

Adrian G. Aguilar and Flor M. Lopez

# The city-region of Mexico City: social inequality and a vacuum in development planning

The purpose of this article is to show that, despite the growing interest in the formation of city-regions across the world, this urban phenomenon is not sufficiently recognised in the planning instruments for territorial development. Neither has enough attention been paid to two of the main problems associated with these new formations: socio-territorial inequality and the lack of effective government. In the case of the Mexico City city-region, disturbing negative aspects of socio-territorial inequality can be identified, including the precarious labour market and high rates of poverty. Although Mexico's metropolitan governments have been inadequate for many years, their ineffectiveness in the case of Mexico City is exceptional. This article concludes that metropolitan planning has been an illusion and discusses how the development of integrated planning at the macro-regional level in the future is very improbable, unless major institutional changes are implemented to take advantage of their competitive advantages.

**Keywords:** city-regions, Mexico City, urban deconcentration, social inequality, development planning limits

## **Inequality and spatial planning in the modern city-region**

This article contributes to the discussion of city-regions across the world, an urban phenomenon that is not sufficiently recognised in the planning instruments for territorial development; the first part of this paper examines how city-region analysts pay insufficient attention to two aspects: first, how this new scale of urban development can increase the problem of socio-spatial inequality, and second, the ineffective role played by government agencies in the territorial planning of this type of region.<sup>1</sup> The next section focuses on evidence presented for the case of the Mexico City city-region, where the urban process shows an important deconcentration trend that has incorporated several metropolitan zones in the Central Region, but disturbing negative aspects of socio-territorial inequality can be identified, including the precarious labour market and high rates of poverty; and although Mexico's metropolitan governments have been inadequate for many years, their ineffectiveness in the case of Mexico City is exceptional.

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Adrian G. Aguilar is Professor at the Universidad Nacional Autonoma de Mexico, Institute of Geography, Circuito de Institutos, Ciudad Universitaria, Coyoacan, Ciudad de Mexico 04510, Mexico; Flor M. Lopez is Researcher at the Universidad Nacional Autonoma de Mexico, Institute of Geography, Circuito de Institutos, Ciudad Universitaria, Coyoacan, Ciudad de Mexico 04510, Mexico; email: [adrianguillermoi@gmail.com](mailto:adrianguillermoi@gmail.com); [fflore@yahoo.com.mx](mailto:fflore@yahoo.com.mx)

Particular emphasis is paid to how metropolitan coordination has been mainly left to goodwill and to voluntary cooperation between municipalities, state governments and federal agencies, and to how there is a lack of a well-defined planning structure with its own resources for the development of metropolitan projects – a situation that is replicated at the level of the city-region. Finally, this article points out how metropolitan and city-region planning has been an illusion and a new regional urbanisation focus has to be adopted, with institutional changes as well as policies that find coordinated solutions, that responds to the needs of these very large cities that grow quickly and will continue to be major growth centres for countries.

In the twenty-first century, the city-region will become the dominant form in the forthcoming decades in developed and developing countries. It is identified as a *new form of dominant urbanisation* which consists of regions with a polycentric network of multiple big, medium and small cities which are separated physically but linked functionally; they agglomerate around one or two big metropolises, and acquire considerable economic strength from a new functional division of labour (Lang and Knox, 2009, 791).

There has been a reactivation of the globalisation process in these city-regions due to their role as a basis for all types of productive activity, whether it be manufacturing, commerce or services, irrespective of whether the activity is of high or low technology. The traditional patterns of urbanisation have been modified in the context of new processes of economic restructuring, digital communication technology, demographic change and neo-liberal policies, which have led to new urban, suburban and urban-peripheral landscapes. Thus interest in the concept of the city-region has been renewed over the last ten years and this is reflected in work on the subject internationally (see Scott, 2001; Parr, 2005; Morril, 2006; Vicino, Hanlon and Short, 2007; Purcell, 2007; Scott, 2008; Rodríguez Pose, 2008; special issue of *Regional Studies*, 43(6), July 2009; special issue of *International Journal of Urban and Regional Research*, March 2007; Scott, 2012; Nelles, 2013).

These territories have been the focus of attention because they serve the needs of the neo-liberal model as they ensure economic competitiveness; the economic arguments have dominated territorial policy as they demonstrate that the city-region has to be considered as a large-scale, functional system that is well connected, and which promotes growth through agglomeration economies. The high degree of decentralisation in the city-regions leads to the formation of a polycentric structure that responds to the new configuration of conditions in the neoliberal context and the global dynamic (Scott et al., 2001, 14). These city-regions have become increasingly post-industrial as they have lost manufacturing activities, and the employment structure is dominated by service-sector activities (Vicino et al., 2007, 361).

However, most analysts of the city-region pay insufficient attention to two aspects: first, the discussion of how this new scale of urban development can increase the

problem of socio-spatial inequality, and second, the ineffective role played by government agencies in the territorial planning of this type of region – issues particularly relevant in the case of city-regions in developing countries.

On the first issue, the analysis of these regions is focused on successful places; the bias is towards the main city to the detriment of the small and medium-sized ones, and even less attention is given to most backward rural areas which rarely appear in the analysis. Etherington and Jones (2009, 251) show that the hegemonic interests of the biggest urban agglomerations are given more political attention, and the characteristics of widespread poverty and social inequality do not seem to cause concern, nor are strategies put in place to deal with them. There is evidence that social inequality has increased over recent years, and is seen by the marked fragmentation between zones that benefit and those that lose, or between urban and rural zones. This inequality has increased to the extent that the concentration of poverty in some zones in the regions has intensified, as has the lack of labour opportunities (Wheeler, 2009, 865); in fact, migratory flows of population and labour flows tend to reinforce the region's spatial structure rather than acting as 'redistributive flows' (Parr, 205, 560).

Scott et al. (2001, 19) emphasise that globalisation and the economic changes that come with it have widened the gap between the rich and the poor in economic, social and spatial terms; this gap is further widened in these city-regions by the natural concentration of jobs that require highly qualified labour and that pay high salaries, next to the increase in low-skilled jobs and workers that live below the poverty line. Another type of cost is the increased concentration of the central city as the most attractive location, which reinforces unequal and unsustainable development (Turok, 2009, 857). In other words, the policies that address spatial issues in city-regions should address the redistribution aspects of competition-enhancing strategies, as well as promoting urban regional development. The competitive edge of a city-region is not only based on production factors, but also on the quality of life (Jonas and Ward, 2007, 175).

In relation to the second issue, there seems to be a vacuum in the attention that the state has given to the spatial configuration of these city-regions, and the changing forms in which these city-regions are governed. The city-region is not just an economic space, but a political one as well, and inside its limits are regulatory frameworks and autonomous decision-making mechanisms. Evidently, conflicts are generated in the context of social distribution, the actions of government and the role of politics in the administration of regional territories (Jonas and Ward, 2007, 171). It is important to know up to what point mechanisms of cooperation between different levels of government have developed to reinforce the strategic development of the city-region (metropolitan governments or alliances between the public and private sectors), or the opposite case where these territories have been left to the forces of economic globalisation and spatial agglomeration.

As far as the presence of regional agencies is concerned, if they exist at all they are usually weak. For example, the Chinese city-regions of Beijing, Shanghai and Hong Kong have inadequate governmental institutions, and those that exist are of a consultative nature; they do not coordinate the activities of other institutions acting in their respective area, and they lack an integrated planning strategy to guide their development (Silt, 2005, 324).

There is a considerable body of literature that discusses the challenges that have to be faced in Latin American metropolitan areas, and the problem of multiple political and administrative institutions. These represent obstacles for the structuring of metropolitan government and represent a crucial backdrop to the discussion, as well as raising the question of the viability of developing a balanced, integrated planning model at the regional level (see Aguilar and Ward, 2003, 5; Rojas et al., 2005; Wilson et al., 2008; Orellana, 2009; Spink et al., 2012; Ward, 2015).

To a large extent, the lack of regional government is an institutional problem which is essentially political. It arises from the lack of recognition of the regions in the hierarchy of government institutions, the high degree of fragmentation between administrative jurisdictions in the region, and the strong political resistance to this type of regional planning. This is especially true of aspects of land-use planning, lack of political incentives to encourage local authorities to collaborate at the regional level, and a certain logic in their resisting the loss of local power (Wheeler, 2009, 867). In the case of daily journeys to work and transport infrastructure in Beijing, the incapacity of the local institutions to implement integral land-use control developed an inefficient transport system and control of urban sprawl on the periphery (Zhao and Lü, 2009, 255). In the case of the Bandung Metropolitan Area in Indonesia, fragmented land-use and transport planning by local governments have been the policy options in a situation where there is no integral planning at the metropolitan level (Miharja and Woltjer, 2010, 176).

One direct consequence of governmental neglect of the city-region – itself a significant emerging phenomenon – is the lack of explicit recognition of both the definition (its spatiality) and spatial aspects of territorial planning instruments. This has two main aspects: (i) lack of attention to *the territory* where the region is located in terms of several geographical measures – this territory normally takes the form of an administrative unit due to its coinciding with political-administrative boundaries, and (ii) the *network perspective*, where the pattern of interaction and the regional division of labour need to be thoroughly understood as their limits are variable and change constantly (Ellingsen and Leknes, 2012, 229). The critical issue here is coordination across geographical scales, between the policies pursued at supranational, national and regional levels, involving both formal and informal coordination, and the possibilities of popular input into their formation and implementation at all levels (Scott et al., 2001, 19). The creation of new and responsive frameworks of regional governance is the great challenge for the future.

## Mexico City and the Central Region of Mexico

The Mexico City Metropolitan Zone (ZMCM) is located in an area called the Central Region (RC) of Mexico, which consists of seven states: the Federal District, and the states of Mexico, Hidalgo, Morelos, Puebla, Queretaro and Tlaxcala. The RC covers an area of 97,964 square kilometres, which is 5 per cent of Mexico's total land area. However, the concentration of the country's population in the RC is very high, as in 2015 it registered 39.3 million inhabitants, which represents 33.1 per cent of Mexico's total population. However, the most important feature of this population is its urban character, as 84 per cent of the total is urban, thus making the RC a highly urbanised territory where the metropolitan zones and urban centres concentrate the majority of the population.

The high concentration of the country's metropolitan population in the RC is to be seen in its occupying 46 per cent of the national total in 2010, which also shows the importance of this population in the regional context, where the constant addition of new urban centres has to be taken into account. In economic terms, the participation of the RC in the country's gross national product (GNP) is very high, at 35 per cent of the total; the RC also holds the highest proportion of the country's economic establishments and working population, at 35.4 per cent and 36.1 per cent respectively. The importance of the ZMCM in the RC is unquestionable; in 2010 it represented 54 per cent of the regional total, and, with respect to the second-most-important city in the region, which is the Puebla-Tlaxcala Metropolitan Zone, with a population of 2.7 million inhabitants, the ZMCM was almost eight times larger. Political power is still highly concentrated in the capital city, which makes Mexico City an important place, as well as where the elaboration of fundamental policies about the nation's development takes place.

In order to characterise the city-region that surrounds the ZMCM, the analysis of the internal urban dynamic of the RC is presented from three different perspectives: (i) the deconcentration of urban development with indicators showing increased metropolitan growth and peripheral urbanisation; (ii) social inequality seen from data on poverty, types of occupation and labour flows; and (iii) the lack of recognition of the phenomenon of the city-region, the lack of regional development strategies, and discussion of the lack of regional and metropolitan coordination.

Most of the statistical data on urban growth comes from the Population and Housing Census over the past thirty years, which show the evolution of the socio-territorial process. Data on employment, the quality of jobs and incomes come from the National Occupation and Employment Questionnaire between 2005 and 2015, which is the most recent data available for this purpose. Data on labour flows comes from the Sample of the Population Census for 2000 and 2010.

## The deconcentration of urban growth

During the 1970s the rate of growth of the ZMCM started to slow down, and the urban dynamic of nearby cities started to grow as a consequence of the process of deconcentration of the population and economic activities. Mexico's recurrent economic crisis of 1976 and 1982 reduced the attractiveness of the capital city, as living costs rose and it was affected by other urban diseconomies such as public insecurity and environmental pollution (CONAPO, 1997, 34; Aguilar, 2003, 47); immigration fell and the centrifugal process of urbanisation was stimulated. Table 1 shows the gradual decrease in the relative participation of the ZMCM in the urban population growth of the region and the loss of its power of attraction; additionally, the process of concentration in other regional metropolises and towards the lower levels of the urban hierarchy can be seen. In 1970, the population of the ZMCM represented half of the total urban population of the RC, and, as a result of decelerating population growth rates, it was 0.9 per cent between 2000 and 2010 and 0.8 between 2010 and 2015.

Whilst in 1970 there were two metropolitan zones (ZMs) in the RC (the ZMCM and the Puebla ZM), by 2010 there were thirteen metropolitan zones. In 2010 the total population of all the metropolitan zones was 30.8 million inhabitants, which represents an increase of 15 million inhabitants with respect to the total population in metropolitan zones in 1980. This shows that a strong process of *metropolitanisation* was under way.

The biggest cities have registered the lowest rates of population growth during the last decade (at less than one per cent); this process has caused the redistribution of the population in favour of medium-sized and small cities and the zones that are next to the main ZMs, thus forming widespread urban dispersion or the suburbanisation of zones that are very far from the central cities. This process is exemplified by those localities with rural–urban characteristics which have grown systematically and which are generally close to the largest cities (see Figure 1).

One factor that represents Mexico's urban deconcentration over recent decades is the change in migration patterns in the RC. After registering a positive migration balance in 1970 of slightly more than 570,000 migrants,<sup>2</sup> this flow fell to a negative balance of 99,000 migrants in 2010, showing that the pull of the RC had diminished considerably as migration grew in other regions of the country. The balance of migration in the Federal District changed drastically in this period and became negative. Emigration from the Federal District represents a major flow to the other states in the RC, and makes up 30 per cent of their immigrant population in some cases. In fact, the majority of immigrants to the RC settle in its ZMs, and mostly in the municipalities on the periphery of their metropolitan areas. The increased urban influence in

2 This migratory balance is the difference between immigration and emigration flows in the RC.

**Table 1 The Central Region: urban growth by metropolitan zone, 1980–2015**

Metropolitan zone	Population					Growth rate (%)			
	1980	1990	2000	2010	2015	1980–90	1990–00	2000–10	2010–15
Valle de México	13,734,654	14,836,110	18,396,677	20,116,842	20,892,724	0.8	1.7	0.9	0.8
Puebla-Tlaxcala	985,213	1,349,029	2,029,041	2,728,790	2,941,988	3.2	2.5	3.0	1.5
Toluca	597,350	911,310	1,451,801	1,936,126	2,116,506	4.3	3.3	2.9	1.8
Querétaro		555,491	787,341	1,097,025	1,255,185		3.5	3.4	2.7
Cuernavaca	277,502	483,951	783,326	924,964	983,365	5.7	3.1	2.3	1.2
Pachuca		193,673	375,022	512,196	557,093		3.1	3.2	1.7
Tlaxcala-Apizaco	76,878	111,636	408,401	499,567	540,273	3.8	3.0	2.0	1.6
Cuautla	138,127	233,542	358,405	434,147	475,441	5.4	2.9	1.9	1.8
Tehuacán				296,899	344,603				3.0
Tulancingo			193,638	239,579	256,662			2.2	1.4
Tula			169,901	205,812	225,219			1.9	1.8
Tianguistenco				157,944	170,461				1.5
Teziutlán				122,500	131,786				1.5
Total ZMs	15,809,724	18,674,742	24,908,553	29,272,391	30,891,306	1.68	2.92	1.63	1.08
Central Region	23,533,883	27,073,577	32,936,450	37,246,889	39,348,533	1.41	1.98	1.24	1.10
% ZMCM	58.36	54.80	55.86	54.01	53.10				

Source: Authors' calculations from Census of Population and Housing, 1980, 1990, 2000 and 2015, INEGI

rural areas near the cities has given way to the process of *peri-urbanisation*, and the conversion of small settlements into small urban centres. These processes have intensified urbanisation in their respective territories, and increased population density, as well as incorporating them into the urban and metropolitan dynamic.

As a consequence of these changes, the ZMs have gradually widened their frontiers. Between 1990 and 2010 a total of 121 municipalities were integrated into the ZM. This represents an enormous territory and a significant number of inhabit-



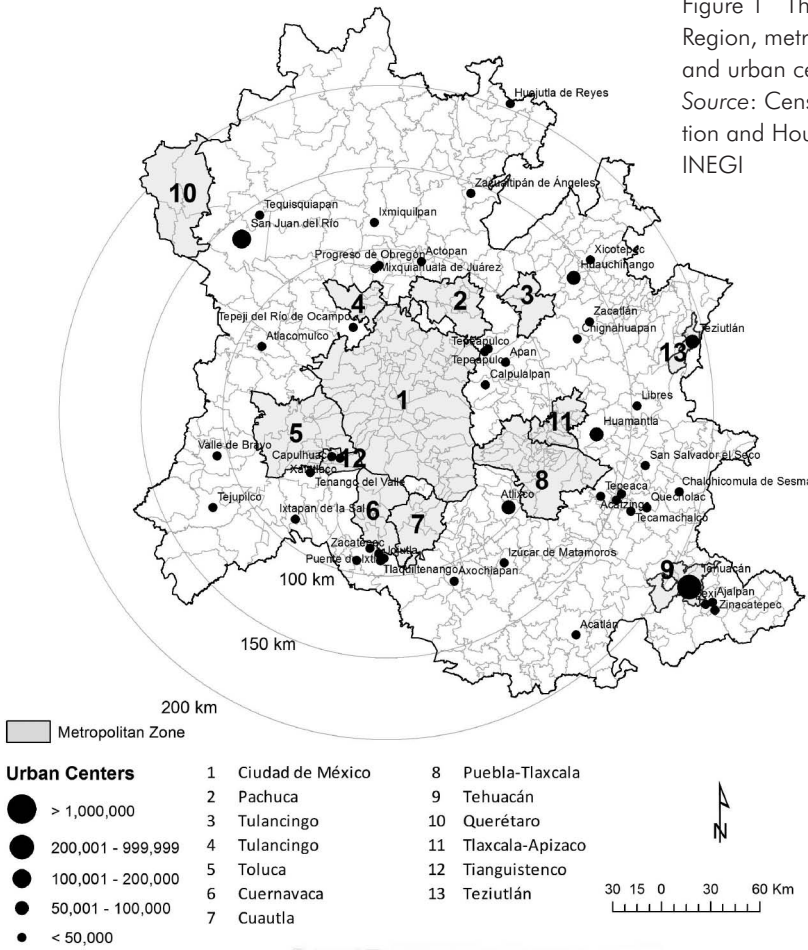


Figure 1 The Central Region, metropolitan zones and urban centres, 2010  
Source: Census of Population and Housing 2010, INEGI

ants. The states that have contributed most to the metropolitan expansion of the RC are Mexico, Puebla and Tlaxcala, and therefore these states have been under most pressure in terms of the change from rural to urban settlements. In recent years small cities are true nuclei of urban concentration and even play an important role in attracting migrants. Whilst in 1970 there were only twenty-eight small cities in the RC, in 2010 the number had increased almost sixfold to 165 small urban centres (see Figure 1). The states where the growth of these cities is highest are Mexico, Hidalgo and Morelos.



Social and territorial inequality

Despite the very significant competitive advantages the region offers, in reality there is a high incidence of social polarisation within the region and this reinforces the patterns of labour inequality and social exclusion. In general, there is a process of deindustrialisation in the largest cities, and they have lost high-quality jobs, while the service-sector jobs that are created are usually precarious and wages are low. Two indicators demonstrate this process: the first is the level of education of the workers; the second is related to the degree of poverty at the municipal level.

As far as the level of employment and the quality of jobs are concerned, between 2005 and 2015 economic growth slowed down and this was reflected in growing unemployment. The employment data for the region show that an average of more than 555 jobs were lost in all its big cities, in the medium-sized cities the average gain was 234 jobs, employment grew minimally in the small cities, and in the rest of the region average employment growth was 429 jobs. These results are shown in Figure 2, where the loss of employment in the Mexico City ZM, and in the Puebla-Tlaxcala and the Queretaro ZMs, is clearly shown, along with new employment being created in the Toluca, Tlaxcala-Apizaco ZM, as well as in several of the smaller ZMs.

Unfortunately, the new jobs that have been created do not require skilled labour and highly skilled jobs are being lost. This is an indication of the social polarisation in the region. At present, the largest section of the workforce is found in occupations that have least labour protection and lowest salaries. This group represents 38

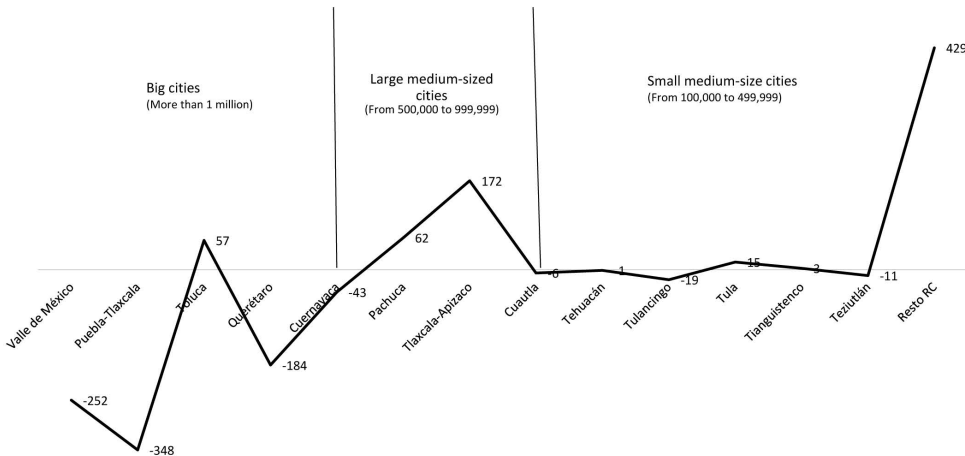


Figure 2 The Central Region: growth of occupied population 2005–15 and comparison between metropolitan zones

Source: National Survey of Occupation and Employment, 2005 and 2015 (Quarter I), INEGI

per cent of the total and has grown more than any other employment sector in the 2005–15 period. These data indicate a tendency towards deteriorating wage levels. The predominant salary in the RC, at 44 per cent of the occupied population, is less than two minimum salaries; this is followed by 27 per cent of the occupied population, who earn between two and three minimum salaries; 20 per cent earn between three and five minimum salaries; and only 8 per cent of the population are found in the highest salary scale, at more than five minimum salaries.

When the type of occupation is analysed by metropolitan zone, it can be seen that, in 2015, occupations that required the lowest level of education predominated. These include machine operators, assembly workers, drivers and other basic activities, along with agricultural workers and craft workers. At the other end of the scale, the highest levels of occupation, including professional workers and government functionaries, are found in two of the biggest cities in the region: Mexico City and Queretaro (see Figure 3). The situation is similar for low wages, as the lowest category – at less than three minimum salaries – predominates in all the cities in the region, and the number of workers earning the highest wage categories represents a very small proportion of the total in all cases (see Figure 4).

The second aspect that has to be emphasised is the high number of people living in poverty in several municipalities throughout the region. The National Social Policy Evaluation Board (CONEVAL)<sup>3</sup> reports that 16.3 million people live in poverty in the RC. The highest percentages are found in the state of Mexico, with 12.5 per cent of its population living in poverty; Puebla, with 6.8 per cent; and the Federal District, with 4.8 per cent. In other words, about 40 per cent of the population of the Central Region live in poverty. It is important to clarify that the indicators used by CONEVAL classify poverty in three groups: *poverty by patrimony*, which refers to people with insufficient income to obtain a basket of basic foods and meet the costs of health, clothing, housing, transport and education; *basic foods poverty*, which refers to a person's inability to obtain the basic basket of foodstuffs; and *poverty of capacities*, which refers to insufficient income to obtain the basket of basic foodstuffs and meet the necessary costs of health and education (CONEVAL, 2007, 3).

In the case of extreme poverty, there are 3.5 million people in this situation in the RC, and the highest percentage is found in the state of Mexico, with 10.1 per cent of the total. This category refers to people whose wage is not sufficient to obtain the basic basket of goods and who also lack the means to participate fully in society. Figure 5 shows the localisation of the zones with the highest percentages of the population living in poverty, which are located on the 'periphery' of the region, and coincide with mountainous areas that have poor communication and are isolated from the

3 CONEVAL was established in 2005 with the objective of generating information about the situation with regard to social policy, measuring poverty and evaluating the country's social development programmes and actions. Periodically, CONEVAL develops poverty indicators for the national, state and municipal levels.

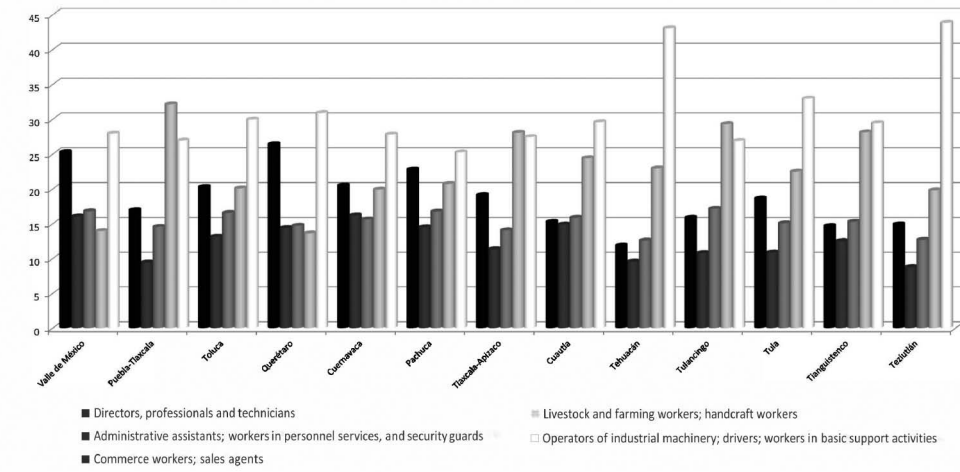


Figure 3 The Central Region: type of occupation by metropolitan zone, 2015  
 Source: National Survey of Occupation and Employment, 2015 (Quarter 1), INEGI

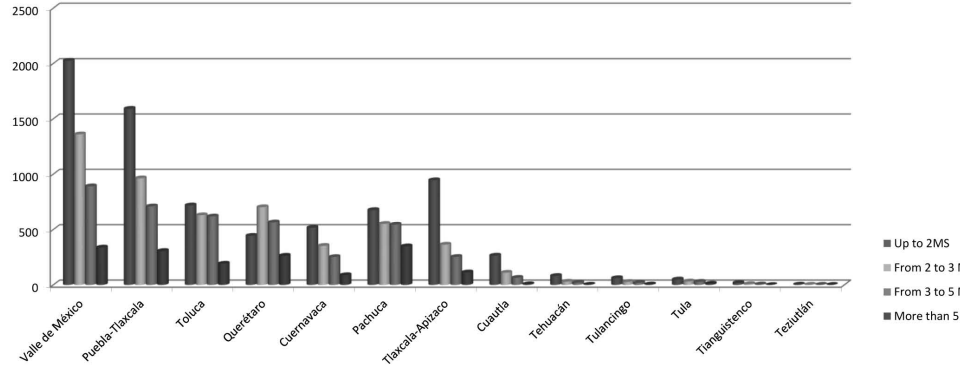
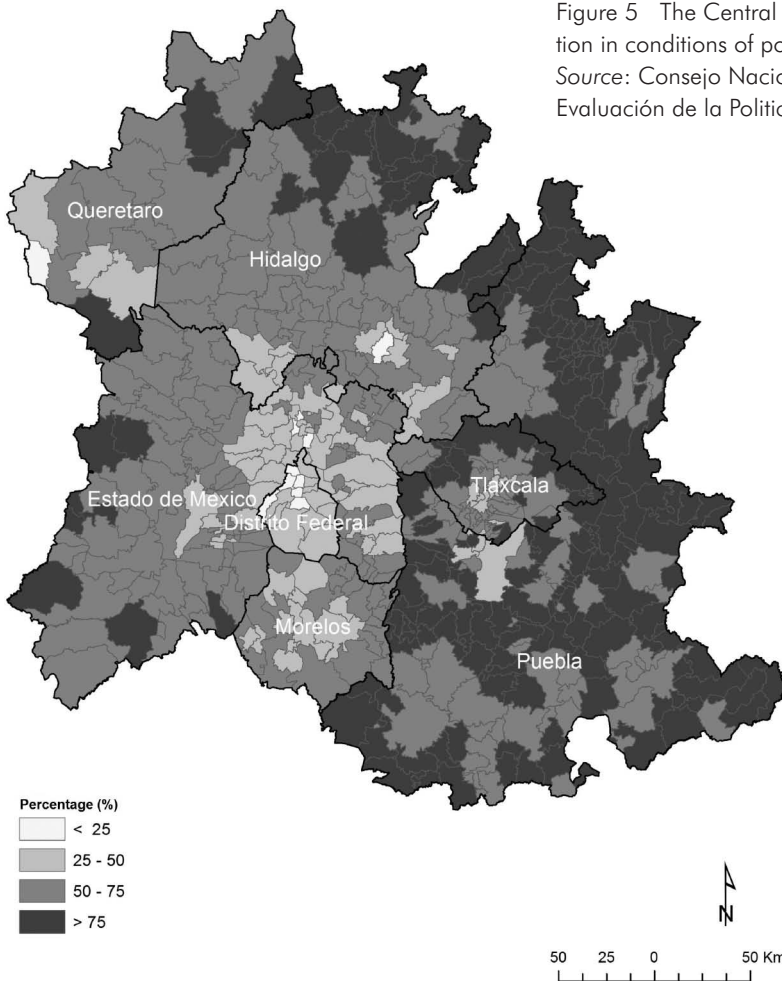


Figure 4 The Central Region: Income Levels by Metropolitan Zone, 2015. MS = minimum salary per month. One monthly minimum salary equal to 120.86 dollars (National Commission of Minimum Salaries, 2015)  
 Source: National Survey of Occupation and Employment, 2015 (Quarter 1), INEGI

main metropolitan zones. The opposite happens with the least poor zones as they are mostly found in the ZMs.

The functional integration of the city-region in relation to the workforce is the last aspect that is directly relevant to territorial inequality. Although the concept of functional integration of city-regions is constantly affirmed as favourable for economic and social relations – as well as being a fundamental characteristic of city-regions – the analysis of daily labour flows demonstrates territorial inequality in terms of the



concentration of employment opportunities and the long journeys people in small urban centres and poor rural communities have to make in search of work. The distances covered in these daily journeys are usually substantial.

Table 2 shows the concentration of employment in the ZMs of the Central Region in 2014, and two main issues can be identified. The first is the logical employment concentration in the centralised city and the largest ZMs such as Puebla-Tlaxcala, Toluca and Queretaro, which, at the same time, concentrate most employment in manufacturing in the region. The second is that the main increase in employment over the past fifteen years has occurred in these metropolitan zones. Of the total

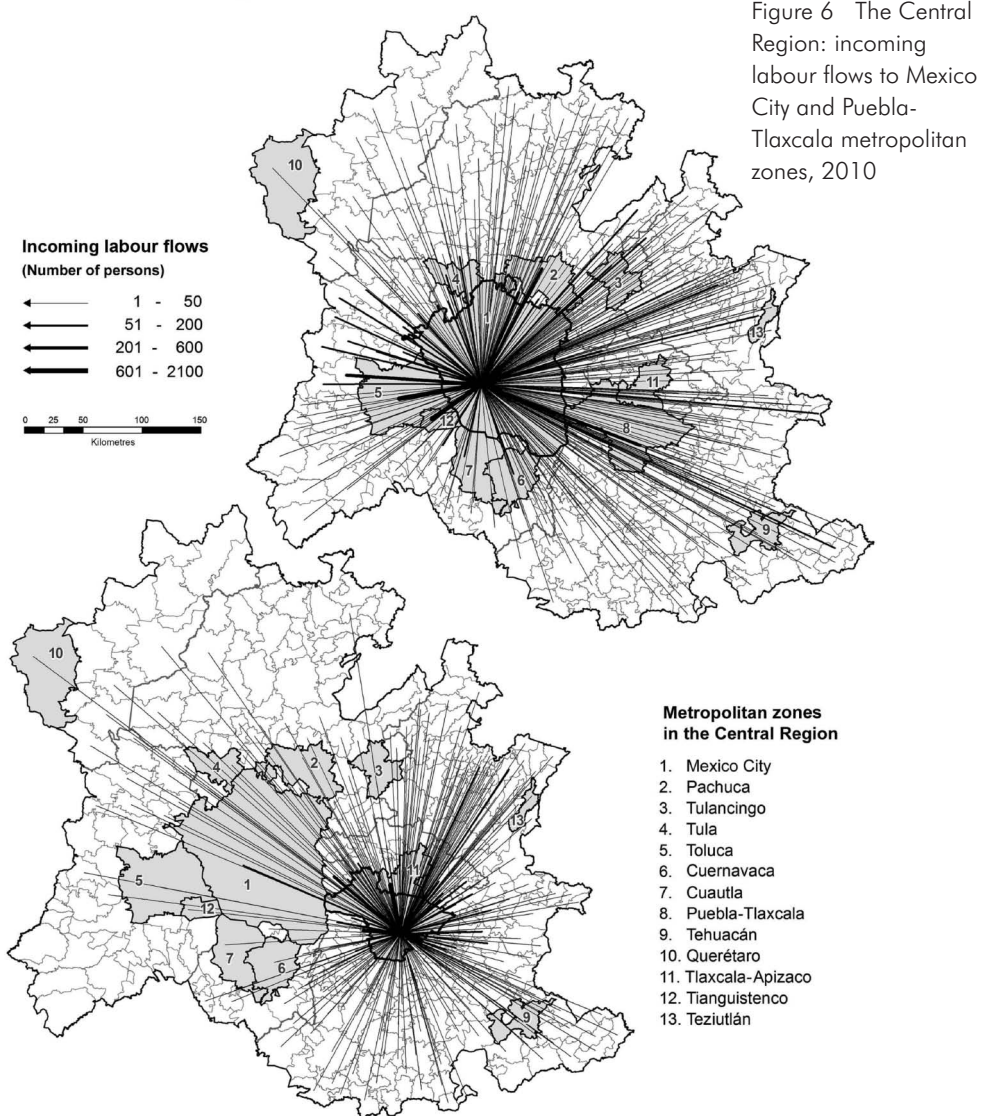
increase in employment in the region between 1999 and 2014, 80 per cent was concentrated in these four ZMs. This shows how the recent economic dynamic has reinforced territorial inequality when measured by the presence of employment opportunities in the whole region.

**Table 2 The Central Region: total employment by metropolitan zones, 1999–2014**

	Manufacturing 2014	Employment 2014	Growth differences 1999–2014
Mexico City	732,949	5,071,307	1,676,380
Pachuca	12,934	120,839	64,996
Tulancingo	5,463	33,964	11,448
Tula	18,294	49,949	25,053
Toluca	116,604	393,071	187,530
Cuernavaca	34,261	178,511	61,792
Cuautla	12,306	67,082	31,322
Puebla-Tlaxcala	159,968	565,312	183,185
Tehuacán	18,732	67,338	13,269
Querétaro	121,309	356,044	203,507
Tlaxcala-Apizaco	28,232	95,941	32,148
Tianguistenco	12,069	26,770	8,067
Teziutlán	8,553	21,771	-2,027
Rest of the Central Region	205,216	725,663	319,049
Central Region	1,486,890	7,773,562	2,815,719

Source: Authors' calculations from Economic Census 1999 and 2014, INEGI

Figure 6 shows the daily labour flows for the central city and the second-largest city in the region, which is the Puebla-Tlaxcala ZM. The figure illustrates the concentration of employment and time-consuming journeys to work. The flow data for the ZMCM shows two important tendencies: first, that the most intense flows, with more than 600 people, are generated in metropolitan zones that are relatively nearby, such as Toluca, Tianguistenco, Puebla-Tlaxcala and Pachuca; second, that the origin of labour flows is not restricted to the metropolitan zones, but covers municipalities with small cities and rural areas. The labour flows towards the ZMCM are clearly regional in scope, as practically all the areas in the RC have populations that work in



the agglomeration. Workers that come from the furthest limits of the region to the ZMCM travel more than 150 kilometres to get to work. The heterogeneity of the origin of the flows has to be stressed as the majority of workers come from 'other municipalities' and not from the ZM of each state. The number of municipalities that register journeys of origin has increased significantly and mainly includes small urban centres and poor rural areas.

In the case of the Puebla-Tlaxcala Metropolitan Zone, the most intense flows are found in a more compact area, mostly from within the state of Tlaxcala, the Mexico City Metropolitan Zone, and nearby municipalities. Lesser flows are found from outlying rural municipalities – of up to 100 kilometres away, at the extreme eastern part of the region.

### The vacuum of development planning

Analysis of the literature on metropolitan challenges is one way to evaluate the viability of establishing a planning authority at the regional level. This is particularly the case when these authorities relate to multiple jurisdictions. The difficulty of forging a metropolitan-level executive authority can be identified in the case of Mexico City. The issues repeat themselves at the regional scale and there is a long history, from the 1970s and 1980s, of multiple levels of consultation for ‘planning’ and ‘think tanks’. The lack of effectiveness in the systems of metropolitan governability has been a common theme in Latin America,<sup>4</sup> where studies show the low institutional capacity of local government to take on the additional responsibility presented by the metropolitan phenomenon. This is due to the considerable divergence in their financial and institutional capacity.

Among the most common obstacles to the decentralisation of central government functions are the following: first, the obsolete framework and inefficient inter-government relations where the redistribution of responsibilities between levels of government does not include coordination between the different levels of judicial authority and the corresponding assignment of resources; second, the deficient distribution of services such as potable water, drainage and waste disposal, and the management of urban development through the assignment of functions to relatively weak institutions; third, the fiscal and governability problems that result from the lack of adequate sources of finance, and the strong disparity in fiscal capacity between the multiple political administration levels in the metropolitan zones due to poverty and socio-economic segregation; and fourth, differential access to channels of participation in relation to the formulation and implementation of policy. Generally, the poor do not participate in the decision-making processes that affect them (Rojas, 2005, 45–47; Wilson et al., 2012, 32–33).

### *The metropolitan governance of Mexico City*

It is important to make reference to specific aspects of Mexico’s political system that have influenced the ineffectiveness of the metropolitan governments. First, after a

<sup>4</sup> Governability is defined as the process involved in the expectations of participation by different sectors of civil and political society in the decision-making process and in the clarification of roles for performance verification and assessment (Wilson et al., 2012, 2).



long period of complete domination by one political party – the Institutional Revolutionary Party (PRI) – a significant number of states and municipalities have been governed by the other two strongest political parties – the *Partido Acción Nacional* (PAN) and *Partido de la Revolución Democrática* (PRD) – since the 1990s. This means that the present political panorama is a mixture of orientations with frequent changes in the winning party, strong competition and little collaboration. Second, the centralised system that dominated the country for many years, and the powerful figure of the president, exercised strong control over the federal bureaucracy. Until recently, this has meant that the second and third levels of government (state and municipal) had no effective autonomy. However, the democratic changes that began in the 1990s with electoral reform and decentralisation policies, combined with political diversity, have weakened the traditional domination of the ‘centre’ and the president, and strengthened a more authentic federalism since the mid-1990s (Spink et al., 2008, 3–4; Ward and Robles, 2012, 143).

Since the 1970s there have been several attempts at strengthening metropolitan coordination in the Mexico City Metropolitan Zone; however, the limitations to achieving this objective have become more and more clear as time passes. Here we will focus on the three main limitations. The first is the legal vacuum in relation to the setting up of metropolitan governments. The Mexican Constitution has only two articles that refer to metropolitan government – Articles 115 and 122 – and both refer to the need for coordination between different levels of government where metropolitan areas exist. Article 115 makes general reference to municipalities and urban regional development projects, and Article 122 makes specific reference to the Federal District (now called Mexico City), and the planning and implementation of actions on the peripheral zones that are within the city limits. Both articles state that planning and regulation are obligatory for the development of conurbations. However, neither article establishes the basis for the creation of metropolitan governments (Ward and Robles, 2012, 149).

The second important regulation for metropolitan zones is the General Law for Human Settlements, which was created in 1976 and reformed in 1993, before being greatly modified, with the last published version appearing in the *Diario Oficial* (Official Gazette) on 28 November 2016. The new law gives greater recognition and status to the metropolitan phenomenon, and establishes new instruments to improve the governance of metropolitan areas. It states that each metropolitan zone has to have its own metropolitan plan, a commission for metropolitan development, and a consultative board for metropolitan development. Despite this metropolitan focus, the guiding principle for coordination between the agencies remains effectively at the federal level, and between the state governments where the metropolitan areas are located (Article 38). This is the same situation as in previous decades, and means that the possibility of real change is still a long way off.

Metropolitan coordination has been mainly left to goodwill and to voluntary cooperation between municipalities, state governments and federal agencies that are part of the administrative structure of each metropolitan zone. As a result, the resolution of metropolitan problems has mostly been as a result of political negotiations and one-off solutions to specific problems between the Mexico City government and the government of the neighbouring State of Mexico, and not as a result of long-term planning, or as a result of institutional processes. In the Mexico City Metropolitan Zone these problems are reflected in the lack of metropolitan coordination over recent decades. The attempts at metropolitan coordination for Mexico City started in 1976 with the Conurban Commission for the Central Region and in 1988 the Metropolitan Area Council; from 1998 the Executive Commission for Metropolitan Coordination was set up with the intention of conciliating interests between the states and municipalities. Other sectorial commissions have been established to focus on specific problems, such as the prevention and control of environmental contamination or transport and communications, and to deal with legal and justice-related issues (see Iracheta, 2009, 219–20).

In 1998, the Programme for the Regulation of the Metropolitan Zone of the Valley of Mexico was approved,<sup>5</sup> with the aim of having a common strategy for territorial regulation and a framework for inter-institutional actions aimed at the integral development of the metropolitan zone. Unfortunately, policies to meet the objectives defined in the programme have not been developed. The truth is that the two participating authorities, the Federal District and the State of Mexico, have followed opposite policies for their respective territories. In essence, the coordination mechanisms that have been created have been deficient for a variety of reasons, and among the most important are the following: a legally binding basis to establish a model for metropolitan management has been lacking; there has been a lack of commitment by the governments of the zone; the participation of the state governments has been on a personal level rather than as an administrative obligation; there has been no independent structure for planning, implementation and evaluation and nobody is responsible for the design of the future metropolis; the departments that are in charge of coordination have not had their own resources or the power to implement projects at the metropolitan level (Gonzalez Coughlan, 2009, 134–35; Iracheta, 2009, 85; Ward and Robles, 2012, 150–52).

A second limitation is the wide range of political parties that control the states, the municipalities and, in the case of Mexico City, the local authorities, called delegations, that share responsibility for government in the metropolitan area. This political pluralism is now a divisive factor rather than an opportunity to stabilise the exercise of power in favour of a unified model for the city (Iracheta, 2009, 82–83). Over recent years there have been clear examples of large-scale infrastructure projects, as well as

5 See *Diario Oficial de la Federación*, 1 March 1999.

housing projects, in the Mexico City Metropolitan Zone, that have been constructed without consensus, support or coordination between the different administrative areas that are affected by them.<sup>6</sup> This demonstrates the lack of interest by politicians and governors to cooperate with other political administrative agencies in the metropolitan zone. This situation worsened over recent years because the governors of both Mexico City and the State of Mexico use their political position to seek candidacy for the position of president of the republic. This means that the positions of authority are used to increase political–territorial power rather than to coordinate with ‘others’.

A final major obstacle to metropolitan coordination is the lack of a well-defined structure that has its own resources (Iracheta, 2009, 85–86). There has been a lack of specific structure for planning and evaluation, with almost complete dependency on federal executive power and that of the states for the development of metropolitan projects. In the same way, the resources for development are controlled at the federal and state government levels, and the metropolitan question is not a priority for either of them. The fiscal basis of local government is very weak and mostly depends on property taxes. The municipalities with the lowest level of socio-economic development have the worst budget deficiencies.

### *The city-region of Mexico City*

In the case of the city-region of Mexico City, there is no organ of government for the whole city-region that has legal authority and recognised legitimacy, which at the same time has access to economic resources, and additionally is in a position to take important decisions with respect to collective action in the region. It is even more important to point out that the city-region is not recognised as such in the country’s territorial policy, which is discussed below. Presently, there are two levels of government that supposedly govern the city-region of Mexico City: the regional level, which is defined by the functional integration of the great metropolis, with the several urban centres and several metropolitan zones in the region, and the metropolitan level, in which a diversity of government organs can come into play with a greater or lesser degree of coordination between the different levels of government.

Since the 1980s, Mexico’s free-trade policy has resulted in an increase in regional inequalities and sharply contrasting quality of life among its population. The opening up of the economy to foreign investment and the arrival of multinational companies targeted the most profitable productive sectors, such as commercial agriculture, manufacturing, modern (advanced) services and transnational commerce. However, the inequalities cannot be corrected, nor can an integral development strategy be

6 Among the main projects in this category are the New Mexico City Airport, which was cancelled in 2005; the Second Tier Road, in 2004–6; the Second Band in Mexico City, in 2003; another Second Tier Road in the State of Mexico for the metropolitan zone, in 2008; the authorisation of more than 400,000 housing units for low-income families, between 2000 and 2006; and the bi-century cities in 2007.

elaborated, without government departments at the regional level that are responsible for applying urban regional policy. Until now, it is the pressure groups with most economic power that dominate the regional scenario; these include construction companies, real-estate speculators, multinational companies and so on. These sectors are linked to urban industrial interests and large-scale infrastructure projects.

The main point is that, during the first decade of the new millennium, there have been three national urban development programmes: the National Urban Development and Territorial Planning Programme, 2001–6 (SEDESOL, 2001); the National Urban Development Programme, 2009–12 (SEDESOL, 2009); and the National Urban Development Programme 2014–18 (SEDATU, 2014). The political discourse in all these programmes has emphasised urban regional policies to counteract inequality, and to increase the competitiveness of affected areas. In other words, there have been promising messages to correct inequality; however, no specific instrument has been applied to enable real progress in this direction. The following are quotes from this important discourse:

‘Rescue regional policy as an instrument of development through Territorial Planning that integrates all spatial considerations’ (SEDESOL, 2001, 87)

‘Encourage regional development in the country which favours coherent and competitive regions’ (SEDESOL, 2009, 49)

‘Promote regional development to reduce the differences in economic development and life quality between the regions. “Recuperate the regional focus”’ (SEDATU, 2014)

The Urban Development Plan of 2014–18 recognises that regional policy has failed due to the absence of regional development programmes, which in turn has led to a lack of coordination between the efforts of government departments. The plan also recognises that the operation of trust funds for regional development purposes, set up for each region in the country, is problematic: some have been wound up, operations in others were suspended for several years, and others have not had a directive board in operation for long periods (SEDATU, 2014).

In the specific case of the Central Region, none of the three plans refers to the city-region as such. The 2001–6 plan refers to the country’s central megalopolis integrated by several ZMs; the 2009–12 plan alludes to the ZMCM as an articulating node in the region; and the 2014–18 plan divides the country into three big regions, one of them denominated the Central Region; however, its limits extend to the west coast, which is a considerable distance, and far exceeds the immediate area of influence of Mexico City. With this, it becomes clear that there is no conceptual definition of the term ‘city-region’ or of the territorial scale that should be contained within it; there is a clear bias towards urban and metropolitan issues but they are not incorporated into the regional structure

in the case of the country's big metropolis. As a consequence, the urban phenomenon of the megalopolis, its areas of influence in the region and its functional links are not recognised. A future perspective for urban development is lacking, one that organises territory around the biggest metropolis or around urban regional systems.

In summary, although Mexico City has made several attempts at metropolitan coordination over several decades, they have not been successful for three Mexican states comprising seventy-five metropolitan municipalities. By implication it is almost impossible that a strategy for the city-region which involves seven states, thirteen metropolitan zones and 553 municipalities and delegations will be established in the near future. It is difficult to evaluate government for the city-region when that government does not exist. One relevant question is why no interest has been shown in establishing coordination mechanisms, or a government for the city-region. The lack of political interest in this type of action is glaringly obvious.

## Conclusions

Mexico City's city-region represents the best and the worst of Mexico's development process. It is a territory that concentrates highly productive and innovative economic sectors, but at the same time the failure of the market, historic inequalities and entrenched power relations are amply evident. It is a region of concentrated urbanisation with an internal dynamic which has produced a marked process of urban deconcentration and dispersion, and this has accelerated the process of conversion of rural areas to urban peripheral and metropolitan areas. This, in turn, has increased the frontier of influence of the cities and is leading to the densification of intermediate areas, and accelerating the growth of medium and small cities as well as urban-rural zones. The gradual consolidation of other much smaller metropolitan zones has produced a polycentric regional structure where the main city still dominates by far.

The analysis has shown that there are major socio-territorial inequalities between urban centres, urban zones and rural zones inside the city-region. These are evident in the predominance of precarious employment, where the statistics show that unemployment has grown and highly qualified jobs have been lost over the last ten years. This is accompanied by a rise in low-skilled work in the service sector, with low salaries and worker benefits. These jobs are also highly unstable. The increase in labour flows to the central city clearly indicates the strong territorial inequalities between metropolitan zones and between urban centres and rural zones, some of which have alarming levels of poverty and are located in the region's peripheral areas – findings confirming the arguments by Wheeler (2009, 865) and Etherington and Jones (2009, 254–55) of increasing disparity and poverty in megaregions. The concentration of work opportunities shows that the pattern of territorial inequality and social exclusion has increased in recent decades.

Unfortunately, evidence has shown that there are strong limits to planning the development of the region. Recent metropolitan experiences show failed attempts to coordinate an integral policy for Mexico City, which has a multiplicity of local jurisdictions and governments that make for a 'balkanised' administrative structure for the mega-city and its region, along with the absence of a single tier of metropolitan government that embraces the city as a whole, an argument already sustained by Ward and Robles (2012). A related problem is the intentional lack of recognition when faced with the incapacity of the governmental apparatus to establish effective organs of regional and metropolitan coordination. This leaves no doubt that the state and municipal levels are unwilling to adopt a regional focus to benefit the city-region as they fear losing decision-making power in their own territory.

Spatial planning not only lacks metropolitan governance, but also does not recognise the central region and its strongly functionally integrated territory. Clearly, a coordination body is required, as well as an explicit development policy which reinforces the core city and the role of the main metropolitan zones. The lack of political will to recognise the Mexico City city-region and its intense functional links is evident in the governmental arena. This represents a significant political fear that the federal government is still unable to confront; as Ward et al. (2012, 248, 262) have emphasised, there is a lack of interest on the part of politicians and political parties, as a regional government would only create imbalances and instability. A real coordination of regional interests would require consensus between social actors and financial resources for infrastructure and priority projects. A government for the city-region would represent a significant problem not only because it would coordinate priorities both horizontally and vertically, but also because of the financial contribution that federal and local administrations would have to make to it. The federal government is not willing to initiate a new territorial model of government, neither are the local governments in the region. The Mexico City case highlights the dilemma, as well as the need to think regionally, with all the difficulties involved in developing planning procedures at this level.

This analysis of Mexico City and its region has important implications for the city-regions in other developing countries, which are closely related to the intense process of globalisation that has led to the consolidation of central, highly urbanised areas. Their favourable location and modern infrastructure make them national and international growth poles with large flows of people, capital, goods, industrial production and advanced services. The city-region phenomenon has led to the obsolescence of the traditional concept of the city, and its corresponding urban planning and metropolitan instruments are clearly inadequate. A new regional urbanisation focus in planning has to be adopted that responds to the needs of these very large cities that grow quickly and generate environmental pressures and social problems.

A multi-sectoral and multi-stakeholder process is required where planners under-

stand the market dynamic and the pressures to encourage economic growth at multi-spatial levels; that is, from the local to the regional level. This represents a major challenge for territorial planning in the city-regions. The competitive advantages of the city-regions mean that they will continue to be the major growth centres for countries, and therefore their dynamics and their advantages should be priorities for territorial planning. These city-regions have two important dimensions: the global dimension, which is linked to foreign investment and productive activity geared to exports, and the domestic dimension, which is focused on local forces and internal development. These factors should be taken into account in order for city-regions to remain competitive at the international level, as platforms for economic development. However, this development must be sustainable and attend to both environmental problems and the social inequality that arises from high concentrations of population and productive activity. These regions should be examples of how to address the problem of territorial disparity within their boundaries.

Clearly, institutional changes are required, as well as other policies that find coordinated solutions to problems that have existed for a long time. These include the deterioration of natural resources, the loss of agricultural land, and poverty, all of which have suffered from inefficient or non-existent planning mechanisms. Experience has shown that new regulatory frameworks are required that have the capacity to transform the systems that reproduce socio-spatial inequalities. These new systems have to be able to strike a balance between global forces and domestic ones, and between economic development and environmental preservation. The different levels of government and other social actors urgently need to become actively involved in joint efforts to construct institutions and take decisions about the city-regions in order to avoid the negative effects of development. As Jones and Ward (2007, 172) point out, city-regions are part of the process and politics of state reterritorialisation. A government organ has to be established to define a regional development strategy which includes sectorial plans, and these should be obligatory for local government actions to increase their competitiveness.

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