Paradiplomacy and economic development in the Reynosa-McAllen cross-border region

Paradiplomacia y desarrollo económico en la región transfronteriza de Reynosa-McAllen

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Abstract:
Paradiplomacy is a new international participation phenomenon involving local governments and other non-state entities. This research aims at analyzing paradiplomacy and observing the economic development in the Reynosa-McAllen cross-border region after the North American Free Trade Agreement (NAFTA). A qualitative research method with a descriptive approach was used. The data collection instruments were a literature review and interviews. The findings indicate that outreach activities between Reynosa and McAllen respond mainly to the teamwork between the Municipal Government of Reynosa, the Tamaulipas State Government and the McAllen Economic Development Corporation (MEDC), which have increased investment and employment, thereby generating economic development in this cross-border region.

Keywords: paradiplomacy, local government, cross-border region, economic development.

Resumen:
La paradiplomacia es un nuevo fenómeno de participación internacional de gobernaciones locales y otras entidades no-estatales. La investigación tiene como objetivo analizar la construcción paradiplomática y observar el desarrollo económico en la región transfronteriza Reynosa-McAllen a partir del Tratado de Libre Comercio de América del Norte (TLCAN). Se utilizó la investigación cualitativa con un enfoque descriptivo. Los instrumentos de recolección de información fueron la revisión bibliográfica y la entrevista. Los hallazgos demuestran que las actividades de vinculación entre Reynosa y McAllen, obedecen al trabajo en equipo que se realiza principalmente entre el Gobierno Municipal de Reynosa, Gobierno del Estado de Tamaulipas y la orga-

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Nava, K. M. & Córdova, G. / Estudios Fronterizos, 2018, 19, February 7, e004

Introduction

The current global world is increasingly interconnected. “The multiplication and intensification of economic, political and social transactions among states is called Globalization” (Garza & Chacón, 2002, p. 3). Internationalization is, without a doubt, one of the modalities of globalization, which, through governmental external action, develops strategies of international cooperation for the benefit of countries and their populations. The lack of consistency between the policies proposed by the central government and the needs of federal entities, municipalities, cities and counties promotes collaborations with actors from other countries in search of solutions to local issues with or without the support of central governments. Only in rare cases the state considers international relations between non-central governments and foreign policy (Cornago, 2010; Morales & Reyes, 2016).

This phenomenon is called paradiplomacy, and it defines the international interaction of these subnational governments and other non-state actors (Zeraoui, 2011; Rhi-Sausi & Oddone, 2013). Today, paradiplomacy entails the participation of traditional actors such as non-central governments, including border and coastal agents, and other public and private social actors who act as agents of pressure promoting outreach activities with foreign countries and create cooperation and promote networks. However, it is important to note that in spite of the progress obtained by paradiplomatic activities, the role of the state continues to exert some influence on the decisions of certain local or non-central governments (Morales & Reyes, 2016).

There are several factors that are considered key to the development of paradiplomacy. Aldeoac and Keating (1999) referred to three aspects influenced by paradiplomatic activity: economic, political and cultural. The following are some of these factors: globalization, which establishes new methods of inter and intrastate interaction and cooperation (Garza & Chacón, 2002); economic interdependence, as a result of increased trade flows between countries with global production networks in sectors including agriculture, manufacturing, tourism and services (Barajas, 2013); competition for international markets of cities or regions with very specific characteristics or to attract investment; the democratic opening of political systems and the weakening of the central state (Zeraoui, 2011); migration, which generates pressure groups and the interest of local governments to protect their rights (Dávila, Schiavon & Velázquez, 2008); and the contemporary border scenario, with different dynamics and competing new players that compete with the collaboration strategies at the border (Amilhat, 2016), among others.

Thus, paradiplomacy is a strategy to negotiate with international actors within the framework of binational or international relations and that is focused on obtaining benefits for local or sub-national governments. According to Cornago, paradiplomacy entails:
The involvement of non-central governments in international relations, through the establishment of formal and informal, permanent or ad hoc contacts with foreign entities, public or private, with the purpose of promoting a diversity of socio-economic, political or cultural matters, as well as any other external dimension of their own constitutional competences (quoted in Zeraoui, 2011, p. 70).

Regarding economic development, emerging economic sectors such as manufacturing, commerce and transport have developed in the Reynosa-McAllen cross-border region since the creation of NAFTA in 1994. Following this trade agreement, three types of axes are combined and related to the international activity: federal foreign policy, cross border policy and the strategies developed through other instances or areas beyond strictly borders affairs (Martinez, 2011). According to Rhi-sausi and Oddone (2013), regional integration and international activities involve the participation of new actors including employers, universities, civil society organizations (private actors) and the strengthening of international action through subnational governments in search of complementarities in these integration processes. Therefore, cross-border regions are a priority in the cooperation and integration processes between two countries, as required by their economic, political, social, cultural or environmental relevance. For Amilhat (2016), borders do not exclusively refer to territorial limits; rather, they also focus on those “mobile borders” that distinguish and, above all, articulate people, goods and capital flows, among others. In fact, borders should not be conceived only as institutions but rather as social spaces with a multitude of actors.

The area of influence of this region reflects what both countries have built in the last few decades, namely, 17 international crossings that favor transport of goods and people, with 52% of trade flowing in by rail and 39% by road. Tamaulipas is the door to trade enabling transit for 350,000,000 consumers and more than 33% of the Mexican international trade in the world. The state of Tamaulipas contributes to this international trade through more than 350 established maquiladora export companies that directly create more than 205,000 jobs. Tamaulipas is the fifth largest exporter in Mexico, with exports amounting to 27,423,025 billion dollars (Secretaría de Desarrollo Económico, 2017). The state of Texas is one of the world’s largest economies, importing most of the production that comes from the north of Mexico.

In this context, we believe that economic development in the Reynosa-McAllen cross-border region is largely due to paradiplomacy. Based on this analysis, the following question is posed: how was paradiplomacy built, and how does it contribute to the economic development in the Reynosa-McAllen cross-border region? This study has two objectives: first, to analyze the construction of paradiplomacy, and second, to observe the economic development of this cross-border region from its practice since the establishment of NAFTA.

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1 According to Perkman (cited by Oliveras, Durà & Perkman, 2010, p. 24), a cross-border region is defined as the “territorial unit composed by the territorial authorities participating in cross-border cooperation activities”.

2 The total population of Texas is 26,956,958 inhabitants, with growth of 7.2%. Its population is considered to be young. The gross domestic product of the state is 1,532,623 million dollars (2013), second only to that of California (Alonso, 2015).
The cities selected are relevant for this research. In the case of Reynosa, it is the most populous city of the border region of Tamaulipas, Mexico, and it exhibits the greatest economic dynamism due to the number of maquiladora industries and jobs created in this sector. McAllen and Harlingen, on the other hand, are the urban centers with the highest regional growth in Texas, United States (McAllen Chamber of Commerce, 2016).

This is a qualitative study with an exploratory-descriptive scope. The data collection techniques entailed first, a literature review of secondary information sources, including mainly printed documents, databases, articles, books, projects and studies related to paradiplomacy, international relations and cross-border cooperation, and second, semi-structured interviews of key actors in both cities. The goal of this first approximation, because the research also involves other pairs of border cities, was to obtain information related to outreach activities in both Reynosa and McAllen and to highlight the participation of border regions in international cooperation processes.

Thus, this study is divided into four sections. The first briefly describes the Reynosa-McAllen cross-border region. The second analyzes the external action of local governments and their paradiplomatic activity. The third describes the impact on economic development, and the fourth presents the conclusions.

Reynosa-McAllen Cross-Border Region

Tamaulipas is one of the six border states of Mexico. It is located in the center of the trade flow in North America, with access to the world’s most dynamic market (Figure 1). It shares a 370 km-long border with the United States (Texas). Its area is 80,174 km², and it is the sixth-largest state in the country, with a population of 3.4 million inhabitants. The economically active population amounts to 1.3 million, i.e., 38% of the total population (Secretaría de Desarrollo Económico, 2017). This federative entity constitutes one of the 9 most important economies of the country, and it contributes 3% of gross domestic product. According to the report of the National Commission on Foreign Investment (Comisión Nacional de Inversiones Extranjeras, 2016), by the end of December 2016, Tamaulipas ranked 7th as a destination for foreign investment in Mexico.
The state is divided into six regions: Región Fronteriza Valle de San Fernando, Centro, Altiplano, Mante and Sur (Figure 2). Reynosa is one of the 10 border municipalities in Mexico, and it constitutes the Región Fronteriza, together with Matamoros, Valle Hermoso, Río Bravo, Gustavo Díaz Ordaz, Camargo, Miguel Alemán, Mier, Guerrero and Nuevo Laredo. According to the National Institute of Statistics, Geography e Informatics (Instituto Nacional de Estadística, Geografía e Informática [Inegi], 2016b), in 2010, out of these municipalities, Reynosa, Matamoros and Nuevo Laredo were the cities whose populations surpassed 350,000 inhabitants, with 608,891, 489,193 and 384,033 inhabitants, respectively.

According to the intercensal count of 2015, Reynosa reached 646,202 inhabitants (Inegi, 2015).
Thanks to NAFTA, this border region is devoted to foreign trade logistics and manufacturing, especially electrical and electronic products and automotive parts. In addition, other activities include hunting, business and health tourism (Plan Estatal de Desarrollo Tamaulipas (2011-2016), 2013). The latest official report indicates that the manufacturing industry has established 350 companies in the state, generating 205,514 direct jobs. In Reynosa specifically, there are 147 companies, generating 97,118 direct jobs (Inegi, 2016a). City infrastructure for the development of the manufacturing industry is considerable in Reynosa. There are 14 industrial parks and three international bridges that facilitate transportation of both goods and people on a daily basis (Figure 3). These bridges are the International Anzalduas Crossing [Cruce Internacional Anzaldúas], the McAllen-Hidalgo-Reynosa International Bridge [Puente Internacional McAllen-Hidalgo-Reynosa] and the Reynosa-Pharr Bridge. The latter mainly facilitates the crossing of cargo.
In Texas, McAllen shifted from being a city with an economy based on agriculture and livestock to one devoted to foreign trade, health, commerce and tourism. Its closeness and ties with Mexico promoted city growth, quickly transforming it into a port of entry for travelers on both sides of the border. During the 1980s and 1990s, the flourishing maquiladora industry in Reynosa led to the development of McAllen free trade and boosted interest in the area.

According to the 2010 census, there were 774,769 inhabitants in the McAllen, Edinburg and Mission region, which means that there was a 66.8% increase in population compared to 2001. The Reynosa-McAllen region is considered one of the most dynamic urban centers on the United States-Mexico border. In this context, the McAllen Economic Development Corporation (MEDC) has played an important role in the promotion of economic development, not only for McAllen but also for Reynosa. MEDC is a non-profit organization founded over 29 years ago by Mike Allen (deceased) and Keith Partridge (current president). These businessmen embraced the vision of generating industrial growth. Therefore, the goal of the MEDC is to promote the economic development of the area by attracting new industries to McAllen and Reynosa through a completely industrial approach. The slogan of the organization “Two nations, one city” evidences the vision of this cross-border organization.

In Reynosa, the office in charge of industrial promotion is the Secretary of Economic Development of the Municipal Government of Reynosa [Secretaría de Desarrollo Económico del Gobierno Municipal de Reynosa]. Additionally, the Government of the state of Tamaulipas, through the Secretary of Economic Development and Tourism (SEDET), is the unit responsible for promoting economic development throughout the state and each of its 43 municipalities.
As demonstrated, the two cities involved have strengthened their economy, particularly due to NAFTA and the work of several social actors from both sides that have certainly progressed in the field of paradiplomacy.

Paradiplomacy in the Reynosa-McAllen Region

As already mentioned above, paradiplomacy refers to a new phenomenon of international participation among local governments and other non-state entities. NAFTA was the trigger for international activity in Mexico thanks to the importance given to economy relative to other aspects (González, 2002). It should be noted that the northeastern region of Mexico has a different development from the rest of the country and an exceptional geographical position because this area is next to the most powerful country in the world in trade and political terms. Thus, development opportunities are found precisely in the north, offering products and services (Soldatos, cited in Zeraoui, 2011). Oliveras (2014) uses the concept of paradiplomacy to define a set of external contacts, activities, processes and initiatives between local governments and between those governments and other public and private actors, as also described by Aldecoa and Keating (2001), Duchacek (1986) and García (1996). Amilhat (2016) describes contemporary paradiplomacy through the competitive globalization of territories that involve borders. In fact, in the region, there are several types of activities related to paradiplomacy, namely the following: territorial cooperation, cooperation for development, sister city arrangements, visits of foreign governmental authorities and the welcoming of foreign public and private authorities; campaigns to promote industry, tourism, trade and culture in international events; and participation in international forums and associations. All of these activities constitute local development strategies in the international arena.

The concept of sister cities is a topic of particular relevance because it increases information and cooperation flows in specific activities related to the development of the cross-border region in a global context (Lecours, 2002; Zeraoui, 2011). To accomplish this goal, local governments are provided with financial, political, technical and technological resources that allow them to communicate with actors from other countries (Gutierrez, 2013). This effort somehow intends to make up for the lack of attention from central governments. In view of the lack of interest from central governments in the problems faced by local governments, the latter choose to relate to closer local governments, as is the case with cross-border cooperation in those municipalities in the northern border of Mexico. One example is the Association of Mayors of Mexico’s Northern Border, A.C. [Asociación de Alcaldes de la Frontera Norte de México, A.C.], an organization that started in 2007 in Tijuana, Baja California, and became a civil association in 2010. Several general arrangements to solve regional issues regarding security, infrastructure, migration, international relations, municipalism, environment, economic development and health have emerged from these efforts (Córdova, 2013).

Oliveras (2014) emphatically notes that in this region, local government participation is increasingly active, mainly in the municipalities of Nuevo Laredo, Matamoros and Reynosa and their sister cities, Laredo, Brownsville and McAllen, respectively. Despite the occasional adverse environment in that region, a number
of links between the cities, in addition to sister cities agreements can be mentioned, although the list is not exhaustive.\(^5\)

Legal aspects in this cross-border region are also worthy of mention because at least for Mexico, there has been a turning point in the relationship with the United States. Now, local actors can move forward and mature the relationship without forgetting they belong to a nation-state that supports them and, to a point, facilitates interaction with social actors on the other side. Article 1 of the Law on the Celebration of Treaties (Ley sobre Celebración de Tratados, 1992) establishes that interinstitutional agreements can be signed between a federal, state or municipal decentralized unit or agency and one or several foreign bodies or international organizations.

An interinstitutional agreement is the generic name for any document that is signed by a foreign government or international agency, regardless of its denomination (cooperation agreement, convention, protocol, twinning agreement, etc.). This law turned state and municipal governments into subjects of international law. In addition, it was established that the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores [sre]) should be informed about any interinstitutional agreement (Rodríguez, 2006).\(^6\) This legal framework acknowledges the work performed at the local level, in particular, in regions with high economic and social dynamism, such as the Reynosa McAllen border.

In this region, numerous agents promote cross-border cooperation initiatives with their American counterparts within the framework of interinstitutional agreements to foster regional and local development, as Ramos (2002) notes referring to governmental agents in the United States-Mexico border. This dynamic evidences cross-border cooperation as a collaboration between sub-national units beyond national boundaries enabling participation and joint action, through networks of public and private agents from both sides of the border (Oddone, 2014). This author argues that, “the overall objective is that relations between neighboring territorial powers are developed as naturally as if the border did not exist” (Oddone, 2014, p. 132).

Paradiplomatic activity in the region can also be described from economic, political and socio-cultural points of view.

From an economic perspective, paradiplomatic activity in the region can be traced several decades back. Globalization caused Mexican border cities to use internationalisation as a strategy to conduct transactions with other countries. Signing NAFTA was one of the factors that triggered the economic dynamics of this cross-border region. The Treaty, which was negotiated at the end of the 1980s, manifests itself in the increasing number of jobs in the maquiladora export industry, which together with the paradiplomacy activity has created economic growth as a tool for development. In doing so, local actors along with federal support from both sides have been given to the task of generating increasingly more productive infrastructure such as the three international bridges.

\(^5\) For Oliveras (2014), the study of cross-border action is an effort to analyze the participation of local governments in activities linked with foreign affairs, an issue discussed historically through the policies established or created by central governments or the nation State. It should be noted that the external action of local governments is a topic that has been little studied. This notion is also shared by the contributions of Davia et al. (2008), Kincaid (1999), Schiavon (2006) and Velázquez (2007).

\(^6\) Article 16 of the Internal Regulation of the Secretary establishes that the General Direction of Policy Coordination is responsible for promoting the establishment of coordination mechanisms between the Secretary and the offices that address international affairs in other areas of federal public administration and in federal and municipal entities (Rodríguez, 2006).
In both Reynosa and McAllen, there are other actors directly and indirectly involved in international relations, including groups of investors, chambers of commerce, associations, universities and consulates. Specifically in Reynosa, the participation of entrepreneurs from different sectors comprises the Bi-National Council for the Economic Development in Reynosa (Consejo Binacional para el Fomento Económico de Reynosa [Cobifer]), the National Council for the Maquiladora industry and manufacturing of export in Reynosa (Consejo Nacional para la Industria Maquiladora y Manufacturera de Exportación de Reynosa [Index]) and the National Chamber of Transformation Industry in Reynosa (Cámara Nacional de la Industria de la Transformación de Reynosa [Canacintra]).

It is worthy of note that paradiplomatic activities are mainly performed via the joint work of the Municipality of Reynosa, the Government of Tamaulipas and the Medc. It has become clear that the best mean for McAllen to grow as a region is through cooperation. Paradiplomatic activity functions through coordinated teamwork to share information, connect with social sectors of both sides, complete joint tasks, maintain communication with other regions and solve contentious issues, among others.

According to the experience of the head office of Sedet, this dynamic is not new. Rather, these activities have occurred for more than 25 years, and all are due to open processes and globalization; above all, they are in response to the needs of each city. The beginnings of the Medc confirm the above because the organization, from its inception, has related with Reynosa to share and support the city to attract investment. Similarly, the Government of Reynosa confirms that these activities, although not new, have increased since the end of the 1990s.

From a political perspective, Reynosa signed the Interinstitutional Agreements (Acuerdos Interinstitucionales de Amplio Alcance [AHAA]), which include sister city agreements. According to the Reynosa Government, there are only two such agreements, one signed with McAllen and another with Pharr, Texas. In both agreements, the Consulate of Mexico in McAllen is responsible for supplying the contract through its registration in the Register of Interinstitutional Agreements (Registro de Acuerdos Interinstitucionales [RAI]) in the direction of Policy Coordination of the Ministry of Foreign Affairs [Dirección de Coordinación Política de la Secretaría de Relaciones Exteriores].

Regarding the Reynosa-McAllen AHAA, on April 27, 2016, McAllen’s city mayor, Jim Darling, and Reynosa’s mayor, Jose Elias Leal, met in McAllen to reaffirm the resolution existing since 1992 and confirm the close relationship between these twin or sister cities and maintain friendship and cooperation between them. The consul of Mexico in McAllen, Guillermo Ordorica, and the consul for the United States in Matamoros, Angela Kerwin, signed as witnesses. On that day, and as an example of the twin cities’ willingness and readiness to cooperate, uniforms were given to Reynosa firefighters. Subsequently, there was an exchange of gifts between the mayors. The directors of Medc, entrepreneurs from both sides of the border, representatives of Index, Canacintra, Cobifer and the Municipal Office of Economic Development were among the guests.

However, as Angel Ortiz from the Sedet stated in the interview (2016), sister or twin cities agreements or interinstitutional agreements are not indispensable for the state government to promote and support municipal ties with foreign entities. These confirm and strengthen the willingness of both cities and their mutual trust.
As consequence of cities aproachment, activities related to industrial, commercial, tourist and cultural promotion were performed jointly through forums, seminars, congresses, reception of foreign public and private authorities, visits of foreign governmental authorities, attendance at trade fairs and national and international annual meetings. In relation to the industrial development of the area, in addition to the United States, countries such as Brazil, Japan, Korea and recently Italy have become investment attraction objectives.

The meeting of Reynosa and McAllen’s Chambers of Commerce and the meeting between the mayors stand out among the events in Reynosa that strengthen collaboration ties. Similarly, the MEDC organized meetings with the Index and Canacintra, golf tournaments and picnics with Reynosa maquiladoras, attendance at binational conferences and multiple events to promote the Reynosa-McAllen area inside and outside the country with the accompaniment of the Municipal Government of Reynosa, the state government and private investors. These events are organized or promoted by the different types of agents mentioned above; however, all participate, and all have the same goal: to promote and offer the Reynosa-McAllen region as one city.

On the other hand, there is a series of events that the SEDET promotes in all municipalities. In some cases, the state is in charge of this promotion, and once prospective targets are detected, the SEDET approaches the municipalities. Since 2011, the SEDET has participated in 57 national and international events, reaching more than 350 investors. Among the latest foreign trade missions of this dependency, visits to France, Italy, Japan, Korea, Germany and the United States were included.

Without a doubt, the work performed by the MEDC is of paramount importance for Reynosa’s paradiplomatic activities in an attempt to strengthen economic and political aspects. The relationship between the North American organism and the Mexican state and municipal government is very tight, and it has become clear McAllen needs and depends to a large extent on Reynosa for its growth and seeks to maintain a relationship of trust and mutual respect.

From a socio-cultural point of view, higher-education institutions have been approached with the objective of meeting the demands of the industrial sector and training and preparing the next professionals with the skills necessary to enter the work force related to the manufacturing industry. Recently, an agreement was signed between the South Texas College (STC) in McAllen and the Instituto Internacional de Estudios Superiores, (IIES) of Reynosa Campus Villa Florida to train students with the technology and instruments of the Texan university, especially in the area of robotics, with the aim of developing industry-specific skills to meet the needs of the industrial sector. Although there are other universities in both Reynosa and McAllen, this is a pioneering agreement. The program at the Institute of Advanced Manufacturing of the STC is one of the initiatives to train students with the technical skills and knowledge necessary to face competitiveness. Since 2007, more than 27,000 students have been trained to operate manufacturing and automatization processes in more than 200 companies.

Similarly, the University of Texas Rio Grande Valley (UTRGV) is another educational institution that works as a team with the MEDC for the benefit of the border region. Its annual week long program called Hispanic Engineering, Science, and Technology (HESTEC) is recognized nationally as a model for promoting science and technology on both sides of the border. The program favors training that will provide the skilled labor required in the region.
Cross-Border Economic Development

According to Barajas (2015), there are four levels of intervention in the cross-border relations between Mexico and the United States: trilateral (including Canada), bilateral, transboundary (states and municipalities on both sides of the border) and state and local. In these last two levels, paradiplomatic activity has been consistent, and its impact in the area has been positive because the cross-border region, and not the cities, is promoted. In this sense, linking activities between Tamaulipas and Texas have improved the area of the Rio Grande Valley or as the inhabitants call it, the “Magic Valley of Rio Grande” (Figure 4). This area includes the Starr, Hidalgo, Willacy and Cameron counties; the cities McAllen (Hidalgo), Edinburg, Harlingen, Brownsville and Isla del Padre (Sandoval, 2007); and the municipalities Nuevo Laredo, Reynosa and Matamoros.

Figure 4: Counties and cities in the Rio Grande Valley

Source: Texas A&M Agrilife (n.d.).

It has been confirmed that there is a consensus among governmental municipal and state authorities, in addition to the MEDC in the U.S., in attributing the cross-border regional economic development to the interrelation of these border cities. The contributions for the development of the area assessed are foreign direct investment and the number of generated

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7 Five periods have been identified to analyze border development by stages. There is a conciliatory stage from 1848-1994; a phase of cooperation programs and cross-border networks, from 1942-1993; a period between 1848-1994 characterized by its northern border complementarity policy; the international economic integration stage from 1961-1983; and finally, the regional integration with North America stage from 1984-2008, during which NAFTA was signed, becoming one of the clearest examples of the evolution of border development.
jobs. There is a “domino effect” that has allowed this bonding dynamic between Reynosa and McAllen to create something beyond the economic growth that becomes more visible on the American side.

According to the MEDC, Reynosa has skilled and trained labor with competitive wages. Only 2014, the occupancy rate in Reynosa in relation to the economically active population was 96.4%; this figure is above the state average, 60%, and the national average, 59% (Primer Informe de Gobierno, 2014 José Elías Leal. Presidente Reynosa Tamaulipas, 2014). Regarding education, the average grades of individuals aged 15 years or older was 9.3, surpassing state and national averages. Regarding income and social rights, the fraction of the population in poverty in Reynosa is 33.7%. Although this figure is not encouraging, it is below the average at the state and national levels. An important piece of information that determines the quality of life in the city of Reynosa is the increase in the number of checks for environmental inspections related to allegations, which was 600 in 2014, well above the state average of 103 (Primer Informe de Gobierno, 2014).

According to the MEDC, the impact of the industries established in Reynosa translates into employment, development of suppliers, service providers, specialized staff for inclusion in the workplace in both the American and Mexican side, and economic revenues through shopping in stores, supermarkets, and restaurants, in addition to tourism in McAllen (García, 2016). Therefore, without the economic and demographic growth of Reynosa, these developments would not exist in McAllen. In addition, its positive impact is also reflected in the neighboring cities of Pharr, Mission and Edinburg. For example, for every 10 jobs created in the maquiladora in Reynosa, one is created in McAllen (Ortiz, 2016).

Based on the foregoing, the maquiladora industry is an important part of the economies on both sides of the border, with more than a million workers in this industry. The flow of foreign direct investment (FDI) in Tamaulipas from 1999 to 2016 was greater than 1 111 million dollars. This represents approximately 4.2% of the total FDI in Mexico. Thus, the state is ranked seventh in terms of investment capture at the national level and fourth among northern Border States. The FDI originates in the United States, Spain and the Netherlands, in that order (Comisión Nacional de Inversiones Extranjeras, 2016). During the first half of 2017, Tamaulipas recorded a FDI flow of 779 million dollars, 144 million more than the figure for the same period in 2016 (Secretaría de Desarrollo Económico, 2017). It is important to note that in 2013, a historic record of 1 706 million dollars was reached, clearly reflecting the results of the promotion and foreign exchange of Tamaulipas, which continues even today.

If the economic development of the area is analyzed in relation to the number of firms in the Program for the Manufacturing, Maquiladora and Export Services Industry (IMMEX) installed in Reynosa, it can be demonstrated that the city has remained above other cities in the border region. By the end of 2015, Reynosa had 147 establishments, whereas the neighboring cities of Matamoros and Nuevo Laredo together featured only 142 (Table 1).

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Table 1: Number of industries at the national, state and local levels

<table>
<thead>
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<th>Period</th>
<th>National total</th>
<th>Tamaulipas total</th>
<th>Matamoros</th>
<th>Nuevo Laredo</th>
<th>Reynosa</th>
<th>Other municipalities</th>
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<td>349</td>
<td>111</td>
<td>31</td>
<td>147</td>
<td>60</td>
</tr>
</tbody>
</table>

Fuente: Own elaboration with data from Sedet (2016) and Inegi (2016a).

As a result of the industrial activity by December 2015, Tamaulipas created a total of 202 232 jobs in the maquiladoras, out of the 2 358 532 jobs created at the national level. In Reynosa, 97 118 jobs were created, whereas in Matamoros and Nuevo Laredo, 54 177 and 30 119 jobs, respectively, were generated (Table 2).

Table 2: Jobs generated by the maquiladora sector at the national, state and municipal levels

<table>
<thead>
<tr>
<th>Period</th>
<th>National total</th>
<th>Tamaulipas total</th>
<th>Matamoros</th>
<th>Nuevo Laredo</th>
<th>Reynosa</th>
<th>Other municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/12</td>
<td>1 902 121</td>
<td>182 659</td>
<td>51 623</td>
<td>17 901</td>
<td>95 371</td>
<td>17 764</td>
</tr>
<tr>
<td>2008/12</td>
<td>1 738 182</td>
<td>166 455</td>
<td>44 956</td>
<td>17 315</td>
<td>87 277</td>
<td>16 907</td>
</tr>
<tr>
<td>2009/12</td>
<td>1 645 291</td>
<td>144 196</td>
<td>40 803</td>
<td>17 252</td>
<td>70 903</td>
<td>15 238</td>
</tr>
<tr>
<td>2010/12</td>
<td>1 810 482</td>
<td>162 298</td>
<td>46 320</td>
<td>20 350</td>
<td>80 762</td>
<td>14 866</td>
</tr>
<tr>
<td>2011/12</td>
<td>1 879 114</td>
<td>158 205</td>
<td>42 929</td>
<td>18 832</td>
<td>81 037</td>
<td>15 407</td>
</tr>
<tr>
<td>2012/12</td>
<td>1 991 760</td>
<td>170 823</td>
<td>42 093</td>
<td>25 772</td>
<td>86 127</td>
<td>16 831</td>
</tr>
<tr>
<td>2013/12</td>
<td>2 116 022</td>
<td>181 803</td>
<td>46 778</td>
<td>23 046</td>
<td>91 415</td>
<td>20 564</td>
</tr>
<tr>
<td>2014/12</td>
<td>2 242 865</td>
<td>193 551</td>
<td>52 140</td>
<td>26 604</td>
<td>94 489</td>
<td>20 318</td>
</tr>
<tr>
<td>2015/12</td>
<td>2 358 532</td>
<td>202 232</td>
<td>54 177</td>
<td>30 119</td>
<td>97 118</td>
<td>20 818</td>
</tr>
</tbody>
</table>

Source: Own elaboration with data from Sedet (2016) and Inegi (2016a).
In February 2016, the number of workers registered in the Mexican Social Security Institute (Instituto Mexicano del Seguro Social [IMSS]) in Tamaulipas was 605,288. The processing industry and trade stand out for their participation, with 40.9% and 18.2%, respectively. From December 2010 to February 2016, the number of workers reached 66,348, which represented a cumulative increase of 12%. The processing industry recorded a cumulative growth of 23%. More than half of the workers registered at the IMSS are located in Reynosa and Tampico (Table 3). In just over five years, the cities with the greatest growth are Reynosa and Matamoros, with 16,772 and 14,186 jobs generated, respectively (Sistema de Información Económica de Tamaulipas [SIETAM], 2016). It is important to note that by the end of 2016, Reynosa still had the largest number of jobs generated by the maquiladora industry. Later in that year, by December, it reached 109,567 workers, that is, 12,449 new jobs in only one year (López, 2017).

Table 3: Jobs registered in the IMSS

<table>
<thead>
<tr>
<th>Region</th>
<th>31/Dec/2010</th>
<th>29/Feb/2016</th>
<th>% out of the total</th>
<th>Absolute variation</th>
<th>Relative variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matamoros</td>
<td>99,214</td>
<td>113,400</td>
<td>18.7</td>
<td>14,186</td>
<td>14.3</td>
</tr>
<tr>
<td>Nuevo Laredo</td>
<td>70,611</td>
<td>82,740</td>
<td>13.7</td>
<td>12,129</td>
<td>17.2</td>
</tr>
<tr>
<td>Reynosa</td>
<td>178,261</td>
<td>195,033</td>
<td>32.2</td>
<td>16,772</td>
<td>9.4</td>
</tr>
<tr>
<td>Victoria</td>
<td>54,480</td>
<td>63,838</td>
<td>10.5</td>
<td>9,358</td>
<td>17.2</td>
</tr>
<tr>
<td>Tampico</td>
<td>114,333</td>
<td>127,985</td>
<td>21.1</td>
<td>13,652</td>
<td>11.9</td>
</tr>
<tr>
<td>El Mante</td>
<td>22,041</td>
<td>22,292</td>
<td>3.7</td>
<td>251</td>
<td>1.1</td>
</tr>
<tr>
<td>Total</td>
<td>538,940</td>
<td>605,288</td>
<td>100.0</td>
<td>66,348</td>
<td>12.3</td>
</tr>
</tbody>
</table>

Source: Own elaboration with data from SEDET (2016).

Another impact indicator in the cross-border development of Reynosa-McAllen is the fact that the area is considered the most important economic corridor of the continent in all directions, with all the opportunities this entails. A greater number of industries in Reynosa translates into increased foreign trade and international crossings of both goods and people. In this area, annual exports and imports by Tamaulipas customs, in particular Reynosa, increased from 2010 to 2015, with a slight drop in 2015. However, in the first quarter of 2016, Tamaulipas ranked first as an IMMEX manufacture exporter, with 19,000 million dollars, well above Chihuahua and Baja California (Flores, 2016). This increase in the import and export of goods entails a series of logistics services, such as transportation, customs services, packaging, packing, storage, and inventory, which in turn create a positive impact on income on both sides of the border for such services.
Conclusions

The construction of paradiplomacy in the Reynosa-McAllen cross-border region is a product of the need to adapt to national and international policies in the economic sphere and, in particular, efficient communication between social actors on both sides of the border. It fully identifies with a proposal for economic development based on exchange and efficient and effective cooperation between actors and social sectors. Symbiosis has undoubtedly been created. This term comes from biology and refers to an intimate partnership involving mutual benefits. SEDEP and the municipal departments of Reynosa and the MEDC in McAllen have consolidated a joint work project with the approval of the governments of both countries as a model of cross-border economic development.

In spite of what could be found from a comprehensive assessment of NAFTA and the impact of economic globalization on the Reynosa-McAllen cross-border region, the growth of economic activity has witnessed a transformation in the structure, infrastructure and equipment of these cities, increasing employment and improving some indicators of well-being, becoming a competitive and, to some extent, attractive region for investors worldwide. To a large degree, this transformation is due to paradiplomatic activity, and it is thus necessary for the various actors involved to continue opening and increasing cross-border cooperation between both sides.

History, geographical proximity and shared interest force both nations to reinforce dialogue and mutual agreements. With the creation of NAFTA in the 1990s, the dynamics of cooperation and negotiation became more latent through governmental agencies and new public and private actors, who, at the end of the day, have represented the most consistent form of economic development to improve a territory abandoned by the Mexican government until the 1960s, when the Border Industrial Program [Programa Industrial Fronterizo] was created.

When Donald Trump became the president of the United States, a new era began for cross-border relations, in particular owing to the suspicion of the president regarding NAFTA and his disposition to modify it in an effort to achieve greater advantages for Americans. One of the points of interest is to put a high tariff when imports exceed a certain volume and if the domestic price falls below a certain level, which has been termed snap back (Morales, 2017). Regardless of the results of these negotiations, the agents interviewed argue that neither insecurity nor protectionism from one side or another will block their intentions to cooperate. Certainly, a type of formula between public and private local actors has been found to stop being vulnerable to political and economic swings on either side, and the actors strive to take this relationship of cooperation into the cross-border high-welfare areas.

This attitude is positive today, especially given the uncertainty surrounding international economic dynamics. The mortgage crisis in 2007 in the United States due to the complexity of financial markets, among other issues, had an impact on the consumption of many products generated in the Reynosa-McAllen cross-border region, but in spite of this impact, the economy has remained stable. This stability demonstrates that paradiplomacy has given benefits, and therefore, one should continue betting on this type of cross-border dynamics.
In fact, paradiplomacy is responsible for promoting and defending the region from a local perspective regarding those issues not yet resolved by the federation, which suffers serious insecurity issues, especially in Reynosa, and economic crises. The concept of sister or twin cities agreements is an example of high paradiplomatic activity. Thanks to this approach, a synchronicity or complicity between cities on each side of the border is attained to address common issues that require joint solutions. In this context, the chambers of commerce and other agencies in both Mexico and the United States have become key allies to support cross-border management; however, it is clear that regardless of interinstitutional agreements or the so-called twinning arrangements, international activities will continue to be performed in municipalities in spite of what President Trump says.

The opening process after the Washington consensus and its globalizing neoliberal project fostered the participation of multiple actors in the international sphere. These agents shy away precisely from the welfare state or the protectionist state that was effective during the war and the post-war period but is now relegated to work as a regulatory entity and a guardian of social processes. Nowadays, it is common to see investors, entrepreneurs, representatives of chambers of industry and trade, members of organized civil societies and academics from both sides involved in public affairs that used to be addressed by the national government. It can be said that the trust and commitment of these institutions and agencies added to the global vision of public officials and entrepreneurs in the Reynosa-McAllen region are key elements in the paradiplomatic construction and in the economic development of this region.

Some alternatives to continue with this paradiplomatic dynamic and generate development and well-being for this region include the following: consolidating logistic infrastructure for foreign trade; improving the availability of services for industry; promoting the arrival of industries that generate added value to the process, or latest-generation maquiladoras; and continuing the work of twin and sister cities and in particular, reconstructing the social structure in Reynosa through better salaries, urban and social facilities, educational projects of great scope to strengthen youth and promote a global vision of authorities in public administrations.

Without a doubt, paradiplomatic activity is a cross-border regional development strategy based on cooperation and aimed at promoting the economic growth, development and well-being of society, with a positive impact on the quality of life of its inhabitants on both sides. The impact generated by the large number of already-established industries in Reynosa and those that will be established in the future favors this initiative, taking advantage of its geographical position, the infrastructure and urban equipment created, the large number of jobs directly and indirectly generated, the skilled and trained labor that already exists, and the collateral development of businesses serving the industry, which are already working and may also be further enhanced.

Finally, the existence of a certain culture of local and state actors participating in the international arena that must be highlighted because it has generated knowledge, skills and abilities in them and, at the same time, provides invaluable support for the federal governments of both sides that translates into a targeting of needs that can easily be articulated to outside of the region. In this manner, it becomes a complementary
activity without opposing the relationship with the federation and its policies regarding the shared border.

References


Interviews


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