary, and communities needed the approval of two thirds of the assemblies in order to be included on its register. It is important to mention that involvement in PROCEDE did not mean the privatization of the social land, only the delimitation of the three different types of land tenure that might exist within the *ejido* boundaries: common land, parcels, and human settlement areas. The certification process involves a sequence of three stages, evaluation, delimitation, and final agreement, and each one of them also needs the support of two thirds of the assembly to be approved.

Regarding the areas assigned for human settlements, Article 63 of the Agrarian Code points out that, like in the pre-reform times, they are inalienable, imprescriptible and non-seizeable.

¹⁵ PROCEDE, Definición y objetivos. Available at <http://www.pa.gob.mx/procede>. Translated from the original Spanish by Rodrigo Díaz.

In the case of common use lands, Article 73 of the Agrarian Code defines them as those “assigned to provide livelihood for the communitarian life within the *ejido*.”¹⁶ As in the case of the human settlements, these lands are still inalienable, imprescriptible and non-seizeable after the implementation of the reforms. Nevertheless, Article 75 of the same code indicates that “in cases of evident usefulness for the *ejido* members, they will be able to transmit land tenure of common use lands to mercantile or civil societies in which *ejidatarios* participate according to the procedures established in the Article.”¹⁷

Finally, parcels are regulated by Article 76 of the Agrarian Code, which indicates that “*ejidatarios* have the right of exploitation, use and usufruct of them.”¹⁸ However, these rights can be sold to other *ejidatarios* or *avecindados* from the same community (Article 80). This does not mean the privatization of the parcels, only the sale of the rights for using and economically exploiting them. In this scenario, land ownership still belongs to the entire community.

However, what differentiates parcels to the common use lands and those assigned for human settlements is the fact the Agrarian Code permits the full transformation in private property of the first through the adoption of full ownership (*dominio pleno*) in the areas determined by the *ejido* assembly (Article 81.) Once the assembly approves this procedure, the National Agrarian Register (RAN) segregates them from the rest of the *ejido*, providing the respective property title to the landowner. Thus, these parcels no longer have a relationship with the *ejido*, and they have the same legal status as the rest of private properties in Mexico (Article 82).

¹⁶ Translated from the original Spanish by Rodrigo Díaz.

¹⁷ Translated from the original Spanish by Rodrigo Díaz..

¹⁸ Translated from the original Spanish by Rodrigo Díaz..

Once *dominio pleno* is given to a parcel, its owner can freely trade it in the formal land market, and thusly can be utilized for urban purposes if it is permitted by the respective land use regulations.

The Incorporation of Social Lands into Urban Development

After examining the reforms to Article 27 and Agrarian Code, it becomes clear that they were not only oriented to increase the productivity of agrarian communities by the dismantling of a series of mechanisms of state control and bureaucratic barriers that impede them from becoming masters of their own destiny. Implicit in these modifications was the purpose of liberalizing the land market, especially in urban areas. These changes recognized the right of every *ejidatario* to be a participant in the urban development process and allowed them to take advantage of the added value that urban expansion might generate in their lands. Thus, the modifications allowed a major increase in the stock of urban land for the development of real-estate projects. Legal urban land had become scarce by the early nineties, significantly rising its value. Therefore, both government and private real estate developers desperately needed to increase the stock of land in order to supply the needs of a demand that otherwise would have been fulfilled by the informal sector.

According to these circumstances, in 1996 the federal government created the Program of Incorporation of Social Land to the Urban Development (PISO), which aimed to “promote the controlled and sustainable development in the cities through the inclusion of apt *ejido* and

communal lands to the urban and real-estate development.”¹⁹ In this sense, PISO functioned as a coordinating entity between the three levels of government (federal, state, and local) and the agrarian communities in order to facilitate the incorporation of social land to satisfy the cities’ requirements of housing and infrastructure.

The Implementation of PROCEDE and its Omission in the DF

PROCEDE was implemented in the 32 states of the Federation but not in the Federal District (DF). The reasons behind this decision are not completely clear, and no official document explaining it is publicly available. In fact, those who were interviewed for this thesis project argued three different reasons to explain this omission:

- Political reasons, based on the importance of the DF in the national context, elicited an exclusive administrative and legal status that differentiates it from the rest of the country. However, this argument is weak because the Governor and the 16 mayors (*delegados*) of the DF were all members of the same political party and were directly designated by the President of the Federation by the time the reforms were passed.
- By 1992, *ejidos* in the DF had only 12,670 hectares of land shared out in 46 communities, which represented an extremely low percentage of the national area of social property lands. Thus, it was not worthwhile to implement a Program to accommodate such a small number of cases. However, and although *ejido* lands in the DF represent less than 5% of the total social

¹⁹ Programa de Incorporación de Suelo Social (PISO). Estudios Agrarios No 7, abril – junio 1997. Available at <http://www.pa.gob.mx/publica/revista7/piso.pdf>. Translated from the original Spanish by Rodrigo Díaz..

property lands in the ZMCM, their relevance is significant, because they include those who face more pressure for urban expansion within their boundaries.

- Implementing PROCEDE in the DF would have left the door open for its total urbanization, including the 59% of the territory that is subject to environmental protection, and which is mainly owed by *ejidos* and *comunidades*. However, and as it was pointed out above, the purpose of PROCEDE was only the certification of *ejido* rights; thus, there is no direct cause-effect relationship between this procedure and the privatization of land for their incorporation to urban development.

According to these reasons, the exclusion of PROCEDE in the DF does not ostensibly make sense. It discriminated against an already vulnerable group of *ejidatarios* who needed a stronger delimitation of their lands in order to regulate the urban expansion and to preserve all of the areas assigned for conservation or agricultural exploitation. Worthy of mention is that *ejidos* and *comunidades* in the DF have the same rights, stated both in Article 27 and Agrarian Code, which the rest of the Mexican agrarian communities also have. However, the lack of a public institution that promotes and facilitates their ability to exercise their rights situates the *ejidos* in the DF in more disadvantaged condition than the other agrarian communities in the rest of the country.

Land Certification by PROCEDE

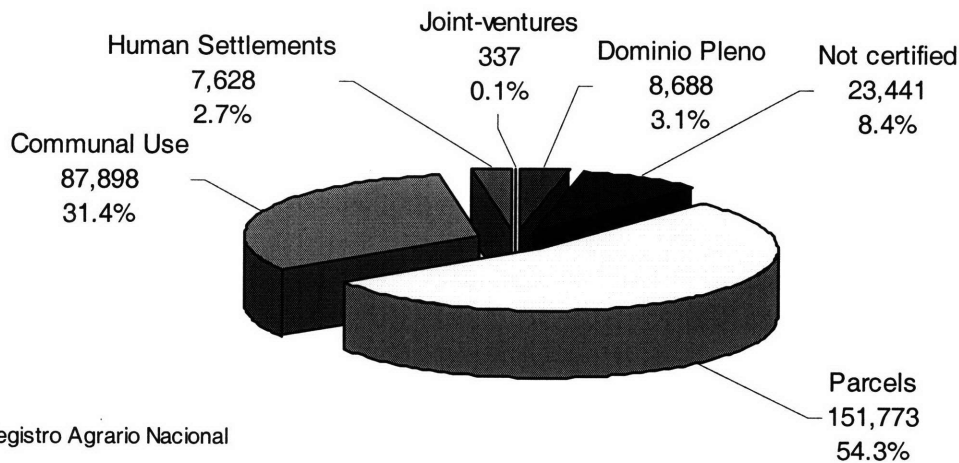
By December 2006, when the final results of the Program were announced, 28,863 agrarian communities, which represent 96% of the national total, had voluntarily decided to participate in it. Among them, 27,752 (92.6% of the national universe) had delimited their lands, which translated in the sharing out of more than 5 million certificates for 25.2 million of hectares of

individual parcels. In addition, the 1,942 certificates for common use lands represent nearly 60 million hectares. Considering the 324,000 hectares assigned for human settlements within *ejidos* and *comunidades* boundaries, PROCEDE delimited and certified more than 85 million hectares, benefiting a diverse group of 4,259,777 people, including *ejidatarios*, *comuneros*, *poseionarios* and *avecindados*.²⁰

In the case of Mexico City, the process of social land certification delimited 256,323 hectares divided in 160,461 hectares assigned for parcels (63%); 86,728 hectares assigned to common use lands (34%); and 7,627 hectares assigned to human settlement areas (3%). In the latter case, the settlers received property titles, so their plots were segregated from the *ejido*.

After the certification, 8,687 hectares of parcels were privatized after the adoption of *dominio pleno*. Thus, by April 2008 the tenure subdivision in the *ejidos* of the MAMC is the following:

Graph 1. Social Property in the MAMC (hectares)



Source: Registro Agrario Nacional

²⁰ Source: Registro Agrario Nacional, Dirección de Titulación y Control Documental. Avance del PROCEDE Histórico (1993 to June 30, 2006)

Only one of the *ejidos* of the DF delimited and certified its territory (San Mateo Tlatenango) in order to endow lands for the creation of 3 mercantile societies. Since PROCEDE was not implemented in the DF, the procedure was done by the Office of Agrarian Issues of the DF. In the case of the conurbated municipalities of the States of Mexico and Hidalgo, 33 of 332 *ejidos* did not participate in PROCEDE. The total area of these *ejidos* is 21,901 hectares, which represent 8.3% of the *ejido* land in the MAMC.²¹

Three Ways to Incorporate Social Land into Urban Development

After the reforms of 1992, there are three ways to incorporate social land to urban development in Mexico: expropriation, endowment of communal lands to mercantile societies, and privatization of parcels through declaration of *dominio pleno*. The impact of each one of these options is examined in order to evaluate the circumstances in which they have been utilized and whether or not they have been successful in the purpose of incrementing the land available for urban expansion in the MAMC.

The Expropriation of Ejido Land and the Role of CORETT

When the Constitution of 1917 stated that all the land and water in Mexico belong to the entire Nation, it provided the legal framework to consider the land of agrarian communities as areas available for the implementation of works oriented to satisfy public interest through expropriation.

²¹ Source: Registro Agrario Nacional, Padrón e Historial de Núcleos Agrarios (PHINA). The reasons argued to explain why these *ejidos* did not participate in PROCEDE are the existence of boundary disputes with other communities; the invasion of lands; pending lawsuits in agrarian courts and legal conflicts with other *ejidos* or neighbors; internal problems; and the voluntary refusal to participate in the case of two *ejidos* (Santiago Tepetlaxco and Nicolás Romero, located in the municipalities of Naucalpan and Nicolás Romero respectively).

According to PHINA, there were 941 land expropriations from 1934 to 2007 in the ZMCM. The 41,613 hectares expropriated are more than one quarter of the current urbanized metropolitan area. Nevertheless, not all of the lands expropriated have been incorporated into urban development (some areas were assigned for works like oleoducts, antennas, or artificial lakes), so it is almost impossible to accurately assess the areas finally used for urban expansion.

Table 3 shows that 72.5% of the expropriations took place before 1992. It is also notable that the differences between DF and the conurbated municipalities that are part of the MACM are significant in this aspect. Thus, 47% of the total areas expropriated before 1992 were located in the DF. However, DF's participation in the total areas segregated in the ZMCM has declined to only 14.5% since that time. This is a direct reflection of the urban expansion in the peripheral areas of the cities, but is also a consequence of the increase in the cost of expropriations, which currently have to be compensated according to the market value of the properties. In the case of the DF, this value is much higher than in the surrounding municipalities. A direct outcome of this is the fact that the average area expropriated in the DF decreased from 75.77 hectares in the period 1934 – 1991 to 33.84 hectares between 1992 and 2007 (table 4). In the case of the conurbated municipalities, in the same periods the average expropriated area increased from 31.79 to 48.58 hectares. In other words, the large scale expropriations moved from the central zones to the periphery, where land is still available in large lots at a low price. In the case of the DF, the government currently tries to minimize both the number and area of expropriations there because the cost of these procedures has significantly increased in the last 16 years.

The data available also shows that, at least in the case of the MAMC, it is not clear if a pattern exists to explain the number of expropriations and areas segregated from *ejido* lands throughout

time. However, it is noticeable that the largest number of hectares segregated from *ejido* land coincides with the term of President Carlos Salinas de Gortari (1988 – 1994), at the same time that reforms to Article 27 were being discussed (Graph 2).

| | D.F. | Conurbated Municipalities | MAMC |
|-----------------------------------|------|---------------------------|------|
| Expropriations before 1992 | 187 | 504 | 691 |
| Expropriations after 1992 | 49 | 201 | 250 |
| Total | 236 | 705 | 941 |

Source: Registro Agrario Nacional. Padrón e Historial de Núcleos Agrarios (PHINA)

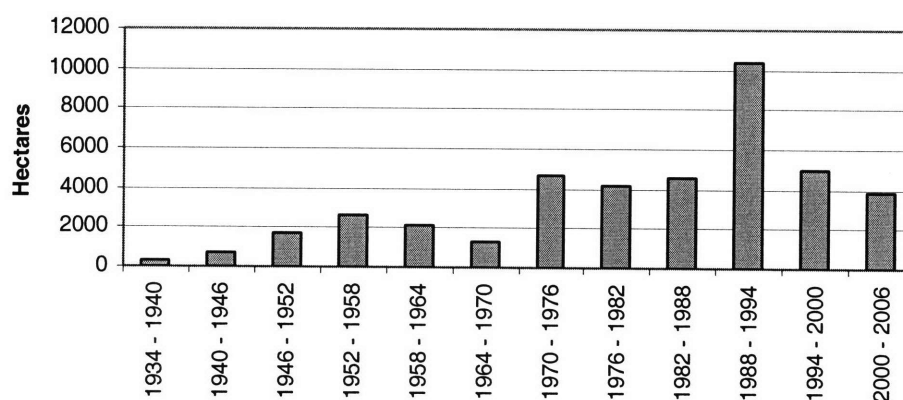
| | D.F. | Conurbated Municipalities | MAMC |
|-----------------------------------|-------------|---------------------------|-------------|
| Expropriations before 1992 | 14,168.9508 | 16,021.1429 | 30,190.0937 |
| Expropriations after 1992 | 1,658.0460 | 9,765.0316 | 11,423.0776 |
| Total | 15,826.9968 | 25,786.1745 | 41,613.1713 |

Source: Registro Agrario Nacional. Padrón e Historial de Núcleos Agrarios (PHINA)

| | D.F. | Conurbated Municipalities | MAMC |
|-----------------------------------|---------|---------------------------|---------|
| Expropriations before 1992 | 75.7698 | 31.7880 | 43.6904 |
| Expropriations after 1992 | 33.8377 | 48.5822 | 45.6923 |
| Total | 67.0635 | 36.5761 | 44.2223 |

Source: Registro Agrario Nacional. Padrón e Historial de Núcleos Agrarios (PHINA)

Graph 2. Areas Expropriated in the MAMC



By the mid seventies the high number of irregular settlements spread out on social property land reached a magnitude that made it necessary to regularize land tenure on them as the only way to integrate these informal areas into the urban fabric. In this case, regularization meant the segregation from *ejidos* and *comunidades* of all of those areas invaded or illegally sold, transforming them into private property regulated by a different legal and administrative framework. That is why the government of Luis Echeverría (1970 – 1976) decided to create the Commission for the Regularization of Land Tenure (CORETT) in 1976 with the purpose to “regularize urban land tenure in those settlements located both in federal and in social property land (*ejidos* and *comunidades*).”²²

16,126 of the 41,613 hectares expropriated in the MAMC are part of the land tenure regularization process nationally carried out by CORETT since 1976.²³ However, these expropriations do not necessarily correspond to all of the irregular settlements located within *ejido* boundaries. All of those settlements located in areas in which urban development is prohibited are precluded from being regulated by CORETT.

As table 6 shows, two thirds of the expropriations led by CORETT in the MAMC took place before 1992. In this sense, it is interesting to see that between 1976 and 1991 the total area expropriated in the DF was almost the same as the total area expropriated in the conurbated municipalities. However, since 1992 most of the work developed by CORETT has been focused on the peripheral municipalities, which include 76% of all of the expropriations executed since then. This fact would confirm that in the last decades, the informal land market has moved from

²² CORETT, <http://corett.gob.mx>. Translated from the original Spanish by Rodrigo Díaz..

²³ Source: PHINA, <http://www.ran.gob.mx>

the DF to the periphery, where land is still available and affordable for the lowest-income sectors of the MAMC.

Unfortunately, there is no available data about the age of each of the regularized informal settlements, rendering it impossible to establish whether or not they were founded prior 1992. However, there was consensus among the interviewees who work in public institutions that informal urban expansion within *ejidos* is still a common practice in most of the agrarian communities of the MAMC, especially those located in the conurbated municipalities of the States of Mexico and Hidalgo.

| | D.F. | Conurbated Municipalities | MAMC |
|--|-------------|----------------------------------|-------------|
| Regularization CORETT before 1992 | 5,263.1518 | 5,490.1356 | 10,753.2874 |
| Regularization CORETT after 1992 | 1,284.6455 | 4,088.9588 | 5,373.6042 |
| Regularization PROCEDE | 0.0000 | 6,716.1575 | 6,716.1575 |
| Total | 6,547.7972 | 16,295.2519 | 22,843.0491 |

Source: Registro Agrario Nacional. Padrón e Historial de Núcleos Agrarios (PHINA)

Endowment of Ejido Land to Mercantile Societies (Joint-Ventures)

Regarding the endowment of certified common use lands to mercantile societies, there is no doubt that the outcome of this mechanism for land liberalization is well below what it was originally expected by the promoters of the constitutional reforms to Article 27. Thus, and despite that the creation of joint-ventures was the way the government preferred to incorporate social property land to the urban development (Olivera, 2005), only 40,893 hectares from *ejidos* and *comunidades* have been provided at the national level for the creation of mercantile societies with private investors. In fact, almost half of this area, 20,411 hectares, belonged to the *ejido* Pich,

located in the State of Campeche, though those hectares were not even assigned for urban development, but instead for the creation of a society aimed to develop projects related to agriculture and forest.²⁴

In the case of MAMC, only four *ejidos*, one in the DF and three in the State of Mexico, have chosen to participate in joint-ventures. The area assigned by all of them for the development of private projects is 428.82 hectares, which represent only 0.1% of the ejido land that did exist in the MAMC by 1992. Three of the newly created societies are oriented to the development of residential projects oriented to high-income households, whereas the other society was created for the development of an industrial area (Table 6).

| State | DF | México | México | México |
|--|---|------------------------|--------------------|----------------------|
| Municipality | Cuajimalpa | Cuautitlán Izcalli | Cuautitlán Izcalli | Texcoco |
| <i>Ejido</i> | San Mateo Tlaltenango | San Francisco Tepojaco | La Piedad | Santiago Cuautlalpan |
| Endowed Area | 116.8740 | 220.1316 | 55.2237 | 54.9848 |
| Purpose | Residential – Golf Course | Residential | Residential | Industrial |
| % of Shares Assigned to <i>Ejidatarios</i> | 3 societies, in which share participation varies between 10 and 48% | 27.00% | 40.00% | 30.00% |

Source: Maya (2004) and Registro Agrario Nacional. Padrón e Historial de Núcleos Agrarios

There are three basic reasons that explain the low level of endowment of *ejido* lands for the formation of mercantile societies:

- The endowment process is usually long and highly complex. In this sense, it is also necessary to consider that most of the public institutions are not prepared to support the implementation

²⁴ Procuraduría Agraria, information available at <http://www.pa.gob.mx/visitador/num60/campeche.htm>

of societies that combine private and social capitals, and which organization and administration significantly differ from the rest of the private companies (Olivera, 2005).

- The *ejidatarios*' distrust towards the private sector. This is based on the inequality on the structure of the *ejido* mercantile societies, expressed by the fact that agrarian communities cannot hold more than 50% of the shares of the societies. Thus, these societies can be easily controlled by the private investors, who not only have the administration and finance knowledge that *ejidos* lack, but also can take advantage of the favorable status they have in the administration boards of the societies (Maya, 2004; Olivera, 2005). In fact, and as many of the interviewees pointed out, it is publicly known that fraudulent acts against *ejidatarios* are a common practice in the few *ejido* mercantile societies that do exist. Therefore, a perception held by some scholars (Jones and Pisa, 2000; Maya, 2004) is that risks and benefits are not equally shared in this class of joint-ventures, which require a more balanced administrative structure in order to be attractive for the agrarian communities. Illustrative are the opinions expressed by Clemente Angeles, Commissioner of *ejido* San Mateo Tlatenango, located in the Delegación of Cuajimalpa, DF, which contributed through expropriation and land endowment with 226 of the 250 hectares of Santa Fe, an enormous real estate project comprised by office buildings and high-end residential areas:

“We have always been damaged; we have endowed 116 hectares to Santa Fe, Río Santa Fe and Santa Fe Golf Course. They told us we were going to be partners, and in the end of the day they left us off the business.”²⁵

²⁵ El Universal, August 7, 2007. Translated from the original Spanish by Rodrigo Díaz. The article indicates that *ejido* San Mateo Tlatenango had agreed a price of 2,000 per square meter for the expropriation of an area assigned

- Distrust from the private sector towards *ejidos*, who are perceived as problem and unreliable partners. In fact, experience demonstrates that reaching agreements with *ejido* communities is an extremely difficult and time-consuming process, and these agreements can be easily reversed at the behest of the *ejido* assembly. As Jones and Pisa (2000) point out, “private developers appear to have been constantly frustrated by the apparent inability of *ejidos* to take simple majority decisions and the *ejidatarios* belief that all decisions can be reversed.”

Declaration of Land Full Ownership (Dominio Pleno)

According to PHINA, 8,687 hectares have been disaggregated from *ejido* communities in the MAMC by the declaration of *dominio pleno* of parcels previously delimited and certified by PROCEDE. Although Mexico City is the place where more pressure exists for the incorporation of new land to urban expansion, and thusly land price is higher than in the rest of the country, the level of land privatization between 1992 and 2007 should be considered as modest, reaching only 5.4% of the total of certified parcels and 3.3% of the *ejido* land that did exist in the MAMC by 1992. Thus, by year 2000 it was expected that *ejidos* provided 11,100 new hectares for urban expansion in the MAMC (Setién, Mora et al., 1999). However, and according to the data provided by RAN, by April 2007 that goal still had not been reached. In fact, by the current date only 10,000 hectares have been privatized. In addition, and as it was indicated above, *ejido* land privatization does not necessarily mean the incorporation of all the segregated lands to the urban land market. In many cases *ejidatarios* asked for the declaration of *dominio pleno* in their parcels

for the construction of a transportation node that will help to diminish the traffic chaos generated by Santa Fe, a private development which problems are solved with public financing. The compensation for the 13,569 square meters to be expropriated will be 54 million pesos (about 5 million dollars), an amount of money unthinkable a couple of decades before. However, some experts consulted indicated that the price agreed is well below the real market value in the area.

just so they could continue to work in agriculture without depending on the decisions of the *ejido* assembly. Other *ejidatarios* see the change of status to *dominio pleno* as a way to protect their parcels against possible invasions by settlers (Maya, 2004).

In one of the few studies on the impact of reforms on land liberalization in the MAMC, Lucy Maya points out that a significant part of the *dominio pleno* certificates in the State of Mexico were given to *ejidatarios* who had parcels in the zones where demand for urban land was higher, especially those located in close proximity to main roads. This situation would demonstrate the willingness from *ejidatarios* to sell their land for the development of real-estate projects. However, by June 2001, which is the most recent publicly available data, only 5 *ejidos* had sold segregated parcels to real-estate developers. The total sold area was 1,245.1 hectares, well below what was originally expected to satisfy the land requirements for urban expansion in the MAMC, especially considering that only 56% of the housing projects developed there were oriented to low-income families. Moreover, all of the projects built between 1992 and 2002 in the 4 municipalities that concentrate the largest number of affordable houses in MAMC (Tecámac, Ixtapaluca, Nicolás Romero, and Tultitlán) were developed either in private or federal land, but not in privatized land segregated from *ejidos*, even though they were available in the area (Maya, 2004.) Other parcels have also been sold to private individuals for the construction of single-family houses, but unfortunately there is no data available about the magnitude of this market.

A Reform with Diluted Effects on Urban Development

According to the data presented above, it is clear that reforms to Article 27 were far from ending social property in Mexico, because even in the most populated area of the country, where

pressure for new land is significant, the number of privatizations did not even reach the 5% of the land certified by CORETT. This situation has a deep impact on urban development, because it is evident that *ejidos* and *comunidades* are not supplying the urban land they were supposed to provide to satisfy the housing and infrastructure needs of the Mexican cities. Furthermore, there is enough evidence to demonstrate that, despite all of the governmental efforts and incentives to eliminate irregular urban practices, uncontrolled and informal urban expansion within *ejido* boundaries has continued since 1992.

Chapter 3

Land Market in the MAMC after the Reforms to Article 27

As it was mentioned in previous chapters, it was expected that massive privatizations of social property land would take place after the reforms to Article 27 were approved, resulting in a significant increase in the land available in the real estate market.

A review of the literature published immediately before and after the reforms were passed in 1992 indicates that the following outcomes were expected in the urban sphere:

- An explosive growth of urbanized areas due to an increase of the urban land available in the periphery of the cities (Warman, 1994).
- A significant increase in the price of *ejido* land located in areas assigned for urban expansion in zoning plans due to the possibility of privatization and sale in the formal land market.
- A progressive decrease in the overall price of urban land due to the augment of land available for the development of real estate projects. The market adaptation would allow the construction of projects oriented to the lowest-income households, who were the traditional buyers in the informal market of *ejido* land.
- The displacement of low-income families to the outskirts of the city due to the increase in the price of the *ejido* land located in more centralized areas (Eibenschutz, 1994).

- Increasing difficulties for the development of public works given the fact the expropriation of private land is much more expensive and complicated than the social land (Schteingart, 1994; Vázquez Castillo, 2004).
- A substantial diminishing in the number of illegal sales of *ejido* land (Warman, 1994), but a probable re-emergence of land invasions by low-income families who cannot afford land in the formal market.

Nevertheless, it is clear that the privatization of *ejido* land occurred to a much lesser degree than that which the reforms' promoters expected. Moreover, a large portion of the land segregated from agrarian communities was not destined for urban development, but for agricultural uses. Although it is difficult to make an accurate assessment of the effects of the reforms on the urban land market due to the scarcity of reliable and updated data, it is possible to see some noticeable outcomes:

- Significant differences among the prices paid for privatized lands sold in the real estate market.
- There was not a decrease in the overall price of urban land. In fact, the lands that were available in the formal market did not experience a decrease in their price, but the privatized lands segregated from *ejidos* increased their commercial value compared to the price that they had in the informal market.
- The displacement of the lowest-income households to areas located in the extreme outskirts of the city.

- The informal *ejido* land market still remains. Despite the incentives offered by the government for the privatization and incorporation of *ejido* land to urban development, it is a fact that illegal practices still persist in *ejidos*, which are providing land to all of those households who cannot afford land in the formal market or who are not satisfied with the housing that the market offers them.

Land Price Behavior in Privatized Lands

Data regarding the price of privatized lands after the adoption of *dominio pleno* is scarce. Nevertheless, the opinions given by the interviewees in this research project are consistent with those in the limited number of secondary sources available, which contend that the reforms produced 3 noticeable impacts on the real estate market:

- 1) Despite the fact that privatized lands located in urban expansion areas experienced a noticeable increase in their value, *ejidatarios* have been reluctant to sell them completely to real estate developers and private individuals. In all of the cases reported *ejidatarios* reserved part of the parcels for themselves, either to continue farming on their lands or to establish a residence for themselves and their families (Maya, 2004). In fact, no *ejido* has privatized more than 58% of its area in the MAMC since 1992.²⁶ In this sense, most of the *ejidatarios* think that land sale might be an excellent business in the short-term, but one that does not guarantee their livelihood in the future. Experience shows that many *ejidatarios* who sold their parcels soon depleted all the income obtained from the transaction, so the majority prefers to not risk the economic future of their families by selling them off completely. In a

²⁶ Source: Registro Agrario Nacional, Núcleos Agrarios que Adoptaron el *Dominio pleno* de Parcelas Ejidales y Aportación de Tierras de Uso Común a Sociedades Mercantiles. Available at <http://www.ran.gob.mx>

sense, many *ejidatarios* have come to consider their ownership of *ejido* parcels as a sort of life insurance policy.

This behavior is consistent with the historical patterns the informal sale of *ejido* land. In most cases, although significant areas of portions were sold for informal urban development, *ejidatarios* were always concerned with keeping part of the *ejido* for themselves as a preserved land. In fact, none of the 46 disappeared *ejidos* of the MAMC (39 in the DF and 7 in the State of Mexico) sold the totality of their land for urban uses. If these *ejidos* no longer own land in the MAMC it is because it was either expropriated by the government or exchanged for lands located in neighboring states.²⁷

- 2) There is a significant difference between the price of land sold to real estate developers and the land sold to private individuals. The research carried out by Maya (2004) demonstrated that real estate developers paid much less than private individuals for privatized land located in urban expansion areas. In the case of the developers, the research shows that location within the State of Mexico did not have a significant impact on the price of land, whereas in the case of private individuals the differences are considerable. In the latter case it is possible to notice that the most expensive lots were sold at a price 18 times that of the most inexpensive lots (Maya, 2004.) However, the lowest price paid by a private individual buying privatized *ejido* land in the MAMC is still higher than the highest price paid by a real estate developer, which was 160 Mexican pesos per square meter (please refer to row corresponding to the *ejido* Santa María Chiconautla, Ecatepec in Table 7).

²⁷ 16 *ejidos* originally placed in the DF exchanged their lands for territory located in other states, though they are still considered part of the DF from the administrative perspective.

The reason for this phenomenon is that real estate developers usually buy large portions of land, which include areas that are not apt for urbanization or that will be used for the street network and public spaces (usually no more than 70% of the area of a residential development is assigned to plots for sale). Meanwhile, parcels sold to private individuals generally do not have to consider areas for urbanization. In addition, it is necessary to take into account that real estate developers, given their experience and the large scale of the projects in which they participate, can negotiate more convenient prices with *ejidatarios* than private individuals. In this sense, it is worth mentioning that all those *ejidatarios* who sold their land in the years immediately after 1992 usually got less money for their parcels than those who sold them in recent years, who have developed better negotiation skills and have a more accurate knowledge about how the land market works in the MAMC (Maya, 2004).

| Ejido | Municipality | Investor | Ejido Area (a) | Area Dominio Pleno (b) | Area Incorporated Urban Dvpt (c) | % of total Ejido Area (c/a) | % of Dominio Pleno (c/b) | Sale Price (pesos/sq meters) ²⁸ |
|--------------------------|--------------|--------------------|----------------|------------------------|----------------------------------|-----------------------------|--------------------------|--|
| San Bartolomé Coatepec | Huixquilucan | Real Estate | 471.14 | 268.02 | 271.90 | 57.71% | 101.45% | 110.00 |
| San Cristóbal Texcalucan | Huixquilucan | Real Estate | 615.90 | 435.93 | 271.20 | 44.03% | 62.21% | 110.00 |
| Coacalco | Coacalco | Real Estate | 707.06 | 206.63 | 201.10 | 28.44% | 97.32% | 110.00 |
| Santo Tomás Chiconautla | Ecatepec | Real Estate | 1,744.50 | 900.04 | 424.00 | 24.30% | 47.11% | 140.00 |
| Santa María Chiconautla | Ecatepec | Real Estate | 463.60 | 150.45 | 76.90 | 16.59% | 51.11% | 160.00 |
| Cocotitlán | Cocotitlán | Private Individual | 826.41 | 376.86 | Unknown | Unknown | Unknown | 180.00 |
| Santa María Tulpetlac | Ecatepec | Private Individual | 215.24 | 127.36 | Unknown | Unknown | Unknown | 300.00 |
| San Simón | Texcoco | Private Individual | 136.50 | 46.13 | Unknown | Unknown | Unknown | 300.00 |
| Montecillos | Texcoco | Private Individual | 115.71 | 48.81 | Unknown | Unknown | Unknown | 480.00 |
| Tultitlán | Tultitlán | Private Individual | 1,034.84 | 123.40 | Unknown | Unknown | Unknown | 3,300.00 |

Source: Maya González, Lucy Nelly. El PROCEDE y el PISO en la Incorporación de Suelo de Propiedad Social a Usos Urbanos en los Municipios Conurbados de la ZMCM. Estudios Demográficos y Urbanos n. 56, El Colegio de México, A.C., 2004, and Registro Agrario Nacional. <http://ran.gob.mx>
 All of the areas are expressed in hectares.

²⁸ Mexican pesos of 2001. Reference value: 1US\$ = 10.5 pesos

In general, it is perceived that the *ejidatarios*' inexperience with negotiation is one of the largest obstacles to the incorporation of *ejido* land for urban development. *Ejidatarios* are inherently distrustful, and rarely accept advice from people from outside their social sphere. This attitude has two consequences: they either negotiate prices that fall under the real land market value, or do not entertain economic offers because they overestimate the price of their land.

As it was expressed in a previous chapter, one of the factors that hamper the sale of privatized *ejido* land is the general sense that *ejidatarios* are still victims of unfair negotiations with real estate developers who seek to take advantage of landowners' ignorance about market, legal, and administrative issues. Indeed, most of the interviewees in this research project have expressed this belief and feel that it is based on their many negative experiences with developers. For instance, plots in Bosque Real Country Club, a residential development carried out in privatized parcels originally belonging to the *ejidos* San Cristóbal Texcalucan and San Bartolomé Coatepec, were re-sold by the developer at prices ranging from 450-600 dollars per square meter, more than 40 times the price the developer had paid for the land only a few years before (Maya, 2004).

According to a report developed for the Agrarian Attorney Office, "private investors have looked for easy money and in the shortest time possible, adopting a pragmatic approach in the negotiations. In addition, their practices very often do not respect the legislation" (Aguado and Hernández y Puente, 2001).

3) According to the Agrarian Code and in the General Law of Human Settlements, federal entities and municipalities are supposed to be given preference in the purchase of privatized land located in areas designated as reserve zones by plans and programs of urban development. In practice, however, both federal and local governments have declined to use this prerogative and the only parcels purchased as a result of the adoption of *dominio pleno* in the MAMC have been acquired with private capital. There are two explanations for this. The first is the unwillingness demonstrated by state and local governments to develop affordable housing projects, which currently are being carried out almost entirely by the private sector. The State finances and subsidizes projects, but it is not directly involved in their management and development. The second reason is related to the fact that land expropriation is still a powerful and convenient tool available for the State to acquire land for urban reserves. The public sector prefers this procedure because the acquisition of land does not depend on the willingness to sell from the landowner, and because the value of the compensation is required to pay, assessed by the Commission of Appraisal of National Properties (CABIN) is usually lower than the price in the formal land market.

Regarding to what is mentioned above, it is important to indicate that distorted interpretations of the Expropriations Code have permitted the expropriation of thousands of hectares of *ejido* land for the development of private projects, not necessarily related to the public interest that should justify an expropriation. This practice is still common in many states, and has allowed the development of private projects like tourism resorts or industrial parks that have taken advantage of the purchase of land at a lower price than in the market (Vázquez Castillo, 2004).

Housing Supply in Mexico City

According to the projections of housing requirements made by different public and private institutions (World Bank, SEDUVI, Colegio Mexiquense), it is calculated that currently, the real estate market in the MAMC is providing housing for no more than 30% of the existing demand. However, the main problem is that those in the remaining 70% are mainly low-income families who cannot afford the most basic of the housing options offered in the MAMC.

Estimations made by Iracheta for the World Bank (2001) indicate that an average Mexican family needs 6.3 times the minimum wage²⁹ in order to afford the cheapest house available in the MAMC. This calculation considers that a weekly income of 4.4 times the minimum wage is needed for living expenses and an additional one of 1.9 times the minimum wage is needed to afford the cheapest 30-year mortgage available, allowing a family to purchase a house no larger than 30 square meters. According to this criterion, 85% of Mexican households encounter serious difficulty accessing housing, because their weekly income is less than 5 times the minimum wage. In other words, as many investigations demonstrate (Schteingart, 1990; Azuela and Tomas, 1997; Olvera, 2002), the fact that the urban poor cannot access housing in the formal market is a chronic problem in Mexico that does not seem to have a solution in the short term.

The analysis of the housing supply in the conurbated municipalities of the State of Mexico, which is the area in which the city has mainly expanded in the last two decades, shows that only 39,090 houses oriented to the lowest-income sectors were built between 2001 and 2007. They only represent 12.33% of the total houses supplied in the period (Table 8). The reasons most

²⁹ Minimum wage in the DF and in the State of Mexico is 52.59 Mexican pesos a day, equivalent to 5 dollars.

frequently given to explain this situation are the high cost of land, which makes it almost impossible to build affordable houses for the urban poor, and the fact that lowest-income families cannot take a loan due to the uncertainty of their incomes. The few units built are no larger than 35 square meters, and they are usually placed in small plots that often do not include all the services typically found in a complete urbanization project. These projects were developed in 9 peripheral municipalities, and are located in places that most of the time lack adequate public transportation and urban facilities. As Olvera (2002) points out, “big real estate developers are not interested in the lowest-income population. In terms of supply and demand of urban land, it is noticeable that, due to the characteristics of the region and the State of Mexico, there is shortage of land supply to satisfy the requirements of the lowest-income people.”³⁰

It is also noticeable that 72% of the market in the State of Mexico is comprised of so called “social interest” housing, oriented to households who are not strictly in the lowest-income range and that are willing to make an effort in order to buy a house in the formal sector. In theory, they are potential customers of the informal market of *ejido* land (in fact, many of them live in irregular settlements,) but prefer the security provided by the possession of a property title given in the formal market.

Regarding the situation in the DF, the supply of new housing for the lowest-income families is basically non-existent due to the scarcity and subsequent high price of urban land. The programs orientated to these sectors developed by the Secretariat of Urban Development and Housing (SEDUVI) are mainly focused on self-help housing and the upgrading of pre-existing housing self-constructed by families on urban plots to which they already have the title.

³⁰ Translated from the original Spanish by Rodrigo Díaz.

| Type of Housing | Price (Investment Units) ³¹ | Total Houses Built | % |
|-------------------|--|--------------------|---------|
| Social Progresivo | 0 - 55,000 | 39,090 | 12.33% |
| Interés Social | 55,001 - 71,500 | 227,793 | 71.87% |
| Popular | 71,501 - 104,500 | 30,500 | 9.62% |
| Medio | 104,501 - 296,000 | 9,777 | 3.08% |
| Residencial | 296,001 - 492,000 | 7,979 | 2.52% |
| Residencial Alto | 492,001 and more | 710 | 0.22% |
| Campestre | 492,001 and more | 1,116 | 0.35% |
| Total | | 316,965 | 100.00% |

Source: Estado de México. Secretaría de Desarrollo Urbano. Estadísticas. Available at <http://www.edomex.gob.mx/portal/page/portal/sedur>

The Displacement of the Most Deprived Sectors

Although it has been demonstrated that the level of *ejido* land privatization was well below it was originally expected, *ejidatarios* have actually learned that the land they own in areas assigned for urban development is worth much more than it was sixteen years ago. The fact that most of the *ejidatarios* have not privatized and sold their land does not necessarily mean that they will not do it in the future. Land speculation might be considered a new phenomenon in *ejidos*, and it is a direct outcome of the reforms of 1992. In spite of the fact that the majority of *ejidatarios* has never had an entrepreneurial vocation, it is clear that some of them have acquired a pragmatic attitude towards their lands and how to administrate them. Hence, they would not have problems with selling parts of their parcels if they were given an appropriate offer. Meanwhile they still use them for agricultural exploitation.

³¹ Investment Units (*Unidades de Inversión*) are adjustable financial units equivalent to 4 pesos (around 40 cents of dollar) by the time of this research.

The main victims of this situation are the lowest income families, who not only do not find affordable housing in the formal sector, but also have seen how the informal market that was their traditional land supplier, offers them fewer options nowadays. This scenario was expected in 1992, when some scholars (Eibenschutz, 1994; Schteingart, 1994) warned that the reforms would damage the most deprived groups of the society, for whom housing needs cannot be addressed either by the market or by public programs, and who can afford land only in the informal sector.

Thus, the only recourse for people in the lowest-income sectors has been to look for a solution in the informal market either in the extreme periphery of the city, where pressure for urban land is not so intense and thus, the price is still low, or in *ejidos* located outside the areas assigned for urban expansion.

In this sense, it is noticeable that some of the settlers who once invaded or bought land in the *ejido* informal market had to move to other *ejidos*, located in the periphery of the MAMC, after the places in which they lived experienced an explosive increase in the price of land due to the interest of private investors to develop real estate projects oriented to higher income households. Furthermore, sometimes this phenomenon occurs within the informal sphere. As one public official of the *Delegación* of Xochimilco pointed out:

“Land price dramatically increases as soon as it is known that an area will be regularized. Then, it is common that landowners force the settlers to leave the lands they illegally sold, though sometimes they agree on a payment as a way to compensate the leaving occupants. Once this is done, *ejidatarios* quickly sell the land again, this time at a higher price to mid-income households, who are willing to buy land in the informal market because they are certain that it

will be regularized in the short term. This situation represents a potentially highly profitable one for *ejidatarios*, because in practice they receive money for their land not once but three times: once, when they illegally sold it to the first low-income settlers, again when they sold the land to mid-income households, and finally when they are compensated for the expropriation necessary for regularization.”

This is one of the reasons that explain why a big portion of those who participated in land invasions are reluctant to participate in land tenure regularization programs and the subsequent distribution of property titles in squatter settlements, a policy that was originally intended to benefit them. First, they do not want to pay twice for land they believe they had already paid enough for the first time. In addition, they usually feel that regularization could generate the gentrification of the areas in which they live, a process that sooner or later might force them to leave those areas (Vázquez Castillo, 2004).

The migration of these people in the lowest-income sectors to the outskirts of the city has accentuated the process of social segregation in Mexico City in the last decades, leading to the current reality in which peripheral municipalities are the receivers of all those displaced by both the formal and the informal market in central areas.

The Permanence of the Informal Land Market in the MAMC

According to what is described above, it is evident that a vigorous informal land market oriented to the lowest-income families still remains in the MAMC. Given the absence of precise and updated data, it is hard to make an accurate assessment about the relevance of this sector, but it is reasonable to estimate that much of the 70% of housing demand not currently being supplied by

the formal market must be provided through informal housing alternatives in the *ejidos*. For them, *ejido* land has a series of advantages that go beyond its low cost:

- The certainty that sooner or later land will be regularized and urbanized. Despite the fact that the sales are illegal, and no valid property titles are given, tenure security level involved in the purchase of *ejido* land for urban uses is relatively high, especially considering that regularization policies are permanent, and federal and local governments are not willing to pay the high political cost that massive evictions might have.
- Terms of payment are much more flexible in the informal market than in the formal sector. This is extremely important for people who typically face income uncertainty in the mid- and long-term.
- Plots available in the informal market are usually larger than those offered by the formal sector. In addition, many *ejidos* can offer better locations than the formal social housing projects, habitually placed in the extreme outskirts of the city.
- Householders in the informal market do not pay property taxes, and since many times the services of water, sewerage, and electricity are illegally supplied, their consumption represents zero cost for the users.

From the government's point of view, it tolerates most of the illegal sales of *ejido* land (in the case of invasions it depends on the area). In some sense, the State implicitly recognizes the important role historically played by the *ejidos* in providing housing supply for the most deprived sectors, filling the void left by governmental policies that have not been successful in targeting

the urban poor (Scheingart, 1990.) In addition, it is publicly known that many public officials are involved in the promotion and organization of irregular developments in *ejido* land, which are still a highly profitable business for all those who participate on it.

On the *ejido* side, irregular land sale for urban purposes is still attractive, especially when the lands are not adequate for agriculture or when they are located outside the zones assigned for urban expansion. In addition, the informal market offers them the possibility of getting money much quicker than in the formal sector, where procedures are extremely time-consuming for people who usually decide to sell their lands when they are in a financial emergency. Finally, the illegal sale allows *ejidatarios* to keep the tenure of their lands, and in case of expropriation they know they will be compensated. In this sense, one of the outcomes of the process of land certification implemented by PROCEDE is the appearance of a new type of illegality that consists in the sale of certified parcels not covered by *dominio pleno* as if they were private property, thus receiving the same price as in the formal market (Olivera, 2001).

It is a fact that informality persists in the Mexico City land market because there is a political, economic and social system that is willing to accept it. Although the sale of not privatized *ejido* land for urban purposes is still considered an offense penalized by law, in practice no *ejidatario* has been castigated for doing it. In such a context, it is to be expected that the illegal sale of land is still commonplace in Mexican cities.

What is puzzling is the fact that these practices persist in spite of the supposed incentives oriented to transfer land from collective ownership to private ownership and consequently obtain the benefits of a possible sale in the real estate market at what one would expect to be much higher

prices than in the informal sector. As it was expressed in the intro of this research, the causes that explain this phenomenon are multiple and complex, and go beyond the economic and institutional spheres. The next chapters address the political, social and cultural facts that have helped to maintain a system that, contrary to what was predicted sixteen years ago, refuses to disappear.

Chapter 4

Case Studies

Ejido San Gregorio Atlapulco

This *ejido* is located in the *Delegación* of Xochimilco in the south of Mexico City. Peasants from San Gregorio are descendents of the *xochimilca* tribe, who inhabited the area before the arrival of the Spanish conquistadores in Mexico. In San Gregorio, they developed a distinctive agricultural technique called *chinampería*, based on the cultivation of crops in artificial islands formed with mud and which are connected by a network of narrow water canals. *Chinampas* have been the source of livelihood for the families who have lived in the area for more than five centuries, and their unique composition influenced UNESCO to declare Xochimilco a World Heritage site in 1987.

The contemporary *ejido* was created in 1924 from the restitution of 476 hectares that were fraudulently appropriated in the 19th century by Enrique Urrutia, a doctor who was well-connected to political authorities and became one of the most important *hacendados* (large estate owners) of Mexico City. This feudalistic background explains why people from San Gregorio were strongly committed to the Revolution, where many of them had important positions in Zapata's troops.

Once it was restituted, the *ejido* was internally subdivided in individual parcels of approximately 5,000 square meters each, but never counted with communal use lands or areas assigned for human settlement. Its 830 members were peasants until thirty years ago, when urban sprawl had yet enveloped Xochimilco. Currently most residents are either retired or work in activities

unrelated to agriculture. For this reason, today the *ejido* looks mostly abandoned, with no more than 50 parcels used for agriculture and greenhouses having replaced the traditional corn cultivation.

From the urban perspective, what makes the *ejido* interesting is that in spite of the significant pressure for urban expansion in the area, the residents have not sold their land, unlike those in the five other *ejidos* of Xochimilco.³² Only a small settlement was developed there in the nineteen seventies, which was regularized in 1981 by CORETT. Since then, irregular expansion is practically absent in the *ejido*, with the exemption of only seven houses that are informal, according to the Urban Development Department of the Delegación of Xochimilco.

Members of this community are well known to be combative; in fact, they are usually called *chicuarotes*, a nahuatl word that refers to a tough person (Anagua, 2006). Disputes are common in the community, and violence is an element that has been present throughout a long portion of San Gregorio's history. The most relevant internal conflict took place in 1989, when the government expropriated 257 hectares that were flooded after the construction of an artificial lagoon in the area. A group of *ejidatarios*, grouped in the Frente Emiliano Zapata, organized protests, the first of its type in the DF, to oppose the decision, but their fight was futile. The division in the community still persists, because an important group of *ejidatarios* think that the expropriation was fraudulently executed, having benefited only the former members of the *comisaría ejidal* who dealt with the government. In fact, after almost twenty years, compensations have not been completely paid, a situation that has increased the level of conflict within the community.

³² In fact, 4 of the original 6 *ejidos* did disappear (San Lucas Xochimanca, Santa Cruz Xochitepec, Tepepan, and Xochimilco). They still legally exist, but do not count with lands.

Ejido San Nicolás Totolapan

This community is located in the *Delegación* of La Magdalena Contreras, in the south of Mexico City, and its origins can be found in 1535, when the Spanish conquistadores delimited an area for communal exploitation of land in the zone of Ajusco. The contemporary *ejido* was created in 1924, when the government assigned 1,300 hectares to a group of 336 ejidatarios. In 1938 1,375.6 hectares were added, which made the *ejido* the largest of the DF.

The *ejido* was divided in three areas: communal land that corresponds to about 1,700 hectares of hills and woods which are mostly unsuitable for housing and agricultural development; individual parcels, located in the plain lowlands; and a human settlement area in the historical center of the village. Throughout the years San Nicolás Totolapan became the symbol of the illegal expansion of the city. Both invasions and informal sales effaced most of the parcels assigned for cultivation. The once small village inhabited by a community of peasants became an urbanized area with a population estimated at more than 20,000 people.

In the 1990s the *ejido* received offers from private investors to establish a joint-venture for the development of an amusement and theme park.³³ Despite the economic-attractiveness of these offers, the *ejido* rejected them. Instead, with the advice of an NGO they developed '*Parque Ejidal San Nicolás Totolapan*', a 1,700 hectares private park administrated by the community for which the revenues are shared between all of the community members. In addition, the park generates more than 70 permanent jobs, mostly taken by *ejidatarios* and their relatives. The successful experience of San Nicolás Totolapan has been replicated in other *ejidos* located in rural areas in different Mexican states, which have developed economically and environmentally sustainable projects to impede the urban expansion within them.

³³ Actually an automobile museum

Since urban expansion enveloped San Nicolás many years ago, almost none of its members work in agricultural activities. It is also noticeable that both income and education level in San Nicolás are higher than in San Gregorio. Compared to their equals of Xochimilco, *ejidatarios* of San Nicolás are more entrepreneurial, less politicized, and less combative, and they historically have had a more pragmatic approach towards land administration. This pragmatism transformed them into experts of informality, who have developed many techniques and mechanisms for informal land sales, which historically has been supported by a network of public officials and authorities.

| Ejido | San Gregorio Atlapulco | San Nicolás Totolapan |
|--|--|---|
| Number of ejidatarios | 830 | 334 (336 originally) |
| Year of Creation | 1924 | 1924 |
| Original Area (hectares) | 476.37 | 2,675.6 (1,300 + 1,375.6) |
| Current Area (hectares) | 206.39 | 2,212.14 |
| Number of Expropriations | 2 | 3 |
| Area Expropriated (hectares) | 269.98 | 414.14 |
| Area Expropriated to Regularize Irregular Settlements (hectares) | 12.40 | 407.00 |
| Internal Subdivisions | Parcels in process of delimitation and certification | Communal use area Parcels Human settlement area |
| Economic Activities | Agriculture (greenhouses) | Agriculture Private park Leisure (restaurants, paintball fields, football fields) |

Chapter 5

The Hindering Effect of Participation

*¡Esto se lleva tiempo señores, no son enchiladas!*³⁴

Mario, ejido leader

Reforms to Article 27 are based on the idea that more than 70 years after the Revolution the agrarian communities had enough capacity to decide the best way to administrate their lands by themselves. *Ejidos* were born with extremely limited autonomy due to all the mechanisms of state intervention in agrarian affairs, and by the legal figure of the usufruct of land that belongs to the entire nation that did not allow the members of the agrarian communities to benefit from the full ownership of the territories in which they worked and lived.

In this context, *ejidatarios*' opinions were seldom heard by the government, with the exception of the *Comisario*, who usually had a close relationship with the political authorities. Indeed, more than representatives of the *ejidatarios*' opinion, *comisarios* were often considered as de facto delegates of the government within the communities. As Assenatto and de León (1996) point out, "the General Assembly of *ejidatarios* was theoretically the basis nucleus of *ejido* democracy, because all of the decisions related to the internal life of the *ejidos* had to be discussed on it.

³⁴ This takes time, gentlemen; it's not like preparing enchiladas!

Nevertheless, in practice it was frequent that the assembly did not work properly, so the *Comisario* used to take both the domestic and the important decisions.”³⁵

However, reforms in 1992 changed the scenario, providing the community with the right to choose not only how to administrate the *ejidos*, but also the possibility of dismantling them as social structures through the segregation of privatized parcels. In this sense, the most important effects of the reforms were on the one hand the enhancement of the General Assembly (*Asamblea Ejidal*) as the supreme instance of decision-making in the *ejido* scope, and on the other hand the diminishing influence of the state in the internal life of the communities (Olivera, 2005).

In this context, crucial decisions regarding land tenure, which were unilaterally taken by the State until 1992, were completely transferred to the communities. As was pointed out in a previous chapter, in the case of the process of land delimitation and subsequent certification implemented by PROCEDE, the reforms required the consent of two-thirds of the assembly in each of the three steps of the process:

- 1) Decision to participate in PROCEDE.
- 2) Approval of the areas assigned to parcels, communal use and human settlement.
- 3) Approval of the measurement and delimitation of internal areas carried out by PROCEDE.

In the case of privatization through the adoption of *dominio pleno*, and despite its effects on individual parcels, the decision also has to be taken in another assembly with the consent of two-thirds of the members.

³⁵ Translated from the original Spanish by Rodrigo Díaz.

Thus, what seems to be an adequate procedure designed to promote the development of democracy at the community level through the involvement of the whole *ejido* in the issues that directly affect it, has in fact produced a series of outcomes that hinder the declared governmental purpose of providing more autonomy to agrarian communities to administrate the lands they own.

Democracy at the Community Level: The Case of San Gregorio Atlapulco

This research involved attendance at two *asambleas ejidales* in San Gregorio Atlapulco that were held in July 2007 and January 2008, and which were the only general meetings that this *ejido* held during the period of research. This community usually meets twice a year, which is the minimum established by the Agrarian Code.³⁶ As some public officials expressed, this is the typical regularity in most of the *ejidos*, although they are free to schedule more meetings if they deem it necessary.³⁷

The Assembly has to be called by the members of the *Comisaría* at least 8 days in advance, but it can also be scheduled if a group of 20 *ejidatarios* or the 20% of the community members requests it. Only the registered members can participate on it, but they can designate a representative. The meetings are also attended by special guests, who are usually officials from different public institutions. They need a special invitation from the *Comisario*, which specifies whether or not the guest has the right to speak.

In order to be valid, the Assembly requires the attendance of half plus one of the members of the community. If this quorum is not reached, the meeting is rescheduled for a date between 8 and 30

³⁶ Agrarian Code, Article 23

³⁷ Agrarian Code, Article 24

days after the first was called. In this case, the meeting is considered legitimate no matters how many people attend it. That is what usually happens. As the *Comisario* told me, he does not remember the last time that there was quorum in San Gregorio to hold an Assembly at the first call. However, the discussion of important topics related to land tenure and internal organization, like the participation in PROCEDE, the delimitation and certification of parcels, communal areas, and human settlement areas, the endowment of land to mercantile societies, and the adoption of *dominio pleno* in certificated parcels does require the presence of half plus one of the *ejidatarios*, excluding the possibility of having a meeting with fewer attendees.³⁸

Democracy without participation

In the case of the two meetings that I attended in San Gregorio, no more than 150 people participated in them, a number that represents less than 20% of the *ejido* members. The public officials that were invited told me that this is the usual percentage in the rest of the *ejidos* of the DF. This situation raises the question of where the other *ejidatarios* are.

The reasons usually advanced to explain the absence of many of the members of the community in the assembly is their advanced age, the fact that many of them do not live in the area, and the fact that they do not work in activities based on the *ejido*. However, the main reason would be the extended belief that assemblies are useless because all the important decisions are taken by the leaders who control the votes of the rest of the community. As one *ejidatario* told me:

“I prefer to stay home on a Saturday morning. Going to an assembly is a waste of time since the debate is always monopolized by the same people. The rest of us have the opportunity to

³⁸ Agrarian Code, Article 26

participate and express our opinions, but at the end of the day the leaders decide everything in private.”

It is also common to hear opinions that express total mistrust towards the real power of the assembly vis-à-vis the government. The *ejidatarios* who think this way are usually the oldest people, who grew up in a context in which the state explicitly did intervene in every aspect of the *ejido* life. However, this also can be interpreted as a clear manifestation of the common ignorance about the rights of the *ejidatarios* after the reforms of 1992. Interviews and the discussion in the assemblies demonstrated that even the leaders and the educated members of the community usually ignore the most basic aspects of the legal and institutional frameworks that have regulated *ejidos* since 1992, or wrongly interpret them according to their particular points of view (Bouquet, 1996). For instance, leaders in *ejido* San Gregorio still think that they only have the right to usufruct the land whose property belongs to the entire nation, a concept that was abolished by the reforms passed by the government of Salinas de Gortari.³⁹

Important issues like land subdivision and privatization require a quorum which is difficult to reach given the circumstances described above so it is common practice to bring uninterested people to the meetings. In those cases, leaders offer not only transportation, but also money and favors to *ejidatarios* in order to assure the quorum either to approve or to reject a motion. Threats are also common, and there is enough evidence to affirm that many privatizations were sanctioned by *ejidatarios* who were menaced or bribed by internal and external interest groups.

³⁹ It is also common for *ejidos* to be advised by ‘experts’ on legal issues who give them incomplete or definitely distorted interpretations of the law and how to take advantage of these interpretations. As one interviewee who works in a public institution pointed out, “they are usually former public officials who present themselves as experts but are only interested in getting some money from the communities.”

There is also evidence that some privatizations were approved in nonexistent meetings, supervised by corrupt officials and *comisarios*.

Some authors (Warman, 1994; Olivera, 2005) point out that the reforms enhanced the power of the community as a whole in the decision-making process in the *ejidos*. However, the evidence provided by the *ejido* San Gregorio is consistent with what is pointed out in other studies (Austin, 1994; Jones and Ward, 1998; Jones and Pisa, 2000) in the sense that the people who really make the decisions in the agrarian communities are the members of the *Comisaría* and the leaders of the different groups that exist within the *ejido*. As the Austin Memorandum indicates, “in large part it will be the *Comisariado Ejidal* which will decide the outcome of the Reform on the ground” (Austin, 1994). Since the government lost many of the faculties of intervention in *ejido* affairs, and the *ejido* authorities cannot be removed by the political authority from their charges, as was the case before 1992, they have more freedom to exercise their influence over the rest of the community. As an old ejidatario expressed:

“*Comisarios* were in practice employees of the government in the past. They actually had to do what the political authorities ordered if they wanted to preserve their positions. Nowadays the members of the *Comisaría* are more powerful, and in many cases are real dictators who do not accept criticism from the rest of the community.”

The Participants

The first thing that calls the attention in an *ejido* assembly is the advanced age of the participants. In the case of San Gregorio it is noticeable that at least half of the audience is over 70 years old. Many of them are unable to hear, and as one ejidatario says, “probably they have no idea of what

the discussion is about. When it is time to vote they just repeat what the majority does”. In fact, I could see how some of them raised their hands to vote after the ejidatario who was beside them told them to do so.⁴⁰

One of the outcomes of the succession system in *ejidos* established by the Agrarian Code is the advanced age of most of its members. In this sense, most of the time *ejidatarios* acquire membership after the death of the previous *ejido* rights holder, what usually happens when the new ejidatario is middle-aged or even older, and thusly has worked for a long time in activities not related to the *ejido*. The numbers speak for themselves: at the national level more than half of the *ejidatarios* are older than 50 years of age, and 25 percent of the total is older than 65 years of age. In the case of the D.F., the average age of *ejidatarios* is 59.5 years old (the highest national figure), whilst in the State of Mexico it is 52.2 years of age. Regarding to source of income, only 1% of the *ejidatarios* of the D.F. declared that agriculture was their main source of income (the lowest national figure), while in the State of Mexico the number increases to 39.4% (Ibarra, Castells et al., 1999).

In addition, a large portion of the audience is not educated, and levels of illiteracy are higher in *ejidos* than in the rest of the country. Thus, 7.6% of the *ejidatarios* are illiterate in the D.F., and in the case of the State of Mexico the number is even higher, reaching the 16.8% (Ibarra, Castells et al., 1999).

⁴⁰ Indeed, sometimes it is possible to see the grotesque scene of people lifting the hands of these elderly *ejidatarios* while the lost looks in their faces evidences the complete ignorance about the subject in debate.

The Ejido Way of Participation

As one of the interviewees said, “attending an *ejido* assembly is a real test of your patience. In this sense, these ‘marathons of participation’ end when the participants are simply exhausted.” Confirming this opinion, the shortest of the meetings held in San Gregorio took four and a half hours, and the other five. However, it is common that assemblies extend for longer.

The reunion is structured according to an outline read by the Secretary at the beginning and the moderator is usually the *Comisario* or one of the members of the board of authorities, although the rest of the assembly can designate another person to do this. In the case of San Gregorio each attendee has the right to speak for no more than 3 minutes in each of his/her interventions, but this rule is not applied to the guest speakers, who have all the time they feel is necessary for their speeches.

The presentations are about different topics, which range from a proposal for a new delimitation of parcels to the report of the *ejido* internal finances. The presentations are in general extremely vague and no supporting documents are provided to the audience. It is common that the speakers utilize a wordy style of speech that provides scarce information about the topics to discuss.⁴¹ It is also usual that presentations made by public officials about issues like delimitation of parcels or compensation for expropriations be continuously interrupted by attendees that express they do not understand the technical concepts expressed. In fact, it is clear that some of the speakers lack the ability to communicate the ideas in appropriate language, although this attitude is probably

⁴¹ While attending these meetings I rememberd that was in Mexico where the term “cantinfleo” was coined. The expression, a tribute to the famous comedian Mario Moreno, “Cantinflas”, refers to the ability to speak for long without saying anything substantial.

deliberate since sometimes they do not really want the community really understand the message. As might be expected in this context, the discussion of and voting on the different topics up for debate do not fulfill the minimum requirements of transparency: information is incomplete, many times it is not clear what it is being voted on, and the count of the votes is extremely informal and inaccurate (nobody checks if somebody voted twice, and the assembly has to trust the ability of the member of the board of authorities who is in charge of this task to count hands, something very difficult to do when the assemblies are crowded).

The tone of the discussion is generally passionate and often aggressive. Interruptions are abundant and few participants are able to expose all of their arguments. Shouts are common, and a brawl even took place in the first meeting. Public officials who are invited to participate in the assembly tell me that the chaotic atmosphere is basically the same in all of the *ejidos* of the MAMC, and episodes of violence between members of the community are more common than one might expect.⁴²

Participation, Conflicts, and the Increase in the Transaction Costs

There is consensus among scholars, public officials, and *ejidatarios* that conflicts in the *ejido* significantly increased in the nineties, when the reforms were approved and Mexico began the process of democratization which meant the end of 71 years of the de facto political system of single party rule. In a case study carried out in the *ejido* Tecoripa, Sonora, Búrquez and Yetman (1998) describe how a community experienced a process of quick degradation when its members

⁴² One of the public officials told me about the case of one *ejido* in the Ajusco area where meetings are usually attended by 500 or more people. There, *ejidatarios* used to leave their guns in a sort of cloakroom located at the entrance of the place in which the assembly is held.

started to discuss the terms of the delimitation and certification processes implemented by PROCEDE. In that case, the conflict was produced between the leaders, who held the largest and best located parcels, and the rest of the community, who sought an increase in the size of their parcels and its subsequent privatization through the adoption of *dominio pleno*. This research provided three conclusions that are common to many of the *ejidos* that faced the decision of whether to privatize the land or not:

- 1) The leaders are generally resistant to the idea of privatizing the land. Although they usually possess the largest and best located parcels, and therefore the most attractive land in the formal market, they prefer to preserve the regime of social property. This situation allows them to retain the leadership in their *ejidos*, something much more difficult when the parcels are private and the decisions are not tied to the approval of the rest of the community. It also permits them to keep their privileged position in the informal market, where they are usually the main promoters of illegal sales (in fact, many times they charge other *ejidatarios* with a fee for the consent of the irregular sale of their lands).
- 2) Increasing levels of participation led to the appearance of controversies about land property that had been customary accepted by the moment in which the discussion started. In this sense, it is clear that most of the communities simply were not prepared for the process of internal democracy proposed by the reforms of Article 27. The lack of skills of negotiation and the inexistence of internal mechanisms of dispute solution translated in the incapacity to reach agreements between the different members of the community.

3) Prolonged discussions about whether or not privatize the land significantly increase the costs of transaction. Since a privatization process takes at least two years to materialized, it does not look attractive either for the *ejidatarios* interested to commercialize their parcels or for the potential investors. In such a context it is predictable that both parties prefer to negotiate in the informal arena, where the transactions are faster, less complicated, and lower cost.

According to these observations, it would be reasonable to assume that the *ejidos* that privatized their land were those comprised of fewer members in which it would be easier to agree on the terms of the internal delimitation and privatization. However, an analysis of the MAMC shows that the average number of members of the *ejidos* that privatized part of their parcels (162) is actually higher than in the communities that decided to keep the social property in the entire *ejido* (159).⁴³

Since there are no significant differences in the area of the *ejidos*, the explanation has to be found in how these *ejidos* are organized. In this sense, all of the interviewees coincided on the idea that in practice privatization is impossible without the support of the leaders. When they are willing to carry out this process, things are done easily, because they have the power to manage the Assembly. However, and as is indicated above, most of the time the leaders are reluctant to segregate lands from their *ejidos* because it might translate into the disappearance of their constituencies and in the subsequent loss of their leadership among the communities. In all of the *ejidos* that privatized part of their lands the *comisarios* played a fundamental role, convincing the

⁴³ Source: Padrón e Historial de Núcleos Agrarios (PHINA), available at <http://www.ran.gob.mx>. This analysis does not take into account the DF, where PROCEDE was not implemented.

rest of the community of the benefits of this decision, and also monitoring and controlling the possible conflicts that could appear in the discussion.

When Participation Leads to Informality

The ideologues of the reforms imposed a model based on participatory process on communities that had scarce or null experience in participation. This radical change produced outcomes that were far from the original purposes of the reform and that hamper the objective of liberalization of land markets and incorporation of social land into the urban development in the main Mexican cities:

- The level of participation is pretty low, so decisions that affect the entire community are taken by a small group of people. Related to this, in practice the reforms transferred the tutelage of the *ejido* from the State to the *comisarios*, who can usually manage the assemblies to approve or reject issues related to land tenure in the *ejidos*. Since the assemblies typically meet only twice a year, and the systems of accountability are extremely precarious, the leaders can easily monopolize the internal agenda of the communities.
- The appearance of a clear division within the communities between *ejidatarios* and people who do not have an *ejido* membership and therefore do not have the right to participate in the decision-making processes. This is especially clear in the case of young people and settlers who have lived for many years in the land sold by the *ejidatarios* but cannot participate in the discussion of the issues that affect the communities. As Coyote (2004) points out, “it is extremely difficult for young people directly participate in the decision making processes in their communities if they do not possess any kind of land title, like being *ejidatario*,

comunero, or even *poseionario*.”⁴⁴ In this sense, it is not surprising that many of the conflicts within the communities are led by young people, who think there is no room for them in the important decisions that have an effect on the *ejido*.

- The overall outcome is the fact that the involvement of the whole community in the land privatization process has made it extremely complex, demanding, and time-consuming. In this context, the formal procedures do not look attractive for the *ejidatarios* who are willing to sell their lands, and for those who are potentially interested in buying those lands. For them, informality still has many advantages (negotiations are face to face, quick, simple, and do not require the approval of others than those directly involved in the transaction).

These findings support the idea that the outcomes of the reforms were different than originally expected because the communities were simply not prepared for such a significant change in the way they had traditionally organized as a social group and administered their properties. In other words, it has been demonstrated that *ejidos* were not able to fulfill the minimum prerequisites needed for the implementation of the participatory processes that were the base of the model proposed in 1992. The lack of adequate channels of participation, the low level of education of the *ejidatarios*, and the deficient mechanisms for accountability and internal control are some of the factors that made the promotion of the democracy at the community level a utopia in the case of the *ejidos*.

The experience of the last sixteen years in Mexico challenge the widespread belief that land privatization is necessarily related to increasing levels of democracy. In fact, the evidence shows that those *ejidos* that decided to privatize part of their lands were usually led by authoritarian

⁴⁴ Translated from the original Spanish by Rodrigo Díaz.

caciques who had the capacity to impose their ideas in their communities. As Jones and Pisa (2000) pointed out in the case of the joint-venture carried out in the *ejido* San Antonio, Torreón, “the decision of which land was to be donated to the partnership appears to have been taken by the *ejido* president and a small group of supporters with little evidence of wider consultation.” Private investors also preferred to negotiate with these leaders, because dealing with them is easier than with a whole community, and because they have the ability to control the possible disputes that might emerge in the internal discussion of the privatization process. On the other hand, those *ejidos* that do not count on powerful leaders have experienced the multiplication of internal conflicts, and few of them have been able to reach agreements for land privatization.

Chapter 6

Clientelism and the Persistence of the Informal Land Market

The simple endowment of land is not enough to solve the agrarian problem. The State is obligated to bring ejidatarios all the moral and material support to make them prosper economically, and to free their spirit from ignorance and prejudices.

President Lázaro Cárdenas, 1934

Ejidors historically provided the government the perfect environment for the political intervention in the agrarian scope. The fact that one quarter of the Mexican population lives in agrarian communities makes them an attractive constituency for the political authorities, which since the first years after the Revolution displayed an enormous apparatus of public institutions in order to assure the political control of the *ejidos*. As Jones and Ward (1998) point out, “the distribution of land to *ejidos* established the communities as strategic components of Mexico’s enduring corporate political system and offered the ruling party, *Partido Revolucionario Institucional* (PRI) the chance to present itself as the Guardian of the Revolution.”

The network of institutions was also supported by the legal framework provided by the Article 27 and the ambiguous concept of the *usufruct of lands* that belong to the entire nation, which kept the *ejidatarios* in a state of permanent tenure insecurity that was seized by the government in order to perpetuate the agrarian communities’ dependency of the State (Cymet, 1992). In this

sense, “the institutionalization of this ambiguity provided the government with a public claim over land and created a captive constituency for political support” (Jones and Ward, 1998).

However, patronage was not only restricted to the *ejido* realm. Taking advantage of the legal ambiguity on land tenure, the government traditionally allowed the development of the informal land market within the agrarian communities as a way to provide housing solutions to the most deprived sectors of the society, those unserved by the public programs. In fact, there is enough evidence that demonstrates that many illegal invasions were promoted and organized by politicians in order to extend the political control over the population of squatter settlements. Thus, the State adopted an ambivalent attitude towards *ejidos*: on the one hand it offered them political protection and a preferential treatment in the form of subsidies, grants, and allowances to develop irregular land transactions, and on the other hand it took advantage of the ambiguous situation of property, treating social land as de facto public land that could be easily used for all kinds of purposes (not all of them of in the public interest), including the provision of land for all those who could not find housing in the formal sector. As the Austin Memorandum (1994) indicates, “the *ejido* and its illegal development offer important opportunities for political mileage at relatively low cost and with high impact, albeit with rather superficial gains to individual beneficiaries.”

Although political intervention through the *ejidos* can be found in the origins of the agrarian reform, it was consolidated almost twenty years later during the presidency of Lázaro Cárdenas (1934 – 1940), who grouped all of the beneficiaries receiving land from the State in the National Peasant Confederation (CNC), which provided a political base for the land redistribution program. Throughout the years, the couple of PRI social branches, the CNC and the

Confederation of Mexican Workers (CTM), took complete control of all of the social organizations in Mexico. In the case of the CNC, its structure was based on a network of *ejido* leaders, all of them members of the ruling party, who, more than representatives of their *ejidos* and *comunidades*, were de facto governmental delegates.

The Democratization of Clientelism

The reforms of 1992 were passed in a context characterized by the political democratization of Mexico that would lead to the end of the single party system in 2000 with the election of the right-wing National Action Party's (PAN) presidential candidate, Vicente Fox.

However, in the case of the MAMC the winds of change appeared in 1997, with the first democratic election of the DF's governor, Cuauhtémoc Cárdenas, son of former president Lázaro Cárdenas, and representative of the left-wing Democratic Revolution Party (PRD). Cárdenas also designated the mayors (*delegados*) of the 16 *delegaciones* in which the DF is administratively divided. Cárdenas' election changed the scenario of Mexican politics, and *ejidos* were one of the first areas that experienced the changes. As a way to counterbalance the power of the federal Secretariat of the Agrarian Reform (SRA), controlled by PRI, the new governor created the Office of Agrarian Issues of the DF. The mission of this office is basically the same as the SRA, but in practice, was the instrument used by the PRD to penetrate the communities historically controlled by the PRI. In this sense, the methods utilized by the PRD were the same than the ones used by PRI for decades: a package of subsidies and benefits for agrarian communities tied to the election of *comisarios* whose ideologies were related to that of the party. In fact, it is common that many *comisarios* and leaders who were PRI members in the seventies and eighties

transitioned to the PRD in the nineties as a way to keep the benefits they had acquired during the single party regime. As one *ejido* leader confessed: “*comisarios* have no ideology: they like to be in the sunny side of the street. If the sun is on the left, they move to the left, but they do not have problems to switch to the right if they think it is necessary.”

This situation was accentuated after 2000, when all the governors and mayors began to be democratically elected. It meant competition for the agrarian vote between the three major parties (PAN, PRI, and PRD), and the subsequent increased politicization of the *ejido* realm. There were two direct outcomes of this situation:

- **The proliferation of public institutions in charge of *ejido* issues.** The competition between the three main parties ensured that, in many places, the three levels of government (federal, state, and municipal) were headed by different parties. Thus, it became common that all of these levels had their own departments in charge of agrarian issues that, more than attending community needs, competed for the political control of their constituencies. Since usually there is no coordination between these instances, overlaps in functions are common, contributing to generate an extremely confusing institutional framework that does not help at all the development of the agrarian communities. As it was mentioned above, more than technical guidance, many times these institutions provide benefits of dubious utility whose only purpose is attracting the *ejido* vote and avoiding possible conflicts and protests. Good examples of this are all of the subsidies for agricultural development distributed to most of the *ejidatarios* in the DF, a place where only 1% of the *ejido* population obtains its livelihood from agricultural labor (Ibarra, Castells, et al., 1999).

- **The emergence of new leaders and groups within the ejidos.** The democratization process created fertile ground for the proliferation of new groups within the communities, who started to compete for the political and economic favors offered by the authorities. These groups replaced the monopolistic leaderships of the past, and are not necessarily related to specific parties. Most of the time, groups are structured around a leader (*cacique*), who is the most prominent member of the families comprising the community (family ties are common among *ejidatarios*). Caciques usually have a higher level of education than the rest of the community (the *comisario* of San Nicolás is a dentist, while his colleague of San Gregorio is a primary school teacher), and typically they own the larger and better-located parcels of the ejido. The privileged status they enjoy in their communities allows them to have direct access to the authorities and to all of the political, social, and even economic benefits that might be derived from this relationship. In such a context, ideology does not play an important role, and leaders and their constituencies easily switch from one political patronage to other.

The Political Dimension of Ejidos

The mapping of all of the public institutions that deal with *ejido* affairs is a difficult task due to the overlaps and lack of clarity about the specific role of each of the institutions. In the case of San Gregorio Atlapulco and San Nicolás Totolapan it is possible to identify at least 12 intervening public institutions divided into the three levels of government.⁴⁵ Even the public

⁴⁵ The federal institutions that have relationships with the *ejido* are Secretariat of the Agrarian Reform (SRA), the Secretariat of Environment, Natural Resources and Fisheries (SEMARNAP), the Secretariat of Social Development (SEDESOL), the Commission for Land Tenure Regularization (CORETT), the Office of the Agrarian Attorney (PA), and the Trust National Fund for *Ejido* Promotion (FIFONAFE). The institutions that depend on the government of the DF are the Secretariat of Agrarian Issues of the Federal District, the Commission of Natural Resources (CORENA), and the Secretariat of Urban Development and Housing (SEDUVI). In the case of the local level, the

officials interviewed were not able to explain the differences between these institutions and how they differ or work together. What is clear is that more than complementary, they are competitors to gain the preferences of the same constituency. The means utilized are basically the same described above: subsidies, grants, and even jobs in the public administration. Many interviewees pointed out that it is common that social conflicts are solved with positions in a *Delegación*. It is also common to hear that the leaders are usually paid by political authorities in order to control potential conflicts within the communities. Although none of the interviewees provided any concrete proof about these practices, the rumor is widespread at the *ejido* level, and many of the public officials interviewed expressed the same idea. Anyway, it is a fact that *ejido* leaders still have a close relationship with political authorities, and it is evident that they enjoy a preferential treatment from the government, which is translated into political and often economic benefits for both parties.⁴⁶

At the community level, both case studies have also experienced the emergence of antagonistic groups within the community in the last 20 years. In the case of San Gregorio, until the late eighties it was dominated by one *cacique*, don Fausto, who was also the right hand of Antonio Rozas, a legendary and powerful *cacique* who politically controlled the area of Xochimilco for decades. The advance of the process of national democratization saw don Fausto's monopolistic authority by one group, Frente Emiliano Zapata (not related to the zapatista movement in Chiapas). The Frente did not agree with the terms negotiated between Rufino and the government

departments of Urban Development, Land Tenure, and Citizen Participation of the Delegaciones of Xochimilco and Magdalena Contreras are in charge of *ejidal* issues.

⁴⁶ Some *comisarios* like to boast of the numbers that they have in their cell phones, which include many influential political authorities. It is also noticeable that they have a special treatment when they want to speak with a political authority. They are usually received by the *Delegado*, while the rest of the people have to resign to speak with assistants or second-tier authorities.

regarding the expropriation of 257 hectares of flooded ejido land (the land had been flooded after the construction of the hydrological regulation lagoon of La Estrella in 1989). It was the beginning of a long saga of internal disputes that led to the appearance of three groups structured around three different leaders within the *ejido*. All of these leaders were members of the PRI in the past, but two of them are currently identified with the PRD, although in different factions. However, none of them admits his partisanship, preferring to say that they are apolitical and that their work is inspired only by the aim to serve their community. This ambiguity allows them to easily switch according to the circumstances.

The case of San Nicolás is similar, though the two factions in which the *ejido* is divided are headed by leaders from different parties (PRI and PRD). However, and as the interviewees pointed out, their ideological commitment is weak, and depending on the historical circumstances they have switched from one party to the other. In this sense, the words of a former *comisario* of San Nicolás are enlightening:

“Who controls the *ejido* has a lot of power, and it is not necessary to look for the politicians: they come to you...anyway, we are not tied to any political party, because we are independent. However, if the parties want to help us we are not so stupid to reject that help. Throughout the years we have learned how to deal with politicians of different parties and how to obtain benefits from that relationship.”

In the case of San Nicolás, benefits mean an annual grant from the Commission of Natural Resources (CORENA) for each *ejidatario* just for possessing lands in conservation areas, subsidies and contributions for the private park developed in the communal lands of the *ejido*,

and more important, the tacit allowance to illegally sell land piecemeal for residential uses or to occupy it in uses that are not permitted by the zoning plans. In this sense, the illegal urbanization of most of the areas assigned for individual parcels in that *ejido* would not have been possible without any kind of political support.

The Lack of Political Support for Land Privatization

It is clear that low-income settlers are as attractive constituents as the *ejidos*. Politicians understood a long time ago that both votes count the same, so it was necessary to develop a strategy that could satisfy each group without losing political support from the other. The answer was given by the informal land market, which provides what both groups are looking for: affordable land in the case of the landless people, and the opportunity of quick and easy money from land sales in the case of *ejidatarios*. As Siembieda (1996) expressed, “by linking government actions –titles- to the national party, the voting potential of these densely populated settlements is brought into the political arena.”

In this context, and from a political perspective, a land privatization process does not look attractive for any of the stakeholders in the agrarian realm. On the politicians’ side, privatization would not be recommendable because:

- It dismantles the *ejidos* as social constituencies. For political parties it is much more difficult to control a group of individuals than a communal entity attached to a specific territory.

- It makes it extremely difficult to gain the vote of the lowest-income sectors, to which the State cannot supply housing, and who cannot afford the options available in the formal market.
- It makes a powerful political bargaining tool with *ejidos* disappear. For decades the implicit allowance (and sometimes support) of informality within *ejidal* boundaries was an extremely effective instrument of negotiation with *ejidatarios*, that can be summarized as the exchange of votes for the right to illegally sell the land.

Land privatization also does not look attractive from the political perspective of *ejidos* because:

- Private landowners do not enjoy the preferential treatment that political authorities provide to *ejidatarios*, which often take the form of benefits like subsidies, grants, and tax exemptions.
- *Ejidos* are powerful organizations whose demands are usually heard by the political authorities and can influence the political agenda. This is very hard to do for small private landowners who do not enjoy the support of a social organization.

This analysis challenges the widely held idea that the reforms of 1992 were really oriented to land privatization. As Jones and Ward (1998) indicate, the deregulation of the *ejido* does not necessarily mean its privatization. Indeed, there is much evidence to indicate that the supposed profound reforms were in fact a rearrangement of the same public institutional framework that would guarantee the continued intervention of the State in the *ejido*. Having the opportunity to declare complete privatization from above, the government left this decision in the hands of the agrarian communities, which have to fulfill a long and complex process that offers few incentives

for them. In this sense, policies regarding land tenure are extremely ambiguous and even contradictory, because the declared governmental objective of facilitating the urban development of social land is hampered by an adherence to policies which promote the status quo with regards to social property and the informal land market traditionally developed on it. Examples that support this argument are the maintenance of land regularization programs, and the continuation of access to subsidies and marketing networks exclusively oriented to *ejidatarios* (Jones and Ward, 1998).

Chapter 7

Cultural Attachment to Land

*Los pierden su tierra pierden su historia*⁴⁷

Painted in the walls of the offices of ejido San Nicolás

The offices of *ejido* San Nicolás Totolapan are impressive. They are located in the square of the village, next to the church, and both buildings are by far the most important of the area, since a significant part of the social life of the community takes place there. What makes the offices impressive is the colossal mural that decorates its walls. Painted according to the rich tradition of Mexican muralists like Orozco, Rivera, or Alfaro Siqueiros, the mural aims to illustrate the history of the village, the *ejido*, and the peasant movement in Mexico, and how they have historically fought for accessing the land. The images are easily identifiable: a crucified peasant observes Zapata and other revolutionaries accompanied by groups of peasants and native people who are either cultivating the land or holding a rifle. All of them are fighting against the forces of the capitalist evil, represented by despotic *hacendados* (hacienda owners) and corrupted politicians supported by the United States, personified in the figure of Uncle Sam and a peasant carrying a cross with the legends TLC (NAFTA) and ALCA (Free Trade Area of the Americas). The images are joined with quotes referring to the relationship between *ejido* and land. “Land was watered with our blood”; “Preserving the land means protecting what we obtain from it”; and

⁴⁷ People who lose their land also lose their history.

“The best legacy of our land is the color of our skin” are some of the sentences that are written in the mural.



The office of *ejido* San Gregorio is much more modest. Located between a grocery store and the house of the *ejido* treasurer, it is small and looks shabby, though its facade also shows an allegorical painting, which in this case is the figure of an indefatigable peasant cultivating corn under the hard sun.



Contrary to what might be expected, the paintings are recent, and they reflect the idealized image that *ejidatarios* have of themselves and what they want to project to rest of society. However, reality dramatically differs from what is painted. Most of the parcels of the *ejido* San Nicolás are currently urbanized as a product of continuous invasions and irregular land sales, and agriculture is reduced to small farms located in a bunch of parcels that still subsist, while most of the population works in activities not related to the *ejido*. In the case of

San Gregorio, most of the land is abandoned, and the few parcels utilized for agricultural production are occupied by greenhouses. In this sense, the only peasant cultivating corn in San Gregorio is the one who is painted in the *ejido* office.

Ejidos as Social Spaces

Ejidos were created as social spaces whose main purpose was not to increase the productivity in the agrarian sphere, but to compensate for historical abuses committed in the rural realm. As Bouquet (1996) points out, “land was not necessarily shared out based on purposes related to productive efficiency...thus, land was distributed according to social networks, which did not

necessarily coincide with the skills required to develop agricultural activities.”⁴⁸ As this author indicates, until 1992 the *ejidos* were not understood from a commercial, but rather a social perspective, which respected the traditional concept of land as the basis for the development of a sense of community. In this sense, most of the *ejidatarios* never considered land as a commodity but as a space intrinsically attached to a set of values and traditions that constitute their identity (Siembieda, 1996).

Land redistribution was one of the demands that inspired the Mexican Revolution, and agrarian communities are conscious that the price for reaching this goal was extremely high. Thousands of their ancestors died while fighting for agrarian reform, and their memory is always present in any discussion about *ejido* issues in Mexico. Thus, even in informal conversations it is common to hear expressions like “our grandparents died for the land, so our duty is to preserve it”, or “we will defend our land until the final consequences, as our ancestors did”. As Serna (1996) indicates “the relationship that people have with land is deeply rooted, and that is why the fight for its distribution, restitution, conservation, or exploitation still remains, being the reason that inspires peasant mobilization.”

Regarding this relationship to land, most of the *ejidatarios* see themselves as victims of an unbalanced struggle against powerful forces looking to take away their lands (Jones and Ward, 1998). In their opinion, the fight for land still continues, but the enemy has changed. Big landowners were the foes in the revolutionary times; the State was later, expropriating vast extensions of land for dubious purposes without giving fair compensation. From their perspective, the current enemies are private investors allied with the government, who passed the

⁴⁸ Translated from the original Spanish by Rodrigo Díaz.

reforms of 1992 with the clear objective of destroying social property in Mexico in order to increase the stock of land available for development of all kinds of private projects. That is why words like struggle, resistance, and defense are repeated once and again in any meeting in which *ejidatarios* participate.

Preservation of the Myth of the Ejido

It is clear that the majority of the *ejidatarios* are proud to be considered the heirs of the Revolution, even if their ancestors did not fight on it. *Ejido* membership still provides a special status in Mexican society (Siembieda, 1996), and this status is recognized by the government with treatment that private landowners do not enjoy. It is translated into a series of grants, subsidies and credits whose utility are, at the very least, dubious, especially taking into account that the correct use of those resources is seldom subject to accountability. This is one of the reasons that explain why the urban *ejidatarios* still prefer to be treated as if they were peasants, even when the majority of them do not obtain their income from agricultural activities.

Ejidors might be considered the last vestige of the Mexican Revolution, and this situation has been seized by the communities in order to attract support for the causes that involve *ejido* interests. As one *ejidatario* in San Gregorio commented, “in some sense, *ejido* membership is as valuable as the land you possess in the *ejido*. Membership situates you in a higher status within your community, something that the private landowners cannot say, even if their lands are attractive in the real estate market.”

This special status has also translated to the fact that most of the *ejidatarios* consider their land as an independent territory, in which local rules are important and have more validity than the legal

and administrative framework provided by the Constitution and the laws. As Bouquet (1996) indicates, “something remarkable in the *ejidatarios*’ discourse is the almost inexistent reference to the Law. Therefore, their practices seem to be framed by locally designed rules, which sometimes are near the agrarian legal framework, but often are completely distant.”⁴⁹ In fact, in the couple of assemblies attended in San Gregorio Atlapulco the *Comisario* incessantly repeated that the *ejido* is an autonomous entity, so this status makes its resolutions unquestionable by the public institutions in charge of *ejido* issues. Agrarian communities like to be considered little nations within the nation, in which decisions are made independent of what the legal regulations dictate. Quoting Bouquet (1996), “it is worthy to mention the capacity of *comisarios ejidales* to impose local rules, even though many times they contradict what is established in the Law.”⁵⁰

Informal Land Market and Patrimony

The arguments given above provide a good explanation of why the majority of the *ejidos* were reluctant to participate in the privatization process proposed by the reforms of 1992. In Siembieda’s words (1996), “the social nature of the *ejido* draws its continuity from viewing land as a resource rather than as a commodity. As a resource, the *ejido* strives for sustaining its members through common bonds to the land; as a commodity, it is solely a means to individual gain, which occurs in the short run. Once the land is sold, the money spent, the *ejidatario*, many times, is left with nothing.”

At first glance all the arguments mentioned above are contradictory with the extended and persistent practice of informal land sale within *ejido* boundaries. In fact, and as it was pointed out

⁴⁹ Translated from the original Spanish by Rodrigo Díaz.

⁵⁰ Translated from the original Spanish by Rodrigo Díaz.

in previous chapters, urban *ejidos* have lost a significant portion of their area due to illegal practices that should not be expected from people who consider land as the most important factor for building their identity as a community.

However, *ejidatarios* usually provide three arguments to justify this situation:

- 1) Most of the *ejidatarios* who illegally sold the land are poor, and they did it because it was the only option they had to have some income. In this sense, *ejidatarios* usually blame the government for the urban expansion in *ejido* lands, expressing that this situation would be avoided if the *ejidos* received more financial aid.
- 2) Land has usually been sold to the lowest-income people, who cannot afford housing in the formal sector. Many *ejidatarios* view this situation as a social service oriented to benefit the most deprived sectors of the society. “At the end of the day, Zapata fought for them too”, an *ejidatario* from San Nicolás expressed. In addition, it is necessary to point out that in the long term settlers are usually integrated to the community as *avecindados*, something that does not happen with the people who buy a house in a formal residential area developed in land privatized from an *ejido*.
- 3) *Ejidatarios* who informally sold the land actually commercialized the right for its occupancy, but not its ownership nor the *ejido* membership. For them it is important to know that, despite the fact that the land is occupied by settlers, from a legal perspective it still belongs to the *ejido*, so they would not be betraying the principles that inspired the Revolution.

Worthy to mention is the case of regularizations carried out by CORETT. Experience says that *ejidatarios* asked for it only when their land was invaded as a way to obtain some money for land they assessed as lost. However, in the case of illegal sales the regularization is mainly requested by the settlers, and usually faces resistance from the *ejidatarios*, who do not want to lose the legal tenure of the urbanized land.

The same tolerance shown to *ejidatarios* who informally sold the land is not shown to the *ejido* leaders who dealt with the government or private investors in the terms of an *ejido* land transaction. In private they are usually called traitors (“*vendepatrias*”), not only because they commercialized the land their ancestors fought for, but because they negotiated with the traditional enemies of the agrarian cause, something that is not tolerated by the majority of communities.

A New Approach

The reforms of 1992 changed the way in which the *ejido* was understood, replacing the non mercantile-social vision for an approach based on the economic conception of the land (Bouquet, 1996). This market-based approach, that promotes the concepts of individualism and entrepreneurship, clashes with the historical attitude that *ejidos* have had towards the land. For the *ejidatarios* it is not easy to get rid of their land, even if there is a good economic offer for it. That is one of the reasons that explain why no *ejido* has completely privatized in the land in the MAMC. “Because patrimony, the ability to hand down one’s heritage, is valued in Mexican society, the privatization of *ejidos* will be slow, partial, and will take on different forms in different regions of the country” (Siembieda, 1996).

For the *ejidatarios* it is important to preserve the sense of community and all of the social (and also economic) benefits attached to this condition. In this sense, privatization and incorporation of land to the urban development might mean the end of their identity as *ejidatarios*, something that it is still valued in the Mexican society.

Conclusion

After sixteen years since their promulgation, it is clear that the outcomes of the reforms to Article 27 of the Mexican Constitution have been completely different than were originally expected. The incorporation of social lands into urban development has been far below the levels that the government predicted. Even worse, the irregular sale of *ejido* lands not only has continued, but indeed has been consolidated in most of the Mexican cities.

The explanation for this phenomenon can be found in a series of interrelated factors that go beyond the economic and institutional aspects usually argued in studies about the behavior of the *ejido* communities after the approval of the constitutional reforms. In fact, it is possible to identify three key issues that the ideologues of the reforms did not take into account and that have direct effects on both the level of privatization and the perpetuation of the informal urban land market within *ejido* boundaries.

First, the increasing levels of community participation in the reforms opened the door to conflicts within the *ejidos* that hindered the process of liberalization of social lands and their incorporation into the urban expansion. Rather than enhancing the relevance of the communities in the decision-making processes, the new scenario increased the importance of the leaders, specially the *comisarios*, who in fact control the discussion of any action implemented in the *ejidos*. Since they have historically controlled the informal market of *ejido* land, the majority of them have been reluctant to privatize land, as it could erode the privileged political and social status they enjoy in their communities.

In this sense, the Mexican experience challenges the idea promoted by institutions like the World Bank that land privatization is necessarily related to increasing levels of democratization. Most of the *ejidos* were not prepared to fulfill the minimum requirements necessary for developing participatory processes, and those communities that decided to privatize parts of their parcels were usually controlled by authoritarian leaders who are real dictators in the communities.

Second, the democratization of Mexican society did not translated into the democratization of the *ejido*, but into the development of new forms of clientelism characterized by the proliferation of both public institutions that deal with *ejido* affairs and groups within the communities who are looking for the patronage of political authorities. In this scenario, land privatization is attractive to few stakeholders. From the perspective of the politicians it threatens to dismantle their long-time constituencies structured around a territory. These constituencies are both the *ejidatarios* and the settlers who have illegally bought or invaded *ejido* land, and whose potential votes have historically been controlled by political leaders who have either organized, supported or protected illegal forms of land occupation.

From the *ejidatarios'* point of view it translates into the loss of a series of benefits (subsidies, grants, credits) derived from the clientelistic relationship developed for decades. *Ejididos* have an intrinsic political value, and their members are not willing to sacrifice it, especially considering that as private landowners their access to political power and its related benefits disappear.

Finally, the cultural attachment to land hampers the government's plans to incorporate social land into the formal urban real estate market. Land is more than a commodity that can be transacted in the market; it is the element that structures *ejidos* as communities. These social and cultural

associations make the *ejidos* reluctant to privatize land. However, informal commercialization is not always condemned, because it allows *ejidatarios* to retain land ownership, something extremely valued in agrarian communities. In this context, privatization as it is defined in the law is usually seen as a betrayal of the principles that inspired the Mexican Revolution, especially since it involves the participation of the government and public investors, who are seen as the real enemies by a significant part of the *ejido* population.

The Mexican Gattopardo

The reforms of 1992 did not recognize that *ejidos* have three dimensions –economic, political, and cultural (Goldring, 1998). These reforms assumed *ejidatarios* behave according to a market-based logic in which land is a commodity that can be transacted if there is sufficient economic opportunity. However, it is reasonable to question whether the government really pursued the massive privatization of *ejido* land. As other studies point out (Austin, 1994; Jones and Ward, 1998; Jones and Pisa, 2000; Olivera, 2005), the reforms introduced to Article 27 and the complementary laws (Agrarian Code, Human Settlements Law) were no more than small modifications meant to adjust the *ejidos* to the economic and political realities of contemporary Mexico. Indeed the State was never willing to introduce drastic changes to the *ejidos* structure or to the *ways they* have traditionally related to the government.

In fact, the 1992 constitutional reforms reaffirm the ambiguous and contradictory policies regarding land tenure and urban development in Mexico. On the one hand, the reforms propose to incorporate *ejido* land into the urban fabric through privatization. On the other hand, the system of privatization is extremely complex and slow, making it unattractive for both the *ejidatarios*

and the private sector. In addition, the package of economic and social benefits reserved for *ejidatarios* is preserved, but not extended to private landowners; therefore, there are few incentives to leave the social structure of the *ejidos*. Finally, the preservation of permanent policies of land tenure regularization that in practice do not penalize informal practices creates the perfect scenario for the perpetuation of an illegal market of *ejido* land.

This situation recalls the famous adage of di Lampedusa's novel *Il Gattopardo* (The Leopard): "changing something to make sure that everything stays the same." The experience of the last sixteen years demonstrates that neither the government, the *ejidatarios* nor the private sector have been willing to change the model that has accorded many advantages for them. None of these stakeholders have been willing to pay the costs necessary for the adequate incorporation of social land into the urban development: the State has not been willing to lose its political control over the agrarian communities; the *ejidos* have not wanted to lose the social and economic privileges acquired after decades of political patronage; and most of the private investors have preferred to avoid negotiations that involve the participation of agrarian communities.

This *ejido* 'gattopardism' was the strategy of a government that implemented measures according to its neo-liberal agenda, but that never intended to implement any initiative that might compromise its political control over agrarian communities since the first years of the post revolution. Thus, the idea of dismantling the mechanisms of state intervention was in practice a rearrangement of the institutions and instruments used to intervene in the internal life of the *ejidos* (Jones and Ward, 1998; Olivera, 2005).

On the *ejido* side, the original mistrust of the reforms resulted in the adaptation to the new scenario, characterized by the consolidation of the illegal forms of land commercialization. In fact, the process of delimitation and certification of *ejido* land implemented by PROCEDE, interpreted as a de facto privatization by many *ejidatarios*, provided a halo of legality to the informal market. In this context, land is wrongly treated as if it was private property, which allows *ejidatarios* to commercialize it more easily at a higher price while retaining ownership (Goldring, 1998).

Some Ideas for the Incorporation of Ejido Land into Urban Development

Mexican cities will continue grow and most of the expansion will take place, one way or another, in *ejido* lands. In such a scenario, the current legal and administrative frameworks however are a hindrance to urban planning. Their ambiguity and complexity create a disincentive to legal and controlled land incorporation by allowing for the perpetuation and consolidation of illegal practices that have a disastrous effect on the urban fabric.

Based on the research in this thesis, some measures could be adopted in order to facilitate the adequate incorporation of social land into urban expansion, while also protecting the rights and aspirations of the agrarian communities.

- 1) It is necessary to differentiate between urban and rural *ejidos*. They have dissimilar dynamics and characteristics, and the problems they face are quite different. Therefore, it is indispensable to develop legal and administrative frameworks that recognize these differences and also establishing an ad hoc system of public institutions and policies for each type of *ejido*. Making more transparent the system of benefits that *ejidos* currently receive is also

critical. These benefits should be targeted to the *ejidatarios* who really need them and should be accountable to the public institutions that provide them.

- 2) Exploring new forms of land tenure that are in between social and private properties may fit better with the traditional forms of property in the agrarian communities. For example, land trusts may be an alternative model to consider as they could preserve *ejidatarios'* land ownership while supplying secure tenure to households. These land trusts should be oriented to the lowest-income households. Moreover, they could be an adequate way to regularize squatter settlements that currently exist, a process that often faces the opposition of the *ejidatarios* who are not willing to lose the ownership of their lands. This land reform should be accompanied by the gradual disappearance of permanent regularization programs, like CORETT, which perpetuate illegal practices within the *ejidos*.
- 3) Although it can generate strong opposition from the *ejidatarios*, it is indispensable to introduce modifications in the way the communities are structured. Making the system of membership succession more flexible would allow younger people to join, who might be interested in developing new initiatives, not necessarily related to urban expansion, in *ejido* lands.

In addition, and in order to counterbalance the excessive power of the *comisarios*, it is advisable to implement mechanisms to enhance their public accountability.

Ejidos are extremely complex social institutions; their multidimensionality makes it difficult to incorporate them into urban planning processes. They are the last vestige of the Revolution: their organization and structure correspond to a historical moment in which most of the Mexican

population was comprised of landless peasants. *Ejidors* did not adjust to the demographic, economic, and social changes experienced by Mexico during the last century, and their structure is basically the same as ninety years ago, when the urban context was different and the agrarian communities were not relevant actors in urban development.

Since they own most of the lands that surround the main Mexican cities, urban plans should acknowledge their particular characteristics and dynamics. In fact, we have shown that drastic changes might even produce effects that are the opposite of what was intended. For this reason, it is advisable that urban policies adopt a piecemeal approach, in which the changes are incorporated slowly starting in areas where it is most feasible. The three options outlined above will not solve all the problems of the urban expansion in social lands, but provide a framework for the implementation of urban policies more suitable to the *ejido* context.

Ejidors are too important in urban development to be ignored by planners. Incorporating them in urban plans is a difficult task, but not impossible if it is approached from a multidisciplinary perspective that recognizes their complexity and multiple dimensions.

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