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THE LIMITS OF PHYSICAL PLANNING IN MEXICO
THE CASE STUDY OF PUEBLA

JOSE MILLA LOPEZ

Submitted as part of the
requirements for the
Degree of Master of Philosophy.

Department of Town
and Regional Planning.
University of Glasgow.

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TO AMPARO, AND THAT LITTLE
HUMAN BEING INSIDE HER.

WE HAVE WAITED FOR SO LONG...

THE LIMITS OF PHYSICAL PLANNING

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LIST OF ABBREVIATIONS

DF:	Federal District (Distrito Federal)
MAMC:	Metropolitan Area of Mexico City.
NDP:	National Development Plan
NUDP:	National Urban Development Plan
UDHP:	National Urban Development and Housing Programme
PRI:	Institutional Revolutionary Party. (Partido Revolucionario Institucional)
SAHOP:	Secretariat of Human Settlements and Public Works (Secretaria de Asentamientos Humanos y Obras Publicas)
SEDUE:	Secretariat of Urban Development and Ecology (Secretaria de Desarrollo Urbano y Ecologia)
SPP:	Secretariat of Programming and Budgeting (Secretaria de Programacion y Presupuesto)

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SYNOPSIS.

This work will discuss the problems physical planning is facing in Mexico, and to what extent we can expect it to bring the necessary changes towards a better national and regional development to the country. To be able to understand its socio-economic and political reality.

This dissertation's principal objective, then, is to assess the role of Physical Planning in Mexico, and why its importance is diminishing. The argument is that the federal government has undermined the effectiveness of physical planning by firstly, giving priority to national economic growth over balanced regional development and broader social development. Secondly, by creating a confusing planning system which has allowed the government to keep control of decision-making processes. Thirdly, by planners themselves failing to play an active role in determining the future of Mexican cities.

It will begin in Chapter One, to discuss why physical planning is so important and should be considered when taking any governmental action. To argue that even when planning was introduced almost 40 years ago, it has failed in achieving its goals perhaps because it has been regarded by the government as something useless, and it has

Synopsis

been given little importance. This, may be as a consequence of its fears of sharing power, and that planning can increase people's awareness of the problems and may begin to ask strongly for solutions.

In the second chapter it will be argued that the effects of concentration of economic and political power led to a complete chaos in the urban system of the country, which together with ineffectual implementation of policies, are the main problems physical planning is facing now; and created an inertia that is very strong to challenge. The third chapter will analyse the characteristics of the Mexican urban system and the context in which planning has to operate. It will look at the different approaches for development the government has taken, and the position of planning activity over the years, since the early "regional" approach to the more recent of the "national" one.

Chapter IV will set the case study, giving the general characteristics of it, and arguing the circumstances why it was chosen as an example. While in Chapter V the case of the City of Puebla will be developed. Its circumstances analysed and its problems discussed in its regional as well as in the national context. The situation of Puebla being the target of public and private investment will be discussed, and it will be argued that despite that, the overall situation of the state has not changed considerably as to say most of its population have been benefited with these investments. Moreover, it will be argued that in fact, its dependency from the capital city has increased. Chapter VI will analyse the role of planners in these processes and a possible alternative approach in urban planning will be given, while the conclusions about the

Synopsis

possibilities planners and planning have within the Mexican circumstances and how the trends might change, will be drawn in the seventh chapter.

SECTION I
SETTING THE SCENE

Chapter I

THE NEED FOR PHYSICAL PLANNING

1.1. The purpose of and need for Physical Planning

Physical planning can be seen in different ways depending in our approach to the role of the state and how it might operate in our society.

It can be considered as being the instrument of the state to correct the imperfections that the market has produced, or as the instrument of the government working to fulfill the "general interest" (Healey, 1983). It can also be seen as the process which seeks changes in part (or parts) of a whole to achieve a particular political project (de Mattos, 1982), being that project the view a given society has of itself. But whatever the concept of the state and planning we may have, it is also clear that some state's actions for the good of some, will inevitably be bad for others. In that context, "...planning cannot be seen as a set of value-free concepts and entirely objective procedures" (Potter, 1985).

With those concepts in mind, we can accept or refuse the concept of planning as something that is needed by our society. But it is the state itself who might consider or not the validity of physical planning (or any other), as something necessary to be implemented. If it does implement it, the government's view of itself is going to influence

The purpose and need for Planning 2

its concept of what, how and when is going to be tackled. This makes clearer the government's position in planning. It is the body which decides the validity and quality of its output. Furthermore, as Potter (1985) argues, planning will always be influenced by the fact of being carried out by planners working for the government. As that again, it cannot be taken as a neutral activity.

Then, our cities might be suffering social and economic problems derived directly from governmental actions and as such, governments have to do something to foresee the implications of their actions, even if it is only to justify their position in power. This has been done in different ways and called with different names in different countries, like land use planning, physical planning, urban development, etc. Here now, it is important to specify that whatever the name, it is its achievements what is really important. While in the so called developed world they may be discussing the terminology, in the context of less developed countries, with scarce resources, enormous problems and little time to spare, what is important is to find solutions to the problems, whatever the name of the process.

Here then, physical planning will be related to the one whose purpose is the understanding of the spatial dimension of the urban problems, as well as to the government's actions of whatever character - social, economic, etc- as direct cause of the urban reality of our cities, and its influence in other sectors of society to act in a given way. With "spatial dimension" we refer to the territorial structure of social and economic activities, public services, etc. which Castells (1981)

characterises as "urban organization". It is the organisation of space and its understanding what can make us to give better responses to those problems.

Another aspect affecting planning is the term "Developing World" or countries, compared to a "Developed World". This could mean on the one hand, that the "developed" world (thus planning) has already reached its higher development possible, what is in all terms absurd, given the circumstances for example, of the urban poor in countries like Great Britain or the USA. As it is also clear that the "developed" world is by all means also a developing world. Furthermore, within the developed world there are countries more developed than others. In that case, countries like Britain could be called "developing", if for example, they are compared with Germany or any Scandinavian nation.

On the other hand, and most dangerously, the term "developing" world could, and have, lead some analysts to the conclusion that those countries would have inevitably to follow the steps already given by "developed" countries ie. That they are in a state of transition towards the contemporary situation in developed countries, they forget for example, that the contemporary situation in underdeveloped countries is in no way comparable to that of the "advanced" countries prior to their industrialization (Santos, 1973; Sutcliffe, 1971).

That assumption denies all the historical and contextual characteristics of the less developed countries as well as their right to look for a "self made" way to development. Planning -and any other

activity- therefore, do not necessarily has the same connotations or to follow the same steps of those in advanced countries simply because it is being implemented in less developed countries. Which is important since now given the economic crisis throughout third world countries, financial institutions in more developed countries have been making pressure on them to apply for example, certain measures to stress economic growth over social development. This, assuming as the basis for their approach, that they should follow the policies more developed countries are applying or have applied. Policies which in cases like Britain, might be against or going away of planning activity (Hague, 1984; Cullingworth, 1985), or indeed social investment.

That is why the purpose and role of planning in underdeveloped countries is so important: to understand and to give responses to governmental actions.

In this context, physical planning can be considered one of the levels of policy making with more concreteness of development policies. It is at this level where all the abstractions of National Development policy touches the ground, it is at this level also, where all the conceptual and operational framework of policy analysis of the urban economy refers to the physical forms of cities, to their internal characteristics and physical arrangement. All economic, social and political policies of the government intended for national growth will finally be achieved and/or reflected by physical actions within the cities. Directly or indirectly then, governmental actions will have an impact on the shape and life of the cities and their inhabitants.

To make more important the role of physical planning, it has been shown that a fast urban expansion with the characteristics of the ones that are occurring in the developing countries has been accompanied most of the time by massive migration, open unemployment, congestion in housing, education, transport and health facilities and an overall deterioration of the urban environment.

Even when some analysts would argue that physical planning has nothing or very little to do with the implementation of social, economic and political policies, if any of those policies is implemented without taking into account its physical implications, it could worsen the existing problems. For example, some economic policies intended to alleviate unemployment may result in merely shifting employment from one area to another, giving in real terms, no job-creation, and increasing problems in already problematic areas, like some have argued, some of the "Enterprise Zones" applied in Great Britain. The same would happen to any "physical" solution whose economic implications are not considered. Furthermore, urban policies in underdeveloped countries are important because:

"the location of new economic activities and the movement of population affect the efficiency of the national economy and stability of the political system" (Renaud, 1981).

In the case of Mexico, the rapid and uncontrolled spatial changes that have been taking place in the last two or three decades make almost impossible to relegate them. The problems in large urban areas have grown at a level which made clear the importance of looking for a mechanism to solve the problems derived from this uncontrolled growth. In 1940,

Mexico was predominantly a rural nation. Seventy percent of its population lived in communities of less than 2,500 inhabitants, depended on agriculture, and had rural ways of life. Only thirty years later, in 1970, the situation had changed completely, and nearly two-thirds of the population lived in urban communities and were part of an urban economy. In all likelihood, Mexico's population will grow in another thirty years, from 60 million in 1970 to between 120 and 150 million by the year 2000. Three-quarters of that population (90 million to 110 million persons) will live in towns and cities (Scott, 1982).

So, the magnitude of the problems made, it appeared, the government to recognise the need for institutional and structural changes towards a balanced distribution of wealth and welfare in our country. The last national administrations seemed to have the political will to make those changes and each of them issued different projects and programmes aimed at providing "economic growth and a more balanced regional development".

1.2. The Problems of Planning.

But while it seems that the need for physical planning has been accepted by the government, most of those benefits may not yet, reached the population of those regions and cities that they are supposed to be aimed at. Despite about 40 years of planning, most of the original problems are still there. Concentration patterns are very high and growing (Scott, 1982). The levels of unemployment and subemployment have not yet been diminished (Gardner, 1987), the rural-urban migration is still a problem(1), the capital is up until now flowing mainly to the largest cities (Ward, 1986; Looney, 1985). Housing and some of the services provided by the state can be said to be still below the norms, the industries have not transferred their plants and/or headquarters to those cities which can support them, at least in the quantities the government expected; and even when part of this can be attributable to a lack of economic resources and external economic forces, the size of the problems is higher than the available resources can guarantee, so, what went wrong?

It can be argued that because it was more the need for legitimacy than commitment what made planning to appear, the ultimate aim of those programmes and projects was not the social development of the country, but probably only its economic growth. Consequently, plans and their proposals were drawn or resulted so vague they presumably fueled more concentration in already congested areas. They also were neither properly monitored nor implemented.

(1) Even when some studies show that for example, the natural growth of Mexico City is now its main cause of growth, its migration rates are still enormous.

The problems physical planning is facing now might therefore be those related with its implementation and with the concentration of power and decision-making. Angiotti (1987) notes that the issue of centralization was brought about by those advocates of the Dependency Theory, and argues that it might not be as "evil" as it was thought. We can argue that concentration may not be a problem when it means the adequate control of aggregate direction the country may follow. But it certainly is a problem when it means the benefits of national economic growth to be enjoyed by a minority of population in the decision-making centres of the country. Which unfortunately, seems to be the case in Mexico. Concentration brings with it a series of problems related with spatial disequilibrium, spatial concentration and integration (all of which are going to be discussed in Chapter II). It also brings with it decisions about political and economic control, as well as about diffusion of innovation. While implementation is related to the understanding of the reality of the areas to study, the implications of alien methods of study, lack of coordination and information.

All these might be exacerbated by problems derived not from bad planning but from the organization of government itself, which might allow mismanagement not to be detected on time, with the corresponding diversion of capital and waste of time which prevent the benefits of planning to get to those areas they were designated to reach.

In sum, these problems make more important to review the importance that is given to physical planning in Mexico. Down-grading its

importance may prove to be disastrous to the long-term development of the country. However, not everything in physical planning is as bad as it may seem to be by what has been already said. Physical planning has been taken seriously by some politicians and planners alike, and there have been some achievements, but unfortunately they do not appear to be too many. The structure of government may be one reason why it has not emerged properly. This emphasizes the political connotation of planning. The solutions to its problems may not only be in the hands of planners themselves, but in those who take political decisions as well. It may also require a better monitoring process and mainly the introduction of the general public into that process. All these questions are going to be explored in the next chapters of this dissertation.

Chapter II

THE PROBLEMS OF CONCENTRATION

2.1. Concentration of Power and Decision-Making.

Mexico, as many other Latin American countries, has a long standing history of centralised power and decision-making, however, this process has neither been implemented with the same purposes and nor had the same results. In pre-Hispanic times it served mainly to have a network of communications between regions to organise internally their territory and economy. In colonial times, the reasons for centralization were completely different, in this case it was the need to have control over resources and population of the territories what was imperative, so the structure and economy of the country was decided from the capital city despite the needs of cities and regions, if this control had to be achieved. Thus they became totally dependant from the centre. Furthermore, "primacy was given to the fiscal and political needs of the mother country, rather than to internal development, leading to poor development of roads, communications and other forms of infrastructure" (Safa, 1987).

After Independance, more than 160 years ago, the situation did not change too much, the characteristics of central domination were still present. In Mexico, as well as in the rest of Latin American countries later, cities still had to depend from the former centres of decision-making in a way that prevent the designing of a proper urban system.

The cities which were mainly favoured by being provided economic resources and some development investment, were mainly those ones useful in that already existing network of market cities. Still today, they are dependant from the centre in social, economic, political and therefore physical terms, because for example, the important and expensive projects may not be done if they are not designed, made and approved by central agencies, and simply because the money will be provided by the Federal government. This led towards the end of the nineteenth century, to the increasing primacy of the urban system -the situation in which the largest city is many times larger than the second largest city (Roberts, quoted by Safa, 1987).

Then, a pattern of concentration appeared, and the so called "Urban Explosion" began, which has been characterized by Castells (1973) with three main features, being firstly, an increasing acceleration of the urbanization process which creates great agglomerations in very short periods of time. People from the rural areas were migrating to the cities only to find that they were not useful to a city where the process of modernization has brought an increase in the levels of production in the industrial activities, but not as much to their needs for labour force. Where the levels of training expected are higher than those ones these people can provide; thus creating secondly, huge concentrations of population without the productive capacity needed in the cities which therefore cannot be assimilated by their economic system, creating a complete desarticulation of their urban structure. Which leads finally to the third feature, a disproportionate preponderance of urban agglomeration

in great metropolitan areas without a coherent urban network where the political and economic direction of the country is decided.

These factors help to increase the inequalities between rural and urban areas. When the rural areas lose their labour force, they also lose their opportunity to upgrade their situation, preventing potentially well-endowed areas to develop, because the big city will have to spend more and more every time in order to provide the minimum level of services needed by its increasing population, at the expense of the rural areas which every time found that the resources available to them are smaller. As well as their workforce.

But at the same time, there were some other analysts in the international "assistance agencies" who thought that concentration could be good to the developing countries because these could make the investment made in these areas to have higher returns because of all the advantages the city offers to industry and investors in general and therefore, that would stimulate the growth of GNP and through spread and trickle-down effects, the benefits will accrue to the rural poor. Moreover, centralization was implicit in the requirements of these agencies that were providing large amounts of capital during 1950s and 1960s. They insisted that borrowers have comprehensive and long-term plans for the investment of external capital (Cheema and Rondinelly, 1983). This would imply that as population on urban areas increase, and more investment is made in them, higher returns would be received, and spread in higher numbers of people, which always will be better off because their incomes, commodities and general situation would be better than those in the rural areas where they

come from.

Even so, these thoughts clearly contrast with a reality where concentration helped the growth of massive metropolitan areas and prime cities which has created serious economic and social problems. The largest cities in Latin America are experiencing serious housing, transportation, pollution, employment and service supply problems. High levels of underemployment among squatters and recent migrants maintain these people in poverty. Difficulties in extending and maintaining existing sewer, water and drainage systems and utility services often create health and sanitation problems in densely populated squatter areas, and the strains on existing social, health, and educational services become more severe with population growth (Rondinelly, 1983).

Therefore the costs of maintaining these huge agglomerations would be socially and economically enormous, and most probably, impossible to pay. To give an example, Unikel (cited in Rondinelly, 1983 pp31-32) found that if "Mexico City reached a projected population of 21 million by 1990, the national government would have to spend about \$32 million (1970 U.S. dollars), equivalent to create another Guadalajara, Mexico's second largest city, every year". All these, again, at the expense of the population of the rest of smaller cities. This is not argued to imply that every town in the country should have a General Hospital or Telephone Central. It is to emphasize that the deconcentration of the decision-making process is needed. That at the local level, the states and cities should be allowed to decide by themselves, within a national framework, which is the best way according to their characteristics, in which

development is to be achieved. Not an structure where two or three cities have all the services provided by the centre and almost nothing else is left to the rest.

So, it is clear that a policy of concentration with the present characteristics cannot deliver the widespread wealth that some specialists think it would create. Though there might be some benefits derived from concentration, like a varied supply of labour skills and the concentration of specialized financial and commercial services, as well as a strong governmental investment, they tend to favour the minority elites of industrialists and political hierarchies. As it was said earlier, that extra investment made in central cities can stop the development of potentially well-endowed areas. If the patterns are to be continuing, the social problems in Mexico City alone, would be enough to tremble the whole system, which is a risk no one can take.

2.1.1. Spatial Disequilibrium.

Spatial disequilibrium -accompanied by social and economic disparities- is one of the first effects of concentration.

At the aggregate level these effects probably do not show, as the nation's gross domestic product of 121.3 billion dollars in 1979 made it the world's eighteenth largest economy, and a per capita GNP of \$1,640 in the same year was sufficient to place it slightly ahead of North Korea in the group of newly industrializing countries (Looney, 1985).

Also, Mexico became an urban country, the proportion of the national population living in urban areas (defined as more than 10,000 people) rose from 22% in 1940, to 42.3% in 1970, and in the early 1980s stood at around 55% (Scott quoted in Ward, 1985:17)

But in 1970, the metropolitan area of Mexico City contained 32% of the nation's industrial plants, 46% of the industrial labour force and 51% per cent of industrial production. In terms of population, 8.4 million lived in the city, 38% of the nation's urban population (Unikel, 1982). This can give us a clearer picture of the size of the problem. Moreover, to the interior, it could be thought that because of concentration, the prime city is well provided and serviced, but as its population grows, its interior also begin to show many deficiencies of ill-serviced areas, problems to find sources for its water supply, etc. As well as social inequalities because of, among other causes, the levels of migration which congest its structure. For example, even when it might be said that most of the people would have a regular job, the overall view is that the number of people looking for jobs compared to availability, makes them to accept lower wages than they might be earning, creating an enormously varied reserve army that can be used anytime the industry needs it. That makes people to accept substandard jobs, like for example, doctors with qualifications selling medical appliances. But to many of those migrants, the availability of jobs is almost nullified for those who previously arrived in the city, forcing them then, to enter what Santos (1975:8) calls the "lower circuit" of the city, mainly formed by low or unskilled family activities that can be licit or even illicit. This informal sector of the economy is rarely officially recorded, therefore its

characteristics, size and problems are as well, neither recorded or taken into consideration when making the local plans or taking any governmental action. Which might be a tremendous error because their influence in the city's development is crucial. Safa (1987) argues that the informal economy not only contributes to the survival of the urban poor, but also cuts down the costs of goods and services for the formal sector, and that labour tends to move from one to another sector regularly.

These people are normally unable to enter the "formal" housing market, which forces them to "invade" land to form the squatters in the city. So, squatters begin to appear in the city's outskirts in what previously was agricultural land, and therefore housing and services begin to be needed in those areas. Public transport networks need to be expanded to cover them, travel-to-work time increases as people have to travel longer distances and to change buses several times, and over-crowding in public transport becomes a natural feature, increasing car ownership which in return creates traffic jams and pollution. Problems appear in the city's roads as well as their access motorways that begin to be insufficient for transportation of goods and people coming in and out of it.

As water, electricity and sewerage are needed in those newly created areas, the services begin to be more expensive as those extensions were not originally considered. The city begins to grow out of control, and as a consequence, planners begin just to follow that growth, instead of really planning it.

This is, concentration tends to make a few cities to grow. But they do it faster than they would normally can, thus destroying their possibilities of any structured growth. These changes tend to go faster than policies (therefore planners) can predict, making planners to look for answers to problems of yesterday instead of tomorrow, making planning obsolete. For example, as squatters -or even housing states built by parastatal agencies- appear, plans might be made to justify them and try to alleviate the problems they might cause.

If the cities would grow only as much as their potential would permit, policy makers would probably be able to be ahead on their development.

2.1.2. Diffusion of innovation.

Prime cities have traditionally been the centres where the economic and political control tend to be, making these cities the place where private and public investment decisions are taken.

As power and investment is concentrated in those cities, more communication begin to be with the exterior, as multinational companies need to have close contact with their headquarters and national companies need international technology and the government needs more contact with the international financial and comercial centres. This makes as a result, the prime cities the first recipients of any technical or cultural innovation which enters the country. It arrives generally through

the multinational companies if it is technical innovation, and through the media if it is in the form of commodities. The education centres can have more close relationship with other institutions abroad and share that innovation -through books, papers, conferences, host researchers, etc-.

It is because of its characteristics why innovation reach just a few cities. It is made and need to be accepted by people with urban life styles, ie. with certain level of income and necessity (Scott, 1982). Thus the process of diffusion as Scott pointed out, "is frequently cut off at a point only a few levels down from the largest city and initial port of entry." Through time, the life style of these cities become more international and less traditional. Which creates even stronger disparities between different regions of the country, on the one hand there might be some with all technological and cultural advantages available and in the other, some with little.

So if the cities are the recipients of cultural and technological innovation as well as political and economic power, a system with more cities would mean diffused political power and more awareness of the population about their rights, which is in itself something that may be against the interests of the political hierarchies. But as innovation and information increases in just a few cities of the country, the chances of having an indigenous technology decreases. If only the cities are the recipients of technology, those sectors of the economy and regions related to the growth of the agricultural sectors are left to stagnate (Scott, 1982)). The ideal would be then, to make available the use of technology not only to the benefit of the inhabitants of the cities. In this way, a

new spatial system of cities may result in an effective way to filter down the innovation more easily to the rest of the population. To allow them to develop if not at par with the centre, at least not to stagnate.

In that way regions would become functionally independent and there would be closer contact between their rural and urban areas, therefore that would make them also more self-sufficient. This self-sufficiency would create more savings and returns to the region and the country in general, including those prime cities of today, because they will find themselves with more money to specialize their functions and not mainly to provide for those newly arrived. Thus creating the wide spread of wealth needed. It will be argued in Chapter IV that this is precisely what central control is stopping to happen, given the aggregate nature of national policies which do not allow for the local characteristics to be detected and strenghten.

That is the task of policy makers, to show the politicians the long-run benefits of sharing power. It will mean to share power and decision making with more people, but to cancel the enormous social costs of today's economic growth of one or two cities. The polititian's decision is clear, it is about social gain and political stability against concentrated control of resources and power in a few hands.

2.1.3. Integration.

Integration is supposed to be the ultimate goal of any spatial action to be taken. Even though certain degree of centralized decision making may be needed, if integration is to be achieved regional programmes have to be implemented and the responsibility of translating these into actions would have to be the state governments alone. Through a "feed-back" or monitoring process with the states, federal government would be able to modify the aggregate policies. It should be a two-way process.

It has been demonstrated by experience that a totally centrally controlled set of policies cannot see the particularities involved to the regions and cities' hinterland. It is impossible to any central government of a country of the size of Mexico, to know and apply the policies needed in every mayor city in the country.

2.2. Implementation.

This is the most important part of any policy and probably the major weakness of physical planning in Mexico. If the policies cannot be implemented they become useless, merely a good intention, or as Unikel (1982) said, "an Utopian solution that fails or one that becomes a demagogic exercise."

This implies a great amount of coordination at national and regional levels to translate those policies into strategies to be taken in

the spatial structure of the cities. It is clear then, that if the conceptual and operational framework of those policies is not clear or well defined, or if the structure in which they operate is confused and/or complicated, they are going to be translated into actions which may fail in achieving the goals they were designed to tackle.

In Mexico, Ward (1986) argues that to serve a patronage system, many departments (and jobs) were created and more spending was made, which also gave the chance to calm down different antagonistic factions within the government. Therefore in this way, avoiding any chance for a corporate planning with an integrated approach to the problems.

So, even if later governments were committed not only to economic planning but to social development as well -as there probably were- it may have been difficult for them to try to change a system which originally was set up in a way that it could not work. Furthermore, as planning must use some instruments which were issued for purposes other than planning, some changes in the system had to be made, certain laws should have been changed and some institutional and administrative barriers lifted.

The problems go further, as the first plans were issued because of certain international pressure ("concern" some would say), they were most probably biased towards a system of cities working to serve more the external market forces than our own national interests (these emphasized the existing ports, and cities nearer the US border). Which again, may have diverted resources mainly towards those cities that already

had them. They were scraped. Later, Mexican planners made other attempts but probably using (or influenced by) models like "Growth Poles Theory" etc. made to work in and for the characteristics of, countries with different levels of development and with different social, economic and political circumstances to ours. Systems whose theoretical basis, Friedmann (1987) argues, have now proved to be unsuccessful. Thus basically, planning has not been operating as it might. Wich may be right to those who would argue that all the changes needed by society would come anyway, because of certain "inertia" in the system would inevitably lead towards those changes without the need for planning. The experience however, have shown that governmental action should occur before these changes are needed, and it is too late to do anything. Therefore, dialogue between policy-makers and politicians is needed. This is a responsibility which poses institutional as well as analytical problems of integrating all the policy levels from the highly abstraction of national goals and objectives into a series of actions within the structure of the city, which will constitute the strategy/ies to achieve these goals.

This is something that for example, I think today's National Development Plan, failed to achieve, even when it postulates that a more rational system of cities is needed, perhaps because of political misunderstanding with the governors, (resulting mainly from a lack of coordination and communication between federal and state levels), the first step when making the National Plan for Urban Development and Housing was to declare every State's capital city as a "development pole" which led them to declare as such for example, two cities ten kilometres or so distant from each other (Puebla and Tlaxcala). This was probably because they

thought that if some capitals were declared and some not, it would lead to implicitly make some States less important and to depend on others to some resources (which is a possibility), but they did not consider that other cities within the same state could fulfill the role. The result was a series of weak policies which led to competition instead of cooperation between cities (see Chapter V).

In urban or regional plan making therefore, it is very important to have well defined not only the objectives, but to reach the best strategy as possible. This implies the understanding of the existing relationship between those abstract objectives and goals with the reality of the availability of resources, as well as the analysis of the social, political and administrative structure of the area. All these altogether will give the planner a better understanding of the area to translate these factors into effects that have to be produced in order to generate the changes needed.

Therefore, as there may be several barriers to plan implementation, attention to strategies and choice of instruments for translating objectives into reality are particularly crucial. This cannot be achieved if there is no coordination and communication between the different departments and institutions in charge or linked to the actions that are going to be carried out.

National and regional plans, up until now, do not clearly emphasize how the goals would be achieved, for one or another reason their strategies are too vague. Leaving the local planners to interpret them

without a clear idea of what their intentions are. Resulting in, as said earlier, weak plans whose policies may produce the opposite results (Chapters III and V).

2.2.1. Understanding reality.

To evaluate and understand the reality of the area in which the policies are to be implemented, specially when the public investment can and have a direct impact on its development, is very important. In fact, any plan which does not contain the socio-economic analysis of the area will fail to achieve its goals. Because it simply will not be considering the reality in which it will operate. Then, the availability of information and its analysis, play an important role in choosing the adequate strategy. Furthermore, appropriate strategies imply the use of appropriate instruments (Chaterjee & Nijkamp, 1983). Thus the selection of "appropriate" or effective strategies is close related to efficient information-processing techniques.

Therefore, the model used to collect and analyse the information also plays an important role in plan making. This implies the use of one model which is open enough to consider that the information available is not always updated, or not too easy to collect, or not in high quantities to choose from. In contrast, some models made in developed countries are even made to be analysed by computers, which is something not all the planning departments have -even in developed countries!-.

Moreover, as well as considering that the plans are going to operate within an existing local framework, which cannot be put aside, the planner must consider that those plans might operate within a regional framework. In other words, local plans must not only fulfill the requirements of the local reality but those of the context in which the area is. But unfortunately this may not be highly successful in an environment where the government might have decided to give planning a small role in deciding the future of our cities. Which may lead some local planners not to consider seriously some of the social and economic aspects of their plans, because they think that "what is the case of doing good plans, if anyway they are going to be shelved without taking them into consideration". Creating a current of "inertia" that had surely and ironically, impeded some local governments committed to urban planning to issue successful plans, that could make other governments to see the real benefits of planning and change that negative current.

2.3. Conclusion.

The effects of colonialism and distortions in the allocation of resources together with external pressure led to very strong patterns of concentration of power and decision-making to certain cities in the country. These, plus problems of bad management together with corruption in its administration and a passive role played by planners, has caused physical planning to face the serious problems of having weak policies, vague strategies and in general, a lack of consideration of the socio-economic context in which it operates. These serious limitations have

meant it has failed to achieve most of the goals proposed.

The position of physical planning to the political hierarchies seems to be now that it can only bring results if it is controlled by the politicians themselves. The answer then, seems to be that we cannot expect much from physical planning until more dialogue and cooperation between policy-makers and politicians is made towards the need of adopting a corporate structure of planning and the deconcentration of the decision-making process, to avoid the size of social and economic problems to grow to an extreme limit of no return, together with a more active role played by planners in the process. They need to define their position and act as representatives of that majority who do not have a say in the decisions which are going to affect them.

Chapter III

PLANNING AND DEVELOPMENT IN MEXICO

3.1. Introduction.

This chapter examines the context in which physical planning operates in Mexico, and the governmental actions which have accentuated the disequilibrium patterns of the nation. It will argue first of all, that the effectiveness of physical planning has been seriously affected by the implementation of a series of badly-oriented economic policies, which combined with internal and external pressures, helped to create the right environment to tighten the central government's position. This, together with a web-like structured planning system, may have been used by the federal government to keep control of the decision-making process.

As a consequence, the central area of the country, where the Metropolitan Area of Mexico City lies, has been steadily increasing its size to begin to create a huge megalopolis with the surrounding states' capitals, despite the decentralization policies.

In the first part, the characteristics of growth of the Mexican urban system will be analysed, and the existing regional disparities or inequalities will be highlighted. To discuss, in the second part, the different approaches the government has taken to tackle the problems since planning was institutionalized in the 1940s and to argue why the policies may have failed; to finally in the third part, see the

consequences it has brought to the regions and the role they have been allowed to play in planning and in the decision-making process.

3.2. Mexico's uneven growth.

Mexico is an enormous country in terms of size, population and availability of resources. But it is also a country of many contrasts; natural resources, wealth and population, are unevenly distributed.

Within Central Mexico, the valley of Mexico is the most heavily urbanized part of the country (Unikel, 1982). It employs 43 per cent of the industrial workers, 42 per cent of those in commerce, absorbs 43 and 51 per cent respectively of the capital invested in industry and commerce, generates 43 per cent of the value of industrial production, and a similar proportion of net sales in commerce (Armstrong and Mc Gee, 1985).

Nearly 20 million people now live in Mexico City. It overtook Buenos Aires in the 1960s to become the most populous city in Latin America, and overtook New York city in the 1970s to be, the premier city of the Americas. But this is not new to Mexico, it was the largest city any of the conquerors from Europe had seen, and it remained the largest city in the New World until the beginning of the last century. (Blackmore and Smith, 1971)

But even when traditionally it has been a focus for commercial development and migration, it can be argued that it have been

recent events what have really brought it to its present situation. Mexico, has changed much over the past 50 years. In these changes, the government has played an important role (Lavell, 1984).

The most sustained period of urban growth came during the dictatorship of Porfirio Diaz (1877-1910). Rapid exploitation of the country's mineral resources, the development of ports and railways to link those ports (mainly in the gulf) with production centres in the north and central states -passing always invariably through Mexico City- and the growth of foreign trade, stimulated urban expansion in north and central Mexico, and accentuated the already dominant position of Mexico City (Unikel in Gilbert et al. 1892).

The expansion of infrastructure during the Porfirian era was interrupted by the revolution of 1910, and economic growth virtually halted during the next two decades. Recovery began in 1933, with slow and unsteady growth in investment in infrastructure and manufacturing. By 1940 the preconditions for industrial urban growth had been satisfied and World War II provided the opportunity for succesful protectionist policies that fostered the growth of the Mexican economy for the next thirty years (Ward, 1986).

The rapid growth of the Mexican economy after 1940 was accompanied by rapid urbanization. It involved both large-scale population movements and the development of larger cities. The period between 1950-1970 has been characterized (Lavell, 1984) as having two major features. One, capital accumulation played an important role in the development

process; the impulse of foreign capital investment; and the predominance of three major urban centres Mexico City, Guadalajara and Monterrey in the national industrial production, although the last two with a considerable smaller share.

Two, on the other hand, the investment in rural areas impulsed the development in a number of zones of commercial agriculture, mainly in the north of the country, which are going to provide certain amount of foreign capital through exports; while in the south, the traditional agricultural methods remained. This is going to make an impact in the overall regional development of the country. Governmental action in the industrialization of the country then, intensified the social, economic and political growth of the existing centre of decision-making as well as commercial agriculture in certain areas near the main commercial partner of the country, the USA. These are going to conform the three major identifiable areas in the country.

3.2.1. The regional imbalances.

The Core region surrounding the capital, with the highest proportion of population and per capita incomes, is the most dense and urbanized region of the country.

The North is the second recognizable region. It is the one with the most steadily increasing levels of urbanization, agricultural and industrial production and overall income levels. Its close contact with

the economy of the southern states of the USA has also meant that its dependency of that economy is greater than in the rest of the country (Stohr, 1975). The levels of migration (specially to the Tijuana/Mexicali sub-region [map 3-2]) has not given some of its cities the opportunity to absorb all the migrants into their socio-economic structure, even when some of them can be catalogued as prosperous cities, the levels of urban unemployment and poverty are increasing (Scott, 1982).

The third zone is the south, which compared with the other two regions, present a picture of poverty and underemployment. The activities of its population are mainly agriculture-related and per capita income levels are the lowest in the country, despite the fact that from part of that area (Veracruz and Tabasco) is where most of the oil revenue come. It is also the area with the lowest levels of communications and urbanization (Unikel, 1976; Scott, 1982).

These regional differences can be emphasized if we compare migration patterns. Firstly, if we analyse metropolitan migration (map 3-1) we can see that although Mexico City attracts migrants from all over the country, most of them came primarily from the south and the surrounding states. This, it can be argued, is probably a cause of the high levels of unemployment in those areas and the living standards of the population, which probably finds migration as the only answer to counter-act the negative effects of the low investment made in their areas.

Secondly, if we see non-metropolitan migration (map 3-2) again, migration is not disperse, there are certain targets. Great number

of migrants take the north as their option and principally the state of Baja California (which may be considered as a temporarily stop-over to further migration to the USA, with the corresponding consequences to the city of having a growing number of unemployed migrants.). Interestingly, in the south no major movements occur. It probably is simply indicating that being Mexico City closer, it is the first step for a migrant, even if he/she later might want to migrate to the north or USA.

Although a direct relation between the levels of urbanization and the development of a given area not necessarily exists, a study carried out by Scott (1982) showed that in Mexico, the more urbanized a state or city was, the higher development it had. Then, if we analyse the urbanization patterns we could find out another way to look for regional differences. Map 3-3 shows that, by 1921 when most of the country's population was living in rural areas, Mexico City's area was already almost completely urbanized. By 1960, Mexico City remained the most urbanized area of the nation, while the rest of the country was beginning to show regional differences. This is, the northern states began to have their populations living more in urban than rural areas, hence, most probably this was showing an increase in their development levels, while the southern states remained mainly rural, almost no change at all occurred in those states. It could be argued that a division in development between north and south and between those and the centre of the country appeared. It also can be seen that an overall change towards urbanization occurred between 1921 and 1960, when the industrialization of the country began. The country began to change rapidly.

Map 3-4 shows that those patterns by 1980 had only accentuated, showing that the "decentralization efforts" of government have apparently failed to change them.

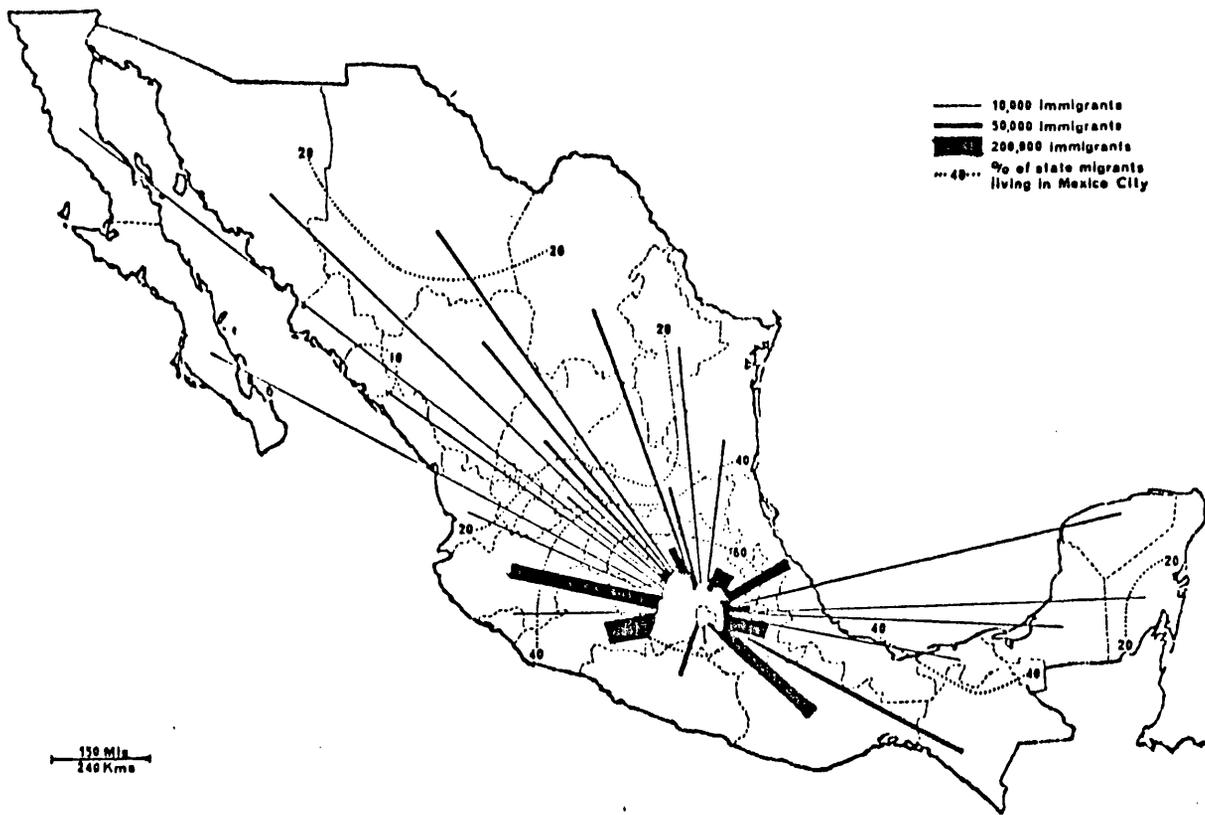
If the population cartograms of 1940 and 1970 are compared (maps 3-5 and 3-6), these regional differences can be more clearly seen; in the south, no major urban centres appear in neither year -with the exception of Merida- or even they "disappear" like Veracruz, between 1940 and 1950. While in the north, they steadily increased over the years their relative size and importance within their states. Moreover, while in Baja California Norte, no major urban centre existed in 1940 and it had a small population, by 1970 it had tripled its population and its major urban centres, Mexicali and Tijuana, amounted for half its population.

It can also be seen that urban population in the state of Mexico doubled its size between 1940 and 1970 together with Mexico City's, and more than half its population was living in the conurbation with Mexico City (the probable reasons for this will be discussed later on in this chapter).

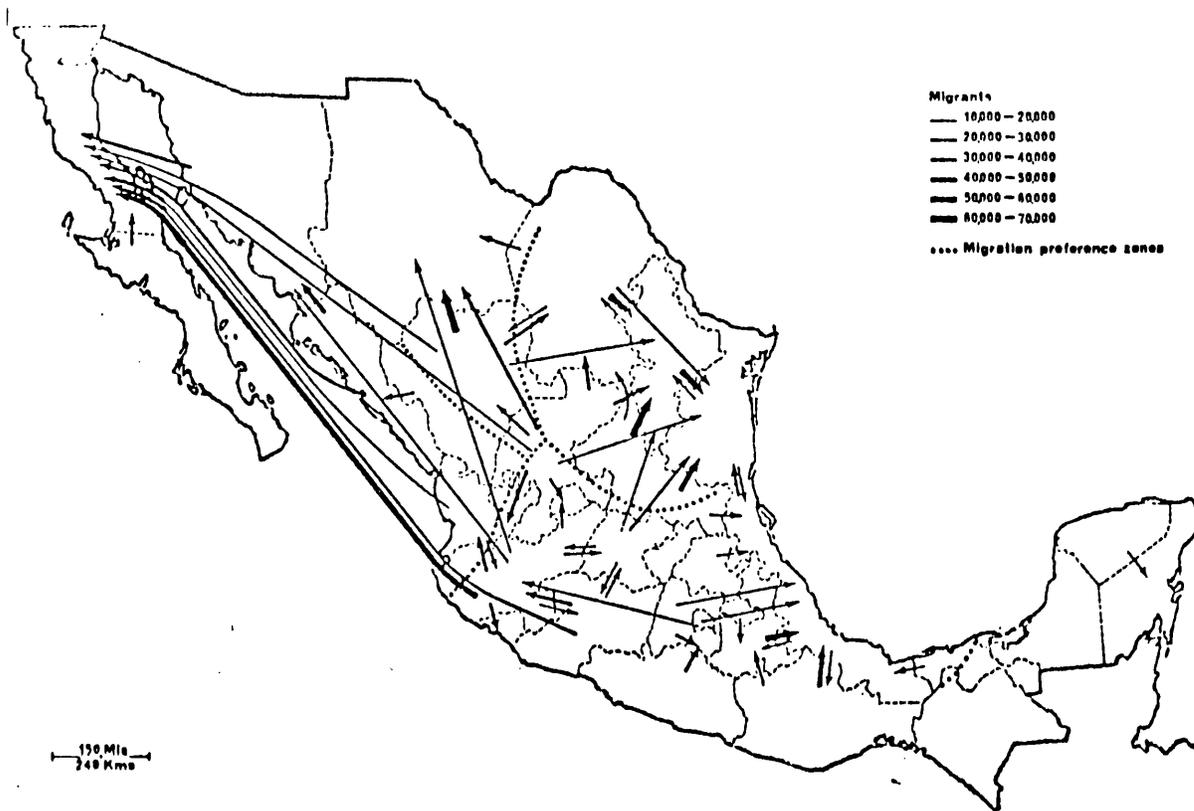
All this is certainly in part, a reflection of the physical characteristics of the country, where the most mountainous and less accessible land is in the south, and the north is flatter, which certainly makes it easier for the introduction of infrastructure. But even so, that does not justify Mexico City's disproportionate growth and the relative low standards of the surrounding area. Moreover, because of its altitude now for example, it is more difficult to find the water resources to meet the

needs of its population, with the consequent enormous civil engineering works and expenditure needed to pump up water from lower lands, which makes it even more unfair to the rest of the country. Like this there are more examples which can exemplify the uneven share of investment made in the capital. In these, the government has played an important role. Garza Villareal (quoted in Bassols, 1979), said that "...the government (seems to be) aware of the concentration problems but does not (seems to) know how to tackle it. The probable reasons for this failure will be discussed in the next two sections.

MAP 3-1
 POPULATION MIGRATION IN MEXICO 1950-60.
 MIGRATION TO MEXICO CITY.
 (Source of first four figures: "Latin America" Blackmore & Clifford, 1971)

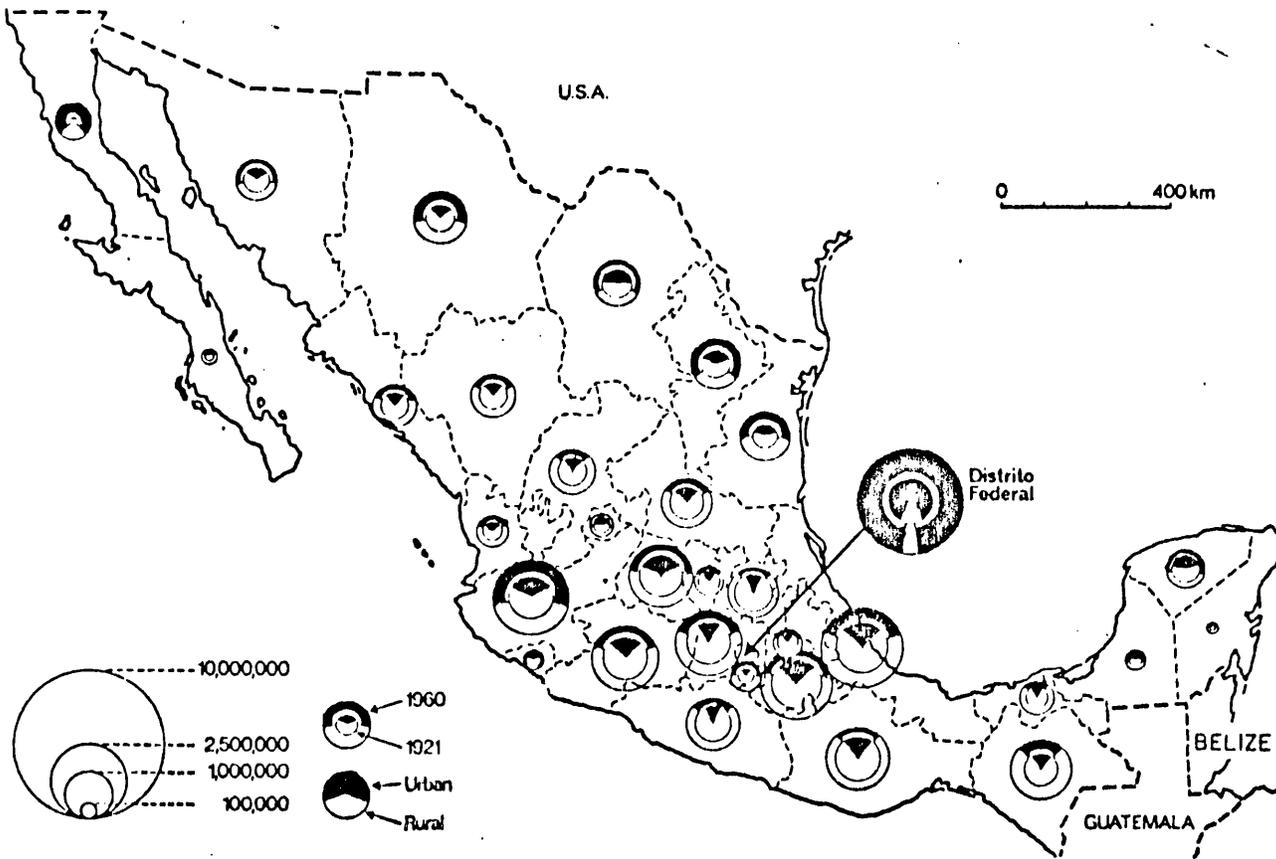


MAP 3-2
POPULATION MIGRATION IN MEXICO 1950-60.
RGR-METROPOLITAN MIGRATION



MAF 3-3

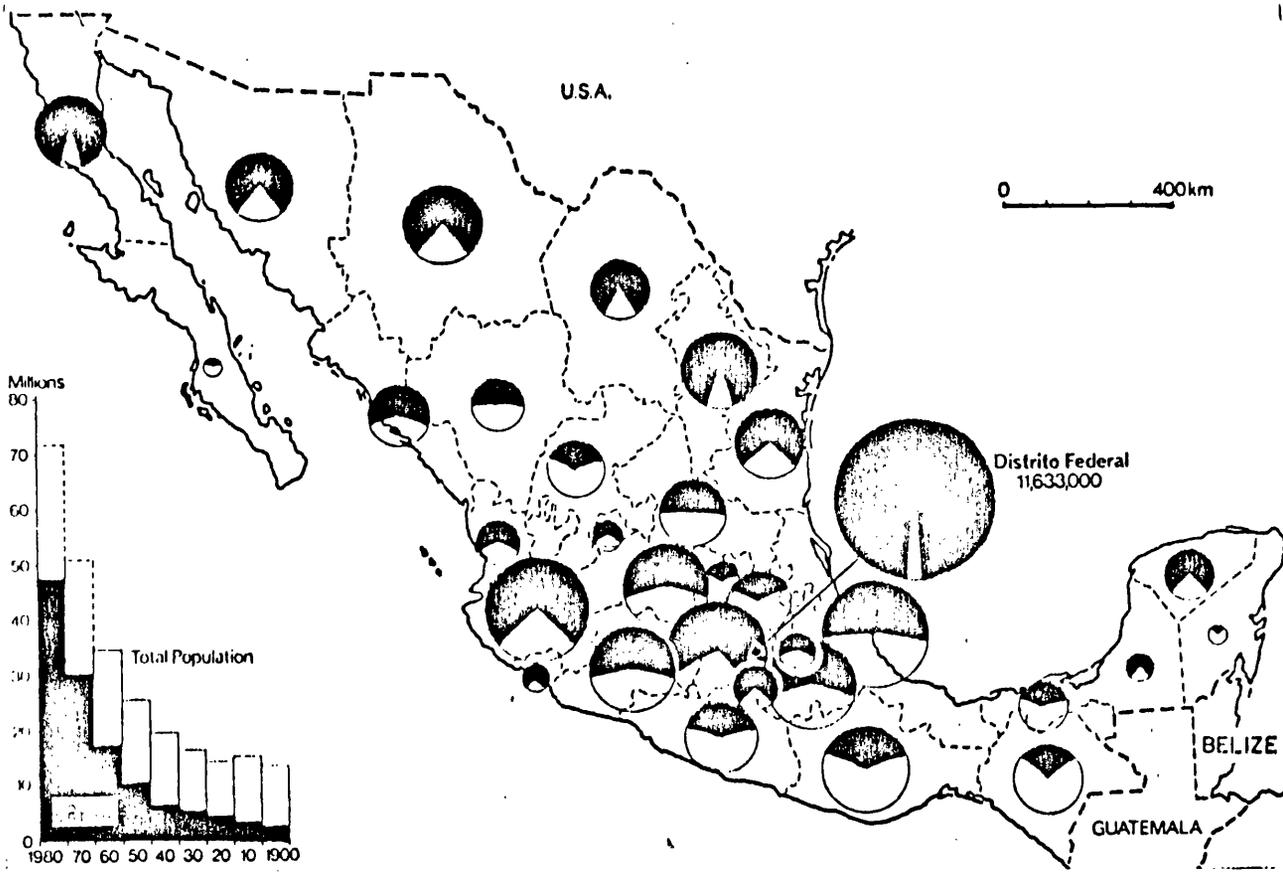
ME/ECG: URBAN RURAL POPULATION 1921 AND 1960.



MAP 3-4

MEXICO: PROJECTED URBAN RURAL POPULATION 1980.

Preliminary results from the 1980 census give a total population of 67.4 million (1970, 48.2 million); a population for the Federal District of 9.337 million. The birth rate has been lower than anticipated.



POPULATION CARTOGRAM OF MEXICO, 1940.

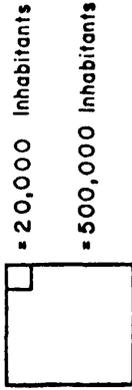
RELATIVE SIZE OF EACH STATE ACCORDING WITH THEIR POPULATION SIZE (Source of maps 5 and 6: Wilkie, 1924).

MEXICO

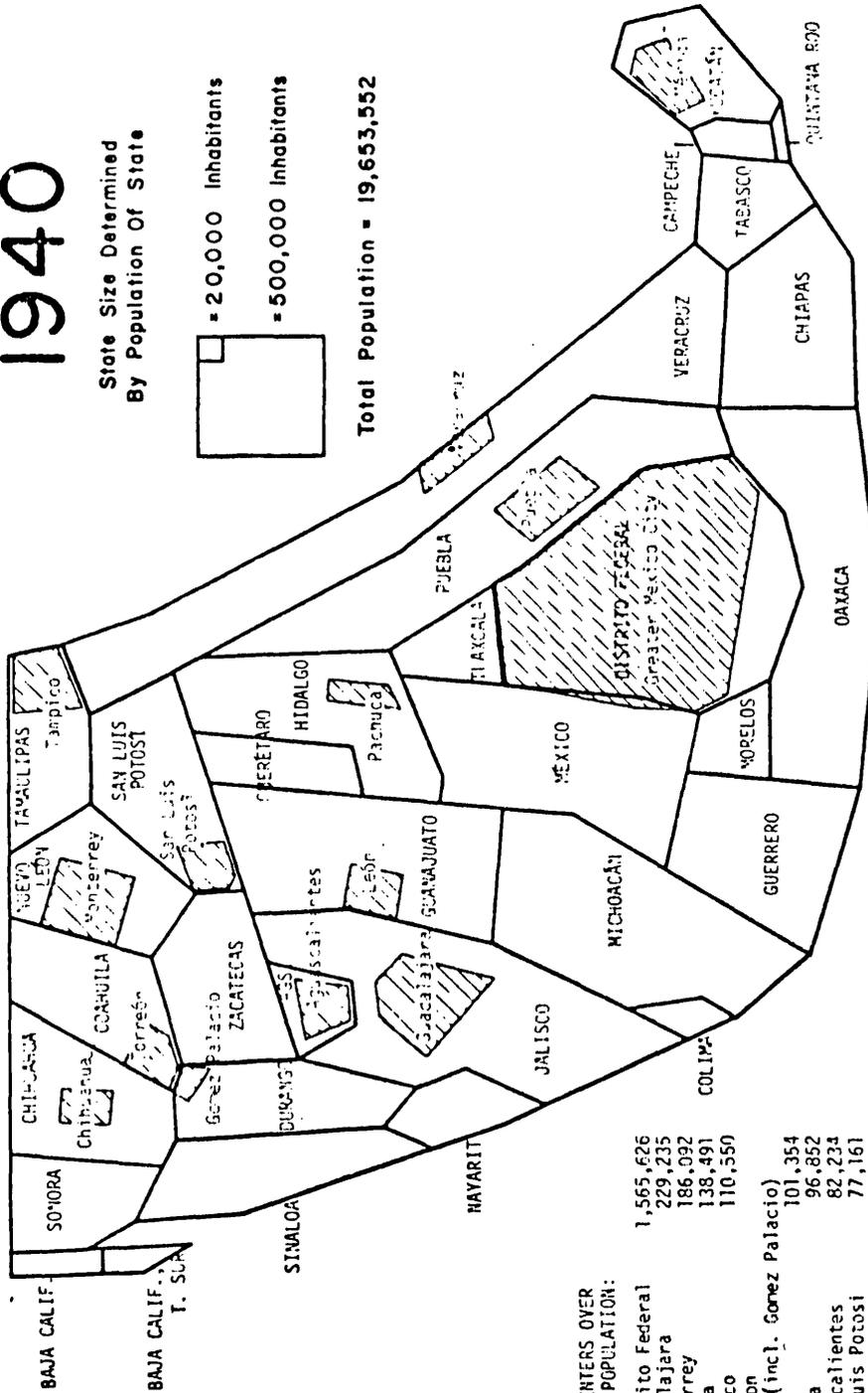
MAJOR URBAN CENTERS

1940

State Size Determined
By Population Of State



Total Population = 19,653,552



URBAN CENTERS OVER
50,000 POPULATION:

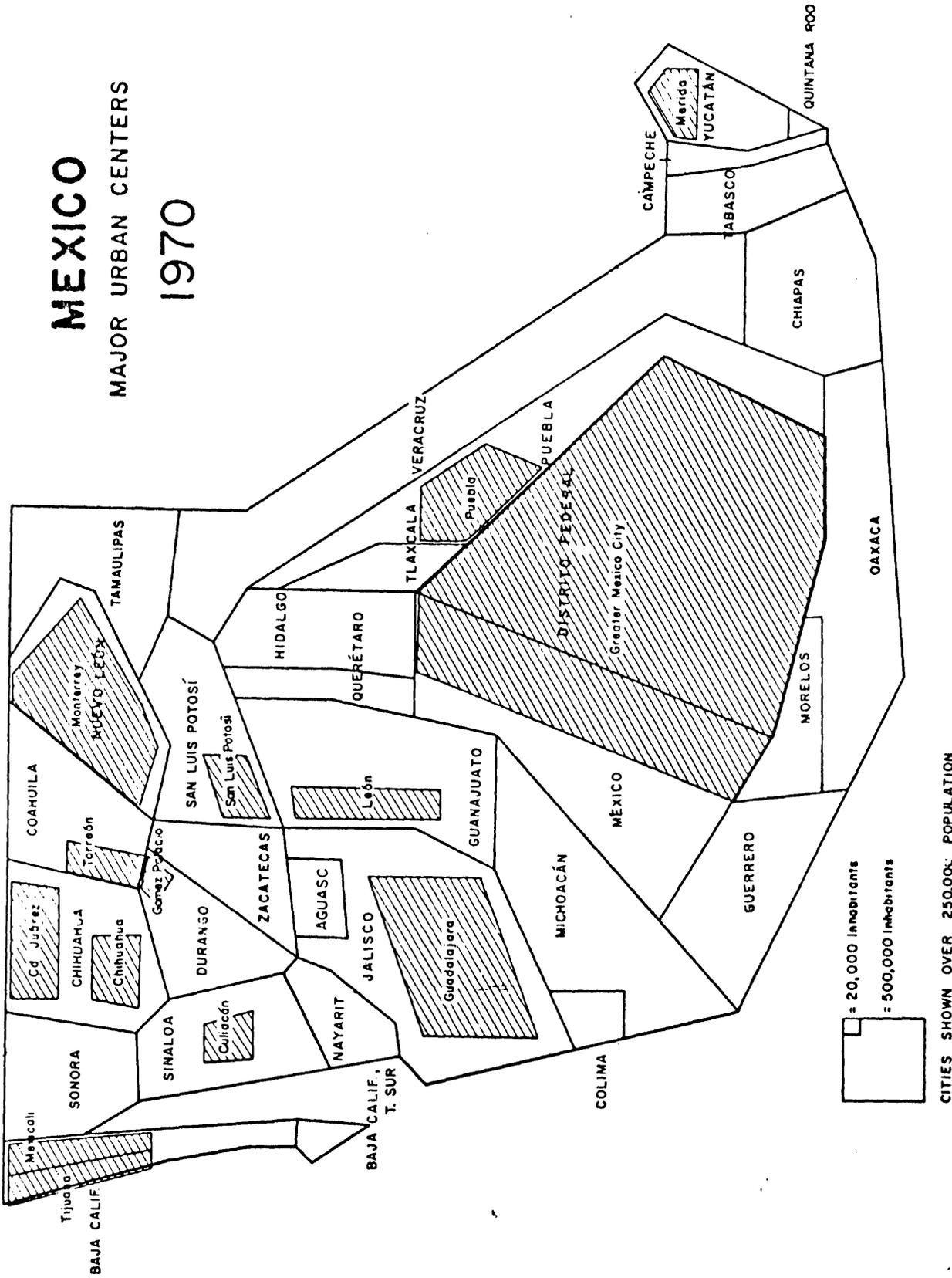
Distrito Federal	1,565,626
Guadalajara	229,235
Monterrey	186,092
Puebla	138,491
Tampico	110,550
Torreón	
(incl. Gomez Palacio)	101,354
Merida	96,852
Aguascalientes	82,234
San Luis Potosi	77,161
Leon	74,155
Veracruz	71,720
Chihuahua	56,805
Pachuca	53,354

Cities Listed Account For 14.5 % Of The Total Population Of Mexico
Cities with Populations Greater Than 40,000 Account For 15.7 %

MEXICO

MAJOR URBAN CENTERS

1970



□ = 20,000 inhabitants
 □ = 500,000 inhabitants
 □ CITIES SHOWN OVER 250,000 POPULATION

3.3. Planning policies after 1940.

In the period 1940-1970 the policies for development were primarily concerned with the rapid industrialization of the country, therefore, little attention was really given to decentralization or indeed for an even development of the country.

Government's influence during that period was then, oriented principally towards capitalistic accumulation (Lavell, 1984), and gave as a result, in the one hand, industrialization and urban concentration, while in the other, differentiation of agricultural areas.

In that way, it could be said that it was an "implicit regional policy" towards the "economic efficiency" of the country, which produced the regional imbalances.

As it will be seen, in this period, some regional projects appeared, they were concerned with increasing agricultural production in certain areas like the river basin projects, or in stimulating industry to settle in certain areas. However, there was not an specific programme for national development as a framework for those projects (Unikel, 1982; Lavel, 1984; Scott, 1982; Ward, 1986), therefore, they were issued without considering the consequences they might had in their surrounding context, or to the country in general.

3.3.1. The "Regional Approach".

Although some "national" approaches were made through the elaboration of two six-year plans in 1933 and 1941, they really proved to be more an electionary platform (Shafer, 1966) than an attempt to plan the development of the country.

Regions considered separately from their context then, are going to be the first planning attempts the government made in the period between 1940-1970. The most successful of those projects were the "River Basin Commissions" which were first introduced in 1947. However, some problems appeared because the areas for these projects were chosen with the same criteria the industrial development followed (Lavell, 1984), they are going to be implemented to increase economic growth, therefore they will be implemented in areas which already enjoyed some levels of development, adding more concentration of investment in relatively small areas of the country. Stohr (1975) argues that they were implemented and controlled by central government, then by-passing the states' authorities. Although these projects did increase agricultural productivity in the regions, the agricultural sector in general was relegated to a subsidiary position to industrialization (Sanderson, 1986). The result was the increase of production in a few areas in the north of the country and not an overall increase in agricultural sufficiency and efficiency. By this time, another of those River Basin Commissions was introduced aimed at industrial deconcentration from Mexico City, but it did little, since despite of being in force for 21 years, it was not even officially accepted by the secretariat which was in charge of implementing it (Unikel, 1982).

Probably only the National Border Programme achieved some degree of decentralization by creating some jobs on the in-bond industry in the border with the US. However, as it was more a political than a planning decision (Unikel,1982; Scott,1982; Ward, 1986), probably as an effort to use the labour force intending to migrate further north, it resulted in its operation not being carefully planned. These in-bond "maquiladora" industries presumably benefited more the US industries than those in the Mexican side (Lavell, 1984; Ward, 1986; Stohr, 1975) and increased further dependency of that region on the US market.

Another programme, the Guarantee and Development Fund for Small and Medium Industry, was aimed at promoting industrial location outside Mexico City. It indeed encouraged some industrial settlements in other places like Monterrey and Guadalajara, but being the State of Mexico not classified as an area of industrial concentration (Lavell, quoted by Unikel, 1982), companies could locate on it and still being in the Metropolitan Area of Mexico City (MAMC). This, together with the abolition of tax incentives to industry settling in Mexico City, which again did not considered the state of Mexico, fueled concentration in the MAMC.

As it can be seen, governmental programmes during this period even when aimed at deconcentration and social-oriented national growth, fueled regional differences and more concentration in some regions. Moreover, even when economic growth was achieved, the living standards of the majority of Mexicans did not seem to have improved (Bassols, 1979). Another feature of these policies was:

“...a tendency to induce growth in all places at the same time... Rather than focusing on targets with comparative advantages that would make them potential counter-magnets of Mexico City, or true regional growth centres, spatial policy attempted to spread limited investment resources and to provide fiscal incentives across an undifferentiated periphery” (Scott, 1982:107).

It was probably the absence of an idea of a regional problem, despite the growing regional differences (Lavell, 1984) what made the government to issue those projects without considering their context. Thus it can be argued that the government in that period did not had a coherent “Regional Planning” approach to solve the national problems, but it was a series of un-related actions in different regions what the government was using as regional planning. It was probably also the result of only considering some economic variables like “to deconcentrate some activities from the city”, but never a wider social intention to spread development. This lack of an integrated approach increased inequalities and therefore, the possibilities for growing social unrest. Indeed, by late 1960’s the system was beginning to show the signs of it. In 1968 the students’ protests culminated in a massacre in October that year.

Therefore planners seemed to have failed in considering the context of those programmes and they did not seem to have take into account even their possible consequences.

3.4. Planning after 1970.

It was in 1970, when the newly-elected government of President Echeverria (1970-1976), first talked about “preventing the

benefits of growth to concentrate in a few areas... and to remodel economic space by creating development poles" in his inaugural speech, when a nation-wide approach was first intended, and the benefits of Mexico City's growth officially questioned. His reasons for doing so maybe lie in the social unrest that exploded two years earlier in 1968, which may have made him to realise that the situation began to turn untenable to the majority of population. Or in the increasing pressure from the governments of the states to exercise more decision-making in the issues that concerned their cities' hinterlands as well as their concern over the increasing intervention of the federal government in their internal affairs.

3.4.1. The "National Approach".

While what we called "Regional Approach" failed to provide a national framework to achieve real regional planning, the "national approach" will prove to be more part of the political discourse than a clear desire to widespread development. Nevertheless, the changes that occurred made a brake-through in the planning system.

Since 1970's then, the view of regional inequalities as a problem which has to be dealt with in a national context was first introduced. Planning is going to change radically (Lavell,1984).

Policies were aimed to decentralize industry, promote regional development and reduce regional inequalities, through the development of a wide range of planning activities, culminating in a Human

Settlements Law passed in 1976. Ward (1986:46) argued that "this created the basis for the state intervention in a consistent and integrated way in the planning of human settlements". Indeed, between 1970 and 1973, the government invested massively in the huge iron-plant-town of Las truchas and the development of the two first purpose-created tourist towns of Cancun and Ixtapa, and in some infrastructure in Baja California. At the same time, it subsidises the Programme for Agrarian Development (PIDER) and gives incentives to industry locating in new "Development Poles" or medium size cities (Lavell, 1984). At the states' level, the government creates the committees for the promotion of economic development (COPRODES) with representation from federal ministries and states' organizations for development as well as representatives from private and popular sector groups.

Later, the administration of President Lopez Portillo (1976-1982) consolidated planning activity within the Ministry of Human Settlements and Public Works (SAHOP), which was first established by President Echeverria's administration. Within a year, a National Urban Development Plan (NUDP) was published, which aimed to confront the huge disparities in the distribution of national population. It created a national framework of 11 integrated urban zones with programmes designed to shape efficient urban systems within each. Population centres were subject to policies of stimulus, consolidation or ordering and regulation (Ward,1986). However, regional planning was given to another recently created secretariat, the secretariat of Programming and Budgeting (SPP) who centralized the control of PIDER programmes and modified COPRODES into state's planning organizations known as the "accords of co-operation

between the state and federal governments" (CUC's).

As Sahop, the secretariat of National Patrimony and Industrial Development in 1978 published its plan, the National Plan for Industrial Development, which proposed an area of controlled growth around Mexico City, Guadalajara and Monterrey, as well as four industrial ports in the Pacific and Gulf (Atlantic) coasts. As there was not a national framework to set the guidelines, there were some differences between different secretariat's plans. While they did not contrasted strongly with the urban development plan, there were some differences in designating priority zones, or in the number of areas in which the country was to be divided. But mainly, this is going to prove the obsolescence of the urban plan.

The present administration of President De la Madrid (1982-1988) came in a moment where the discussion was centred in if the technocrats should be allowed a bigger say in policy making (Camp,1985). It was also when Mexico was suffering its worst ever economic crisis, the oil prices collapsed and some of the expected profits of it were already spent or committed. Economic recovery was imperative and the international institutions (IMF, World Bank etc.) were pressing on the government to open up its doors to foreign investment and to provide the right environment to economic growth (Safa, 1987; Urencio quoted in Armstrong and Mc Gee, 1995) and the President himself, with an economic background, dedicated most of the efforts to it (Ward, 1986). Physical planning thus, did not represent an important subject.

Soon after taking office President De la Madrid, SAHOP was taken its public works section off -the only one which had some money allocated to make up some actions- and was renamed as the Secretariat of Urban Development and Ecology (SEDUE), therefore it had an even more restricted range of operation. This time, a National Development Plan was first published by SPP and the sectoral plans had to follow its general guidelines. Sedue's National Urban Development and Housing Programme (NUDHP) as the previous Sahop's NUDP, divided the country into regions and some cities were identified as growth poles. The original number stated in the previous plan was reduced and some cities changed their category. The accords for co-operation CUC's were changed again to Unique Accord for Development (CUD's).

So as we can see, up until now, even when physical planning's national policies seem to be heading towards a better understanding of the way the development of the country can be achieved, that also had meant firstly, a change of policies almost every six years (the presidential period) which is much less than the minimum time needed to put into operation and to see the long term results of any policy. As Chapman and Walker (1987) pointed out, investment in plant and infrastructure, the building up of services and living environments, and the development of a labour force do not happen in five or ten years.

Secondly, during the last three administrations even when population and urban laws have been passed, the organizations which are supposed to implement them, have also changed, thus destroying the possibilities for any continuity on the work they have to perform, and

probably allowing in the meantime developers and industrialists to take advantage for their own interests by-passing the laws.

Thirdly, and probably most importantly, these short term changes in policies and agencies may have weakened the implementation of planning instruments, because they have been accompanied by changes in the planning structure. Physical planning with the time has turned to be very complicated and confused to operate. This has restricted planning's ability to achieve major or substantial results. If planning is supposed to be trying to make the changes the cities need to improve their conditions and develop, this is clearly not helping it.

Moreover, the policies encouraged companies to "decentralize" to the neighbouring states of Puebla, Tlaxcala, Queretaro and mainly Mexico, whose incentives and probably their wish to have investment done in their territories attracted them. The lack of co-ordination was apparent for example when Fogain, and economic instrument of National Financiera (The national bank for industrial development) supposedly aimed at decentralization of industry, by 1976 had mainly financed industry located in Federal District (32%), Mexico (13.1%) and Puebla (4.0%) (Bassols, 1979;363). The states' capital cities began to make up as the satellite cities of the core D.F. where the decisions are taken. Then a huge megalopolis began to take shape in the central region, which clearly contrasts with the aims of the plans of making a rational decentralization.

The policies again, from the beginning may have failed to

recognize their place in the decision-making process and the socio-economic context in which they were to be implemented.

Moreover, they were mainly designed to achieve widespread economic growth by offering stimulus and infrastructure to industry wishing to relocate or settle outside the MAMC, but failed to consider that some social investment had to be done as well. This lack of social investment again, could bring to a halt the social development of the nation and only lead to the creation of certain industrial parks or cities near the MAMC.

3.5. Planning's structure.

Mexico is a Federal Republic formed by thirty-two autonomus states ("free and sovereign"). Governors are the chief executives of each of them, and are elected for single six-year periods, the same as the president, although their terms do not necessarily coincide. They cannot be re-elected at any time.

To carry out his duties, the federal executive appoints a number of secretariats of state. The Secretariat of Urban Development and Ecology (SEDUE) is in charge of urban development matters, but as it will be seen, that does not mean it is the only one that can carry out physical planning activities.

Each federal secretariat has a representative on every state. These representatives (delegaciones) are there to provide

assistance and advice to the state's authorities. Sedue's representatives can and do make local plans, although by law, and given the states' constitutional status of autonomy, this has to be done in conjunction with and the approval of, the local planning authorities. Delegations' duties are also to co-ordinate the actions of federal agencies of the urban development sector working in the state.

Sedue co-ordinates all public and semi-public sectoral agencies and organizations. However, these do not have to report to it, and nor are allocated economic resources by the secretariat. Sedue's role is then reduced to provide the framework in which these organizations have to operate, by publishing the National Urban Development and Housing Programme (NUDHP).

This means Sedue does not have a direct control over the sectoral agencies' output or activities. Each of them is working to a certain degree "independently", even when they have to comply with the NUDHP's guidelines. For example in housing. The Infonavit (National Fund for Workers' Housing), can and do make its own local plans for those areas or cities where according to its priorities, housing for workers is needed or demanded. The same happens with Fovisste (Civil Servants' Housing Fund) and a number of other sectoral organizations. These quasi-governmental agencies (quangos) therefore would be carrying out housing or other actions, in the areas where they think are needed. But that does not mean they are following the proposals or priorities indicated by the NUDHP or indeed the local plans.

This will therefore mean the risks of having overlapping between different organizations of the same sector. Moreover, they would be making plans and working at the local level, but not necessarily in the areas where investment is needed or where it is proposed by local or even national policies. Furthermore, other secretariats, as it was seen in the previous section with the example of the industrial sector, can carry out planning activities and also have a number of sectoral agencies working in the states with their outputs not being controlled. Giving as a result in real terms, Sedue's role and plan becoming obsolete. Physical planning may be carried out in the same areas, at the same time, by a number of secretariats and organizations, without really being co-ordinated. This can only complicate the whole process and make planning's aims to fail. This, while for example, economic planning is made exclusively by one secretariat, SPP.

As at the federal level, the state's chief executive appoints a number of secretariats and parastatals which are generally a mirror-like structure of that at the federal level. These also have a number of state quangos whose activities may not be controlled but by the executive, giving the government an extra arm which may enable it to carry out actions by-passing the planning system. This structure may represent a calculated "risk" for the government, because now this could mean the ability to make use of a wider number of choices all of them "carefully thought through" by different planning departments, when ever it needs them for its own interests or to make certain concessions because of social demand (Ward, 1986). At the same time, not giving full responsibility of important decisions to an specific group of "technocrats". Therefore in

that way, the decision-making process still remains in the government's hands.

This can be used to argue that the government is not really committed to planning (at least to physical planning) but it probably set it up because of pressures to do so. Planning is then principally economically orientated. The final aim most certainly is to create an environment platform sufficiently strong to attract and support foreign investment and the economic growth of the country, probably regardless of its spatial and social consequences.

3.6. The States' role.

At the regional level, this confusing and web-like structure for planning, a series of biased and bad economic policies, as well as the central government's unwillingness to share the decision-making process, has led to an understandable attitude from the states' governments to receive with reticence anything coming from a centrally based agency. This has led to a lack of coordination between federal and state governments in implementing national policies; and may have contributed to the weakening of the state governments. This most certainly may have made local governments to ask for real devolution, in order to meet more efficiently the national goals as well as the state's own.

That is why the government may have conceived some other mechanisms to control as far as possible the development process.

The administrative policies perhaps because of that pressure, have been oriented now towards improving the coordination between Federal and State agencies in implementing the national development programmes. Thus in every state a committee that includes all the federal agencies operating within it has been established. These committees are responsible both for linking federal activities and programmes with those of the state governments and for coordinating federal and state development efforts in each state (Ochoa, cited by Harris in Cheema & Rondinelly [ed], 1983).

But as Harris (*ibidem*, 1983) argues, even when the current administrative reforms are concerned with strengthening the administrative capacity of local governments to permit decentralization of some functions and local participation in development projects, it has been the reluctance of political leaders at the centre to relinquish power and the underdevelopment of local government what have greatly unhibited such efforts and made real devolution rare. It has taken other subtle forms that he calls indirect administration and regionalization.

Regionalization has meant the deconcentration of federal administrative agencies from the capital to major regional centres. While indirect administration has being conformed by a number of independant agencies⁽¹⁾ which act as a faster and flexible substitute of central ministers, as Harris argues.

(1) These are "autonomus" agencies called Parastatals or Decentralized Organizations which operate separate from the central government ministries but grouped by functional sector, and placed under the general coordination of one of the ministries.

These agencies appear to be nothing but another way of centralizing the power, it may have meant to change the restricted coverage of a federal ministry to a wider one of a ministry and a group of parastatals. It has led even to an overlapped coverage of certain aspects of planning. It have contributed more to the enlargement of the central bureaucracy than to the strenghtened of local governments.

Furthermore, to the regions all these changes may have only meant that the traditional patterns of centralization of the decision-making process have not been abolished, only modified into another more complicated one. The important decisions and projects which concern their areas, may still be taken and designed in central offices, leaving them as simple spectators of the planning process (Chapters IV and V). Which has only been exacerbated by the number of federal agencies working on their territories, who are responsible for many of the proposals of the local plans.

As Ward (1986) pointed out, these agencies working in one area only make up competition between bureaucratic factions instead of cooperation.

In plan making, some regions may even have to rely on the central offices' schedules as some of the local plans have to be sometimes, financed with central government's resources or even probably entirely made in central offices, because of the local office's lack of economic and human resources, resulting in plans that obviously are not able to consider

in deep the local characteristics of economic and social development.

Even when some regional authorities may have succeeded in creating relatively strong planning departments they still have sometimes to rely on central agencies to realise some of the proposals like housing or electricity or have to convince them not to do some actions, since they are carried out by federal organizations.

As indeed happened for example in Tlaxcala, when the local plan for San Pablo Apetatitlan was being made by representatives of the local government and Sedue(2), the area designated by the structure plan as ecological reserve was being built -during the elaboration of the local plan- with blocks for some 50 workers' flats by the Infonavit (the independent body dedicated to build houses for workers), which did not correspond with the local specifications for housing in terms of number of storeys and finishing materials, and without even consulting the local or state governments to ask at least, for planning permission. After discussions, the only possible thing to do was to change the policies of the local and structure plans and to try to estimate the impact in the area of such a development.

Thus it is clear that the participation of the regions in planning the future development of the nation has been reduced by central government, and what is worst, on occasions they have not even been entirely free to decide the development of their own cities.

(2) The author of this Dissertation was working at the time on Sedue's team of advisors to the State of Tlaxcala's secretariat of urban development SECODURE.

3.7. Conclusion.

The context in which physical planning in Mexico has had to operate has strongly damaged its efficiency. First, its policies were aimed to industrialization through the attraction of investment to Mexico City, then policies were changed towards regionalization to reduce social and regional disparities. It was intended through the deconcentration of industry from the city, but social and regional development cannot be achieved through merely shifting industries to other places. Social investment has to be done as well, thus the policies seemed to fail to take into consideration their context and neither their consequences at the national level.

Secondly, they were proposing indiscriminated investment in cities without considering that the different regions needed different kind of investment because of their different endowments, some are prone to agrarian investment, etc. Thirdly, all these short time changes in policies have been accompanied by changes in the structure in which planning has to operate; which only has meant more planning bodies working within the regions which in turn can only complicate its efficacy and operation. At the expense of the development of the regions.

Finally, it has probably been used for other purposes. It can prove to be efficient in supporting governmental actions and also to legitimize the government itself. If planning exists, it seems to be more

Conclusion 58

because of internal and external pressures than commitment of the government to solve the problems. The problem then has not been the lack of existence of a planning system, the problem has been the way it has been used until today.

SECTION II
THE CASE STUDY

Chapter IV

SETTING THE CASE STUDY

4.1. Introduction.

This chapter explains the reasons why Puebla was chosen as an example of the inadequacy of very centralized planning policies. It will use the example of the City of Puebla in the Central Region of Mexico to show that national policies are insufficiently sensitive to the differences between different parts of the country and how this can create a dichotomy on the social and economic aims of development. Puebla is an example also of how planning in local government has been forced to consider the immediate physical problems caused by unplanned industrial growth, and unable to consider the more important socio-economic aspects of development. Chapter V will develop in more deep these last arguments using the example of industry in Puebla.

This chapter will begin by considering the limitations of implementing uniform policies for economic growth. Arguing that these policies will improve the overall performance of the country by influencing growth in a small number of regions. However, it is not guaranteed that the benefits are going to be spread to the rest of the country. Damaging also the states' ability to grow by themselves, and increasing social problems in cities.

It will follow in the second and third sections by trying to

show these arguments' applicability in the Central Region of Mexico. It is the most developed in the country, but its development has not been balanced. Even when industry is heavily concentrated within the region, agriculture remains its main activity, and per capita incomes of most of the states are very low compared with those of Mexico City's. Suggesting that apart from Mexico City, the benefits have not reached the entire area.

In Puebla, it will be argued, the same is happening, great discrepancies occur within the state. The State is dependent on its capital city. But its capital city itself depends on the federal government. This have made it unable to plan its development properly. Thus by controlling investment in the region, the federal government has created overall economic growth, but still the regions are depending on it. This last point will be discussed in this chapter's last section. It will be stressed that this fact has left the state being unable to consider the more important socio-economic aspects of development, but only its more immediate physical problems.

4.2.The Need for Different Strategies for Different Regions.

Mexico is a highly heterogeneous country. This is true at all spatial scales. Differences between regions are more readily apparent than within regions because most of the statistics are restricted to this level.

The process of urbanization and development is diverse.

Each region has its own characteristics which makes it to some extent, unique. If different regions share the same developmental, economic and urbanization indicators, they do not necessarily have the same number of cities or the same balance between urban and rural areas. Regional population do not necessarily enjoy the same living standards either. Furthermore, policies that might be suitable for the development of one, are not necessarily appropriate for the others. Consequently, as different regions within the country may need different strategies, equally differentiated strategies may be required for different sub-regions. This cannot be done at the central level. It needs to be done by local planners who know the characteristics of different parts of their states. As it was seen on Chapter III, the fact of Mexico being so different in geographical, historic and politico-administrative terms, stresses this last point.

Most policies for development are intended to influence the development of national or regional units. One approach to development is to stress the performance of smaller or basic units. These smaller units provide the basic indicators for the performance of a region, or ultimately, the whole nation. If the government were looking only for economic growth, without considering social development, it would need to stress the maximum output possible (the more benefits), of the minimum possible of units (with the less investment). Obviously these would have to be those regions which already enjoy certain levels of infrastructure to reduce the costs of introducing it or improving it. They are definitely those close to Mexico City. The results will be less number of regions providing relatively good national performance (6.6% average GDP growth per annum between 1940 and 1981 [Gardner, 1987]). But within those regions it

will most probably mean that the overall development will be given by a relatively small portion of them. Thus the remaining would not necessarily be enjoying the benefits of that growth. Thus this clearly would mean delaying social development in order to gain faster economic growth (or "economic recovery", as the government calls it).

4.2.1. Social Effects of Fast Economic Growth.

This overall performance is precisely what the Federal Government is more interested in. It is this what is going to provide the economic indexes for national performance the international corporations and institutions such as the IMF and the World Bank (see Chapter II), are seeking from the government. Therefore, the faster they are reached, the sooner investment, loans or debt re-scheduling are going to be given to the country. In that case, the needs for overall short-term gains are -to the Federal Government- justified in terms of the cash flow for development these institutions are going to provide for future growth.

But this development would not necessarily be enjoyed by the majority of population. Even when the short-run gains are definitely there for example in terms of industrial turnover and industrial growth (therefore relatively better balance of payments, some job creation etc.), as it was stated before, these are going to provide benefits presumably only for those areas where the investment was made. It is not guaranteed that the investment is some time going to be diverted to other non-central or non-metropolitan cities, nor even that the benefits are going to be

spread evenly within those regions. Since the policies of these institutions are not aimed at social development, these short-term policies can cause stronger social problems in neglected urban areas that can counter act them in the long-run. This can clearly be seen in these institutions' requirements to cut public spending in areas such as health, education and housing, in order to cut down the public sector deficit (Safa, 1987). Moreover, implementing their policies is not a secure guarantee for success. After five years of implementing them (since 1982), in Mexico there has been no growth, investment has fallen 20% in real terms and real wages have been halved (Gardner, 1987). Thus increasing the possibilities of social unrest. Some may argue that the same kind of problems occurred for example in the industrialization of Britain in the 19th century, and that the results were not bad in the long-term. As it was said in the first chapter, that kind of argument denies all the historical and contextual characteristics of less developed countries.

Firstly, now there are other industrialized countries, while in the 19th century were not. This means competition with other countries which already possess the infrastructure and technology, which less developed nations do not share. This is translated into dependency in that respect. That dependency did not exist in the 19th. century. Secondly, as Sutcliffe (1971) argues, the political and social situations are different. Now workers are organised and powerfully demanding for jobs, at the time when industry uses less workers. Thus governments are now talking with an almost equal force; while in the 19th. century worker's needs were largely left without being taken into consideration. Therefore, the results cannot necessarily be the same. In other words, concentration of

industry in a few places is creating social problems within and around the cities, which did not happen in the 19th. century. The unemployment figures are rising when industry do not need too much labour. Indeed, it is considered that in Mexico "more than 800,000 are coming onto the market annually, but few of these are being absorbed. Job creation has been static except in the in-bound *maquiladora* industry along the U.S. border and in the northern states" (Graham, 1987). Also, the kind of output of industry depends much more on the needs of those countries which are already more developed. Increasing the patterns of dependency if the industrialization is not planned carefully. As Sutcliffe (1971) pointed out, industrialization means changes in quality. Not only quantity.

But on top of all that, this growth in only a few areas can stop the possibilities for the states to grow by themselves. If investment is coming but it is not controlled by the states directly, they will have to depend on the federal government for its development programmes, and there is no assurance it will be used in key areas.

One way to avoid these problems would be then, according to specific regional needs, to provide the investment in the sectors of the state's economy and places of the country where it is needed to spread its benefits and provide a more secure base for growth. That cannot be done entirely from the centre. National policies need to be guided according to the results in specific regions. It is a continual process, not a static one.

In sum, fast economic growth if it is not carefully planned,

can create the conditions for social problems to arise due to for example, industrial concentration in few areas. It may also lead other important sectors of the economy like agriculture, to stagnate. Finally, it can create more dependent states which will not be able to be self-sufficient in economic crisis. These possibilities will be explored in the next sections of this chapter.

4.3. Defining the Central Region in Mexico.

It is difficult to identify totally homogeneous sub-regions.

This is stressed by the fact of different attempts in Mexico being made by different institutions have outcomed different regionalizations. But most of them identify a core or central region, which is formed by the Federal District (D.F.) and its sorrounding states of Hidalgo, Mexico, Morelos, Puebla, Queretaro, and Tlaxcala. (map 4-1).

For the purposes of this study, the Central Region will be considered as being formed by the states which most authors identify, which gives us the advantage of being a region relatively small in number of units, and with a relatively good availability of information. It is a diverse region but with the sufficient coherence in terms of availability of infrastructure, industry, motorways, population, etc. to be considered as a planning unit.

The State of Puebla in the Central Region was chosen because it is considered to be a clear example of what was discussed previously.

It is in the region with the heaviest investment in the country, and it is also where the social conditions of its inhabitants have the biggest disparities. The Central Region is the region with the best indices of economic growth, but this is more a reflection of the presence of the Federal District than of an evenly developed and prosperous region. As an example, Tlaxcala and the D.F. are considered as part of it. Tlaxcala has the lowest per capita income in the country (584.0 Mexican Pesos in 1970), while Mexico City has the highest (43,199.1 Mexican Pesos) (tables 4-3 and 4-6 below).

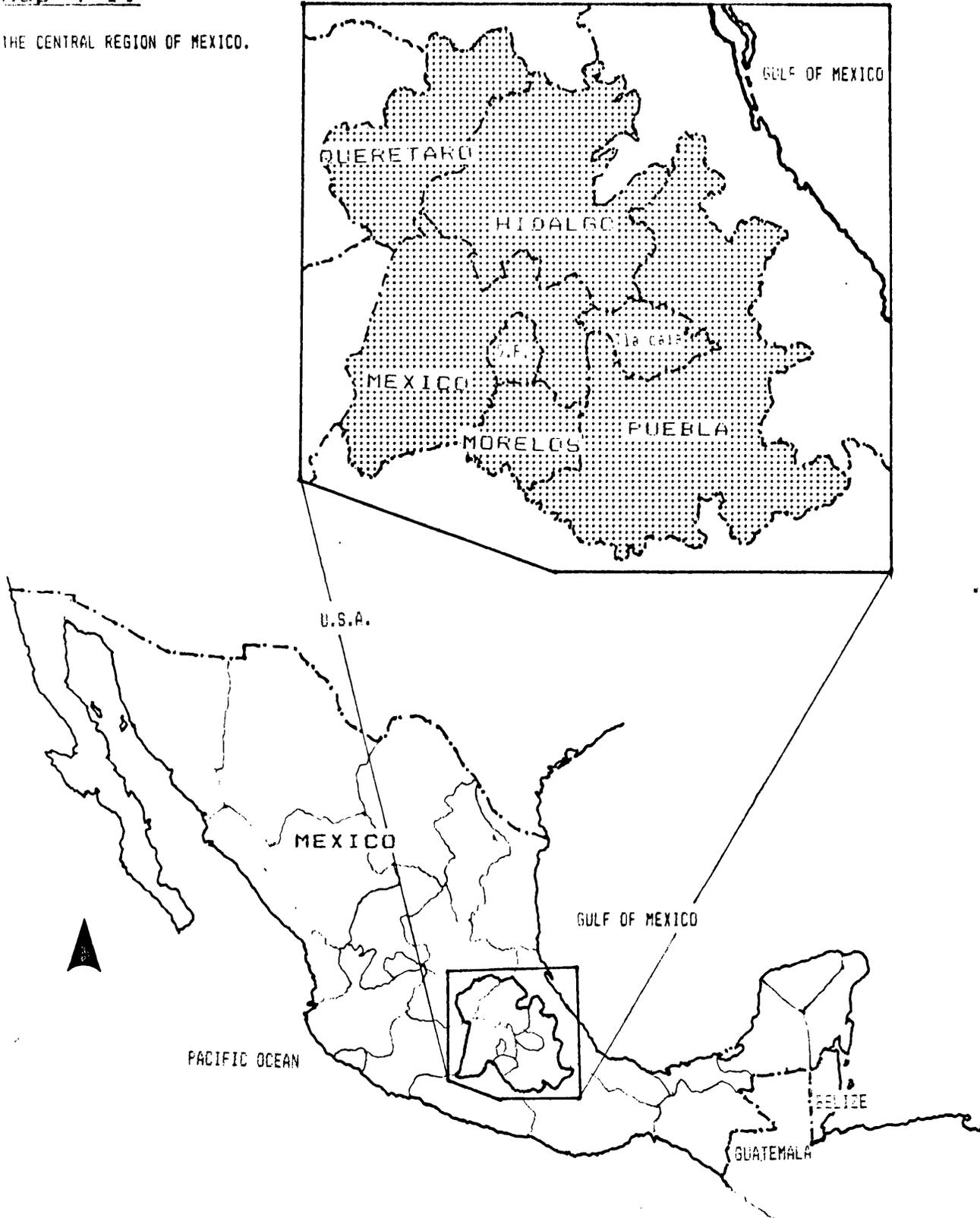
There is no doubt that the whole region is dominated by Mexico City. It is the capital city the one which provides most of the advantages the region has in economic terms. Therefore a subdivision could be helpful to understand its characteristics. The D.F. and the State of Mexico make-up the core of the whole region. It is there where the heaviest concentration of industry and infrastructure are; also, some municipalities of the State of Mexico conform a physical unit with the D.F.. The other sub-regions that can be identified are: Sub-region Centre-East formed by Puebla, Tlaxcala and Hidalgo; the city of Puebla in the state of the same name being its regional centre. Sub-region Centre-West is the third one and it is formed by the States of Queretaro and Morelos, being the city of Queretaro the one associated as its regional capital.

Here, it is important to emphasize the fact that those capitals' influence do not necessarily end with or are constrained by the boundaries of their subregion -or even region- such as Puebla, whose influence goes beyond the boundaries of the central region.

Defining the Central Region

Map 4-1.

THE CENTRAL REGION OF MEXICO.



4.3.1. Characteristics of the Central Region.

The central region with 99,000 Km² covers 5 percent of the National Territory of Mexico, but in 1980 contained 35 percent of its population (27.8m), with a density of 252.17 inhabitants per square kilometre. The population of the area covered by the D.F. and the State of Mexico alone (17.5m) make up over 20 percent of the national total, with only 0.4% of the national area (23,000 Km²), it has a huge density of 7,266 inhabitants per square kilometre (Comision de Conurbacion del Centro, 1985).

It is the most densely populated area in Mexico and more than 70 percent of the population is urbanized (Scott, 1982). Despite the urban nature of the central region however, agriculture remained the source of livelihood for much of its population, accounting for more than half of all employment in Hidalgo and Tlaxcala. Agricultural productivity was generally high. However, it was manufacturing commerce and service activities of the central region which distinguished it from the rest of the country. For example, the proportion of the GNP in manufacturing of

Table 4-1

Evolution of Regional Distribution of GNP in Manufacturing 1950-1984. (In percentage)

Region	1950	1960	1970	1975	1980	1984
Central Region	44	49	51	53	55	56
Rest of the country.	56	51	49	47	45	44
National Total	18.0	32.7	75.2	109.4	152.8	153.9

Note: National Totals are given in millions of 1960 Mexican Pesos.

Source: Programa de Ordenacion territorial de la Region Centro del Pais.
Comision de Conurbacion del Centro del Pais. Mexico, 1985.

the Central Region has been steadily increasing since 1950 when stood at 44%, up to a 56% in 1984 (table 4-1), which means more than half the total GNP in manufacturing being generated in only 5% of the territory of the country.

One might expect given these conditions the per capita income would be also high, but this is true only for the Federal District (see table 4-5). The rest of the states -Puebla included- had relatively low income levels and uneven patterns of income distribution. Moreover, most of the proportion GNP in manufacturing in the central region was generated by the MAMC. An average of 82% of it. The rest of states in the central region having a share of around 10% of the national proportion, which represents about 19% of that of the region (table 4-2).

Unikel's national division of eight regions puts the central region (again, without considering the D.F. and the State of Mexico) in seventh place in GDP per capita generation relative to the whole country, with Puebla occupying fifth place among the region. Although, if the

Table 4-2

Central Region Distribution of GNP in manufacturing 1950-1984. (In precentage)						
Region	1950	1960	1970	1975	1980	1984
MAMC	35 (79)	40 (82)	42 (82)	45 (85)	42 (93)	43 (76)
Rest of Central Region.	9 (21)	9 (18)	9 (18)	8 (15)	13 (17)	13 (24)
National Total	7.92	16.0	38.3	57.9	84.04	86.1

Notes: Totals are given in millions of 1960 Mexican Pesos

: The numbers in parentheses indicate the proportion within the central region, while the others are national proportion of GDP.

Source: Programa de Ordenacion territorial de la Region Centro del Pais. Comision de Conurbacion del Centro del Pais. Mexico, 1985.

region were considered together with the D.F. it goes up to the very first place (table 4-3). This, rather than the relative favourable nature of the aggregate indexes, revealed the region's umbalance and contrasts in development.

4.4. The City of Puebla.

The city of Puebla is the indisputed centre of the Centre-East Sub-Region. A densely populated and generally poor sub-region, characterised by being dedicated mainly to agriculture.

Table 4-3

Mexico. GDP per capita by regions and state, 1970. (In 1950 Mexican Pesos.)

State/Region	GDP per capita	Rank Nationally	Rank within the region
Country	3,104		
Region I	4,098	(2)	
Region II	4,015	(3)	
Region III	2,871	(4)	
Region IV	1,330	(6)	
Region V	1,693	(5)	
Region VI	1,296	(7)	
Hidalgo	1,021	29	6
Morelos	1,901	17	3
Puebla	1,276	25	5
Queretaro	1,655	22	4
Tlaxcala	871	31	7
Region VII	5,965	(1)	
Federal District	7,804	1	1
Mexico	2,728	11	2
Region VIII	1,247	(8)	

Note: Ranks in parentheses indicate region's, while the others indicate the state's

Source: Unikel, 1976 Table VI-I p179.

However, the city of Puebla enjoys several advantages for being relatively close to the D.F.. Transport flows revealed the pattern of economic interaction. Rail traffic suggested the importance of Puebla as both, the door to the capital and as a distributor of goods to the south of the country (Scott, 1982). Rail traffic is overshadowed by the road transport system, reflected in the short journey between Mexico City and the city of Puebla: only two hours (they are 127 km away)

When vehicles-trips per week are considered, a disproportionate number of trips are revealed to be made between Mexico City and the city of Puebla. About ten times more compared to those which come from the south of the country. Additionally, a survey made by Unikel (1976) showed that Puebla, unlike the rest of the capitals in the central region, works as the centre of a smaller network of cities if its traffic flows are considered. This emphasizes the strong relationship existing between Mexico City and Puebla. It can also suggest a flow of materials from and to the south of the country using Puebla as some sort of distributor or production centre of goods. As well as a flow of people and services from Mexico City.

4.4.1. Puebla's Growth.

Puebla is the fourth largest city in the country, with a population in 1970 (considering its whole conurbation) of well over one million. Within the central region, only Mexico City is bigger. It was

made-up in 1960 of 9 municipalities. Because of its position near the boundaries between the state of Puebla and Tlaxcala, three of those municipalities belong to the neighbouring State of Tlaxcala. In 1960-70 it had an annual increase of 4.4 percent in its urban population, which was slightly higher than the national growth of 4.2 percent in urban population (Armstrong, McGee, 1985:69). Its annual compound growth rate between 1940-1970 of 4.4 percent is the third largest in the Central Region; in the decade 1960-1970 that rate was 6%, compared with the State's growth in the same period of 4%. Its 92% of urban population is 22% of the state of Puebla's total urbanized population, and more than 5% of that of the Nation (Unikel,1976), which makes it the third largest growing and urbanized state and second largest city in the Central Region. Compared with being the fifth State and fourth city respectively within the country.

The state had in 1970 63% of its population working in the primary sector, with employment in manufacturing of about 19%. The city of Puebla's numbers were completely different, with only 6% employed in the primary sector and almost 30% in manufacturing (Scott,1982). It is a city whose activities then, differ completely from those of its hinterland. In 1980, the State of Puebla had 13% of the total Economic Active Population (EAP) of the central region. (Comision de Conurbacion del Centro, 1985). This, together with the infrastructure which links it to Mexico City, has made it a target for industrial location. As it can be seen for example, in the fact that after the opening of the motorway in 1962, and before 1970, fifteen out of the twenty-four major firms in the State of Puebla, have settled near the city around the motorway, and seven in Puebla's own municipality (Mele,1986).

4.4.2. The Size of Federal Investment.

It would be expected for the State of Puebla to receive a great share of federal investment through for example, regional programmes for development, accordingly to its size and activities. But this is not the case, within the Central Region, all states between 1959 and 1970 saw their share to decline or stay at 1960's levels. Puebla's was halved from 3.32% to 1.62 percent (Scott, 1982:table 3-27 p112). This decrease is aggravated by the fact that 70% of the state funds come from federal sources (table 4-4). In fact, the Federal District was the only city/state whose share of federal investment increased from 12.91% in 1954 to 29.03% in 1970, with a peak in 1968 of 44%. Although this is probably due to the 1968 Olympic Games staged in Mexico City that year.

Additionally, the very fact of the city of Puebla being in a state whose inhabitants' main activity -therefore income- is related to the primary sector, makes it to expect a relative small income from the State government; what makes it then, more dependant on the federal government for its development resources.

On the other hand, as it is going to be argued in Chapter V, federal investment in the state has been traditionally aimed at alleviating the problems of and providing benefits to Mexico City through creating regional infrastructure such as the motorway, rail line, gas pipeline, electricity, high tension line etc. The government has invested in

infrastructure to alleviate the problems of Mexico City, which has coincidentally influenced Puebla's industrial growth. This investment was not made with Puebla's development in mind, nor was it consulted. Thus not giving the state or the city's planners a role in neither deciding where and when the investment should be done or about the sectors of its economy which needed to be invested on to balance this growth.

Then, at the same time that the federal government is affecting indirectly Puebla's development, it is reducing the federal proportion of direct investment in the State (from 3.3% to 1.6%). This is worst if it is considered that the federal government assigns only 10% of

Table 4-4.

Origin in percentage of the Funds of the State of Puebla, 1980-1986

CONCEPT	1980	1981	1982	1983	1984	1985	1986
a. Origin of Funds	%	%	%	%	%	%	%
Taxes	7.698	3.755	4.756	2.596	1.805	1.851	1.697
Duties	4.481	2.094	7.177	2.039	3.454	1.652	4.169
Capital gains	.430	.761	2.700	.460	1.070	4.097	.568
Products	1.551	.813	.900	.754	.722	.679	.629
Federal participation	62.367	72.724	69.793	74.987	70.620	79.747	70.400
Extraordinary	16.345	12.651	10.279	11.938	9.824	4.234	12.483
Sub-Total a =	92.872	92.798	95.605	92.774	87.495	92.255	89.946
	=====	=====	=====	=====	=====	=====	=====
b. Cash and values.	%	%	%	%	%	%	%
Cash	.488	1.038	.450	.267	.612	.961	.790
Temporary Stock Deposits	6.640	6.164	3.945	6.959	11.893	6.784	9.264
Sub-Total b =	7.128	7.202	4.395	7.226	12.505	7.745	10.054
	=====	=====	=====	=====	=====	=====	=====
				(*)			
TOTAL (a+b)	3.481	5.778	8.220	18.679	32.683	43.149	74.396

Notes: Totals (a+b) are given in millions of Mexican Pesos.

(*): The sudden increase in the amount from this year is due to the 1982 devaluation of the peso.

Source: Estados de origen y aplicacion de fondos del Estado.

Estado de Puebla.

its budget to all state and municipal budgets (Harris in Cheema and Rondinelly [ed], 1983) and that Mexico City's budget is higher than those of all states in the country together (Bassols, 1979).

Moreover, the proportion of the State's funds which is spent towards covering the costs of the urban growth of its main city is enormous, and does not allow the state government to cover correctly the needs of the rest of its cities and population's main activities which are related to the primary sector. Together with this, as said earlier, the proportion of federal apotation on the state's funds is increasing every year, to be up to an enourmous 70% in 1986. The implications of this are among others, that the central government can decide by turning down or approving the state's annual budget, the sectors of its economy and projects in which the State can invest or not.

Indeed, as it can be seen in table 4-4, in the period 1980-1986, its percentage of incomes through local taxes has decreased from 7.7% to a mere 1.7%; while the federal portion has grown from 62.3% to a 70.4%, having a peak of almost 75% in 1983, which represents a 13% increase in only six years, while the reduction in local taxes represents a loss of almost 80% in that item alone. Moreover, it is oportune to remember that in real terms, the federal apotation has been decreasing, which means even heavier dependency on the federal government to carry out important development projects, since the State has less money in real terms to spend. At the time when inflation rates are at about 100% or more per annum.

4.4.3. Uneven distribution of Benefits.

Additionally, as it can be seen in table 4-5, the use as a percentage of the funds to agriculture and forestry has decreased from nearly 0.9% to 0.7%. "Human Settlements" is an item which represents investment made towards urban public works such as the introduction of sewerage, piped water, pavements etc. which surely the city of Puebla's conurbated municipalities will largely consume, although it has also

Table 4-5.

Application in percentage of the State Government's Funds. 1980-1986.

CONCEPT	1980	1981	1982	1983	1984	1985	1986
a. Sectoral Application	%	%	%	%	%	%	%
Agriculture and Forrestry.	.890	.934	1.094	1.386	1.379	1.084	.681
Fisheries.	-	.034	.060	.026	.039	.064	.026
Industry and Crafts.	1.292	1.038	.802	.728	.602	.727	.752
Communications and Transport.	5.142	3.928	4.781	5.107	9.904	2.336	1.949
Commerce.	-	.069	.060	.069	.204	.027	-
Turism.	.086	.121	.133	.139	.082	.159	.153
Human Settlements.	19.448	16.857	12.347	13.501	16.748	15.518	15.967
Education, Science and Tech.	30.422	27.258	30.291	21.575	18.446	21.550	19.467
Health and Soc. Security.	2.556	6.005	6.788	3.586	6.254	7.789	6.411
Labour.	.229	.207	.291	.192	.244	.289	.207
Administration.	30.077	48.407	46.654	33.294	41.002	48.370	39.118
Sub-Total of Sectors =	90.142	104.858	103.301	79.603	94.904	97.917	80.729
	=====	=====	=====	=====	=====	=====	=====
After Increase or Diminution due to credits.							
Sub-Total a =	88.074	93.730	83.581	78.126	89.773	81.662	92.765
	=====	=====	=====	=====	=====	=====	=====
b. Cash and Values.	%	%	%	%	%	%	%
Cash.	1.728	.646	.617	1.076	1.278	1.371	.359
Temporary Stock Deposits	10.198	5.624	15.802	20.798	8.949	15.967	6.876
Sub-Total b =	11.926	6.270	16.419	21.874	10.227	17.338	7.235
TOTAL (a+b)	3.481	5.778	8.220	18.679	32.683	43.149	74.396

Notes: Totals (a+b) are given in millions of Mexican Pesos.

(*) The sudden increase in the amount from this year is due to the 1982 devaluation of the peso.

Source: Estados de origen y aplicacion de fondos del Estado.

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decreased from 19% in 1980 to 15% in 1986. In fact, in the period considered, the only item which shows an increase is administration, which can be seen as a reflection of the increase in bureaucracy at the expense of other items. All this can be used to reaffirm Harris's arguments that:

"A vicious circle of administrative underdevelopment and fiscal poverty exists among local governments in Latin America. Because of their lack of financial resources, local governments have difficulty covering their basic operating expenses... Their limited funds make it impossible for them to improve their administrative capacity. Their limited administrative capacity in turn discourages the allocation of new functions... Finally, their limited administrative capacity greatly hinders their ability to levy and collect taxes, or mobilize their own sources of revenue." (Harris, in Cheema and Rondinelly 1983).

The use of less than 1% in agriculture together with more than 35% in administration and 15% on urban matters in a state whose main activities are related to the primary sector and with 56% of its population living in rural areas, indicates the distorted priorities and may reflect that its main city is consuming most of its funds. Forcing the State to

Table 4-6

Relative Urbanization and Agricultural Development by State, 1970

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Morelos	17	7	18	24	31	1,572.8	2.062	70
Puebla	19	21	25	30	27	4,877.8	0.620	47
Mexico	12	12	23	29	30	7,221.1	3.645	62
Tlaxcala	21	29	26	27	11	584.0	0.234	50
Hidalgo	23	24	27	24	25	2,558.0	0.529	28
Queretaro	11	11	11	17	18	973.0	1.609	36
Federal District	22	2	15	6	32	43,199.1	8.816	97

Note: Column definitions:

1. Ranking of relation between capital and production.
2. " " " " " cultivable hectares.
3. " " " " " labour.
4. " " " value of production and labour.
5. " " " cultivable hectares and labour.
6. Per Capita Income estimate (1970 pesos)
7. State development index.
8. Percentage of urbanization.

Source: Scott, 1982 table 5-3 p210-211

depend heavily on federal programmes for development such as CUD (The Agreement for Development) or PIDER (Programme for Rural Development), to fund the agricultural sector of its economy. Therefore deep abnormalities in the distribution of the funds exist. It reflects also that concentration is very evident in the State of Puebla. But is this economy of agglomeration creating a generalised upgrading of the living standards of the whole population? The answer unfortunately appears to be not.

Despite the presence of a large industrialized urban area, the benefits of urban industrial growth do not appear to have reached the rural areas. The State of Puebla has the third best income per capita in the region, which is the fifth best out of the thirty-two States in the country. But its development index (1) is the fifth in the region and only twenty-fourth in the country. In terms of capital investment per agricultural worker for example, Puebla ranked twenty-fifth out of thirty-two states. In terms of labour productivity, it ranked thirtieth (table 4-6). This then, clearly shows that as Mexico City in the Central Region, in the State of Puebla, the city of Puebla is making the whole state's performance seem to be good while hiding discrepancies within the state.

(1) A composite index developed by Unikel and Victoria (cited by Scott, 1982:204). The variables of the index are: (a) state product per capita; (b) industrial output as a percentage of state product; (c) industrial employment as a percentage of total employment; (d) capital investment in agriculture; (e) irrigated area as a percentage of cultivated area; (f) electricity consumption per capita; (g) gasoline consumption per capita; (h) infant mortality per 1,000 live births; (i) sugar consumption per capita; (j) percentage of houses with water; (k) percentage of population with shoes; and (l) literacy.

4.5. Federal Control of the local economy.

Territorial concentration was forcing the federal government to assign a growing volume of resources in order to cope with the problems of the functioning of the capital city. This led the government to begin to think in the benefits of deconcentration policies.

Puebla can be used as an example that the federal government's action was then, to create "deconcentration" in areas where it could still have control of the economy. In this way, federal government could be implementing "deconcentration" policies, and at the same time, it could avoid the problems of sharing decision-making with other areas or groups (at the same time when it sounds like the government is really sharing the power). This, they might say, in order to preserve the "efficiency" of the political system.

Industry began to arrive in Puebla in 1960's, after the government had made investments in regional infrastructure. But even if the government did not encourage industries to settle there, the city of Puebla was likely to experience an accelerated growth given its size, infrastructure characteristics and geographical position (2). Together with regional infrastructure, the control of the State's economy can be exercised through the control of the state's funds. If federal government has control over the budget, they can be sure that the city or state

planning departments cannot decide freely how to spend it and have to consult them for major projects.

The results can be firstly, that major projects have to be carried out under federal supervision or being made entirely through central government's appointees because the resources have to be approved by central agencies. They have to be approved for example, through the States' Development Planning Commission (COPLADE) which is chaired by federal officials from the Secretariat of Programming and Budgeting (SPP). Secondly, the federal government can influence the kind of projects being carried out, therefore their output. If the project does not appear as a national priority to be carried out in the state, then it will be refused. The priorities are set at the SPP's central headquarters without any previous input from the state. So every year, the Coplade and officials of the state government meet to decide what can or cannot be carried out. This has led to some state planners to propose every year actions that the federal government would approve, instead of proposing the actions that the state think must be done. Then, one obvious repercussion is that the development of the state, will be partly decided from the centre.

4.5.1. Immediate solutions instead of Planning.

This can leave the State unable to consider but its most urgent physical problems. The state of Puebla, having 70.4% of its funds

(2) For example, Lavell reported that few if any of a group of entrepreneurs in the state of Puebla, Guanajuato, Queretaro and Morelos, accorded much significance to the tax exemption laws in their own location decisions (Scott, 1982;108).

coming from federal sources (see table 4-4 above), has to put the most urgent matters on its budget. These mostly refer to the growing and urgent problems of its enormous capital city, relegating the rest of the state to a second place. Maybe trying to find another kinds of federal sources for it. This can be partially reflected in its less than one percent dedicated to agricultural matters against almost twenty percent to urban issues (see table 4-4). This in a state where in 1970 56% of its Economically Active Population (EAP) was employed in agriculture with only 14% of its EAP employed in manufacturing. While as said earlier, the City of Puebla has 6% of its EAP employed in agriculture and almost 30% in manufacturing. State planners cannot then, appropriately think in the future development of the state, but in the actual consequences of a concentrated industrial development in the capital and its surroundings. Their plans will tend to reflect this pattern by proposing strategies accordingly with what already is happening in the cities. Like for example proposing housing areas where is known by them the federal agencies are to built some houses, instead of influencing the actual decision(3). This might make to possible good long-run federal programmes not to be carried out because of priorities set at the local level impede to. Local governments may see urgent short-term issues as the first priority. Or programmes that are unmatched because of the same reason between the state's government and its municipalities.

An example of this happened in early 1986, when the

(3) These happened in the example used in Chapter II when the planners in the state of Tlaxcala were not consulted by the federal agency which was building houses in an area considered as important for historic and conservation reasons. The plan which was being elaborated at the time, had to put the area as a housing reserve.

(4) These meetings took place alternatively in each state, between January and April, 1986. The author of this Dissertation assisted acting as Sedue's adviser to the State of Tlaxcala.

Secretariat of Urban Development and Ecology (Sedue) tried to put in the negotiation's table a long-term regional programme for the conurbated area of Puebla-Tlaxcala(4). Nothing was agreed after a few months because both governments' planning officials were too used to federal programmes which are inoperative, they did not think another regional programme could make any difference. They instead had, as their own priorities, set a number of partial plans in certain areas of the conurbation (Puebla) or even in other regions (Tlaxcala). In that way, those plans would be looking for advantages of justifying federal investment, instead of solutions to the problems in the conurbation. A chance was lost in one of the few opportunities when the federal government was really looking for solutions. This could have been avoided if as it is going to be argued in the next chapter, the local authorities were consulted and their priorities set in the policies before the problems were created in the first place. This is a serious consequence of the lack of integration between the economic targets for industrial growth and the social factors of development. Still today, economic development seems to be given priority over social issues.

To some extent, the problems facing Puebla, are due to the Federal Government's stubborn stand towards centralization. Its policies have reflected its position, thus, on the basis of a rapid economic growth, the differences between regions of the country have not been taken into account, making a number of cities or areas with different endowments in each state, to receive the same industrial policies. These uniform policies have created that, as in the State of Puebla, only a few areas and population receive their benefits.

Then, assuming the rest of States in the Central Region have been receiving industry as Puebla, National Policies only have affected regions or localities which already possessed certain conditions for development (infrastructure, services, labour, etc.). These were principally the ones closer to the centre, which was the catalyst for this growth to happen. The remaining areas within the state were largely ignored by these overall policies for development. Thus increasing discrepancies within the state. Moreover, these policies did create some industrial development, but this has benefited presumably more the core than the recipient areas.

Chapter V

THE LIMITS OF PHYSICAL PLANNING.

5.1. Introduction.

Focusing on industrial policy, this chapter develops the discussion about the problems and limits of Physical Planning in Mexico by analysing the example of Puebla. The chapter is divided into three parts, each discussing a different aspect of planning practice in Puebla.

The first part analyses the system itself and how it influences planning's output. It argues that the consequences of separating economic from spatial planning, may be unbalanced and distorted policies for development. This is emphasized by a political system which stresses concentration of decision making in the federal government over the state and municipalities, probably as a means to control the "efficiency" of the system. The result, however, is a failure to give proper attention to local needs. It is also argued that the regional policies of each of the last three presidential administrations have been so weak that the states have tried to take advantage of them indiscriminately. This will ultimately produce further concentration because the states nearer the centre are best endowed to attract industry. This may be what the federal government wanted anyway, since all policies seem to give priority to national economic growth of the country over balanced regional and social development.

The second part of the chapter deals with industry as a means of achieving development. It is argued that it is such a national priority, planners seem to have forgotten to find alternative policies according to the characteristics of each region. Planners have stressed only industrial growth in the central region of the country and avoided other well endowed parts of the country and/or sectors of the economy. This has reinforced the economic and political power of the centre.

In part III, the chapter looks at the role spatial planning has played in the industrialization process of the state and city of Puebla, arguing that even though it appeared relatively early in the state, it has not promoted development or provided a reliable instrument to be taken into consideration by different sectors of society. Then missing an opportunity to participate actively in the process.

PART I
ANALYSIS OF THE PLANNING SYSTEM

5.2. The Scope of Urbanization Policy.

In Mexico there exists a split between policies for Urban and Regional development. It is as if city and region were two separate things in the development of the nation. This is reflected in the institutional structure of the Federal Government (see chapter three) where the responsibility for regional planning is given to the Secretariat of Programming and Budgeting (SPP). Its responsibility for making the National Development Plan (NDP) gives it the task of setting national goals for the period of one presidential administration (six years). Urban policy is centred in the Secretariat of Urban Development and Ecology (Sedue), who according to the NDP's guidelines has to set the spatial development of the nation through the National Programme of Urban Development and Housing. The staff of the SPP consists mainly of economists who take regional planning as a branch of applied economics and are primarily concerned with promoting the economic development of the nation. Sedue is staffed mainly by architects who think they have a clear concept of what a city must be and how its functions relate to each other.

However, urban and regional development processes are not as radically different as this implies. As was argued in chapters one and two, regional planners should consider the spatial interrelations between cities and regions and the effect their policies might have on their spatial

structure, so as to avoid producing uneven and distorted patterns of regional development. On the other hand, urban planners should really take into account the socio-economic structure and characteristics of cities or areas they are planning to fully understand the mechanisms that make them change. This might enable them to propose more realistic policies.

Planners seem to have ignored these aspects when making their plans. There may be a number of reasons for this, including the following:

1. There is no real commitment to urban planning. Planners may have been disappointed of the low capacity planning has in the present governmental structure for making real changes. This has driven them to consider planning as an activity which offers little rewards in the sense of personal achievement. Consequently, a number of urban planners (who in most cases are Architects) have viewed planning as a part-time activity and taken some architectural projects on a regular basis maybe as a practice to achieve those rewards. It is also common for planners to leave the secretariat after three or four years for a better job elsewhere, or to practice privately.

2. There is commitment but not experience. Rapid staff turnover has led to some planners without experience being appointed to posts with responsibilities beyond their capacity. Unfortunately, if point one applies, they when they have got that experience, is when they begin to think in changing to another job.

I think these first two points occur in middle-range posts. In junior posts (senior posts are discussed in a latter section of this chapter), things are slightly different:

3. The school of planning. Some recent graduates may want to have experience before they get another (probably better paid) job. In the public sector the salaries for relatively low posts do not correspond to the decisions taken (Sedue in particular has the lowest for planners), therefore few of these posts are taken by experienced planners. This makes these post to be taken-up mainly by recent graduates. This also, make the graduates to try to assimilate as much experience as possible in the shortest period of time, before going to the private sector or a better paid job in another secretariat. This makes sometimes very talented people to leave the secretariat, again, after having enough experience to take decisions, because they feel they are "under-valued" by the secretariat. (The salaries within the public sector are set by SPP, the full implications of Sedue having the lowest salaries will be discussed in a latter section).

These may be some of the reasons why the plans are not carried out properly and do not consider all the socio-economic aspects of development. There are other important reasons that relate to the way plans are made. Officially, it is a task local authorities (state and municipalities) must carry out. Therefore, when some of them are made in central offices, planners do not have enough knowledge of the characteristics of the cities or regions. It is difficult to go directly to the areas as travel allowances are limited. Then, some information has

to be obtained by phoning-up local authorities (or the secretariat's delegates in the states), who want central planners to come not to phone-in to them. Or they are made with information based on out-dated programmes or photographs. Moreover, most plans of major cities were completed in late 1970s or early 1980s, and are now out of date, but some local authorities do not have the money, the time, the staff and/or the priority to carry out revisions.

Another problem is that most urban planners are architects, and until recently, architects were not properly thought to understand the economic and social aspects of development. It was difficult to ask them to do it when they lacked the skills. The same must happen in SPP, where economists have not thought seriously about the spatial dimension of the problems in the cities and regions and how they relate to each other.

5.3. The divisions between Economic and Spatial Policies.

The first problem arising from this artificial differentiation is that the NDP is set without any input from Sedue. It lacks what Friedmann (1973) calls "spatial economics", in which the economic targets are set within a spatial framework which enables them to be translated into a defined and organised set of activities in cities and regions. Avoiding this can produce discrepancies between economic and spatial policies.

5.3.1. The consequences at the National Level.

National economic policies aim to improve the overall performance of the country (industrial output, GDP, unemployment rates etc.) through the settlement of national priorities and allocating resources to strategic parts of the economy. Sectoral policies then try to design specific projects and programmes to meet the targets set at the global level (Friedmann, 1973). But if at the global level there is no consideration of the spatial distribution of investment these programmes might be implemented anywhere, with adverse consequences for particular regions and areas. It might also result in different outputs between the national economic policies and what is proposed by sectoral plans. An example might be firstly, the declaration of Guadalajara a deconcentration area when it could be one viable alternative to Mexico City. The infrastructure, labour and economic development it enjoys, could have made it a real development pole for its region. Secondly, this happens at the same time when Puebla and other cities around the capital are declared as possible places for deconcentration. Additionally, there is poor coordination between the planning of different sectors. Leading to different sets of regionalizations of the country. Therefore to different set of priorities for cities and regions between for example, the industrial & commerce sector and its urban development counterpart.

The converse problem is the lack of economic basis to the spatial plans. This tends to make them a set of unrealistic "designs" of cities, which will not be considered seriously by local governments when taking investment decisions. Physical planning has failed to see the city

as an integrated part of its region. Local plans do not seem to see beyond their boundaries the consequences of external causes of the problems. It may suggest some actions but probably not considering the implications they might have on the city's hinterland. Then, plans seem to consider land uses just as coloured parts of the maps, and not as a part of more deeply concerned socio-economic policies. Therefore, it may sometimes propose actions that are politically good, but economically unfeasible, like the number of houses needed to be built in the area by the simple relation population-No. of houses needed, without considering the implications that might affect that number, as availability of jobs (and its trends), or a nearer place with better services or infrastructure, or transport services between cities which may make easier commuting instead of living in the area, etc. Or the simple question of local resources to implement those programmes, which are normally reduced at the point they may need to be carried out by other federal agencies or "quangos". These quangos represent another problem because even when they are part of the "Urban Development Sector", their actions are not controlled or "supervised" by Sedue, they are independent in that respect. So, their actions might not be directed by a local plan, but their own "national priorities" (which again may be different from Sedue's).

Another problem is that even when the administrative structure of the government corresponds to this global-sectoral structure, and allows it to run smoothly through, the spatial structure of the regions do not necessarily correspond to it. This is the case of Puebla, whose conurbation includes at least two municipalities of the neighbouring State of Tlaxcala, apart from six on its own state. These spatial barriers

"obstruct" the application of national policies throughout complete economic regions. This forces central government to create parallel structures for planning with different coverage, as the conurbation commissions or the river basin programmes. Adding yet another institution with little similarity to the governmental structure working at the local level, but controlled centrally. Displacing the local governments by taking control of local economic decisions.

5.3.2. Consequences at the level of State and City.

At the local level, state's economic planners, as it was implied, are left to meet the targets set at the national level in the key or strategic parts of the economy, with the state's scarce economic resources and low economic self-sufficiency (chapter IV). This has left them to either look for the best use of the national policies adapting them to their local circumstances (this will be discussed in more detail in the case of industry, below) or lose investment in their territory. In the first case, the States with more infrastructure are the ones with more possibilities of being taken more seriously by the Federal Government and industrialists alike when deciding industrial investments, therefore it may imply competition between states to take advantage of federal policies, instead of co-operation between them to achieve a more uniform development throughout. This consequently results, in terms of industry for example, in more concentration in states or regions which already enjoy certain levels of industrialization ie. those closer to the central region. This, at the same time when urban planners are engaged in making detailed designs

for urban areas which fail to be realistic and to point out to economic planners the problems further concentration would have in urban areas.

The results are detailed urban plans that seem to be far away from reality and can only describe what already happened in the cities and hope their predictions will be enforced, instead of planning their future. Or economic policies that have to adapt national policies to their own environment by concentrating programmes and projects in certain areas, without thinking in the consequences for the cities' structure.

5.4. The Political Factor.

The discrepancies between global, sectoral and local policies are not only the result of the divorce between regional and urban planning or between social, economic and physical factors in planning. They are also the result of the structure and functioning of the political system in the country. Mexico is characterized by the establishment of political control by one party (Looney, 1985:17), the Institutional Revolutionary Party (PRI, Partido revolucionario Institucional). It is a heavily centralised political system which does not allow self-determination at the State or municipal levels because there is a tradition and practice of executive predominance of federal over state and municipal government (Shafer,1966). Therefore, the political system does not adequately take into account the needs of local government, nor allows for public participation in or open debate about the economic and political decisions which concern the Nation, perhaps because of its fears of losing

control of the system itself. This has led it to create a model of policy making in which the actions are initiated at the top level and then disguised as local initiatives. The whole political apparatus turns about the figure of the President, who has absolute power and for six years decides the country's destiny, because there is an overcentralization of decision-making in the office of the president without adequate machinery of study (Shafer, 1966:9). He is elected for a period of six years and constitutionally cannot be re-elected. Therefore, Governors and Secretaries of State will conform "teams" in turn a leader, the President (Ward, 1986). They all belong to the ruling PRI. He is not the leader of the party although he possesses unquestioned authority throughout all echelons of the party structure (Shafer, 1966) to influence the party's important decisions. The party is a parallel structure, very similar to the Government's. All presidents, governors and top officials since 1930's have belonged to the PRI. So, it is very important to perform well in the party leaders' eyes to get promotion since "key Mexican decision makers at the national level with exemption of the president, are not elected" (Camp, 1985:98). Therefore although being in the party does not guarantee a job in the government, one cannot get a top level job if one does not belong to the party. A good measure then is to enter the party as well as to enter one of the "teams" or camarillas around the president. As the president, each important figure in the political scene will form a team with colleagues loyal to him (Ward, 1986); and together they will try to gain the trust of the President. Each team will help its leader to have a better post, since that will help each member to go up a number of steps in the institutional ladder depending on their performance. Rivalries between teams are common. Camp argues that:

"...top-level personnel decisions in Mexico are influenced by a combination of factors among them the confidence that a superior has in a particular subordinate, the political skills of the appointee, the group of camarilla connections shared by superior and subordinate, the freedom given to superiors by the president to choose their own subordinates, the particular expertise of the individual being considered and its relationship to the position, and the values shared by both parties" (Camp, 1985:105).

This indicates some of the problems of centralization, because power tends to be exercised by a small elite of people, which attempts to secure, first and foremost, the interests of its own group. Pressure from other dominant groups (ie. the business and commerce or industrial groups), or strong social demands, may lead it give away some of these benefits. (Looney, 1985; Shafer, 1966)

A consequence of this is the way the candidates to governors are designated by the president himself maybe as a reward to their performance in his team, instead of being designated locally not to say by the public, but at least by all members and sectors of the party. The candidate is usually an important figure in the cabinet or in the Federal District's government. Resulting in an elected governor whose commitment to the Federal Government (and the President himself) will be stronger than to local issues, or indeed in criticising the federal government's policies (1).

This also will create a period of time of at least one year, in which the new governor, being the chief executive of the state, will

(1) Every candidate for governor of the ruling party has won the elections for the past 50 years. Only recently that pattern began to show problems as it was seen in the recent elections in Chihuahua, where the candidate for the opposition was more popular than the official one and some problems and disputes over cheating in the counting arose. This has begun to change the pattern in certain states towards designating a local candidate, although with some central links.

have to "learn" the problems of the state and the programmes currently in operation as well as those programmed or under revision. The same will happen to the colleagues who followed him.

In effect, the political structure of the government is very much similar of that of the planning system. The posts are divided between the most prominent figures according to their performance in the government. Thus creating state government's officials or institution's chairmen with more links to the political system of the central government than to local issues and therefore low commitment to real decentralization policies, as they may expect after their term finishes to return to have another post within the central government.

All this is very important since is going to influence the planning process. Different teams in different secretariats will not share "vital" information which could give other teams an opportunity (Ward, 1986). Therefore planners in SPP will not share information with Sedue's, or between any other secretariat until the process is finished. Thus a corporate view of the problems seems unlikely, at least at top levels, since loyalty and share of information is exercised in a top-down approach and not horizontally. Some levels down, however, things may change a little, as mobility between teams decreases and "loyalty" to the job increases. Information can be shared more easily as there are people who probably moved to another planning department in another secretariat and knows the people and mechanisms to have the right information needed. Nevertheless, the working of this complicated structure makes any action which is not compatible with the whole system unlikely to be implemented.

The government have changed the political discourse towards a more democratic participation of the public and other tiers of government in the decision-making process but, not the actions. They are still relying on a heavy centralized system for the "efficient" working of the country.

5.5. The Resulting Lack of Attention to Local Needs.

The last discussion may help to explain some of the aspects surrounding planning's implementation at the State or municipal levels, which influences its output.

As it was said in chapter three, the national policies for industrial development since 1940 were implemented towards the industrialization of the country through the establishment of industry mainly in Mexico City. Those economic policies were aimed at the development and diversification of the industrial infrastructure and had no spatial limitations of any kind which might have encouraged balanced development of the nation. Thus apart from the capital city the other cities which already enjoyed a sufficient infrastructure grew further. ie. Monterrey and Guadalajara, the second and third largest cities in the country. For example, Derossi (cited by Scott, 1982:119) showed that Monterrey had already been established as an industrial centre by 1940, and that its later growth was largely based on the continued exploitation of its initial advantage relative to other cities and regions. Furthermore, the rank of the seven more important cities in the country has not changed in its first four places since 1900 (tables 5-1 and 5-2).

Table 5-1

Rank of the seven most important cities in Mexico 1900-1930.

Rank	1900	1910	1921	1930
1	MAMC	MAMC	MAMC	MAMC
2	Guadalajara	Guadalajara	Guadalajara	Guadalajara
3	Puebla	Puebla	Puebla	Monterrey
4	Leon	Monterrey	Monterrey	Puebla
5	Monterrey	S.L.P.	Merida	Merida
6	S.L.P.	Merida	S.L.P.	Tampico
7	Merida	Leon	Veracruz	S.L.P.

Note: S.L.P.= San Luis Potosi.

Source: Unikel, 1976

As a result of these policies, between 1940 and 1981 the Mexican economy grew at 6.6% per annum "a record unique in the developing world" (Gardner, 1987). In manufacturing the growth was at over 8% per annum. This period of economic growth helped to increase both the total population and its character, Mexico became an urban country.

However, the social costs of economic growth were beginning to surface and social unrest arising in 1968 and 1971 began to signal to the federal government that changes in the policies had to be made.

Table 5-2

Rank of the seven most important cities in Mexico 1940-1970.

Rank	1940	1950	1960	1970
1	MAMC	MAMC	MAMC	MAMC
2	Guadalajara	Guadalajara	Guadalajara	Guadalajara
3	Monterrey	Monterrey	Monterrey	Monterrey
4	Puebla	Puebla	Puebla	Puebla
5	Tampico	Torreon	Torreon	Cd. Juarez
6	Torreon	Merida	Cd. Juarez	Leon
7	Merida	Tampico	Leon	Tijuana

Note: S.L.P.= San Luis Potosi.

Source: Unikel, 1976

5.5.1. The need for Social Development.

As indicated in chapter three, the government of President Echeverria changed in early 1970's the policies towards a more balanced development of the nation. For the first time, the concept of alternative cities to Mexico City as development poles was introduced. Economic growth as the only goal for development was abandoned and also stressed economic justice, increase employment, better income distribution, improved standards of living, and reduced external dependance (Bueno and Yunez N. cited by Story, 1986:151). The industrial policies were then intended to deconcentrate the Metropolitan Area of Mexico City (MAMC), to achieve a more balanced economic growth.

But the legacy of years of government policies -with and without spatial objectives- which created concentration, could not be changed simply by worthwhile sentiments, if real commitment did not exist or if the bussines sector's interests were in jeopardy(2), and force the government to give national economic growth priority over social and regional development.

As an example, there was a law of New and Necessary Industries passed in 1941 which exempted certain industries from taxes, but without considering their location. From 737 industries which recieved

(2) Story reported that President Echeverria's policies made the private sector to present a unified front against the "exceses" (commas are mine) of the government, this is important since Mexican industrialists have had considerable succes in affecting policy decisions through two principal strategies: blocking policy alternatives or changes, or influencing the implementation of policy initiatives. (Story, 1986).

fiscal incentives under this law between 1940-64, more than 70% are in the Central Region, and from these, most of them are in the MAMC area (Unikel, 1976:311). This law was not abolished until 1975, more than five years after the government committed itself to decentralization. This was possible only after strong criticisms from groups in and outside the government. Aspects of the institutional structure which are producing the problems should have to be changed before changing the policies. If this is not done, the results might be too small to be accounted for.

To change this view is also difficult to be taken independently, being an active part of the capitalist world, where some policies are implemented because of pressure from international institutions such as the World Bank and the International Monetary Fund (IMF), which force the government to introduce some economic measures or cut off investment. The change can be done if as needed at the local level, the institutions are showed the economic and social benefits of investing in long-run social development instead of fast economic growth. "The nation has borne the heavy responsibility for trade promotion, job creation and foreign policy. But those responsibilities have not necessarily enhanced the state power" (Sanderson, 1986). The government has been forced to act and take actions on a very restricted menu of political choices. This can as Sanderson argues, make the power of the state to actually decline, since it founds that its opportunities to exit from economic crisis are shaped more narrowly in the form of a recipe for deeper integration into the international economic system. This can affect its independence and more dangerously, its ability to find an indigenous path for economic self-sufficiency to face economic crisis without having

to rely (at least heavily) on international institutions. This self-sufficiency would give the government, the ability to find an "insurance policy" to sustained growth.

Then, it is difficult to produce real changes, without changing not only the policies but the instruments necessary to enforce them as well as the attitudes towards the problems.

In 1972, legislation was introduced by the government to establish fiscal incentives to promote decentralization and regional development. This was a more precise elaboration of a 1971 decree, which proposed to compensate the discrepancies between regions linking them to the objectives of national economic efficiency and social justice, generation of exports and employment.

To achieve these goals, three zones were defined: Zone I included the Federal District and 8 municipalities of the State of Mexico; Monterrey with 5 of its surrounding municipalities; and Guadalajara. Zone II included 2 municipalities of Guadalajara (Tlaquepaque and Zapopan); the cities of Puebla, Queretaro, Toluca and Cuernavaca (all capitals of States in the Central Region); and Zone III, the rest of the country (map 5-1).

Fiscal exemptions were distributed according to this distribution. No incentives were devised for industry in Zone I. However, few distinctions were drawn between zones II and III. Industries locating in Zone III could have exemptions for more time (5 to 10 years) than those locating in Zone II (3 to 7 years), while the amount of exemptions was

almost the same (60% to 100% for Zone III and 50% to 100% to Zone II). Both areas were eligible for these exemptions on import duties, sales, stamp and capital gains taxes. (Table 5-3).

As it can be seen, by declaring no incentives to the MAMC, and other two major metropolitan areas, but doing it to their surroundings, the clear outcome was going to be more industrial settlements around them. As the differences between the rest of the Zones were so small, the more likely outcome was to encourage industry to settle in areas too close to these areas (principally the MAMC's) and still getting incentives. Thus further increasing concentration.

Also, the nomination of Monterrey and Guadalajara as Zone I areas, was more likely to be a political move to avoid undesirable competition from these two cities, since they could become the real development pole alternatives the country was needing, because of their already great industrial activity which make them after Mexico City, the largest industrial centres in the country. Also, Monterrey for example, is where one of the most influential private sector groups has its headquarters: Monterrey Group (Looney, 1978). Then it probably would mean

Table 5-3

Distribution of Incentives for Decentralization throughout the different Zones

Exemptions	New Enterprise		Extension of industry	
	Zone I	Zone II	Zone I	Zone II
	%	%	%	%
Import Duties	50-100	60-100	50-100	60-100
Stamp Taxes	50-100	60-100	50-100	60-100
Sales	60-100	60-100		
Capital Gains	50-100	60-100		

Source: Decreto que senala los estímulos fiscales y facilidades que se otorgaran a empresas industriales. Diario Oficial de la Federacion. 20 de julio de 1982.

to give to it power in the economic decision-making of the country, since this group is already somewhat independent from the government decisions. It would mean also to give more power to a group which for example, has given substantial support to the strongest opposition party, the right-wing National Action party (PAN) (Story, 1986:91). If these two cities were encouraged to have a bigger share in the economic decisions of the country, it would had to be at the expense of the MAMC's share. This is what they might be fearing. These cities were in terms of infrastructure and resources, the more likely alternative centres for really encouraging development outside the Federal District.

Furthermore, serious doubts appear about the rationale behind the government's attitude and the real possibilities of such a decree when at the time it was passed, the 1941 law was still in force. A given industry settling in Zone III could still apply for its benefits bypassing the decentralization criteria if it was considered "new" or "necessary". More importantly, in the Zone III "The rest of the country" nothing was proposed to attract industries or to create new development poles, so again, the industries would not be attracted to go farther away when they could be much nearer to the metropolitan areas and still get the same incentives.

In respect to the local legislation in the states, they could implement their own economic policies. If the Zone II cities corresponded to the satellite cities of the MAMC, and the zones included only the area covered by the city itself at the time of the policies, the options open to the local authorities to go round the national policies

were: One, to attract industry by for example, creating industrial areas around the city (therefore being in Zone III), and offer them better incentives. In this way the industries would still be not too far from the capital city and have Zone III incentives. Or Two, if the city would not bother in creating new industrial areas around it, it simply could give them the incentives it thought were necessary in order to develop the state.

That is precisely what happened in Puebla. In 1972, the same year the federal decree was passed, a law of Industrial Development and Promotion of Industrial Parks, Corridors and Cities created 10 year tax deductions for those "new and necessary" industries not benefited by the federal law, irrespective of location.

However, the same law exerts the urban and suburban industries catalogued as polluting ones to move out of the city, to the existing industrial parks (Mele, 1986). Giving to industries moving, a 5 year tax exemption. This is a double sided measure, since the existing parks at the time were just outside the city limits (in Zone II) thus the pollution problems would not be overcome, while the industries would have further exemptions.

Then, both the Federal and local governments have been talking about the benefits of decentralization, but their actions give the impression that they are not sincere in their proposals. The opposition between Federal decree and State law, can do little to change the existing patterns of industrial location. In fact they might be emphasizing them.

As said above, with little real commitment by federal authorities to changes, together with local opportunism, even when both governments are talking about the same aim, the results might be the opposite.

Moreover, these social reforms were considered far reaching by the business sector, who opposed them, resulting in a strong economic crisis at the end of the administration in 1976. Capital flight and resistance from right wing groups made the government dilute or drop these altogether. (Ward, 1986; Story, 1986).

5.5.2. National Goals with Local Priorities.

The next administration of President Lopez Portillo made some more specific aims when retook the deconcentration policies, this time more concrete aims were drawn. Although as indicated in chapter two, the problems of having different plans aimed at the same thing can cause troubles, this time more accurate and more long-term proposals were set. Economic and spatial planning seemed to be complementing each other. It was also the time when under the influential Arq. Pedro Ramirez Vazquez, the then Secretary of Human Settlements and Public Works (SAHOP), had a very strong profile in the government's actions. Arq. Ramirez Vazquez was really committed himself to his job. He made the changes necessary at the time to really begin to make planning an integrated socio-economic process.

A decree in 1979, according to the National Urban Development Plan of 1978, set the new industrial areas of the

administration for industrial development(3). While the National Industrial Development Plan intends to reduce industrial production in the Valley of Mexico from 50% (the 1979 level) to 40 % of the national gross production value. It means that almost 70% of the growth forecasted between 1979 and 1982 should had to be done elsewhere out of this zone. (Natl. Devt. Plan cited by Mele, 1986).

The decree establishes as its main aims to: make a rational distribution of economic activities throughout the territory according to potentiality of certain areas, according to the National Urban Development Plan. To achieve this, the decree divides the country into three zones: Zone I of "Preferential Stimulus", divided into Zone Ia Industrial Ports Development, and Zone Ib of municipalities with potentiality to have industrial development, these are mainly in the border zones and around some industrial cities. Zone II of "State Priority"(map 5-2); the municipalities which according to State's Urban Development Plan and within the context of the National plan would be considered by state governments as potentially good as industrial locations. Zone III of "Ordering and Regulation" (map 5-3); Divided into Zone IIIa of controlled growth, conformed by D.F. and 50 municipalities of the State of Mexico around it. And Zone IIIb, "Consolidation", which was to receive limited incentives to avoid the negative consequences of more concentration, conformed by some municipalities of the states of Hidalgo, Morelos, Puebla and Tlaxcala in the Central Region. Hence Zone IIIb included the outskirts of the industrial area in Mexico City's metropolitan area (MAMC) (map 5-3).

(3) Decreto por el que se establecen zonas geograficas para la ejecucion del Programa de Estimulos para la Desconcentracion Territorial de las Actividades Industriales Publicado en el Diario Oficial de la Federacion del 2 de febrero de 1979.

The incentives, which did nothing to change the locational criteria of industrialists in the past, but drawn some resources from the states as tax reliefs (Scott, 1982), this time were given in the way of proportional credits according to investment and job creation towards payment of Federal Taxes. The credit would be issued to a firm as a certificate of Fiscal Promotion (CEPROFI, Certificado de Promocion Fiscal), which would be valid for five years, could be applied against any federal tax not already dedicated by law to a specific purpose, and would replace any current tax exemptions. The tax credit could be given for both increased investment and additional employment generated. The size of the investment tax credit would be determined by sectoral and regional priorities. The employment credit tax was a uniform 20 percent of the annual payroll cost of the additional employment (calculated according to the annual minimum wage in that zone).

The maximum incentives were designed to cover Zone I, and according to the importance and type of the industry, they varied from nothing in Zone III to 20% in Zone I. Although small industry could receive up to 25% regardless of its location (except in Zone III). Industry was divided into two categories, Category I Agroindustry and industrial machinery; and Category II Consumer durables, receiving Cat. I a 20% stimulus while Cat. II depending on its location from 10% to 20%.⁽⁴⁾

As it can be seen, some fundamental changes began to appear

(4) Decreto que establece los estímulos fiscales para el fomento del empleo y la inversión en las actividades industriales. Publicado en el Diario Oficial de la Federación del 6 de marzo de 1979.

between the 1972 and 1979 decrees, while the former only made differences of regions according to their distance to the metropolitan areas without considering any spatial distribution of activities throughout the territory. The 1979 decree began to consider a distribution of activities according to different endowments of different regions according to a National Urban Development Plan. Thus emphasizing the need for a spatial distribution of economic activities in certain regions of the country. Also the stimulus where drawn according to type of industry and location not as in the previous one, uniformly regardless of type of industry. Another important difference was the consideration of priorities of the municipalities according to local needs. It was the first time it was stated the states could influence the areas for federal investment according to their own needs. This was surely meant to avoid the kind of discrepancies between federal and state policy that happened during the first decree's life.

This made possible for example, the State of Tlaxacala to declare as priority municipalities those in the axis formed by the road to Veracruz, from west to east, to impulse Apizaco's development (it is its principal city after Tlaxacala city); and at the same time to try to depend less on Puebla's influence (map 5-2).

Meanwhile Puebla, a much bigger state, had wider choices. It declared a more spreaded number of municipalities throughout the state, concentrated in the areas with more possibilities at the north, centre and east of the state. They were municipalities around cities which enjoyed certain levels of development that made real the possibility of investment

being assimilated more easily than if concentrated around the city of Puebla.

However, according to the guidelines, Sahop devised its "system of cities" to allow the state governments to devise their own municipal priorities. In the system, each major city was given one of three categories: One Huge city of Mexico, which included its State of Mexico conurbation. Two big cities, Monterrey and Guadalajara; and 52 medium size cities, apart from the rest of localities up to rural centres. Being these 52 cities the ones in which the co-ordinated efforts of the secretariats would be focused. The system was set entirely by Sahop, and no input was made by the states themselves. Such a huge division could not see the particularities involving each state, therefore problems arose. In Tlaxcala, they were constrained because its capital and not Apizaco, was declared as a medium city, making to them more difficult to apply for federal resources to that city since Apizaco was not considered as an important city in the state's context, or at least not as important as Tlaxcala's capital. This forced its planning departments to ask for more resources and to plan investments to its capital city, even when their own State's Urban Development Plan did not consider Tlaxcala the best place to invest. This, because of it being too close to Puebla city, would make it to depend more on Puebla than to have its own system within the state.

The State of Tlaxcala Urban Development Plan, also considered Apizaco the city to be impulsed and not Tlaxcala, but the national system of cities was not changed. The causes were more because of political misunderstanding than planning reasons. Every single state in

the country was to have a medium city. Principally they were thinking that this would avoid confrontation between states. Their capitals were then assigned as medium cities. Moreover, that makes one to have some doubts about the whole system of cities' real possibilities of implementation, since it did not take into account the real economic regions of the cities involved.

The proposal was good, but two main problems arose. Firstly, the system was unable to give up its centralized character. Much could have been done if in the first place, the states were submitted projects for their proposed internal system of cities according to their needs (and not the opposite) to feed the National System after the goals were set. In that way making it more comprehensive. If for example, Tlaxcala would had been asked, and Apizaco set as its medium size city, it could have firstly, avoided the state future problems of investment in that city. Secondly, it could have encouraged investment in the north of the state, where is more needed by the state to depend less on Puebla city.

Secondly, the industrialists opposed to decentralization policies because they feared regional industries would be benefited at the expense urban industries (Story, 1986). These resistance efforts provided to be powerful since for example, the data on tax credits (SEPROFIs) show that the controlled growth region of Zone IIIa (principally Mexico City) received considerable tax credits in spite of its very limited incentives.

However, international economic factors appeared in 1982 which halted almost any effort. Oil prices collapsed, which together with

internal economic crisis and corruption problems, drove Mexico into its worst ever economic crisis. The Mexican peso was devaluated more than 100% overnight. Inflation began to reach record levels. Capital flight almost emptied Treasury's coffers. International institutions began then to press the government to implement austerity measures aimed at economic recovery. Again, economic development was given priority over social development. This halted some projects for agricultural development, like the SAM, the Mexican Alimentary System and its employment, nutrition and other benefits (Sanderson, 1986).

5.5.3. Economic Recovery.

When President Miguel de la Madrid entered office in 1982, economic planning was aimed at "structural changes" through the impulse of export-related industry. Economic growth was aimed by "would-be revolution" reforms (Gardner, 1987) like among others: Cuts in the budget deficit equivalent of 10% GDP in real terms, fiscal reform linking taxes to inflation, privatisation of state owned enterprises, promoting non oil exports through the wholesale lifting of protection and by depressing domestic demand, and by offering easier access to foreign investors. The president himself being the former SPP's secretary, had little commitment to spatial planning (Ward,1986)

This made difficult to think in investments in the country aimed to achieve a more balanced social development. The first step was to remove Arq. Ramirez Vazquez and change the secretary's name to its actual

Secretariat of Urban Development and Ecology (SEDUE)(5) (see chapter three.) The discourse was changed towards a "no disperse deconcentration" one.

This time, a National Development Plan was first devised to "economic recovery" and "structural change" (Plan Nacional de Desarrollo, 1983). The plan retakes the previous regionalization, although it declares that important high-tech industries would be orientated to those zones with infrastructure in research and development.(Mele, 1986). This mean main cities will have the more specialized industry while the rest of the country is left to receive heavy industry. This is obviously going to emphasize actual patterns instead of diversified them. Because it would probably mean headquarters being established in the capital while the industry is elsewhere. Thus the decisions still would be taken in the centre.

Growth will be restricted to those areas which already enjoy some industrial infrastructure. Indeed, this non-disperse deconcentration is going to be aimed to those medium cities and industrial corridors selected as "motor centres" (National Programme of Industrial Promotion and Foreign Trade, cited by Mele, 1986). But being the cities

(5) The new secretary was a lawyer who knew little about the Secretariat's work, not even the "business language" which made him to make some mistakes when explaining some actions to the media. He was removed after almost three years in office. This time, an architect was promoted, but had the misfortune of being in office during the 1985 heartquake and was severely criticized by the media for his handling and slow response to the problem. He was removed after a few months in office. Now an economist member of the SPP's team was appointed. Therefore most probably from a different "team" of that of the rest of heads in the secretariat, which resulted in resignation of some valuable personnel. All these changes avoid continuity and a coherent handling of the ministry's tasks.

with more infrastructure mainly those ones around Mexico City, like Puebla, the ones with well serviced industrial parks, the outcome cannot be other than increased concentration. Even if there are more cities aimed at industrial decentralization, not having infrastructure would make more difficult to them to attract industry. Unless they implement drastic measures like larger tax exemptions and almost free sites. But even in that case they would face strong competition from those well equipped cities. Again, with the exemption of those states whose territories are covered by Zone III restrictions (Hidalgo, Mexico, Tlaxcala and Morelos), all states have at least one of these motor centres. These centres are less numerous that in the previous case. This could guarantee more investment going to less number of cities, which is good. However, being those cities nearer the centre the most likely to receive that investment, it probably would mean in real terms, more investment to the infrastructure of the centre than to the rest of the country, since more cities would be located there. Apart from the attraction of specific type of firms to the metropolitan areas, the only new change in a 1985 decree is to promote relocation of heavily polluting industry out of Zone IIIa.

However, as Mele argues, these incentives already existed and the only one new difference is the promotion of industrial corridors and parks in Zone IIIb (Central Region) to all kinds of industry.

This time the changes are more form than substance. From now on, there will be programmes instead of plans. The only one plan which remains with such a title is the National Development Plan. The rest remained mainly unchanged, with the exemption of Sedue's activities, which

were reduced even more when its public works section was removed. Therefore, it was left with the responsibility of making programmes (former plans) for those medium cities' development, but the responsibility of funding those programmes was given to SPP. Thus clearly emphasising the role urban planning has been assigned by the authorities, ie. to restrict itself to the limits of cities, without considering broader aspects of development. Thus relegating the importance of spatial aspects of the policies for the development of the country at the national level.

What view local authorities like those in Puebla and Tlaxcala in the Central Region, can have of the secretariat. It is promoting the development of the country, but only making city plans, which is a task the local authorities themselves must perform. Furthermore, it leaves them after those plans are completely formulated, with no assurance that they are going to be funded, therefore implemented. Local planners are left with the impression that urban planning at federal level is yet another excuse to influence and act directly at the local level. They have seen three different federal administration's policies, but none of them had approached them to ask what results the previous policies achieved in their territories, which together with their own government's lack of resolution to changes, have left them to be reticent to take any new central policy. Leaving them, as it is going to be showed in Part II, to try to take as much advantage as possible of federal investment in their territories by for example, attracting industry without considering the implications it might have to their own social development.

5.6. Conclusion. Part I

It is clear that announcing changes in policy and the rhetoric, does not guarantee that they will be effective or that they will generate economic growth with social equity. If little attention is put on changes of substance identifying the factors that are making the country to have such social discrepancies. Without considering the roles different sectors of society as well as economic and spatial plannings can have on the development of the nation, it would be difficult to achieve positive results.

Real decentralization is important since it is going to affect the development of the country. It has been shown that planning from "above" involves programmes of unequal growth and urban bias towards the centre of decision-making. Decentralization then, will have move the concept of economic growth towards a broader socially-oriented one. It carries the importance of the government looking for a longer term of social development against shorter impressive economic growth. It implies then, a broader and equitable distribution of economic activities as well as a broader social participation in the process and a more democratic view of national development.

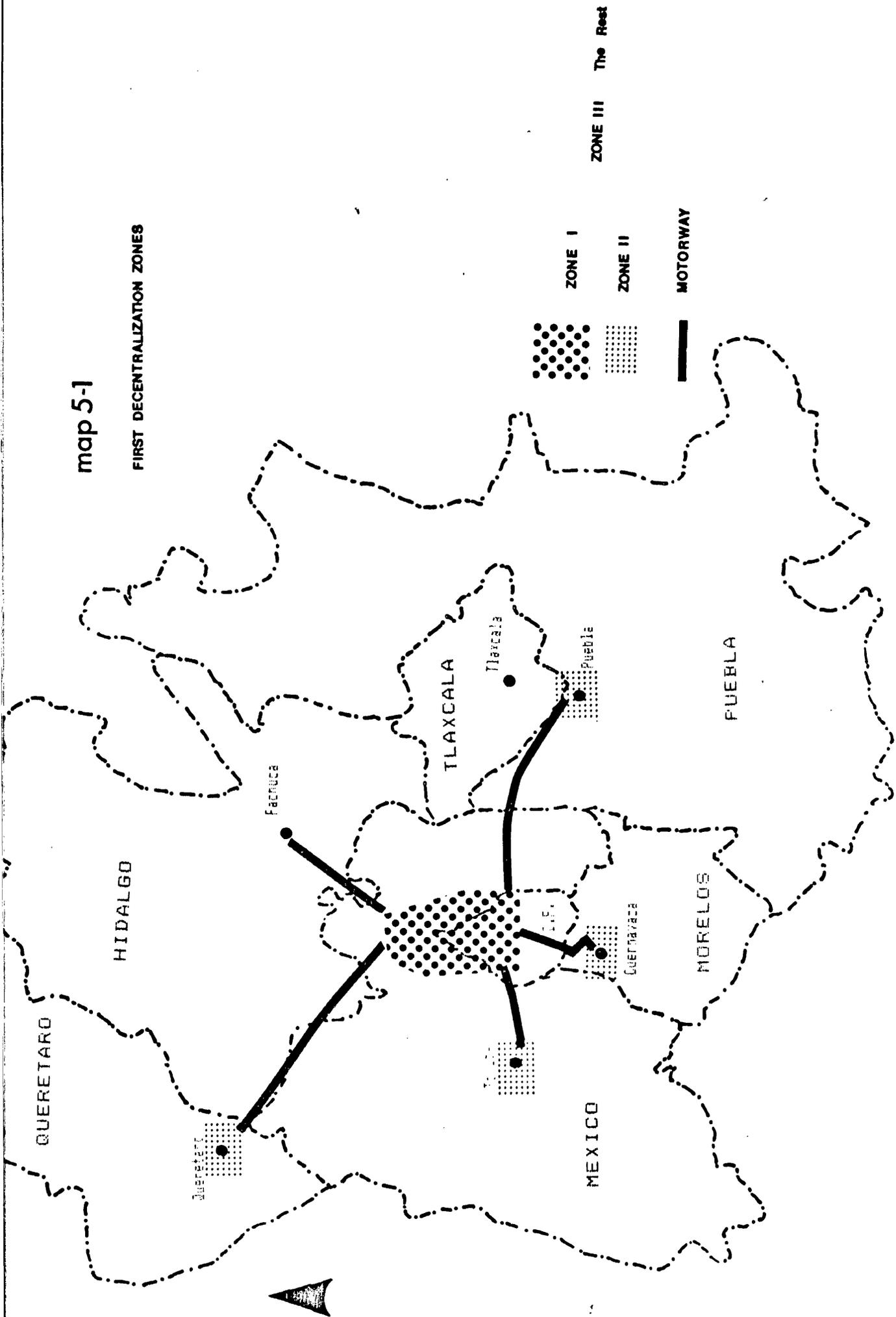
Planning should cover all scales of decision-making or it will not be effective. Economic targets should be coherent with spatial regions at national as well as regional and city levels, to achieve positive results. Spatial planning has been left at the local level of land uses, to give way to a "more important" national economic planning.

Thus restricting its power and the prospects of a coherent social development in the long-run.

As a consequence, urban planners have put aside the social implications of their plans (just when they were beginning to consider the possibility of including them) in an effort to attract investment to their regions. Spatial planning is carried out in its narrowest perspective. Planning is seen as an activity which can do little to change the existing patterns of social inequalities (planners have seen three administrations achieving very little), and are beginning to consider plans as a mere requisite to fulfill, when asking for resources.

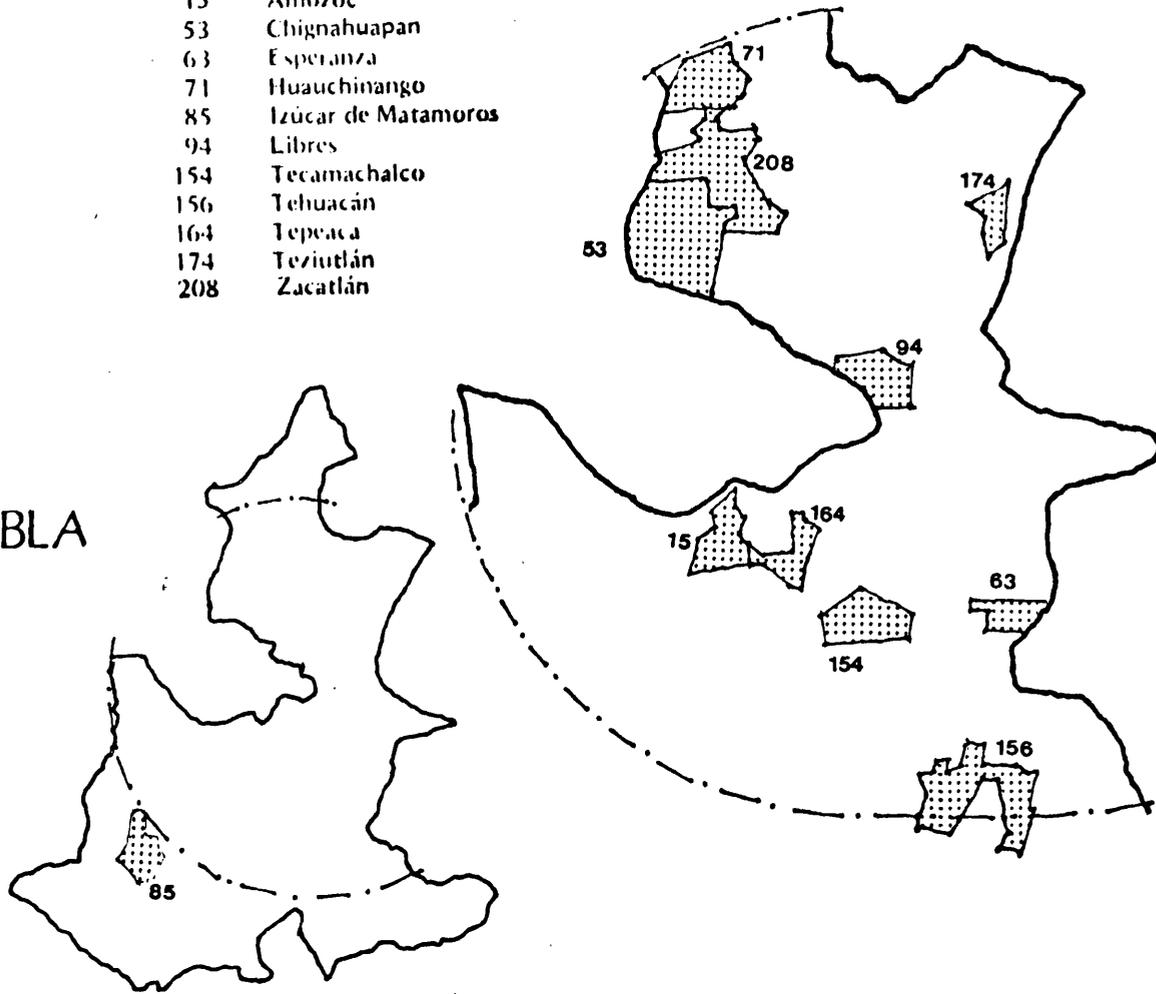
map 5-1

FIRST DECENTRALIZATION ZONES



- 15 Amozoc
- 53 Chignahuapan
- 63 Esperanza
- 71 Huauchinango
- 85 Izúcar de Matamoros
- 94 Libres
- 154 Tecamachalco
- 156 Tehuacán
- 164 Tepeaca
- 174 Teziutlán
- 208 Zacatlán

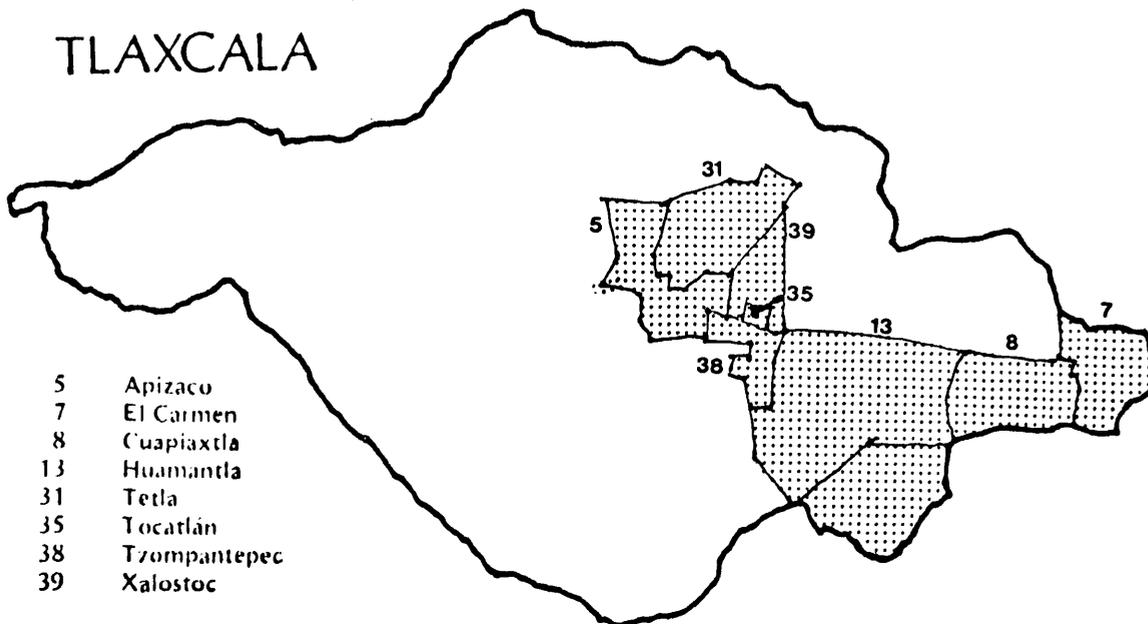
PUEBLA



map 5-2

Municipalities with State priorities

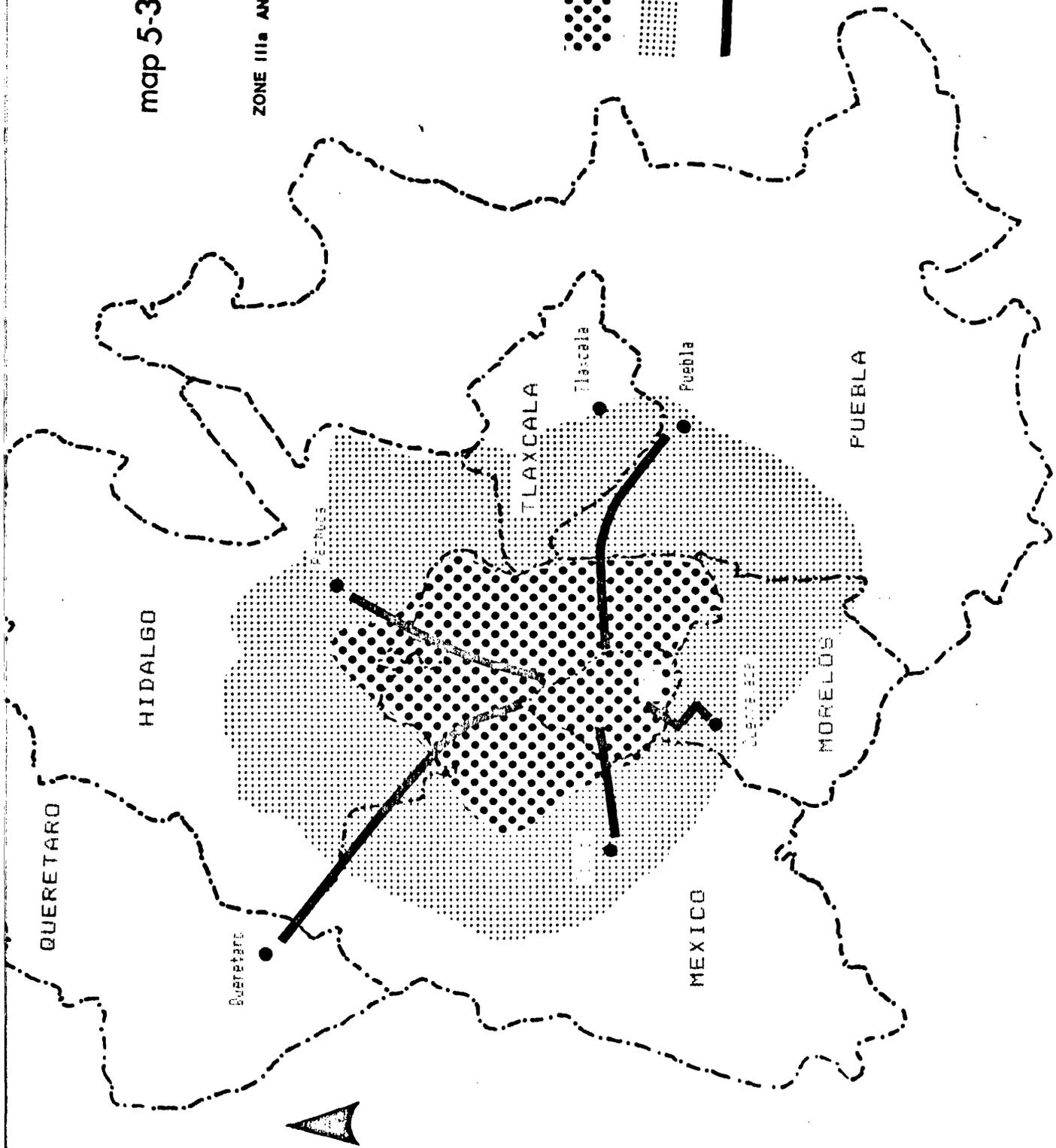
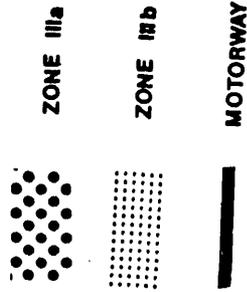
TLAXCALA



- 5 Apizaco
- 7 El Carmen
- 8 Cuapixtla
- 13 Huamantla
- 31 Tetla
- 35 Tocatlan
- 38 Tzompantepec
- 39 Xalostoc

map 5-3

ZONE IIIa AND IIIb IN THE 1979 DECREE



PART II

THE ROLE OF INDUSTRY AS A DEVELOPMENT FACTOR

5.7. The use of industry to consolidate central control.

Industry has always been regarded by the government as crucial to the development of the country in terms of its contribution to jobs, income and exports. It has always been an important consideration in national policy and has tended to be given greater importance than social development.

The political and economic system in Mexico, was established following a process of centralization of decision-making in which industry has played an important role. The capital city have had the sufficient economic and political influence to ensure its dominance in terms of the availability of communications, infrastructure (roads, rail, etc.) and diffusion of innovation, which produced massive concentrations of population which represented to industry good availability of labour, plus the best accesibility to national markets. This helped to increase the divisions between the capital and the rest of the country:

“(because of) the way the territory had been organised... the infrastructure, the transport and communication services generally converged on the central subsystem... Thus the remaining centres of any importance were practically without any linkages with each other, since in almost all cases their links were with and through the main centre.”
(Mattos, 1982)

In the central region for example, to go from Puebla to

Pachuca (the capital of Hidalgo) it would be faster to go first to Mexico City and then to Pachuca. There are few links between main cities, certainly not as fast or as good as between Mexico City and the capitals of the central region states.

Thus as Castells (1978) argues, concentration of population and decision-making has also led to concentration of industry. In Mexico, the Federal District, and the two mayor urban centres, Guadalajara, and Monterrey have received most of the benefits of industrialization (Story, 1986) then: "economic and territorial concentration have tended to strengthen each other mutually." (de Mattos, 1982).

Furthermore federal government's intervention in the industrial sector had generally been used to strengthen these patterns, creating an environment "very favourable to profitable private enterprise particularly foreign investment" (Looney, 1978), which favoured further geographical concentration of economic activity. The very fact that almost all the infrastructure, labour, communications etc. were concentrated in the Federal District, made it very difficult for any city which was relatively remote to the capital city to become a new development pole at least, in the short term. The amount of investment and time needed to create the infrastructure, labour supply, transport systems, housing etc. needed to attract industry is so great that considerable political commitment is required if worthwhile results are expected.

That is why cities in the states nearer to the centre have been the target of investment from industrialists and government after the

MAMC became "problematic". Cities such as Puebla and the other states' capitals in the Central Region of Mexico have been receiving regional infrastructure, investment and industries

In that way, industries and the economic benefits/growth they imply would not be far away from the political centre, to be controlled, and their benefits enjoyed, by the ruling elite. That might be the rationale behind federal investment in the infrastructure of the centre. That may be also why, the policies of decentralization have not reached other regions.

5.8. The emergence of the megalopolis.

These policies have made cities near Mexico City to seem to have received the benefits of industrialization, but in reality they have only deepened its dependency on Mexico City.

Even when Puebla has been traditionally regarded as an industrial centre, during the past 15 years or so, it has experienced changes in the number and type of industries it houses. Some of the industries it is receiving are beginning to be concentrated in a small part of the territory of the state. After 1940 when the policies for industrial development changed towards the rapid industrialization of the country, Puebla lost its place in the national context. Nevertheless it is still the fourth most important city in Mexico.

In 1930 the State of Puebla was ranked second only to Mexico City in employment availability in the Central Region. In 1975 it was third with 7% of total employment. Its rate of industrial employment growth has also diminished when it is compared with the other states in the region. In the decade of 1960-1970 this rate of industrial employment grows 40% in Puebla, while in the D.F. grows 60%, in the state of Mexico 150%, 200% in Tlaxcala and Queretaro and 185% in Morelos(1). In 1970-1975, only the D.F. has a slower growth (11.2 for D.F. and 14.3 for Puebla, respectively).

The relative decline is a reflection of firstly, the easiest accessibility from the D.F. to the other states on the region. For example, most of the state of Mexico's industrial growth is closely related to the fact that some of its municipalities conform a physical continuity with the D.F. and therefore, most of the industries settled there when the state took advantage of the early "decentralization" policies introduced in Mexico City. (see Chapters Three and Four).

Secondly, of the time, type and characteristics of the industries moving to Puebla. While industries moving to the State of Mexico began to move in the late forties and early fifties, those moving to Puebla began to do it in the sixties. The industries moving to the State of Mexico also were more numerous because they tended to be small and to depend more on the centre for their products' marketing (consumer durables, services, etc.). While those moving to Puebla were fewer in number but

(1) Data from an unpublished PhD by Alan Vannep. Evolución des espaces industriels du la region du Mexique, cited by Patrice Mele, (1986) p3 Universidad Autonoma de Puebla.

much bigger and more productive, as well as less dependant on the main city to market their products. Their market tended to be mostly nation-wide or even international, eg. car manufacturing steel and oil related industries. In productivity terms, between 1960 and 1970 (the period in which most of them were established) the production volume growth in Puebla had record levels. More recently, those trends have continued, between 1979 and 1981, the growth of investment and the value of production has been higher than the increase on the levels of employment. Therefore it can be said that in Puebla industrial growth has not been at par with employment levels. It has meant high increase in revenue for industries with less growth in employment.

Indeed, despite the fact that those industries employ a high number of workers, the population of the State of Puebla remained mainly dedicated to agriculture. It was the state with the highest number of population employed in agriculture in the Central Region, with 7.4% of the total population of the country employed in agriculture (which is 56% of the State's Economic Active Population [EAP] employed in agriculture). While in manufacturing it was third in Central Region with 4.2% of the total population employed in manufacturing in the country, as opposed to the 30.7% of the D.F. and 11.4% of the State of Mexico respectively (Scott, 1982: table 5-6 p220-222).

Industrial growth in Puebla, has been closely related to actions of the central government (Chapter IV). The Federal Government is a major stimulus to industrial development, being important in terms of public investment in communications, transport etc. together with

incentives to the private sector. These are much greater than the states' power which are reduced mainly to the form of tax incentives and reliefs, or the sale of the sites at very attractive prices -these most of the times being expropriated from "ejidos"(2)-. This implies that it was the federal government who in the first place, impulsed indirectly its industrial growth, and not local policies, since the conditions for industry to come were really laid-down by central government. The role of the private sector then, has been to take advantage of this public investment and sometimes to make pressure in the government to make more concessions in the name of the "national interest", as it was stated lately with the speech of the chairman of the National Chambers of Commerce when saying that "it was the time the government should take their responsibility on the crisis by taking the costs of reducing inflation to make the country to reach top again, by creating the necessary (economic) infrastructure". (Excelsior, November 9th, 1987). Implicitly assuming then, that their role is only to use that investment without them taking much risks. Another example of their attitude was when they blocked the implementation of decentralization policies in the State of Mexico in 1970s because they were threatening their interests (Story, 1986).

In Puebla, the impact of the availability of infrastructure such as the railroad, gas pipe, high tension electricity line and mainly the motorway between Mexico City and Puebla has been the catalyst for an increase in industrial activity around Puebla city, along the motorway and

(2) It is a form of communal land used principally for agriculture, which is given by the Federal Government to peasants through the Secretariat of Agrarian Reform. It cannot be sold or usufructed by any other people than the peasants. They are called "ejidatarios".

the main roads connecting the city with its surroundings. Fifteen out of the twenty-four main enterprises are located along the motorway, seven in Puebla's municipality and one in the municipality at the east of the city.

Just after the opening of the motorway in 1962, PEMEX^(3) opened a Methanol plant, employing 360 workers, in 1965 Volkswagen opened its plant, employing 14,500 people today, which makes it the fourth largest employer in the industry in Latin America (the other three are in Brasil)^(4), and in 1967 Hylsa^(5) opened a metallurgic plant employing 1,600 people today .

These industries have induced the settlement of smaller industries to service them in and around Puebla, changing the type of industries settling there. In 1960, Puebla was ranked first nationally in the number of its textile industries. It had one third of the whole "telares" (textile mills) in the country, now that number is decreasing and some important employers have had to close down because they were not using modern systems which could allow them to compete with others. The new type of industry uses principally, cheap urban labour and a few administrative workers.

The textile industry however, is more related to small workshops and with the traditional skills of the local population. In 1984, 62% of the total of textile firms were employing less than 50

(3) PEMEX is the name of the parastatal oil corporation Petroleos Mexicanos.

(4) South, january 1985 p63-82.

(5) Hojalata y Lamina, a private company which is part of the Alfa Group in Monterrey and produces steel products.

employees; less than 20% of the textile industries in Puebla employ more than 100 employees (but employ 61% of the total workers in the industry). These characteristics make those industries to be "assimilated" more easily by the urban grid, without interfering with its normal functions. They can even be "distributed" more easily throughout the State's territory because they do not need large and costly infrastructure investments (water, electricity, gas etc.) as the big industries do. It also could be used for example, to encourage or sustain ancilliary activities like sheep farming. All these will enable its benefits to be more easily assimilated by the region. It could also reduce the number of rural migrants being assimilated into the informal sector. Therefore demminishing the probabilities of disrupting even more the structure of the city. (see chapter three. "The problems of Concentration")

With the arrival of the new industries however, these patterns have began to change. Concentration appeared in Puebla and a few of the municipalities around it. In 1970, industrial concentration around the city of Puebla had grown at a point where only three municipalities in the state (Puebla, Cuautlancingo and Xoxtla) together had 77.6% of the value of the industrial production of the state, which is bigger if it is considered together with the other three municipalities' production in the area of growth towards the MAMC. Together they make 85.5% of the value of the production and 76.1% of the employment.

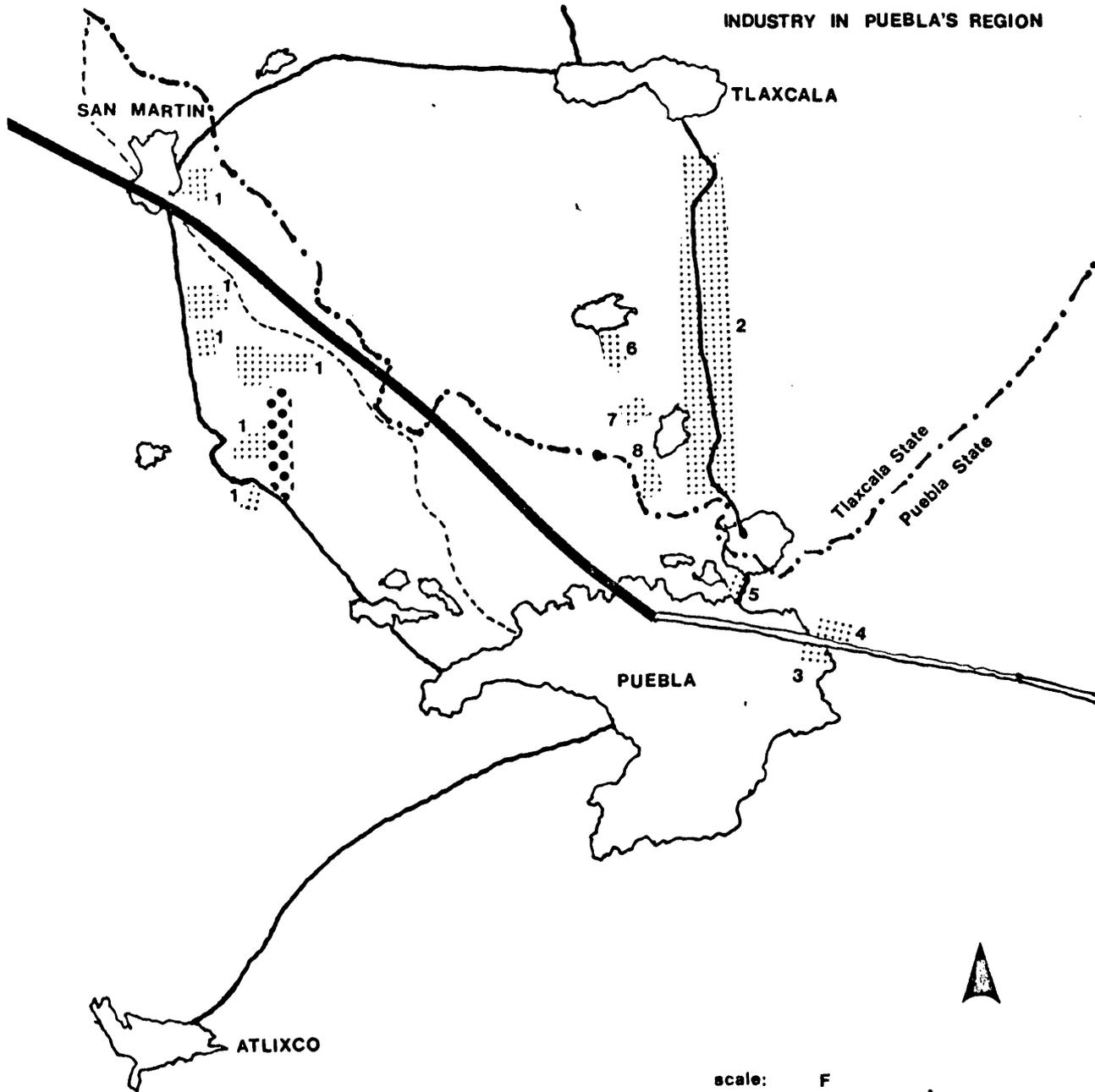
The closeness of the city of Puebla to the limits with the State of Tlaxcala has also meant that some industries have settled there and have influenced the municipalities of the latter which are next to

Puebla. Xicohtencatl has 14.8% of the total employment of the State of Tlaxcala with 32.4% of the value of the industrial production, while Teolochoico has 14.1% and employs 22.55% of the total employed in Tlaxcala. (Mele, 1986)

Cuautlancingo and Xoxtla, the two municipalities around Puebla, concentrate together 24% of the production in the state with 14.1% and 10.3% respectively, but this is because each one has one huge industry, the former has the Volkswagen plant and the latter has Hylsa's. They together have one quarter of the state's production but only 8% of the State of Puebla's the employment (ibidem.). This means they have the industries, but these do not seem to employ local population.

map 5-4

INDUSTRY IN PUEBLA'S REGION



KEY

- State limits
- Urban area
- Motorway
- Speedway
- Road
- Railroad
- Airport

INDUSTRIAL PARKS AND CORRIDORS

- 1 C QUETZALCOATL
- 2 C MALINCHE
- 3 P PUEBLA 2000
- 4 P RESURRECCION
- 5 P CINCO DE MAYO
- 6 P ZACATELCO
- 7 P XICOTZINGO
- 8 P PANZACOLA

5.8.1. Industry and the "National Interests"

The concentration of industry has also meant the gradual change in the use of the land from Puebla towards Mexico City, in the road Puebla-Tlaxcala and around the city itself. Land which is good for agriculture (Comision de Conurbacion del Centro, 1985; Bassols, 1979), thus it would probably be better to use it for agriculture than for industrial sites. One of the things which might made Volkswagen to settle in Puebla apart from the infrastructure factor, was the State's government decision to grant them the best tax exemptions available at the time and give the site away at a nominal price. That agricultural land was expropriated to "ejidatarios" (see note 2) which had the missfortune of having the flatest land around (Mele, 1986). In another example, the road Puebla-Tlaxcala one of the few irrigated districts in the state, has been partly invaded with industry settling there because its closeness to Puebla has made the State of Tlaxcala to declare part of it as the Malinche Industrial Corridor and give incentives to industry to locate there.

In the first example (the Volkswagen), the land which had being used for agriculture was expropriated to be used to subsidise foreign capital. To expropriate land which is ejido, it had to be done in the "public interest" (Por causa de utilidad publica). Meaning that it was more important for the nation to settle Volkswagen than to produce foodstuffs in that land. This is debatable though, since the Volkswagen did not necessarily needed to settle precisely there. There is no question of the benefits that such a big plant might represent to the country as a means of generating international currency and creating some jobs. The point is to use the benefits of that industry to develop the country. In a

big country like Mexico is, there are options for industrial development throughout the territory. It does not necessarily have to be in the established centres of economic activity, mostly now when industry is more liberated from its factors of rigid spatial location it had at the beginning (Castells, 1978).

The locational criteria followed by the industrialists was probably based in the advantages of the site, given the availability of infrastructure and its closeness to Mexico City, where the economic and political decisions are taken. These would do (they probably thought) the site better than any other elsewhere. Given the circumstances of Volkswagen being the first major industrial plant coming to this state and being close to Mexico City, they might not have considered as their first reasons for example, the quality of the services offered by the city of Puebla or the size and quality of its labour force, since it probably was relatively small and unqualified. Therefore, provided the infrastructure was available, it could easily have been located in other place, since it does not need to be close to the D.F. to market its products or to make their decisions (they are probably taken somewhere in Germany).

An alternative place like the city of Monterrey's area in the north, for example, would have given the same level of infrastructure, and probably better services and lower costs since for example, Hylsa's plant in Monterrey (and not Puebla's, [Mele,1986]) is supplying it today some of the 60% of national parts their cars must have for its national market (Johns, 1987). Thus saving time and money spent in transportation costs. It could have used the qualifications of local engineers of the

Monterrey Institute of Technology. Moreover, the plant probably would not be in the spatial centre of its national market, but it definitely would be closer to that of the USA, which is important since VW is now the sixth top exporter in Mexico (Ibidem.). Thus, from the industrialist's point of view, the benefits of Puebla's location would be outweighed in economic and functional terms by an alternative site, near for example, to Monterrey. In that way the benefits would also have been assimilated by the region. Since it would have attracted smaller and adaptable companies to this area's influence, creating a more balanced distribution of industry and economic activities in the country as well as in terms of taxes, employment and investment.

From the "national interests" point of view, the location of heavy industry in Puebla, increases investment near an already congested area, Mexico City. Therefore increasing the possibilities of its problems being encouraged to grow even more. Moreover, the State of Puebla, having already concentrated its economic activities in Puebla city, was in no need to concentrate them even more with a huge car manufacturer's plant. This was not the answer it was needing to solve the problems its population have. It would have been better to use this industry to develop an area with more potential as an alternative development pole to Mexico City. So it is dubious that the national interests were really taken into account when expropriating that land.

Finally, the tax incentives offered and the low price of the site were used to subsidise international capital when it probably was in no need for it. Instead of national projects for development such as

agriculture mechanisation programmes which are important since most of Puebla's population is engaged in agriculture. Moreover, the advantages of being in Mexico (political stability, cheap labour, good infrastructure, near the US market etc.) alone, were probably sufficient to attract Volkswagen. That may be the main reason why they chose Mexico in the first place, not the tax exemptions. They would not go for example, to Central America even if they were given better incentives. So those factors should have given the government the assurance of being powerfully negotiating with the industry, since it was in the interest of both parties. That would have given both, industrialists and governments (federal and state) benefits, since it assures a better socio-political stability, and a better basis to economic growth with social development.

The government's role should have been to encourage real decentralization by encouraging that industry to move to another place not too close to Mexico City, and use the subsidies to provide infrastructure in an alternative area. Time has shown that the benefits of this huge plant have not reached the majority of population of Puebla, since for example, employment figures showed that they may not be employing local population (see section 5.7. above), the state's income through local taxes is decreasing to very low levels (see chapter IV) even when some other smaller industries have been attracted to Puebla. The conditions of the majority of its population remain the same or even have deteriorated despite the size of investment made by VW or other major industries in the area such as PEMEX and Hylsa which together employ 16,460 people, showing the inexistence of so called trickle-down effects. Encouraging concentration, the possibilities of having social unrest and political

instability are growing in the long-run.

5.8.2. Industry against agriculture?

In the second example, the Malinche Industrial Corridor (Map 5-4) was created in an area which the least thing one might expect to see was precisely industry. The road Puebla-Tlaxcala is surrounded by one of the very few irrigated districts in the region. This means it is land which has been subject to heavy governmental investment to increase its agricultural production. The role of irrigated districts to the economy of the country is crucial since it means better agricultural products and even a means to produce more agricultural export value (Sanderson, 1986), which could be an alternative to industrial growth. At the same time, it produces benefits directly to peasants and to the country, by avoiding for example the import of such products. Moreover, the south of the State of Tlaxcala (which is its portion adjacent to the city of Puebla as well as to its industrial zone) is where its better agricultural land is. Not so in the north, near to Apizaco, where the least good land for agriculture is. So it is logical to think on its industrial activities to be carried out in that portion of the state or better, in the axis formed by the road to Veracruz, which divides the state at the middle, eastwards-westwards, and it is flatter than the very north. In this way there would be a more direct and better communication with Mexico City and even there could be the possibility of creating a transport system independent from Puebla's; as well as the creation of regional services to avoid Tlaxcala's northern population to go to Puebla for those services, since for example the city

of Tlaxcala cannot perform because it is so close to Puebla city, the population rather go to the latter. This would encourage the creation in Apizaco, of one-step-down alternative services to Puebla, to serve even the north of that state.

Even more, by encouraging relatively small industry to settle near Apizaco, Tlaxcala could have developed its biggest city's activities, which have been restricted to some extent, by this Corridor Malinche. While the use of its irrigated district could had been exploited its agricultural performance in the south of the state, therefore having two different (and viable) sources of growth. The corridor's benefits of attracting industry by taking advantage of being close to the city of Puebla may have been overcome by its misbenefits. It is spoiling first, Tlaxcala's agricultural production in one of the best areas of the state. Second, it is depressing the development of industry of an area which needs it more than the one where it is located. Thirdly, by doing so, it is increasing Tlaxcala's dependency on the city of Puebla, when also increasing the latter's problems. This have created problems like in San Pablo del Monte, the municipality in the state of Tlaxcala conurbated with the city of Puebla, where no notable industry is settled but 35% of its population is engaged in an industrial job, suggesting that most of them live in Tlaxcala but work in Puebla's industrial zone. Stressing the fact of Puebla's influence in the State of Tlaxcala. Dedicating part of the district to industry, it may have meant to destroy one of the few opportunities the state had for an alternative source of growth. It also may be used to indicate the distortion on the state's priorities.

5.9. Conclusion. Part II

The growth of industry in Puebla then, seems to have been on the base of the availability of infrastructure and suitable land, instead of a rational distribution of it through the territory of the state, in places where the investment is needed because of low productivity or to regenerate depressed areas. Instead it has contributed to its concentration in an already problematic city and in a region where the growth of the urban area may result in both administratively and politicaly increasing problems in the long-run. Such as Tlaxcala being faced with the decision to provide urban services to a population in an urban area which do not correspond to its priorities, which if it does, could attract more population to the area. It has also seem to have stopped alternative sources of growth to be raised. At the national level, it is clear that the investment in infrastrucuture and incentives to industry, which catalysed this growth, are not running accordingly to the deconcentration policies, at least there is not coordination between the central and state governments, and not even between states themselves, in how these policies are going to work, thus beginning to create opposite results.

There is a prospect for a line of industry running all the way from the MAMC right to the city of Puebla up until now it is from Puebla to the city of San Martin, some 60 Kms. away (In 1981 and 1982, 90% of the firms which received help for relocating, settled in the area between Puebla and Sn. Martin. Secretaria de Economia, Estado de Puebla),

exacerbating the problems of concentration and making Puebla more dependant in those terms on the central government. If instead an alternative investment in for example, modernising the old textile industry or mechanising the agricultural land to produce more and better products were made, the problems with concentration would probably not be as strong as they are now. That would have made even stronger the possibility of more remote regions in the state becoming increasingly prone to future investments in other kinds of industry. Finally it probably would have provided the basis for a more stable and reliable growth of the state. It could have made it more self-sufficient in economic terms, to face times of crisis and provide better for its population.

Does the federal government really think that the deconcentration of heavy industry to cities like Puebla would in the long term ameliorate the problems in the MAMC? It is increasing the city of Puebla's size and income, but not that of the rest of the state. It is increasing concentration, making some other regions more remote (even in the state of Puebla itself) to lose prospects of becoming development poles in the long term. The prospects unfortunately are that the process will continue. Catalytic actions have not stopped. The opening of the new Regional Airport of Puebla in Huejotzingo capable of receiving international flights, and the International Cargo Air Terminal in Atlangatepec, Tlaxcala, is likely to increase the concentration on an area around the MAMC creating a huge megalopolis with the surrounding states. Instead of really beginnig to create the alternative poles the country needs now for its development.

Conclusion Part II 138

It does not make sense and could be an enormous waste of time and money to make heavy investment to create economic gains in areas which could increase the possibility of social and political problems because of their closeness to the MAMC.

PART III
THE ROLE OF SPATIAL PLANNING

5.10. Introduction.

Puebla's spatial planning is a clear reflection and a consequence, of that at the national level.

It appeared early in the 1950's, relatively early to Latin American standards. Since the beginning, its principal objective has been "the localization of different urban elements in specific zones, whose area must be integrally dedicated to a concrete activity: housing, work, recreation... to avoid disruptions between activities"(1).

Since it was first implemented then, it was constrained to the very narrow role of "designing" cities. It was this first role which made it to be "appropriated" by architects, who invested as the profession with the know-how of design, thought the development of cities was a matter of putting trees, plazas and assign every major activity a role to play in an specific part of the cities. But they restricted its applicability when they did not take into account economic, social or political factors that would influence the physical structure of a city. This is going to affect its output. These plans affected little or maybe nothing about the

(1) Plan Regulador de la Ciudad de Puebla. Gobierno del Estado de Puebla, Puebla 1952.

development of cities. But also this notion of planning achieving little or nothing will drive the government to make actions without taking into account not to say social or economic factors, but any planning consideration at all.

5.11. The early Plans.

In 1952, the "Esquema Director" (director sketch, literally) of the city of Puebla plan was one of the first attempts to "predict" (more than to plan. I would say) the development of the city of Puebla. It set in the north-east within the city boundaries, an industrial zone, separated from the housing area by a thin green area (map 5-4). This distribution was almost wholly taken again by the second effort, the 1959 plan (map 5-5), the difference between them was that the motorway Puebla to Mexico City was considered as a potential industrial zone and was integrated to the second plan. The proposed industrial area then, follows the motorway when it crosses the city boundaries. There is also, unlike in the previous one, consideration for an area of reserve for future industrial growth.

From these early stages then, the arrival of the motorway is considered as a major impact in the shape and development of the city. It is indeed the motorway and its use as an industrial area what is going to trigger the industrial development of the city of Puebla.

But reality was not as easy as it was drawn on those plans. They were outweighed by the industrialists' locational decisions as well

as governmental decisions, who did not follow the patterns planners expected. Since 1960 a number of industries settled within the urban area without taking into account any consideration made by those plans. Industry began to settle in Tlaxcala state's portion of the road to the city of Tlaxcala, which probably triggered later Tlaxcala's decision to make it the Malinche Industrial Corridor (see Part II of this chapter); in a series of areas in the urban area at the north of the city and in the area of the industrial parks "Conde" and "Resurreccion" which were not even considered in those plans.

5.12. City and State Plans, not Planning.

It was until the late 1970's when a new attempt was made to plan the City and the State of Puebla's development. It was the time when Sahop (Secretariat of Human Settlements and Public Works) designed its "System of Cities". This time, a State's Urban Development Plan was first made (1978), and according to its guidelines, a plan for the city of Puebla was made (1979). Puebla was classified by the national system of cities as a "Medium City for Regional Services". It was meant to serve and influence the development of the whole region. However, that fact does not seem to have been fully considered, since it appears the plan only considered further growth in the city, without thinking in the repercussions that would have to the state and the rest of its hinterland.

The Urban Director Plan of the City of Puebla, together with the State's Development Plan then, seem to have some discrepancies with the

national decentralization policies. Despite the fact of being in Zone IIIb "Consolidation", the urban plan reads (Mele, 1986): "...talking about consolidation implies the compromise to a 60% growth of the city of Puebla's industry up until 1990, and of a 50% between 1990 and 2,000." This, together with the 1972 law which gave benefits to those industries not benefited by the Federal Law, clearly contradict federal dispositions.

Thus from the beginning the direction things would take was stated. Moreover, more recently, the state's Development Plan of 1984(2) is proposing to reinforce and improve the city of Puebla's infrastructure to be able to receive and incorporate population and economic activities from Mexico City.

They did not seem to have considered the possibilities of for example, developing a network of industrial parks throughout the state. Not least the possibilities of other alternatives like for example, encouraging the restructuring of the traditional industry or the creation of a new one in the state, independent from Mexico City's. Hence, in order to meet economic targets (60% growth) the social implications of spreading more reasonably the investment seem to have been ignored. No spatial consideration was made in the economic policies apart from concentration of industrial growth in Puebla city. Subsequently, they are likely to rely on Mexico City's ability to decentralize its industry. Then implying a competence with the rest of states in Central Region to gain those industries, instead of for example, cooperation between them to rationalize

(2) Plan de Desarrollo del Estado de Puebla. Gobierno del estado de Puebla, Puebla 1984. p29 cited by Mele, 1986.

decentralization throughout the region.

This is emphasized by the fact that the state government since the opening of the motorway, has tried to attract industry to its territory but seemingly without taking fully into account the consequences of its actions. As an example, in 1963 it expropriated in the "Public Interest" 239 Ha. of ejidos(3), around the motorway in the north of the city, to sell as an industrial park. But it resulted in a number of unspecified uses being allowed in an area of the city meant to be reserved to industry. From the total 230 Ha. only 33 were actually used as industrial park, the rest was used for a number of uses which sometimes were incompatible with each other like the new "Central de Abastos" (Foodstuff Suppliers' Central) of the city, and housing.

Some parts of it were used by private developers to speculate with land, but unable to do it, the land has been unused ever since, while the ejidatarios lost their livelihood. In yet another part of this site, some 100 families settled illegally, but now they have been regularized by the authorities, which means that urban services have to be provided in an area again, which was not meant to be used for housing.

The governmental action then, resulted in the disruption of the city's structure and even created social demand for services in an area not supposed to be needed.

(3) Expropriation of ejidos is the preferred method since it is the cheapest and almost trouble-free, which enables the government to offer the sites to industry at nominal prices. They are normally paid to ejidatarios at prices much below the market.

When in 1979 the Urban Director Plan arrived, it set the limits of the industrial areas where this and other parks were already established. They still were located in the north and around the motorway, but now more dispersed, following the patterns industrial growth took, then, implicitly justifying their emergence (map 5-6). Again, there seems not to be planning, only the description of what already happened. This awakens certain doubts about the whole process since, being plans one of the instruments required by federal agencies to decide the investments to be made in cities and regions, plans provide state government with a tool to for example, justify actions that have been carried out by the state but need federal back-up, or indeed to justify their actions before the public or federal government.

There is of course the fact that given the structure of planning, planners cannot decide directly where the investment can be done, since it has to be done by either other state or federal agencies, or the private sector itself. But this does not unnable them to propose the best options for the development of the city. They should have taken planning as the government's instrument to negotiate the best options with other governmental agencies or the private sector. In this way, even if the development does not take place as "predicted", there will be the assurance of the best options being taken into account. The so-called "flexibility" in planning should refer to this, not to propose in latter plans what previous ones failed to "predict".

5.13. Regional Planning.

What began as isolated actions by creating parks where the industrial demand were, are now taking the shape of a huge concentration of all kinds of industry in the centre of the State of Puebla.

Now the government is considering the implications of this growth within the region, either by genuine concern or demand by other sectors. A regional study is being carried out (October, 1987) covering the area between Puebla and San Martin, to see the implications of the industrial corridors, together with the impacts of Huejotzingo's airport in the area. Yet again, the study is carried out after the actions were taken which can make one to have doubts about how its proposals are likely to be. However, the validity of its outcome will depend on the planners' ability to include in their study not only the narrow-view of the patterns of spatial distribution of industrial settlements throughout the study area, but the wider social and economic implications these will have in the whole region. It will be important also, that it would consider local population's needs and representation in the process. On that will depend in a way, the importance planning will have in the eyes of the population as well as the government's, to be considered seriously as an agent for change.

5.14. Conclusion Part III

Planning's confinement to the physical design and land use patterns of cities has restricted its participation in the process of economic and social development in Puebla. It apparently has failed to signal to economic planners as well as politicians the limits or alternatives of industrial growth in the city and region of Puebla.

Industrialization, being a "tool" federal government is using to achieve economic growth in the national context, has impacted upon the State of Puebla without prior planning on part of the State government. Most of the local policies for economic growth have tried to attract as much industry as they can from the surroundings of Mexico City. They have done so without considering properly the implications this would have on the region's economic and social development. Consequently, the rural and peripheral areas have been largely neglected by industrialization and the pattern of industrial development has been haphazard in terms of its locational composition.

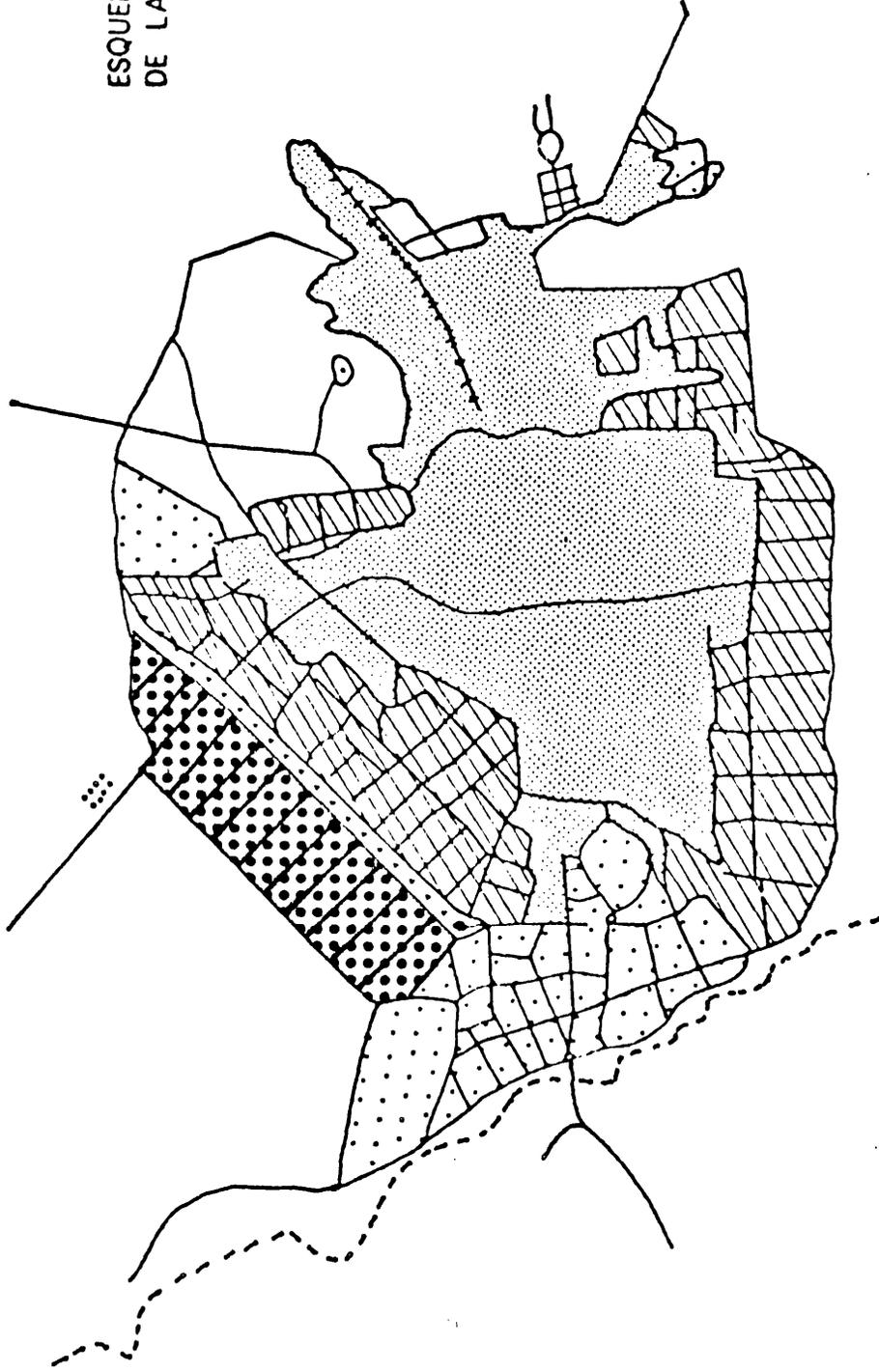
Moreover, it can be argued that as planners did not provide politicians with relevant and feasible plans, decisions on the location and character of investment were taken without reference to the planners. Planners seem to have overlooked the fact that planning can be a useful instrument to achieve beneficial outcomes for society. It could be an instrument to negotiate with other interests in society the best options for development (although this might require a more democratic political process). It could also be a useful social instrument if used to signal the

needs and expectations of the poor in society.

Finally, in that way also, planners seem to have renegated their role in society. They have not taken a strong position themselves, a more "combative" role in deciding the future of our cities. Perhaps planning should not have been trying to "predict" the future pattern of development, but to shape the process of development as an instrument of negotiation between different groups in society to achieve better solutions to urban problems.

map 5-5

ESQUEMA DIRECTOR DEL PLAN REGULADOR
DE LA CIUDAD DE PUEBLA, 1952.



GREEN AREA



URBAN AREA



INDUSTRIAL AREA



PLANNED GROWTH



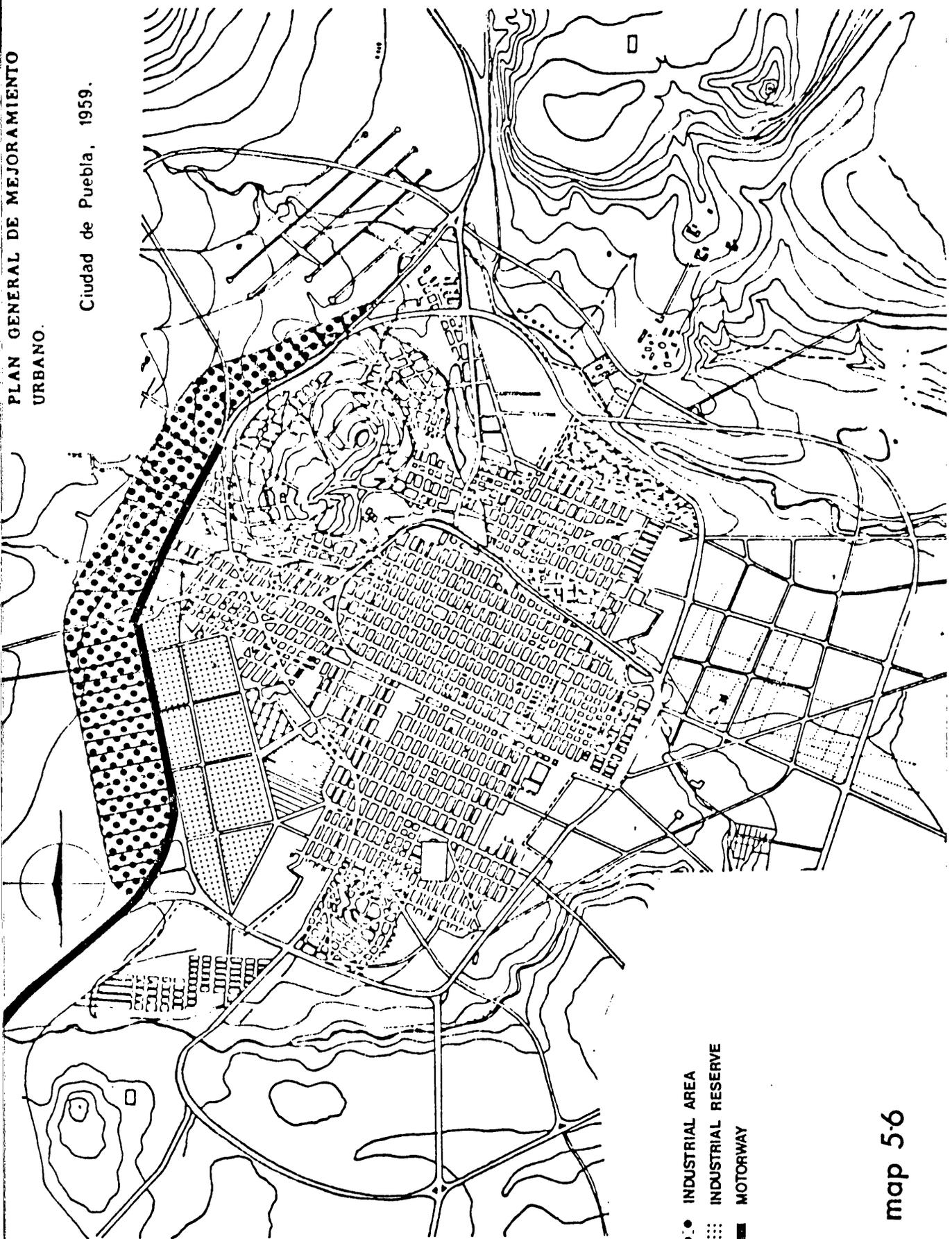
FORESEEN GROWTH



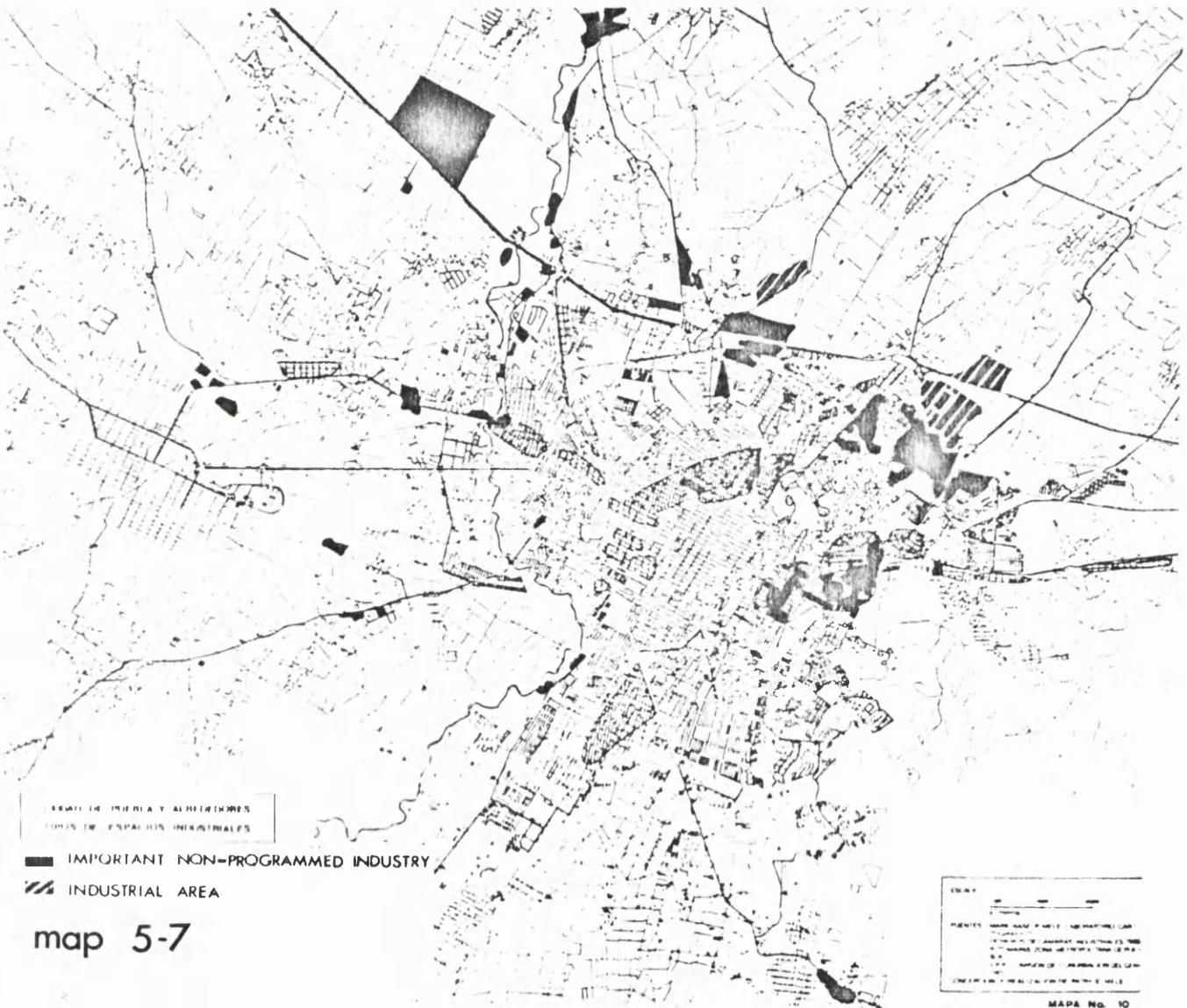
RIVER ATOYAC

PLAN GENERAL DE MEJORAMIENTO URBANO.

Ciudad de Puebla, 1959.



map 5-6



ESCALA DE MEDIDA Y ALTERNATIVAS
 UNIDADES DE ESPACIOS INDUSTRIALES

■ IMPORTANT NON-PROGRAMMED INDUSTRY

▨ INDUSTRIAL AREA

map 5-7

ESCALA
 0 100 200 300 METROS

PUENTES: PUENTE SAN PABLO (ABRIL 1951) CAR
 PUENTE DE SAN CARLOS (ABRIL 1951) CAR

SECTION III
THE ALTERNATIVES

CHAPTER VI

THE POSSIBLE IN PHYSICAL PLANNING

6.1. Introduction.

As it was showed in previous chapters, since early 1960's public and private money has been allocated into Puebla's region as huge investment in infrastructure and industrial development, which in turn, created even further concentration of economic and political powers in the centre of the country. This, at the time when national policies were supposedly aimed at industrial decentralization, a more balanced development of the country, and to make more regions to share the benefits of economic growth. These clear contradictions might be better understood if compared against the background of social policies and physical planning most probably being introduced as a measure to calm-down the growing social unrest which emerged in late 1960's. Therefore, they probably were introduced by the government as a short-time remedy, looking primarily for legitimacy and not with a real commitment to them.

Even so, there have been some achievements in planning. They have been primarily in terms of identifying problem areas and potential development zones, relatively better equipped states' planning departments, most of the important cities having an urban development plan coherent with a local State's Development Plan, and most important of all, a Planning Law being passed. But unfortunately, the principal problems still remain, as in the case of Puebla, in terms of central control over investment,

infrastructure and important projects, which affect directly the development of those regions, making then, local plan's proposals obsolete, since their achievement might be out of local planners' hands. All these in the end, is making in real terms, planning to be an activity whose output is centrally controled which have stopped important goals to be achieved. This in turn, has jeopardized proper local development.

The overall absence of positive results in implementing urban planning policies can be seen as the result of two principal problems. First: the "mutual untrust" and sometimes "incompatibility" between politicians and "technocrats" (Camp, 1985). Both groups' different backgrounds (experiences and values) have prevent them from communicating with one another (Camp, 1985; Ward, 1986). Which have resulted in politicians not given planners an important role in deciding the national development policies; and two: planners themselves might have not been able to fully understand reality as well as their role in the decision-making process. These two arguments will be explored in the next two sections and will form the basis for the alternative approach suggested in the conclusion of this chapter.

6.2. The Political Decisions in Planning.

By having control of the planning system, politicians can be sure of having control over the entire decision-making process and obviously, over the fullfilment of their group's interests. Then, technocrats (or "tecnicos") may be seen by them as a threat, because if

they are given important responsibilities, they might begin to be indispensable when taking decisions. Moreover, urban development planning might also be seen as a threat to their interests since it proposes a more balanced share of economic growth, which clearly contrasts for example, with their hopes for capital accumulation.

In that way, the numerous agencies involved directly or indirectly in the urban development process, make easier for politicians firstly: to depend less in the tecnicos; secondly, not to allow urban planning an important role, which in turn might reward them with further advantages as either to "accomodate" better to changing circumstances of social demand, or to have a wider range of options open to them to chose from. All these being perfectly backed-up by a formally set up planning system. In thay way also, if problems arise, politicians do not have a share in the blame, which is always going to be on planners for not properly considering their policies' results. On the other hand, if certain aims are fulfilled, politicians can always argue to have the "responsibility" of producing the best out of planning policies.

So, the output of planning may still be controlled by politicians even when they are not supposedly involved. Those might be some of the reasons why despite the decentralization policies, heavy investment in Puebla's infrastructure and industry was made (which seems not to have yet, reached the entire population of the state), and not in other non-central states.

For this to happen, politicians might have relied -apart

from a web-like structure for planning- on two factors. One: while Sedue's (Sahop's at the time) planners were allowed by the political system to propose all the well-oriented policies they wanted, the instruments to implement them did not exist or were not changed at the same time, and planners did not have control over that fact. Thus their policies found severe structural barriers which stopped them since the beginning.

Two, by later giving full legal planning powers to municipalities to plan their own development, but still the centre retaining control over the investment decisions, and other central agencies being in charge of carry out some of those actions, the role of local planners was reduced to simply "follow" the patterns of development for their cities, which may have been already decided elsewhere in the centre. While again, central politicians cannot be blamed for possible failures as the responsibilities for planning are in the local authorities at the municipal level.

An example of all these can be the "Pilot Programme of Historic Centres" in the State of Tlaxcala(1). Its "need" was found by the then State Governor and Sedue's secretary. A list of possible places was drawn and a deadline set by them to carry out eight Partial Plans of Historic Centre, including their catalogue of buildings of historical importance. Then it was planners' task to co-ordinate themselves to make those plans. It was agreed to make half the plans (four) in Sedue's central offices in Mexico City, and the other half in the state's Urban Development Secretary (Secodure), all by private contractors, even when it would have been cheaper and probably better if they were made by local and

Sedue's planners. Later, given Secodure's shortage of funds, another plan had to be made in the central offices. When finished, they were presented to the municipal authorities for final "approval" and comments.

The implications of this are that A) The programme was agreed without really knowing if it was needed. It was possible that there were in other states, historically more important places than the ones selected, or different and more important areas in which to invest instead. B) Supposing the plans were really needed, the fact that most (and the more important) of them were made in central offices and probably by planners without previous or little knowledge of the areas, since most of them were exercising in Mexico City, made dubious their outcome and the applicability of their final proposals. C) The fact of official planners being displaced (on the grounds of "austerity measures") by private consultants can be translated into the government's mistrust to its own planners and/or the way in which it can indirectly, support the private sector. D) Obviously in the proposals, the local municipalities' participation was not considered since the plans were only presented to them at the end, for "approval", and finally, E) It was a political decision taken at the top and probably not based on planning considerations what started all up and not a social need.

Then, if it could be possible to extrapolate the examples - supported by the findings of our case study- to the national context, it

(1) The following information was obtained by the author between December 1985 and June 1986, while being working as Sedue's adviser to the state of Tlaxcala when those plans were made, and in talks with authorities/officials in Secodure, Sedue's Delegation and Sedue's central offices.

becomes clear that physical planning has played only a subsidiary role to political decisions, and has been the instrument of politicians to make some concessions (primarily as a political discourse towards a "shared development") but in the end, to disguise more capital accumulation in the centre. Thus it seems it is those political decisions what is going to affect the development of the cities and regions, and not planning or at least a real concern about social needs. It can be argued that if it would had been otherwise, further concentration would have been avoided. Then, it is not only the endowment of the areas which may make concentration to self-perpetuate, it is also the politicians' desire to increase economic accumulation in those areas. The circle can be broken, and it is in the political decision's side. If the government were committed to social changes, they could be done.

6.3. Planning ahead reality. (The so-called "Flexibility in Planning")

As said in this chapter's introduction, the second reason for planning having very few positive results, might be a consequence of the planners' inability to understand the relationships between built environment (spatial relations) and social relations.

As it was discussed in Chapter V, most planners in Mexico are architects. This poses several problems, being two of the most important of all, the fact of their professional status (they remain architects, but exercising planning) and educational background. These are

not designed to make them to understand social and economic processes that might influence cities and regions' development. Therefore their policies' scope will tend to be too narrow and probably biased towards the "design" of the areas, more than to make a real approach to the solutions of the cities' problems.

This has led them, as showed in the case study, to make proposals which sound politically good but might be unrealistic. That would make plans after another in the same city, to have different proposals, or to justify what already appeared, which in the end may mean to reflect what the elite in power has done, since most of the actions plans would justify seem to be in reality, controlled and decided by them. Planners may justify these constant changes in policies, as the necessary "flexibility" needed in planning because of the changing and unpredictable nature of development. But probably those changes instead of that "flexibility", would be covering-up the inability to give real options to development, according to the characteristics of a given area. For example, when the 1982 plan of the city of Puebla (Chapter V) decided to propose as industrial area only places where already industry was established, it clearly was not doing it because of flexibility, but most probably because it was unable to give another better option.

It would be naive to ask planners to be ahead of reality in terms of knowing exactly what is going to happen in the development of a city. But it is not impossible to ask them to understand the processes and give feasible options to the development of those cities. This is important since otherwise, plans may fail to provide what Castells (1978)

calls "instruments of negotiation" between different sectors of society. They would fail to provide a basic platform from which the investment decisions might be agreed between different sectors of society ie. business/government/public. This was clearly stressed for example, at the national level, when president Echeverria's social policies had to be modified or dropped altogether because the business and industrial sectors thought they were going too far (chapters III and V). Or at the local level, in the case of housing being built in areas where local authorities did not like (even when it was needed) because it was a conservation area (see chapter III).

On the other hand, as it was showed in the case study, flexibility has probably meant taking advantage of national policies to attract industry indiscriminately, resulting in the disruption of the city's structure by for example, unplanned "industrial sites" (Chapter V) together with increased concentration, both of which, it can be argued, could have been avoided.

6.4. The Alternatives.

It seems then, that planners might have not yet, completely understood the system of decision making, to take advantage of it.

It may seem a contradiction to ask to state planners that they need to take a position other than the government's in the planning process. But it is needed so. It is very well to set national policies

which pretend a better development of the country, but if those policies at the end have any applicability in the context they have to operate, they become useless, a mere ideological exercise.

They need to give to government, industrialists and public, an instrument to help them to decide the investment/actions to take. That does not mean they should be neutral. On the contrary, there cannot be given feasible or proper options to the development of a given area if a position is not held by the proponent. Planners ought to make their proposals having a side on the problems and then with those plans negotiate the best viable solution. Planners should take the side of the people who do not have a say or means in the development process, that means the popular sectors. If not, they themselves will do it, in fact they might be beginning to do it.

There is of course, the central government's "need" for economic growth, it is unavoidable, given the economic circumstances of our country for example, it still will be their first priority for a long time. But there is also the need for social development of the majority of population. That is also unavoidable, and it is going to be, insofar attitudes do not change. Making politically-oriented social concessions from time to time, to keep the system going, will not necessarily provide in the end, social development or even political stability. Planners cannot just sit and wait for changes to come, they must act and take an active role in deciding the future of our cities. That sounds good but how?. Local planners could have an important role to play.

The policy trends in Mexico -influenced strongly by institutions such as the IMF- seem to be going away from the state providing for the poor (Gardner, 1987; Safa, 1987). This makes more important to stress the role urban planners in particular, may play in this process. State planners, being part of the system, might hold the key for change from inside, towards a more socially-oriented practise, specially local planners. The big problem is that over the past few years, the state has alienated itself from these groups (Safa, 1987).

However, at the level of states, things might still not be as bad as at the central level. Local planners know the people, their cities and regions, and posses the information about the problems they are facing. They are more able than central planners to find ways of "mobilising" and organising planning at the grassroots. Here is where all may start-up again, and might be the reason for central politicians to reconsider their attitudes towards the development of regions. In this way also, planners may find an alternative, better and first-hand way of understanding the problems facing our cities. Wynnia (1972) argues that planners in Latin America often find "bureaucratic barriers" to their proposals. These can be more easily broken-up if planners/community support one another and act as a pressure group. As regards to for example, the money needed to invest, grassroots movements already have found alternative sources (Jatoba, 1987; Safa,1987), and some other sources might be found by both groups acting together. In this way the limits of urban planning in Mexico might be set by the people themselves.

Chapter VII

CONCLUSION

7.1. A new planning system or a new view of the problems?

The evidence presented so far has tried to demonstrate that planning's positive results are minimal compared with what they should have been. Then, in order to correct these trends, should we ask for changes in the way planners shall see the urban and regional problems? or is it a matter of actually asking for the planning system as a whole to be changed.

The answer is probably a mixture of both. The political system -which controls planning- is too complex and old it needs a complete re-structuring not only in the concernig to urban planning matters, but the entire national affairs. We have given evidence that by the government giving priority to economic growth and by subordinating physical planning, concentration has been increased and the chances for local development may have been jeopardised.

It is difficult to argue that the planning system needs to be changed, because most of the things needed may have already been laid down. States are responsible for adopting the national guidelines according to their needs, and the municipalities alone are responsible for local plans, even a "Democratic Planning Law" has been passed. Rather, it is the structure into which this system has been laid down which is making it too difficult to achieve results. There are so many alternatives to the

government to go round it, planning's role becomes in reality, obsolete. The mechanisms available should be bound by the planning system to avoid failures.

On the other hand, although changes in the political system should result in changes in the planning system, it is planners' task to change the present trends, otherwise, the political system will not appreciate the reasons for changing it, since they are fulfilling their own interests. A change in planners' attitude should result in better plans. But planning is not only a matter of making good plans. It is also a matter of implementing their plans, and their proposals becoming reality. Changes in the quality of plans alone, obviously cannot deliver social development, this is where changes in the system are needed. These may be achieved by making changes in bureaucracy, tax distribution, education and political commitment:

A) Bureaucratic changes and real devolution.

The number of secretariats and planning departments involved in the process are obviously creating the biggest barriers to policy implementation as well as overlapping of functions. Planning should be a co-ordinated activity to allow a "corporate" view of the problems and avoid waste of time and money in expensive but perhaps non-needed-in-the-area projects. States should have a say and influence these decisions. Control over quangos' output should also help. Their investment decisions should be bound not only by the general national guidelines, but by the local plans of the areas in which they plan to invest to prevent duplication or unnecessary use of resources. But it is within Sedue's departments where

perhaps the biggest changes are needed. Central offices' work is duplicating its own delegations and states'. Sedue should become an "information/promotion" agency of the states' programmes and the states themselves should make local planning, while Sedue should restraint itself to aggregate policy making and monitoring. Giving real planning duties to the states should result in devolution, therefore decentralization of decision-making.

B) Federal tax redistribution = more local self-sufficiency.

Given their lack of economic resources, state and municipal governments are sometimes unable to carry out some important actions. This may drive them, it was argued, to "fight" at almost any cost for investment to be made in their territories, causing "un-rational" actions, with negative results in the long term. Then, a more distributive federal tax structure should give local governments a better chance to fund their most important projects without having to rely heavily on federal organisations for their funding. This should result in more self-sufficient regions.

C) Educational changes = better plans.

Planners' attitude towards urban problems and their solution might change if they receive an educational background which enables them to be critical of the system in which they are going to exercise, and links them to the social reality of Mexico. Being critical of the system should allow planners to perceive the problems with another perspective, different from that of the government itself, avoiding the danger of being only "justifying" government's actions. In that way also, they will not find themselves alienated from the basic role of planning: to be a socially

oriented practise.

D) Political commitment = better structure/system.

To get politicians' commitment should be one of the first priorities. Being planning now an activity without spending powers, it depends on political decisions which might trigger development in a given area. Planning should reverse those trends and influence those political decisions by having the sufficient power to be taken into consideration. As argued in Chapter VI, local planners should be able to "force" politicians to change their minds by demonstrating they work with and are backed by, the social groups or organisations at the grassroots. That will give planning the strength it lacks now. It would make politicians think twice all decisions likely to be cosmetic gestures.

7.2. Economic against Social Development?.

A good deal of the lack of political commitment to physical planning comes, this dissertation argues, by the priority given to economic growth. That assertion's validity should be considered in the context of economic growth in Mexico being easier to achieve simply by increasing concentration of industry and investment in areas which already enjoy certain levels of infrastructure.

It is not that social development is going to be achieved simply by making physical planning to work properly, nor economic planning. Economic and urban plannings do not necessarily have to be exclusive of one

another. In fact, their aims might be complementary. It has been argued throughout this work, that the problems come when one of those is given priority over the other, which makes the proposals biased towards one of those aspects. If economic growth would had been tried to be achieved considering its spatial implications, things might had been different. Alternative cities would have emerged making in that way, more efficient the use of infrastructure and investment.

By giving full priority to economic planning and relegating its physical and distributional implications, the government might be creating economic growth, but not economic development. They, as I understand them, are different. Economic development would give the country a more rational and equitable distribution of infrastructure, economic activities and population, therefore, the self-sufficiency it needs to depend less from the exterior. Economic growth is profit-related and tends to benefit the elites of politicians and industrialists. This in turn, might create further dependency on external markets and lending institutions because the country would not really be funding real basis for growth.

7.3. The policy implications.

Governmental actions are definitely influential in the pattern of development the country has had. Changes are needed to counter act deficiencies and achieve better living standars for the majority of population. They are needed to make more efficient the use of scarce

resources. These should be taken at all levels of policy-making, from the international right to the very local of cities.

At the international level, a more diversified market for a more diversified number of products is needed. Although the latter may be beginning to appear after the collapse in oil prices, the need to diversify markets is urgent, that should allow to different regions to look for alternative sources/markets in times of crisis.

At the national level, this diversification should allow for the different endowments of the different regions to develop, this in turn, might create a series of "especialized" regions, which should increase their population's incomes, thus an internal market could be developed.

As in the case study, some of the problems which created further concentration in the central region were because of an increase in the amount of investment in infrastructure in the region. That implies for the future, to make a more rational distribution of the investment, to make it more efficient in terms of taking advantage of the region's endowments and real possibilities for development. Industry might not be the answer to all regions. As with the purpose-built tourist towns, alternatives might be found to different regions according to their characteristics. Mexico is sufficiently varied in resources and people to offer lots of alternatives for economic and social development.

Public control over major economic development decisions, should mean to "guide" economic decisions to make them to be shared in a

more egalitarian way. Important decisions should take into consideration the needs of regions and their population and use these projects and investments to attract and/or trigger development. Although some investment would still be needed in the central region, the priorities should be changed to the rest of the country.

As diffusion of innovation plays an important role in development, a more rational and not centre-lead network of communications including roads should be developed linking important urban centres.

At the level of states, the distribution of investment, although not completely disperse, should be directed to alternative areas according to a coherent and realistic "system of urban-rural centres", to allow to filter down more easily the benefits of any urban or agricultural development to those less accesible areas. It could also prevent the great disparities within the states, where after the capital cities, little alternatives there are for investment and migration.

Finding alternatives for development might be easier if information is shared between municipalities and states relating to their problems, this means a more co-operative approach to the local problems, instead of the normal "paternalistic" one in which states "know" all the answers for local problems, instead of trying to find common solutions.

In the cities, local planners might be the key for a reliable success for planning. They are the contact between government and public. They need to know all the problems their cities are facing by

involving themselves in the process. Public participation should mean the public may influence the decisions that are taken in plans, not as until now, that plans rarely are publicly known. The poor is already beginning to organise themselves in the light of the little attention they have been given by planners; while community and national businessmen are taking block actions to halt actions they think are against their interests. In these two cases, the latter is the more powerful to bargain changes in policies, while the former is not. For this group, planning might be the solution to open a door to development. All policies and proposals should be given taken into account people's problems. For example, if in the case study, planners instead of trying to design the "perfect" city, were trying to find real solutions to its problems by contacting and talking with all sectors of community, they would probably had found what was really needed.

All these changes, we know, are not an easy task, nor they would be done in the short-term. But they are needed to overcome the present discrepancies in living standards in different regions within the country. They are needed to make Mexico a better place to most Mexicans. If Mexican planners become more aware of the context in which these problems are occurring, we could say changes are in their way to become reality.

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