

## **Strategic opportunities for the economic development of the Municipality of Izúcar de Matamoros: Economic Development of the Mixteca Region, first stage**

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### **Abstract**

According to various theories regarding the economic development of micro, small and medium enterprises (MSME's), which are related to the competitiveness of the different markets in the region, the Economic Cooperation and Development (OECD), reiterates that many countries and regions are working to achieve the level of competitiveness that allows them to adapt to globalization, which has caused a lot of statements in the profit and business sectors, which are considered three important factors such as innovation, science and technology, in terms of development reached in different geographical areas activities with low production costs. Today, MSMEs, must deal with the current economic model that affects various aspects such as political, economic, financial, monetary, educational, cultural, social and environmental. Importantly, the financial and trade aspects, should establish strategies to increase the technological potential and to enable greater productivity, improving the cost benefit of micro, small and medium business of the Mixteca region of Izúcar de Matamoros, contributing to regional economic development.

### **Development, economic, company, region.**

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## Introduction

This project focuses on the identification and analysis of the strategic opportunities for the economic development of the Municipality of Izúcar de Matamoros and the Mixteca region, in a first stage. Initially, the business areas of micro, small and medium-sized enterprises are defined for the determination of the productive-competitive field of the lucrative and business sector; for this, we start from theories of development and economic growth, location, industrial sector, market area, central places, regional science, circular and cumulative causality, balanced growth and spatial development, among others.

It should be noted that economic models have requirements that must be considered for the development effects of the region as Haldenwang points out; Engage in intermediation functions, improve wages and increase employment, discuss modern infrastructure, improve regional economic structure, promote strategic sectors in specific ways, strategically generate structural change, mobilize endogenous resources, facilitate political participation, boost regional investment, Improve the quality of localization at the regional level, generate positive externalities, promote convergence of regions, facilitate the development of backward regions, reduce production costs, create economies of scale, and cushion the social and ecological impact of structural change. (Haldenwang, 2000).

In the Mixteca region of Izúcar de Matamoros, the MyPyme's group has as a challenge the detonation and innovation in the economic development of the companies' competences, under the modality of clusters; for this, viable and profitable opportunities must be identified for the generation of sources of worthy employment, which contribute to improving the economy.

According to the different models and theories, it is important to consider those productive factors and their respective level of productivity, which affect the economy of the region and contribute to economic growth, contributing to the rational use of natural resources, And capital, as well as investment in innovation, technology and human capital, which are extremely important in decision-making for the economic cycle of agglomerations. The economic development of the region will depend on the circumstances of the globalization of the economy of which it forms part, as well as on the internationalization of capital, with the objective of reducing costs and conquering local markets.

According to Hiernaux, globalization has brought with it the emergence of new forms of work organization and the development of new technologies: microelectronics, biotechnology, telecommunications, computers, etc., as well as the use of new materials Doubt the basic foundations of regional development analysis. The development of communications has relativized the principle of distance, key to territorial differentiation, and in the world today does not have the same validity. It is the same as the principle of contiguity, indispensable for the integration of regions and still valid for the formation of regions and economic blocs, but not decisive for the organization of production in the globalized economy. (Hiernaux)

## Economic model

They are hypothetico-deductive systems that differ from theories in three respects. First, models have a narrower domain (or class of reference) than theories; Secondly, models are highly idealized (simplified) representations of reality; and third, unlike theories, models may not contain laws. (Bunge, 1982)

The author historian Eric Van Young defines the region as "a geographical space larger than a locality, but smaller than a national state, with a boundary determined by the effective range of some system whose parts interact more between them with the system external". The author Van Young, says that "regions are hypotheses to prove more than assumed facts."

Regional Science is the synthesized (integrative) analysis of politics, economics, sociology, cultural and psychological factors that influence the development of a significant region or system of regions. It is the study of the development of space-time of a society and its population in all its social, economic, political and psychological dimension. (Isard, 1973)

Another of the region's concepts is that of quasi-state in order to break the relationship of domination and dependence, and carry out territorial political decentralization, as a true legal, political, administrative and social construction of the regions. To achieve this goal, it is necessary to set up a political project that subordinates particular interests to the collective interest.

In addition, the region acts as a quasi-enterprise in which some of the great company practices are applied, in terms of defining products and markets, financing projects, human resources and competitiveness. (Boiser, 1992) Economic growth is a complex phenomenon in which, through the accumulation of more and better productive factors and their use through increasingly productive techniques, economies are able to generate a greater capacity of goods and services. It is also a dynamic process that involves a continuous change in the sectoral structure, the latter could be considered as one of the stylized facts in growth. (Kuznets, 2009)

For analysis and study purposes, a survey was conducted in different local companies registered in the National Statistical Directory of Economic Units (DENUE), updated based on the final results of the Economic Censuses 2014 and the verification of new economic units Made by INEGI in the second half of 2015, published on January 1, 2016

<http://www3.inegi.org.mx/sistemas/mapa/denue/default.aspx>. (INEGI, 2016)

In the region of Izucar de Matamoros, by their size companies are classified as large, medium, small and micro. Representatives of 90 companies, micro and small in the services and trade sectors, were interviewed; 66% of the companies correspond to the commercial sector and 24% to the services sector, as shown in the following Graphic 1.



**Graphic 1** Companies surveyed: 90, Own elaboration

Derived from the result of the survey will be given to companies the situational diagnosis in which it is, so that in turn a work program is established in which, through consulting and training, areas of opportunity can be eliminated and in the future Not very distant this is paid at the regional level.

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