

Letter from the Editor

In memory of Ricardo Solís Rosales



Facing the asymmetric allocation of resources in market economies, social policy in modern capitalist systems becomes an institutional response, oriented through social programs to correct market failures or inequalities in income distribution, seeking to mitigate the associated social problems or risks (Lu *et al.*, 2020:4).¹ But it also “benefits capitalist accumulation and legitimizes the growth paradigm” (Hirvilammi and Koch, 2020: 1).² In conjunctures of economic and even health crises, such as the recent Covid-19, public spending on social security and welfare programs are more highly valued by the population most vulnerable to impacts that accentuate economic and social inequality.

Between countries there are significant gaps between welfare systems with social and social protection policies. Scandinavian countries stand out for the wide coverage and quality of their social policy programs. To a large extent the success of these welfare systems is associated with their economic growth. An additional key to understanding the scope of their welfare institutions is the forceful role of social democratic parties, convinced of generous welfare states to achieve greater equality within capitalist economies (Hirvilammi and Koch, 2020: 1). The trust that is woven between the social welfare state and individuals will also be another variable that helps to understand the strength and favorable outcomes of social and social protection policies; on this point, see a study of the Danish case in Betko *et al.*, (2022).³

Another aspect refers to the universality of welfare systems, which implies coverage of social protection and services to all citizens as social rights. The four dimensions of the nature of universality, with modifications in recent times in the case of Sweden, are: (i) *inclusion* to all citizens formally included in social programs and open to all who share the same conditions; (ii) *financing*, be it social programs

¹ Lu, Quan; Cai, Zehao; Chen Bin y Liu, Tao (2020), “Social Policy Responses to the Covid-19 Crisis in China in 2020”, *International Journal of Environmental Research and Public Health*, 17, 5896, doi:10.3390/ijerph17165896.

² Hirvilammi, Tuuli y Koch, Max (2020), “Sustainable Welfare beyond Growth”, *Sustainability* 12, 1984, doi:10.3390/su12051824.

³ Betkó, János; Spierings, Niels; Gesthuizen, Maurice y Scheepers, Peer (2022), “How Welfare Policies Can Change Trust – A Social Experiment Assessing the Impact of Social Assistance Policy on Political and Social Trust”, *Basic Income Studies* 17 (2), pp. 155-187, <https://doi.org/10.1515/bis-2021-0029>.

financed by the public or private sector; (iii) *provision*, specifying the providers of services or administrators of insurance systems, be they public, private, or voluntary/non-profit actors, and (iv) *benefits*, relating to the reach of all groups in society or the decision of some to supplement benefits with private solutions (Blomqvist and Palme, 2020: 116).⁴ In nations with lower per capita incomes, welfare states are more fragile and incomplete, and even more so when institutions are also fragile and incomplete or in non-democratic regimes. In this respect, a whole vein of discussion is opening as a fan among scholars of the subject.

In addition, the study of their efficiency and effectiveness, with a view to building welfare ecosystems in a complex interaction (Costanza, 2020),⁵ is of great relevance to assess the scope and achievements. In this sense, the article “Analysis of Mexico’s Public Policies Via Efficiency and Public Spending”, co-authored by Luz Judith Rodríguez Esparza, from the Universidad Autónoma de Aguascalientes, México; Jeferson A. González Morantes, from the Universidad La Gran Colombia, Colombia and Jesús Salazar Ibarra, doctoral student at the Universidad Iberoamericana, León, México, aims to identify the relationship between the efficiency of social programs with respect to public spending on social programs in Mexico during the period 2012-2018, that is, the last six-year term. Through the construction of annual indexes of the main components, a linear discriminant analysis of efficiency in coverage, the approved budget, the executed budget, and the rigor of measurement of its results is carried out. The evaluation of the efficiency of public spending on social programs is relevant insofar as it is of great use for decision making in the achievement, changes, or conclusion of these programs.

This is a study in which the authors undoubtedly provide a suggestive methodological proposal, whose findings will serve not only to evaluate the contribution of social programs in terms of the progress of the proposed objectives (effectiveness) and the relationship between costs and products obtained (efficiency), but also as a measure of comparison with current programs. This article will be very useful for specialists in the field and for everyone in general.

Poverty is one of the expressions of the inequitable distribution of wealth, which is exacerbated in countries with lower economic growth. This phenomenon has been studied from various perspectives, including its nature, measurement methods, comparative analysis between countries and policy proposals for its reduction. In this sense, the Millennium Development Goals have been outlined to reduce extreme inequalities between nations and their inhabitants. In addition to reducing extreme poverty and hunger, the 2030 Development Agenda includes gender equality and women’s empowerment.

⁴ Blomqvist, Paula y Palme, Joakim (2020), “Universalism in Welfare Policy: The Swedish Case beyond 1990”, *Social Inclusion*, vol. 8 (1), pp. 114-123, doi: 10.17645/si.v8i1.2511.

⁵ Costanza, Robert (2020), “Valuing natural capital and ecosystem services toward the goals of efficiency, fairness, and sustainability”, *Ecosystem Services*, 43, 101096, <https://doi.org/10.1016/j.ecoser.2020.101096>.

Mary C. Villeda Santana, Isalia Nava Bolaños, Lilia M. Domínguez Villalobos, UNAM researchers, contribute to the topic by analyzing poverty from a multidimensional and gender perspective, with specific policy proposals, justifying its relevance. The research problem addressed is aimed at identifying the factors associated with multidimensional poverty among inhabitants over 60 years of age in Mexico, identifying the effects on the female and male population. According to the hypothesis proposed, significant differences are expected when varying the explanatory factors of poverty, according to income and the dimensions required as essential life rights (food, health, education, social security and housing). Also, a greater effect is expected for women, when differentiating by gender and variables such as head of household, indigenous language, and rural location.

Using excellent mapping from Inegi data, Villeda, Nava and Domínguez provide an account of the population over 60 years of age in multidimensional poverty, distinguishing gender differences and allowing them to estimate which factors exacerbate the precariousness of health and social security, and therefore the quality of life, when income is very low. The article “Multidimensional Poverty Among the Elderly in Mexico: a Gender Analysis” shows suggestive findings that contribute to the design of policies to reduce multidimensional poverty and gender inequalities.

From social policy we move on to the knowledge economy and information and communication technologies (ICTs), whose advances contribute significantly to solving technological problems that society faces in the areas of security, energy, health, tourism, mobility, among others, aiming towards the construction of smart cities. In the article “Patenting Activity in Internet of Things for Traffic Management”, Diana Priscila Estrella Santiago and Hortensia Gómez Viquez, doctoral student and researcher at Ciecás of the National Polytechnic Institute, aim to highlight the technological evolution of the Internet of Things (IoT) in mobility. Particularly, they focus on knowing the dynamics of innovation and patenting in *IoT* applied to traffic management during 2010-2022, through the USPTO and EPO databases. The above, in view of the need to make use of the progress of ICTs, which contribute to solving the growing problems related to public transport, safety and road freight. Therefore, improving the quality of life of city inhabitants.

The choice of the most appropriate *IoT* technologies requires knowledge of these technologies; the main suppliers of such technologies; the current competition and the leading countries in the technology. The authors carry out a detailed analysis that provides an important characterization of the elements necessary for decision making and, also, to understand the remarkable progress of some countries and the lag of others, as in the case of Mexico. In this way, the country's challenges can be weighed against international technological progress in *IoT*.

In terms of theoretical analysis, the contribution of Juan Larrosa, from the Universidad Nacional del Sur, Argentina, in this issue is the article “Cumulative Costs in the Network Expansion with Imperfect Information”. After reviewing the specialized literature, Larrosa raises the following questions: Why consider cumulative costs? Considering the networks of paths (links) that connect specific geographical points (nodes) of a network with cumulative construction costs, what would be the optimal connection structure when the nodes of a potentially expanding network lack perfect information? Is it convenient to sustain the expansion of a network without knowing *ex ante* all the possible nodes from a base or starting point?

Thus, the author proposes to study the mechanisms of network formation in a model of imperfect information and monitoring in an environment of cumulative connection costs. Each agent only observes a limited number of agents and must decide its optimal connection decisions. The optimal connection structure is contingent on the point at which the agent can visualize the size of the network.

Based on contributions from previous studies reviewed, the author adapts the theorems to the context of imperfect information or monitoring with cumulative costs with undirected networks. In addition, he analyzes how the observation degree affects the equilibrium in the presence of imperfect information in a network formation game. A study with suggestive analysis and findings that concludes by proposing new future research scenarios.

Juana Hernández-Chavarría, from Conacyt-Tecnológico Nacional de México-Instituto Tecnológico de Durango, México, studies the commercial performance of the Mexican aeronautics industry. Under the support of the new theory of international trade, the author of the article “The Mexican Aeronautics Industry: An analysis of the Composition of Foreign Trade from 2000-2020” asks: How have imports and exports of aeronautics evolved; with which countries are they trading; and what type of products (commodities or final products) are exported and imported?

The hypothesis proposes that, in the context of world leading companies in the aeronautical sector in Mexico and promoters of its growth and development, since the beginning of the 21st century, the trade balance has been favorable not only for the export of inputs, but also for the export of some final products or inputs with higher added value. The United Nations Comtrade Database was used to corroborate this conjecture. Suggestive conclusions on the nature of the aeronautical sector in Mexico, its commercial dynamism and on the possible prospects for this sector in terms of increasing its value added in global value chains.

The experience during the Covid-19 pandemic in different latitudes of the world has aroused interest in studying the phenomenon from different perspectives and scientific disciplines and with specific problems. Rafael Salvador Espinosa Ramírez and Salvador Sandoval Bravo, both from the University of Guadalajara, México,

develop their study in a very novel way in the article “The Impact of the Covid-19 Fear on International Trade”. Concerned about how the presence of fear, which spreads in an environment of uncertainty, can impact trade flows and, therefore, the welfare of countries trading in segmented markets, the authors propose a mathematical theoretical model, prior to a good review of the state of the art. Based on the theoretical approaches on price differentiation in the domestic and export markets (Helpman, 1982), on reciprocal dumping (Brander, 1981; Brander and Krugman, 1983), they assume two countries (domestic and foreign) in a segmented market in the presence of fear, under conditions of reciprocal dumping, and that establish subsidy policies in the market of a homogeneous good. We seek to determine the optimal subsidy policies between the two countries when these policies are cooperative and non-cooperative.

The model is accompanied by an analysis that argues interesting questions: How does fear originate and expand in the face of emerging health crises such as the Covid-19 pandemic during the pandemic? What reasons explain that fear can change consumer behavior? How does rationality act on consumer preferences? What public strategies can overcome the economic crisis derived from the Covid-19 pandemic with the presence of fear? An article widely recommended for its contribution, in these times in which the balance sheets of what Covid-19 left behind continue.

Next, Samuel Rebollar Rebollar, Rodolfo Rogelio Posadas Domínguez, from Universidad Autónoma del Estado de México and Universidad Autónoma del Estado de Hidalgo, respectively, México, write the article “Evaluation of the Effects of an Import Quota to the Regional and National Chicken Market in Mexico”, They propose to confirm the hypothesis that an import quota for chicken meat (leg and thigh) reduces regional and national production, increases consumption and imports; reduces producer and consumer prices and increases the welfare of society by benefiting national consumers.

Methodologically, the authors use a spatial equilibrium model with nonlinear programming to estimate such effects on the Mexican poultry market in 2019, distinguishing two import points, eight producing and eight consuming regions. The results show interesting findings that provide a guideline for policy design and decision making by poultry market agents to take advantage of comparative advantages, the geographical location of producing regions and import points to reduce transportation costs.

Finally, a thematically novel article: “Creativity and Beauty in a Framed Experiment”, by Carlos Alejandro Ponzio de León, from the ITESM, Campus Monterrey. México. Research in which art is the object of study and the problematization is in the econo-

mic sphere. The purpose is to study the relationship between individual preferences (eighty-five experimental subjects) for aesthetic objects (two expressionist paintings) and the level of creativity embedded in these works of art. Ponzio De León tests the hypothesis that not only the level of creativity is important in the preferences of individuals, and it is rejected in favor of a utility function that corresponds to a linear combination that includes beauty and creativity; also, the relevance of the work, in some cases. The author claims that in a pioneering way real paintings are used for the study.

Based on the concept of creativity of Sternberg's Triangular Theory (2018), the most creative pictorial work put to the consideration of the subjects constitutes a challenge on the most beautiful work. In turn, the most creative, represents a re-expression of the other, but with more abstract and angular strokes. From the field of economics, it is possible to use a methodology that facilitates the control of variables and the measurement of concepts and entities that are difficult to observe from another discipline. Thus, by means of empirical logit and probit models, the aim is to predict the painting preferred by each agent, according to the ratings given to each painting, based on abstract subjective constructs. Readers will find results and analysis that confirm the predictions of the economic theory of art, in the sense that creativity is not the only important factor in the consumer's aesthetic decisions.

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Dear authors, reviewers, and readers, I conclude this presentation with a tribute to our dear colleague Ricardo Solís Rosales, who passed away on August four of this year. A colleague, friend, who leaves behind him a path of contributions to the Universidad Autónoma Metropolitana, in the field of economics and especially finance. Also, at the level of university management, where he stands out as head of department and general secretary of the UAM. With excellent teaching qualities, he trained dozens of generations of economists at the Iztapalapa unit. His intellectual and institutional restlessness led him to promote the creation of the first PhD in

Economics in Mexico. His richness as a human being and as an economist led him to have an important academic leadership in the area of Economic Theory. Ricardo Solís was one of the founders of this magazine, together with a group of twelve colleagues from the UAM-Azcapotzalco, Iztapalapa and Xochimilco campuses. In his memory the project will live on. He will rest in peace in the afterlife, but he will live in us with all the wise teachings and the magnificent friendship he left us.

ALENKA GUZMÁN
JOURNAL EDITOR IN CHIEF