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Abstract

Chilean real estate financialization is explored from the perspective of the subsidiary State, the programmatic development of housing policies and the leading role that indebtedness has assumed as a mechanism and as a possibility of social distinction. For these purposes, a general review is made of the general transformations of capitalism, in order to position the financial. Within this framework, housing has played a key role both as an asset and as a form capable of absorbing surpluses. Based on this, general statistics are analyzed at the banking and subsidiary level on housing and focusing on the documentary analysis of the texts that provide legal support and programmatic direction to them and to the current National Urban Development Policy. From this point, the subsidy instrument is discussed, together with the relationships it articulates with indebtedness, and the current paradigm of social integration is criticized. The conclusion presents a reading of Chilean neoliberalism, which, at least in its spatial and housing facets, depends on mechanisms of institutional viability for its survival.

Your House, Your Debt. Chilean Housing Policy Between Financialization, Subsidiarity and Social Integration
Introduction

It’s a humble dwelling—he added—to quote a favorite expression of my friend Heep; but it may prove the stepping-stone to more ambitious domiciliary accommodation (David Copperfield, Charles Dickens).

There is an evident contradiction in the modes of capital production and accumulation in the era of finance: the relation between work as a main personal vehicle in the generation of wealth and the relative autonomization of the financial world. The critical theories of Marxist orthodoxy have described this stage with little compassion with the foundations laid down by The Capital, at least in the first book, and based on the third section of this classical work. The reasons, manifold, reflect the need to explore the invisible and almost emotional dimension in the production of capital, whose present situation leads to Engels’ reflection on the surplus value of land and the cottage rents exposed to the conversion of urban property (Marx, 2017).

Jappe (2020), Postone (2007) and Kurz (2014), the most critical brand of the financial accumulation regime is laid down, understood as a new and indeterminate horizon of multi-dimensional social relations. Despite none of the three having addressed the urban or housing issues, works such as the ones by Fix and Arantes (2021), Aalbers (2019) and Pike et al. (2014) among others, have situated the effects of this turn towards finances in the space of global cities. The relation between surpluses and vertical and horizontal expansion in oil-producing havens, for example, produced settings of vacant glazed skyscrapers, with no other expectation than to provide corporeality to speculation in oil prices, sovereign bonds, and future debt packages, financial vehicles coadjuvant in the global financial adjustment crisis, known as the subprime crisis in the Global North.

On his part, Latin American states stood up in defense against the crisis by promoting housing rentals over purchase, capitalization of public energy companies, and some assistance packages in line with the protection networks promoted by the World Bank prior to 2008. This year zero of a renewed and indeterminate era of financial capital inaugurates the consolidation of the subsidiary project of Latin American governments, with the aim of channeling fiscal resources towards the real estate industry, acknowledging its importance for productivity, employment, and investment. The fiscal contribution to housing becomes built into the propulsion of the residential market, and the right to housing becomes distanced from the historic purpose of equity, accommodating to the Chilean recipe of competition between the different dimensions of socioeconomic vulnerability to condition access to home ownership. Hence the launching by Argentina of differentiated housing subsidy policies Pro.Cre.Ar and INFONAVI; as well as in Brazil with programs like Favela Barrio and Minha Casa Minha Vida, or in Mexico with SEDATU (Hidalgo, Alvarado, Quijada et al., 2017; Salinas & Pardo, 2020; Soares & Sobarzo, 2021).
The evidence pointed out above reveals a sophisticated version of the housing subsidy where the relevance lies in the capacity to produce a residential object for the market, closer to financial products — mortgages, general consumer loans, credit cards— than to prior logics of lease associated to savings banks for the working classes. The Chilean example is crucial in this shift: with the creation of the Servicio de Vivienda y Urbanización (Housing and Urban Development Service) in 1976, and the entry of the bank into the mortgage market as a complement to the subsidies, a relation is generated, inseparable until this day, between the management of access to housing on the part of the State, and the capital liquidity represented by these investments. In 2020, for instance, the total amount of the national budget assigned to housing subsidies for the purchase of new and used homes amounted to 3,015 million dollars, not a negligible figure for an industry that reached 6.4% of Chile’s gross internal product in 2018 (“Industria de la Construcción”, 2018).

These antecedents allow us to configure the exploration on the dimensions and critical results of this assemblage between real estate financialization and subsidy present in the Chilean case as the objective of this manuscript. Operators in the construction and subsidized housing markets, channels of real capital transferred from the competition of precarities in the allocation of subsidies to the consolidation of the owned house, represent a sophisticated and nimble subsidized residence structure, even in times of crisis. This technopolitical engineering occupies a central place in this work, seeking to unveil the routes of financialization of subsidized housing based on the promotion of new urban values, like social and territorial integration.

The synthesis of this discussion is channeled through social and territorial integration as a product of this structure that articulates the demand for housing with the entry of mortgage banking into the subsidized housing business. Finally, we expect to analyze the critical apparatus of the issue of class that obliterates this financial system, producer of categories and concrete realities, beyond its flexibility and abstraction.

Thus, housing becomes completely monopolized by the logics that rule the capitalist system-world: competition, indebtedness, disciplining, housing committees, savings, stratifications, marginality, and the intensification of land seizures. These are the characteristics that evince the continuity of unsolved contradictions under promises of integration through the massification of debt. It is therefore valid to ask ourselves, in which way are the processes of indebtedness and access to housing related under the framework of the National Policy for Urban Development? How does the promise of social integration operate through debt? What are the implications for the financialization of households?

Given that in Chile social integration is mediated by consumption and debt (Mayol, 2019), it is completely plausible to pose the hypothesis that the policies of housing access are moving in that direction: massive indebtedness for the acquisition of a home. And given the segmentation in access to housing through targeted subsidizing, housing that is socially oriented towards what in government terms is called “middle-emergent” sectors, possesses better standards than some targeted subsidies for vulnerable-popular classes, generating a notorious conditioning: to become indebted in order to access a better location in the urban space.
ON FINANCIALIZATION AS A GLOBAL STRATEGY OF CAPITALISM

We must understand that the historic development of capitalism is far from expressing itself in a homogeneous and monolithic way throughout the years it has been prevalent. Capitalism is before all a system and, above all, a historic social system (Wallerstein, 1988). In this historic dimension, there are expressions pertaining to the patterns of accumulation of capital which give shape to a machinery for war and conquest: the emergence of the neoliberal order is not alien to these dynamics.

To unravel the neoliberal domination that involved the commodification of the spheres of life alongside a brutal offensive of capital over work, supported on the destitution of social rights and financialization as a cornerstone of the economical-political restructuring of capitalism, it is necessary to point out the historic defeat of the workers movement and the revolutionary projects that animated the political dispute during the 20th century. As expressed by Lazzarato (2020), the “triumph” over the subaltern classes is part of the nature and the definition of capital, like money, value, and production. This “triumph” was expressed through civic-military dictatorships that mobilized torture, disappearance, and repression to build the favorable conditions for the neoliberal order. In this sense, the evidence indicate that the neoliberal turn is associated in some way to the restoration or reconstruction of the power of economic elites (Harvey, 2007).

Such alteration and historic disruption within the framework of capitalism implied drastic changes in its physiognomy. One of the crucial aspects structuring the offensive of capital is financialization of life, bringing about, as a condition, forms of subjection mediated by debt as a disciplinary device and for reproduction of capital. This means that the fundamental rights that have constituted the entire developmental era are in a certain sense securitized, broadening the sphere of financialization and individualism (Mezzadra, 2014).

Among the reconfigurations that the offensive of capital installed is the centrality of debt in the reproduction of life itself. In financial capitalism, it is impossible to get rid of debt, because capital as currency, in other words, credit, is by definition debt (Lazzarato, 2015). Debt, and the primacy of the financialization of life, implies conceiving it as a mechanism that is geopolitical in terms of the structuring of relations within the framework of the world-capitalist system, as well as individual-biographic, as a disciplining subjection that breaks social structures.

Far from any simplicity and reductionism to a moral criticism of the practices that detach from financialization, just as posed by Katz (2015), bankers are little more than scammers, and indebtedness is a process more complex than fraud. The world of finance fulfills a strategic function for the reproduction of capital by mobilizing credits that broaden the geographic and sectorial radius of accumulation (Aalbers, 2017).

According to Santana (2017), the concatenation of the processes of globalization, neo-liberalization, and financialization produced a type of urbanization dominated by the real estate sphere, which has been capitalism’s main strategy for survival, reproduction, and accumulation. This restructuring may be understood as a primarization of the second circuit of the economy (Santana, 2017), a matter which for Lefebvre (1974) acquires the form of a “pulley” that transmits liquidity from the primary and industrial sector into the built environment.
In other words: the capitals that were situated in a secondary position within the capitalist-development dynamical dynamics, in the consolidation of the global-neoliberal-financialized period have now acquired protagonism, theoretically solving the historic problem of overcapacity in production (Lapavitsas, 2016) and consolidating opportunities for the absorption of surpluses (Harvey, 2007). In this framework, the general process or urban development and the production of housing have been crucial gears for the intertwining of production and reproduction of space and capital (Harvey, 1990; Hidalgo, Santana et al., 2016; Lefebvre, 2015; Madden & Marcuse, 2019).

In Chile, the capitalist interests in the real estate trade have been articulated in the Chilean Chamber of Construction. Just as Kornbluth (2021) has shown, this is a multifaceted economic group that has juxtaposedly acquired the form of a gild, a joint-stock company, and a business group. Its power has been materialized in the configuration of ad-hoc regulatory frameworks, in protagonism within the articulation of a centralized market of financial capitals, and in the diversification of investment (pensions, health, education), where innovation in the area of financial instruments has brought greater agility in the reproduction of capital, and more possibilities of control in decision-making. According to Santana (2017), the key aspect in the real estate maelstrom lies in the progressive financial disintermediation of the real estate world since the late eighties. Therefore, the deepening of financialization has meant greater independence for the flow of capital.

In this context, the investment of financial capital in urban development (infrastructure, built environment, and residential spaces) has situated housing in place as a financial asset (Harvey, 2017; Marazzi, 2002). Housing, then, is produced and distributed as if it were a commodity and not a fundamental good for the reproduction of life. Its functionality changes: what is prevalent is not that somebody inhabits it, but that its instrumental nature is exploited as a possibility of generating monetary profit, expressing the classical contradiction between use value and exchange value (Harvey, 2017; Madden & Marcuse, 2019).

Methodology

In methodological terms, mixed data production techniques were applied (quantitative and qualitative). In regard to the former, secondary statistical data provided by the Central Bank of Chile and the Ministry of Housing and Urbanism was analyzed. These correspond to housing mortgage placements, the presence of subsidy in the financing of the main home, the amount of associated debt and its periodicity, investment and type of subsidy, respectively. Housing mortgage placements are relevant for the analysis of the relation between production of residential space and indebtedness, for they provide an account of the loans extended by banks for the purchase of an already built property or piece of land for housing construction. On its part, the dynamics of housing subsidies allow us to assess the frequency of its application and the sums associated to them. It is interesting to analyze this in conjunction with the analysis of public documentation.
Table 1.
Variables, Documentation and Sources.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Documents</th>
<th>Source</th>
</tr>
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<tbody>
<tr>
<td>Housing placements</td>
<td>Series of banking data (2008-2019)</td>
<td>Central Bank</td>
</tr>
<tr>
<td>Housing and Urban development policies</td>
<td>National Policy for Urban Development (2014)</td>
<td>MINVU (Ministry of Housing)</td>
</tr>
<tr>
<td>State investment by type of subsidy</td>
<td>Subsidies granted by regular and reconstruction programs.</td>
<td>Observatorio Urbano, MINVU</td>
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<td></td>
<td><em>Comisión de Estudios Habitacionales y Urbanos. Observatorio de Vivienda</em></td>
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<td></td>
<td>(1990-2020)</td>
<td></td>
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<tr>
<td>Financing of main home with subsidy</td>
<td>Financial Survey of homes</td>
<td>Central Bank</td>
</tr>
<tr>
<td>Mortgage debt of main home</td>
<td>Financial Survey of homes</td>
<td>Central Bank</td>
</tr>
<tr>
<td>Programmatic characteristics of subsidies</td>
<td>Summary of subsidies and contributions to housing. <em>Centro de Estudios Habitacionales y Urbanos</em> (Ministry of Housing and Urbanism, 2017)</td>
<td>MINVU</td>
</tr>
</tbody>
</table>

Source: author’s own.

Qualitatively, the National Policy for Urban Development, elaborated by academics, housing developers, and public authorities was analyzed. The analysis of contents carried out reveals the emphasis on the social integration perspective, and the segmentation vulnerable-emergent. For the presentation, the subsidy programs are described according to their general characteristics, periods of execution and meanings of governmental nomenclature, which allow us to address the problem of subsidies representationally and ideologically.
Financialization has managed to penetrate practically all the spheres of life. From mundane objects (Leyshon & Thrift, 2007) to the public debt of a nation (Marazzi, 2002). It operates colonizing upper economic circuits —more high-tech— deploying towards the lower ones (Bonilla, 2019), commonly conceived outside this logic. Obviously, the basic aspects of social reproduction have been left trapped within financialization. This, in consonance with a reduction in public spending and a general fall in wages, has resulted in greater indebtedness on the part of households and, as a consequence, in a mechanism for the increase in the demand for different goods and/or merchandises (Gago & Cavallero, 2019; Lapavitsas, 2009, 2016).

Debt, therefore, has colonized practically all realms of life. For Gago and Cavallero (2019) this consists in the extraction of value from domestic economies on the part of finance, operating as an exploitation device. When the income of a nucleus begins to depend on debt, the everyday life is seized by the financial world, expressing itself not only in the increase of related uncertainties and responsibilities, but in replacing social security with the individual capacity to “make do” and solve these problems (Mawsdley, 2018; Pike & Pollard, 2010).

Following the consolidation of capital markets as expeditious source of investment, and the voracity of real estate urban development as mechanism for the absorption of surpluses, the financialization of household incomes has been structured as the capitalist solution to the problem of low wages and, consequently, of the reproduction of life. With the liberalization of credits for the most basic needs, it is understood that salaries are no longer a net guarantee of the capacity for indebtedness (Gago & Cavallero, 2019; Mezzadra, 2014).
Figure 1.
Placements according to type of loan.

Source: Authors’ own based on Series of Banking Data. Central Bank of Chile (2008-2020).

Apparently, access to housing in Chile is increasingly dependent on generalized mortgage indebtedness (Figure 1). From the predominance of savings during the developmental period to the predominance of debt in neoliberalism, we can say in general terms that the subsidy instrument has articulated the taking of loans through a State guarantee, being a mechanism for the transferal of capital to the real estate world on the part of the State (Hidalgo, 2019; Sugranyes, 2005). Mawdsley (2018) argues that subsidies are created as State support for the penetration of financial capital into non-consolidated or much riskier markets. Housing for the popular classes may have this characteristic, although Mayol et al. (2016) have demonstrated that the popular classes tend to be better payers, therefore more disciplined, ergo a less risky market.

Hidalgo, Alvarado et al. (2016) have demonstrated how focusing on subsidies has entailed a progressive entry of the popular classes into housing indebtedness schemes. Under this logic, housing subsidies have been considered a “liberal success”. The delivery of mass housing —beyond its material quality or location— has become a great income niche for the construction industry (Sugranyes, 2005).
However, this logic of housing production has had some consequences in the production of urban space in Chilean cities. During the first years of the century, socioeconomic segregation was identified as one of the direct consequences of the liberalization of land markets and as a fracture of the social bonds in the metropolis (Rodríguez & Arriagada, 2004; Sabatini, 2000). Faced with this reality, the government response has placed social urban integration as the general antidote to segregation. Conceptually situated as its obverse, efforts on the part of city experts have been made since 2009 to advance along this line. The emergence of the discourse on the right to the city in governmental texts, even, vaguely proposes the need to improve access to public urban goods (Hidalgo, Alvarado & Santana, 2017). Already since 2014 it was evident that social integration and sustainability will become the axes of development of housing and city policies, materialized in the National Policy For Urban Development and in a law that is currently being drafted.

Subsidize to Indebt; Indebt to Integrate

Indebtedness in Chilean homes has risen significantly over the last decades. From the credit card citizen presented by Moulian (2002) in the immediacy of the post-dictatorship to the present population that acquires debt to cover for alimentary needs, the growth of default in Chile has been relatively sustained. Recently, Duran and Kremermann (2019) have presented the current overview of wages in Chile, where two thirds of the persons working on a salary basis earn monthly incomes under $550,000\(^1\). In this regard, Alegría and Bravo (2016) have pointed out that income is a variable that determines the probability of defaulting on payments. In other words, payment behavior has a degree of dependence on the amount of salary earned. Therefore, if salaries have tended to stagnate, and the cost of goods like housing has tended to grow systematically, how can the country's households access it?

The data provided by the Central Bank are eloquent in showing the increase in access to housing through subsidy instruments. In the last decade, households that have accessed these programs have increased by almost 10% (Figure 2), as the programs offered by the State have been gradually adjusting, becoming more sophisticated.

\(^1\) Equivalent to US$ 759, exchange rate in Chile 31/05/2022.

Figure 2.
Percentage of main homes financed via housing subsidy.

However, if we look at the general distribution of mortgage debt differentiated by socioeconomic level, the sustained progress over the last decade becomes eloquent. Although in the first five deciles growth is moderate, in the rest of them a more significant increment is shown. Especially in the deciles 9 and 10, which correspond to those with better economic possibilities (Figure 3).
As we have been observing, since the end of the civic-military dictatorship, housing subsidy has emerged as the central tool for channeling the demand for housing. Although it was focused mainly on the most dispossessed classes, over the last years we have witnessed a significant increment in middle classes accessing housing through this mechanism. In respect to this, Fuster (2019) has reported that the growth in subsidy investment (expressed in Figures 4 and 5), has also resulted in an improvement of the quality of the dwellings, its location, and the tools for targeting specific social groups. However, Alvarado (2019a) has been critical with respect to the location of subsidized housing linked to the Fondo Solidario de Vivienda

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2 Deciles correspond to a governmental mechanism of social stratification, although they do not manage to clearly convey or reflect the socioeconomical distribution of the country. For instance, in the decile 10, that is, the best positioned, it is considered that persons earn salaries starting at $661,000.
(Solidary Housing Fund FSV-FSEV) program, given that the location pattern has tended to expand towards the metropolitan outskirts (zones with sparse public goods and deficient connectivity).

Within the framework of a neoliberal regime, subsidy, then, may be understood as one of the main governmental tools in promoting and materializing ownership (Hidalgo, Alvarado & Santana, 2017; Alvarado, 2019b). One of the main criticisms to this policy has been location and the effects it has generated in terms of socioeconomical residential segregation (Hidalgo, 2019; Sugranyes, 2005). As we pointed out, this issue has been central in the elaboration and implementation of the National Policy for Urban Development, instrument that has been presented as a public-private-academic consensus regarding the endeavor in terms of access to housing in Chile, taking as central axes two issues that had already being assessed for a number of years by the housing authorities: social urban integration and sustainability (Hidalgo, et al., 2018).

This navigation chart can be read as a reaffirmation of what has been called neoliberalism with a human face, something that amounts to nothing more than a discursive readjustment, with economic effects, over some fundamental axes for the reproduction of life in contemporary societies (education, health, housing, pensions), but which has in no way restructured the subsidiary nature of the State, nor has it contained the expansion of commodification in the vital spheres. To the contrary, the deepening of the braid between savings, subsidy and indebtedness appears to be clearly evident in this policy.

1.4.2 To establish policies that allow access to housing for families from emergent and middle sectors, granting subsidies that complement their individual efforts, always making sure that the benefits are adequate to the needs and economic capacity of the individuals (…)

1.4.3 To sustain a permanent effort in respect to improve the standards of social housing, without having for that to sacrifice good location (…)

1.4.4 To promote subsidy instruments for the acquisition of existing homes, allowing families to opt for a neighborhood that can offer adequate public urban goods (Giménez & Ugarte, 2014, p. 27).

Beyond euphemisms or unforced imprecisions, this policy shows the continuity of the stakes towards financial subjection. In this logic, the Subsidy for Social and Territorial Integration DS-19 has begun to play a node role. Nowadays, it has become the most talked-about program of this public policy, on track to establish itself as a subsidy of a unified nature, inasmuch the hopes of achieving the longed for social mixture are placed on it, a matter that would imply “more integrated cities”. However, if we compare investment by type of subsidy and the accumulated percentage according to the distinction between “vulnerable” and “medium-emergent” we can observe how subsidies related to financial indebtedness have acquired greater protagonism in recent years (Figures 4 and 5; Table 2).
Figure 4.
Regular subsidy for “vulnerable” sectors (1990-2020).

Source: authors’ own based on the subsidies granted by regular and reconstruction programs. Commission for Housing and Urban Studies. Housing Observatory. Ministry of Housing and Urbanism (1990-2020). Note: “UF” stands for “Unidad de Fomento”, unit of account used in Chile.
Figure 5.
Regular subsidy for “middle” and “emergent” sectors.

Table 2.
*General characterization of housing subsidies in Chile.*

<table>
<thead>
<tr>
<th>Type</th>
<th>Name</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vulnerable Sectors</td>
<td>Rural DS 145</td>
<td>Operated between 2007 and 2010. Aimed at people over 18 years of age who can accredit ownership of a property in a rural area, that do not own another home, and whose score in the Social Protection Card is less than 11,734 points. Applicants must have a housing proposal approved by the Ministry of Housing and Urbanism and sponsored by a Technical Assistance Service Provider. Not associated with bank financing.</td>
</tr>
<tr>
<td></td>
<td>Progressive, stages 1 and 2</td>
<td>Operated in 1990 and was modified in 2005. Aimed at families living in a condition of non-renters, or in a condition of housing emergency, or elderly persons. Applicants had to own an urbanized site and be registered in the Socioeconomic Characterization Sheet. Not associated with bank financing.</td>
</tr>
<tr>
<td></td>
<td>Solidary Housing Fund (FSV)</td>
<td>Operates since 2005. Aimed at families in the first or second quintile of social vulnerability according to the Social Protection Card (FPS) for the purchase of new or used homes in urban or rural zones. Applicants are required a minimum of savings. Not associated with bank financing.</td>
</tr>
<tr>
<td></td>
<td>Solidary Housing Choice Fund (FSEV)</td>
<td>Operates since 2011. Preferentially aimed at families in the 40% more vulnerable in the country according to the Social Registry of Homes. A minimum of 10 UF savings is required. Not associated with bank financing.</td>
</tr>
<tr>
<td></td>
<td>Rural Habitability</td>
<td>Operates since 2015. Aimed at families living in rural localities in conditions of habitability deficit according to the Social Registry of Homes. Applicants must have a minimum savings between 10 and 15 UF, be older than 18, prove possession of a site suitable for construction and be sponsored by a rural management entity. Not associated with bank financing.</td>
</tr>
</tbody>
</table>
General unified
Operated between 1988 and 2004. Aimed at natural persons that do not own a home. Applicants had to present a minimum savings of 100 UF.

P. E. T
Operated between 1985-2005. Aimed at collective entities profit and non-profit. 90 UF subsidy per unit. Applicants had to present demonstrable savings. Associated to bank financing and complementary SERVIU loan.

Housing leasing
Operates since 1995. Aimed at elderly persons, with capacity for indebtedness, able to pay a monthly lease, that do not own property, and with no saving capability. Associated with bank financing.

DS 40
Operated between 2004 and 2011. Aimed at elderly persons that do not own a home, have not been granted subsidies, and are able to demonstrate minimum savings of 50 UF. Associated with bank financing.

Special
Operated in 2009. Aimed at elderly persons not applying for other subsidies, that do not own property, and with minimum savings of 30 UF. Associated with bank financing.

Integrated System of Subsidies DS 01
Operates since 2011. Aimed at elderly persons, with maximum savings of 80 UF, registered in the Social Registry of Homes for the acquisition of low-cost housing of 1.000, 1.400, 1.600 or 2.200 UF (according to segment). Associated with bank financing.

Special Social Integration Program DS 116
Operated in 2015. Aimed at “vulnerable” families or from “middle-sectors”, non-owners, eligible as beneficiaries of subsidy, but not having had the opportunity of materializing it. The families within the most vulnerable 40% nationwide could access housing ranging between 900 and 1,000 UF, provided they could count on minimum savings of 20 UF. The families in these “middle-sectors” could have access to purchasing ranging between 2,000 and 2,200 UF, with a minimum savings of 50 UF. In this case, it was associated with bank financing.

Social and Territorial Integration DS 19
Operates since 2016 (modifies DS 01-2011). Aimed at “any type” of family, whether or not they had been granted a subsidy. However, the “vulnerable” families can access housing up to 1,100 UF with saving capacity, while the “middle-sector” families can access housing for a maximum of 2,200 UF. In any case, persons eligible for other subsidies (vulnerable or middle) can join this program, provided they fall within the 90% most vulnerable nationwide according to the Social Registry of Homes, and no member in the family nucleus owns a home. Associated with bank financing.

In this context, the National Policy for Urban Development has proposed social mixing as the great antidote against socioeconomical residential segregation. However, the mixing appears to be reduced only to spatial approximation; neglecting the issues of encounter, interaction, conflict, and the integration of those who arrive to new neighborhoods and those who already have a longer history living there.

To promote the development of mixed projects that contemplate housing of varying costs, generating special subsidy programs, and including tools for spatial integration such as the architectural quality of the complex and the design of facades (Giménez y Ugarte, 2014, p. 28).

What is interesting about these tensions lays in what is exhibited in Table 2 and Figure 5, where the evolution of subsidiary instruments show these adjustments, even before the 2014 policies. Precisely, the strength of the real estate market’s financial-subsidiary phase receives injections that are not just economic to keep the mortgage machine rolling. It requires, also, adjusting to the ideologic foundations that underpin the current perspectives on housing outside the isolated urban object, pointing to the neighborhood, surroundings, and services as key to the generation of value. In this sense, what emerges is interesting as an ideological interpretation (Therborn, 1987), using metaphors in regard to the constant ascent (but limited to not being elite); of the individual success that pretends to impose distinction dispositions between those who are closer.

What is relevant, in order to be able to translate the spatial proximity in conclusions that reveal the decrease of the pattern of segregation and the configuration of neighborhoods characterized by a mixture of social classes, is not only the interaction in spaces of informal sociability (Katzman, 2001), but the unblocking of the pattern of segregation of the upper classes, given that the social distance between the so-called “middle” and “vulnerable” sectors is not as broad as that of both groups with respect to the elite population.

Vulnerable and Emergent Sectors: Segmentation as Domination

Given that the neoliberal offensive has materialized as a disruption of the conception of social policy, conceiving it as a stratification mechanism based on competition, the notion of a universal social policy has been discarded. The commodification of the dimensions of life is not simply the most explicit privatization, but the deployment, through social policies, of possibilities for financialization that generate stern, debt-associated disciplining, and the depoliticization under the definition of “emergent and vulnerable sectors”, just as it is implemented by the Ministry of Housing and Urbanism.

It is thus how, to access the benefit of housing expressed in the subsidy for the construction of a DS49 house, when asked, what is it? The answer is as follows: “It allows families that do not own a home and live in a condition of social vulnerability and in need of housing to build a house or a set of them (houses or apartments) without mortgage credit” (Ministry of Housing and Urbanism, n/d).
The ideological production of class based on subsidized housing ends up becoming the key that manipulates the regimes of socio-spatial mixing that subsidy programs provide. Recent programs like DS 49 and DS 19 have built a middle-class narrative seeking to placate the vulnerability based on the discourse and the action of the owned home, central symbol of the closure of poverty. This “ownerist-housist” ideology, duly read by the real estate market agents, who now see in these subsidiary programs the real possibility of setting up businesses of great reach and expansion in the country’s main cities (Arce, 2020).

In this way, social vulnerability constitutes the cornerstone of the stratification that erodes the working class and dissects it into innumerable sectors, constructing the obligatoriness of social subjection of citizens in terms of an exemplarity inviting to become beneficiaries. The imposition of a nomenclature that deeply depoliticizes it, under the title “vulnerable and emergent sectors”, neutralizes any political action. Survival depends on resolving the demands installed by the profiles of the social programs, while transforming it de-facto into a feeble middle class, mortgaged and propertied.

The creation of instruments such as the Social Registry of Homes pursues no other aim but the identification of sectors deserving a response. It is here that we observe a continuity, a perpetuation of the neoliberal logics in terms of social policies imposed during the civic-military dictatorship, which undermine the sense of belonging of a social class transversally exploited, but expressed in the individual responsibility before the resolution of structural problems.

It is important to point out that the economic restructuring in terms of social policy has emphasized a criterion of targeting as the selection mechanism for beneficiaries (González, 2018). Indebtedness, channeled through subsidies like Social Integration, can be rewarded with better location and access to public goods in detriment of those who have accessed the Solidary Housing Fund.

The point that the Ministry of Housing and Urbanism makes in terms of “emergent and vulnerable sectors” does not constitute an exceptionality, rather the systemic neoliberal expression from whence its logics of subjection are vertebraed.

The translation into social policies becomes, then, this thing we know, and which we have profoundly naturalized, as vulnerability, because in doing so we avoid the logical exercise of asking ourselves about the origins of the risks, their existence, or their reproduction (González, 2018, p.163).

In this sense, “the vulnerable and the emergent” are ideological expressions that refer to competition as structuring sheltered in the meritocratic myth that translates into fulfilling a series of requisites. The emergent as something that bursts in, constantly ascending, oozing success and triumphalism, but presenting the same constitution as the vulnerable in terms of the dispute for a benefit, for a place, for recognition and visibility. To differentiate and distance from a defeated other is the neoliberal mandate embodied in the houses’ facades.

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3 The National Registry of Homes is a socioeconomic characterization database that, among other functions, classifies homes according to their level of social vulnerability for the management of permanent or exceptional resources, access to benefits of free university education and housing subsidies. The institution in charge of its development is the Ministry if Social Development and Family. Source: http://www.registrosocial.gob.cl/que-es#top
Conclusions

The dynamics of financialization have escalated to the point of becoming public policy, both in terms of housing as in other crucial realms of life. Debt is not experienced as a distant relation, but as the fundamental pillar in the reproduction of life under the mandate of the neoliberal hegemony and the establishment of the subsidiary State.

The reality verified in this work does not constitute an exceptionality of our country, but can also be traced in experiments in countries like Brazil, where the slogan “indebt to integrate” was assumed as public policy. Just as it has been posed by Lazzarato (2020), social inclusion is carried out through finance, but this has not meant the subversion of the productive structures and logics of domination but, on the contrary, its reproduction.

Integration by means of finance tailored to the dimension of housing is the character that the social policy presents, articulated in a collection of subsidies. Placing integration at the center through such mechanisms has generated an escalation of inequality and marginalization, expressed, for instance, in the exponential growth of homeless encampments and, on the obverse, through the real estate speculation that preys different territories.

What is proposed in this work is that current financial neoliberalism in Chile depends on the institutional mechanisms and roadways provided by the government to survive, even in times of crisis. The subsidiary instruments, built into the banking system, provide housing and city beyond any autarchy, as the structure of subsidies, which has been sophisticated government after government, allows the real estate industry to adequate to the new regimes of residential space production, such as those contained in the different housing subsidies closed and current. Therefore, the ideology of domination and disguise of “vulnerable and emergent” sectors disconnects not only those who purchase a home; it also drives the environment to become future merchandise based on access to a mesocratic condition generated by the ability of the State to support flows of real capital to sustain the indebtedness coadjuvant to ownership.

Although the diagnosis and proposals emanated from the National Policy for Urban Development acknowledge relevant problems after the experience contained in the analysis presented, and beyond the diagnosis and the conceptual proposals it has raised, this policy is trapped in an intention as idealistic as it is contradictory, which seems not to understand the violent and excluding dynamics generated by the deployment of capital. Therefore, it does nothing but consecrate their operation.

In the face of the aggravated global crisis of the social capitalist formation, the National Policy for Urban Development assumes it, without questioning the patterns on which the accumulation of capital is supported. It simply proposes a decorative enunciation that has no place before the constant privatization and commodification of life. It is thus that thematic realms linked to the alteration of the modes of production, or
environmental sustainability become contradictory, since they fail to propose an alteration of the production mode. In this sense, sustainability not only operates as mystification of a greater, incomplete system, which conceals the topologic cracks of subsidized housing production: neglect of services and institutions, public safety, transportation and mobility, green areas and access to common goods, education, and amenities, among other elements that construct concrete and complex residential settings, whose absence continues to be a dent in the neoliberal project of urban development and modernization.


Ministerio de Vivienda y Urbanismo. (s. f.). *Subsidios otorgados por programas regulares y reconstrucción*. Comisión de Estudios Habitacionales y Urbanos. (1990-2020) https://minvuchile.sharepoint.com/:x:/s/observatorio/AczprAzQuhP1Ot9P1DxpQUBLCDPcmfE-sg7IpDXzYFPGEQ?e=gPphoQ&download=1


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