

Abstract

This article explores the effect that the inter-state distribution of federal government investment in economic infrastructure and education has had on Mexico's process of spatial dispersion of manufacturing growth, which has been taking place since the beginning of the 1980s. The empirical evidence in this regard is remarkably scant, general and thus, inconclusive. The analytical strategy consists of applying multiple regression analysis framed by a disequilibrium-adjustment model, which basically relates data on regional manufacturing growth during a selected period to data on levels of public investment and other relevant control variables at the beginning of the period. The analysis concentrates on the period 1988-1993 and is carried out for several manufacturing industries. The results suggest that, when considered separately, neither federal public investment in economic infrastructure, nor that allocated in education have contributed to the process of territorial dispersion of manufactures. Conversely, when both investment items are combined into a single factor, they seem to have jointly promoted the process of dispersion toward states with intermediate and low levels of industrial development.