

# The Service Sector In The Mexican Metropolitan Areas Of Michoacán, 1980-2003

Miguel Ángel Vite Pérez

*Doctor en Sociología por la Universidad de Alicante (España) y profesor investigador del CIECAS-IPN. (México). <https://orcid.org/0000-0002-8799-4444>. Correo electrónico: [mvite@ipn.mx](mailto:mvite@ipn.mx).*

## Abstract

The goal of this article is to examine the service sector and its urban space through the analysis of the economic structure of this sector in the metropolitan areas of the state of Michoacán. The frame of reference for the analysis is the fact that it is not the development of science and technology that drives the process of economic tertiarization but the sale of low income commercial and personal services.

**Key Words:** postindustrial society, tertiarization, metropolitan areas, globalization.

## Introduction

The tertiary sector constitutes the economic foundation of postindustrial or postmodern societies. Its main dynamic is based on modern producer services concentrated in large cities.

New knowledge and technologies are developed in large cities due to the concentration of a large skilled labor force. In the context of the current processes of globalization, this is vitally important to carrying out international commercial and financial transactions.

The economic structure of Mexico underwent a significant transformation during the second half of the XX century, shifting from an agriculturally based economy to one dominated by secondary and tertiary activities.

For example, in 1970 services and manufacturing saw an increase in the Economically Active Population (EAP) to 37.6% y 23.0% whereas primary activities declined to 39.4%. In 1980, services and manufacturing absorbed 43.1% and 27.5% of the national EAP.

In 2003, however, the process of tertiarization was consolidated as the Mexican labor force concentrated in the service sector with a 58.4% share of the total national EAP, surpassing that of 24.8% for the industrial sector and 16.8% for the

agricultural sector (Garza, 2006a: 115). Taking into account the process of tertiarization of the national economy in Mexico, the general objective of this article is to analyze the structure and dynamics of the trade and services sectors in the state of Michoacán, which in 1980 absorbed 2.4% of the Gross Domestic Product (GDP) of the 17 national tertiary branches that are discussed in this article, a number that then rose to 2.7% in 2003 (table 3).

The process of tertiarization in Michoacán has occurred in the three metropolitan areas that have become its main cities.

I will begin by reviewing some of the characteristics of a postindustrial society, including an analysis of some of the changes that it has brought about in urban spaces. I will then examine the peculiarities of what happens in Mexico when it becomes more actively involved in the global market after the 1982 economic crisis in Mexico when neoliberal economic policies were established, I will also explore the ensuing territorial impacts and the transition to a service-based economy, a process that Gustavo Garza, echoing the concept of “industrialization,” has termed the *servialización* or “servialization” of

the economy.<sup>1</sup> The context within which the process takes place, whether in a developed society or in an underdeveloped one –as is the case with Mexico--, makes for some clear differences. This concept was further reinforced when I studied the service sector in the state of Michoacán because although the majority of the employed population in Mexico is involved in tertiary activities, it does not appear to indicate the emergence of a postindustrial stage as was the case in developed countries in the second half of the XX century. In the second part of the article, I therefore analyze the economic structure of the service sector in Michoacán where the employed population is mainly involved in tertiary activities predominantly related to trade and consumer services.

In the third part of the article, I look at the territorial organization of services in Michoacán in order to visualize its urban system, comprising the metropolitan areas of Morelia, Uruapan and Zamora (map 1) in order to shed light on some of the characteristics of the spatial distribution pattern of services in Michoacán and also the trend toward specialization in consumer services. Lastly, I draw conclusions that support the idea that the process of transition to a service-based economy in Michoacán is irreversible yet does not necessarily appear to signal the onset of a postindustrial stage as has occurred in developed societies.

### **Society and the Postindustrial City**

The organizational foundation of postindustrial society is the service sector, where information and knowledge have pushed the unskilled labor force to a secondary plane.

Daniel Bell (1989) remarks that in a postindustrial society the so-called quality of life supersedes the quantity thereof. Whereas in industrial societies quality of life was measured by the accumulation of goods and their passive consumption, in post-industrial societies services provided by industries such as healthcare, education, leisure and entertainment have acquired paramount importance because the quality of life concept is guided by different criteria.

The transition from industrial to post-industrial societies was not linear. Nonetheless, because it first became evident in developed countries in the 1970s, it is those characteristics that have become a point of reference and comparison when attempting to determine if an underdeveloped country's economy and society has become post-industrial.

For instance, in developed societies the proportion of income spent on food declined while, at the same time, spending on durable goods such as clothing, housing, and cars rose; thereafter, spending on luxury items and entertainment also increased. Another salient characteristic was the rise in personal services through restaurants, hotels, shopping centers and malls, schools, hospitals and health clinics due to a generalized cultural concern with health and beauty (Bell, 1989: 152-153).

These trends have become the evidence that signals, from a sociological perspective, the end of modern society based on industry --with a Fordist method of production organization in which mass consumption guided supply-- and the emergence of a new type of society, labeled as postmodern, where capital flows, labor force, merchandise information, and images have become more important (Lash y Urry, 1998).

In the capitalist system organized through Fordism, the networks of producers gathered around heavy industry, as well as the metallurgical, chemical, electrical and steel industries. Distribution and financial services were subordinate to the industrial dynamic.

In postmodern or post-industrial societies, however, finance and services have become autonomous functions and have come under the control of the free market; in other words, state deregulation in some cases has represented the transfer of the regulatory functions of government institutions to private corporations (see Lash, 1997).

Even though it may be considered a parallel event, the establishment of neoliberal economic policies in a number of developed countries during the economic crisis of the 1970s meant the privatization of public services, reducing social

services to a minimum, a move that aimed to stimulate the service sector of the economy since the formerly state-run social services would be provided through privately held companies – thereby effecting fiscal adjustments that would also stimulate the flow of capital, (De Paula, 2004: 67).

The increasing speed of commercial transactions has forced political regimes that favor the neoliberal model of capitalist accumulation to show an interest in fostering information technologies because a good or service “...is maximized by maximizing the reach and frequency of commercial transactions...”(Harvey, 2005: 3). This requires information creating technologies and the capacity to store, transfer, and analyze such information, as well as the ability to use databases for decision making in global markets. This informs our current perception of the compression of space and time, which is why the term “globalization” refers to broad geographic scales where the commercial contracts are brief (see Sennett, 2006).

If we view information technologies as the foundation of postmodern or post-industrial societies, then the term “information society” highlights the fact that the new types of jobs it generates are guided by productivity and competition --fueling the economic growth both of private enterprise and of territories-- that can only be accounted for through more sophisticated technologies that maintain a low level of unemployment (Pascual, 2006: 86).

The software industry is an example of the flexible organization of work: it has moved some of its operations from big urban centers and has created companies that tend to hire more mid-level technicians and fewer people with a university-level education, reinforcing the separation between conceptual work and execution as routinization and simplification are implemented, which has led to turnover and work neglect problems for the companies, let alone low salaries that also end up affecting qualified workers (Castillo, 2007: 142-143).

The terms tertiary, postmodern or knowledge-based society refer to a contemporary society where, from an economic perspective, the service sector is hegemonic and is territorially organized through the concentration of producer services in large cities.<sup>2</sup>

In Michoacán, the recreation, health, education, and information dissemination services are neither the most dynamic nor are they hegemonic (table 2), contrary to the case in post-industrial developed societies. This makes for a precarious tertiarization, typical of an underdeveloped society, characterized by job instability coupled with low wages and no benefits (Licha, 2007: 150-153). This situation has led to the loss of the relative competitiveness of Michoacán's economy since in 2008 there was an 11% decline in employment of the population with post-secondary schooling (IMCO, 2008: 247).

Prior to that, in 2007, according to the Knowledge Economy index (KEI), Michoacán was in 28<sup>th</sup> place, with a score of 2.853 points (10 is the highest score, and Mexico City placed first with a KEI of 5.743 points). This index is based on knowledge constituted by the innovation system, education, skilled human resources, and the infrastructures of information and communication technologies (Este País, 2008: 18-20).

The city and metropolitan area constitute strategic places where significant macrosocial tendencies take place and a variety of trans-border processes materialize; we can, thereby, call them global cities (Sassen, 2007: 130-131).

Cities are central places that need national and global markets in order to carry out the work that enables them to access the benefits of economic globalization. It is in this space that a new economic regime has consolidated, wherein there is an urban economy of specialized services where producer services as well as financial services are of great importance since they establish the means to manage global economic systems. This process has given way to an increase in the profitability of financial activities along with the devaluation of secondary or industrial activities and those services of little added value. In this way, the city

assumes once again its role as “organizing merchandise” (Sassen, 2003: 16).

The restoration of corporate power in global cities has found support in neoliberal economic policies that favor the commercialization and privatization of social benefits (Harvey, 2006: 34-44).

It is in global cities that the consuming power of post-industrial or postmodern society is organized guided by the concept of quality of life, which has quickly become associated with tourism and leisure (Harvey, 2007: 377).

Interestingly, the corporate struggle to acquire the key control functions in finances, government, and in information collection and processing requires costly infrastructures, for instance, in transportation and communication, in the adequate supply of space for offices equipped to lower transaction costs. Therefore, a variety of support services are needed, especially to facilitate speedy information processing and consultation. At the same time, there is a need for people with specific skills that are developed in business management training programs, communications programs and high tech programs. This competency has benefitted agglomeration economies located in cities that maintain a monopoly over control and oversight functions, which export financial, communication, and knowledge production services. This is the information city, or the post-industrial city, the city of services (Harvey, 2007: 378).

The Tertiary Revolution (Garza, 2006b: 31) has not only a territorial or urban space reorganizational impact, but also an impact on society’s consumption and on the gap between the wealthy and the poor, all of which go hand in hand with the consolidation of the economic hegemony of the service sector.

The process of transition to a service-based society (Garza, 2006b: 30) has not only affected territorial organization but also economic, social, cultural, and even political spheres since some leaders have forged associations with business entrepreneurs in order to provide their territories with the required infrastructure, which has led to

a new type of governance (Harvey, 2007: 367-370).

It is, therefore, accurate to speak of a post-industrial, postmodern or service based society where knowledge and technology are paramount, especially knowledge generated through the sciences, because these enable the conditions for decision making (Beck, 2008: 171).

From an economic perspective, the transition to a service-based society in an underdeveloped country such as Mexico exhibits a distinctive and particular territorial dynamic that is closely linked to the changes in the economic structures of its regions or states. This new situation, however, is a result of the establishment of neoliberal economic policies in the past twenty years that have become a source of support of both the expansion of producer services and the boom in financial activities (Garza, 2006c).

### **Urbanization in Mexico**

Mexico’s model of urbanization through import substitution industrialization caused a great demographic and economic concentration in the capital or main city. In the 1970s, industry shifted to cities neighboring the capital or mid-sized cities. In the 1980s, though, neoliberal economic policy becomes a significant vehicle for change in the country’s economic structure, favoring the expansion of the service sector wherein banking services consolidate their economic power (Garza, 2006c: 74).

Import substitution industrialization in Mexico remained in the phase of consumer goods production, which was a labor intensive phase aimed at producing for the domestic market though some sectors of simple technology were also developed for a narrow and protected market (Guillén Romo, 1984: 85).

It was a very limited industrialization that was highly dependent on the international market to procure capital and intermediate goods. Guillén Romo remarks that what occurs “...is a substitution of different types of imports rather than the outright substitution of imports” (2005: 194-195).<sup>3</sup> Thus, the productive structure is a result of state protectionism that guided

production toward other protected sectors where some foreign companies invested to keep their market.

The maquiladora, or bonded assembly plant, and petroleum were the two complements to the import substitution model that from the beginning of the 1950s through the beginning of the 1980s enabled Mexico to grow at an average annual rate of 6.5% (Guillén Romo, 2005: 204).

The economic crisis of 1982 marked the end of the import substitution economic model and the beginning of the neoliberal economic model that sought economic growth through links with world markets. The years 1983-1985 saw the implementation of an orthodox economic policy of macroeconomic stabilization through deficit and inflation control.

From 1985 onward, a new model of growth aimed at international markets through so-called free trade is adopted, abolishing import duties and licenses. This unilateral openness goes ahead and in 1986 Mexico enters GATT, in 1994 NAFTA takes effect followed by other free trade agreements including the one signed in the year 2000 with the European Union.

This openness was complemented by reforms such as the privatization of publicly owned companies, deregulation and financial liberalization, and the free entry of direct foreign investment. These reforms marked Mexico's insertion in the process of economic globalization through the adoption of the neoliberal economic model. Contrary to what happens in developed countries, this did not mean that the Mexican economy had a greater participation in immaterial production, the international design market, where knowledge is important (Cohen, 2007: 74-75). The Mexican economy had to fulfill certain requirements set forth by the international market: a reduction in the wait times in the high-quality low-cost goods market, lot production rather than mass production, and product innovation rather than standardization. These requirements have become part of the process of productive modernization through the use of new technologies and new ways of organizing work, changing contractual relationships. In territorial terms, this productive modernization has shaped two territories: the states in the central part of the

country where the service sector has consolidated—these states were the industrial hub of the import substitution model and now, with the restructuring, they have developed strong ties abroad; and the states along the northern border of the country where growth is based on the maquiladoras (of second and third generation that require skilled labor) and the export activity of multinational corporations. This division reproduces social and regional disparities (Guillén Romo, 2005: 206-208), and also reinforces the fact that the cities or territories that once constituted a significant support of the import substitution model retain their advantages or general conditions of production to maintain high profit margins for companies (Garza, 2006c: 71). On one hand, there is now a greater presence of transnational companies in Mexico where many of them have established local subsidiaries and also associated with some Mexican companies. These companies' activities are guided by the changing behaviors of the international market that now determines production decision and whose profitability depends increasingly on the speed with which merchandise is modified and the time it takes to get out to the market (De los Ángeles Pozas, 2006: 74).

On the other hand, it is the foreign companies in Mexico that have kept the businesses with the greatest aggregate value such as the automobile, information technology, pharmaceutical and electronic industries. Local companies, meanwhile, have concentrated on businesses of mid and low aggregate value such as the food, beverages, cement, plastic, and steel industries (De los Ángeles Pozas, 2006: 80).

In 2005, of the 50 most important companies in Mexico (from a total of 500 classified according to their sales totals), 18 belonged to foreign capital and 32 of them to Mexican capital. Of the foreign companies, 5 belonged to the automobile sector (2 of US origin, General Motors and Ford Motor Company, 2 of German origin, Daimler Chrysler and Volkswagen, and one of Japanese origin, Nissan); one was in the automobile parts sector Delphi Automotive Systems of U.S. origin; three were in the supermarket sector, all of U.S. origin: Wal-Mart, Wal-Mart Supercenter and Bodega Aurrerá; one was in the dairy foods sector, the

Suisse company Nestlé; one was in the wholesale sector, Sam's Club of U.S. origin, which is also the case for the beverage companies Coca Cola Company and Pepsico of Mexico. In the financial sector there is the Banamex Financial Group of U.S. origin, the BBVA-Bancomer Financial Group and the Santander Serfin Financial Group, both of Spanish ownership. In the information technology systems and equipment there is Hewlett-Packard and General Electric in the holding sector, both of U.S. origin. Of the 18 foreign companies, 11 are U.S. owned and 16 are located in Mexico City, one in the state of Chihuahua, and the other in the state of Puebla. In terms of sales volume, U.S. based Wal-Mart occupied third place whereas the Mexican company Petróleos Mexicanos occupied first place and the Federal Electricity Commission came in second. In the case of the state of Michoacán, there was only one company, Cinopolis the entertainment group, which placed 184th in terms of sales volume (Expansión, 2005: 188-200).

The importance of territory, and that of urban centers, is evident in the decisions of large privately held companies that require specific material conditions to grow their profits.

### **Tertiary Spatial Concentration**

Throughout the 1980s in Mexico, the decline in industrial activity meant the reactivation of commercial activity and consumer services, and, to a lesser degree, activities related to producer services. In the large urban centers, though, there was a reconcentration of activities related to financial, professional and technical services that ended up consolidating into the hegemony of the service sector (Garza y Rivera, 1995: 25-26).

The decline of industrial activity in some of the metropolitan areas in central Mexico was also a consequence of their move to the outskirts of those areas, which enabled the service sector to become the main employer. Nonetheless, if commerce and traditional low-wage services predominate, the gap would widen with the principal cities because they had the necessary conditions for the consolidation of a professional and technical service producer sector.

The tertiarization of the Mexican economy became evident, however, in the 1990s. In 1991, 50.1% of the population was employed in the service sector whereas in the year 2000, it had increased to 55.2%. In 1998, 36.7% of the Mexican GDP consisted of services, 21.4% manufacturing, and 20.6% commerce (Garza, 2004: 15).

In the year 2000, ten of the largest cities in the country (Mexico City, Guadalajara, Puebla, Torreón, Monterrey, Toluca, León, Tijuana, Ciudad Juárez, and San Luis Potosí) made for 45.8% of the total population growth of an urban system comprising 350 cities, thus signaling a clear trend toward polycentric concentration—that is, concentration in only a few cities that reinforces regional disparities (Garza, 2003: 94).

In the case of Mexico, the concentration of the service sector has a metropolitan character—even though it is only in a few cities—that has influenced in an unequal manner the urbanization of the country's 32 states. This process of tertiarization does not mean that the Mexican economy is a knowledge-based economy, especially considering that in 2007 the IEC results were of 3.644 points on a scale of a maximum of 10, highlighting the fact that the country was behind in areas such as systems of innovation, education and skilled human resources, secondary, middle and higher education, and in the infrastructure for information and communication technologies (Este País, 2008: 18).

### **Urbanization in Michoacán**

Michoacán is part of the central-western region of Mexico. In 1970 it had an urbanization rate of 26.5% which grew to 41.7% in 1990 (Garza y Rivera, 1995: 27), and by 2005 it had reached a rate of 78.4% ([www.conapo.gob.mx](http://www.conapo.gob.mx)) despite a decline in the total population of the state since in the year 2000 the total population was 3,985,667 inhabitants and by 2005 it was 3,966,073, that is 19,594 fewer inhabitants ([www.inegi.gob.mx](http://www.inegi.gob.mx)). This can be attributed in part to the fact that a considerable number of people in the state tend to migrate to the United States. In 2004, for instance, the \$19,019 millions of pesos MXN remitted to the state of Michoacán by its workers

residing in the U.S exceeded the \$5,484 millions of pesos MXN allocated to Michoacán by the Mexican federal government. Michoacán placed first in the country in terms of foreign remittances (Carrillo, 2004: 1A).

In Michoacán, 66% of municipalities have been classified as displaying high and very high migratory intensity since between 1990 and 2000 close to 370, 000 left for the U.S.

(López Castro, 2007:103).

This migration and accompanying remittances have social and territorial consequences. On the one hand, households in Michoacán depend increasingly on remittances, a financial support that is highly volatile because it is tied to the growth-recession cycle of the U.S. economy and to its anti-immigration policies. On the other hand, the near abandonment of certain communities has led not only to the emergence of “ghost towns” but in some cases to a population that is overwhelmingly aged or female. In 2003, remittances constituted 33.86% of household income in the municipality of Morelia, with 14.7% of households reporting remittances as the sole source of income. In fact, of the different municipalities in the state, Morelia reported the highest monthly average for remittances at \$338 USD, Uruapán followed with \$299 USD, and then Zamora with \$272 USD (López Castro, 2007: 112-115).

According to the Human Development Index (HDI), Michoacán was in 28th place in 2006 with

an HDI of 0.7575. When compared to other countries, this meant 90th place thereby pointing to a standard of living similar to that of Fiji (PNUD, 2007: 23-27).

In 2004, there were 489 exporting companies in Michoacán. They were predominantly involved in derivatives from the iron, steel, and agricultural industries as well as canned foods (Bancomext, 2005: 11).

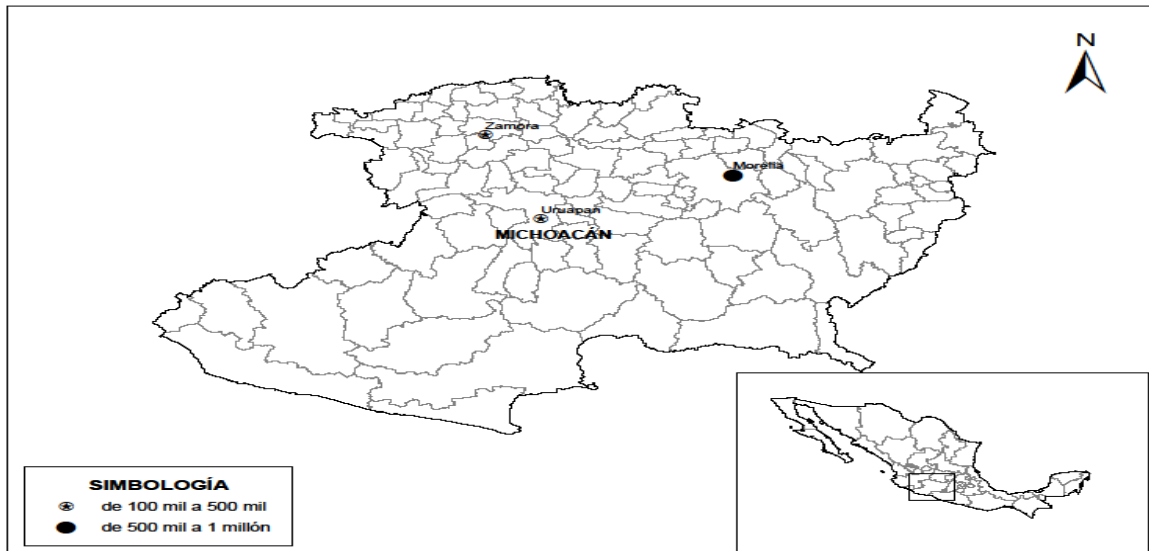
In the XXI century, the urban system in Mexico is no longer monocentric. Even though Mexico City continues to stand out with the greatest demographic and economic concentration, other more dynamic metropolises have emerged such as Puebla, Toluca, Querétaro and Cuernavaca. All of them surround Mexico City and have become part of the capital city’s megapolitan conglomerate (Garza, 2003: 140).

The criteria used to classify the new metropolitan areas are the following:

- Territories classified as metropolitan must have a minimum of 0.25% of the production value of all manufacturing, commercial and services activities in the country.
- Cities that encompass only one municipality may become metropolitan areas if their population exceeds 200,000 inhabitants (Garza, 2003: 148-149).

These are the criteria used to classify the three largest urban zones in Michoacán as metropolitan areas (map 1).

**Map 1. Location of the three metropolitan zones in the state of Michoacán (Morelia, Uruapan and Zamora).**



In 1930, from a territorial demographic stance and according to Garza's statistical appendix (2003), the municipality of Morelia had a population of 39,916 inhabitants, which grew to 64,979 by 1950. In 1980, however, the municipality of Morelia became a metropolitan area with a population of 297,544, and by the year 2000 a total population of 620,532 consolidated as such. The municipality of Uruapan had a population of 31,420 inhabitants in 1950, which had grown to 82,677 by 1970. Uruapan had not yet become a metropolitan zone by 1980 because its population was only 122,828. Ten years later, by 1990, however, its population had grown to 217,068 inhabitants turning it into a metropolitan area with a population that totaled 265,699 inhabitants in the year 2000.

The municipality of Zamora had a population of 58,711 inhabitants in 1970, which by 1980 had grown to 148,721 inhabitants. In 1995 it became a metropolitan area with a total population of 221,125 inhabitants, though its population shrank by the year 2000 to 216,048 inhabitants even though Zamora is a metropolitan area composed of two municipalities, Zamora and Jacona.

### **The Tertiary Sector in Michoacán**

In 2003, the service sector in Michoacán had a participation of 2.68% in the GDP growth for the tertiary sector in Mexico (table IV.1). Between 1993 and 2003, though, GDP growth per capita in Michoacán was 1.89%, greater than that of Mexico City, which in the same period saw a rate of 1.60% (Mendoza Pichardo, 2007: 22). Michoacán's role in the national GDP, however, is not significant. Nevertheless, this fact does not invalidate the process of tertiarization its economic activity has undergone and whose nucleus is the city of Morelia located at the center of a region consisting of the municipalities of Álvaro Obregón, Copándaro, Cuitzeo, Charo, Chucándiro, Huandacareo, Indaparapeo, Queréntaro, San Ana Maya, Tarímbaro, and Zinapécuaro. This region has a total surface area of 3,528 km<sup>2</sup>. In the year 2000, the agricultural sector generated 7% of the state's GDP, 12.3% of its industrial GDP, 33% of its commercial GDP, and 34% of its services GDP. At the same time, 54% of the EAP concentrated in the service sector (CIDEM, 2001).

In terms of producer services and trade, in 1980 the state of Michoacán had a 2.67% rate of participation in the national GDP. That same year, in terms of consumer services and trade it



Michoacán: Service Sector GDP by groups of trade and service activities, relative to the national total, 1980-2003  
(Percentages)

| Group | Denomination                                | 1980 | 1988 | 1993 | 1998 | 2003 |
|-------|---|------|------|------|------|------|
| I.    | PRODUCER SERVICES AND TRADE                 | 2.67 | 1.40 | 1.36 | 1.42 | 2.68 |
| 1.    | Professional services                       | 4.63 | 1.17 | 1.08 | 0.82 | 2.70 |
| 721   | Professional services to companies          | 4.63 | 1.17 | 1.08 | 0.82 | 2.70 |
| 2.    | Trade of capital and intermediate goods     | 1.45 | 1.52 | 1.61 | 2.01 | 2.65 |
| 731   | Wholesale trade                             | 1.15 | 2.01 | 2.28 | 3.63 | 3.65 |
| 732   | Trade of industrial equipment and supplies  | 1.66 | 1.24 | 1.19 | 1.24 | 1.90 |
| II.   | CONSUMER SERVICES AND TRADE                 | 2.25 | 2.60 | 2.50 | 2.62 | 2.68 |
| 3.    | Trade of nondurable goods                   | 3.95 | 3.12 | 2.82 | 2.98 | 3.21 |
| 811   | Food, beverage, and tobacco                 | 0.50 | 4.05 | 3.79 | 3.38 | 3.98 |
| 812   | Supermarkets                                | 8.68 | 1.11 | 1.19 | 1.24 | 1.90 |
| 813   | Gasoline stations and fuels                 | 8.92 | 4.15 | 2.11 | 7.12 | 3.52 |
| 4.    | Services for immediate consumption          | 1.36 | 1.87 | 1.34 | 2.33 | 1.97 |
| 821   | Food and beverage preparation               | 1.72 | 2.32 | 1.80 | 2.25 | 2.51 |
| 822   | Cleaning and Personal Services <sup>4</sup> | 1.57 | 2.29 | 1.85 | 2.03 | 2.17 |
| 823   | Recreation and leisure                      | 0.52 | 2.03 | 2.24 | 0.71 | 3.18 |
| 824   | Broadcasting and information                | 1.60 | 1.27 | 0.64 | 3.59 | 0.86 |
| 825   | Hotels, motels, and lodges                  | 1.13 | 1.46 | 0.64 | 1.35 | 1.71 |
| 5.    | Trade of durable goods                      | 1.86 | 2.47 | 2.42 | 2.59 | 2.93 |
| 831   | Home and personal goods                     | 2.11 | 2.46 | 2.49 | 2.67 | 3.20 |
| 832   | Department stores                           | 0.98 | 0.89 | 1.55 | 2.21 | 2.01 |
| 833   | Automobiles and auto parts                  | 1.88 | 2.97 | 2.62 | 2.44 | 2.51 |
| 6.    | Durable services                            | 2.26 | 2.86 | 3.83 | 2.53 | 2.32 |
| 841   | Repairs                                     | 3.02 | 3.18 | 7.79 | 2.94 | 2.97 |
| 842   | Private education and culture               | 1.46 | 1.71 | 1.62 | 2.02 | 1.79 |
| 843   | Private healthcare and welfare              | 1.80 | 3.84 | 2.85 | 2.78 | 2.98 |
|       | TOTAL                                       | 2.43 | 2.11 | 1.93 | 1.97 | 2.68 |

Source: My own calculations based on census results for 1980, 1988, 1993, 1998, 2003.

had a participation of 2.25% in the national GDP. These figures were surpassed by the trade of nondurable goods with a rate of 3.95%, that of gasoline stations and combustibles with a rate of 8.92%, supermarkets with a rate of 8.68%, and professional services with 4.63% (table 1). At the beginning of the 1980s, Michoacán generated 2.43% of trade and services. As a result of the 1982 economic crisis, this rate declined to 2.11% in 1988 (table 1). Professional services to companies were also affected, shrinking from 4.63% in 1980 to 1.17% in 1988. In the nondurable goods trade, there was also a reduction from 3.95% in 1980 to 3.12% in 1988.

There was a relative economic recovery from 1993 to 1998 because Michoacán's participation in trade and services rose to 1.97%, as also did trade and services to the consumer, which rose to 2.62% (table 1).

Economic activities aimed at consumer trade and services grew between 1998 and 2003. During the same time period, trade to wholesale grew significantly which caused a rise in the trade of

capital goods and intermediates (table 1). Even though professional services grew in value in 2003 (2.70%), it did not reach the levels it attained in 1980 of 4.63% (table 1). State participation in the national GDP has been of 2% on average.

The personnel employed in the service sector in Michoacán was concentrated mainly in consumer trade and services, more than 80%, and the same occurred with the number of establishments.

The concentration of services on Michoacán rose from 1.97% to 2.68% between 1998 and 2003. According to national GDP, keeping producer services through the increase in professional services to companies.

In 1980, Michoacán absorbed 2.43% of the national GDP, which then fell in the following years from 2.11% to 1.93% from 1988 to 1993, and then to 1.97% in 1998. Its participation, however, increased by 2.68% in 2003 (table 1). This was a result of the tertiary sector's expanded ability to create value, which became apparent in 2003.

### **Urban Concentration of the Service Sector in Michoacán**

Cities are the spaces or places that present an accumulation of material and demographic conditions that are favorable to the development of the service to the producer sector. The transition to a service-based economy has occurred in the three main cities of Michoacán (table 1); these, in turn, have driven the state's participation in the generation of the national tertiary GDP.

Trade and producer services in the Metropolitan Area of Morelia (MAM) in 1980 constituted 40.73% of the state of Michoacán's GDP, increasing to 54.81% in 2003 (see table 2). This marked change may be partially due to the fact that it is the capital city of the state.

Trade and producer services in the Metropolitan Area of Uruapan (MAU) in 1980 constituted 7.16% of the state of Michoacán's GDP. In 2003, however, this declined

by 1.85%. Nevertheless, there was an increase in consumer trade and services (table 3).

Trade and producer services in the Metropolitan Area of Zamora (MAZ) in 1980 constituted 20.94% of the state of Michoacán's GDP. This

number shrank in the following years and went hand in hand with the sluggish growth of consumer trade and services (table 4).

There is, however, an uneven participation of the different economic sectors that contribute to the process of tertiarization of Michoacán's urban economy. The factors that are usually considered as those that give rise to a post-industrial society are not very dynamic in this case and, thus, hinder the state's ability to improve its competitiveness. For example, in the inclusive, educated and healthy society factor --which is linked to educational and health services, and which influence the reactivation of highly competitive economic sectors-- it placed 29th in the country (IMCO, 2008: 246). In 2007, in terms of infrastructure of information and communications technologies, as measured by the KEI, Michoacán scored as follows: 2.27 points for the percentage of households that had a computer, 1.21 points for access to landline phones, 1.74 for penetration of mobile phones, and 2.63 points for community centers that offer digital access. The total KEI for the state of Michoacán was 2.853 points (Este País, 2008: 59).

It is therefore necessary to analyze the dynamics of the service sector in each one of the metropolitan areas of Michoacán in order to determine the particular characteristics of the tertiarization process that has taken place in each one of them.

### **Morelia: Expansion of Producer Services and Commerce**

The Metropolitan Area of Morelia (MAM) encompasses only the municipality of Morelia, which had a population of 492,901 inhabitants in 1990, increasing to 684,145 inhabitants by 2005. Population growth was moderate, which can be seen more clearly in the annual median growth rate: in the years 1990-1995, it was 2.9%, whereas in the years 1995-2000 it declined to 1.7%, remaining steady between 2000 and 2005. This moderate growth occurred across the 1,336 km<sup>2</sup> of the municipality's total area. In the city of Morelia itself, there are 517 inhabitants per km<sup>2</sup> (SEDESOL, CONAPO, INEGI, 2007: 94).

In the year 2000, 96.4% of the population in the municipality of Morelia worked in non-

agricultural activities, which supports the idea that it is an urban municipality (SEDESOL, CONAPO, INEGI, 2007: 174).

In 1990, according to the economic Specialization Index, transportation and commerce were the two predominant economic functions in the municipality of Morelia (Garza y Rivera, 1995: 76).

In 1980, the MAM had a participation of 32.07% in the state's GDP in the service sector, however it fell to 24.5% in 1988 as a result of the 1982 national economic recession.

This situation also had an impact on the dynamics of producer services and commerce as they fell from 40.7% in 1980 to 30.3% in 1988. Consumer services and commerce also shrank from 24.5% to 22.4% from 1980 to 1988 (table 2).

Professional services to companies suffered a deceleration from 52.9% in 1980 to 29.5% in 1988 (table 2). Nondurable services shrank from 34.8% to 30.4% from 1980 to 1988.

It was between 1993 and 1998 that the MAM showed a relative recovery in terms of its

contribution to the state's GDP. The increase was of 30.7% and of 33.4% respectively. This also had an impact on the growth of producer services and commerce, which increased from 36.02% to 38.3% from 1993 to 1998 (table 2).

During the same time period, consumer services and commerce increased 27.8% and 30.2%, respectively. Trade in durable goods showed a small growth, however there was substantial growth in department stores from 1988 onward, effecting the growth of consumer durable goods even though it decreased in the following years (table 2).

The MAM had a participation of 41.3% in the state's GDP in 2003 as a result of the growth in producer services and commerce, which went from 38.34% to 54.8% from 1998 to 2003. Professional services in particular showed significant growth from 33.9% to 72.8% from 1998 to 2003 (table 2).

**Table 2**

Metropolitan Area of Morelia: participation in the GDP according to trade and service activity groups, relative to state totals, 1980-2003

| (Percentages relative to state values) |  |       |       |       |       |       |
|--|--|-------|-------|-------|-------|-------|
| Group                                  | Denomination                               | 1980  | 1988  | 1993  | 1998  | 2003  |
| I.                                     | PRODUCER SERVICES AND TRADE                | 40.73 | 30.30 | 36.02 | 38.34 | 54.81 |
| 1.                                     | Professional services                      | 52.99 | 29.54 | 25.97 | 33.92 | 72.87 |
| 721                                    | Professional services to companies         | 52.99 | 29.54 | 25.97 | 33.92 | 72.87 |
| 2.                                     | Trade of capital and intermediate goods    | 16.49 | 30.61 | 42.03 | 40.12 | 31.10 |
| 731                                    | Wholesale trade                            | 15.04 | 26.99 | 39.60 | 46.58 | 23.25 |
| 732                                    | Trade of industrial equipment and supplies | 17.21 | 33.86 | 44.98 | 31.10 | 42.35 |
| II.                                    | CONSUMER SERVICES AND TRADE                | 24.55 | 22.48 | 27.89 | 30.28 | 26.78 |
| 3.                                     | Trade of nondurable goods                  | 13.52 | 20.16 | 22.78 | 18.08 | 16.42 |
| 811                                    | Food, beverage, and tobacco                | 35.21 | 12.82 | 18.01 | 10.51 | 1.80  |
| 812                                    | Supermarkets                               | 11.66 | 48.34 | 52.23 | 48.09 | 51.71 |
| 813                                    | Gasoline stations and fuels                | 12.83 | 34.48 | 20.42 | 15.62 | 24.56 |
| 4.                                     | Services for immediate consumption         | 34.87 | 30.40 | 34.98 | 39.06 | 34.93 |
| 821                                    | Food and beverage preparation              | 18.60 | 26.76 | 33.82 | 31.49 | 19.04 |
| 822                                    | Cleaning and personal services             | 28.20 | 26.92 | 35.74 | 33.80 | 30.71 |
| 823                                    | Recreation and leisure                     | 22.41 | 25.17 | 28.95 | 27.90 | 61.05 |
| 824                                    | Broadcasting and information               | 22.36 | 31.99 | 51.47 | 44.92 | 50.63 |
| 825                                    | Hotels, motels, and lodges                 | 32.10 | 42.60 | 27.38 | 43.62 | 50.52 |
| 5.                                     | Trade of durable goods                     | 33.89 | 21.80 | 34.84 | 34.88 | 34.25 |
| 831                                    | Home and personal goods                    | 26.21 | 21.41 | 29.99 | 29.42 | 29.88 |
| 832                                    | Department stores                          | 88.15 | 95.35 | 92.04 | 88.14 | 67.46 |
| 833                                    | Automobiles and auto parts                 | 34.05 | 16.15 | 34.34 | 37.19 | 40.23 |
| 6.                                     | Durable services                           | 23.20 | 22.43 | 20.57 | 32.28 | 21.20 |
| 841                                    | Repairs                                    | 18.20 | 17.39 | 9.42  | 26.58 | 30.15 |
| 842                                    | Private education and culture              | 17.50 | 36.62 | 43.00 | 40.34 | 44.96 |
| 843                                    | Private healthcare and welfare             | 39.10 | 21.35 | 35.71 | 31.67 | 3.71  |
|  | TOTAL                                      | 32.07 | 24.59 | 30.74 | 33.44 | 41.37 |

Source: Calculations based on economic censuses of 1980, 1988, 1993, 1998, 2003.

Consumer services and trade had a relative decline from 30.2% to 26.7% from 1998 to 2003. Meanwhile, in services for immediate consumption, recreation and leisure increased from 27.9% to 61.05% (table 2).

In services for immediate consumption, broadcasting and information increased its participation from 44.9% to 50.6% from 1998 to 2003 (table 2).

Professional consultancy services have expanded in Mexico generating different studies about the

productive potential of cities. The Mexican Institute for Competitiveness (Instituto Mexicano para la Competitividad, IMCO) conducted one such study titled "Urban Competitiveness 2007" where MAM was classified as part of the system of cities that possessed medium competitiveness. IMCO's classification took into account the following ten factors:

1. Reliable and objective legal system
2. Stable and dynamic economy
3. Efficient and effective government

4. Inclusive, educated and healthy society
5. Stable and functional political system
6. Sustainable management of the environment
7. Markets with efficient factors
8. World class forerunning sectors
9. Economic sectors with potential
10. Good use of international relations

The MAM achieved the highest score in the efficient and effective government factor --that is, the state regulation of private enterprise; however, it is a factor that is weakly related to the basic foundations of a postindustrial society. The economy of the Metropolitan Area of Mexico City (MAMC), for example, presents a greater link with some of the essential factors of postindustrial society since it achieved first place in the world class forerunning sectors associated with transportation, telecommunications and the financial sector, which meant that MAMC was grouped among the most competitive cities (Lara y Galarza, 2007: 79-80).

In 1980, MAM had a participation of 32.07% in the state's GDP, decreasing in 1988 and 1993. It increased, however, from 33.44% to 41.37% from 1998 to 2003 (table 2).

#### **Uruapan: Stability of Consumer Services**

In 1990, The Metropolitan Area of Uruapan (MAU), comprising one municipality, had a population of 217,068 inhabitants, by 2005 it was of 265,699 inhabitants, and by 2005 it had grown to 265,699 inhabitants ([www.conapo.gob.mx](http://www.conapo.gob.mx)).

According to its Index of Economic Specialization, in 1990 commerce was the main economic activity in the MAU (Garza y Rivera, 1995: 76). This is indicative of the fact that the economy was already in the process of

tertiarization. The MAU had a participation of 7.8% in the state's GDP in 1980, producer services and trade 7.16%, consumer services and trade 8.3%, which is evidence of its importance to the dynamism of service activities (table 3). The MAU, however, had a participation of 13.09% in the state's GDP in 1988 but producer services and trade absorbed 14.3% of the GDP resulting from the growth of professional services, which represented 11.6% of the GDP in 1988. Meanwhile, consumer services and trade had a participation of 12.6% in the state's GDP, which was an increase relative to 1980 (table 3).

Durable services fell from 16.5% to 15.2% from 1980 to 1988 but had a greater share in the generation of value, private healthcare and welfare, and repairs (table 3).

Thus, the stability of consumer services and trade becomes apparent as it remains nearly constant from 10.4% to 10.5% from 1993 to 1998 (table 3). Producer services and trade fell from 10.3% to 8.28 from 1993 to 1998 due to a decline in professional services that concentrated 5.9% of the state's GDP in 1998. This decrease occurred from 1993 onward.

The MAU had a participation of 10.3% in the state's GDP in 1993. This share fell to 9.6% in 1998 and 8.3% in 2003 (table 3). There was, nonetheless, a growth in consumer services and trade of 11.6% in 2003, wherein the durable goods trade and durable services had a greater share with 13.11% and 13.9% respectively in 2003 (table 3). Consumer services and trade became the biggest employment sector in the MAU absorbing 85.2% and 90.2% between 1980 and 2003.

The MAU share in the state's GDP has not reached the level of the MAM. In 1980, the MAU had a share of 7.81% that grew to 13.09% in 1988 but then shrank steadily to 10.38% in 1993, to 9.63% in 1998, and to 8.33% in 2003 (table 3).

**Table 3**

Metropolitan Area of Uruapan: participation in the GDP according to trade and service activity groups, relative to state totals, 1980-2003

(Percentages relative to state values)

| Group | Denomination                               | 1980  | 1988  | 1993  | 1998  | 2003  |
|-------|--|-------|-------|-------|-------|-------|
| I.    | PRODUCER SERVICES AND TRADE                | 7.16  | 14.34 | 10.33 | 8.28  | 5.31  |
| 1.    | Professional services                      | 7.37  | 11.69 | 8.80  | 5.93  | 0.19  |
| 721   | Professional services to companies         | 7.37  | 11.69 | 8.80  | 5.93  | 0.19  |
| 2.    | Trade of capital and intermediate goods    | 6.73  | 15.40 | 11.23 | 9.23  | 12.04 |
| 731   | Wholesale trade                            | 0.17  | 16.85 | 10.65 | 9.71  | 13.81 |
| 732   | Trade of industrial equipment and supplies | 9.96  | 14.10 | 11.94 | 8.56  | 9.50  |
| II.   | CONSUMER SERVICES AND TRADE                | 8.38  | 12.63 | 10.41 | 10.51 | 11.60 |
| 3.    | Trade of nondurable goods                  | 2.70  | 10.43 | 9.55  | 10.94 | 8.83  |
| 811   | Food, beverage, and tobacco                | 6.68  | 6.92  | 8.72  | 9.74  | 8.68  |
| 812   | Supermarkets                               | 2.35  | 19.53 | 10.60 | 9.04  | 7.90  |
| 813   | Gasoline stations and fuels                | 2.60  | 20.57 | 17.49 | 14.44 | 10.09 |
| 4.    | Services for immediate consumption         | 11.05 | 12.32 | 12.25 | 9.07  | 10.85 |
| 821   | Food and beverage preparation              | 11.43 | 11.23 | 10.42 | 8.98  | 10.99 |
| 822   | Cleaning and personal services             | 8.86  | 12.35 | 11.51 | 8.67  | 10.47 |
| 823   | Recreation and leisure                     | 3.96  | 9.49  | 11.57 | 24.03 | 4.44  |
| 824   | Broadcasting and information               | 6.39  | 11.95 | 23.91 | 8.51  | 12.60 |
| 825   | Hotels, motels, and lodges                 | 17.70 | 16.53 | 10.86 | 8.84  | 14.64 |
| 5.    | Trade of durable goods                     | 10.81 | 13.99 | 12.63 | 10.17 | 13.11 |
| 831   | Home and personal goods                    | 10.63 | 12.43 | 12.61 | 10.54 | 11.48 |
| 832   | Department stores                          | 2.23  | 0.11  | 0.58  | 0.43  | 12.07 |
| 833   | Automobiles and auto parts                 | 13.82 | 19.25 | 16.22 | 11.98 | 19.43 |
| 6.    | Durable services                           | 16.54 | 15.24 | 7.51  | 12.23 | 13.95 |
| 841   | Repairs                                    | 11.24 | 16.03 | 4.01  | 12.89 | 13.25 |
| 842   | Private education and culture              | 10.90 | 11.59 | 12.94 | 11.50 | 14.70 |
| 843   | Private healthcare and welfare             | 32.99 | 16.25 | 13.96 | 12.05 | 13.54 |
|       | TOTAL                                      | 7.81  | 13.09 | 10.38 | 9.63  | 8.33  |

Source: Calculations based on economic censuses of 1980, 1988, 1993, 1998, 2003.

### Zamora: The Trade of Industrial Supplies and Equipment

The Metropolitan Area of Zamora (MAZ) comprises two municipalities, Zamora and Jacona. In the year 2000, the municipality of Zamora had a population of 161,918 inhabitants while the municipality of Jacona had 54,130 inhabitants, which made for a total population in the MAZ of 216,048. By 2005, the population of the municipality of Zamora was 170,748, and that of the municipality of Jacona was 60,029, adding up to a total of 230,777 inhabitants for the MAZ. In the year 2000, the municipality of Zamora had a 96.5% employment rate while the municipality of Jacona had an employment rate of 79.1%. In the same year, 79.9% of the employed population in the municipality of Zamora was involved in

non-agricultural activities, and in the case of the municipality of Jacona it was 68.7% (SEDESOL, CONAPO, INEGI, 2007: 174).

In 1980, the MAZ had a participation of 13.7% in the state's GDP, which remained the same in 1988 (table 4), but in 1993 it fell to 10.6%, then to 9.13% in 1998, and to 7.10% in 2003 (table 4).

Trade in industrial supplies and equipment declined from 24.19% to 20.9% from 1980 to 1988. The downward trend continued until it reached 13.1%, then grew again to 16.3% in 1998, and then shrank again to 10.8% in 2003 (table 4). From 1980 to 1988, the participation rate in the state GDP of consumer services and trade grew from 7.4% a 13.06%, however it declined steadily thereafter with rates of 9.86% and 8.48% from 1993 to 1998, and then of 8.18% in 2003 (table 4).

Producer services and trade also experienced a downward trend. In 1980 it had a value of 20.9%, which fell to 14.9% in 1988, to 12.02% in 1993, and then from 10.14% to 6.10% from 1998 to 2003 (table 4).

The MAZ has specialized in consumer services and trade. In 1980, 91.69% of businesses were concentrated in consumer services and trade;

while this rate fell slightly in the following years, still more than 80% of businesses were concentrated in this sector.

Producer services and trade had the greatest capacity to create employment in the MAZ with a rate of 80%, which is another piece of evidence in the process of the tertiarization of the local economy.

**Table 4**

Metropolitan Area of Zamora: participation in the GDP according to trade and services activity groups, relative to state totals, 1980-2003

(Percentages relative to state values)

| Group | Denomination                               | 1980  | 1988  | 1993  | 1998  | 2003  |
|-------|--|-------|-------|-------|-------|-------|
| I.    | PRODUCER SERVICES AND TRADE                | 20.94 | 14.93 | 12.02 | 10.14 | 6.10  |
| 1.    | Professional services                      | 22.56 | 10.48 | 13.40 | 9.43  | 2.16  |
| 721   | Professional services to companies         | 22.56 | 10.48 | 13.40 | 9.43  | 2.16  |
| 2.    | Trade of capital and intermediate goods    | 17.75 | 16.71 | 11.20 | 10.42 | 11.28 |
| 731   | Wholesale trade                            | 4.67  | 12.02 | 9.58  | 6.18  | 11.61 |
| 732   | Trade of industrial equipment and supplies | 24.19 | 20.93 | 13.16 | 16.35 | 10.81 |
| II.   | CONSUMER SERVICES AND TRADE                | 7.47  | 13.06 | 9.86  | 8.48  | 8.18  |
| 3.    | Trade of nondurable goods                  | 7.62  | 11.99 | 8.65  | 8.51  | 7.63  |
| 811   | Food, beverage, and tobacco                | 43.90 | 12.73 | 9.47  | 12.25 | 8.67  |
| 812   | Supermarkets                               | 4.63  | 15.77 | 6.51  | 7.65  | 4.10  |
| 813   | Gasoline stations and fuels                | 5.58  | 5.64  | 3.03  | 1.58  | 7.97  |
| 4.    | Services for immediate consumption         | 6.34  | 8.75  | 11.40 | 5.60  | 6.12  |
| 821   | Food and beverage preparation              | 0.63  | 6.98  | 7.83  | 6.61  | 5.85  |
| 822   | Cleaning and personal services             | 14.59 | 10.90 | 37.12 | 8.13  | 8.49  |
| 823   | Recreation and leisure                     | 14.04 | 16.22 | 9.22  | 17.92 | 6.51  |
| 824   | Broadcasting and information               | 11.17 | 11.27 | 9.66  | 2.46  | 7.40  |
| 825   | Hotels, motels, and lodges                 | 6.10  | 7.68  | 7.40  | 10.76 | 4.39  |
| 5.    | Trade of durable goods                     | 6.55  | 15.15 | 12.69 | 9.89  | 8.79  |
| 831   | Home and personal goods                    | 0.38  | 13.32 | 13.32 | 9.92  | 8.86  |
| 832   | Department stores                          | 72.06 | nd    | 3.23  | 6.78  | 3.32  |
| 833   | Automobiles and auto parts                 | nd    | 21.22 | 13.35 | 10.76 | 10.20 |
| 6.    | Durable services                           | 10.53 | 14.59 | 6.67  | 8.87  | 9.71  |
| 841   | Repairs                                    | 0.15  | 12.35 | 2.63  | 8.99  | 6.25  |
| 842   | Private education and culture              | 25.36 | 11.65 | 13.03 | 15.69 | 11.11 |
| 843   | Private healthcare and welfare             | 25.77 | 19.52 | 14.03 | 0.14  | 11.08 |
|       | TOTAL                                      | 13.73 | 13.56 | 10.62 | 9.13  | 7.10  |

Source: Calculations based on economic censuses of 1980, 1988, 1993, 1998, 2003.

The participation of the MAZ in the state's GDP is similar to that of the MAU; only the MAM

shows a greater participation with 41.3% in 2003 (table 2).

In 1980, the MAZ had a participation rate of 2.43% in the state's GDP, which declined from 2.11% to 1.93% from 1988 to 1993 but thereafter increased as it climbed from 1.97% to 2.68% from 1998 to 2003 (table 4).

## CONCLUSIONS

In 2003, the tertiary sector in Michoacán represented 2.68% of the national GDP, an elevated figure though far from that of other entities with more dynamic economies such as the Distrito Federal (Mexico City). This situation indicates that Michoacán's economy is moving toward a service sector-based economy where producer services and trade has experienced a significant growth through the increase in professional services, especially in 2003 (table 1). Nevertheless, the greatest dynamism in the national tertiary GDP remained within consumer services and trade, going from 2.25% to 2.68% from 1980 to 2003 due to a greater participation in the trade of nondurable goods (table 1).

In terms of durable services at a state level, the participation of private education and culture in the national GDP is negligible, going from 1.46% to 1.79% from 1980 to 2003 (table 1), a clear indication that education and culture are far from becoming an important aspect of the transformation of Michoacán's society into a postmodern one. In fact, the present situation is characterized by the predominance of a tertiary sector with low productivity and low income, typical of underdeveloped societies, whose base is the expansion of freelance and informal economic activities in the context of a deindustrialization process that has been accompanied by the consolidation of the hegemony of services associated with international or global demand.

The income from remittances sent by Michoacán migrants who work in the U.S. can be considered as an external source --a limited one at that, in the absence of reliable official data-- of financing for the tertiary sector, as evidenced in the increase in the consumption of services created by family-owned businesses and also by the financial specialization of some department stores in sending and receiving money coming from abroad. Therein may reside the explanation for

the significant increase of the state's tertiary GDP in 2003.

## Spatial Distribution of Services

The MAM has a greater participation in the state's GDP, which grew from 32.07% to 41.37% from 1980 to 2003. Consumer services and trade was its most dynamic sector generating 40.73% in 1980 and 54.81% in 2003. This was the result of the growth of professional services to companies (table 2). Consumer services and trade also maintained its growth, representing almost half of the growth of producer services and trade in the period 1980-2003. This means that the present trend is headed towards a greater specialization in producer services and trade.

Nonetheless, the significance of a greater participation of the MAM in terms of consumer services and trade in the state's GDP comes from the growth in the services for immediate consumption as a result of the rise in cleaning and personal services, though recreation and leisure, broadcasting and information, and hotels, motels and lodges also showed a surge in participation especially between 1998 and 2003.

The MAU has exhibited a smaller participation in the state's GDP when compared to the MAM, which is evident in the performance of both the producer services and trade sector and the consumer services and trade sector. The former declined from 7.16% to 5.31% from 1980 to 2003. The latter, however, displayed a rise from 8.38% to 11.60% from 1980 to 2003. This means that the MAU tends to specialize in consumer services and trade, where services for immediate consumption, the durable goods trade, and durable services all exhibit significant participation (table 3).

The participation of the MAZ in the state's GDP fell since it was 13.73% in 1980 and by 2003 it was only 7.10%. Producer services and trade also shrank from 20.94% to 6.10% from 1980 to 2003, though consumer services and trade displayed a slight rise from 7.47% to 8.18% between 1980 and 2003. The specialization of the MAZ appears to be in the trade of industrial equipment and supplies, which in 2003 surpassed the rate of 10.81% of consumer services and trade, thereby



enabling growth in the capital and intermediate goods sector (table 4).

In the MAZ, the durable goods trade and durable services have had the greatest participation in the growth of consumer services and trade.

### Society in Michoacán

The economic foundation of society in Michoacán is a tertiary sector that has not created a knowledge-based economy like the ones found in developed countries, where science and technology have become an important added value in the sale of goods and services in the international market, which is also considered as the support of greater competitiveness.

Michoacán's competitiveness is apparent only in the institutional framework, that is, the framework related to the existence of a stable and functional political system --which generates efficient and effective governments-- whereas in the economic arena it only has good coverage in banking services. This has proven insufficient in promoting the development of a knowledge-based economy when faced with the low completion rates for the secondary school population and with a small pool of potentially employable people who have pursued university-level studies (IMCO, 2008: 246).

In 2007, Michoacán's KEI as pertains to patent registration was 0.4, that is, less than half a point. This indicates scant dynamism in its innovation system, which in a knowledge-based economy is important for economic development (Este País, 2008: 59).

The state of Michoacán has a predominantly urban society as a result of a significant economic and demographic concentration in its three main metropolitan areas, where service and trade activities have relocated. The process of tertiarization of the state's economy, however, cannot be considered as the future foundation of a postmodern society, also characterized by a better quality of life, because the ability to offer producer services requires a well-educated population that the state of Michoacán currently lacks. This should also be considered in the context of the high intensity of migration to the U.S. in part as a response to low wages and scarce

employment opportunities in Michoacán, which has also fostered further social disparities. This fact, from a general stance, explains Michoacán's tendency to specialize in consumer services and trade.

### Bibliographical References

1. Bancomext (2005), Panorama nacional 35,111 exportadoras, *Negocios* (5): 8-15.
2. Beck, Ulrich (2008), *La Sociedad del Riesgo Mundial. En busca de la seguridad perdida*, Barcelona, Paidós.
3. Bell, Daniel (1989), *El advenimiento de la sociedad post-industrial*, Madrid, Alianza Editorial.
4. Bolaños, Graciela, Libia Tattay, and Avelina Pancho (2009) "Universidad Autónoma, Indígena e Intercultural". Daniel Mato (ed.), *Instituciones interculturales de educación superior en América Latina: procesos de construcción, logros, innovaciones y desafíos*. Caracas: IESALC-UNESCO. Pp.: 155-190.
5. Bois, Guy (2004), *Una nueva servidumbre. Ensayo sobre la mundialización*, España, Universidad de Granada-Universidad de Valencia.
6. Bourdieu, Pierre (1988) *Homo Academicus*. Stanford: Stanford University Press (original: 1984).
7. Bourdieu, Pierre (2001) *El oficio del científico*. Barcelona: Anagrama. (original: 2001).
8. Brysk, Alison (2000) *From Tribal Village to Global Village*. Stanford: Stanford University Press.
9. Bustos, Mario (2003) "Comunicación, política y cosmovisión. Entrevista

- realizada por Daniel Mato”. Caracas: Colección Entrevistas a Intelectuales Indígenas N° 1. Programa Globalización, Cultura y Transformaciones Sociales, CIPOST, FaCES, Universidad Central de Venezuela. Available at: <http://www.globalcult.org.ve/entrevistas.html>
10. Cáisamo, Guzmán and Laura García Castro (2008) “Experiencias en educación superior de la Organización Indígena de Antioquia y su Instituto de Educación Indígena en alianza con la Universidad Pontificia Bolivariana y la Universidad de Antioquia.” Daniel Mato (ed.), *Diversidad cultural e interculturalidad en educación superior: experiencias en América Latina*. Caracas: IESALC-UNESCO. Pp.: 223-232.
  11. Carrillo, Laura (2004), “Superan remesas apoyo federal,” *Reforma*, México, p. 1A.
  12. Castillo, Juan José (2007), *El trabajo fluido en la sociedad de la información: organización y división del trabajo en las fábricas de software*, Buenos Aires, Miño y Dávila Editores.
  13. *Censos Económicos (1980, 1988, 1993, 1998, 2003)*, México, Instituto Nacional de Estadística y Geografía.
  14. Chancoso, Blanca (2005) “Sobre pueblos indígenas, diplomacia ciudadana, el Foro Social Mundial, sabidurías y universidades.” Interview by Daniel Mato. Caracas: Colección Entrevistas a Intelectuales Indígenas N° 4. Programa Globalización, Cultura y Transformaciones Sociales, CIPOST, FaCES, Universidad Central de Venezuela. Available at: <http://www.globalcult.org.ve/entrevistas.html>
  15. Choque, María Eugenia and Carlos Mamani Condori (2003) “Reconstitución del ayllu y derechos de los pueblos indígenas: el movimiento indio en los Andes de Bolivia.” Esteban Ticoma Alejo (ed.), *Los Andes desde Los Andes*. La Paz: Ediciones Yachaywasi. Pp.: 147-170.
  16. CIDEM (2001), *Municipio en cifras*, Centro de Investigación y Desarrollo del Estado de Michoacán, Michoacán.
  17. Cohen, Daniel (2007), *Tres Lecciones sobre la Sociedad Postindustrial*, Argentina, Katz Difusión.
  18. Dávalos, Pablo (2002) “Movimiento indígena ecuatoriano: construcción política y epistémica.” Daniel Mato (ed.), *Estudios y otras prácticas intelectuales latinoamericanas en cultura y poder*. Caracas: Consejo Latinoamericano de Ciencias Sociales (CLACSO) y Universidad Central de Venezuela. Págs.: 89-98. Available at: [www.globalcult.org.ve/pub/CYP.htm](http://www.globalcult.org.ve/pub/CYP.htm)
  19. De los Ángeles Pozas, María (2006), *Tecnología y desarrollo en las cadenas productivas de las grandes empresas en México*, De los Ángeles Pozas, María (coor.), *Estructura y dinámica de la gran empresa en México: Cinco estudios sobre su realidad reciente*, México, El Colegio de México.
  20. De Paula, Vicente (2004), “Las funciones de la política social en el capitalismo,” Borgianni, Elisabete y Montañó, Carlos (orgs.), *La Política Social Hoy*, Brasil, Cortez Editora, pp. 43-70.
  21. Dufour, Dany-Robert (2007), *El arte de reducir cabezas. Sobre la servidumbre del hombre liberado en la era del capitalismo total*, Buenos Aires, Paidós.

22. El Achkar, Soraya (2002) "Una mirada a la educación en derechos humanos desde el pensamiento de Paulo Freire: prácticas de intervención político cultural." Daniel Mato (ed.), *Estudios y otras prácticas intelectuales latinoamericanas en cultura y poder*. Caracas: Consejo Latinoamericano de Ciencias Sociales (CLACSO) y Universidad Central de Venezuela. Pp.: 111-120. Available at: <[www.globalcult.org.ve/pub/CYP.htm](http://www.globalcult.org.ve/pub/CYP.htm)>
23. Este País (2008), *México ante el Reto de la Economía del Conocimiento*, México, Fundación Este País-Conocimiento Útil.
24. Expansión (2005), 500, las empresas más importantes de México, *Expansión*, México, Grupo expansión 36 (918): 185-290.
25. Fals Borda, Orlando (1986) *Conocimiento y poder popular*. Bogotá: Siglo XXI.
26. Flores, Lucio (2009) "Centro Amazônico de Formação Indígena (CAFI)." Daniel Mato (ed.), *Instituciones interculturales de educación superior en América Latina: procesos de construcción, logros, innovaciones y desafíos*. Caracas: IESALC-UNESCO. Pp.: 103-121.
27. Foster, George (1955) "Análisis de un programa de ayuda técnica". México: Instituto Nacional Indigenista. Mimeograph Series. 2nd Reprint. Translation of the mimeograph edition of the Smithsonian Institution, Washington D.C., 1951.
28. Foucault, Michel (1966) *El nacimiento de la clínica: una arqueología de la mirada médica*. México: Siglo XXI (original: 1963).
29. ----- (1979) *Las palabras y las cosas: una arqueología de las ciencias humanas*. México: Siglo XXI. 11ra. ed. (original: 1966).
30. Freire, Paulo (1970) *Pedagogía del oprimido*. México: Siglo XXI.
31. ----- (1993) *Pedagogía de la esperanza*. México: Siglo XXI.
32. García, Fernando, coord. (2000) *Las sociedades interculturales, un desafío para el siglo XXI*. Quito: FLACSO.
33. García, Jesús "Chucho" (2001) "Comunidades afroamericanas y transformaciones sociales." Daniel Mato (ed.) *Estudios latinoamericanos sobre cultura y transformaciones sociales en tiempos de globalización*. Buenos Aires: CLACSO-UNESCO, Pp.: 49-56.
34. García, Jesús "Chucho" (2002) "Encuentro y desencuentros de los saberes: en torno a la africanía 'latinoamericana'." Daniel Mato (ed.), *Estudios y otras prácticas intelectuales latinoamericanas en cultura y poder*. Caracas: Consejo Latinoamericano de Ciencias Sociales (CLACSO) y Universidad Central de Venezuela. Pp.: 145-152. Available at: <[www.globalcult.org.ve/pub/CYP.htm](http://www.globalcult.org.ve/pub/CYP.htm)>
35. Garza, Gustavo y Rivera, Salvador (1995), *Dinámica Macroeconómica de las ciudades Mexicanas*, México, Instituto Nacional de Estadística e Informática-El Colegio de México, Instituto de Investigaciones Sociales-

- Universidad Nacional Autónoma de México.
36. ----- (2003), *La urbanización de México en el siglo XX*, México, El Colegio de México.
37. ----- (2004) “Macroeconomía del sector servicios en la Ciudad de México,” 1960-1998, *Estudios Demográficos y Urbanos*, México, El Colegio de México, **19** (55): 7-66.
38. -----(2006a) “Estructura dinámica del sector servicios en la Ciudad de México, 1960-2003,” Garza, Gustavo (ed.), *La organización espacial del sector servicios en México*, México, El Colegio de México.
39. ----- (2006b) Prólogo, Garza, Gustavo (ed.), *La organización espacial del sector servicios en México*, México, El Colegio de México.
40. ----- (2006c) “La dimensión espacial de la revolución terciaria,” Gustavo Garza (ed.), *La organización espacial del sector servicios en México*, México, El Colegio de México.
41. -----(2008) *Macroeconomía del sector servicios en la Ciudad de México 1960-2003*, México, El Colegio de México.
42. Grueso Castelblanco, Libia R. (2005) “Representaciones y relaciones en la construcción del proyecto político y cultural del Proceso de Comunidades Negras -PCN- en el contexto del conflicto armado en la región del Pacífico sur colombiano.” Daniel Mato (ed.), *Políticas de economía, ambiente y sociedad en tiempos de globalización*. Caracas: FaCES, Universidad Central de Venezuela, Pp. 53-70.
43. Guillén Romo, Héctor (1984), *Orígenes de la crisis en México 1940/1982*, México, Era.
44. ----- (2005), *México frente a la mundialización neoliberal*, México, Era.
45. Harvey, David (2005), *A Brief History of Neoliberalism*, Great Britain, Oxford University Press.
46. ----- (2006), *Spaces of Global Capitalism*, London, Verso.
47. -----(2007), *Espacios del capital. Hacia una geografía crítica*, Madrid, Akal.
48. Hooker Blandford, Alta Suzzane (2009) “La Universidad de las Regiones Autónomas de la Costa Caribe Nicaragüense (URACCAN): logros, innovaciones y desafíos.” Daniel Mato (ed.), *Instituciones interculturales de educación superior en América Latina: procesos de construcción, logros, innovaciones y desafíos*. Caracas: IESALC-UNESCO. Pp.: 279-302.
49. ICCI-Rimai (2000) “Editorial”. *Boletín ICCI-Rimai*, Publicación del Instituto Científico de Culturas Indígenas, year 2, No. 19, October. Issue dedicated exclusively to the Universidad Intercultural de las Nacionalidades y Pueblos Indígenas, Amawtai Wasi. Págs. : 4-9.
50. IMCO (2008), *Índice de Competitividad Estatal 2008: Aspiraciones y realidad*, México, Instituto Mexicano para la Competitividad A. C.
51. Kuhn, Thomas (1971) *La estructura de las revoluciones científicas*. México: FCE (original: 1962).

52. Kuhn, Thomas (1987) *La tensión esencial*. México: FCE (original: 1977).
53. Lara, Tania y Galarza, Ricardo (2007), "En busca de la tierra prometida. El IMCO estudió las principales zonas urbanas y encontró las más competitivas. Antes de hacer su siguiente inversión lea este informe." *Expansión*, México, Grupo Expansión, 38 (976): 76-80.
54. Licha, Isabel (2007), "Investigación científica y desarrollo social en América Latina," Sebastián, Jesús (ed.), *Clave del desarrollo científico y tecnológico de América Latina*, México, Fundación Carolina- Siglo XXI.
55. López Castro, Gustavo (2007), "Migración, desarrollo y regiones," Calva, José Luis (ed.), *Políticas de desarrollo regional*, México, UNAM-Miguel Ángel Porrúa-Cámara de Diputados LX Legislatura.
56. Macas, Luís (2000) "¿Cómo se forjó la Universidad Intercultural?" *ICCI-Rimai Bulletin*, (publication of the Instituto Científico de Culturas Indígenas), año 2, Nro. 19, octubre. Issue dedicated exclusively to the Universidad Intercultural de las Nacionalidades y Pueblos Indígenas, Amawtai Wasi. Pp.:20-25.
57. ----- (2001) "Diálogo de culturas: hacia el reconocimiento del otro". *Yachaykuna* (publication of the Instituto Científico de Culturas Indígenas), No. 2, december. Pp.: 44-55.
58. ----- (2002) "Derecho indígena y derecho consuetudinario". *Yachaykuna* (publication of the Instituto Científico de Culturas Indígenas), No. 3, December, Pp.6-11.
59. ----- (2005) "Reflexiones sobre el sujeto comunitario, la democracia y el Estado". Interview by Daniel Mato, revised and edited by Luís Macas and Pablo Dávalos. Caracas: Colección Entrevistas a Intelectuales Indígenas N° 3. Programa Globalización, Cultura y Transformaciones Sociales, CIPOST, FaCES,
60. Universidad Central de Venezuela. Available at: <http://www.globalcult.org.ve/entrevistas.html>
61. Macas, Luís y Alfredo Lozano Castro (2000) "Reflexiones en torno al proceso colonizador y las características de la educación universitaria en el Ecuador" *Boletín ICCI-Rimai*, publication of the Instituto Científico de Culturas Indígenas , year 2, No. 19, October. Issue dedicated exclusively to the Universidad Intercultural de las Nacionalidades y Pueblos Indígenas, Amawtai Wasi. Pp.:10-19.
62. Maldonado, Luís (2003) "Ciudadanía, desarrollo y cooperación internacional en tiempos de globalización: una visión autocrítica sobre el movimiento indígena en Ecuador". Interview by Daniel Mato. Caracas: Colección Entrevistas a Intelectuales Indígenas N° 2. Programa Globalización, Cultura y Transformaciones Sociales, CIPOST, FaCES,
63. Universidad Central de Venezuela. Available at: <http://www.globalcult.org.ve/entrevistas.html>
64. Mato, Daniel (2002) "Estudios y otras prácticas intelectuales latinoamericanas en cultura y poder". Daniel Mato (ed.), *Estudios y otras prácticas intelectuales latinoamericanas en cultura y poder*.

- Caracas: Consejo Latinoamericano de Ciencias Sociales (CLACSO) y CEAP, FACES, Universidad Central de Venezuela. Pp.: 21-45.
65. ----- (2008c) "No hay saber 'universal', la colaboración intercultural es imprescindible". *Alteridades* 18(35): 101-116.
66. Mendoza Pichardo, Gabriel (2007), "Desarrollo regional de México y política estatal." Calva, José Luis (ed.), *Políticas de desarrollo regional*, México, UNAM-Miguel Ángel Porrúa-Cámara de Diputados LX Legislatura.
67. Mijares, María Martha (2003) "Reflexiones para enfrentar el racismo en Venezuela". Daniel Mato (ed.), *Políticas de identidades y diferencias sociales en tiempos de globalización*. Caracas: Facultad de Ciencias Económicas y Sociales, Universidad Central de Venezuela. Pp.: 63-78.
68. Pacari, Nina (2005). Interview by Daniel Mato. Caracas: Colección Entrevistas a Intelectuales Indígenas N° 5. Programa Globalización, Cultura y Transformaciones Sociales, CIPOST, FaCES, Universidad Central de Venezuela. Available at: <http://www.globalcult.org.ve/entrevistas.html>
69. Pascual, Mayte (2006), *En qué mundo vivimos. Conversaciones con Manuel Castells*, Madrid, Alianza Editorial.
70. PNUD (2007), *Informe sobre Desarrollo Humano. México 2006-2007*, México, Grupo Mundi-Prensa.
71. Sassen, Saskia (2003), *Los Espectros de la Globalización*, Argentina, Fondo de Cultura Económica.
72. -----(2007), *Una sociología de la globalización*, Buenos Aires, Katz Editores.
73. SEDESOL, CONAPO, INEGI (2007), *Delimitación de las zonas metropolitanas de México 2005*, México, Secretaría de Desarrollo Social, Consejo Nacional de Población, Instituto Nacional de Estadística, Geografía e Informática.
74. Sennett, Richard (2006), *La cultura del nuevo capitalismo*, Barcelona, Anagrama.
75. Scott, Lash (1990), *Sociología del posmodernismo*, Buenos Aires, Amorrortu, eds.
76. ----- and Urry, John (1998), *Economías de signos y espacio: sobre el capitalismo de la posorganización*, Buenos Aires, Amorrortu Editores.