Letter from the Editor

Tribute to Richard R. Nelson

This issue, covering the first half of 2025, is dedicated to the memory of Richard R. Nelson, a professor at Columbia University, who passed away on January 28, 2025. Although he lived to be nearly 95 years old, his passing leaves a profound void in the academy community. He will no longer be physically present at conferences and specialized meetings, including those of the International Schumpeterian Society (ISS) where he generously shared his reflections, recommendations, and teachings. Nelson's contributions to the economics of innovation and evolutionary economics are widely recognized. His book and numerous articles have been fundamental to the development of this field. Among his most influential works are[1]:

- *An Evolutionary Theory of Economic Change* (1982) co-authored with Sidney Winter, in which the two authors laid the foundations for an evolutionary approach to economic theory.
- *Technical Change and Economic Theory* (1988), co-edited with Giovanni Dosi, Chis Freeman, Gerald Silverberg and Luc Soete, which contribute to the development of theoretical tools for analyzing the impact of innovation on the economy, industry, the nation, and international trade.
- *National Innovation Systems* (1993), a work in which he delved into the empirical foundations of national innovation systems and expanded upon the initial contributions of Freeman and Lundvall (Martin y Steinmueller, 2025).

His academic generosity undoubtedly enriched both the theoretical and empirical aspects of economics of innovation. Richard R. Nelson rest in peace, but he lives on the though the depth and relevance of his teaching.

Dick Nelson, as he was affectionately known, agreed to join the editorial board of this journal during the 12th Conference of the Internacional Schumpeterian Society (ISS), held in Rio de Janeiro in Julio 2008. His involvement confirmed this journal's commitment to publishing works on industrial in economics, innovation, and economic growth. His acceptance delighted us and, at the same time, committed us to successfully fulfilling the journal's academic objectives.

To begin with, in connection with the first article in this issue, we posse some fundamental questions regarding the neoliberalism: What is neoliberalism? What have been the effects of so-called neoliberal policies on countries' economic development? Have these policies harmed segments of the population in the nations that adopted this model? These questions

[1] See: B. R. Martin y W. Edward Nelson, (2025) "Richard R Nelson (1930–2025): Evolutionary economist and innovation scholar", *Research Policy* 54 (4): 1-11. 105211.

arise logically considering the repeated debate over the harms associated with neoliberalism.

From an economic perspective, neoliberalism is understood as an economic and political model that advocates for the free market, trade deregulation, and a reduction in state involvement in the economy. In this framework, market competition is presented as the driving force behind technological innovation, globalization, and the growth of international trade, with favorable effects on some developed countries.

However, it is important to highlight the tensions and the varying effects this model has had on certain economies: it has favored exported-oriented schemes dependent on international production chains, without sufficiently strengthening local productive capacities. Hence, it is necessary to examine its economic and social effects, as well as the way in which institutions and public policies are shaped under this framework.

Within this framework, the analysis must address at least three dimensions: (i) the effects of neoliberalism on economic growth and the productive structure; (ii) its social consequences, especially for the most vulnerable groups, and (iii) the way in which it transforms the role of the state, institutions, and public policies. Undoubtedly, these issues warrant an in-depth analysis to determine whether some countries have managed to reap benefits from this model or whether, on the contrary, the disadvantages have persisted and deepened.

Hence the importance of the first article, "From Origins to Effects: Actors, Institutions, and Societal Consequences of Neoliberalism", by José Luis Bernal López and Ezequiel Alpuche de la Cruz, scholars at the National Technological Institute of Mexico, Chimalhuacán campus. In this paper, the authors set out to characterize neoliberalism based on its actors, its fundamental institutions, and its impacts on contemporary societies, with special attention to the social configuration that this model has produced.

The central hypothesis holds that neoliberalism constitutes a global rationality that transcends classical liberalism. From this perspective, both the individual and the state internalize business logic: the former is oriented. Toward constant self-enhancement, while the latter focuses on serving consumers rather than citizens. Following a rigorous theoretical review, Bernal and Alpuche offer thought-provoking conclusions that invite further exploration of neoliberalism's impact on individuals, business, and institutions.

We now turn to the phenomenon of informal employment, its magnitude, and its significance. According to the United Nations (2018), 40% of the global labor force works in the formal economy, while the remaining 60% works in the informal sector, outside the scope of labor and tax regulations. Although there are significant difference between countries and regions, these gaps are most clearly evident in the informal economy's contribution to GDP, due to its low productivity and its close link to unemployment and poverty. In Mexico, informal employment was estimated to have reached 55.7% in 2020. These figures are significant because they show how informality tends to perpetuate a vicious cycle that hinders economic growth and social well-being.

Institutional theory offers useful insights for understanding the growth of informality. From this perspective, the fragility of institutions pushes individuals toward informal activities. A lack of compliance with regulations fosters corruption and deepens poverty, which further weakens the institutional capacity to regulate economic activity (Tebaldi and Mohan, 2010, cited in Osofero, 2024)[2].

In developing countries, this situation manifests itself in a wide gap between the rich and the poor, as well as in the weakening of a large middle class. Consequently, the informal sector serves a dual purpose: on the one hand, it becomes the space where people excluded from the formal economy engage in activities that allow them to make a living; on the other hand, it offers affordable goods and services to those with limited purchasing power. As Osofero (2024: 18) points out, "The informal economy, in essence, fills the gaps left by institutional deficiencies, providing affordable good and services to the poor who lack the purchasing power necessary to acquire goods and services in the formal economy, thereby playing a crucial role in socioeconomic balance."

Within this framework, Ricardo Rodolfo Retamoza Yocupicio and Rogelio Varela Llamas of the Autonomous University of Baja California present an empirical study title "Labor Informality and Underemployment in Mexico: A Biprobit Analysis." Considering that job insecurity constitutes a structural problem in Mexico, the authors pose two central questions: What explains the probability that a worker will be in a situation of informality or underemployment? What determines whether a worker is simultaneously in a situation of informality and underemployment? Based on microdata from National Occupation and Employment Survey (ENOE) conducted by the National Institute of Statistics and Geography (INEGI), the authors analyze the effect of various socioeconomic variables on the probability that a person will be an informal worker, underemployed, or both -either independently or simultaneously —during the 2007-2020 period. The study is grounded in a theoretical, conceptual, and methodological review, which serves as the basis for its analytical strategy, discussion of empirical results, and presentation of conclusions and public policy recommendations.

This study's findings point to the need to design policies aimed at reducing the high levels of informality in the country. To his end, expanding access o education is not enough, even though it is essential for reducing the likelihood of entering the informal sector. Substantial and sustainable economic growth is also required to foster the creation of formal jobs and help generate a virtuous cycle. In this process, strong institutions can play a decisive role as catalysts for formality. Given their significance, the results warrant careful consideration and encourage continued study of the phenomenon.

The green economy has established itself as a significant economic model for opening new possibilities for sustainable development. Global warming —linked to greenhouse gas emissions and the resulting phenomena— has brought the need to use natural resources rationally an ensure their conservation to the forefront of the debate. Through the protection of terrestrial and aquatic ecosystems, its goal is to contribute to the social well-being and equity. In this context, human intervention is essential for assigning a real economic value

[2] Moses O. Osofero (2024). "Understanding Entrepreneurship in the Informal Economy. Theories, Justifications and Motivations". Economics and Society No. 390, Hanken School of Economics, Helsinki.

to the environmental benefits provided by ecosystems. In this way, the conservation of nature can become a viable financial asset, capable of articulating environmental, and economic objectives.

With this framework, Luis Miguel Galindo Paliza and Saúl Basurto Hernández —both from UNAM— and José Federico González Medrano, from INEGI, present the third article in this issue, titled "Economic Value of Carbon Storage and Sequestration in Mexico." The aim of the study is to estimate the monetary value of carbon storage and sequestration ecosystems services in Mexico's various forest types and soils, in accordance with the provisions of the Paris Agreement on climate change. The article offers a relevant discussion of the specialized literature regarding the international recognition of the monetary value of carbon storage and sequestration services. It also analyzes how these values can be incorporated into ecosystems within the context of the global economy's decarbonization processes.

One of the study's main contributions is the proposal of an innovative methodology that allows for the simultaneous estimation of the value of carbon storage and sequestration, thereby avoiding double counting. Furthermore, the study presents estimates of percent of GDP under various mitigation scenarios, along with their results and implications. The concluding remarks underscore the importance of economically valuing the diverse services of carbon capture and storage, as well as linking this valuation to the restoration of various ecosystems. Given the timeliness of the topic and its methodological contributions, the article is essential reading for understanding the relationship between the green economy, climate change, and environmental policy.

In line with the goal of reducing greenhouse emissions —as well as reducing traffic, minimizing noise pollution, and contributing to improved physical and mental health— the following article addresses the use of bicycles as a sustainable urban mobility alternative. The study, title "Gender, Age, and Distance in Bicycle Use in the Ecobici Program in Mexico City" was authored by Ignacio Javier Rodríguez Cruz.

The study analyzes empirical evidence on the use of Ecobici, a bike sharing system operating in Mexico City, with a special focus on the gender variable. Its central research question is: Is there, in the long term, a relationship between women's bicycle use and variables such as age and duration of use? The article examines the benefits of cycling based on a review of the specialized literature, considering dimensions such as health, physical activity, income, mode of transportation, age and gender. It the presents a case study on Ecobici in Mexico City. To this end, it estimates the long-term relationship between users' age and distance traveled using Granger's methodology.

The results show that bicycles are used primarily for local travel by women who, on average, are working and childbearing age. Their trips are related to activities such as work, shopping, caregiving health services, exercise, religious activities, personal visits, or connections to multimodal trips. These findings suggest the Ecobici may encourage short-distance travel in areas near to trip's origin. However, as the author points out, the scope of the study is limited, since the results cannot be generalized to all of Mexico City, but only to the borough analyzed.

Finally, in previous issues we have discussed the financial difficulties the journal has faced. The decision by former Rector General José Antonio de los Reyes Heredia to discontinue funding to ETYP from the Office of the Rector General complicated its publication and marked the end of an institutional commitment initiated by physicist Sergio Reyes Luján, rector from 1981 to 1985, and sustained by nine subsequent rectors.[3] The suspension of funding from the Office of the Rector General meant that this funding would be assumed by the Directorates of Social Sciences and Humanities (DCSH) and the Economics departments[4] of the thee units that gave rise to the first inter-unit project. However, the lack of explicit support from the DCSH and the Economics departments for ETYP — a journal recognized by international indexes and by SECIHTI— has hindered the regular publication of its issues and forced the journal to operate under significant constraints.

In previous issues, we have expressed our gratitude for the funding provided by colleagues from the Iztapalapa Department of Economics, some of whom have passed away, have retired, or currently do not have budget allocated by the head of the UAM Iztapalapa department of Economics. We are optimistic that a new spirit of institutionality, respect, and appreciation for academic activities and their dissemination will blow though our "House Open to Time."

We extend our gratitude to the members of the editorial committee who have continued to collaborate with us, as well as to everyone who has embraced this publishing project. We send you a huge hug.

ALENKA GUZMÁN
JOURNAL EDITOR IN CHIEF

[3] Dr. Oscar M. González Cuevas, Dr. Gustavo A. Chapela Castañares, Dr. Julio Rubio Oca, Dr. José Luis Gázque Mateos, Dr. Luis Mier y Terán Casanueva, Dr. José Lema Labadie, Dr. Enrique P. A. Fernández Fassnacht, Dr. Salvador Vega y León y Dr. Eduardo A. Peñaloza Castro.

[4] Department of Economic Production at UAM-Xochimilco.