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INDUSTRIAL DEVELOPMENT IN MEXICO

Policy Transformation from Below

Walid Tijerina

ROUTLEDGE

Focus

Industrial Development in Mexico

This book explores developmental policymaking across the multiple levels of Mexico's contemporary state, arguing that many of the innovations in industrial policy have been driven at the subnational level. In the three decades since Mexico's neoliberal turn in its political economy, subnational units of government have taken a lead in industrial transformation, galvanising policy from below. With most literature on new developmentalism focusing on the national level, this book is an important exploration of the differentiated and rewarding results that may be found below the state's centre.

Based on an original dataset of written and oral interviews gained from national and subnational governmental units of industrial policymaking in Mexico, the book shows how attribution and power are diffused across the contemporary state's multiple levels. Notable subnational projects explored by the book include public-private collaboration, productive investments and an interesting array of incentives targeted towards industrial upgrading and innovation. The book concludes by providing a distinctive and systematic comparison between subnational units from different countries in Latin America and further afield, in order to assess the commonalities of developmental roles and policies.

Industrial Development in Mexico will be an important read for scholars across the fields of political science, political economy and Latin American development.

Walid Tijerina completed his doctoral studies at the University of York, UK, and now works at the Universidad Autónoma de Nuevo León, Mexico.

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Routledge
Taylor & Francis Group

LONDON AND NEW YORK

First published 2019
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
52 Vanderbilt Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

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British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

A catalog record for this book has been requested

ISBN: 978-0-367-20946-9 (hbk)

ISBN: 978-0-429-26431-3 (ebk)

Typeset in Times New Roman
by Apex CoVantage, LLC

To the memory of my father



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Acknowledgements

I owe special thanks to three universities which have supported the realisation of this research project that began back in 2014: the University of York, the Universidad Autónoma de Nuevo León (UANL) and the University of Texas at Austin. I am more than grateful to my mentors and colleagues at the political science departments in the University of York. Louise Haagh provided me with insightful guidance from this project's very start, and Carlos Solar has always been a stimulating interlocutor on Latin America's development. In the UANL, Abraham Hernández Paz has given me all the support a researcher could wish for. I want to express my gratitude as well to the University of Texas at Austin's LLILAS Benson Latin American Studies and Collection for sponsoring my research visit during the year 2016. Their vast library resources on Mexico and Latin America were of substantial use to my research, and the seminars, conferences and talks I attended gave me a rewarding opportunity to exchange ideas with their researchers, helping me clarify my own project.

Furthermore, I would like to give special thanks to two professors who kindly took time to review my project and provide feedback throughout several stages. Joel S. Migdal's invaluable feedback was key in shaping many of the theoretical and conceptual foundations of my research. Also, Diego Sánchez-Ancochea, from the Latin American Centre of the University of Oxford, provided sharp comments which helped me consolidate the project's analytical framework as well as encouraged me to pursue this project's publication as a book.

Regarding this book's editorial process, a special mention is due to Helena Hurd, whose guidance and support were filled with enthusiasm and helpful suggestions. I also wish to thank Leila Walker for all her support during the editorial process, and the constructive comments of two anonymous reviewers which helped me reshape this project for it to appeal to a wider audience.

x *Acknowledgements*

Finally, I would like to thank my mother and brothers for giving me constant support throughout the duration of this endeavour. And, with a truly grateful mention, I want to thank my wife, Susana, for providing me with unending support, motivation and inspiration.

Abbreviations

ALTEX	Programme for Highly Exporting Enterprises
AMSDE	Mexican Association of Economic Development Secretaries
BDMG	Development Bank of Minas Gerais
CAINTRA	Chamber for the Transformative Industry (Mexico)
CDI	Company of Industrial Districts (Minas Gerais)
CECATI	Capacitation Centre for Industrial Labour (Querétaro)
CEMIG	Energy Company of Minas Gerais (Centras Elétricas de Minas Gerais)
CFE	Federal Commission of Electricity
CMIC	Mexican Chamber for the Construction Industry
CODIQUE	Committee for the Industrial Development of the State of Querétaro
COMEXQRO	Programme for Querétaro's International Commerce
CONACYT	National Council of Science and Technology
CONAGO	National Commission of Governors
COPARMEX	Confederation of Mexican Employers
EOS	export-oriented strategy
FDI	foreign direct investment
FICORCA	Exchange Risk Coverage Fund
GATT	General Agreement on Tariffs and Trade
ICA	Ingenieros Civiles Asociados
iNDEXTb	Industrial Extension Bureau (Gujarat)
INDI	Institute of Industrial Development (Minas Gerais)
ISI	import substitution industrialisation
MDDS	Most Different Design System
MIC	Ministry of Industry and Commerce
MITI	Ministry of International Trade and Industry (Japan)
MTYCIC	Monterrey, International City of Knowledge
NAFINSA	Nacional Financiera (Mexico's National Development Bank)
NAFTA	North American Free Trade Agreement

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PAN	National Action Party
PEMEX	Petróleos Mexicanos
PIIT	Research and Technology Innovation Park (Nuevo León)
PITEX	Programme for Temporal Imports to Produce Exports
PRD	Party of the Democratic Revolution
PRI	Institutional Revolutionary Party
SAPs	structural adjustment packages
SEDEC	Secretariat of Economic Development (Nuevo León)
SEDESU	Secretariat of Sustainable Development (Querétaro)
SMEs	small and medium enterprises
SOE	State-Owned Enterprise
TNCs	transnational companies
Tremec	Transmisiones y Equipos Mecánicos
UANL	Autonomous University of Nuevo León
UdeM	University of Monterrey
UNAQ	National Aeronautic University at Querétaro

1 Introduction

Bringing the (developmental) state back in

Introduction

During the second half of the 20th century, East Asia and Latin America garnered attention at a global scale due to their similar trajectories of industrial development and high rates of GDP growth. During the 1980s, the projection of the “East Asian Miracle” led academics to start a research agenda with the objective of diagnosing the distinct characteristics and patterns that the Newly Industrialised Countries States exposed during their accelerated industrial transformation. Among several research studies, it was Chalmers Johnson’s analysis (1982) on the Japanese Miracle and the central role of the Ministry of International Trade and Industry (MITI) in their country’s rapid industrial transformation which seemed to better capture the role of the State in triggering this process.¹

In the aforementioned study, MITI undertook a role of “administrative guidance” which not only provided direction, guidelines and encouragement to industries within a given strategic industry, but also retaliated and punished them with a wide range of actions, depending on each situation, with the ultimate goal of pursuing the country’s industrial transformation. This administrative guidance was part of Johnson’s (1982) broader concept of industrial policy, which entails “the activities of governments that are intended to develop or retrench various industries in a national economy in order to maintain global competitiveness” (p. 9).

A similar testimony of industrial policy implementation in pursuit of global competitiveness was later provided by Robert Wade’s (1990) analysis of state-led development in Taiwan and Alice Amsden’s (1992) account of Korean industrialisation, both of which emphasised state-society relations or public-private collaboration as key mechanisms that triggered economic development.

On the other side of the globe, Latin America had also formulated its own version of “national developmentalism”, or *estado desenvolvimentista*,