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– ASSISTED SELF-HELP HOUSING IN MEXICO: Advocacy, (Micro)Finance and the Making of Markets

MONIKA GRUBBAUER

Abstract

This article examines forms of housing finance that offer poor households opportunities for sourcing resources for construction work through non-mortgage microloans. In Mexico, these housing microfinance schemes have recently been incorporated into national housing policies. On a global level, the past 10 to 15 years have seen the emergence of institutional investment in microfinance. I reflect on these processes in this article by bringing critical accounts of financial inclusion in development studies and the debate on financialization within urban studies and beyond into dialogue. I combine micro- and macro-scale perspectives to examine how households become financial clients and how finance gains influence by expanding capitalist markets into the informal housing sector. This discussion is based on policy review and document analyses and an empirically grounded account of an assisted self-help housing case study. In the article I draw on three focal concepts—risk, debt and marketization—to highlight the ambivalences of the expanded access to finance for poor households engaged in self-organized building practices. These ambivalences emerge from the multiplicity of operational logics and motivations in the field of housing provision for the poor, and the profoundly conflicting rationalities of financial- and social-sector actors.

Introduction

Financialization processes have received broad attention in urban studies over the past decade, particularly in the wake of the 2008 financial crisis. Housing has come to exemplify how these processes have begun affecting the urban arena (Fields and Uffer, 2014) and illustrate the reach of financial markets into everyday life (Rolnik, 2013; Palomera, 2014). In this article I seek to bring the literature on financialization within urban studies into conversation with critical development studies by examining the role of finance in the provision of housing in low- and middle-income countries. In these countries, low, insecure and irregular incomes, coupled with a lack of access to formal credit, have historically led urban dwellers to resort to self-organized, incremental and long-term building processes. Over the past two decades, new forms of housing finance have emerged that offer self-help builders alternatives to sourcing financial resources through informal networks. These new forms include community-based finance savings-and-loan groups (Mitlin *et al*., 2018), and market-based forms of non-mortgage housing-finance provision for low-income groups—what has been termed housing microfinance (Merrill, 2012). A more recent phenomenon is that national housing policies, particularly in the Latin American context, and global development agendas seek to incorporate these non-mortgage microcredit schemes into programmes aimed at upgrading existing self-help housing stock (Bredenoord and Cabrera, 2014; Grubbauer, 2019). This expansion is in line with the new agenda of financial inclusion in mainstream development policy, which

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is expanding earlier microfinance schemes to push for private-sector-led development, open up space for new financial actors, and position access to finance as a key element of social inclusion (Soederberg, 2013; Mader, 2017), contributing to what has been described as the 'acceleration and deepening of the financialization–development nexus' (Mawdsley, 2018: 265).

In this article I examine the case of Mexico's state-led attempts to expand access to finance to low-income groups for self-construction of housing and work on existing self-built homes beyond conventional mortgage finance. In Mexico, such approaches, facilitated through programmes set up by the National Housing Commission (Comisión Nacional De Vivienda, or CONAVI) in cooperation with the Federal Mortgage Company (Sociedad Hipotecaria Federal, or SHF), have been very visible over the past decade. In 2006, the new Housing Law first recognized incremental building as a legitimate housing strategy. Since 2006, the SHF, as an intermediary lending institution, has supported the improvement of existing self-built homes on the basis of minor interventions through its housing microcredit fund (SHF, 2019a) and since 2011 it has supported more extensive remodelling in the form of extensions and structural work through its assisted self-help housing fund (SHF, 2019b). Loans from these funds can be combined with capital subsidies from CONAVI or other state and municipal programmes. Borrowers within the SHF's assisted self-help housing scheme are required to work with an SHF-registered enterprise (Agencia Productora de Vivienda,[1] or APV) that supervises the remodelling project, while the financial intermediary manages credit allocation and repayment. As a whole, this model, which was initiated in 2006, had its ups and downs, but was operational from 2007 to 2012, politically supported by the socially oriented APVs organized in the Comité de Producción Social de Vivienda (Committee for Social Production of Housing) (CPSV, 2012). In 2012, following the election of president Peña Nieto and senior-level changes in the SHF and CONAVI, APVs were barred from these programmes. After protests and political negotiations, the programmes continued, but with a stronger emphasis on involving for-profit financial agents. At present, leftist president López Obrador, who has been in office since December 2018, is actively seeking the advice of the socially oriented APVs and other actors affiliated with the CPSV. Reportedly, his intention is to scale up low-income housing programmes by further flexibilizing existing microcredit schemes and reinforcing the involvement of for-profit actors.

The aim of this article is to expose the financial mechanisms of these new schemes and reflect on their institutional arrangements, the actors and instruments involved, and the financial circuits that they create. The key questions I am concerned with are how low-income households engaged in incremental building efforts become (financial) clients in these schemes, what possibilities and risks this entails, and how to evaluate the situation in terms of critical debates about the role of finance in housing and development. I draw on a review of housing and urban development policies in Mexico, Latin America and beyond, complemented by a series of qualitative interviews with representatives of institutions and organizations in the field of housing provision and an empirically grounded account of a case study. The latter profiles a pioneering collaboration of a social enterprise with a financial firm in providing technical assistance and credits, combined with state subsidies for upgrading existing self-built homes in Ecatepec, one of the oldest, largest and most densely populated informal settlements in Mexico City. The collaboration was established in 2014 and continued until 2016.

Based on these insights, I demonstrate in this article the complexities of the financial inclusion agenda in the housing sector of developing countries, and analyse the tensions between commercial interests and advocacy approaches. I highlight the ambivalences that emerge from the multiplicity of operational logics and motivations

1 An Agencia Productora de Vivienda (APV) is a Mexican housing production agency.

in the field of housing provision for the poor by drawing on the three focal concepts of risk, debt and marketization, which have been mobilized in critical debates about financialization and development. I show why these concepts have limited value in assessing whether, how and to what extent financial logics are extended and deepened if these logics are not qualified and viewed against substantiated evidence on the level of practices, motives and social interaction. An understanding of the conflicting role of the intermediary that interacts with households—the social enterprise—is crucial in this regard. My main argument is, first, that these kinds of social-sector actors are important negotiators in making financial rationalities and disciplining work in favour of households instead of against them. I contend that this creates opportunities for subversion and, possibly, politicization. Secondly, I suggest that such actors, through their involvement, create the very spaces of marketization that allow financial actors to extract value. Social-sector actors' methodologies can thus be appropriated for profit-seeking financial purposes.

The article consists of seven further sections. In the next section I review the debate on the role of finance in and for self-help housing, with a particular focus on Latin America. In the third section, I present the methodology I used and discuss the significance of the empirical data collected. In the fourth I examine how self-help builders become clients in this model of assisted self-help housing, and in the fifth I discuss which interests are served by the creation of these new markets for credit and professional services. The sixth section points to several ambivalences that arise when analysing this model in light of the three focal concepts of risk, debt and marketization. In the conclusion I explicate the significance of my findings and the conceptual contribution of this article.

Self-help housing, development and finance

Self-organized and incremental building practices in low-income countries are defined by a scarcity of financial resources. Mortgage lending characterized by large loans and long-term repayment periods is not accessible to the vast majority of poor households who lack regular incomes and formalized land titles to provide collateral (Gilbert, 2000). Development planning practitioners and researchers have long called for housing-finance strategies that meet the urban poor's need for small amounts of money and short-term lending (Bredenoord *et al.*, 2010; Ferguson and Smets, 2010). These arguments stand in a tradition of research and practice concerned with self-help building conducted since the 1960s, much of it based on the work of John Turner (1976) and centred on the basic argument that 'incremental building fits the livelihood strategies and conditions of the poor' (Ferguson and Smets, 2010: 288). Turner's ideas and influence have been subject to criticism over the years. Marxist scholars have sought to prove the ineffectiveness of self-help building, arguing that the use-value of the self-built home is (more or less) inevitably subject to later commodification (Burgess, 1977; Conway, 1982). Other main points of critique have been that self-help building constitutes self-exploitation, as it involves unskilled people doing unpaid work that skilled artisans would otherwise do more efficiently; that it violates planning principles and results in inefficient allocation of resources; that its individualizing logic prevents evaluation and learning for other projects and ultimately results in a lowering of housing standards; and lastly, that it can be politically reactionary and inhibit political action (Marcuse, 1992; Mathéy, 1992). In the context of the current financial inclusion agenda, such debates are no longer present. We can see a consensus among development institutions and many scholars that microcredits for housing constitute a crucial strategy to help provide adequate shelter and 'increase the speed and efficiency of the [self-building] process' (Ferguson and Smets, 2010: 289; see also UN-Habitat, 2005; Bredenoord *et al.*, 2010; Merrill, 2012).

At present, two main forms of housing finance are available to self-help builders. These are, on the one hand, self-initiated forms of community-based finance such as the Slum Dwellers International Network, where finance becomes 'the organising mechanism to present and strengthen a political challenge' (Mitlin, 2011: 1224). On the other hand, there are more and more commercial variants of housing-finance provision for low-income groups. Housing microcredits are mostly small-value, non-mortgage home improvement loans offered by microfinance institutions operating under a wide range of legal structures. Many of these institutions began as NGOs and later transformed themselves into non-bank financial corporations. But in the past ten to 15 years there has been an increase not only in the commercial funding of microfinance but also in the emergence and diversification of structured financial products for institutional investment in microfinance. Annual growth rates in this market were above 20% during the period from 2006 to 2016, and the total market of microfinance investment vehicles had an estimated asset volume of US $13.5 billion in 2016, up from US $2 billion in 2006 (Symbiotics, 2017).

Scholars have pointed out how the recent evolution of microfinance-related financial networks and practices reveals in an exemplary way how 'global macro/micro financial flows, logics and institutions are dynamically intertwined' (Mawdsley, 2018: 270; see also Bond, 2013). At present, Latin America and the Caribbean represent one third of all securitized investment in microfinance, and no other region accounts for a larger share (Symbiotics, 2017). Housing microfinance is thus viewed as a potential growth market by the global finance, construction and retail sectors. Critics emphasize the commercialization of microfinance and its adverse effects, including excessive profit orientation and high interest rates, multiple borrowing and client overindebtedness, the use of loans for short-term consumption needs and the increased share of wealthy clients (Murdoch, 2000; Roy, 2010). However, so far there has been very limited research on the specific deployment and expansion of housing microfinance instruments (an exception is Maringanti, 2009). This can be attributed to the long history of microfinance instruments targeting rural populations whereas housing microfinance products target mostly urban households. Much of the work that questions the effectiveness of microfinance in delivering poverty alleviation focuses on rural microfinance (Young, 2010; Rankin, 2013; Weber, 2014). Similarly, wider debates about financialization and development also tend to focus on rural contexts, for instance, by drawing attention to the ways in which financial logics enter small-scale agricultural production, groundwater provision and environmental conservation (Sullivan, 2012; Taylor, 2013; Isakson, 2015).

Nevertheless, an important insight provided by critical development studies, which also helps us understand the move of microfinance institutions (MFIs) into housing microfinance, is how—in mainstream development policy—microfinance has seemingly been replaced by a wider agenda of financial inclusion (Soederberg, 2013; Carroll and Jarvis, 2015). Since the financial crisis and, most pronouncedly, since 2010, the World Bank and its private-sector arm, the International Finance Corporation (IFC), have turned towards explicitly promoting private-sector-led economic growth, also in the realm of housing (Waeyenberge, 2018). Development policy is now less technocratic, direct and state-oriented, and more oriented towards the extension of market relations than in its earlier phases (Carroll, 2012). This entails targeting developing states as 'emerging markets' and prioritizing 'access to finance', aimed 'explicitly at deepening and expanding financial markets and logics in the name of development' (Mawdsley, 2018: 265).

Interestingly, there has been little overlap in the critical assessment of microfinance and strategies of financial inclusion in development studies and the critical debate on financialization within urban studies. In this article, I draw on both strands of literature to reflect on housing policies that seek to systematically incorporate forms of commercial microcredits with the intention of improving the housing situation of the poor. For the conceptualization of finance, I draw on cultural and political-economy perspectives to assess the lived realities of credit practices (Martin, 2002) and the significance of the role of the finance sector in expanding capitalist markets (Christophers, 2015a) into the informal housing sector. Rather than automatically granting the concept of financialization explanatory value and providing confirmation of how it plays out in another 'empirical domain' (*ibid*., 2015b: 196), I am interested in understanding what happens if financial instruments are expanded to target the poor as clients and how to evaluate such processes.

Reflections on methodology and significance of the case study

This article is based on research that has evolved in several phases. Its foundations were laid during a year-long research fellowship at the National Autonomous University of Mexico (UNAM) in Mexico City in 2014/2015, when initial contact was made with the social enterprise that served as a case study.[2] In mid-2015, the first phase of research was conducted in the form of in-depth interviews with several social-enterprise and financial-firm members. The interviews were complemented by observations and informal conversations during visits to four homes and the office of the social enterprise in Ecatepec. A series of 15 interviews with housing institution representatives, housing enterprises and academic experts followed. Over the past years, I have closely followed the work of the social enterprise, meeting members on several occasions, both in Mexico City and in Hamburg. In mid-2018, after receiving funding to conduct a three-year study, we entered the second phase of research. This article builds on insights from the first stage of field work[3] in early 2019, which involved another series of in-depth interviews with members of the social enterprise and housing experts, visits to 12 households in Ecatepec who had worked with the enterprise to remodel their self-built homes, and a group discussion with enterprise members, a leading housing activist, a representative of the Institute of the National Housing Fund for Workers (Instituto del Fondo Nacional de la Vivienda para los Trabajadores, or INFONAVIT) and students from Germany. The households visited were selected to represent a wide spectrum of intervention types, socioeconomic backgrounds and locations; in addition, the householders' lengths of stay varied, and buildings were at various stages of completion.

Safety considerations and the challenge of outsiders establishing contact with inhabitants restricted fieldwork in Mexico City. Ecatepec, the case study locale, is known for its high crime and delinquency rates. Entering Ecatepec is considered risky for outsiders and visits are recommended only in the company of people who know the area well. Thus, contact to households in the assisted self-help housing schemes needs to be established through the social enterprise's supervisors who work on site. Developing such cooperation requires time and trust. The advantage of the lengthy research period in the present study is that changes could be observed over time. Thus, conversations with the social enterprise took place throughout the inception, operation and termination phases of its collaboration with the financial investor. In terms of research ethics, all insights related to the case study depended on members of the enterprise generously sharing their knowledge, providing access to data and establishing contact with households. Therefore, in this article I aim for a sympathetic critique of the processes and mechanisms observed. This includes acknowledging, first, the genuine efforts of this enterprise to improve housing conditions for the poor and the ethos that drives this work. Secondly, I recognize the generosity of households who

2 The names of the social enterprise and the financial firm are withheld to ensure the anonymity of the interviewees and the agencies.

3 The second phase will include a household-level survey, complemented by in-depth case studies of the situations of individual families and ethnographic observations to analyse changing attitudes to finance and consequences of debt and risk.

shared their experiences and granted us access to their homes. To respect the privacy of householders and to allow for exchanges built on trust, conversations with interviewees were not recorded.

It is important to justify the significance of the case study presented here, as it serves as a lens through which the broader topic of expanded access to housing-related finance for the poor is analysed. First, the approach of the enterprise is exceptional because of its localized, personal and case-by-case methodology. The enterprise is an SHF-registered APV. Currently, 34 APVs are registered with the SHF to provide self-help housing supervision and technical assistance (SHF, 2019c). Only a handful of actors among these employ such a case-by-case approach, while the others rely on different forms of prototyping and ready-made modular systems. Secondly, the cooperation with the financial investor in the Ecatepec project, a Mexican non-bank multipurpose financial institution, was exceptional (and unique in the Mexican context) in testing how such a localized approach could match the requirements of a for-profit investor in terms of financial sustainability. The investor sought to expand its activities from conventional mortgage finance into microfinance; the firm was directed to the social enterprise based on recommendations that the group 'would know the market as no one else', as the enterprise director recalls (interview, 24 March 2015, Mexico City). Consequently, the SHF adjusted its rules to make the cooperation a pilot project—the first of its kind within its schemes—and also agreed to allow the social enterprise to use its own methodology. In total, 442 remodelling projects were completed between 2014 and 2016 in cooperation with the financial firm, out of a total of 2,337 projects implemented in Ecatepec between 2008 and 2018. The other projects were executed in cooperation with an NGO between 2008 and 2014 and a savings-and-loan cooperative from 2016 onward.[4] Finally, the case study is relevant because it has attracted much attention from national and international housing and development institutions. The group has presented its work and experiences to international experts on several occasions and hosted tours for representatives of the World Bank and other institutions. The members of the social enterprise have well-established networks and have advised the national government on various occasions; moreover, they contributed to the formulation of the new Housing Law in 2006 and are currently part of the advisory committee to president López Obrador.

The making of clients

Households become (financial) clients in the assisted self-help housing scheme by meeting certain criteria based on creditworthiness (having enough income to pay back a loan) and need (incomes may not exceed the limit of five monthly minimum wages to qualify for a state subsidy). The financial investor performs a client assessment based on the information clients and an external credit agency provide. Once the loan is granted and eligibility to receive the state subsidy has been confirmed, the architects of the social enterprise develop a detailed project design in conjunction with the households. This design is based on a site visit, on an assessment of the existing structure and on habitability conditions. The total project volume consists of the subsidy, the credit and any available savings. Calculations regarding the latter amount take into account non-monetary household contributions such as building materials or labour. The subsidy is the largest component: it averages twice the credit amount and is granted through various entities. The largest share continues to be processed by INFONAVIT and is thus limited to individuals with formal employment (see Figure 1).

4 The social enterprise also runs projects in urban and rural areas in the states of Puebla and Hidalgo, in cooperation with two savings-and-loan cooperatives. From 2008 to 2018, they advised a total of 5,589 families, of which 2,337 (42%) lived in Ecatepec.

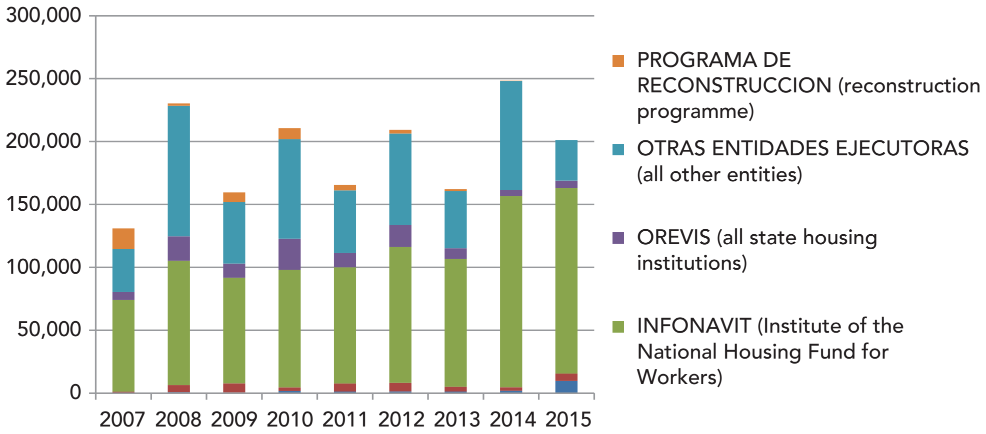

FIGURE 1 Housing subsidies granted by CONAVI through various entities, 2007–2015 (the number of issuances includes subsidies for acquisition, improvement and self-construction) (*source*: CONAVI, nd, subsidies, annual data)

For the 442 projects executed with the financial investor in Ecatepec, combined subsidy expenditure totalled 992,000 pesos, credit expenditure totalled 356,000 pesos, and savings expenditure amounted to 247,000 pesos. For all projects between 2008 and 2018, subsidies made up 57%, while credit accounted for 20%, and savings for 23% (Solís, 2018). The remodelling was organized by the householders themselves, either through self-construction or by subcontracting. Construction was supervised by the social enterprise through at least three more site visits. The social enterprise reported that the SHF had sought to minimize bureaucracy from the outset and had considered technical assistance in particular as dispensable. This was in stark contrast with its own view, which considered technical assistance to be of critical importance:

> It might be a small amount that people receive for assistance, but if they are meant to not do things as they have always done, they need to have someone tell them how to improve so as to invest the little they receive in the best possible way (interview with a representative of the social enterprise, 24 March 2015, Mexico City).[5]

Members of the social enterprise stressed that the quality of their advisory work was directly related to the length of their interaction with a household.

Researchers, in turn, have emphasized how consumers of financial services 'increasingly act as entrepreneurial investor subjects' (Hall, 2012: 405). At the heart of these new financial subjectivities is the transfer and individualization of risk (Martin, 2002). Households who decided to work with the social enterprise could be seen to accept, plan for and increase their risk in a range of ways, though without necessarily having the ability to fully assess the conditions and the consequences of this risk. Most households that participated in the project were first-time borrowers, according to the social enterprise. Yet self-help builders as clients within the project had to take decisions about the future over time spans that were often difficult to foresee for poor households with variable work opportunities and income, and based on highly dynamic household compositions (Ward *et al.*, 2011). One of the architects of the social enterprise provided an example of this type of challenge:

5 All quotations were translated from Spanish by the author.

> Look, there are times when they change [the project] because suddenly they decide to do so, as in many cases their situation changes. It happens often to us, as these are multi-family lots, and relations are not that strict. For example, my sister-in-law will endow me with this little [plot] from here to there, so they make the project from here to there, but when you arrive at the construction site after signing the contract and all, they say: no, now it's going to be from here to *there*—and this changes the whole project. Or there is the typical case of 'my daughter will come back from the United States and will come and live with us', or similar cases, so the situation of households is fairly variable (interview with architect, 21 April 2015, Mexico City).

For the households, deciding on the remodelling project involves planning and budgeting as 'common instruments of "future-making"' (Green *et al*., 2012: 1642). The planning relates, first, to decisions about the immediate future in terms of selecting loan terms and conditions. The total amount of the loan ranges between 15,000 and 34,000 pesos (US $880–2,000) for *autoproducción* (self-production) and between 12,000 and 24,000 pesos (US $700–1,400) for *mejoramiento* (improvement). According to data from the social enterprise, households in the project typically seek to minimize uncertainty by opting for short-term loans of up to two years. Secondly, households have to plan for the short-term future by deciding on how to organize the remodelling project itself within a specific time frame, usually three months, to comply with CONAVI regulations. This requires them to plan for the logistics of the project, including sourcing building materials and managing their own manual labour and any help from family and friends or contracted workers. Thirdly, households have to decide on their more distant future in respect of the needs that inform the remodelling project. Self-help-built homes are typically built for a lifetime, as residential mobility in terms of ownership is extremely low (in contrast to the higher mobility of individual household members). A study by Ward *et al*. (2011) compared ownership patterns in informal settlements in Mexico City over 30 years and found that over 80% of plots were still occupied or owned by the same householders, even if one original-owner parent had died.

Such planning requirements compel households to comply with new forms of discipline, above all the commitment to regular biweekly payments. Such methods of financial discipline as part of broader 'development imaginaries' (Green *et al*., 2012) pose fundamental challenges for first-time borrowers. The social enterprise reports that borrowers have a problem with accepting that two advance deposits on set payment dates form a precondition of the loan. The problem here is often not the availability of money but rather that it has to be registered in the account at a specific date. Another disciplining effect results from the short deadlines set for completing remodelling projects. This restriction can be difficult to comply with, for instance, when unforeseen technical difficulties arise. One family had to ask for an extension of several months because a rock was discovered on the site they had designated for an underground water tank, which they had to manually hack to pieces before they could install the tank. Finally, another form of discipline is imposed by CONAVI regulations. Generally, householders tend to maximize their usable area, accepting that a building may remain incomplete for decades, because they seek to secure its functionality at some point in the distant future (Holston, 1991). These kinds of ideas are disciplined by regulations that require homes to be officially deemed habitable and weather-resistant, i.e. that they have a roof, windows and water/sewerage connections.

The various modes of disciplining confirm a fundamental critique against microfinance organizations and other financial intermediaries: that they serve as 'a key modality for instilling market discipline' (Carroll, 2012: 381). Yet households do profit in practical ways from the specific model of assistance observed in the case study. Most importantly, they receive a subsidy that enables more substantial remodelling activities than they would achieve using their regular income. CONAVI regulations are typically unknown to poor households or difficult for them to implement. Theoretically, households could apply for subsidies on their own; practically, they need support, so most of them apply through intermediaries. This, in turn, allows the social enterprise to reach out to people, as one architect confirms:

> It is clear to us that without the subsidy we cannot reach this market, because there is no experience; people have never required architects before, and they have always worked with builders; so the only way to enter is through the subsidy; it opens new ways for orientation. People now come to us (interview with architect, 24 March 2015, Mexico City).

Besides benefiting from the subsidy, households also benefit from the technical assistance they receive through project briefs, which include drawings and calculations for the required building materials, and through several site visits by the supervising architects. The architects stress in particular that households are able to emancipate themselves from the expertise of local builders and control their use of building materials. Calculations for required building materials, in conjunction with cost estimates, also allow them to save on expenses and make the use and storage of materials more efficient (interview with architect, 13 May 2015, Mexico City). This helps reduce theft and deterioration of surplus materials, which several families pointed out as major burdens. In addition to professional support helping households save resources, it often also significantly reduced health risks and hazards. Data from the architects' documentation revealed that around three quarters of projects needed structural engineering, 11% of which involved serious structural problems. Only in one quarter of projects are the householders primarily concerned with interior fitting (Solís, 2018). Typical interventions that were visible in all the visited homes, aside from structural remodelling and floor extensions, encompassed reorganizing the home's layout, moving staircases and improving circulation, introducing natural light and ventilation in all rooms, and solving problems with dampness and mould. Because of the incremental building processes and complex household compositions, self-built homes are often immensely challenging to deal with, as one of the architects comments:

> The truth is that in Ecatepec I concentrate on functionality. This is very complicated. These are tough projects: architecturally very joyful, [but] also challenging, like puzzles that you need to solve. They are not easy to resolve, though, because at the same time, you remodel the relation between the daughter-in-law and the mother-in-law with the cousin who comes from there, through a corridor of this size, which all of them share. So the distribution is difficult and, most importantly, these are spaces which are small and you [as the architect] have to be very efficient to be as useful as possible (interview with architect, 21 April 2015, Mexico City).

Architects report that, in the beginning, households are not always convinced of the proposed changes. Discussions with families as to the most useful solutions are often time-consuming; in many cases, households become convinced through examples found in the homes of neighbours or relatives. Also, households don't always follow established plans or conform to regulations. In one case, a family had prioritized the construction of a second floor and disregarded the obligatory instalment of windows on the first floor. In such cases, the architects negotiate with CONAVI and try to secure the household's subsidies in spite of this disregard for regulations.

However, projects are only contracted to households that agree to minimum construction standards. Architects state that they don't want to leave the homes in a worse condition than they found them. This seems to be why client satisfaction with remodelling projects in Ecatepec is reportedly high. New projects are contracted only on the basis of local word-of-mouth promotion. An evaluation carried out in 2015 found that 85% of beneficiaries invested more resources in the projects than they were obliged to (Solís, 2018). Overall, payment delays were generally very low (6% on average between 2008 and 2018 across the three financial intermediaries). However, there was a significant difference in approval rates for households to become clients: whereas the financial investor, using standard assessment tools, accepted only half of applicants, the savings-and-loan cooperative essentially accepted all applicants.

In sum, the evident potential of improving living conditions of poor households through the model of assisted self-help housing analysed here precludes the easy application of many critical arguments levelled against microfinance and the wider financial inclusion agenda. The section that follows places this case study of assisted self-help housing in the context of expanding markets for housing microfinance and discusses which interests are served by these new markets for credit, building materials and professional services.

The making of markets

In the view of business actors and mainstream development organizations, self-builders constitute potential consumers, whose demands are justified by a lack of decent housing and restricted access to the traditional banking sector (SEEP, 2014; TCIS, 2017). The SHF follows this line of argument in its assessment that the two thirds of Mexico's total housing stock that are the product of self-organized building constitute a vast and so far largely underserved market. Based on the 2010 census, CONAVI calculated the number of homes in need of improvement or remodelling at 11.8 million, and regarded 2.8 million homes as completed. Based on these figures, the CPSV estimates that more than three fifths of families who require improvement or remodelling are restrained from doing so by poverty. They have no access to regular credit, and around two thirds have no social security, which prevents them from benefiting from the financial schemes offered by INFONAVIT or FOVISSSTE (Fondo de la Vivienda del Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado) (CPSV, 2012). Another argument business actors offer in favour of housing microfinance products is that microloans for housing improvement and remodelling serve to reduce commercial risks. The risks of late payments and credit default in these portfolios are reportedly lower than in other microfinance schemes, because households seem to exhibit greater financial discipline when investing in their homes (TCIS, 2017). This was also the explicit expectation of the financial investor in the Ecatepec project. Finally, business actors are also interested in expanding housing microfinance products because of their alleged social impact of 'largely improving quality of life and happiness, sanitation and health, and security of tenure' (CISF, 2015: 27). Whereas conventional microfinance schemes have come under attack for not delivering on promises to alleviate poverty (Roy, 2010; Weber, 2014), housing microfinance allows business actors to counter such criticism by visibly improving living conditions.

Development institutions such as the World Bank and the Inter-American Development Bank (IDB) have actively supported private-sector activity over the past few years. Carroll (2012: 379) argues that this 'deep marketisation of development' constitutes an expansion and transformation of neoliberal development policy. It occurs through the work of private-sector-oriented organizations, such as the World Bank's International Finance Corporation (IFC) and the IDB's Multilateral Investment Fund (MIF), which are instrumental in 'deepening market activity *around* the state, while simultaneously fomenting shifts *in* the state that are seen as conducive to "ideally-conceived" patterns of capital accumulation' (*ibid*., original emphasis). The Mexico case shows how such market-centred development agendas nevertheless crucially rely on state institutions for providing 'enabling environments', even in contexts where corruption and violence have become endemic and law enforcement is largely dysfunctional. The SHF (itself a product of World Bank intervention in the early 2000s) is a crucial partner of international donor organizations in Mexico and makes strategic use of its various funding schemes to expand financial services and incentivize private-sector activities related to housing and infrastructure provision (Soederberg, 2015). The SHF requires financial intermediaries and APVs to register and become certified before being allowed to cooperate within the subsidized housing schemes. These reporting and governance practices are aimed at reducing risk and enhancing accountability, while also regulating access to the favourable refinancing conditions the SHF makes available to investors.

Clearly, in Mexico these state-led attempts to expand financial services to the poor have led to shifts in the housing markets, including heightened levels of segregation (Monkkonen, 2012). However, what we see are not necessarily new actors emerging but rather established actors within mortgage financing and non-banking financial activities moving into and experimenting with housing microfinance schemes to expand their established activities. All of the 15 financial institutions currently registered with the SHF for the assisted self-help housing scheme also offer other types of credit for housing, including mortgage loans (SHF, 2019d). In total, credits for acquisition still make for the largest share, as the figures for 2015 show. Out of the 1,159,483 total credits granted by various institutions for housing purposes, 53% were used for the acquisition of new homes, 38% for improvement and 9% for self-production (see Table 1).

Beyond financial-sector activities bound up with the state-led housing programmes, another more general shift has been the increasingly blurred boundaries between the retail, construction and finance sectors, visible also in the variety of enterprises registering as APVs. These range from commercial construction companies and producers of building materials to architectural firms, housing enterprises and NGOs. Beyond these SHF-registered actors, various building suppliers and general retailers have also entered the market for self-organized construction. To attract clients and win their loyalty, distribution networks are expanded and technical assistance is often offered together with these microcredits, under the condition that the material is sourced from the respective company. Building-material producers, such as the leading cement companies Cemex and Holcim-Lafarge, and building suppliers, such as the US company Home Depot, have adopted this approach in Mexico. The rationale behind this is that the low-income housing market, with its steady demand for basic building materials, i.e. cement (informal housing construction accounts for roughly 40% to 50% of total cement use in Mexico), is comparatively unaffected by construction-sector business cycles and can act as a buffer when demand for formal construction is low (Fry, 2013). Of the total volume of cement sold by Cemex on the national market, 60% is distributed through the company's chain of building-supply stores, Construrama, launched in 2001 to extend the company's reach into low-income markets. It currently comprises 3,000 stores across the country, offering all the basic building materials

TABLE 1 Number of credits granted according to type of intervention, 2015

	Acquisition	Improvement	Self-production
INFONAVIT	380,000	280,000	0
FOVISSSTE	50,000	20,000	0
Banks	130,000	80,000	40,748
Other entities	55,109	62,623	60,000
Total	615,109	443,623	100,748

SOURCE: CONAVI (nd)

needed for self-construction. The continuously rising levels of cement consumption have been discursively framed by a 'necessity narrative' serving to normalize the use of cement and prevent the use of alternative, more sustainable building materials (*ibid.*).

The making of these new markets for (housing) microfinance crucially builds on the principles of social-sector and community organizations, but also on market strategies that respond to the lived realities of low-income households without formal work contracts or land titles. The principles of social collateral typical for the microfinance sector are also adopted for the assisted self-help housing schemes: family or friends guarantee loan repayment in case of default. Furthermore, as is evident from the case study, information about household incomes is accepted without official proof, and proof of ownership is established through confirmation of habitation, for example, through telephone bills rather than formal land titles. Another type of adaptation to low-income households' livelihood practices is the acceptance of a household's non-monetary contribution to the remodelling project as part of the overall calculation of project costs. This allows households to make extensive use of social networks and solidarity within communities, for instance, by using leftover building materials provided for free by other households or relying on unpaid labour by extended family members, friends and neighbours. In fact, the whole idea of technical assistance to self-builders adopted in these schemes, in the case of Mexico at least, has strong roots in the advocacy approaches of housing activists (Ortiz, 2015).

From the perspective of business actors, the advantage of housing microfinance schemes that include technical assistance is that these are expected to improve client satisfaction and loyalty and, ultimately, to 'increase the client's ability to repay' (CISF, 2015: 20). While technical assistance in the case analysed in this article can certainly be regarded as beneficial to households, this is unlikely to be true of all the commercial assistance offerings of large retailers and producers. Cemex's Patrimonio Hoy programme, launched in 2000, is the most significant example of how the construction sector incorporates microfinance schemes and social collateral. Clients organize themselves into small savings groups, with local promoters receiving benefits when they sign up new clients. In exchange for their savings, the clients receive building materials sourced from local Construrama stores, as well as technical advice. While this helps Cemex to expand its client base, the advantages for clients are less clear. Salazar *et al.* (2011) show in a study of households in Zinacantepec that most families achieved an improvement of their housing situation through the Patrimonio Hoy programme. However, social objectives, such as health improvement, increased savings and greater participation in community groups were not met.

The overall impact and reach of housing microcredit schemes in the Mexican, Latin American and global contexts are difficult to assess because of a lack of academic research on the topic. To date, the recent expansion of housing microfinance markets has been reflected on only in terms of market surveys and best-practice business models (Hartman and Werhane, 2009; SEEP, 2014; Stickney, 2014; TCIS, 2017). Castillo (2011) found that, in the Mexican microfinance sector in general, profit-oriented FMIs significantly differed from altruist, socially minded institutions in terms of higher operative costs and interest rates. The Mexican bank Compartamos is a particularly controversial example of the commercialization of microfinance: founded as an NGO in 1990 and transformed into a full-service bank in 2006, it is now the largest microfinance institution in Latin America. It has 2.8 million clients in Mexico and dominates the Mexican market with a share of 42% (ProDesarrollo, 2015). Compartamos launched its housing microfinance product in 2006. The credit volume of Crédito Crece y Mejora ('Credit Grow and Improve') currently lies between 8,000 and 30,000 pesos (US $400 and $1,600), with interest rates between 70% and 90% per year. Total costs of the credit, including fees and taxes, are up to 120% per year. Yet, even if some MFIs now label their products as housing microloans, it is far from clear how housing microfinance is defined in different contexts. In its broadest sense, housing microfinance might even refer to mortgages or purchases of complementary goods and household appliances. This potentially overlaps with the recently emerging category of 'green loans' for the purchase of energy-efficient or environmentally friendly products, such as solar panels or home insulation (Symbiotics, 2017). Regardless, loans for renovation and incremental construction make for a small, albeit growing, part of microfinance as a whole. According to a market study for the period from 2009 to 2014, based on data from the nine largest microfinance institutions in Mexico, the share of loans based on monetary value for housing improvement amounted to 13%, compared with 71% for micro-enterprises and 16% for general consumption needs (Martínez, 2015).

Business actors typically refer to several obstacles in expanding housing microfinance products. These include comparably high administrative costs, difficulties in providing technical assistance and added services in an efficient manner, and unclear prospects for achieving greater scale (Stickney, 2014; TCIS, 2017). To become financially sustainable, for-profit MFIs strive to lower transaction costs and scale up their activities. The financial investor interviewed confirmed that the project in Ecatepec had not been financially profitable for the firm until one year after granting the first loans, but that its goal was to expand the firms' activities. The project in Ecatepec was used to enter the market and learn from the social enterprise. Ultimately, the financial investor itself intended to offer the entire service, including technical assistance. Differing views on the role, impact and quality of the technical assistance on the part of the social enterprise and the investor were, in the end, major drivers for the termination of the cooperation. The investor's aim of scaling up while reducing the scope and quality of added services proved incompatible with the social enterprise's emphasis on social impact and a localized, face-to-face approach. Ultimately, these two market actors follow contradicting rationales, as I shall discuss in the next section.

Ambivalent assessments: risk, debt and marketization

Markets for housing microfinance products in Latin America are characterized by an extremely diverse spectrum of actors that ultimately approach clients from two different directions: non-bank financial institutions expanding into housing microfinance, on the one hand, and community-based initiatives and financial cooperatives expanding into microlending to improve the housing situation of specific communities, on the other hand. Moreover, most approaches that make use of housing microfinance schemes, whether coupled with state-provided subsidies or not, have drawn from assistance offerings that have been part of housing activist strategies in Mexico and Latin America since the 1970s. In the subsections that follow, I wish to highlight the ambivalences that emerge from this multiplicity of operational logics. This will be done in light of three focal concepts scholars have drawn on for critical accounts of the role of finance in development: risk, debt and marketization.

– Risk

Risk provides a useful point of entry for our understanding of how self-help builders become financial clients, and what contradictions are involved in this. One essential aspect of financialization is 'a significant revaluation and reallocation of risk, which is now diffused widely throughout the economy' (French *et al*., 2011: 802). Yet risk is not an objective reality. Scholars have pointed out how risk is socially constructed and provides for modes of governance that classify customers into different categories and regulate their behaviour. As Rankin argues, risk is 'socially constituted in and through mobilisations of financial subjectivity … through ascription of risk-inducing or risk-averting attributes and with recourse to racialised and gendered forms of difference' (Rankin, 2013: 554). In the world of financial services, risks need to be calculated when setting interest rates and regulating repayments. Ultimately, determining and calculating risk can be seen as a form governance, 'of ordering reality, of rendering it into a calculable form' (Dean, cited in Langley, 2008b: 480). In housing microfinance, business actors confirm that targeting low-income clients is combined with an explicit mission: to 'educate housing microfinance clients in developing positive financial behaviors' (TCIS, 2017: 63).

Households clearly accept new financial risks when undertaking projects such as the ones described here. When seeking to politicize such expansions of financial logic we have to deconstruct the apparent rationality of the creation and calculation of risk that leads to interest rates that are much higher than those charged on conventional mortgage loans. The cumulative interest rates for credits within the Ecatepec project ranged from 23% for 18-month loans to 47% for four-years loans. These rates lie in the middle to upper ranges for conventional commercial microfinance schemes (Rosenberg *et al*., 2013). Yet the social construction of risk and the governance thereof also involves negotiation, as the case study reveals. Social enterprises and the investor were in a continuous struggle to establish common guidelines to assess potential clients. The financial investor, with only partial knowledge of households' situations, had to rely on the ground knowledge of the social enterprise. Face-to-face interaction between households and the social enterprise refined the system of calculation and, at the same time, undermined it, as the social enterprise, in its efforts to support households, sought to circumvent regulations. From the perspective of the households, weighing up the new financial risks of taking out microloans against this support is difficult, and possible only on a case-by-case basis. The key question is not what the risks *are*, given that the establishment and calculation of risks ultimately constitute social processes. The question is how the handling of existing risks or acceptance of new risks requires changes in practices and behaviours that work in favour of or possibly against households' interests.

– Debt

Linked to the topic of risk is the issue of debt and how to evaluate it. Financial inclusion proponents avoid speaking of debt and follow an interpretation that normalizes consumptive borrowing based on the assumption that 'poor people already effectively have the money, in the form of either past or future income' (Mader, 2016: 66). Taking out loans is then merely a question of planning, not of debt, 'as they [the loans] allow poor people to bundle and shift incomes and expenses (including probable future incomes and expenses) over time, in order to buy what they need, cope with shocks, and plan ahead' (*ibid*.). Critics point out how access to finance in fact expands exploitative debt relations through normalizing credit-based consumption practices (Roberts and Soederberg, 2014). Roberts and Soederberg (*ibid*.: 665) argue that the working poor in countries such as the US or UK—countries with particularly high levels of personal debt—are increasingly reliant on high-cost forms of consumer credit to compensate for missing wages and social security payments. The authors interpret debt, for workers, as a 'dispossession of their wages' that 'normalizes social insecurity' and serves as a 'neoliberal fix for the crisis in social reproduction'. This is aggravated by loans specifically 'designed to exploit vulnerable and unsophisticated borrowers' (Aalbers, 2009: 38), as has been the case in subprime and predatory lending.

However, criticizing housing microfinance primarily on the grounds that it establishes debt relations negates the fact that housing activists have, for a long time, fought for such opportunities. Mader (2016) has pointed out how the long-term struggle to grant black households access to credit in the US has also played a role in the expansion of subprime lending. Similarly, projects of assisted self-help housing such as the one described here seem to fulfil the demands of housing activists for finance and assistance schemes adapted to the needs of self-help builders (Ortiz, 2015). Moreover, such projects are often personally run by people with decades-long histories of activist engagement in the non-profit sector (Connolly, 2018). Also, the general argument that debt normalizes social insecurity by compensating for missing wages is not really relevant in the context of the realities of poor urban dwellers in Mexico, a country where approximately 60% of all employment is informal and social insecurity is the norm. In this context, a certain amount of money available at a particular moment in time might actually allow for planning and acting in beneficial ways. Nevertheless, the fact that interest rates in microfinance are considerably higher than those for conventional loans can certainly be judged as exploitative.

The key question is then one of *equal conditions* in borrowing rather than *whether* borrowing should be made available to low-income households at all. Whether conditions can be deemed equal depends not only on the terms and costs of loans but also on the existence of trust-based relationships. The households we spoke to confirmed that trust in the social-enterprise advisors was a major factor in their decision to enrol in the programme. This trust was usually established through personal recommendations but also through private encounters. One client had become acquainted with one of the architects in a local gym and had learned about the scheme from her. Social-science analyses of finance stress how face-to-face practices of mortgage and consumer borrowing of the early post-war decades have been replaced by practices of at-a-distance repayment (Langley, 2008a: 136). The advocacy approach described above builds exactly on the kind of face-to-face interaction that allows a client's trustworthiness to be assessed but also supports households in their applications and enables lending to occur beyond the procedural norms of mortgage finance. By contrast, the director of the social enterprise reported that the financial investor's employees worked exclusively from their offices and never visited the families to collect or enquire about payments because they were scared of going to their clients' neighbourhoods.

– Marketization

The financial inclusion agenda views financial intermediation (preferably by means of digital money transactions) rather than income generation (as in the earlier promotion of microfinance) as a crucial remedy for poverty alleviation. Such market-inclusion discourses present poverty as an ill that is best countered by extending financial services that '[make] poverty more manageable' (Mader, 2016: 66). Mader points out how this agenda returns to the community-based savings-and-loan associations left out of earlier donor-driven microfinance schemes but also allows new actors to enter these markets 'who had previously not been seen at all as interested in the welfare of the poor, such as payday lenders, large banks, technology firms, mobile network operators, and credit card companies' (*ibid*.: 64). Carroll (2012: 386) argues that such strategies of deep marketization, by circumventing the state and introducing new actors, aim to provoke changes both in the state by 'forging new regulatory and risk-mitigating arrangements' and in the private sector by, for instance, 'promoting and assisting micro-finance NGOs to transition towards becoming deposit-taking banks and commercial borrowers that do not have to rely on traditional development modalities' (*ibid*.: 398).

While these critical accounts of the inclusion agenda advocated by the World Bank and other donor organizations have provided important insights, their critique mostly takes the form of critical policy discourse analysis combined with macroeconomic data analysis (see, for example, Carroll, 2012; Soederberg, 2013; Mader, 2017). Such analysis lacks adequate accounts of how everyday life practices are affected by financial logics. I argue that the complexities of the financial inclusion agenda in the housing microfinance context become visible only by taking micropractices into account to assess whether, how and to what extent financial logics are extended and deepened. In this regard, the assisted self-help housing project discussed here is significant for the persistence of its localized approach and the ethos of its work. These ensure that the creation and expansion of markets for credit, building materials and professional services that turn self-built homes into sites of accumulation are articulated with rationalities of social and environmental justice. They also illustrate how 'real markets emerge at the crossroads of various logics that inscribe often contradictory organizational rules and principles of worth' (Berndt, 2015: 1871). If we fail to acknowledge these multiple logics, we lose their potential for subversion and politicization. If we analyse financialization from a macro perspective, and regard the political nature of finance only in structural terms, we tend to overlook the ambivalence, contestation and subversion involved in marketization processes that involve such extremely diverse actors, rationalities and principles of worth. The central issue is then not the expansion of these markets per se but whether, and at which point, the interests of business actors in finance and construction prevail over the motives of social-sector actors, thereby securing not only their accumulation activities but also their rule *over* these markets (Christophers, 2015) and their ability to impose their own rationalities.

Conclusions

I conclude this article by placing my findings into a broader perspective. In Latin American countries, housing programmes that combine savings, capital subsidies and credits are well established (Gilbert, 2004). However, to date, they have mostly been aimed at establishing homeownership and have thus largely failed to reach the poorest segments of society (Bredenoord and Cabrera, 2014; Klink and Denaldi, 2014). The market-based approach of the past years in Mexico is new in two ways: first, state-provided upfront cash subsidies are combined with for-profit microfinance. Secondly, schemes are meant to support ongoing improvement and remodelling of existing homes rather than incentivize purchasing newly built housing produced by commercial providers. Clearly, new financial actors have entered the market, eager to profit from the SHF's favourable refinancing conditions and to expand their client base beyond mortgages or conventional microfinance. This leads to new forms of cooperation in which financial rationalities of for-profit actors are negotiated and, potentially, subverted by social-sector actors in control of the processes on the ground based on their face-to-face interaction with and intimate knowledge of the livelihood practices of their clients.

The concepts of debt, risk and marketization allow us to highlight the ambivalences in assessing such microfinance schemes. Such ambivalences result from conflicting rationalities and operational logics of financial and social-sector actors. However, while in stark contrast, the divergent rationalities can also be seen to generate value: it is the involvement of intermediaries who *do not* follow financial logics that is crucial for generating profit from the financial services offered. The rationales of anonymous financial transactions are countered with trust that is built on personal relationships with clients. Based on its ethos, the social enterprise supports clients to handle unforeseen difficulties and to meet the requirements of the investor. The localized approach guarantees control of processes and ensures that payments reach the households and are used for the dedicated purposes. All of these aspects are crucial in contexts where the poor have learned to distrust state institutions, where insecurity is the norm, and where corruption is endemic. The paradox is that business actors will strive for scaling up, yet their dependence on localized knowledge effectively inhibits any form of standardization in housing solutions for such upgrading schemes. Any attempt to scale up and streamline procedures inevitably involves reducing the quality and impact of technical assistance and thus undermines those factors that potentially contribute to profit generation.

The above differences between financial and social-sector actors are, in similar ways, found in various fields of development undergoing increased marketization and private-sector involvement. Yet, what makes these microloans for housing improvement and remodelling distinct? This question prompts us to think more fundamentally about the critical role of housing in capitalist societies, namely enabling capital circulation, reproducing social inequalities and contributing to the reinforcement of capitalist ideologies (Aalbers and Christophers, 2014).

First, when conceptualizing housing as 'a "thing" produced by labour and sold for profit' (*ibid*.: 376), the self-built home in the Latin American context remains a peculiar object. On the one hand, its commodification never turned out to be as total as Burgess (1977; 1982) and other critics had envisioned. Construction and remodelling are still primarily driven by prioritizing use-value for the households themselves. This includes children and grandchildren of the first generation of builders, as the sharing of lots with kin is common practice. The monetary value of these homes varies greatly, depending on their location. However, as noted earlier, the self-built home is rarely sold, and the lack of mobility among owners is striking (Ward *et al*., 2011; Ward, 2012). On the other hand, self-builders' dependence on industrialized construction materials and globally circulated consumer goods has certainly increased (Klaufus, 2012). When households take on loans to purchase materials, goods and labour, and to pay fees for technical assistance, commodification of the self-built house is advanced in a twofold manner: calculative practices weigh capital investment in the house against future needs, potentially changing the owner-builder's relation to the house; furthermore, payment of interest rates leads to the appropriation of surplus value and links household incomes to global financial circuits.

Secondly, when we consider how housing reproduces social relations and 'serves as a principal crucible for the exacerbation of multiply-constituted social inequality' (Aalbers and Christophers, 2014: 383), the self-built home remains a site where social reproduction and self-exploitation are intrinsically linked. While incremental building processes serve the households' changing needs, they are usually based on the exploitation of labour. Low remuneration and low levels of efficiency can result in the lowering of housing standards (Marcuse, 1992). The involvement of intermediaries potentially counters some of these problems: it can facilitate redistribution by capturing subsidies for the poor, make the building process more productive, increase efficiency of material use, and allow the incorporation of professional expertise and learning experiences from other projects. However, upgrading also serves to further normalize routines of self-exploitation. Households become more committed to investing their time and labour in the construction work, complying with project requirements and paying off loans. Ultimately, upgrading a home serves to stabilize ownership patterns and 'lock in' poor households in peripheries that are, particularly in the case of the latest generation of self-built homes, highly disadvantageous. Drawbacks include extreme distances from employment opportunities and commercial facilities, lack of infrastructures, and persistent stigmatization.

Thirdly, if we consider how housing reproduces capitalist ideologies through privileging 'private property ownership, market allocation mechanisms and accumulation strategies' (Aalbers and Christophers, 2014: 384), the self-built home exemplifies both the pitfalls and the instrumentality of ownership-centred housing ideologies. The assisted self-help housing schemes discussed here are based on the individualization of needs. Each household works for itself (although the financial investor enables and supports clients to access collective loans). We know from various studies that titling and regularization approaches that assume individual and exclusive ownership are often in stark contrast to the complex ways collective ownership and inheritance are negotiated in practice (Ward *et al*., 2011; van Gelder, 2013). This also became visible in this case study. Yet, the loans granted serve not only to reinforce property ownership as a political project—they also capitalize on the desires of households to have a choice regarding building materials, design solutions, appliances and furniture. This further normalizes credit-based consumption for everyday life purposes, which is already very visible in Mexico. Thus, the home of the poor as a site of capital accumulation for the construction, retail and finance sectors is enforced, supported through massive subsidization that reduces risks for the for-profit financial agents.

The wider relevance of these findings for debates about housing, development and financialization can be summarized as follows. First, the evident blurring of boundaries between the finance, construction and retail sectors deserves attention. Financial actors enter strategic partnerships with other actors in housing and construction, especially building-material producers and their networks of building-supply stores. This raises questions as to how the building-supply chain and spectrum of intermediaries and services are reconfigured to extract profits from low-income populations. Secondly, the learning that occurs as business actors adopt methodologies of social-sector actors is remarkable and necessitates further research. It can be placed within the wider 're-legitimising efforts within development practice' (Carroll and Jarvis, 2015: 286) but can also be seen as further normalizing poverty not as something to be resolved but to be met with the right financial means and appropriate products. Thirdly, the opening up of new circuits of capital as international development banks and institutional investors target the housing microfinance sector is a crucial issue that must be considered. It raises questions about shifts in power relations and new ways in which macro- and micro-levels of financial activities are connected. Finally, it is important to note that targeting the poor as clients of services related to housing provision is predicated on a view of cities in developing states as sites of experimentation. The issues that emerge are how this view reconfigures the (local) state, and what kind of broader socioeconomic, institutional and regulatory restructuring occurs through housing policy experiments.

Monika Grubbauer, HafenCity University Hamburg, Überseeallee 16, 20457 Hamburg, Germany, monika.grubbauer@hcu-hamburg.de

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