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The place of Mexico City in the nation's growth: employment trends and policies

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Up to 1960 or thereabouts, Mexico City was confined within the administrative boundaries of the Federal District and occupied only a fraction of that territory. It has since expanded beyond these limits so that nowadays the inhabitants of the country's largest urban centre come under the jurisdiction of two types of administration: that of the Federal District, which affects just over 9 million inhabitants, and that of Mexico State for the remaining 5 million, the total population of Greater Mexico City being estimated in 1980 at 14.4 million inhabitants. This dichotomy is undoubtedly an important factor in the response (or lack of response) to the problems of town planning and public amenities as well as in the adoption of effective decentralisation and employment policies.

Taking the Federal District as our starting-point and expanding our study to the entire greater urban area wherever available information makes this possible, we propose, firstly, to show how the capital has developed its own characteristic pattern of employment over the different stages of its growth, and secondly, to analyse the part played by the public authorities in this process.

I. The demographic and economic development of Mexico City

Tenochtitlán, the Aztec capital, aroused wonder and envy in Hernán Cortés when he first set eyes upon it. It was these feelings that gave him the idea of building the capital of New Spain on its ruins following the "Tragic Night" of his conquest of the Aztec people. The events surrounding the birth of Mexico City and the sentiments which inspired the new masters of this part of the world in making it the seat of civil and military authority are at the origin of Mexico City's supremacy over the country's other cities, a

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supremacy which has remained unchallenged from colonial times to the present day. As far as its more recent history is concerned this can be clearly demonstrated by examining its pattern of economic and social growth.

The birth of a metropolis: 1921-50

The year 1921 marks the take-off point for the development of Mexico City as a major social and economic agglomeration, since it was around that time that the upheavals of the preceding decade came to an end and the country entered upon a period of unprecedented urban and demographic expansion.

Although insecurity and disturbances persisted to some extent even after 1921, the death rate soon began to decline, and this had a marked effect on the rate of population growth until quite recently, since the birth rate long remained at approximately the same level as at the beginning of the century, i.e. 45 births per thousand inhabitants, in contrast to the death rate, which was estimated at 28 per thousand even in 1921.

The trend in the Federal District has been much the same as in the rest of the country, but in addition there has been a tremendous influx of rural migrants. The land reform programme introduced in the years immediately following the revolution seems to have played an important part in this respect: whereas under the regime of Porfirio Díaz there were many peasants who were forced to remain on the land because they had contracted debts which they were unable to repay, the land reform programme, by freeing them from this obligation, encouraged their geographical mobility and was thus a factor in the demographic growth of the capital at a time when its principal economic functions were being organised and the new revolutionary regime installed.

Some figures on migratory movements at that time will give an idea of the pull exerted by the capital on the migrant population: of the 1.2 million migrants registered in the 1921 census, one-third had moved to the capital. The proportion subsequently increased slightly, since 624,000 of the 1.7 million movements recorded in 1930 were to the Federal District, and 820,000 of the total of 2.1 million in 1940 went to swell the population of the capital. In the following decade (1940-50) these figures almost doubled: 1,385,000 movements towards Mexico City out of a total of 3,350,000.[1]

The population of Mexico City, particularly as a result of this flow of migrants, increased rapidly. With an estimated population of 344,700 in 1900 and 661,700 in 1921, it topped the 1 million mark in 1930 and rose to almost 3 million in 1950; between 1940 and 1950 it increased on average by 5.4 per cent a year, a rate which has not been equalled since.[2]

The growth of the city undoubtedly mirrored the pattern of development of the Mexican economy in the 1930s and especially after 1940. The Great Depression, followed by the Second World War, encouraged a growth model centred on import substitution, which explains why the majority of the

belligerent countries that had previously exported to Mexico found it difficult to maintain their trade links. The situation in the rest of the world created conditions advantageous to the development of Mexican industry, with the capital uniting the most favourable factors: a huge consumer market, an extensive employment market and means of communication with the other development centres–the port of Veracruz and the northern border towns –able to guarantee supplies of raw materials and the redistribution of goods manufactured in Mexico City to other parts of the country.

Another factor contributing to the growth of the capital was the unprecedented increase in internal migration. With the passage of 20 years land reform had lost some of its capacity to retain the rural population: there was little new land to be shared out because a new generation of peasants had been born, causing an overpopulation of the countryside which was to find its outlet in migration towards the capital. This was also the period which saw the beginnings of emigration to the United States.

The main form of industry which developed in the Federal District up to 1950 was the manufacture of consumer goods to meet the most urgent needs of the population. The food and textile industries were the first to take root; later on investment and intermediate goods industries made their appearance (chemicals, cement, steel, mechanical engineering assembly).

At the same time, a banking and financial infrastructure was created to satisfy the demands not only of industrial development but also of urban land speculators, who were encouraged by the growth of the city and the lack of restrictive measures on the part of the authorities.

On the whole the industrial undertakings used relatively simple technologies which enabled the migrant population to fit easily into the employment market. Moreover, the first waves of migrants arriving in Mexico City contained a higher proportion than their successors of workers who had already acquired occupational experience in smaller urban centres. On the other hand, a significant proportion of manpower coming directly from agriculture without passing through any other sector seems to have found employment in construction activities.[3] Another characteristic of industry in the metropolitan area was the importance of traditional forms of production and family businesses: for example, the 1950 census showed that 19.1 per cent of workers were self-employed, a figure that was later to drop rapidly to less than 7 per cent in 1979. Even so, the proportions were low compared with the national averages.

In the exceptionally dynamic conditions marking the economy of the Federal District after 1940, it is not surprising that the figure for registered unemployment should have been very low: 2.1 per cent of the active population in 1950.[4] It would thus appear that not only was the supply of jobs during these years increasing at a sufficiently rapid rate to absorb the demand but also, since the range of skills in demand was relatively narrow, vacancies could be filled quickly.

The consolidation of the capital's network of activities: 1950-70

From 1950 to 1960 the population of the Federal District continued to grow rapidly–although rather less so than in the previous decade–by 4.6 per cent, dropping to 3.5 per cent between 1960 and 1970. As opposed to the preceding period the bulk of this increase was not attributable to migration but to the natural growth of the population in which the reproductive behaviour of the migrants who had settled in the capital played an important part. In the following years the proportion of migrants to the Federal District dropped even further; however, the metropolitan area of Mexico City, which towards 1960 spread beyond the administrative boundaries of the Federal District, continued to receive considerable inflows. It was estimated, for example, that 50 per cent of internal migrants moved towards the metropolitan area of Mexico City between 1950 and 1970.[5] Moreover, it was from 1960 onwards that some of the areas on the periphery of the Federal District, such as Netzahualcóyotl,[6] Naucalpán and Tlanepantla began to expand rapidly, sometimes, in the case of the second and third of these areas, as a result of the industrial policy adopted by the Government.

The period under study saw a diversification and consolidation of national industry, a process in which the Federal District played a growing part. Thus, the percentage of the population of the Federal District employed in industry, which amounted to 29 per cent of the country's industrial population in 1950, rose to 34 per cent in 1960. Subsequently, this percentage began to drop, whereas that corresponding to the entire urban area of Mexico City rose; recent figures indicate that the rate of concentration of industrial employment in the latter area exceeded 36 per cent in 1979.[7] The largest increase seemed to have been in the intermediate and investment goods industries, followed by the consumer goods and economic development industries, especially petrochemicals and automobile construction.[8] It would appear that towards the end of the 1960s there were a number of business mergers–at least this is what figures in the industrial censuses of 1965 and 1970 seem to indicate since, although there was a marked drop in the number of undertakings, there was an estimated 44 per cent increase in value added.[9] It was in the "footwear and clothing" branch, where the value added remained constant, that the drop in the number of undertakings–32 per cent–seemed sharpest. There was also a significant drop (20 per cent) in the number of undertakings manufacturing beverages, although the workforce employed in this branch continued to increase at a healthy rate (45 per cent), as did value added. We shall pass over the investment or intermediate goods industries, since the methods of dealing with them at the times of the various censuses seemed to have differed somewhat. However, attention should be drawn to the first (and practically the only) signs of a policy of industrial deconcentration revealed in the establishment in Ciudad Sahagún–an industrial zone, 150 kilometres from the capital, designed in the 1950s to accommodate decentralised or new

undertakings–of motor vehicle construction or heavy industries (DINA, Constructora Nacional de Carros de Ferrocarril, Siderúrgica Nacional, etc.).

This stage in the industrialisation of the Federal District also saw the introduction of more advanced technologies, which was not unconnected with the more rapid injection of foreign capital into Mexican undertakings, particularly those in the capital city. This led to even greater differences in methods of production within one and the same branch.

If we look at the distribution of employment by branch between 1950 and 1970 it seems that there was considerable growth in some service activities during this period; this was the case with services to undertakings and financial and banking services (see table 1). The new services established included the private offices of lawyers, architects, accountants and economists. There was a relative decline in employment in domestic service, while the "leisure, hotels and restaurants" branch was employing an increasing proportion of the labour force, which reflected the development of cultural, tourist and leisure facilities in Mexico City. There was a decline in commercial activity, but this might have been because of the introduction of more concentrated up-to-date forms of distribution, again often bound up with foreign capital.

The more advanced technology used in the undertakings was reflected in a call for more specialised and highly skilled manpower. The jobs requiring higher- or middle-level skills were filled more often than not by workers residing in the metropolitan area, whereas recent migrants were offered unskilled jobs in construction or industry. As some studies on the integration into working life of various groups of migrants arriving in Mexico up to 1970 to show,[10] migrant manpower thus performed a definite productive function in the capital's process of growth and economic diversification and formed the basis of its working-class sector. This judgment in no wise overlooks the conditions in which these workers were integrated into the employment market, conditions which were apparently quite harsh.

The changes that occurred in the demand for manpower had repercussions on unemployment, which increased considerably in the 1960s, rising from 2.5 per cent of the active population in 1960 to 5 per cent in 1980. It is interesting to note that the increase was higher among women than among men (the rate rising from 1.5 to 6.3 per cent for women and from 2.9 to 4.2 per cent for men between 1960 and 1970). This rise in female unemployment (women accounted for 41 per cent of the unemployed population in 1970 whereas in 1960 they accounted for only 19 per cent) occurred at a time when there was a marked increase in the supply of female labour. This may have originated in the economic difficulties encountered by households in the capital but also in a deliberate demand for female labour on the part of undertakings seeking to change the source of recruitment in order to protect themselves in the event of changes in technology or products.

Table 1. Federal District: distribution of jobs by branch of activity, 1930, 1950 and 1970 (%)

Branch of activity	1930	1950	1970
Primary activities	*11.5*	*5.7*	*2.6*
Agriculture	11.3	5.1	2.3
Mines	0.2	0.6	0.3
Processing industries	*24.9*	*28.0*	*32.7*
Food, beverages and tobacco	4.1	4.2	4.4
Textiles, footwear and leather goods	11.2	9.1	6.7
Wooden articles and furniture	3.2	2.6	2.0
Paper	1.6	2.1	2.8
Chemicals	1.6	2.1	4.7
Building materials	0.9	1.0	1.2
Metalworking	0.3	0.7	0.8
Mechanical engineering and electrical industries	0.5	4.5	7.3
Various industries	0.5	0.9	2.2
Electrical energy	1.0	0.8	0.6
Construction	*3.8*	*6.3*	*5.7*
Distribution services	*22.0*	*23.0*	*19.6*
Commerce	15.5	17.3	14.5
Transport	6.5	5.7	5.1
Services to producers	*0.8*	*3.0*	*5.4*
Financial and banking services	0.1	1.6	2.2
Services to undertakings	0.7	1.4	3.2
Social services	*15.8*	*13.5*	*14.9*
Health and education	15.8	5.1	7.9
Public administration		8.4	7.0
Personal services	*21.1*	*20.6*	*19.1*
Domestic service	16.3	12.6	8.8
Laundry	1.0	0.9	2.0
Repairs	2.3	1.7	2.6
Leisure, hotels and restaurants	0.4	3.8	4.6
Other services	1.1	1.6	1.1
Total	**100.0**	**100.0**	**100.0**

Sources: H. Muñoz, O. de Oliveira and C. Stern (editors): *Migración y desigualdad social en la Ciudad de México*, op. cit., p. 144. The distribution for the years 1930 and 1970 is derived from the population censuses, Central Statistical Office; that for 1950 was estimated by Harley Browning: *Urbanization in Mexico*, Ph.D. thesis (Berkeley, University of California, 1962). Insufficiently specified activities have been excluded.

Towards a new growth model: 1970-80

This last period was characterised by a marked irregularity in the rates and forms of growth; a clear break occurred in 1976 when there was a devaluation of the Mexican peso, preceded by a fall in investment and a massive transfer of capital aboard. The discovery of new oil deposits made it

possible after 1978 to revive the economy, which is now showing signs of overheating, particularly a higher rate of inflation than in the majority of its trading partners.

The fluctuations in economic activity were reflected in the rate of growth of the gross domestic product. Following a year of average growth in 1971 (4.2 per cent), it increased over the next two years to 8.4 per cent, only to decline regularly thereafter up to 1977, when it fell to its lowest level (3.4 per cent). A marked upturn began in 1978, when the GDP increased at the rate of 8.1 per cent, followed by a rise of 7.4 per cent in 1979.[11] Keeping this pattern of national economic activity in mind, we shall try to interpret the trends in employment in the Federal District and the variables related to them.

There were some changes in demographic trends, but it would appear that, as regards both the natural and the migratory balance, they occurred mainly at the end of the period.

In the light of the results of a 1976 survey on fertility and the preliminary data of the 1980 census, the National Population Council (CONAPO) considers that there has been a sharp drop in the birth rate at the national level and an even greater one in the Federal District. After fluctuating in the period studied above at around 45 births per thousand inhabitants, the birth rate began to drop in 1975 and settled at 34 per thousand for the country as a whole in 1980. In the Federal District it dropped from 41.3 per thousand in 1970 to no more than 30 in 1980. As a result of this dramatic decline in the birth rate and the continued drop in the death rate, which had settled at around 6 per thousand in 1980, the natural increase in the Federal District regained in 1980 the rate achieved in 1950 (2.4 instead of 2.3 per cent). There seems to have been a similar slowing down in the entire Greater Mexico City area.

As regards migration trends, however, the difference between the Federal District and the urban periphery is becoming more marked, since the former, which had received few new migrants even during the 1960s, no longer appears to be a net centre of attraction (the balance for the years between 1970 and 1980 being around 187,000). This can be attributed not only to the fact that the city had reached saturation point but also to the effects of an energetic and sometimes ruthless policy of "regularising" the situation of people forming settlements without legal authorisation. It might be pointed out here that the Federal District Urban Development Plan aims to eliminate all illegal occupations of land by 1988. Since this radical policy applies only within the boundaries of the Federal District itself, the effect on the urban area beyond can be easily imagined. In the past ten years 2 million new migrants have found shelter in the municipalities of Mexico State adjoining the Federal District. Hence the demographic growth of Greater Mexico City has remained at a very high level: an average of 4.3 per cent a year between 1970 and 1980.

The distribution of employment in the Federal District reflects the changes in the growth model fairly accurately (see table 2). For example,

Table 2. Federal District: changes in employment in industry and services, 1978-80

	1970	1974	1978	1980
Employment in the processing industries	644 933	766 899	808 068	882 294
Average annual increase per period (%)		4.4[1]	1.3	4.5
Employment in services	1 237 856	1 704 231	1 925 674	2 071 615
Average annual increase (%)		8.3[1]	3.1	3.7

[1] These rates are probably higher than they should be because of a difference in the methods of recording employment in the survey and the census.

Sources: 1970 population census; ongoing survey of employment (annual averages) of the Ministry of Planning and Budget (Secretaría de Programación y Presupuesto, SPP). The data for 1980 have been estimated on the basis of partial information supplied by the Central Statistical Office of the SPP.

employment in the tertiary sector showed faster growth between 1974 and 1978, since the economic climate was very depressed up to that date. On the other hand, after 1978 it was industrial employment that began to expand. This leapfrogging in the growth of industrial and tertiary employment teaches us a great deal about the nature of tertiary jobs in an employment market such as Mexico City's when it is not supported by a sufficiently buoyant economy. While it is probable that a proportion of new employment in the tertiary sector up to 1978 resulted from the creation of services or the increase in civil service jobs, it is difficult to rule out the possibility that a great many of these new jobs represent a form of disguised unemployment. This confirms the theory that the tertiary sector acts as a buffer which expands artificially as and when the equilibrium of the employment market so dictates, which in itself depends on the productive employment creation trends.

Consequently, if the rate of growth of industrial employment stays higher than that of services, as was the case between 1978 and 1980 (table 2), the "tertiarisation" of the Federal District could be only of a very ephemeral nature. This dynamism of the industrial sector at the heart of the Greater Mexico City area, even though it seemed to be taken for granted that its growth would continue to benefit the periphery, leads us to wonder about the forms of employment produced by this development. Bearing in mind the government measures taken to limit the establishment of new industrial undertakings inside the Federal District (see section II), and above all the problem of the lack of space in which to set up new undertakings, there is reason to believe that a considerable proportion of the 75,000 or so jobs created between 1978 and 1980 are the work of already existing undertakings. During the same period home work and subcontracting no doubt developed after the pattern of the *maquiladora,* which was designed to provide jobs for workers in the north of the country by enabling foreign undertakings to establish themselves in the border area and seems to be meeting with some success among undertakings which do not need heavy

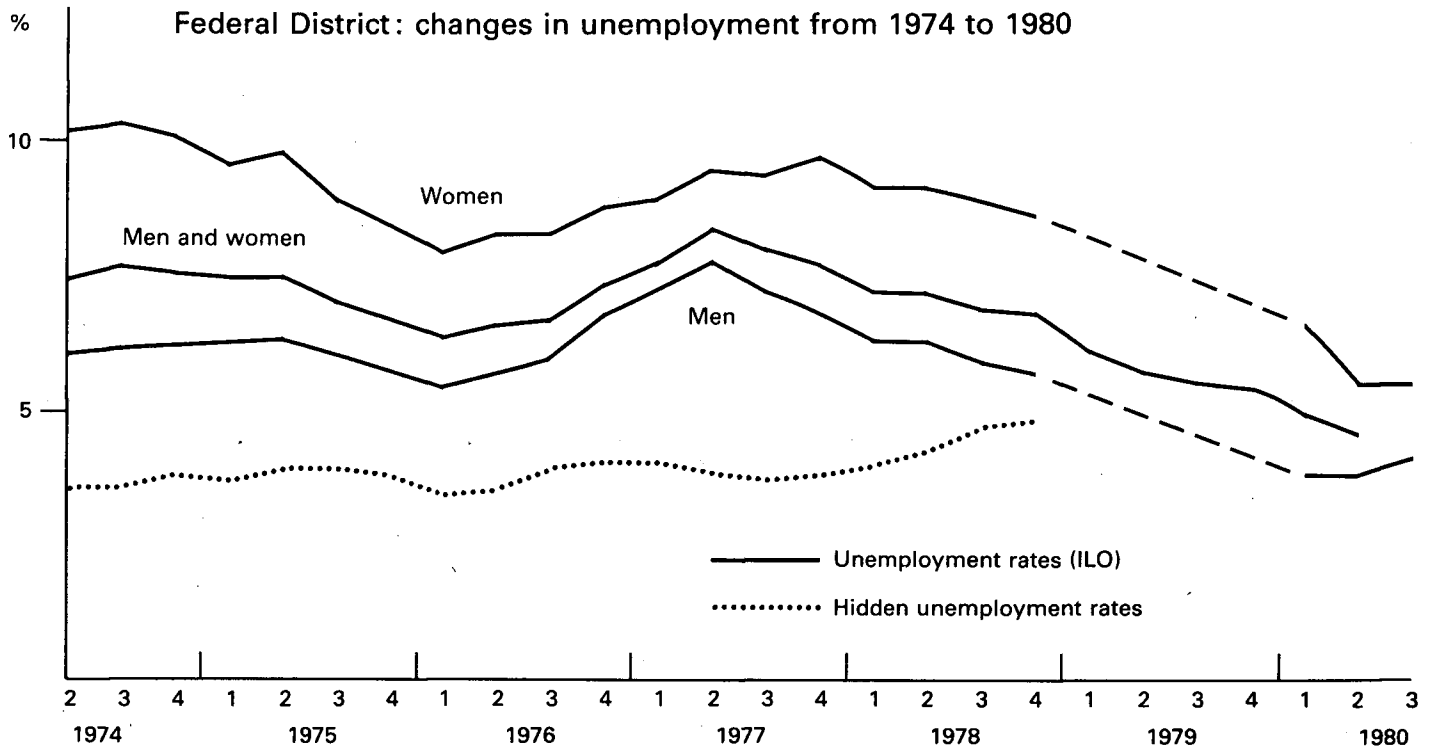
equipment.[12] Easily evading the supervision of the application of the labour legislation (wages, social benefits, vocational training, etc.) these different forms of manpower utilisation have certainly enabled entrepreneurs to make considerably higher profits than they would from more regular contractual relationships, hence their success.

Let us now turn our attention to the effects on the employment market, and particularly on unemployment, of this capacity for recovery and expansion shown by the industrial undertakings of the capital. Is the creation of productive jobs being accompanied by a drop in unemployment?

This indicator, which has since 1974 been observed every three months by the employment survey, seems to be a reliable reflection of economic fluctuations. The over-all rate of unemployment clearly reached its highest point in the middle of 1977, dropping regularly thereafter (see diagram).

The drop has in fact been a sharp one: from 8.4 per cent of the active population in 1977 to less than 5 per cent in mid-1980. For men alone it fell to below 4 per cent. Although the gap between the sexes has been reduced the difference remains significant and women are at a patent disadvantage on the employment market. The breakdown of these data by age gives ground for thinking that this disadvantage is especially in evidence at the time of seeking a first job: the unemployed, both men and women, appear to be concentrated in the 12-19 and 20-24 age groups. Similarly, analysis of the specific rates of unemployment reveals a decreasing vulnerability with age, and the rates for elderly workers could be considered very low (1.6 per cent for the 55-64 group and 2.3 for the 45-54 group as against 18.4 for young persons aged 12-19 and 9.7 for those in the 20-24 group, according to the survey of the first quarter of 1979).

The same statistical source makes it possible to follow the trend in another category of jobseekers, those designated by the survey as the "hidden unemployed"; this category of the non-employed covers persons who are prepared to accept a job but who for various reasons are not actively seeking one (either because they think there are none available or because they have been discouraged by their previous attempts to find work). The variations in this hidden unemployment are slight but since 1977 it has shown a marked tendency to increase. Going in the opposite direction to over-all unemployment, this recent increase could give rise to a variety of interpretations. The first, with which we disagree, would be to doubt the reduction in real unemployment: a number of discouraged jobseekers would be recorded as inactive and not as unemployed at the time of the survey. The second interpretation, which in our view is consistent with the previous observations on the rate of job creation, is that this type of unemployment precedes the entry of inactive persons into the employment market and heralds an increase in the supply of manpower (i.e. the economically active population). These people would be in a state of "premobilisation" in relation to the employment market, but their desire to work would not yet be completely formulated. This interpretation must be clarified by analysis of the activity



Note: Nine-month moving averages; in 1979, information not available by sex; in 1980, observed values.
Source: Ongoing survey of employment.

behaviour of the population. Is it confirmed that the activity rates have reacted positively to the strong demand for manpower on the metropolitan market? For the economically active population as a whole (men and women), the year 1977 did not show any change in trend, but in the group of women aged 20-44, however, there was an increase in the activity rate which seems to correspond closely to a speeding up, due to the economic situation, in the trend apparent since 1960. If its effect on the over-all rate is not perceptible this is because another trend occurred at the same time: decreased activity in the group of young persons aged 12-19 because of their greater participation in the education system. The hole this has made in the new manpower available is in fact considerable. Since 1970 the levels at which the school population has been increasing fastest are the post-primary ones (general secondary, technical secondary and university); they thus include young people who would have been able to enter the employment market in the past. The rapid distortion of the pyramid of young people attending school, as a result of a significant number of general secondary pupils continuing their studies, is a matter of concern to the authorities since it reveals the ineffectiveness of efforts made to develop secondary technical education. This is clear from the small numbers of students trained in these technical schools and from the relatively unrewarding jobs they are offered compared with the ones occupied by those with a short or long general education.[13] It has not been possible to correct the imbalance on the employment market in respect of technical personnel, which is felt all the more keenly at a time when undertakings wish to diversify the composition of the workforce and extend the range of its skills. If a solution is not found there will soon be bottlenecks in their production and the improvement of their productivity will be checked. This very brief discussion of education policy leads us to the second part of our analysis, which is devoted to the role of the State in the face of changes in the employment market.

II. The role of the public authorities

Because of their importance for employment we felt it would be interesting to discuss two particular forms of public intervention: on the one hand, urban-industrial policy (or the promotion of industry in the urban area), which has undeniable effects on the demand for manpower, and, on the other hand, demographic policy, which is supposed to modify the structure of manpower supply. Let us see, then, how the Mexican Government has tried through these two policies to control the concentration of employment in the capital as well as the over-expansion of the city.

Industrial development policy

The industrial development of Mexico has been backed up, particularly since 1940, by a whole range of measures, the main ones being the creation

of infrastructure in communications, transport and drinking-water supply. Not only does the quality of the services provided in the capital equal or surpass that in other centres, but the Government has so far refused to adopt a real-costs policy as far as they are concerned. The federal budget accordingly bears the cost of the subsidies granted to the undertakings. The preferential measures adopted under the industrial development policy will have difficulty in counteracting the advantage given by the public tariffs policy, an advantage which is heightened by the fact that Mexico City is the largest consumer and employment market in the country.

Nevertheless, we shall cite various decisions taken by the Mexican Government with a view to exercising better control over the establishment of new enterprises in the Federal District or the greater metropolitan area.

The Act respecting new and necessary industries promulgated in 1941 to encourage the country's industrialisation did not include any geographical criterion. Naturally, the majority of those benefiting were located in the metropolitan area.

The industrial promotion scheme adopted in 1954, on the other hand, set forth special rules for the Federal District, which was the only part of the country in which tax exemptions–covering periods of 10 to 30 years–could not be granted to investing undertakings. While these provisions checked the creation of new units in the heart of the metropolitan area they also had the effect of stimulating the industrialisation of the outer rim of the capital.

The plan of action adopted under the Echeverría Government (the Decree of 20 July 1972) had similar or even more adverse effects. Among the criteria (eight in all) giving entitlement to tax exemptions only one was designed to encourage decentralisation, the other seven being aimed at mitigating various deficiencies in the national production apparatus. Since the beneficiaries of these provisions had to satisfy only one of these criteria, most of them were located in the greater urban area. As for the criterion aimed at industrial decentralisation, this was so unselective from a geographical point of view that the undertakings on the periphery of Mexico City were able to take advantage of it.

The year 1979 saw the adoption of a series of new provisions defining certain geographical areas, including priority areas (the regions forming the hinterland for the development of the four future industrial ports), while the Federal District and several municipalities in Mexico State were declared to be a region of controlled growth.[14] This meant that undertakings setting up operations there could not benefit from the advantages accorded in the other regions (tax exemptions, credit, preferential rates in respect of energy, etc.). In addition, the administrative authorities were invited to take steps within their field of competence to discourage any new industrial investment in the region of controlled growth. It is still difficult to judge the effect of these provisions, but it is to be feared–and recent employment trends in the capital tend to confirm these fears–that they have not been very widely implemented.

As regards small- and medium-scale industry, the first measures go back to 1953, when a guarantee and development fund for small- and medium-scale industry was set up. The legislation organising its operations, by excluding the Federal District from its scope, sought to correct imbalances between regions. Unfortunately, the outer urban areas, which were not excluded since they were situated in Mexico State, turned it to good account (whereas this State only received 10 per cent of the credits granted by the fund between 1953 and 1961, its share rose to 20 per cent in 1970).

With the launching of the Programme of Comprehensive Support for Small- and Medium-Scale Industry (known as the PAI from its Spanish initials), which is aimed at uniting the various types of services and support existing for the benefit of the industries concerned, new efforts have been made to encourage undertakings applying to the PAI to move to other geographical areas, particularly when they are planning to step up their production capacity. However, the persons at present responsible for this policy expect only a limited number of moves towards the "Mexico City Valley" (the regions of Toluca to the west or Puebla to the east).

This policy of the PAI has no equivalent among large-scale undertakings. Hence, if steps are not taken quickly, the position of large undertakings in the urban zone could end up by being strengthened, which, to say the least, would be a paradoxical and worrying outcome of the current policy of industrial decentralisation and restoring a balance between regions.

Demographic policy

Following the 1846-48 war with the United States, which deprived Mexico of part of its northern territories, the Government consistently maintained that the best deterrent would be a large population which was well distributed geographically, particularly among the states along the northern frontier. This argument, which following that war became firmly rooted in the country's ideology as a means of exciting nationalist sentiment, was not disputed until the 1970s. Gradually, the demographic objective was reversed and the advantages of a pronatalist policy are being seriously challenged in view of the trend towards increasing population growth revealed in the latest censuses: an average of 3.2 per cent a year from 1950 to 1960 and 3.4 per cent from 1960 to 1970. Such rates of growth were reflected in 1980 in an increase in the supply of manpower by some 700,000 persons a year.

In December 1973 a General Population Bill was tabled in Parliament; it was aimed at bringing the population increase down to more reasonable levels, otherwise "development efforts would run the risk of being diluted in the ocean of demographic growth". Its object is to "contain phenomena which influence population so that the people as a whole may participate in a just and equitable fashion in the benefits of economic and social development".[15] The proposed measures included family planning programmes,

promoting population mobility among the different regions, and encouraging the full integration of marginal groups.

Under the administration of President López Portillo a further step was taken in 1977 by the National Population Council with the formulation and presentation of a general demographic policy framework and a National Family Planning Plan. The aims were, on the one hand, to reduce fertility in order to slow down the growth in the population and, on the other hand, to distribute migratory flows more rationally in order to achieve a spread of population consistent with the objectives of balanced regional development ("with all due respect for individual freedom"). Thus was posed clearly, for the first time, the problem of the imbalance between the central metropolis, which was displaying an alarming tendency to absorb the bulk of the migrant flows, and the other regions, which were attracting fewer migrants or were even losing some of their population.

Since these plans were adopted, a number of programmes have been launched such as the one on family planning information which since 1980 has been backed up by radio broadcasts at frequent intervals giving details on the advantages of family planning, the places where contraceptives can be obtained and the benefits of spacing out births. The sex education programme which has been in operation since 1977 has been integrated into educational, health, rural development and adult education activities. In addition, the family planning medical services have used the network of social security centres and family planning services. The majority (and the first) of the family planning centres were set up in the Federal District.

The authorities consider the results of these programmes to be very favourable: the annual rate of demographic growth in the country as a whole dropped to 3.2 per cent in 1976 and 2.7 per cent in 1980. The target aimed at–2.5 per cent in 1982–is consequently regarded as attainable, and the official forecasts are now based on a rate of 1 per cent in the year 2000. As we have seen, CONAPO experts consider that the drop in the birth rate has been even more rapid in the Federal District and on more or less the same scale as in the latter throughout the Greater Mexico City area.

It is normal that such statements should be regarded with a certain amount of scepticism; it will be necessary to wait for the analysis of the data from the population census of June 1980 to be completed before they can be corroborated (subject, of course, to correction of the underestimation bias which naturally distorts them).

The policy aimed at rebalancing migratory flows has little more to show than a set of guidelines drawn up by the CONAPO,[16] putting forward to economic policy-makers a regional development model capable of changing the pattern of migratory flows and, in particular, reducing the scale of those heading towards Mexico City. One encouraging finding from the initial analysis of the census data is that the total volume of migration between the states has significantly decreased and that states such as Oaxaca, Zacatecas or Michoacán, known for their low level of development, have been better able

to retain their population than in the past, no doubt because of the general economic situation which has been favourable to the creation of jobs throughout the country.

The determining factor in the rapid growth of the Greater Mexico City area, namely migratory movements, appears therefore to depend essentially on the ups and downs of the national economy. In this field, as in the realm of economic incentive policy, the battle for a geographically balanced distribution of the population is thus still to be won.

Conclusions

One of the conclusions that can be drawn from this study is that industrial policy makers seem to have adopted the concept of the agglomeration only very recently, the Federal District being for a long time the only zone to be excluded from the industrial promotion measures.

The effects of this policy, compounded by rural-urban migration, are well known: the geographical expansion of the city and the distribution of industrial employment in a ring around the capital.

The lack of administrative continuity underlying these decisions has had consequences which a great many workers–in travelling to and from work–have to suffer every day without hope of any remedy in the near future. The underground railway improvements now under way, which stop short where the Federal District ends and the working-class suburbs begin, could be cited as evidence of the incongruities that result from a system of fragmented planning.

Although the industrial policy schemes are dual in nature, no such division exists in the employment market and the factors which encouraged the growth of Mexico City, such as the abundance of human resources, continue to attract new investment. In these circumstances, the drop in the birth rate holds out the only firm hope that the alarming forecast of a Greater Mexico City with a population of 36 million inhabitants in the year 2000, with 18 million in the Federal District alone,[17] will prove to be unfounded. This is no doubt a comforting thought, but is it really enough?

Notes

[1] O. Bataillon: *Las regiones geográficas en México* (Mexico, Siglo XXI Editores, 1969), p. 30. These figures relate to the Federal District which prior to 1950 contained the whole Greater Mexico City area. In the census the term "migrant" covered persons replying that they were habitually resident in a federal state other than that in which they were born.

[2] The figures given in this paragraph were taken from Luis Unikel et al.: *El desarrollo urbano de México.* Diagnóstico e implicaciones futuras (Mexico, El Colegio de México, 1976), p. 27.

[3] H. Muñoz, O. de Oliveira and C. Stern: *Migración y desigualdad social en la ciudad de México* (Mexico, El Colegio de México, 1977), pp. 157 and ff.

[4] General census of 1950 (Secretaría de Programación y Presupuesto - SPP).

[5] Unikel, op. cit., p. 48.

[6] Netzahualcóyotl, which did not exist as a municipality before 1964, is the area which has experienced the most rapid development. While the 1970 census showed a population of 650,000 inhabitants, it is thought at the present time to be higher than 3 million, which means that the annual increase has been in the region of 235,000 inhabitants. This area is also marked by an almost total absence of industry and the private ownership of a great part of the land, which prevents it from having a normal network of community services (refuse collection, health and hospital services, etc.).

[7] Figures from the population censuses and the ongoing survey of employment of 1979 (first two months). "Industrial employment" means employment in the processing industries.

[8] Leopoldo Solís: *La realidad económica mexicana: retrovisión y perspectiva* (Mexico, Siglo XXI Editores, 1976).

[9] The change in value added by branch, in constant pesos, was estimated on the basis of the national index of production costs calculated and published annually by the Bank of Mexico.

[10] Muñoz, Oliveira and Stern, op. cit., p. 155.

[11] *Sistema de Cuentas Nacionales de México,* Vol. I, Resumen general (SPP, 1981), and for the year 1979, Bank of Mexico: *Informe Anual 1980* (Mexico City). According to the SPP, the increase in 1979 was 9.1 per cent.

[12] A feature the *maquiladora* system shares with those of the border industrialisation programme is the fact that the putting-out undertaking supplies the workers with production materials (sewing machines, typewriters) as well as parts for assembly. It differs in that the workforce is not grouped together in one establishment.

[13] C. Muñoz Izquierdo, A. Hernández Medina and P. G. Rodríguez: "Educación y mercado de trabajo, un análisis longitudinal de los determinantes de la educación, la ocupación y el salario en la industria manufacturera de la Ciudad de México", in *Revista del Centro de Estudios Educativos* (Mexico City), Vol. VIII, 1978, No. 2, pp. 1-90.

[14] Decrees published in the Official Gazette of 2 February and 6 and 9 March 1979.

[15] General Population Law presented by the President of the Republic to the Congress of the United Mexican States in December 1953.

[16] Consejo Nacional de Población: *Política demográfica regional,* objectivos y metas 1978-1982.

[17] Even according to the CONAPO projections (with a hypothetical growth rate of 1 per cent in the year 2000, the population of the whole of Greater Mexico City would be 23.4 million and that of the Federal District 13.8 million in that year.