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Problemas del Desarrollo dedicates this issue of the journal to the memory of the master Octavio Rodríguez, renowned Uruguayan economist and member of the Advisory Commission; a prestigious intellectual and contributor to this publication.

He also authored *La Teoría del Subdesarrollo de la Cepal*, *El estructuralismo latinoamericano* and founded the *Celso Furtado Euro-Latin American Development Studies Network*. He leaves behind an immense legacy in the social sciences.

EDITORIAL

NOSTALGIA FOR THE "OLD NEIGHBORHOOD"

From protectionism to globalism and neoliberalism to financialization, it is these economic, political, and social processes that have shaped the prevailing language populating the documents released by international bodies and academia, seeping into public policy approaches, both theoretically and methodologically, and the lives of people around the world, bringing new levels of austerity and high profitability.

The structural change that economies have undergone in the post-war era and in the lead-up to the Great Crisis reflects the transformation of productive, commercial, and financial circuits in the midst of unprecedented internationalization. Countries have experienced rapid integration, upending the established social order. Accelerated robotization and new forms of employment via technological innovation are spurring theoretical debates against the backdrop of an economic cycle marked by stagflation, demanding alternative economic policies.

The desire for permanence and togetherness, whose paradigm is equity, equality, and development, has been expressed through social movements and rising engagement from citizen organizations. One clear example is seen in Latin America, which has consistently voted in governments friendly to public spending since the beginning of the twenty-first century. The spread of democratic governments with a parliamentary tradition is now coming up for debate with the rebirth of populism and protests against globalization, a rebirth, it bears mentioning, with the backing of society.

Mexico is looking to its Latin American brethren, feeling nostalgia for the "old neighborhood," but the economy is non-ergodic, making it hard to turn back the clock. Mexico has lost its leadership in Latin America, the consequence of standing on the side of North America.

With the resurgence of nationalism and regionalism in the face of the global village, movements fighting exclusion, homophobia, and xenophobia, as well as the rights fought for by feminist movements, are now coming under fire; social violence is on the rise and the parallel economy of corruption and drug trafficking is proliferating. Public policy has proven helpless when it comes to finding proposals to deal with the global economic and financial Great Crisis.

The global order has been shaken up. Job protection, good wages, quality of life, and better income distribution are democracy's waving flag. Globalization and trade liberalization have helped certain sectors of the population, while sidelining others. Strategic industrial and financial corporate partnerships have permeated and altered the traditional patterns of division of labor at the global scale. Forms of work are evolving in the maelstrom of a technology revolution where money-credit and development finance play a fundamental role.

Mexico, whose economic model has gambled primarily on integration with the United States of America and Canada, as seen in the North American Free Trade Agreement (NAFTA), has lost its sense of belonging to the rest of Latin America, rooted in the deepening of productive circuits that favor exports and imports from the region. The stakeholders at large agro-industrial companies in Mexico's neighbor to the north have benefited the most, with more than 98% of the corn Mexicans eat as the basis of their diet imported. For its part, the exodus of the automotive industry from Detroit turned scores of industrial areas into empty ghost towns when it relocated in large part to Mexico. The winners and losers are the core groups challenging NAFTA today.

Going back to the "old neighborhood" is one option. Looking for fresh markets or joining the new global axis of large Chinese consortiums could be another. The way out, undoubtedly, will require returning to a path of growth predicated on a qualified labor force and market, doing away with poverty, and promoting the strengths of a country rich in traditions and a culture that transcends humanity's values.

Jairo Parada, author of the paper: "Social Innovation for 'Smart' Territories: Fiction or Reality?," holds that the concept of "smart" territories or "smart" cities or regions is rooted in the surge of a knowledge economy or "knowledge society." This society exists in the midst of a technology revolution prompted by the advent of the Internet, computing, and the widespread use of new devices that furnish access to an enormous amount of information that facilitates communication, transforming the processes by which goods and services are produced.

Nevertheless, because the concept of the "knowledge society" has varied over time, it must be used in the context of the Information Age. This means that innovations are not only economic, but also social, with a direct impact on public or private actions, modifying a country's or territory's institutional endowment. When a knowledge economy is considered as an operator of the capitalist regime, it cannot be separated from capital and power. It is not only a new source of productivity and competitiveness, but also an important asset, accompanied by digital technologies that are transforming the way people work.

The authors Jordy Micheli and Rubén Oliver, in their paper "Software Companies in Mexico and their Ties to Local Development," present a survey administered to 175 software-producing companies scattered throughout Mexico City (75), Monterrey (50), and Tijuana (50). The software industry in these cities is targeted by the Software Industry Development Program (PROSOFT). With 30 clusters in 20 states, which are grouped together in National Software and Information Technology Clusters Council, this industry has been recognized as a driving force behind innovation in the mature industrial sectors (metal-mechanics, textile-apparel, and leather-footwear, wood and furniture, steel, and food and beverage), dynamic sectors (automotive and car parts, air and space, electrical, electronic, and chemical), and emerging sectors (biotechnology, pharmaceuticals, information technologies, the creative industries, and medical equipment). Beyond just providing solid research, the authors look into the nature of these companies' clients in the public and private sectors alike, users of these services.

"Technology Companies and Public Policy for Regional Development in Brazil," authored by María del Mar Miralles Quirós, José Luis Miralles Quirós, and Julio Daza Izquierdo, focuses on large technology companies in Brazil. Through a Law of Proportional Effects (LPE) contrast, the authors obtained significant results. The study shows how the smallest companies turn out to be those that grow the most, which should encourage the state to design public policies to fuel this business sector and create jobs. Small enterprises are most profitable in times of financial crisis when they are straddled with the least debt. These companies can come into play as part of an anti-cyclical policy, as they are much more dynamic and create more jobs than others. Research referencing industrial development in Brazil has divided the study of industrial growth into three phases: the industrial stage (1945-1974), the expansion stage (1975-1999), and the value-creation stage (2000-2015). The authors highlight the principal features defining each stage.

In her paper "The State and Financial Capital in Argentina between 2002 and 2012. Public Debt," Marisa Bordón explains how dismantling speculative activity became a priority and how "debt relief" came to entail a policy banner. Nevertheless, profitability and interests in economic policy decisions have continued to favor financial capital. The falling share of foreign public debt in the gross domestic product (GDP) served as an incentive for the government in this time period. The International Monetary Fund's abstention from intervention apparently eased the burden on the state. Public debt, however, continued to be an excellent conduit for external and internal savings and continued to be the principal financial asset in the stock market. In the end, the state ensured a privileged position for the "restructured ones" when it came to the government. This position was immediately satisfied when the new administration came in to power.

The analysis in "The (Incomplete and Brief) Return of Industrial Policy: The Case of Argentina 2003-2015," by Pablo Lavarello, revolves around the facilitator state. Beginning in 2003, industrial and technology policy changes were implemented with an impact on policies that aim to support the Science and Technology infrastructure. The need for industrial policy arose from foreign currency shortages at the start of the millennium. Horizontal instruments were developed to build new capabilities at firms and foster the emergence of technology-intensive companies. Thanks to these incentives, for public enterprises and suppliers alike, investment soared in the air and space, nuclear, and defense industries. The impact of the global economic crisis prompted an anti-cyclical policy in the face of dropping export prices beginning in 2010. To that is added the reform to the Central Bank of the Republic of Argentina's (BCRA) Charter, which left out technology capacity-building and the need to close the technology gap.

Alejandro Méndez Rodríguez, author of "Talent Migration as a Development Strategy: Mexico-Japan," analyzes how Japan's migration policy adheres to concrete economic policy objectives to confront the problem of an aging population and, as such, a shrinking work force. The country's priority is to attract highly qualified talent to whom post-graduate courses are offered in English and in Japanese (in priority fields for the economy). Research centers demand qualified labor from a greater migration flow. Due to questions of historical identity and origin, many migrants come from China, Korea, and Vietnam. But for the matter of roots, mobility for the *nikkei* community working in Japanese companies around the world is fostered through a package of scholarships, as well as the sharing of the society's culture, education, and know-how. In the meantime, low-skilled jobs continue to go to the Japanese.

Eva Ugarte, Josefina León, and Gilberto Parra wrote the paper "The Liquidity Trap, History, and Research Trends: A Bibliometric Analysis," which analyzes a raft of academic papers published to date about the "liquidity trap" through a bibliometric analysis. Using the Elsevier Scopus database, they searched for the following terms: *liquidity trap, zero lower bound,* or *zero interest rate.* They selected those papers with these terms that were published in the *Economics, Econometrics, and Finance* section between 1973 and 2015. The search returned 383 articles; the earliest dates back to 1973. The bibliometric analysis revealed how the theme of the "liquidity trap" has been treated. It deals with strategies ranging from economic policy coordination to drive economic growth and cut debt and deficit levels to fiscal reforms and efforts to straighten out public finance and make spending more efficient. Finally, Eggertsson and Krugman's (2012) recommendations are summarized. They emphasize that deficit-financed government spending can help an economy avoid the unemployment and deflation trap, to the extent that indebted private agents are able to clean up their balance sheets. The depression in Japan in the nineteen-nineties and the current financial crisis have revived interest in studying interest rates, which have not been efficient enough as of yet.

Alicia Girón
Editorial Board of the Journal
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