The relevance of the state involvement in the face of a sustainable and socially inclusive economic strategy in Mexico, the case of its south-southeast region as a likely socially inclusive and sustainable regional development pole in the country

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Octavio Luis Pineda1

ABSTRACT

Mexico’s South-southeastern region (here on ‘Macrosouth’) has traditionally been lagged and impoverished vis-à-vis Mexico’s northern and center region, which comprise, altogether, the so-called ‘Macronorth’ (encompassing northern, northwestern, western, and center regions). With the sole exception of highly private investment concentration on the Mayan Riviera of touristic nature, the rest of the ‘Macrosouth’ region (encompassing the Gulf of Mexico, South-pacific and Southeastern region) and its states down to the Gulf of Mexico and South Pacific region have remained isolated and disconnected from the Riviera bonanza zone, featuring better living standards, high economic growth, and better employment opportunities.

Under this framework and the emergence of a new democratic leftwing government in Mexico with strong social support and commitment to promoting a balanced regional development throughout the country, under a socially inclusive strategy it results explainable its emphasis granted on fostering a balanced regional development, under a socially inclusive strategy, its decision to earmark mammoth public productive investments toward the referred region, such as the Mayan Train and the Mexican Corridor (Dos Bocas Refinery in Tabasco state) all of them immersed in the same Macrорegion aiming to paralleling foster economic growth and well-being within this region and diminishing the prevailing asymmetric gap between North and South.

Although the unprecedented public investments channelized so far into the Macrosouth are expected to promote an economic bonanza in this region, there is no guarantee whatsoever that such growth will render seamlessly and simultaneously a socially inclusive and sustainable development in such a region for the coming years as conceived by Mexico’s ongoing economic strategy. Under this context, the article aims to highlight some remarks and challenges ahead to overcome to implement a socially inclusive and sustainable regional strategy in this Macrорegion in the coming years and the role of the State as an unavoidable key agent in attaining a balanced, socially inclusive and a sustainable approach in such region.

Keywords: Socially Inclusive and balanced development, Unsustainable and unbalanced and non-inclusive regional development, Growth pole.

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1 Ph.D. School of Economics(ESE), National Polytechnic Institute(IPN). Mexico.
E-mail: oliuisp@gmail.com
INTRODUCTION
MACROSFOUTH VS MACRONORTH ASYMMETRIC DEVELOPMENT: NATIONAL CONTEXT

To understand the importance of the mega investments sponsored by the current Mexican government toward the Macrosouth region take a look at the seven economic regions in which Mexico is split from North to South along the national geography as shown in Figure 1:

The above illustration depicts on one hand the geographical distribution of the seven economic regions of Mexico from north to south Figure 1. In such a way that the first four regions: 1. North, 2. Northwest, 3. West, and 4. Center, and integrate what is known as the Macronorth region. The remaining three ones, namely, the 5.Gulf, 6.South-Pacific, and 7. Southeast, integrate our objective region, the Macrosouth region, as can be appreciated in Figure 2 below:
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A situation that will be discussed later on when analyzing the background of the socioeconomic asymmetry prevailing between these two macroregions over time.

Notwithstanding, such asymmetry should not be considered a random or fortuitous phenomenon, but something that was largely nourished through time from policies implemented by the Mexican Government throughout past decades, such as facilitating, in the first instance, the massive unrestricted entry of foreign capital, mostly American, into the Northern region, especially along the US Mexican border states and its major municipalities. An event that gave rise to the Export Maquiladora Industry. Under the fallacious argument that the Mexican border could form a “containment curtain” to stop the migratory flow to the United States. By forcing Mexico to implement the so-called PIF (Border Industrialization Program) along the US-Mexico border to absorb cheap Mexican labor once working in the Bracero Program which was canceled unilaterally by the US government, which had been implemented since the Second World War times and thus persuading Mexico to implement the PIF Program and the building of maquiladora plants along US-Mexican border. All this situation arose during the Díaz Ordaz government, Vid, Luis-Pineda, O.(1998a).

Under the lure that the Maquiladora industry would generate foreign currency and formal massive jobs for Mexico, especially along the Mexico-US border through its operation (under the off-shore production or offshoring scheme) and thus absorb the lagging labor of thousands of braceros stuck in the northern municipalities in search of employment in the US as part of the former Bracero Program canceled by US government as mentioned earlier.

Under such a framework, the Mexican government intervenes by favoring foreign investment to contain or undervalue Mexican labor costs throughout the country to make it “more attractive” for foreign investors, in general, and particularly for maquiladoras investors. With disregard its social
implications for the rest of the national workforce throughout Mexican territory, thus contributing to the impoverishment and income maldistribution throughout the country and its domestic workforce compared to its foreign counterpart. Investors, mostly North American-owned capital, naturally took advantage of this opportunity to increase their profits and competitiveness in the world market, which had been greatly diminished during the post-war or Cold War period.

In addition to artificially cheapening Mexican labor prices as a federal public policy, the intervention of the Mexican State also occurs to grant additional concessions to this industry as an “ad hoc” regulatory framework to allow it to pay taxes only for those Mexican inputs (5%) used in its operations processes and then re-export their finished products (assembled) to the US. Along with very lax environmental legislation, thereby contributing to environmental deterioration in most Mexican major maquiladora’s municipalities and the concomitant labor overexploitation due to low salaries, long working hours, etc., vis-a-vis the acquiescence of local authorities and a docile Mexican State completely permeated by corruption, vid, Luis-Pineda, O. (2000).

In short, with all this support from Mexico, the flourishing of the “Maquiladora”(assembly) industry results evident and explainable, and its disintegration from the rest of its domestic industries was far from providing a real transfer of technology to Mexico, despite the committed to do so with the Mexican government. This allows this industry to operate in Mexico under an exceptional regulation system and in practice makes it possible for the Maquiladora to operate as an industrial ‘enclave’ in Mexican territory. Although it is undeniable that this industry has brought large flows of foreign currency and permanent jobs to Mexico over the years, it has produced urban imbalances, social and environmental costs, and a host of externalities throughout major US-Mexican border municipalities where it has settled, Vid, Luis-Pineda, O.(1998b).

The historical lesson is more than evident for Mexico and in particular for the current left winged and nationalistic AMLO’s government, in the sense that without the intervention of a democratic State capable of implementing public policies to achieve a balance of growth and well-being in a given region and to ensure a sustainable environment framework in practice, it is likely to generate an unbalanced and unsustainable regional development in such a region, rather a socially exclusive and uneven development like one observed in northern Mexico and repeating this story in other zones within Mexico where this industry has been established to date in search of cheap labor, given its scarcity along the border which is manifested by a recent trend of the maquiladora “exodus” toward the interior of the country in search of abundant cheap labor and thus replicating the imbalances and externalities inflicted to major maquiladora’s municipalities in northern Mexico, Vid, Luis-Pineda, O. (2006).

Accordingly, it is evident that the linchpin involvement of the State becomes not only necessary but paramount and unavoidable in we are to minimize the risk of mimicking the
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experience generated in the US-Mexican border as well as in other regions by foreign investors in search of “cheap labor” and the acceptance of unrestricted capital inflows by Mexico and the concomitant granting of myriad facilities by Mexico, as used to be, in prior regimes. Allowing this unrestricted incoming capital flows (“at-all-cost”) and the exacerbation of the prevailing asymmetry between North and South and the strengthening of the context of a “dual economy” which has characterized Mexican development since the beginning of its industrialization process, vid, Gollás, Manuel(1982).

MACROOUTH: MAYAN TRAIN AND MEXICAN CORRIDOR AND OTHER CONCURRENT MEGAPROJECTS IN THIS MACROREGION

Given the industrial concentration and unbalanced development generated on the northern border (Macronorth) due to the experience as mentioned earlier on the one hand, and the compelling need to reduce the asymmetry between Macronorth versus Macrosouth, and thirdly seeking to put a distancing from the neoliberal approach adopted by former Mexican governments as well as many other Latin American countries (Washington Consensus), vid, Martinez, R. Rubi et Al. (2016). Something that the emphasis granted by the current democratic left-winged Mexican government to adopt a socially inclusive economic strategy focused on paralleling promoting growth and social well-being and its departure from the former neoliberal strategy followed by old Mexican regimes and the adoption of a new socially inclusive strategy for Mexico (Plan Nacional de Desarrollo) vid, PND.AMLO(2019-2024). Which intends to keep away from hegemonic policies such as Washington’s Consensus recommended by the IMF to major Latin American economies and inflicted huge social and economic costs and myriad externalities to them, including Mexico, who applied them and became in reality “anti-development strategies” as pinpointed by Arturo Guillén, vid, Guillén, Arturo (2012).

Under this framework, the emphasis given by the current Mexican government to channeling strong mega-public investments in productive infrastructure throughout the country result explainable. Particularly towards lagged regions such as Macrosouth such as investments in the oil industry such as the Dos Bocas Refinery in Tabasco (to achieve energy self-sufficiency and reduce Mexico’s oil dependence), vid, Garcia, Karol (Sep. 2019)

As well as the two large iconic mega projects of the current administration such as the Mayan Train and the Transisthmian Corridor in the isthmus of Tehuantepec, represent altogether the main focus of our attention in this analysis. By implementing a socially inclusive regional development by applying the concept of the “Development Pole” from the Mayan Riviera to the Gulf of Mexico zone, and likewise along the Corridor strife (Isthmus strife connecting the Atlantic to the Pacific oceans) which crosses two important economic regions, namely, South Pacific and the
Gulf of Mexico (based primarily on trade and industrialization), *vid, PODEBIS*(Polos de Bienestar, 2023).

The rationale behind this strategy is introducing “Growth Poles” in the Macrosouth region, aimed to combine public and private investments and are specifically built around an already-existing resource (Transisthmian Corridor an interoceanic commercial facility) focused in the Isthmus of Tehuantepec, and similarly on the Mayan Riviera side, a Growth Pole (touristic pole based on touristic industry) around the Mayan Trailway corridor which connects The Mayan Peninsula with the Gulf of Mexico’s region and all the states and communities along its route, *vid, Speakman, John et Al.* (2013). In other words, as noted earlier, a *growth pole* is comprised of multiple simultaneous investments coordinated throughout many sectors to support self-sustaining industrialization in a country (under close supervision and involvement of the State, not just merely a “stakeholder” but “major stakeholder” to guarantee somehow or at least fostering a sound balance between growth and population’s well-being, under a sustainable framework in the case of Mexico, to not repeat the Mexican’s maquiladora experience earlier discussed).

MACROSOUTH VERSUS INCLUSIVE AND SUSTAINABLE DEVELOPMENT AS AN ECONOMIC STRATEGY IN SUCH A REGION

However, talking about social inclusion in the context of a country or region under the current global environment in which we are immersed in Mexico necessarily refers to the concept of a balanced versus unbalanced economy.

But given the complexity involved in these concepts and the brevity of this space, we consider it pertinent to summarize them in a graphic scheme to facilitate this presentation, such as the one that appears below:
The previous illustration suggests that achieving a balance in the binomial economic growth and social well-being under a sustainable environment entails the economic stewardship of the State as the legal guarantor par excellence to foster through pertinent policies the appropriate balance or equilibrium among these three fundamental elements: economic growth (economic system), social well-being (social interests), and sustainable environment (natural wealth preservation). In addition to the fact that in a balanced economy, the State should be capable of promoting the generation of the basic social satisfiers which the population of a country demands, such as employment, food, health, housing, education, and social security. Without overlooking the emphasis given by the State on investment in science and technology (% GDP), social spending (% GDP), and a moderate Gini coefficient or income distribution within the country to deter wealth polarization or income maldistribution within it, such as the case of the most balanced market economies, under current global context, such as Sweden, Norway, Denmark, Finland, Switzerland, Canada, etc., vid, Luis-Pineda, O.(2021d).

Although the above figure represents a clear oversimplification of reality and the phenomenon behind the unbalanced versus balanced types of development in today’s peripheral and industrialized countries, It poses a dramatic reality prevailing nowadays between both groups of countries in the current global context. These findings come from an analysis of the author (socially inclusive versus uneven development between development countries and peripheral economies) based upon pertinent indicators stemming from an empirical sample of both sets of economies taken from international statistics from world organizations, such as the World Bank, CEPAL, IMF, ECLAC, OECD, etc., from the period 1980-2020, vid, Luis-Pineda, O.(2021a).

Under this framework, it is evident that only Canada fits into the referred prototype in America. Although Mexico is on the right path it does not yet fit in this category. Albeit expectation
exists that this will occur in the coming years, given its recent trend, provided it continues the prevalence and persistence of the current economic strategy which paralleling emphasizes growth and social well-being under a sustainable environment. Something that may be achieved in the medium or long term, as long as the current strategy prevails in the foreseeable future featuring strong social support and involvement of the State in the economic system and its stewardship to guarantee a better balance in the binomial growth versus social well-being under a sustainable framework for the coming years. This altogether entails a strong involvement of the State and people’s demands and economic agents in the process of formulation and implementation of a country's most desirable economic path that may best fit its social interests versus the economic sector’s under a sustainable framework pinpointed earlier by this author and by I.M.D. Little, *vid, Little, I.M.D. (October, 2022).

Unfortunately, in the case of the rest of Latin America, like most peripheral countries, including high-growth emerging economies, like the BRICS, does not fit into this category either. As previously mentioned, only countries such as the Scandinavian countries, Switzerland, and other economies in the European Union meet these conditions. Countries featuring “welfare economies” where the State plays a linchpin role in formulating the country's economic route or path, characterized by having mature democratic regimes where there exists strong social participation and awareness to enable people to participate in designing the best economic growth path which best fit not only to all economic agents but also to population’s social demands, *Luis-Pineda, O. (2021c).

Accordingly, under this context, the role and involvement of the State in the economy become unavoidable in establishing the balanced growth routes within all regions and states that make up the Macrosouth region, until reaching the municipal level (urban development) to guarantee the implementation of a socially inclusive and sustainable framework which take advantage of the productive vocation of each municipality along with the respective federal entity seeking to implement productive chains (economic and commercial) with its counterparts at the level of the entity itself and the whole region, to integrate them under a regional development pole as posed by the “Wellbeing Poles” (PODEBIS) (“polos de bienestar”), AMLO’s approach, *vid PODEBIS (2023). In such a way to minimize the risk of economic and wealth polarization and generation of externalities within this macroregion derived from the implementation of these mega-investments at the local level, there should not exist any regional planning framework enforced by the State, throughout its different levels. And thus, deterring the repetition of the unfortunate aftermath of the maquiladora industry in Northern Mexico.
LIKELIHOOD AND PERSPECTIVES OF A SOCIALLY INCLUSIVE STRATEGY WITHIN THE MACROSOUTH REGION

The economic growth pattern so far has been implemented by the Lopez Obrador administration Vid AMLO.PND(2019-2024). Policy that has already produced good results for Mexico, to the extent that some scholars currently talk of a new “Mexican Miracle” for the country, whose first results are manifested at the macro level with the high growth rates observed after the pandemic, highlighting a strong trend towards greater growth for the coming years, vid, Torres, O.(Ago18, 2023) and Rosales Contreras. Rodrigo (Jul31, 2020). A phenomenon that is a clear indication that such strategy is working, benefiting most southern regions and states within the Macrosouth, since they are currently growing at rates twice as big as the northern ones, a fact already being recognized by some analysts, vid, Yorio, Gabriel(2023).

Something is largely explainable by the investment flows toward the region. But especially regarding the economic impact of the Mayan Train facility, even before its full operation is started, it is currently reported to contribute to consolidating the industrial activity in the Macrosouth region, during the first quarter of 2024. As shown by the fact that some states close to the Mayan Riviera are reporting spectacular industrial growths during the first quarter of 2024, such as Quintana Roo (126%), Yucatan (8%), Campeche(6.4%), vis-a-vis for instance Nuevo Leon(1.8%), Chihuahua(1.1%), Coahuila(-5.6%).Vid, ElEconomista(Jul12,2024).

This economic boom is also manifested at the macro scale given that Mexico’s export growth to the United States vis-a-vis other competitors skyrocketed, vid, Morales, Roberto(July 2024). An obvious result of the large investments channeled towards such a region, but indisputably also derived from the excellent management of macroeconomic variables at the federal level and their implementation at the regional level.

This strategy openly contrasts with the neoliberal approach implemented during previous administrations, where extreme growth was favored, overlooking people’s well-being and the environment. Highlighting its obsolescence and the imperative of its reorientation as it is socially unsustainable and economically unviable for Mexico, as we have been pinpointing for more than a decade, vid, Luis-Pineda, O.(2008).

As a result of such a policy, it is worth noting here some relevant socioeconomic indicators achievements by Mexico during the AMLO administration as a general minimum wage increase (20%) during the lapse (2021-2024), vid, Statista(jul5,2024). In addition, the poverty reduction in Mexico where millions of Mexicans have lifted extreme poverty whereby the distance between rich and poor has been shrinking. Manifested by the fact that at least 8.9 million people have left poverty during these years, vid, Hacbarth, Kurt(Ago26,2023).
On the other hand formal job creation in Mexico continues to show strength, with a year-on-year growth of 3.4% in September 2023; in cumulative figures from January to September 757K new jobs have been created, the fourth-highest since 1998, vid, bbvaresearch.com(Oct13,2023).

Regarding the inflation issue, Mexico's inflation from 2013 to 2022 has averaged around 4%. Although the country has faced several economic challenges, including currency fluctuations, changes in fiscal policies, and external economic shocks. Inflation was influenced by a mix of domestic and international factors, including oil prices and trade relations. The COVID-19 pandemic temporarily increased inflation, but the Bank of Mexico's monetary policy measures helped stabilize it towards the end of 2022. Consumer price inflation averaged 4.5% in the ten years to 2022 in Mexico, below the Latin America average of 8.4%. The 2022 average figure was 7.9%, vid, focus-economics.com (Jul9,2024).

Another great and worth mentioning achievement for Mexico is the fact, after 20 years, Mexico has become the first US trade partner displacing China and Canada vid, Businessinsider.com( Feb9, 2024), due to a combination of factors and measures such as Mexican increasing manufacturing commodities and oil and gas exports (593bnUSdlls in 2023, with a 4% growth), with 90% manufacture goods, (oil, and gas 5%), vid, bbvaresearch(March, 2024)(March 2024). In addition to federal public investments focused on productive infrastructure throughout the country, such as in the Macrosouth region, remittances inflows to Mexico (reaching 63.3 billion USdlls in 2023), vid, bbvaresearch(Feb1,2024) and increasing foreign direct investment inflows to the country lured by nearshoring possibilities (40 bn, USdls),vid, mexicobusinesses.news(Feb2,2024). but above all, no doubt, an outstanding wise handling of macroeconomic domestic policy by Mexican authorities during AMLO’s administration.

Lastly, at the international level as well, Mexico is currently in 12th place among the 25 largest economies in the world. Although at the Latin America level, it appears at the 2nd place just below Brazil, vid, Investopedia.com.(July 13, 2024)

PRELIMINARY CONCLUSIONS AND CHALLENGES

Both the two iconic megaprojects, the Mayan Train and the Tehuantepec’s Transisthmian Corridor represent two mammoth public investments led by the Mexican government that were originally conceived to achieve the implement two development poles in Mexico’s Macrosouth region. The first one runs along the Mayan Train route (involving three economic regions, Southeast, South Pacific, and Gulf of Mexico), and the other one along this Corridor (two regions, namely, South Pacific and Gulf of Mexico).

The resulting outcome of these large investments is manifested by current economic growth in the Macrosouth region. In such a way that the Mayan Train project, aims at the deconcentrating of
capital in the tourism industry from the Mayan Riviera toward the Gulf of Mexico’s region, allowing the economic benefits to spillover currently concentrated in the Mayan zone to be spread out to first of all other tourists communities located outside the Mayan riviera and to rest Southeast region, along the Mayan Train route of more than 1500 km, until completing its route in Coatzacoalcos, Veracruz in the Gulf region in the Atlantic Ocean, vid Luis-Pineda, O.(2021a), vid, Infobae.com(Ene, 2020).

The integration of the small communities or municipalities (and stops) where the Train touches, thus fostering greater economic and commercial activity that benefits local people’s well-being. Municipalities, a long time ago overlooked by past regimes throughout the neoliberal period. Who neglected the fact that the people of this region had decreased their living standards over the years, despite this region having vast natural resources, vid, Ataide, Melania(2017). But the people's well-being has remained mired in poverty for years, vid, Correa, Ernesto(Ago, 2014), despite its population always striving to improve their living conditions, vid, Candelas R., Roberto(2018).

On the other hand, regarding the Transisthmian Corridor, barely a little more than 300km, its socioeconomic outlook is not far from that described earlier for the Mayan Train’s route, the economic prospects for Mexico are even more promising but complex for Mexico. Given its undeniable geostrategic, geoeconomic, and geopolitical significance which entails for the country, given today’s global context in which we are immersed. For several reasons:

Firstly, due to the compelling need to take advantage of the USMCA with our northern trade partners. The Corridor represents a strategic opportunity for Mexico to skyrocket the entire economy in the years to come. Given Mexico’s current position as the first US trade partner and this opportunity represents no doubt a one-time occasion in history to boost its entire economy.

Secondly, Mexico is one of the most open economies in the world, this situation is manifested by the fact that Mexico has more than 46 international treaties signed with other economies and the opportunity to exploit this advantage, vid, KensaLogistics(2023).

Thirdly, given Panama Canal’s current bottleneck, the Mexican Corridor becomes an ideal alternative and an unprecedented competitive advantage for the country vis-a-vis other nearby interoceanic crossing alternatives, vid, AFP (Ago, 2023). It entails a great opportunity for Mexico since it will allow moving at least 1.4 million containers per year, vid, Forbes(nov9,2022), and AFP(Ago,2023).

Fourthly, today’s interconnection of the Mayan and Transisthmian Train in Coatzacoalcos allows the expansion of the tourist and commercial offer between the Mayan zone to the Pacific-South region, on the Pacific coast, and through this crossing facility taking advantage of the current railway network to interconnect with Ixtepec to Cd. Hidalgo in the state of Chiapas on the border with Guatemala in Central America and the possibility of connecting by rail with South America, to
promote growth and generate more job opportunities for people living in the Macrosouth region throughout its different sub-regions and states.

Fifthly, the ongoing implementation of ten industrial parks of diverse productive branches, along the Corridor strife, which include foreign investment focused on the nearshoring productive scheme that seeks to take advantage of its geostrategic location of the Corridor and facilities granted by Mexico is installed in such a region, generating growth and jobs there although with possible negative implications for Mexico if appropriate measures are not taken to repeat the experience of the north of the country, given the fact of the growing interest of foreign capital to invest in Macrosur, *vid, Ávila Romero, Agustín (Abr, 2018)*. Especially Chinese foreign investment, focusing on various important sectors such as trade and energy infrastructure, such as the building of the *Dos Bocas Refinery, vid, Expansion (Ene, 2020).*

In this regard, it is worthwhile mentioning that the former *Transisthmian railway,* which was fully reconverted into today’s *Mexican Corridor* has evolved not only since the old railway was inaugurated by President *Porfirio Diaz* in 1907, *vid, Vargas Martin (Ene, 2017, Vargas)* to a completely new refurnished facility which encompasses in a like manner, the implementation of an industrial and commercial pole around it. Which will allow not only the crossing of cargo but likewise of passengers between the Atlantic and the Pacific and vice versa.

Furthermore, the current *Corridor* allows the possibility of adding aggregate value to inputs or commodities crossing the Isthmus strife aiming to their eventual re-export to the world market, by either the Atlantic or Pacific oceans through the Corridor. Reconversion of this facility was included within the federal Program called *Multimodal Transisthmian Program* which entailed strengthening and improving productive infrastructure, such as airport infrastructure, railway, and road lines between Coatzacoalcos and Salina Cruz ports to facilitate massive traffic of cargo and passengers.

All these Infrastructure and actions are being carried out under the *Development Program of the Isthmus of Tehuantepec-Interoceanic Corridor,* which was announced by the federal government in 2019, *Vid, Marín Mollinedo, Rafael (Jun, 2019).* Entailing the building of 10 industrial parks along the *Transisthmian* strip during the current Mexican administration, *Vid, Circuitotinto.org (Dic, 2019), and CM.org(Jul 28, 2020).*

All these investments and measures taken by Mexico undoubtedly entail massive employment and growth in the corridor along the *Transisthmian* railway, but, likewise onto the entire Macrosouth region for its close neighborhood and economic interdependence, since it had always remained lagged from Macronorth’s region, *Vid, Fariza, Ignacio (Sep, 2019).* Incidentally, it is worth observing that despite there existed prior knowledge from official sources, such as the Bank of Mexico (during former Peña Nieto's administration) of strong growth and prosperity focused on
the Mayan zone, concluding that this region (Mayan zone) acknowledging that is was the "jewel of the country" for investors, Vid, Banco Mexico (Ago, 2019). They never submitted any proposal to take advantage of deconcentrating this region's bonanza and spread it to other regions within this macroregion as the current regime is doing.

Sixthly, and lastly, it is worth noting, the geoeconomic and commercial relevance of the Corridor for foreign investment for industrial superpowers such as China, which contemplates using this interoceanic facility to move at least 30% of its exports to the US East side through the Corridor, which entails an unprecedented economic benefit to Mexico in its South-Pacific region and Macrosouth in general, vid CM.org(Jul29,2020). Coupled with the announcement that the Corridor will allow cargo traffic of about 1.4 million containers yearly through the Corridor, vid, Forbes(Nov9,2022).

CHALLENGES AHEAD

We highlight hereon some likely challenges to overcome by Mexico in the years ahead we deem unavoidable or basic if the Mexican State intends to implement a socially inclusive and sustainable development strategy in the Macrosouth region based upon the current economic strategy proposed by the current regime of President AMLO under the framework of the National Development Plan (PND), and spread out the expected economic bonanza throughout the whole region but not neglecting people’s social wellbeing in this long time lagged region in the foreseeable future.

i) It results not only necessary but compelling the productive integration of major municipalities and states where both trains cross on their trail routes. Based upon the framework of Wellbeing Poles (Polos de Bienestar) extended to all nearby communities (municipalities) where these investments converge (both Mayan and Transisthman Trailway) by implementing productive chains to enable them to export their surpluses through and outside the Macrosouth region and abroad, aiming to boost the local economy and foster an inclusive regional development strategy on and around them.

ii) Under this same context, the State should also prioritize the integration of the local producers (Small and Medium Enterprises, SMEs) into the productive processes of foreign enterprises both those already established and those newcomers establishing in such region, as play as “domestic partners” (under a non-maquiladora pattern supplier approach) with direct mediation and involvement of the State to support local SMEs, through federal financing and technical support, so that they should not marginalized from bonanza stemming from these large investments. As well as promoting agreements between local producers and transnational companies to achieve a real technological transfer to Mexico so as not to repeat the maquiladora experience earlier mentioned.
iii) Taking advantage of the local resources and infrastructure available in the Mayan Train and the Transisthmian Corridor to strengthen the local productive apparatus, represents a great opportunity for Mexico to generate added value to Mexico’s local products (agricultural, artisanal, etc.) produced locally, seeking to firstly, satisfy local demand and then export their surpluses, via the Corridor and fostering growth along the South-Pacific region as an export platform to international markets.

iv) Prioritizing local labor over that coming from elsewhere Mexico, particularly that coming from Central and South America is a must by the State. Unless there is an agreement between the Mexican government to limit “employment quotas” for foreigners once the local supply of labor factor is met. In this respect, upgrading the local labor force is critical and paramount according to domestic and foreign investors' demands established in the region in industrial parks as well as according to national priorities and strategic areas for Mexico by local universities.

v) To discourage the imminent labor overexploitation in the Macrosouth region of the local workforce, by either foreign or domestic investors established in the region, who are currently taking advantage of all the facilities (savings) granted by the Mexican government to locate in this macroregion, it results paramount that Mexican State intervenes favoring Mexican workers, to implement local wage policies to systematically reevaluate local labor price versus that prevailing between our trading partners mainly, the United States and Canada. A differential wage policy has been partially applied across the US-Mexican border strip to reduce the US-Mexico wage differential.

Similarly, promoting policies to restrict or discourage the onslaught of immigrants or labor force from other regions within Mexico or abroad into Macrosouth. This phenomenon is a real headache and poses a serious problem for Mexico, especially for this region since it is their natural incoming gate toward the United States. Unfortunately, many immigrants blend among the local population and generate a host of externalities among major municipalities of the region, vid, Angeles Cruz, Rogelio (2007). This situation becomes urgent and of great concern for Mexico, given the ongoing installation of the first foreign companies into the Corridor strife of the first five of the ten industrial plants along the interoceanic strife offered by Mexican authorities to foreign investors, through the Ministry of Economy, vid, Tapia C., Patricia (Jul26, 2023).

vi) On the environmental side, prioritization should be given to sustainable production practices on the part of foreign and domestic investors established in Macrosouth should be given and enforced by the State, both on the Mayan Train side and the Corridor side so that their processes adhere to domestic environmental regulations and international standards. To avoid repeating the unfortunate experience of the maquiladora industry, as well as some other transnational enterprises located in Mexico such as the mining company of Grupo México, vid, Rojas, Ana Gabriela(Ago6,
a multinational company and noxious enterprise, which obtained multiple concessions during the neoliberal era by corrupt governments and that systematically has inflicted a host of environmental disasters and externalities with high social costs for Mexico, such as pollution of rivers, seas, toxic substances harming population health of many communities and environment where it has settled. In front of the acquiescence of local and federal governments throughout the neoliberal period until unfortunately our days.

vii) Lastly, to guarantee a peaceful or seamless operation of both megaprojects and other strategic ones such as the Refinery Dos Bocas in Tabasco, in front of the imminent increase in traffic of valuable commercial cargo across the Mayan Riviera to the Gulf of Mexico, and from the Gulf of Mexico down to Salina Cruz port in the Pacific Oceans, through the Corridor entails not only permanent State surveillance but also the required funding for the implementation and enforcement of severe anti-crime policies throughout the Macrosouth region, from now on to discourage and control criminal activities both on the Mayan train route and the Interoceania Corridor route, from now on.

Although the Mexican Army and Navy are currently in charge of the operations and surveillance of both megaprojects, special attention should be given by the Mexican State in this regard from now on. Not only on the facilities and the infrastructure themself, which already become strategic and of national security for Mexico but also on the security of the local population of major municipalities along all the routes of the entire railway system of the Macrosouth. Namely, from the Mayan Riviera zone down to the Gulf of Mexico (Coatzacoalcos port), and from here to Salina Cruz port in Oaxaca in the isthmus region (line Z of the Isthmus trailway system), and from Ixtepec (Oaxaca) to Cd.Hidalgo, Chiapas a border town closest to Guatemala (line K of the Isthmus trailway system).

viii) Last but not least, to strengthen Mexico’s ancestral cultures against foreign cultures and by fostering local enterprises (SMEs) to reactivate their economy, should be prioritized by the State by fostering the production and consumption of domestic local products vis-a-vis foreign products. As well as promoting Mexico’s local culture and idiosyncrasies and so contributing to achieving a socially inclusive framework in Macrosouth based on respect for our ancestral sociocultural values towards the rest of the world. In addition to exporting local crafts and products, seeking to add aggregate value to domestic merchandise and products made within this macroregion via the Corridor.

Lastly in this regard, it is important not to overlook fostering within the Macrosouth region cultural policies of inclusion and respect for local cultures and idiosyncrasies, either informally or formally as a State priority, by supporting public schools and universities within this region (as strengthening regional native languages such as Mayan, Zapotec, Zoque, etc., fostering as well the
teaching of foreign languages, such as Chinese, English, French, German, etc., in addition to promoting professional and technical profiles for graduates from the formal educational system through this macroregion’s universities and technical schools system, thus facilitating their incorporation into the local formal labor market.

On this same line of thought, it is important to deter the ongoing transculturation process of Mexico’s vast cultural wealth taking place within the Macrosouth vis-a-vis its rapid loss or fading away in front of the ongoing economic boom and cultural globalization under a North American vision. Such as the massive consumption pattern of junk food versus nutritious local foods, aiming to deter the predatory culture and rather embrace natural resources preservation but not the throwaway culture, and exacerbated consumerism prevailing among Mexico’s northern commercial partners, with all the expected socioeconomic and externalities implications for this region and Mexico, as a whole. Accordingly, a set of sound policy measures should be prioritized by the Mexican state in the coming years to preserve and strengthen this region’s vast cultural heritage and culture and its social inclusion, in front of its ongoing economic boom in the years to come given AMLO’s position and emphasis on preserving and strengthening Mexico’s vast cultural heritage and indigenous people’s idiosyncrasies and Mexico’s population well-being throughout the country, vid INPI(Ago9, 2023).
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