

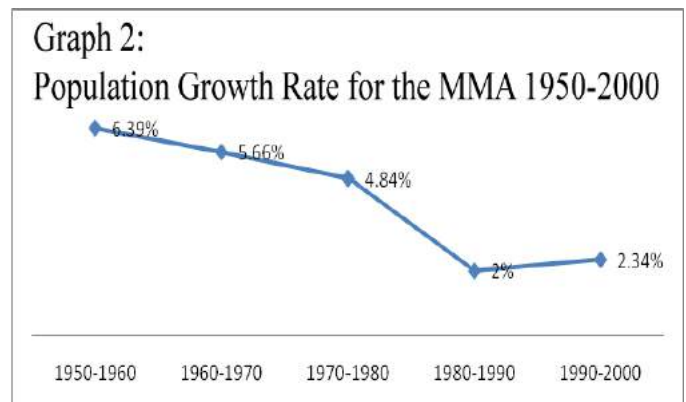
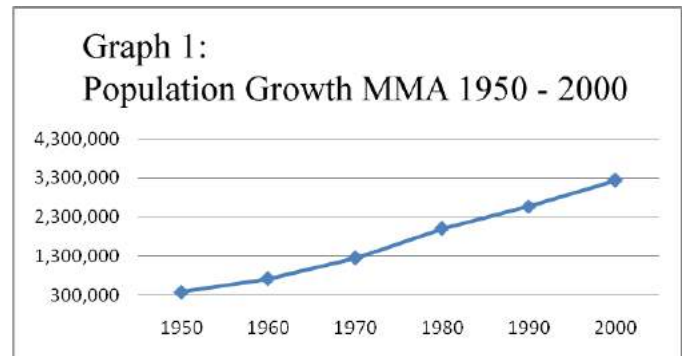
Monterrey, Nuevo León, México

Historical Background, Growth and Economic Development

In 1950 Monterrey's population was 339,282 inhabitants, representing 45.8% of the total state population of Nuevo Leon (see Graph 1). With more than 750 industries, twelve percent of the urban area was dedicated to industrial activity. In the same year, 46% of Monterrey's economically active population was employed in the manufacturing sector. Currently, the manufacturing sector employs only 26.9 % of the economically active population.

Between 1950 and 1979 Monterrey's population more than doubled (see Graph 2). Rapid population growth produced a housing demand that the state and market were not able or willing to supply for. In 1965, 52.1 % of the total population was considered to be living in poverty. It is commonly the case that when people are unable to tap into the formal housing market they proceed to build their own housing through a process dubbed 'self-help.' This manner of building allowed for flexibility. The owner is able to add rooms based on his personal economic status, family size, investment priorities and his own "perceived security of tenure" (Ward, 6). It is estimated that approximately 70% of the current urban footprint of Monterrey was originally illegal; a large portion of this built through self-help (Villarreal, 549).

By 1970, social movements arose inspired by the population's difficult economic conditions and by the governments' limitations in resolving the situation. The most important of those movements was "Tierra y Libertad". The goal of this urban social movement was to appropriate lands (illegally if necessary) as to provide housing for the city's poor. Irregular settlements such as Mártires de San Cosme, Mártires de Tlatelolco and Genaro Vázquez Rojas resulted from these invasions. Although densities were often first low, they increased over time as people had children and those children had families. Extended families were able to live on the same piece of property and merely build their own housing additions.



The government responded to these demands by creating FOMERREY, Metropolitan Monterrey's Foment, in order to support land legalization. Though in many cases of illegal subdivisions the land was purchased, the vendor did not have legal title to the land or failed to provide services. FOMERREY legalized settlements through sales agreements between the settlers and land owners. Between 1974 to 1995, FOMERREY legalized 126,676 lots located mainly in Apodaca, Guadalupe, and Escobedo. Other parcels of land were located in Monterrey, Santa Catarina, and San Nicolás (Villarreal, 549).

By 1990s Monterrey was a metropolitan city. With a population of 2,573,527 inhabitants, the automobile became the main transportation mode. By 2000 the Monterrey Metropolitan Area's (MMA) population was more than 3 million. Currently MMA provides a relatively high standard of living to most of its residents and is considered one of the more developed regions within Mexico.

Population Growth and Demography

The rapid population growth experienced by Monterrey brought substantial change to the region. Many municipalities that previously had an important rural component were soon urbanized. From 1970s to 1990s the MMA became almost completely urban (Table 1). Municipalities such as Escobedo and Apocada, which had been 30% urbanized in the 1970's, were considered 98.7% and 98.1% urban by the late 1990s.

As a consequence of this urbanization, in 1995 less than 5% of the MMA population lived in rural areas, considerably less than the national level (25%). Poverty levels have historically been higher in rural than in urban areas. In 2002 for example, the extreme poverty rate was 35.23% in rural areas, while it was 7.5% in urban areas.

Table 1: Urban Population in the Monterrey Metropolitan Area

	1950	1960	1970	1980	1990	1995
MMA	32.8	46.1	58.2	86.4	94.8	95.6
Apocada			30.5	69.2	94.8	98.1
Escobedo			27.6	72.8	98.8	98.7
Garcia			49.7	73	74.8	85.8
Guadalupe	82.4	85	71.9	100	100	100
Juarez				64.8	86.1	78.6

Monterrey	98.3	99.3	100	99.5	100	100
San Nicolas	63.2	74.8	79.9	100	100	100
San Pedro	50.9	75.9	82.3	100	99.8	99.6
Santa Catarina	0	80.3	81.5	98	99.3	99.5

Source: INEGI. Prepared by CADSE

Finally, changes in the population show a trend towards a demographic transition. The MMA faces a relative aging of the population. There are fewer children under 14 years old from and an increase in the population of age 65 and over. In addition, the drop of the fecundity rate from 47.3 in 1960 to 26.2 in 1990, the reduction in the reproduction rate from 1.064 to 1.058, and the increase on the average age of mothers at first birth from 26.64 to 27.04, influences the tendency toward aging.

This demographic transition has spurred women's integration into the labor markets, because it has expanded the need for working aged population. Changes in the population have also increased the diversity of household compositions (i.e. female-headed households).

Principal Economic Activities

Monterrey is one of the most important cities in Mexico in terms of business and industrial growth and income. Important sectors in Monterrey include iron and steel manufacturing, cement, glass, and auto parts. Mexico's steel industry is centered in Monterrey, where it began over a century ago and still produces 50% of the country's steel.

Manufacturing in the region makes up 30% of Mexico's exports. The city's proximity to the United States has benefitted the export industry. Global corporations such as Coca-Cola and Cemex have located in Monterrey over other Mexican or Latin American cities because of the quality of life, ease of conducting business, and access to an educated population with a relatively high standard of living. The Área Metropolitana de Monterrey (made up by the municipalities of Apodaca, Escobedo, García, Guadalupe, Juárez, Monterrey, San Nicolás, San Pedro and Santa Catarina) accounts for 95% of the state of Nuevo Leon's GDP. The prominence of Monterrey in the region is shown clearly in the GDP of Nuevo Leon, where the manufacturing, financial and banking, and tourism sectors are the largest contributors to the total product.