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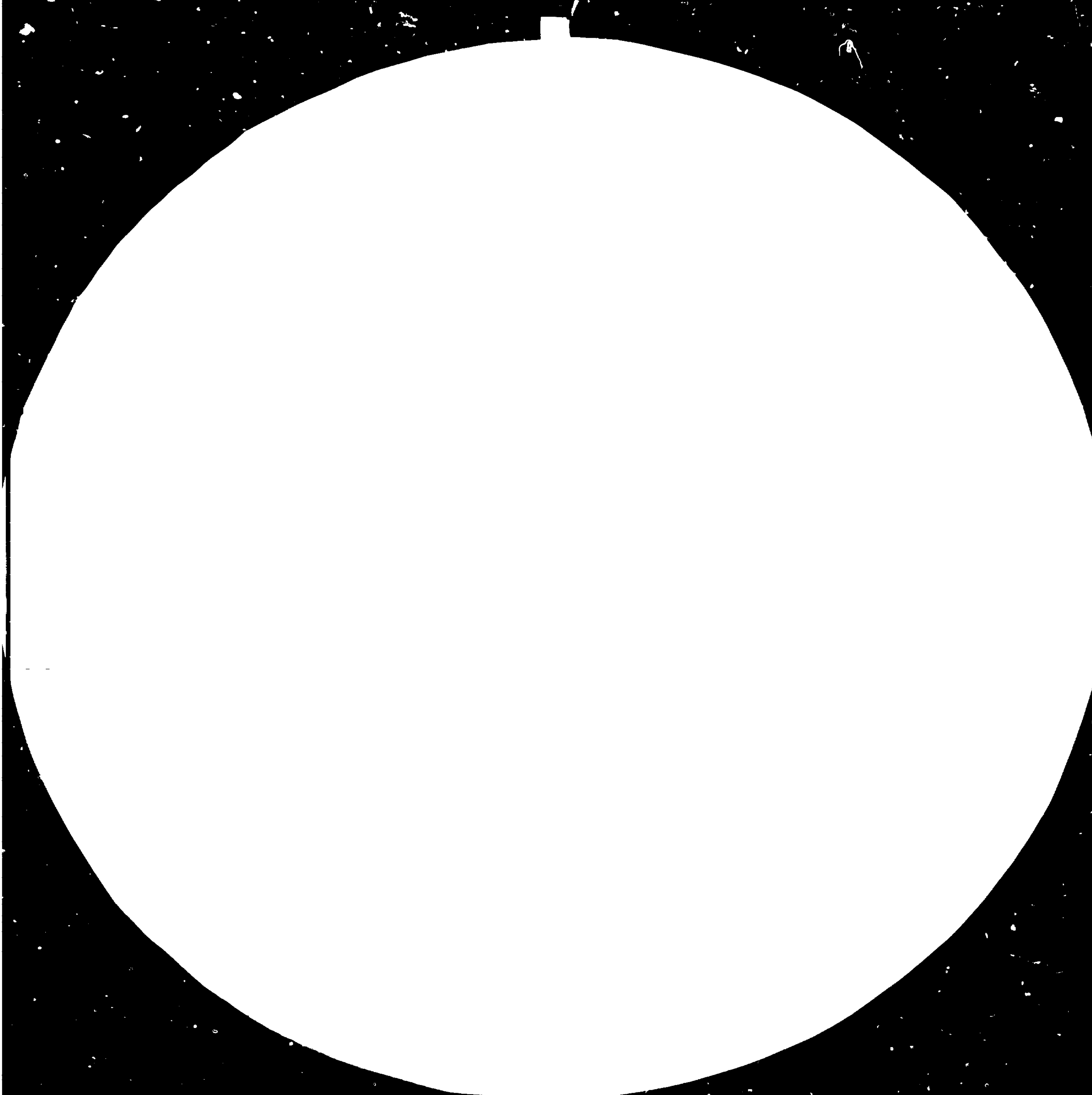

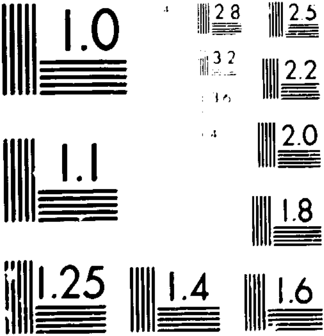

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National State, Industrialization and Co-operation Among Developing Countries : The Mexican Case *

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1. The Mexican case with it's industrialization process tied to external capital, a large foreign debt, import of technology, unemployment, marginalisation of large social groups, regional unbalances, income concentration and profound social contrasts may be representative for many Third World economies. All this indicators are in a country sharing a common border of 3oo km with the largest world economy and military power: the United States of America (USA).

The foreign debt of Mexico amounts over US$ 8o billion with an inflation rate of 7o% and unemployment of almost 2o% of the population in conditions to work.

With a 75 million population, over the half of Mexicans live in urban areas, and the other half in the rural areas from where every year over a million rural workers cross the border to search its living in USA, since the Mexican agriculture is not enough to retain peasants in their places of origin. That means sharp contrast between urban and rural life, and within the agricultural sector where both modern and traditional are met. That is the panorama of most of Third World countries.

The amount of Mexicos foreign debt is one of the largest in the Third World, in spite of its economic and human potentials.

2. Why Mexico has arrived to such a situation? It seems that the struggle for industrialization is the paradigm of our times, rightly or wrongly.

Mexico and many other developing countries are in the state of almost financial bankrupcy and a distorted industrialization process, or not industrialization at all, because of external and internal factors: external ones, due to the international division of labour and the world order created by the Western powers after World War II, where the Asian, African and Latin American countries were seen as cheap sources of oil and raw materials, with assured markets for the industrial production of the capitalist economies.

Only in some cases the industrialization process associated with foreign capital and transnational corporations was allowed. That was the case with some Latin American countries where the import substitution of consumer goods for the local elites or middle classes took place.

But, the internal factors, such as the inability to distribute the wealth, have also limited the internal market expansion of Mexico.

3. Therefore, restoration of the Mexican economy and its industrialization has to be redefine within a new model of development, such as the New International Economic Order, and according to the Charter of Rights and Duties of the States (both approved by the UN General Assembly in 1974). To do it, a strong but democratic state is needed, in order to

submit the foreign capital to the national priorities and to evoid the intervention of transnational corporations in its internal sovereignty as happened in the Chilean case in 1973 with the results all of us know.

Industrial co-operation among developing countries has to respect the historic and cultural values of the receiving country, has to be based on the existence of a national project of development, where the state should have a leading role as representative of the nation.

From this optic we can mention three models of co-operation among Third World countries:

a) Schemes of economic integration relatively complex; such as the Central American Common Market, the Andean Group, the ASEAN, the Economic Commission for Eastern Africa, and others;
b) Agreements on sectorial complementarity;
c) Co-operation programs or alternative specialization based on the global strategy of transnational corporations.

Developing countries, have to choose one of these three models or to mix up the three of them according to their national priorities.