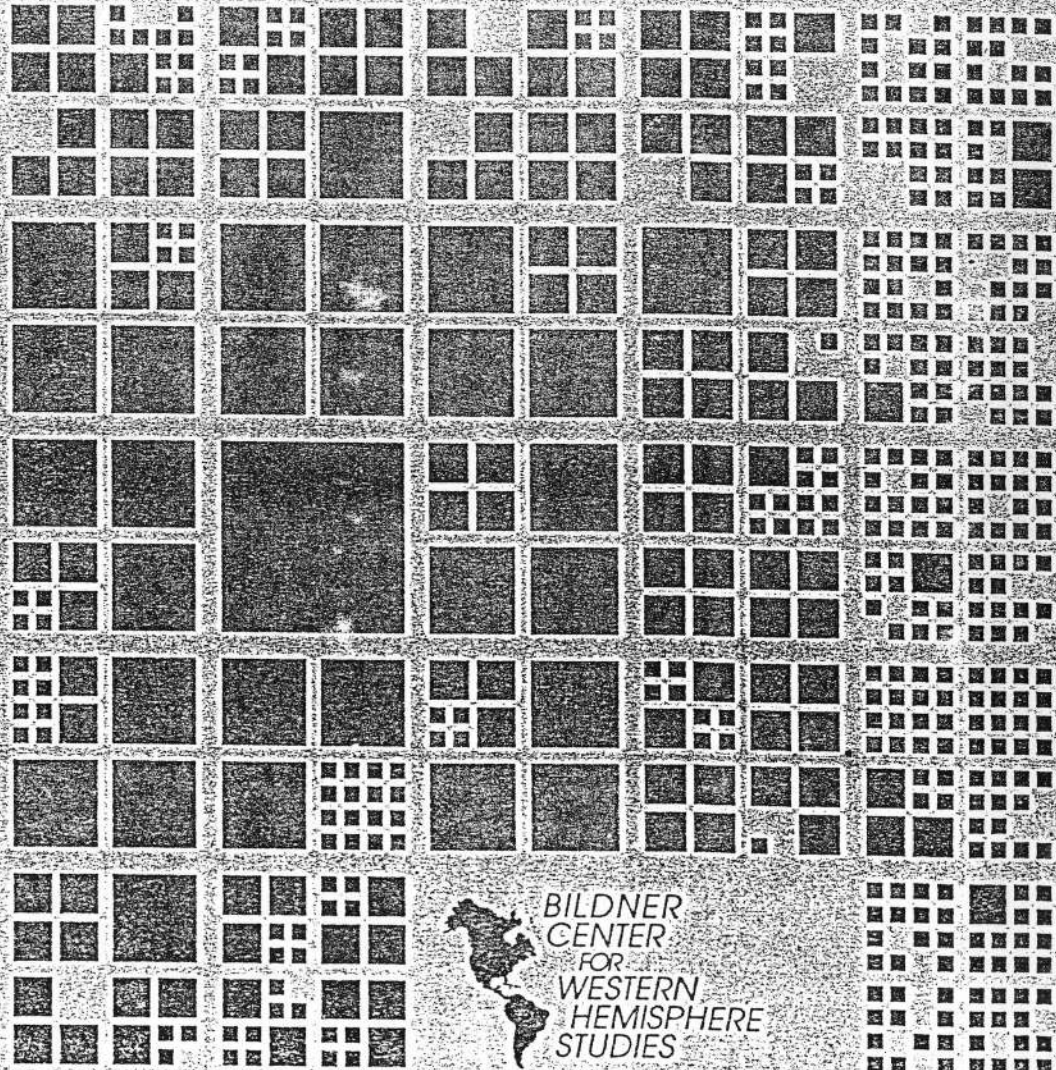



# CITIES IN CRISIS

THE URBAN  
CHALLENGE  
IN THE  
AMERICAS

Edited by  
**MATTHEW EDEL**  
& **RONALD G. HELLMAN**



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reforms would increase the financial resources of local authorities. More democratic control would permit planning of local and state government expenditures taking the local demands of the citizenship into due consideration.

Third, it is necessary to change the prevailing structure of the public sector operating in the area of basic social services (particularly housing, public health, transportation, energy and water supply and environmental control). The agencies in charge of these sectors should be planned to operate efficiently, but oriented toward goals of social equality rather than toward goals of market-oriented economic success. This would increase the supply of public services for those who cannot pay market prices for them, and would benefit the poorest segments of the MASP population.

Fourth, a political, juridical and administrative reform should be considered. The main objective of this reform should be a new organization of both municipal and metropolitan politico-administrative structure. At the municipal level different measures are needed to differentiate local powers according to size, economic base and function within the metropolitan division of labor. Increasing executive decentralization and improving the existing mechanisms and creating new ones of popular control over public decisions is urgent. At the metropolitan level, coordinating authorities, supported by adequate amounts of financial resources, political power and juridical legitimacy, have to be created to deal with problems requiring metropolitan consideration.

Fifth, it is necessary to plan ahead, considering the technological innovations to come. There is some risk that industry-sectors located in the MASP may become obsolete in the near future. Without an adequate long term policy to attract new sectors and to facilitate the restructuring of the existing ones, there is a risk of economic decay and urban blight.

Finally, although quite obvious, it is important to emphasize that these measures are only possible if the process of democratization proceeds and takes deep roots in the near future.

## 2 Concentration or Deconcentration? Mexico City and its Region

by  
Orlandina de Oliveira and  
Humberto Muñoz García  
Translated from Spanish by  
Henriette Goldstein

### Introduction

Economic-demographic concentration<sup>1</sup> in Mexico City and the process of deconcentration are two much-discussed subjects in Mexico today. They have been important political preoccupations for a long time, as is evidenced by many plans and programs formulated by the government (Garza, 1983). Uneasiness about these matters gathered even more momentum after the September 1985 earthquake. Systematic studies to date help answer several questions and concretely establish a wider perspective of analysis with respect to the complex of problems of Mexico City and its metropolitan area (Bataillon, 1972; Garza, 1980, 1985a; CEDDU 1985).

In order to understand the problem of concentration in Mexico, it is essential to recall some of the recent and earlier historical record. The region which surrounds the capital of Mexico—known as the central-eastern region—includes the Federal District and the states of Hidalgo, Mexico, Morelos, Puebla, Querétaro and Tlaxcala (Bataillon, 1972; Bassols, 1983). For centuries, this region has been one of the most populated of the continent (Sánchez and Moreno, 1968). The concentration of population has been on the increase: in 1910, 18.9% of the urban population (15,000 inhabitants and over) of the country was concentrated in the central-eastern region; this figure grew to 33.1% in 1940 and to 44.4% in 1970 (El Colegio de México, 1970; Bassols, 1983).

Since the Aztec times, the City of Mexico has been one of the largest in the world, and the most relevant activity and economic dynamic in the country has concentrated there. Political power has also been centralized in Mexico City since the last quarter of the nineteenth century, subsequent to the Independence and after a period of intense conflicts and wars. In the twentieth century, particularly after the 1940s and more markedly since 1960, Mexico City has expanded considerably in the area of the Valley of Mexico, and has formed a wide metropolitan area by incorporating several municipalities of the State of Mexico (Unikel, Ruiz and Garza, 1976). At present, the built up area within the Metropolitan Area of Mexico City has more than 1000 square kilometers, of which close to 50% is in the State of Mexico. The Zone spreads south in the di-



rection of the State of Morelos. In 1980, the Metropolitan Area of Mexico City was made up of the Federal District and twenty-one municipalities of the State of Mexico (Negrete et al., 1985).

From the perspective of the regional urban system, this concentration in Mexico has resulted in the existence of a primary city which influences its immediate area (Browning, 1962; Unikel, Ruiz and Garza, 1976). The expansion of Mexico City, together with the populational and economic dynamic of the country in the decades of the 1960s and 1970s, has reinforced the development of several cities of the central region, a short distance away by highway from Mexico City. For the specialists on this subject, it is evident that the central-eastern region of the country is on the way to becoming an integrated urban system, whose links between its parts intensify day by day. Recent trends point in this direction: the possible creation of a new perimeter of concentration in the cities which belong to the subsystem of Mexico City (Cuernavaca, Pachuca, Puebla, Querétaro, Tlaxcala and Toluca). The metropolitan areas of Mexico City and Toluca already constitute a megalopolis (Garza, 1985b).

The central region takes on special relevance within the framework of a search for alternatives to economic and demographic deconcentration of Mexico City. Because of lower economic, social and political costs, the main deconcentration of the capital of the republic may fall on the cities that are within the subsystem of Mexico City. Garza (1980) warns that with respect to industry, this deconcentration would be a serious mistake. At the same time, however, he accepts the inevitability of the tendency to form a megalopolis which will "enormously accentuate the problems that come from the macrocephalous growth of the urban system of Mexico [City]" (Garza, 1980). With regard to education, health and financial services and public administration, there would have to be an analysis of the viability and convenience of deconcentrating them toward the cities which surround the capital, in many of which there has been a significant growth in manufacturing and in services.

In this article, we present a brief characterization of the central-eastern region, especially of its urban areas. Among the aspects which we will consider are economic dynamics, trends in population growth, and the dynamics of labor markets. This latter aspect we will examine based on the available census data regarding the sectoral transformation of the labor force in the metropolitan areas and in urban municipalities (50 thousand inhabitants and over) in the last decade. We have a set of data and analyses processed by the Center for Demographic Studies and Urban Development of El Colegio de México (CEDDU, 1985), which constitutes crucial material for this characterization. We are interested in illustrating the extent to which some trends of distribution of the labor force in Mexico City have been modified in the context of changes which have taken place in the central region.

The comparison of Mexico City with the main cities of the region will allow us to develop some hypotheses about possible changes in the intraregional division of work. The ultimate purpose is to reflect on the options and obstacles of

decentralization toward the interior of the central-eastern region, or out of it. Changes in the dynamic of urban labor markets, as an instrument of deconcentration, take on special interest. The creation of sources of work outside the Metropolitan Area of Mexico City requires a policy of spatial redistribution of public and private investment in administration, health and education, and in the productive structure. The energizing of multiple markets of urban work in the central region may constitute a fundamental element of attraction of migratory flows, which are an important source of population growth in Mexico City.

## II Mexico City and the Central Region: A Brief Characterization

### Economic Concentration

The most recent studies about the process of industrialization in the Metropolitan Area of Mexico City have shown that the degree of concentration of the industry in this urban center increased very substantially between 1930 and 1970, a trend which Garza (1980) regards as "a veritable industrial concentration with almost one half of the national manufacturing production." As the axis of the accelerated process of industrialization of the country, this urban center strengthened its role as the principal market of national consumption, and attracted industries of consumer and capital goods. The initial tendency toward concentration was consolidated by investment into the urban infrastructure by the federal and capital city governments, thereby giving incentive to the industrial growth in the capital of the republic (Garza, 1985a). In order to give an idea of the magnitude, it is believed that in 1970 the urban area of Mexico City concentrated 46.5% of the total gross income of industry (Garza, 1980). According to the same author, the preliminary figures of the industrial census of 1980 show that the capital city reduced its relative importance in the national industry. This trend occurs together with the increase in economic importance of the central-eastern region (Garza, 1985a). In 1975, this region had concentrated 61.3% of the value of industrial production of the country (Bassols, 1983).

Analyses done by Ruiz (1985) allow us to emphasize that production in the central-eastern region quadrupled in the period from 1960 to 1975. This increase was not of the same magnitude in all the states. (In the State of Mexico it was approximately sixfold, while in the Federal District it did not reach fourfold.) According to Ruiz, the growth of industrial production was exponential in almost all the states (with the exception of Morelos and Puebla). Nevertheless, the Federal District and the State of Mexico continue to dominate production in the region. It is worthwhile to emphasize that the production of durable consumer goods, intermediary and capital goods has a larger share in Mexico City, while the production of disposable consumer goods is larger in the other cities of the central region (Ruiz, 1985).

Industry has not only concentrated spatially in the central region, but a process of centralization has taken place as well, which in this sector manifests itself through the creation of ever larger enterprises (Garza, 1985a). The latter process may be related to the increase in the number of firms in fields such as metal products and machinery, which is one with high representation in the industrial structure of Mexico City, Querétaro and Toluca, and which has developed at high rates.

In short, the consolidation of a concentrated and centralized industrial structure has been taking place through a dynamic in which enterprises in the municipalities contiguous to the Federal District, such as Tlalnepantla, Naucalpan, Ecatepec and Cuautitlán have become increasingly important. This has established an industrial belt in the State of Mexico which is connected with one of the manufacturing areas adjoining the city of Toluca. Leading industries, such as automobile manufacturing, which have established themselves in this belt, have been involved in this dynamic. These enterprises have also established themselves in various state capitals in the regions that surround the capital of the country, thereby promoting the expansion of manufacturing in this area.

Together with the economic-population concentration, a highly diversified regional economic structure has been created. By 1970, the productive structure in Mexico City was one of the most diversified in the country (Garza, 1980). According to 1975 data (Negrete, 1985) the cities of Mexico, Cuernavaca and Puebla have a high degree of industrial and services diversification. Toluca has a high industrial diversification; Querétaro, of services; and Mexico City has a greater commercial diversification than the other cities. It should be emphasized that the diversification of the whole group of cities is superior to that of each one of them taken separately (Negrete, 1985). The central-eastern region will continue to be, even more markedly, the most diversified within the national pattern.

Little is known about the characteristics of the other sectors of the economy which are concentrated in the Metropolitan Area of Mexico City, and in cities of the central region. Some studies have been made of Mexico City's service sector, which emphasize some of its characteristics: there is a diversity of activity which ranges from autonomous work to the large commercial and banking corporation. Modernization, technological penetration and large enterprises have appeared in services which are complementary to industry (e.g., financial services). Distinctly capitalistic enterprise is a reality in all the branches of the tertiary sector, which leads us to believe that in this sector too a process of centralization has taken place whose magnitude and characteristics are still unknown. We must also consider the weight which public administration and the services offered by the government in health and education have in this sector, whereby a more comprehensive picture of the services in the capital of the country is reached.

In the case of services and commerce, it should be emphasized that both show a high degree of concentration in Mexico City. A study (Garza, 1976) illustrates that the number of service enterprises there increased by more than 75% between 1960 and 1970, at a higher rate (5.8) than for the whole country (5.1). At the same time, the share in the national total increased in the same period. Likewise, the tendency was seen for commerce, to the point at which, in 1970, the capital had 30.8% of commercial businesses. Thus, at this last date, there was a clear tendency toward increase of the degree of concentration of services and business. It has been suggested that in 1970, banking and finances were among the branches of the economy with the largest concentration in the capital (Muñoz, 1975). This last study also illustrates the high degree of concentration of the health, education (particularly at the higher education level) and federal public administration sectors. In short, the development of the tertiary sector in the capital is an offshoot of the very functions of a primary city, which somehow appropriated the capability to provide a series of services (the most complex and expensive) for the national entirety, for its adjoining area of influence, and for its own needs. It is fundamental that studies be made of the productive structure pattern of the urban areas of the central-eastern region, and to reflect on the meaning of industrial relocation in relation to the infrastructure of services in the capital of the country and in the cities which make up the urban system of Mexico City.

#### Urban Growth and Migration

In demographic terms, the growth of the country's capital has been one of the most dramatic in the world. The Metropolitan Area of Mexico City went from approximately 3 million people in 1950 to 8.4 million in 1970 and 13.4 million in 1980. Its growth rate has been rapid, though at a decelerating rate: 4.9% between 1950-1960; 5.2% between 1960-1970; 4.7% between 1970-1980 (Unikel, Ruiz and Garza, 1976). The decrease notwithstanding, the growth rate is still high. At the end of the century, the built up area of Mexico City may have a population close to 30 million inhabitants (U.N., 1981). The city's share of the overall urban population of the country had been increasing until 1970. During the last decade, its share has gone down as a result of the rapid growth of other important cities in the country, such as Monterrey, Guadalajara, Puebla and the northern border towns (Unikel, Ruiz and Garza, 1976).

The process of metropolitanization<sup>2</sup> and urbanization of the central-eastern region has been rapid too: by 1980 it included six of the fifteen metropolitan areas of the country and another five cities larger than 50 thousand inhabitants. Querétaro was the metropolitan area experiencing the greatest growth between 1970 and 1980, followed by Tehuacán and the metropolitan areas of Toluca, Mexico City, Puebla and Cuernavaca. In terms of growth trends, the cities of Querétaro, Tehuacán, Tlaxcala, the Metropolitan Area of Toluca and Tulancingo were the ones which increased their rates between 1970 and 1980 as compared with the decade of 1960-1970. Among the ones which decelerated their



growth are, in order of importance of the decrease, the metropolitan areas of Cuernavaca, Cuautla, Mexico City and Puebla, and the cities of Atlixco and Pachuca (data prepared by CEDDU, 1985, see Table 1). In connection with the pattern of twenty five metropolitan areas of the country during the last decade (1970-1980), the most dynamic areas of the central region experienced a lower growth rate than that of Coatzacoalcos and Jalapa in the eastern region, Monterrey in the northeast, San Luis Potosí and Zacatecas in the northern region. The growth rates of some cities of 50 thousand inhabitants and over, located in different regions of the country, were in some cases much more spectacular than the ones recorded for the metropolitan areas, as happened in Querétaro in the central region (data from CEDDU, 1985).

Table 1

Total, Natural and Migratory Growth Rates (1960-1970 and 1970-1980) of the Population in the Central-Eastern Region: Metropolitan Areas and Urban Areas of 50 Thousand Inhabitants and Over in 1980

Metropolitan Areas	1960-1970			Growth Rates			1970-1980		
	Total	Natural*	Migratory	Total	Natural*	Migratory	Total	Natural*	Migratory
Mexico City	5.43	3.04	2.39	4.27	2.80	1.47			
Cuautla	5.15	3.68	1.47	3.46	3.57	-0.11			
Cuernavaca, Mor.	7.06	3.68	3.38	4.14	3.57	0.57			
Puebla, Pue.	5.39	3.29	2.10	4.23	3.55	0.68			
Tlaxcala, Tlax.	2.97	3.95	-0.98	3.29	3.74	-0.45			
Toluca, Mex.	4.45	2.88	1.57	4.49	2.36	2.13			
Cities of 50,000 inhabitants and over in 1980									
Atlixco, Pue.	3.31	3.29	0.02	2.32	3.65	-1.33			
Pachuca, Hgo.	2.75	3.43	-0.68	2.68	3.52	-0.84			
Querétaro, Qro.	5.46	3.97	1.49	6.46	3.53	2.93			
Tehuacán, Pue.	4.22	3.29	0.93	5.11	3.65	1.46			
Tulancingo, Hgo.	2.03	3.43	-0.40	3.94	3.52	0.42			

\*The rate of natural increase corresponds to the state to which the metropolitan area or city belongs.

Source: Vital statistics and population census, 1950, 1970, 1980. General Statistics Bureau, Department of Industry and Commerce, Department of Planning and Budget. Data processed by the Center for Demographic Studies and Urban Development, El Colegio de México, project Diagnosis of the system of cities and decentralization in the central region of Mexico (CEDDU, 1985).

With respect to population growth due to migration, estimates for the last decade show that it was important in Querétaro, Toluca, Mexico City and Tehuacán; in the metropolitan areas of Cuernavaca and Puebla it had a smaller positive contribution; Cuautla, Tlaxcala, Pachuca and Atlixco had negative net immigration (CEDDU, 1985). It is worthwhile to remember that internal migration has played a key role in the growth of the population of Mexico City, particularly beginning with the 1940s, which was a period of great socio-economic and demographic transformation in the country. The relative importance of migratory increase compared to natural increase (due to fertility and mortal-

ity) has varied with time. The migratory component was the prevailing factor during the 1940-1950 decade, but natural increase surpassed it in the following decades (Unikel, Ruiz and Garza, 1976).

This occurred because the migratory currents had a different intensity in the various periods; there was accelerating natural increase until 1970. The decrease in fertility which was recorded as of the mid-1970s, partly as a result of the population policy implemented in the country, will contribute in the 1980s to the reduction of the relative importance of natural development as compared with social development (Oliveira and García, 1984). Despite the relative reduction of migration in the growth of the city in the last decades, the absolute magnitude of the flows continued to be considerable. It is estimated that the city received 2.5 million migrants during the last decade, compared with 1.5 during the sixties (Unikel, Ruiz and Garza, 1976).

Recent estimates of net migratory balances for the entire country indicate that the main population flows during the 1970-1980 decade headed toward the states of the central zone and some states in the north of the Republic. The State of Mexico, followed by the Federal District and Morelos, received the largest volume of migrants in the decade, while Hidalgo and Tlaxcala had negative balances (Brambila, 1985). According to this author the immigration to the metropolitan areas of the central region showed the larger net positive balance in Mexico City, followed by Toluca.

The net female migratory balance was larger than the male in this period in the five metropolitan areas analyzed by the same author (Mexico City, Toluca, Cuernavaca, Cuautla and Tlaxcala). Analyses for previous periods already showed the clear preponderance of the female population in the migratory flows which headed toward the capital of the country. The 1970 data indicated a selectivity favorable to women in all age groups, but especially those between 10 and 19 years of age. It seems that in Mexico, just as in numerous other cities, female migration occurs at an earlier age than for the male (Goldani, 1977; Oliveira and García, 1984). Throughout the last decades, Mexico City has received considerable female migratory flows, especially from areas of peasant economy surrounding the capital. A fundamental factor has been the existence of work for females, especially in unskilled service labor such as domestic employment. The role played by migration as a strategy for survival of the regional peasant economy must also be borne in mind (Oliveira and García, 1984; Oliveira, 1984). Concerning the differentiation of migratory flows to the capital city according to age, the tendency in other cities and countries has been clearly toward a preponderance of adolescents and young adults among the migrant population, as compared to the urban-born (Goldani, 1977).

A recent analysis (Brambila, 1985) of the net migratory balances in the seven states of the central region shows that those with a more dynamic economic development, such as the States of Mexico, Morelos and Querétaro, are the ones which attract, on average, younger migrants than the other states. In the Federal District, the increase in population is the result of the migration of young

females, while in the State of Mexico there is a greater equilibrium between the female and male migratory flow. As in the Federal District, the flow of female migration in the States of Mexico, Querétaro and Morelos is younger than the male. Hidalgo and Tlaxcala show negative balances, and Puebla shows a negative balance for the working age groups (Brambila, 1985).

#### Sectoral Distribution and its Recent Changes

The industrial dynamic of the country and its concentration in the Metropolitan Area of Mexico City were contributing factors enabling the manufacturing sector and its associated business service to fulfill an important role in absorption of labor from 1930 to 1970. An examination of the average annual rates of growth of the population in the labor force engaged in each sector of the Federal District lets us assert that the producer services and construction experienced the most important relative increases in labor from 1920 to 1950. In the two following decades, manufacturing occupied second place in the growth of the labor force next to producer services, which had the highest annual growth rate (Muñoz and Oliveira, 1976).

From 1950 to 1970, all sectors of the economy, with the exception of social services, experienced a decrease in the growth rate of the labor force in the Federal District (Muñoz and Oliveira, 1976). It is important to emphasize that the propensity toward decrease of the labor force even included manufacturing activities. The figures for 1970 suggest that the growth of manufacturing in the Federal District succeeded in adjusting its productive structure to a continuous gain in the employment of labor. In manufacturing, the most significant increases in active population in the Federal District took place in such industrial branches as chemical products, metal products, and machinery and miscellaneous industry (Muñoz and Oliveira, 1976). To get a comprehensive picture of the recent dynamism of the labor market in the capital, we must add to the Federal District the municipalities of the State of Mexico which are part of the Metropolitan Area of Mexico City. As already mentioned, during the 1950-1970 period the capital showed a remarkable physical growth toward the municipalities of the State of Mexico, in which an important part of the industrial and services infrastructure became concentrated (Unikel, Ruiz and Garza, 1976). This process of expansion was strengthened even further during the decade of 1970-1980 (Negrete, et. al., 1985).

An analysis of the labor market in the Metropolitan Area of Mexico City for the period 1970-1980 (Oliveira and García, 1986) shows that the sectoral transformations of the last decade cannot be determined with the same clarity as in the previous decades, because of deficiencies in the 1980 census information. The great number of people not classified by sector of activity constitutes a great obstacle to the study of recent trends in sectoral changes. Several authors have searched for different ways of adjusting the information, but the results are not very encouraging when an attempt is made to evaluate the magnitude of the changes that have occurred (see García, 1984 and 1986; Mummert, 1985; Rendon and Salas, 1985; Oliveira and García, 1986).

In a study in which sectoral changes between 1970 and 1980 were examined, the Federal District differs from the municipalities of the State of Mexico which compose the Metropolitan Area of Mexico City (Oliveira and García, 1986). The study was based on data adjusted according to the extreme hypothesis that at least three quarters of the labor force insufficiently specified belonged to the tertiary sector. In the results, the secondary stands out because it did not increase its percentage share, but continued to hold around 40% of the labor force of the Federal District and of the Metropolitan Area of Mexico City in the last decade. The tertiary, in turn, which in 1970 concentrated close to 57% of the labor force of the Metropolitan Area of Mexico City, lost active labor force in percentage share terms between 1970 and 1980. The behavior of the tertiary was entirely due to what happened in the Federal District, because in the municipalities of the State of Mexico which comprise the Metropolitan Area of Mexico City, the relative weight of that sector reached 57% of the labor force in 1980 (Oliveira and García, 1986).

It must be underscored that the decrease of the tertiary in the Federal District and its simultaneous increase in the municipalities of the Metropolitan Area of Mexico City is not surprising. This process could have been related to the growth of middle class residential zones which employ domestic services, such as Satellite City, to the establishment of banking branches, and to the expansion of restaurant chains, recreation activities and commercial centers in the north of Mexico City. Negrete (1985) believes that the decrease of the tertiary labor force in the Federal District may be due to the specialization and modernization of this sector, which is a process that raises the qualification requirements of labor and generates less employment. Both hypotheses are viable and complementary, but we cannot discard the possibility that despite the adjustments made in the tertiary, it continues to be underestimated in the Federal District.

The tendency toward reduction of the tertiary labor force and maintenance of the secondary in the Metropolitan Area of Mexico City should be analyzed within the framework of what is happening in the country and in the main cities of the central region. A study of the changes in the sectors of the labor force, utilizing 1970 and 1980 adjusted information, supports the position that the population in the agricultural labor force in the country fell markedly, while the secondary held up with very similar percentages, and the tertiary increased (García, 1986). An examination of the changes in the last decade in the sectors of municipalities with 50 thousand inhabitants and over, and in the metropolitan areas of the region, provides an approximation of the behavior of the secondary and tertiary in the region. We adjusted the 1980 census information presented by Negrete (1985) using two criteria: one, clearly in favor of the tertiary (i.e., 75% of the insufficiently specified are assigned to the tertiary, and 25% to the secondary), and the other favoring the secondary (60% of the insufficiently specified are assigned to the tertiary and 40% to the secondary).<sup>3</sup>

The data presented in Table 2 allows us to assert that in the last decade, the labor force devoted to the primary sector declined. The labor force in the tertiary, in turn, increased in percentage share terms in all the metropolitan areas and municipalities of the region with 50 thousand inhabitants and over, except the Metropolitan Area of Mexico City.

Table 2

Distribution of Population in the Labor Force of the Central-Eastern Region According to Sector of Activity: Metropolitan Areas and Urban Municipalities of 50 Thousand Inhabitants and Over in 1980

1970-1980	1970 (1)	1970* (2)	1980 (3)	1980* (4)	1980** (5)	1980*** (6)
<b>Metropolitan Areas</b>						
<b>Mexico City</b>	100.0 (2,834,707)	100.0 (2,632,049)	100.0 (5,019,400)	100.0 (2,936,372)	100.0 (5,019,400)	100.0 (5,019,400)
Primary	4.5	3.5	5.7	8.4	5.7	5.7
Secondary	38.0	40.2	33.9	53.2	43.1	48.7
Tertiary	52.9	56.3	23.1	38.4	51.2	45.6
Not specified	4.6	--	37.4	--	--	--
<b>Cuautla</b>	100.0 (26,709)	100.0 (24,294)	100.0 (43,981)	100.0 (30,763)	100.0 (43,981)	100.0 (43,981)
Primary	36.6	40.2	20.2	28.9	20.2	20.2
Secondary	16.6	18.2	15.1	21.6	22.6	27.2
Tertiary	37.8	41.6	34.6	49.4	57.2	52.6
Not specified	9.0	--	30.1	--	--	--
<b>Cuemavaca</b>	100.0 (53,583)	100.0 (49,070)	100.0 (95,564)	100.0 (67,529)	100.0 (95,564)	100.0 (95,564)
Primary	12.8	13.9	6.1	8.6	6.1	6.1
Secondary	30.4	33.2	23.5	33.3	30.9	35.3
Tertiary	48.4	52.8	41.0	58.1	63.0	58.6
Not specified	--	--	29.3	--	--	--
<b>Puebla</b>	100.0 (194,706)	100.0 (183,551)	100.0 (346,143)	100.0 (262,754)	100.0 (346,143)	100.0 (346,143)
Primary	14.4	15.2	9.8	12.9	9.8	9.8
Secondary	36.0	38.2	29.0	38.2	35.0	38.6
Tertiary	43.9	46.6	37.1	48.9	55.2	51.6
Not specified	5.7	--	24.1	--	--	--
<b>Tlaxcala</b>	100.0 (14,008)	100.0 (13,118)	100.0 (22,856)	100.0 (16,785)	100.0 (22,856)	100.0 (22,856)
Primary	33.3	35.5	21.7	29.6	21.7	21.7
Secondary	29.8	32.1	24.4	30.5	29.0	33.0
Tertiary	31.2	32.4	29.4	40.0	49.3	45.3
Not specified	5.7	--	26.6	--	--	--

(continued...)

Table 2 (Part 2)

	1970 (1)	1970* (2)	1980 (3)	1980* (4)	1980** (5)	1980*** (6)
<b>Toluca</b>	100.0 (98,085)	100.0 (90,831)	100.0 (183,681)	100.0 (137,777)	100.0 (183,631)	100.0 (183,681)
Primary	25.1	27.1	14.3	19.1	14.3	14.3
Secondary	30.6	33.0	24.8	32.2	32.0	36.3
Tertiary	36.9	39.9	32.1	42.8	53.7	49.4
Not specified	7.4	--	28.8	--	--	--
<b>Urban Municipalities</b>						
<b>Atlixco</b>	100.0 (19,564)	100.0 (18,682)	100.0 (28,858)	100.0 (22,617)	100.0 (28,858)	100.0 (28,858)
Primary	41.7	43.7	34.9	44.6	34.9	34.9
Secondary	23.9	25.1	15.8	20.2	21.2	24.5
Tertiary	29.9	31.2	27.6	35.3	43.9	40.6
Not specified	4.5	--	21.6	--	--	--
<b>Pachuca</b>	100.0 (24,490)	100.0 (23,086)	100.0 (46,612)	100.0 (29,626)	100.0 (46,612)	100.0 (46,612)
Primary	5.7	6.0	2.4	3.8	2.4	2.4
Secondary	34.8	37.0	20.6	32.3	29.7	35.1
Tertiary	53.7	57.0	40.6	63.8	67.9	62.5
Not specified	5.8	--	36.4	--	--	--
<b>Querétaro</b>	100.0 (44,715)	100.0 (41,237)	100.0 (90,788)	100.0 (70,540)	100.0 (90,788)	100.0 (90,788)
Primary	17.9	19.5	6.5	8.3	6.5	6.5
Secondary	32.6	35.3	32.9	42.3	38.4	41.8
Tertiary	41.7	45.2	38.3	49.4	55.1	51.7
Not specified	7.8	--	22.3	--	--	--
<b>Tehuacán</b>	100.0 (17,899)	100.0 (16,770)	100.0 (36,580)	100.0 (25,693)	100.0 (36,580)	100.0 (36,580)
Primary	27.8	29.7	14.0	19.9	14.0	14.0
Secondary	30.2	32.2	25.5	36.3	32.9	37.4
Tertiary	35.7	38.1	30.7	43.7	53.1	48.6
Not specified	6.3	--	29.8	--	--	--
<b>Tulancingo</b>	100.0 (11,663)	100.0 (10,812)	100.0 (23,354)	100.0 (15,252)	100.0 (23,354)	100.0 (23,354)
Primary	21.6	23.3	11.2	17.1	11.2	11.2
Secondary	27.4	29.6	21.8	33.3	30.4	35.6
Tertiary	43.7	47.1	32.4	49.6	58.4	53.2
Not specified	7.3	--	34.7	--	--	--

Sources: Ninth and Tenth Population and Housing Census, 1970, 1980, General Statistics Bureau, Department of Planning and Budget. Columns (1) and (3) were taken from Negrete (1985), Table VI-A6-cb; columns (2) and (4) from Negrete (1985), Tables VI-16 and VI-17; columns (5) and (6) were calculated based on absolute figures presented by Negrete (1985), Table VI-A6-c.a.

\* Those "not specified" are not taken into consideration in this estimate.

\*\* Those "not specified" are distributed between the secondary and tertiary sectors 25% and 75% respectively in this estimate.

\*\*\* Those "not specified" are distributed between the secondary and tertiary sectors 40% and 60% respectively in this estimate.



evolution of the labor force of the secondary sector is not as clear. In some of the tendencies we found were erratic, and varied according to the type of adjustment used. Therefore, we feel it appropriate to view the figures in caution and only to point out general traits. The relative weight of the tertiary sector is maintained or increases slightly in the metropolitan areas in the central region: Mexico, Cuautla, Toluca, Tulancingo and in the municipalities of Querétaro and Tehuacán; and it is maintained or decreases in the metropolitan areas: Cuernavaca, Puebla, Tlaxcala and the municipalities of Pachuca and Atlix.

The estimates presented allow us to maintain that in terms of labor force participation, the tertiary sector has experienced a greater increase than the secondary sector in the main cities of the central-eastern region, except for Mexico City, where the tertiary sector has decreased in relative terms and the secondary sector has remained at very similar levels. The industrial structure of the capital of the country continues to incorporate labor in absolute and relative terms, despite the decrease in importance of the value of its industrial production in the national product total. That is, the economic deconcentration does not necessarily imply the concentration of the population. In the central region, the pattern of relative increase of the secondary labor force possibly has occurred only in Querétaro, which in the last decade has consolidated into an industrial center. Cuernavaca and Puebla lose importance, both with respect to growth of industrial production as well as in terms of the relative weight of the secondary labor force. Toluca holds its importance as an industrial center.

In respect to tertiary labor force, it is possible to talk about a deconcentration process away from Mexico City: a) the relative importance of tertiary labor force decreased in Mexico City (because of what happened in the Federal District), and it increased in the other metropolitan areas and cities of the central region; and b) the relative participation of the tertiary labor force of the Federal District decreased in the total of the central region (according to figures provided by Negrete, 1985). It remains to be seen whether this deconcentration of the population of the tertiary occurs together with a loss of importance of public and private investments in this sector. Possibly, three processes occur simultaneously: populational and economic deconcentration of the tertiary sector in Mexico City toward other cities of the central-eastern region; changes in the internal structure of the tertiary and in the forms of organization of work in various service branches in the Federal District; and relocation of service activities in the metropolitan area. Furthermore, as pointed out by Negrete (1985), the regional tertiary labor force has decreased its relative participation in the respective national labor force.

In order to better understand this possible process of deconcentration of the tertiary sector, it will be necessary to study in depth the economic and populational structure of this sector. Studies about concentration in the Metropolitan Area of Mexico City and in the central region have focused on the analysis of industrial dynamics. It is necessary to analyze the growth of the tertiary and its organi-

zational changes in Mexico City and in the other cities of the central region. It will also be indispensable to know which factors influence the expansion of different types of specific branches of services in each of the urban areas which form the central region.

### III Conclusions

We have presented in this text a brief economic and demographic characterization of the central-eastern region of the country, as well as a series of data about the dynamic of the labor markets. In this section, we will formulate several comprehensive hypotheses which have been suggested by the entirety of the information, for the purpose of thinking about some of the options available for the deconcentration of the capital of the country. We start from the understanding that the subject matter is a complex process, inasmuch as factors of a social, cultural and political nature, as well as economic, intervene. It is a process to which greater research effort must be devoted. Also, the problem must be set forth as an equation whose parts will include the current state of economic crisis and the reconstruction needed as a result of the 1985 earthquake. From this conjuncture, we offer some considerations about the analysis of trends which, as we saw, only go as far as 1980.

One suggested hypothesis has been that the economic and demographic structures maintain an inertia which favors the development of a metropolitan region between Mexico City and the metropolitan areas and large cities located in the central-eastern region. To the continuous territorial and populational expansion of the capital of the country has been joined the population growth of the other cities. This is to a certain extent driven by the migratory flows which break off from the same area, and from other areas of the country, and in part as a response to a dynamic situation of employment creation in the urban labor market of the region.

Furthermore, in the analysis of the 1970 to 1980 trends, it was pointed out that in Mexico City industry had a slight relative loss of economic importance, while at the same time it maintained the relative total of its contribution to employment. It was also noted that the tertiary showed a tendency to reduce its labor force in the capital of the country. The questions we now formulate are: Up to what point are these tendencies related to the industrial and services growth which took place in some cities of the central region? Can it be said that what has happened in the capital is the result of deconcentration?

If, in fact, there was a movement of enterprises which left the capital and stayed in the central area, then what has been happening is a deconcentration which concentrates industry in one region of the country, which tendency surely has been aggravated by the establishment of new businesses. Actually, it is necessary to do more research concerning the spatial mobility of industrial capital and, in the specific case of the region, to see whether or not there are divisions between head offices and branch offices within the area.

The idea of deconcentration of the capital in the interior of the central-eastern region takes on significance because it has been held that the economies of conglomeration no longer represent advantages to industries located in the capital of the country. Mexico City, however, continues to be the largest consumer market in the national pattern. Thus, we can assume that the economies of scale represented by the cities surrounding the capital have become more attractive, among other reasons, because of the short distance which separates them from Mexico City and because the labor provided by the migrations is cheaper in the interior of the republic than in the capital.

In short, the concentrated deconcentration hypothesis must be analyzed more carefully. If there were evidence in its favor, then there would be a break between the inertia of the structures and the incentives (e.g. the generation of industrial parks, corridors and ports) and recommendations (to deconcentrate toward the Gulf basin region) which are contained in government plans.

Besides, another question must be raised, taking the example of industry as a starting point: In what measure is economic deconcentration related to population deconcentration in Mexico City? It is necessary to examine in greater detail up to what point there can be a relation between the relocation of enterprises (e.g. industrial) and a reorganization of the economic activity which will maintain or raise manufacturing employment in the capital.

With respect to the tertiary sector, we assume that, initially, the requirements of some services demanded by industrialization were generated from the capital of the country toward the cities of the urban system of the center. In the 1970s, the tertiary infrastructure began to consolidate and diversify in such a way that the relative magnitude of labor increased in several cities of the capitals of the states which make up the area.

In fact it would be possible to suggest that from the 1960s on, and more particularly in the 1970s, national banking, established in the Federal District, began to cover a good part of the country's territory, just like the large commercial consortia. It would be necessary to add to this the expansion of the tourist infrastructure in cities like Querétaro, Puebla and Cuernavaca. Up to this point, it can be suggested that the physiognomy of the tertiary in the capital possibly has been shaped by the fact that it is the financial center of the country, and perhaps also by a concentration and centralization of capital in its enterprises projecting an oligopolistic form of organization. That type of organizational structure could have favored the presence of branches of tertiary enterprises from the capital in cities of the central area and in the rest of the country, to the extent that for these kinds of businesses it becomes more feasible to homogenize and integrate the space of urban economy. It remains to be known how some of the branches of the tertiary have evolved in the cities of the central region and which part of the growth corresponds to services with low level of capitalization and to the deconcentration of public administration.

Briefly, the hypothesis we suggest is that the deconcentration of industry and services of Mexico City toward the central region has not followed a paral-

lel movement. The growth of the tertiary in the capitals of states, furthermore, will perhaps be generated at a faster pace than to date, as a response to the same impulse of industry and the growing urbanization. In the coming years, moreover, that tendency will have to become more pronounced as a result of the displacements of activities and functions of the public sector and perhaps of the pressures which will be exerted by a growing urban labor supply caused by the migratory currents.<sup>4</sup>

The conurbation of the central-eastern area implies a spreading out of the regional division of labor and the formation of a large scale labor market, which will integrate the economy, the population and the society of this part of the country to a greater degree. Also in this respect, an open question for the future is the role which will be played by the city of Querétaro as a liaison point between the metropolitan region of the central-eastern area and the area of El Bajío. This idea already suggested itself in the mid-1970s (Unikel, Ruiz and Garza, 1976) by virtue of the fact that at that time, the services and commerce of Querétaro were already connected, in part, to the agriculture of El Bajío, while its industry was directly linked to the capital of the country. Thus, as the urban subsystems of El Bajío and the central-east gain importance, Querétaro will be strengthened as a link between both of them.

Still to be learned is in what measure the metropolitan region and integration of the central region will alter regional inequalities. One line of reasoning indicates that the increase of economic and population concentration of the central-eastern area will have negative effects on the future development of the country. But we may also assume, conversely, that the expansion of an area like this one may give rise to new stimuli to growth while, as a great focus of development, it may radiate changes in the agrarian sector in the interior of the area; better complement the countryside with the city; promote new investments; and assist in the integration of the industrial and economic system in the national whole. Finally, it can be assumed that the regional disparities will not be modified exclusively by this metropolitan region, but also by the dynamic to be followed in the tendencies toward concentration in other large urban patterns, mainly Monterrey, Guadalajara, El Bajío, the northern border and the southeast region.

In order for the regional inequalities not to become aggravated in the second five-year period of the 1980s, the deconcentration of the capital of the country and the metropolitan region of the central-eastern area will have to respond to a new long-term development strategy, programmed in various stages, under an original conception of urban life in the country. Such a strategy will have to take into consideration the social, spatial, administrative and political reorganization of the Federal District and the establishment of new economic balances in the country and its consequent political repercussions in the scheme of power redistribution.

It will also have to define the mechanisms by which a greater capacity to obtain financial resources might be generated in order to contribute to the



the urban infrastructure of the cities. This will form the basis of the urban region of the central-eastern area in such a way that it will resist geographic mobility, mobilization and changes of the social hierarchy which will be affected by the comprehensive deconcentration process. Urban renewal entails a reinforcement of the civic organization, and that political institutions be renovated so that such changes will strengthen the country's effective pivots.

What is the connection between the economic and population concentration process and the decentralization of power. The efforts to achieve a spatial reordering of the economy and the population cannot bear fruit within a setting of effective participation by the citizenry, that is, a context of greater democracy of the economic, social and political life. Power must be yielded to different public, state and municipal organisms and different groups of civil society if, indeed, there is a will to decentralize and deconcentrate.

The participation which the civilian society is experiencing as a result of the 1985 earthquakes is proof that the great national tasks now require the active participation of the different organized sectors of the population. It is difficult to achieve spatial economic deconcentration outside of a thorough societal reorganization.

The effects of an increasing concentration have been associated with the access of urban societies to high degrees of social inequality, social mobility and marginalization of broad social sectors have coexisted. It must be recalled that the intense industrial growth was based on long declining salaries. The question then arises: to deconcentrate for whose benefit? To deconcentrate in order to increase profits, or to look for a greater participation of the popular classes in the benefits of development? There are historical instances which illustrate how benefits are appropriated while losses are socialized. Decentralization and deconcentration are processes which must modify the country's model for development. A model to emerge out of the crisis will become real only if it is capable of conceiving and directing the mobilization of society and, therefore, if it has something to offer to the majorities.

In this article, we use the term concentration and differentiate it from centralization. In the literature, a distinction is made between both concepts. In other words, for example, the idea of centralization refers to the process which concentrates many small capitals in order to form a few large capitals. Concentration refers to the major or minor accumulation of means of production of an individual capitalist with which he augments his demand for labor. More precisely, the idea of centralization has referred to social urban processes, by which different spatial units are integrated in a territory and organized in a

hierarchical manner. In this sense, underlying this concept is the idea of power and its distribution. Spatial concentration, in turn, is a tendency by which economic activity and population conglomerate in a given space. Thus, centralization and concentration are two processes which are theoretically associated. In a given historical context, one can give rise to the other and they may mutually reinforce each other, although not necessarily.

2. There is an analysis in which the boundaries of the metropolitan areas of the country in 1980 are marked. In this study, 24 metropolitan areas were found, in addition to the urban region of El Bajío. The study includes the growth of the population between 1960 and 1980. (See Negrete, et. al. 1985.)

3. We deem these adjustments adequate for the urban areas, because of the lesser weight relative to the agricultural population. In the states with an agricultural population above 50%, they could lead to an over-valuation of the tertiary or secondary, according to the criteria used. We did the adjustment in favor of the tertiary in another study (Oliveira and García, 1986).

4. Note that the data which has been used does not allow the observation of the way the changes in the dynamic of the economy of the capital have had an impact on the sectoral transformation which occurred in the rest of the urban system of the central-eastern area until 1980. It follows, therefore, that more detailed economic studies are necessary at the level of sectors, branches and businesses, in order to be able to make a more precise evaluation of the process of deconcentration and its significance for the spatial division of labor in the central-eastern area.

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