

Housing as a Core Element of the Mexican Social Policy

VIVIR MEJOR

Ministry of Social Development

Mexican Housing Day 09

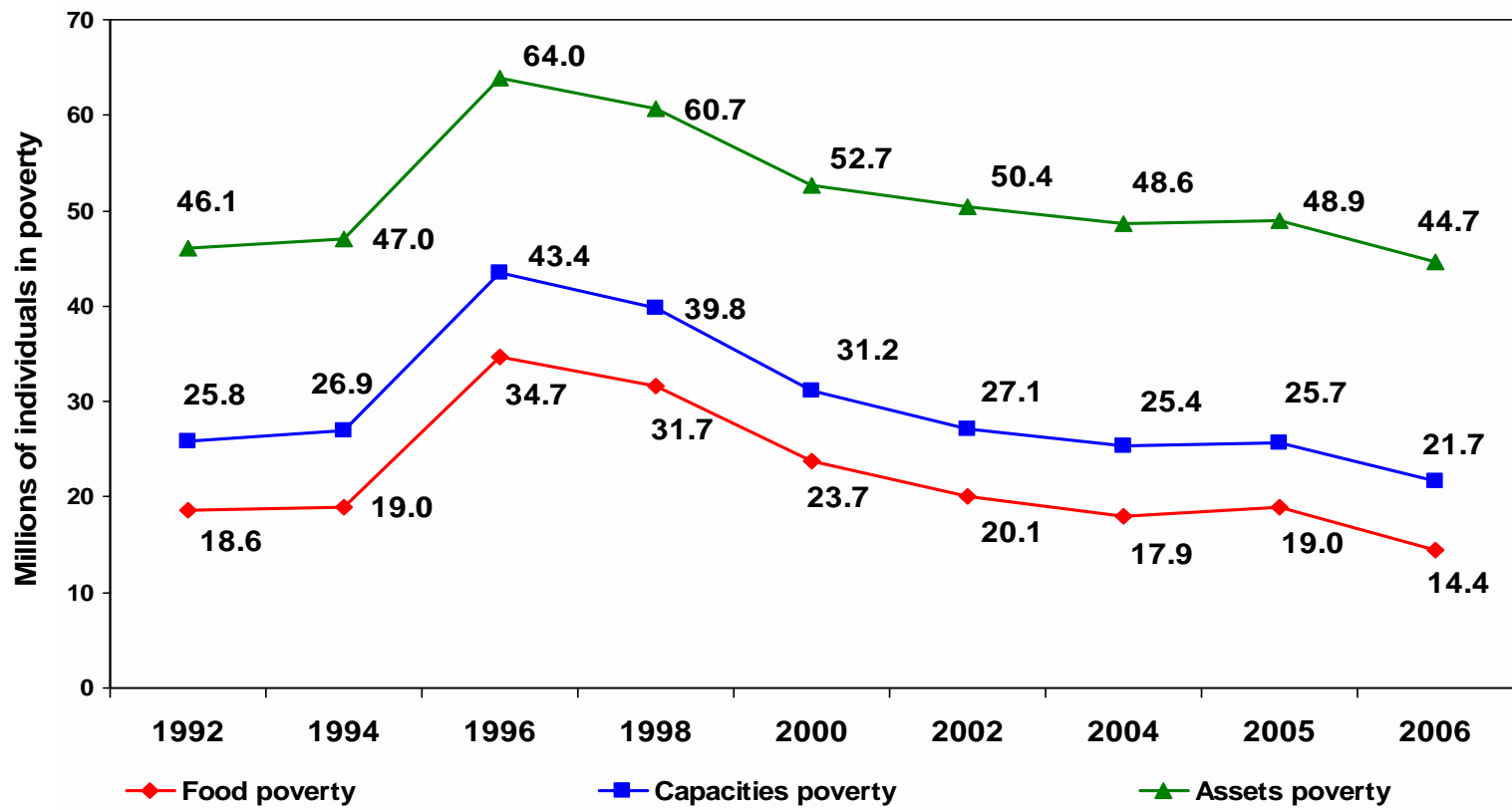




1. Achievements and social policy challenges
2. UN Millennium Development Goals
3. *Vivir Mejor* strategy
4. The housing agenda

1. Achievements and social policy challenges

Evolution of national poverty, 1992-2006 (millions of individuals)



Source: Coneval (2007)

Poverty has decreased over the last ten years

1. Achievements and social policy challenges

Poorest 20% of the population

	%	
	1992	2006
Social Infrastructure		
Without electricity	19.9	3.1
Dirt floors	46.2	22.3
Without safe drinking water	43.9	22.9

Education		
Children 8-12 years old not attending school	11.5	3.5
Heads of households with at least basic education	5.4.	21.6

Health		
Infant mortality rate (general population, 0- 1 year per 1000 live births)	36.2	18.1
Wasting (general population under 5 years old; 1988 vs 2006)	6.5	1.2

2. UN Millennium Development Goals

Where does Mexico stand in relation to other countries?

GOALS

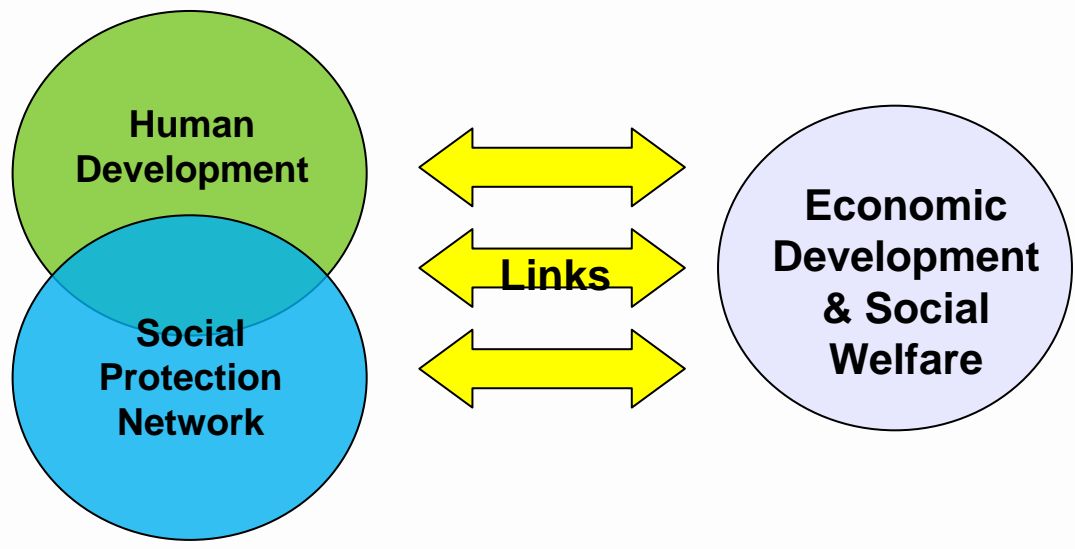
	Proportion of population below \$1 a day (PPP)	Net enrollment ratio in primary education	Ratio of girls to boys in primary and secondary education	Under-five mortality rate	Births attended by skilled health staff	Incidence of tuberculosis	Access to improved sanitation facilities	Internet users
	%			per 1,000	% of total	per 100,000 people	%	per 1,000 people
High income	..	94	100	7	..	17	100	527
Transition countries of SEE/CIS Europe	0.7	90	99	17	99	107	83	188
Latin America & Caribbean	8.6	95	102	31	87	61	77	156
MEXICO	3.3	97	99	22	80	15	83	195

✓ In comparison to similar countries, we have better results in many of the targets.

5 **Transition Countries of CEE / CIS Europe:** Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Montenegro, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan



3. *Vivir Mejor* strategy



“*Vivir Mejor*” aligns public policy under three main goals:

1. Improving access to nutrition, education, health, and **housing**.
2. Strengthening the social protection network to help families to prevent or/and to face a catastrophic loss. **Rebuilding and reallocation of homes after a natural disaster.**
3. Strengthening coordination between social and economic policy. **Direct and indirect job creation in the Housing sector.**

4. The housing agenda

México's Population Growth

	1980	2005	2030
Total	67.3 million	103.9 million	120.9 million
Urban	36 million	72.7 million	90.2 million
Number of cities	226	363	

Cities population growth anual rate	1.50%
Total population growth anual rate	1.0%

4. The housing agenda

■ New Household Formation	299,997 units
■ Housing Backwardness	765,113 units
■ Housing Rotation	71,565 units
■ Total Demand	1,159,379 units
■ Housing Demand 2008-2013	7 million units

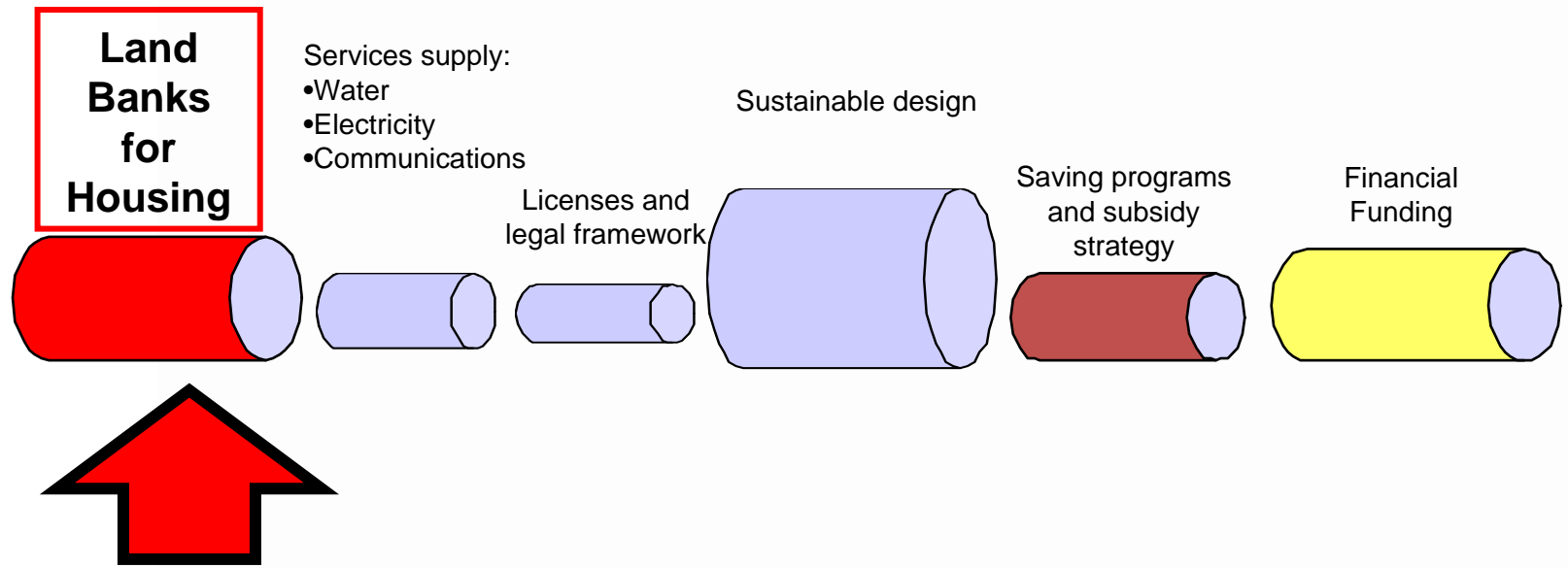
4. The housing agenda

Financial arrangement for Housing in Mexico



■ 2007	1,002,471 loans
■ 2008	1,324,460 loans
■ 2009	1,300,000 loans

POLICY TOOLS

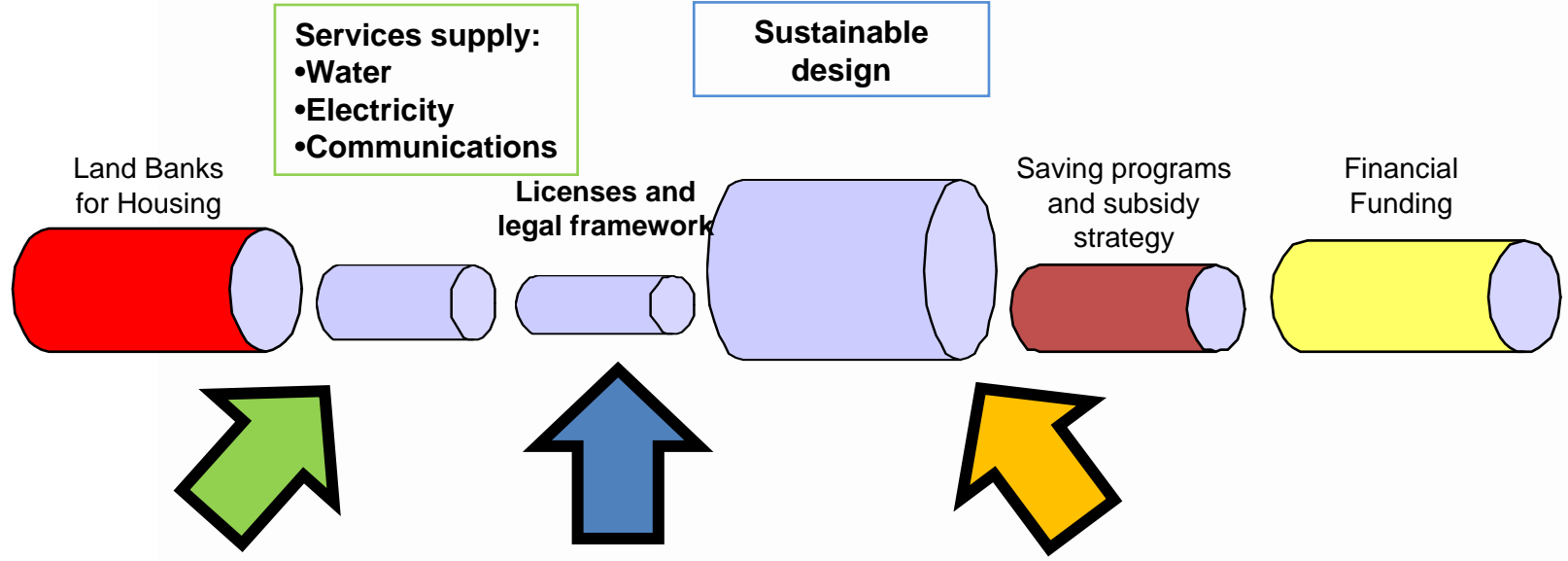


Undersecretary for Territorial and Urban Planning

Commission for Land Tenure Regulation (CORETT)

- Promote the elaboration of Urban Development Plans for the main municipalities.
- Acquisition of land suitable for housing projects.
- Regularization of poor families properties.

POLICY TOOLS



Mexican Congress
Federal Government
Local Governments

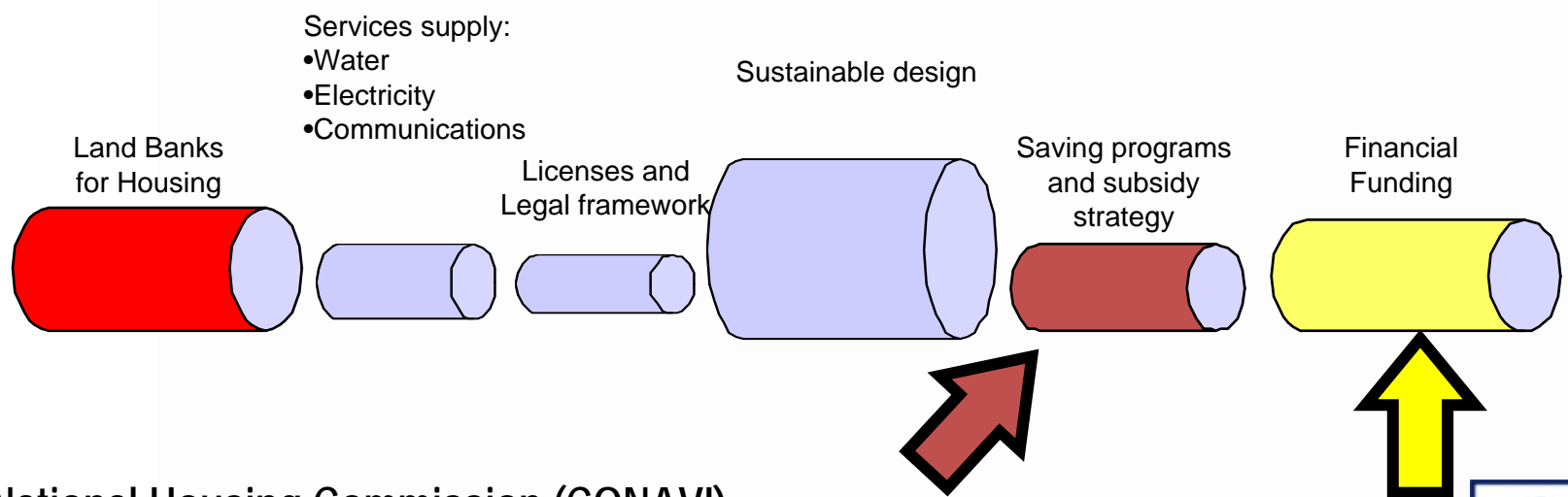
Federal Government
State Owned Development Banks
Conavi

Investments in social infrastructure in poor urban areas.

- Changes in legislation and normative guidelines to achieve Sustainable Urban Developments.
- Elimination of excess regulation.

- Incentive oriented actions to adopt sustainable technologies and designs.
- Subsidies and credits allocated to Integrated Sustainable Urban Developments

POLICY TOOLS



National Housing Commission (CONAVI)
National Trust Fund for Low-Cost Housing (FONHAPO)

- Subsidies to complement down payments for low income households (425 – 600 USD)

- Cash transfers for house improvements or for new houses for poor households (222,036 subsidies in 2008).



SOCIEDAD HIPOTECARIA FEDERAL



Vivir Mejor



Final Remarks

- There is no systemic risk in the Mexican Housing Industry.
- Housing is a cornerstone of the social policy.
- Mexico is devoting an important amount of fiscal money to provide homes to poor families.
- We are investing in energy efficient technologies and in sustainable designs.
- Mexico has solid government institutions that endorse and complement the efforts of private investment in housing projects.
- Coincidence of objectives: Federal Government, Congress, and Private Developers.
- Goals have not changed, Housing is intended to be one of the internal engines of the Mexican Economy.



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