



MEXICO CITY IN THE 21ST CENTURY

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A GLOBAL CITY IN THE MAKING

The Mexico City metropolitan area is undergoing a conversion of its built environment, produced by new initiatives to foster high-end development in under-utilised urban areas and to bring new investors and activities to the urban economy. These efforts are part and parcel of the larger objective of transforming Mexico City from an industrial and consumer goods production site into an internationally recognised global city, replete with the high tech, financial and corporate services that are associated with the world's leading capital cities. With Mexico's national economy struggling to compete against major industrial producers and low wage exporters such as China, investors and public officials alike are eager to turn away from the manufacturing and import substitution industrialisation that long dominated the urban economy. High on the list of priorities is support for export led industrial activities, and for the development of high tech, service, and financial activities associated with the global knowledge economy. Both strategies have affected land use and employment patterns in Mexico City.

National emphasis on export led industrialisation has motivated many of the city's older industrial firms to leave the city and relocate to coastal and border regions, closer to global markets. Many of the city's small and medium sized industrial firms have merely closed shop, unable to compete in the unprotected post-NAFTA (North American Free Trade Agreement) environment and lacking the capital to retool or relocate. The resultant drop in formal sector employment has swelled the already burgeoning informal sector, and produced a smattering of vacant industrial sites across the metropolitan area. As this has happened, new investments in corporate and financial services, real estate development and related communications, and transportation infrastructure have filled some of the void, keeping the urban economy from total stagnation. The emergence of new urban construction projects gives the sense of a city on the move, standing at the crossroads of a major urban transformation. Some of the largest investments and most visible changes in the built environment have come in the form of high-end

commercial and residential construction projects in and around the city's Historic Centre, as well as in the periphery of the Federal District, bordering the State of Mexico. The logic of investment downtown derives from the historic infrastructure of the central city, and the longstanding political, cultural, and economic importance of the areas surrounding the Historic Centre. Downtown Mexico City hosts fantastic displays of architectural heritage, with a plethora of buildings and monuments tracing back through the centuries of Aztec, colonial, and most recently, revolutionary rule. Many of these buildings still command a public function, with key government offices standing in the midst of museums, libraries, and gold-encrusted cathedrals. In historic downtown areas near the Alameda Park (which nestles up against the fabulous Beaux Artes Palacio de Bellas Artes), private investors have poured resources into hotel and convention complexes and related services for tourists, who are drawn by the cultural riches of the Historic Centre. A smattering of new corporate buildings and multinational headquarters, the activities of which are well served by proximity to governing officials and the commercial elite, also dot the horizon. Adding to the changing character are a growing number of newly restored 19th and early 20th century luxury apartment buildings, many of artistic and decorative significance. These new properties are targeted toward young professionals and others unencumbered by families, who also seek the city's dynamic cultural atmosphere and its vibrant nightlife. Leading the way in all these transformations is Fundación del Centro Histórico. Under the guiding hand of Adrian Pandal, among others, the Fundación has supported major investments and property transactions in the Historic Centre, while also building stronger social and cultural capital among new and old residents living in this area through neighbourhood-based programmes of education and micro credit. The changes in the built environment in downtown Mexico City are matched in visibility if not capital investment by an equally massive concentration of new construction in an area on the border of the Federal District and the State of Mexico, the new development of Santa Fe. This area stands as a key geographic node in the larger metropolitan area, which

has been expanding northward and westward for several decades. In contrast to the city's longstanding eastward expansion, which occurred at the hands of low income squatters, the new developments to the north and west have drawn more affluent residents and employers. For this reason, most of the new residential highrises and corporate headquarters of Santa Fe host commercial and employment activities geared towards up-market clientèle. From Starbucks to IT-related boutiques, the services in this area are exclusive and cater to a very privileged economic élite. Access to Santa Fe is highly circumscribed and most residents of the metropolitan area have little motive for venturing into the area, unless employed or residing there.

URBAN CENTRALITIES, OLD AND NEW

Both these projects have raised new questions about the built environment of the city and where its 'Centre' is or should be. Urban centralities are usually understood in terms of the shift from a manufacturing to a service economy, and the increasing integration of the Mexican economy into globalisation processes. From this vantage point, the Santa Fe development constitutes a new urban centre for the Mexico City Metropolitan Area. It promises to host many of the new financial and service activities necessary in a more globally connected city, and it sits in a key strategic location in the metropolitan area, close to the proposed site of a much contested new international airport which promoters argued would make Mexico City a central node in the global economy (heightened protest from peasants who would be displaced by the proposed airport project stalled the plan several years ago, but it is again up for discussion). Scholars like Dieter Läßle caution that the new economic centrality of cities should not be driven merely by its exports or global connections. 'Cities also must be understood as the centre of contemporary knowledge and cultural production,' he cautions, 'and these economic activities have a completely different way of integrating the spheres of work and private life.' Therefore 'city nodes need to be integrated into thick and diverse social networks and built urban tissues.' Such a proposition raises questions about whether Santa Fe really should be considered a new urban centre for a globalising Mexico City, and if so, what is gained and lost in the definition of 'centrality'. A similar idea has been advanced by leading Mexican urbanist René Coloumb Bosc. He reminds us that the so-called centralities of Mexico City, whether new or old, 'are part of the processes of polarisation and socio-spatial segregation of this metropolis.' These tendencies have deepened not only because the rise of the real estate sector is highly articulated to transnational

corporations, developers and property managers, who use the isolation of space to appeal to upmarket buyers. But they are also due to the fact that this segment of capital is tied to the construction industry and the commercialisation of new urbanisation projects geared toward élite classes integrated into world markets. These consumers constitute a social minority, and their buying power allows them to protect their minority status through specialised urbanisation projects that isolate them from the rest of the urban citizenry. For Coloumb, new urbanised development projects like Santa Fe produce 'false centralities', characterised by self-segregation and the privatisation of public spaces. All this is manifest in the spatial, social, and economic composition of this so-called 'new centre,' and how it contrasts with the old Historic Centre of the city. In its built form, Santa Fe stands at the opposite urban spectrum to downtown Mexico City in both ambience and spatial form. Santa Fe's immense, high density, gated complexes are surrounded by pristine green spaces where pedestrian traffic is almost completely absent and where cars (some armoured, most with drivers) navigate the highly secure terrain. In many regards, it is as a 21st century space, looming on the horizon of a city where the rest of the built environment traces from the 18th, 19th, and 20th century. Whereas Santa Fe stands aloof and disconnected from the messy urban world around it, downtown Mexico City hosts a vibrant but insecure street life defined by a class and culturally mixed public sphere where modern buildings are the alien intruders. Santa Fe's social, spatial, and architecture profile is so jarring to some experts in urbanism, that it has become the source of much tension and debate among urban critics, with more than a few leading voices, including that of the eminent Mexican architect Ricardo Legoretta, considering it a travesty. For many Santa Fe is a repudiation of all the physical and social elements that gave historic Mexico City its heart and soul and have made this important city the cultural patrimony of the nation.

A CITY FOR WHAT (AND FOR WHOM)?

Many still continue to see the city's 'needs' – or how it should define its purpose – as related to its role as a key engine of national growth. Those who take this position predicate their assessment of built environmental transformations (and whether they are good or bad for the city and its residents) on an understanding of how well they sustain economic growth. Such is the view of Federal District's Secretary of Urban Development Jenny Saltiel Cohen, who lauds both the development of Santa Fe and the regeneration of the Historic Centre, because they equally serve as important economic poles

for Mexico City that enhance the city's productive capacity and grease the wheels of its transition to world city status. Both have been touted as bringing local and citywide benefits by triggering the real estate market and creating employment. According to Salties, during the construction phase alone, 40,000 jobs were generated in the Historic Centre, and almost 50,000 in Santa Fe. She also contends that both projects had strong multiplier effects, with employment created in other industrial sectors as well as in services. Further contributing to her positive assessment is the fact that both projects counted on a public-private sector partnership for their development, they relied on similar mechanisms for financing of infrastructure, and both were able to overcome the constraints imposed by land use conflicts.

But the fact that these projects were embedded in land use conflicts, and that they were impossible without private sector involvement and the considerable access to large sources of bank credit and creative financing mechanisms which such partnerships enabled, raises questions about what was at stake in their promotion, and whether the outcomes really served the larger public good – as opposed to the interests of private developers. Clearly, an ideal development project is one where both public and private sector gain; and with careful craftsmanship, this is entirely possible, as evidenced by some of the projects supported by Amanda Burden, New York City's chief city planner, in earlier Urban Age conferences. But the question is what *is* the public good in a 'transitional' globalising city like Mexico City? Can projects that may combine public and private needs in an advanced urban economy like New York or London produce the same positive outcomes in a city like Mexico City? Can support for upmarket residential, corporate, commercial, and financial development really be seen as the way forward for the city? The first thing to know is whether the opportunities for work and servicing associated with these two major development projects have reinforced a synergy between employment and land use that is good for each area's residents, not to mention the city as a whole? Yes, there may be new jobs generated and new forms of value added in high-end employment related to forward and backward linkages among productive sectors, but are these the types of jobs and spillovers that can address basic employment needs in a declining industrial locale like Mexico City, where informal sector work is the lifeblood for most families and formal employment levels are down? Is it reasonable to expect that new jobs in Starbucks and software repair in Santa Fe, or upmarket nightlife activities in the Historic

Centre, will serve as a replacement for the lost manufacturing jobs in the city? Yes, the city's educated elite will have new places to live and work, and new high tech jobs and corporate services to develop. But URBAN AGE BULLETIN 4 10 will these new activities offer anything to the city's large numbers of poor and uneducated? Will they be able to pull the already exploited and underpaid individuals away from the informal sector sufficiently to capture value added in other parts of the economy? Without new investments in job training or educational capital, it is unreasonable to expect that these new investments in the built environment will automatically translate into new forms of employment.

To be sure, Santa Fe will still need its cleaners and cooks and guards; and downtown Mexico City will still host its street vendors, modest restaurants, and panaderias. But by and large, these will not be new jobs, only old or relocated ones. And ironically, access to them could be on the decline, precisely because of their spatial location and the built environmental dynamics of these new property developments. To get to work in Santa Fe, poor citizens will not take the gleaming roadways for private cars that developers planned for the project. They will need public transport that allows them to come from all areas of the city. But did these commitments enter into the public-private agreements for the new urban projects? Not really. Likewise, to continue vending or working downtown, those poorer individuals long employed in the service and/or informal sector will now have to commute from ever further distances, as the new investments in hotels and up-market residential housing will inevitably drive up land values and thus displace local residents. So even if they have new jobs, generated by the new-found vibrancy and prosperity of the reinvigorated Historic Centre, they will spend more time and money commuting to work. In environmental, not to mention human terms, what then are the gains, and who are the beneficiaries? With all the innovative new development projects and transformations in the built environment of Mexico City, urban planners and citizens must still continue to ask the same hard questions. What is the city for? Whose city will it be? Will there be dual cities, one for the poor and one for the rich, or only one; and can the latter be realised with more than one urban centre, be it old or new? Only then can the remarkable gains and creative energies unleashed by these new urban development projects be parlayed in a positive boost to the city as a whole. This conversation has already started, thanks to the Urban Age Conference, but there is still a lot more to accomplish.

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