The Changing North American Borderlands: Integration, Cooperation and Transnational Regions

Vera Kočić-Pavlaković*

This paper outlines the general context of the U.S.-Canada and U.S.-Mexico borderlands and provides an overview of emerging transnational regions based on integrative and cooperative relationships. It has been argued that the model of cooperation, advanced recently by Patchell (1996) is a usable framework for understanding of contemporary processes that transcend the borders in North America. Economic factors are the major driving force of increased transborder cooperation. In absence of common policies and a central funding agency for a systematic approach to the development of transborder regions, various approaches to formal and informal relationships between government and private sectors have developed to coordinate and enhance economic activities on both sides of the border, representing a mosaic of region-specific approaches. Several of recently surfaced regional concepts, such as PNWER, CREA, CANAMEX, CAMREAL, partially represent the strengthening of functional ties between north and south, and to some extent reflect the formal integration encouraged by the North American Free Trade Agreement (NAFTA).

Key Words: cooperation, border region, transnational region.

Suvremeni procesi u graničnim područjima Sjeverne Amerike: integracija, kooperaacija i transnacionalne regije

Ovaj rad opisuje opću povezanost graničnih područja SAD-Kanada i SAD-Meksiko i daje pregled pojave transnacionalnih regija koje se baziraju na integracijskim i kooperativnim odnosima. Dokazano je da je model kooperacije, koji je nedavno dao Patchell (1996), korisna osnivača za razumijevanje suvremenih procesa koji prelaze granice u Sjevernoj Americi. Ekonomski faktori su glavna pokretačka snaga povećane prekogranične kooperaacije. U odsutnosti zajedničke politike i centralnog fonda za sistematski pristup razvoju prekograničnih regija, razvili su se različiti pristupi formalnim i neformalnim odnosima između vlade i privatnih sektora za koordinaciju i povećanje ekonomskih aktivnosti s obje strane granice, predstavljajući mozaik regionalno specifičnih pristupa. Nekoliko nedavno nastalih regionalnih pojmovi kao što su PNWER, CREA, CANAMEX, CAMREAL, djelomično predstavljaju jačanje funkcionalnih veza između sjevera i juga i do nekog stupnja sadržavaju formalnu integraciju koju podržava Sjevernoamerički trgovinski ugovor (NAFTA).

Ključne riječi: kooperaacija, granično područje, transnacionalna regija.

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INTRODUCTION

Regional geography literature has traditionally identified North America in terms of the United States and Canada; Mexico, on the other hand, has been commonly treated as a part of Latin America, or sometimes as a part of Middle America. Except for physical-geographical regions, maps of North America never showed that socio-economic and cultural regions transcend the southern border of the United States, despite extensive literature documenting profound transborder interaction and formation of bicultural regions along the border with Mexico. Recently, however, with the signing of the North American Free Trade Agreement (NAFTA) between Canada, United States and Mexico, the regional concept of North America is beginning to change.

Several other regional concepts have emerged that cannot yet be found in regional geography literature, such as CANAMEX, Camino Real Economic Region, Rocky Mountain West Region, Pacific Northwest Economic Region, Cascadia and few others (The Economist 1994, Proceedings 1996). These new regions partly reflect increasing functional ties between the north and the south, while others are more a product of visions and wishful thinking of local politicians and decisionmakers, as new approaches are sought to bring about regional economic development in the face of increased global competition.

Pronounced differences exist between the United States-Canada borderlands and the United States-Mexico borderlands. Yet, there are also common characteristics. Economic factors are the major driving force of increased transborder cooperation. Various models of formal and informal relationships between governmental and private sectors have developed to coordinate economic activities on both sides of the border. Unlike the European Union's model of Euroregions and other regional programs, there are no common policies nor central funding agencies for a systematic approach to the development of transborder regions in the North American context. Instead, transborder cooperation and coordination of economic activities represent a mosaic of region-specific and largely ad hoc approaches.

The aim of this paper is to outline the general context of the U.S.-Canada and U.S.-Mexico borderlands and provide an overview of emerging transnational regions based on integrative and cooperative relationships. The paper is organized in three main sections. In the first section, definitions of integration, cooperation and transnational regions are provided, and a model of cooperative mechanism in a regional context is outlined. Factors that encourage or hinder cooperation in a border context are identified. The second section provides an overview of demographic and economic characteristics of the U.S.-Canada and U.S.-Mexico borderlands with an emphasis on integrative processes reflected in trade flows between border states and provinces. In the last section, selected transborder regions are described in terms of major actors driving the crossborder cooperative relationships, and the regional scope of these new functional alliances. One of the conclusions of this papers, as indicted in the summary section, is that although the full range of spatial implications is not yet clear, there is no doubt that the image of North American borderland landscapes is rapidly changing as a result of a set of new conditions at global and local scales.

INTEGRATION, COOPERATION AND TRANSNATIONAL REGIONS

Integration and cooperation are different but related concepts. According to a broad definition, integration implies becoming an integral part of an organization or entity with a certain degree of dependency upon other components in the system. For
example, multinational companies operate as functionally integrated systems of different production processes at different locations under a common decision-making structure. The maquiladora industry in Mexico, as a special case of production-sharing model, represents an integrated production system between parent companies (mostly in the U.S.) and assembly plants (mostly American owned) located in Mexico.

Unlike integration, which implicitly requires subordination to a common decision-making entity, cooperation assumes principles of equity and independence among participants. The possibility to work together in selected areas of common interest makes cooperation a preferable mechanism in the context of different political, economic, and cultural systems (Lara and Pavlakovich 1996).

Development of contemporary transnational regions in North America can largely be understood in terms of a cooperation mechanism. A region can be represented as an interaction space between three major groups of actors: people, firms (enterprises), and institutions. Relationships between and among these groups of actors are determined by the level of interdependency. People in the region, whether they want it or not, depend upon each other, since no one can individually produce or accomplish all of the things needed in one's life. Similarly, firms depend upon other firms for their inputs and sales. Thus, it is the state of interdependence that drives people and firms into cooperative relationships with each other based on the logic that "either they can capitalize on interdependence to realize their own potential and economic vitality or they can allow prejudice and inertia to limit their welfare" (Patchell 1996). The same applies to institutions as they depend upon each other for funding, services and power sharing.

Cooperation does not exclude competition; on the contrary, competition coexists with cooperative relationships. But unlike the "head-to-head" competition, which results in takeovers, closures, etc., the "positive" competition encourages cooperation among competitors so that, by sharing information about markets and technologies, utilization of common services, and combinations of resources for research and development, they can increase specialization, sustain innovation and enhance technological development (Porter 1990, Patchell 1996).

A region is seen as a dynamic system, where:

Cooperation, competition, and control are all occurring in the same place at any given time, but any place has its own individual mix of these processes. Collusion, conflict, and repression may dominate, or they may be mixed with cooperation, competition and control in a variety of asymmetrical and incongruous patterns. (Patchell 1996: 485)

Several conditions must be met for cooperation to occur: there must be a perception of benefits from the relationship (or at least perception that the negative impacts from cooperation are less than those resulting from non-cooperation); and there must be an opportunity for repeated interactions. Cooperation can evolve from small clusters of individuals, firms or institutions who base their interactions on reciprocal benefits. In a regional context this implies that not every person (firm or institution) nor every action must be cooperative in order for cooperation to gain a foothold. Cooperation can evolve in a world where many different strategies are in use simultaneously. If cooperation is the most effective strategy, this explains why some regions are successful.
while others are not. Once in place, cooperative relationships build stability and can act against other, noncooperative strategies.

The above mechanism becomes more complicated in a border or transnational context, where several additional factors encourage or hinder transborder cooperation (Figure 1).

![Diagram showing interdependency and cooperation in a transborder regional space]

**Figure 1. Interdependency and Cooperation in a Transborder Regional Space**

*Sl. 1. Međuzavisnost i suradnja u prekograničnom regionalnom prostoru.*

The nature of international boundaries plays a significant role in terms of openness and permeability. The United States-Canada border has always been one of the most open boundaries between two countries because of similar political, economic and social fabric. The United States-Mexico boundary, on the other hand, is a relatively new phenomenon, often highly contested, but at the same time highly permeable, which has allowed the development of intensive exchanges of goods, people and cultures.

The presence or absence of mountain ranges, rivers and other physio-geographic elements, can influence the transborder relationships not only in terms of barriers and obstacles to the movement of people and goods, but what is more important, in terms of needs for joint management of natural resources, environmental protection and similar issues resulting from border locations. Both, the U.S.-Canada and U.S.-Mexico boundaries cut across common physio-geographic regions, and sharing of same natural resources encourages cooperative relationships.

Historical and cultural factors are the most pervasive factors that encourage or hinder transborder relationships. Common language, shared cultural heritage and peaceful histories encourage integrative and cooperative relationships. In the U.S.-Canada borderlands, common language and political stability have greatly encouraged transborder interactions. In the U.S.-Mexico borderlands, where two different cultural realms -- the Anglo and Latin -- meet, the growing Hispanic presence in total population of U.S. border states becomes an important factor in the development of a
bicultural region. Although this has been a potent ground for conflicts, it has also served as a basis for cooperation and integration.

Economic factors have always been an important driving force of crossborder cooperation. Traditionally, crossborder outshopping, commuting of labor force and exchange of goods and services across the border developed in response to existing differences and inequalities. These functional ties are often seen as the strategies of local people trying to cope with inequalities arising from differences in political and economic systems, peripheral location, inadequate infrastructure and lack of investments. Such transboundary economic systems tend to be highly sensitive to exchange rates and political relationships between central (national) governments. Yet, the established interdependency between border communities can transcend existing difficulties at the national level and develop region-specific regulations. For example, free-trade zones were established in Mexican border cities at the end of 19th and beginning of the 20th century to allow residents to purchase duty-free import of U.S. products because of the scarcity of goods in domestic markets.

Since the mid 1960s, the maquiladora program has been the most important driving force of economic integration between northern Mexico and the U.S. economy. Although the maquiladora industry is still predominantly related to the production system of the manufacturing belt in the Midwest and North East regions, the industry has also fostered economic ties between border communities and border states as well (Silvers and Pavlakovich 1994).

Another factor is the changing role of local (regional) government in regional economic development in the 1990s. During the 1970s and early 1980s, regional economic development in U.S. has been focused on activities and programs by the federal government to reduce the inequalities between developed and less developed regions within the nation. The federal government was the major source of funding for various programs at the local level to attract businesses, create jobs and raise income levels of the local population. A combination of factors since 1980s, foremost a growing global competition coupled with a reduction of federal funding for economic development, enlarged the responsibility of state and local governments in matters of economic development at local and regional levels. In this changed situation, the focus of regional economic development shifted from less developed to the most economically promising areas, i.e., those that have the best combination of factors to sustain a competitive position (Scott 1992). The competitive advantage of a region reflects a combination of four components: factors of production (labor, capital, land), firm strategy, existing and supporting industries, and the nature of markets (demand conditions). Government action (regulations, investment) influence directly and indirectly the region’s environment for the development of the factors listed above.

A traditional role of the government sector has been the infrastructure investment (highways and roads), education and training, and various programs that support exporting activities. Increasingly, the government sector has formed partnerships with the private sector for the purpose of utilizing private sector funding in various projects, which in turn, give the private sector a greater role in decision-making in regional economic development.
Recently, NAFTA has provided new impetus for transborder cooperation on a regional level. The trade agreement provided a framework that guarantees opportunities for repeated interactions, which satisfies one of the basic conditions of cooperation, although it has also increased interregional competition within North America. The emergence of new transnational regions can be largely seen as a regional response to increasing global and interregional competition.

Conceptually, there is a difference between transnational regions and border regions. Both are based on functional ties that transcend international boundaries. But, crossborder ties in border regions stem primarily from the needs of local people, businesses and institutions (governmental and nongovernmental) and are spatially concentrated in an area adjacent to the border. In contrast, crossborder functional ties in transnational regions are driven by the most dynamic actors in vibrant regional centers. Spatially, transnational regions are larger than border regions, and include areas with differing degrees of transborder relationships. Because of a tradition of crossborder interactions, better knowledge of the "other side" and other cultural factors, the border regions often form the core of transnational regions.

THE NORTH AMERICAN BORDERLANDS: A PROFILE

Out of a total population of 350 million (1990-census), 169 million people or 45.1 percent of the total population live in states along boundaries separating Canada, United States and Mexico (Table 1). More people live along the northern border: 26.9 percent of the total population of the three countries live in the U.S.-Canada border states, while 18.2 percent live in the border states along the U.S.-Mexico border. Within each country, however, the border states have different shares in the distribution of population.

Canada’s population has been overwhelmingly concentrated in eight provinces bordering the United States, which are, going from west to east: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia. Together, they account for 97 percent of the total population in 1990. Ontario and Quebec, in the eastern section, account for more than 60 percent of total population, while another 20 percent lives in the two fast growing western provinces of British Columbia and Alberta. The remaining 20 percent of the border provinces population lives in the sparsely populated middle section.

In the United States, close to 50 percent of the total population lives in border states: 27.9 percent of the U.S. population lives in thirteen northern border states (Washington, Idaho, Montana, North Dakota, Minnesota, Wisconsin, Michigan, Ohio, Pennsylvania, New York, Vermont, New Hampshire and Maine), while 20.8 percent lives in four southern border states (California, Arizona, New Mexico and Texas). In Mexico, the six northern border states, Baja California, Sonora, Chihuahua, Coahuila, Nuevo León and Tamaulipas) account for only 16.3 percent of Mexico’s total population.
Recent growth rates show that the Washington-British Columbia, and the U.S.-Mexico border states are increasing their share in total population. The above-average population growth in both areas reflects immigration from other regions, and significant foreign immigration flows from Asia (North West) and Mexico (and other Latin American countries) in the southern states. Except for French Quebec, the northern borderlands are dominated by the Anglo culture and English language. In the southern border region, the percentage of the population of Hispanic origin (mostly from Mexico) ranges from 18.8 percent in Arizona to 38.2 percent in Texas (1990 data), although the percentage of Hispanics in the border communities frequently exceeds 90 percent of the total population.

Trade statistics, despite several limitations, provides insights into the degree and character of integration between regional economies. Based on total trade with the United States, economies of both Canada and Mexico are highly dependent upon. U.S. markets which absorb close to 80 percent of Canada's total foreign trade and more than 70 percent of Mexico's total foreign trade. U.S. exports to Canada and Mexico account for only 20 percent and 10 percent for total foreign trade, respectively. This is partly explained by the mere size of the U.S. economy which is approximately ten times larger than Canada's and 18 times larger than Mexico's (Pavlakovich, Lara and Wong 1996). The Gross National Product (GNP) of California alone, for example, is larger than Canada's or Mexico's GNP.
Tab. 2. Exports to Canada From U.S. Border States (1995)*

<table>
<thead>
<tr>
<th>Border State</th>
<th>Exports to Canada (million dollars)</th>
<th>As % of State's Total Foreign Exports</th>
<th>As % of U.S. Exports to Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington</td>
<td>2,438.4</td>
<td>10.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Idaho</td>
<td>311.6</td>
<td>15.9</td>
<td>0.3</td>
</tr>
<tr>
<td>Montana</td>
<td>153.7</td>
<td>52.0</td>
<td>0.1</td>
</tr>
<tr>
<td>North Dakota</td>
<td>330.0</td>
<td>64.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Minnesota</td>
<td>2,655.8</td>
<td>20.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>2,986.2</td>
<td>34.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Michigan</td>
<td>23,341.5</td>
<td>58.2</td>
<td>20.6</td>
</tr>
<tr>
<td>Ohio</td>
<td>9,492.4</td>
<td>42.0</td>
<td>8.4</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>4,964.3</td>
<td>26.0</td>
<td>4.4</td>
</tr>
<tr>
<td>New York</td>
<td>9,877.1</td>
<td>20.5</td>
<td>8.7</td>
</tr>
<tr>
<td>Vermont</td>
<td>2,710.1</td>
<td>93.5</td>
<td>2.4</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>533.2</td>
<td>33.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Maine</td>
<td>505.3</td>
<td>36.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Border States Total</td>
<td>60,236.6</td>
<td>32.8</td>
<td>53.2</td>
</tr>
<tr>
<td>United States Total</td>
<td>113,261.0</td>
<td>20.7</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Fig. 2. U. S. Exports to Canada by State (1992)

Sr. 2. Izvoz SAD u Kanadu prema državama (1992)
For the majority of the U.S.-Canada border states, the trade with their crossborder neighbor is the dominant pattern of international trade. On the U.S. side, nine out of thirteen border states export to Canada more than the U.S. average of 21 percent of total foreign exports, and in four states (Montana, North Dakota, Michigan and Vermont), Canada represents the dominant foreign market. Trade between U.S. and Canada is dominated by auto parts, machinery and appliances, moving in north direction, reflecting a trade pattern of highly industrialized economies (Linder 1986, Berry, Conkling and Ray 1993). In addition, southbound trade flows from Canada include wood, paper and pulp, minerals and metals, agricultural products and sea products (from the maritime provinces). Although dominated by manufacturing commodities, northbound trade from the U.S. also includes agricultural products (mainly from the Midwest).

![Map of Canada's Exports to U.S. by Province (1992)]

**Legend:**
- Less than $3,000 Million
- $3,000 Million to $5,000 Million
- $5,000 Million to $15,000 Million
- More than $15,000 Million

**Source:** USDOT
**Assessment of Border Crossings and Transportation Corridors for North American Trade. Report to Congress. 1994.**

**Fig. 3. Canada's Exports to U.S. by Province (1992)**

**Sl. 3. Izvoz Kanade u SAD prema pokrajinama (1992)**

Table 3 shows exports to Mexico from the U.S. border states. The four border states account for more than half of all U.S. exports to Mexico. This is two and half times larger than the border states' share in total U.S. population. Except for California, trade with Mexico plays a more important role in the economies of border states than for the U.S. as a whole. Texas alone accounts for a third of all U.S. exports to Mexico, and depends upon Mexico's markets more than any other border state.
### Tab. 3. Exports to Mexico From U.S. Border States (1995)

<table>
<thead>
<tr>
<th>Border State</th>
<th>Exports to Mexico (million dollars)</th>
<th>As % of State's Total Foreign Exports</th>
<th>As % of U.S. Exports to Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>6,968.0</td>
<td>7.1</td>
<td>15.5</td>
</tr>
<tr>
<td>Arizona</td>
<td>1,333.4</td>
<td>15.2</td>
<td>3.0</td>
</tr>
<tr>
<td>New Mexico</td>
<td>81.2</td>
<td>18.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Texas</td>
<td>14,744.1</td>
<td>29.7</td>
<td>32.9</td>
</tr>
<tr>
<td>Border States Total</td>
<td>23,744.1</td>
<td>14.8</td>
<td>51.6</td>
</tr>
<tr>
<td>United States Total</td>
<td>44,881.0</td>
<td>8.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>


U.S.-Mexico trade flows (Figure 4 and 5) are largely dominated by the maquiladora industry-related imports and exports. Approximately 70 percent of all Mexico's imports and exports from and to the U.S. represent equipment and components used in assembly plants in Mexico's border region, and which are subsequently

![Map of U.S. and Mexico showing exports to Mexico by U.S. and Mexican state.](source)

**Fig. 4.** Exports to Mexico by U.S. and Mexican State (1992)

*Sl. 4. Izvoz iz SAD u Meksiko i iz Meksika u SAD po državama.*
shipped back to the U.S. as assembled products.\textsuperscript{11} Out of total U.S. trade with Mexico, approximately 40 percent is related to the maquiladora industry, while the rest represents products for general consumption and construction-related commodities. This pattern suggests a dual nature to trade flows: the maquiladora portion is dollar-denominated and is not directly sensitive to peso devaluations, while general consumption goods are sensitive to exchange rates and thus tend to be drastically reduced by peso devaluation. However, as peso devaluations make labor in Mexico cheaper, every devaluation of Mexico's currency spurred expansion in the maquiladora industry, which in turn increased the maquiladora related portion of the trade (Pavlakovich 1995).

The maquiladora industry is heavily concentrated in Mexico's border states (Table 4); out of total maquiladora employment, 87.8 percent\textsuperscript{12} is located in six border states, with the largest concentrations in Chihuahua and Baja California Norte. In most border cities the maquiladora plants account for more than 40 percent of all employment, and for more than 80 percent of all foreign exports from border states. The U.S. represents the dominant destination of all foreign exports (more than 90 percent) for Mexican border states.
Tab. 4. Spatial Distribution of the Maquiladora Industry in Mexico (1996)

<table>
<thead>
<tr>
<th>State/Area</th>
<th>Number of Plants</th>
<th>As % of Total</th>
<th>Number of Employees</th>
<th>As % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baja California</td>
<td>733</td>
<td>32.0</td>
<td>148,650</td>
<td>20.9</td>
</tr>
<tr>
<td>Sonora</td>
<td>201</td>
<td>8.9</td>
<td>57,690</td>
<td>8.1</td>
</tr>
<tr>
<td>Chihuahua</td>
<td>372</td>
<td>16.3</td>
<td>209,834</td>
<td>29.5</td>
</tr>
<tr>
<td>Coahuila</td>
<td>200</td>
<td>8.7</td>
<td>57,498</td>
<td>8.1</td>
</tr>
<tr>
<td>Nuevo León</td>
<td>96</td>
<td>4.2</td>
<td>30,054</td>
<td>4.2</td>
</tr>
<tr>
<td>Tamaulipas</td>
<td>318</td>
<td>13.9</td>
<td>120,178</td>
<td>16.9</td>
</tr>
<tr>
<td>Border States Total</td>
<td>1,920</td>
<td>84.0</td>
<td>623,904</td>
<td>87.8</td>
</tr>
<tr>
<td>Other States</td>
<td>368</td>
<td>16.0</td>
<td>86,364</td>
<td>12.2</td>
</tr>
<tr>
<td>Mexico Total</td>
<td>2,288</td>
<td>100.0</td>
<td>710,268</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Although the expansion of the maquiladora industry in Mexico has benefited U.S. border states as sources of components, supplies and services, the economic ties across the border are far from the type of spatially integrated production systems such as the auto industry in the Michigan-Ontario region. Except for California, the majority of maquila plants are owned and operated by parent companies in the Midwest and North East. Thus, while trade linkages between the U.S. and Mexico's border states have significantly increased, the border economies became more dependent upon the economy of the mature manufacturing region in the north. This has profound implications on policy and decision-making in border states, since the major source of control of the maquiladora industry lies outside the region.

The impact of NAFTA on border states is difficult to measure. In terms of tariff reduction, trade between U.S. and Canada should not change much, because import tariffs were low anyway. Larger effects on the volume of trade and traffic will more likely result from improvements of border crossing infrastructure and harmonization of crossborder procedures (USDOT 1994). Trade flows to and from Mexico were disturbed by the 1994 peso devaluation, which diminished benefits that would have been otherwise generated by NAFTA.

CROSSBORDER ALLIANCES, PARTNERSHIPS AND VIRTUAL REGIONS

The variety of ways in which regions pursue transborder cooperation is illustrated in selected examples of transborder regional development.

Pacific Northwest Economic Region (PNWER) 13

The Pacific Northwest Economic Region (PNWER) was created in 1991 as a partnership of two Canadian provinces (Alberta and British Columbia) and five U.S. states (Washington, Oregon, Idaho, Montana and Alaska). It was formally created by the approval of the legislatures in each state/province as a regional initiative for the purpose of "enhancing the competitiveness of the region in domestic and international markets" (White and Gallagher 1996). The principal objectives are promotion of exports from the whole region, joint ventures, facilitation of crossborder trade and
traffic. PNWER is organized into working groups covering major sectors of common interest in the region: forest products, agriculture, environmental technology, recycling, government procurement, telecommunications, exports and transportation. Each of these groups has representation from the private and public sectors, but the private sector has the leading role in setting the agenda.

Another regional initiative in the Pacific northwest area is The Cascadia project of the Seattle-based Discovery Institute. Launched as the "Region Without Borders", the Cascadia alliance encompasses an array of cooperative links through state-to-province accords, business councils, city- and regional-government bodies, policy institutes and taskforces (The Economist 1994). Cascadia contains a fast-growing urban region, a 300-mile (500-kilometer) long corridor whose pillars are Portland (Oregon), Seattle (Washington), and Vancouver and Victoria (British Columbia). A peaceful history, common geography and interlocked economies are the basis for similar ways of life, beliefs and values that build a growing sense of regional identity. This is a fast growing area with high rates of newcomers attracted by job opportunities, in combination with a mild climate, relatively safe cities, and recreational amenities, all of which rate high on the quality of life scale. The economy is largely based on the forest and aerospace industries, along with the increasingly important high-technology and trade sectors. Specific objectives of the alliance are to improve border crossings, expand international trade, and build a high-speed rail between Eugene, Oregon and Vancouver. Symbolizing the borderless-region idea, it has been proposed that a future Summer Olympic games be organized in Cascadia as the first such event in a binational region.

Rocky Mountain West Region.

Similar to the Cascadia case, the mountains are used as a unifying regional concept of an area stretching between the major cities of Edmonton and Calgary in the north, to Salt Lake City and Denver in the south, covering a large area from Alberta through Montana, Idaho, Wyoming to Utah and Colorado. This area has among the highest population growth rates in the U.S. and Canada, although this growth is highly concentrated in urban counties, while large areas remain sparsely populated. A significant portion of Canada’s export to the United States originating in the region are energy commodities, such as crude oil and gas, much of which move by pipeline. Significant amounts of wood and paper, metal, non-fuel minerals and chemicals, and some agricultural products, are also exported south into the United States. In contrast, the largest category of U.S. exports north through the region is manufacturing goods.

Within the Rocky Mountain West region the most intensive crossborder relationships are developing between Alberta and Montana. A Montana-Alberta Commission was organized as a discussion forum for provincial and state government leaders to discuss issues and needs related to the border, including transportation and environmental protection.

The anticipation of increased north-south trade within NAFTA spurred discussions between economic developers and the business community regarding improvements in the transportation network linking the Rocky Mountain West region with Mexico. Two separate proposals were advanced, known as CAMREAL and CANAMEX. The CAMREAL proposal, originated by a coalition of New Mexico, Texas and Chihuahua, emphasizes the link between the Rocky Mountain West Region central Mexico via Denver, Albuquerque and the El Paso-Ciudad Juarez corridor,
extending through Chihuahua south along the historical "royal road" of the colonial era. The CANAMEX proposal, originated in Arizona with support from neighboring Utah and Sonora, emphasizes the link between the Rocky Mountain West Region and Central Mexico via Salt Lake City, Phoenix and Tucson, and extending south through Mexico’s Pacific zone, to Guadalajara and Mexico City. Incidentally, this route also coincides with one of the colonial era "royal roads" that linked Mexico City with the Pimeria Alta (today's southern Arizona). Although both proposals should be seen as complimentary, limited federal funding for major investments and a need to identify priorities, have already spurred competition among states for federal funds. In the absence of any major federal support in both the U.S. and Mexico, the realization of these projects will depend on the ability and willingness of the political leadership in each state to invest in the infrastructure within its boundaries.

**The Northern Plains Transnational Region**

Positioned between the eastern border section that dominates U.S.-Canada trade, and the fast growing western border section, the Northern Plains area encompasses Saskatchewan, Manitoba, North Dakota, South Dakota, and Minnesota. This is a sparsely populated area, dominated by agricultural activities, with a relatively modest demographic and economic growth. Overall, trade is expanding throughout the region. Energy is the most important regional export from Canada to the United States, while consumer products dominate northbound trade. Agricultural products move in both directions, although disputes erupt quite frequently over sugar, poultry, eggs, dairy products, beer and other agricultural products.

One of the regional initiatives to build crossborder cooperation in support of the region’s economic development is the Red River Trade Corridor, located at the University of Minnesota at Crookston. One of the priorities of the initiative is to provide a forum for exchange of ideas, and the matching of complementary interests in the region. It also provides a reference point for economic development organizations while serving as a catalyst for innovative cooperation.

**San Diego-Tijuana Region.**

The transborder metropolitan region of San Diego-Tijuana, with a population of approximately four million people, is the largest and fastest-growing of the several "twin cities" along the U.S.-Mexico border. During the 1970-90 period, the demographic-economic base of the region expanded at a rate higher than national trends in both countries. Since the 1990s, economic growth rates fell, while population continued to grow at high rates, resulting in an overall decline in the standard of living on both sides of the border.

Despite reductions in the U.S. defense budget and a consequent downsizing, military installations still play a significant role in San Diego’s economy, accounting for more than 9 percent of total employment. Other sectors include services, finance, insurance and real estate, agrarian services, forestry and fishing. In Tijuana, two major sectors are the maquiladora industry (29 percent of the total employment) and the services sector associated with tourism, both of which depend upon the economy of the United States.

Exports to Mexico represent about 38 percent of the total foreign trade from San Diego; exports from Tijuana are almost entirely destined for the U.S. Two-way trade
is largely maquiladora industry related. Unlike other parts of the U.S.-Mexico border, the maquiladora plants in Baja California are predominantly owned by California-based companies, with only few from other parts of the U.S. Data suggest the existence of a trade corridor that extends from the greater Los Angeles area to Ensenada, with San Diego functioning as the hub of that corridor.

Faced with different although related problems of economic and demographic development, the two cities developed numerous initiatives to deal with the current crisis. Major joint efforts include: a formal agreement between the City of San Diego and the Municipality of Tijuana providing for ongoing consultation and planning coordination; an ongoing dialogue between the San Diego and Tijuana business communities under the leadership of the Greater San Diego Chamber of Commerce, the creation of the San Diego-Baja California Communications Council to develop some "borderless" communications network in the transborder region; the MexPort, a collaborative marketing effort by the region’s economic development corporations to link users and providers of specialized inputs and services in the transborder region. There are a number of collaborative studies between San Diego State University and universities in Mexico in support of economic development efforts.

The Arizona-Sonora Region

Arizona is the third largest exporter of goods from the U.S. to Mexico, while Sonora, together with neighboring Sinaloa, is the major origin of winter fruit and vegetables shipped to U.S. and Canadian markets. A tradition of good relationships between the two states, strong family and business ties, and a 30-year old formal binational institution in place, were instrumental in launching of the government supported "blueprint" for binational economic region. Known as Strategic Economic Development Vision, the initiative was organized as a binational partnership between government and universities of both states, with representatives from the private sector serving on the advisory committees. The first phase of this process involved several studies, conducted by binational research teams, which provided a comprehensive analysis of the economic structure of the two states, trade flows, and crossborder links between individual industries. Based on the findings and feedback from private and government sectors, a set of recommendations was proposed, including short- and long-term activities aimed at trade expansion, investment, utilization of complementary resources, and the creation of binational committees to coordinate activities. A concept of transborder industry clusters as networks of interrelated firms has been advanced as an economic development strategy. The implementation of recommendations will largely depend upon the willingness and ability of both governments to financially support the proposed initiatives. Some of the recommendations will require region-specific policies within federal regulations.

The Camino Real Economic Alliance (CREA)

CREA represents a formal partnership between government, business and university groups in six cities located on the Camino Real Corridor: Santa Fe, Albuquerque, and Las Cruces in New Mexico, El Paso in Texas, and Ciudad Juarez and the city of Chihuahua in the state of Chihuahua. With the largest concentration of maquiladora employment in Mexico, Ciudad Juarez is also one of the busiest border crossings, and after San Diego-Tijuana, the largest border conurbation. The primary purpose of CREA is the promotion of interregional and international trade. Led by El Paso
Chamber of Commerce, CREA aggressively promotes the CAMREAL proposal and already established links with the Rocky Mountain West Alliance.

Similar attempts are taking place further east along the Texas-Mexico border in the Laredo-Nuevo Laredo Region, and the Lower Rio Grande Valley Region. The latter includes two metropolitan areas, the Brownsville-Harlingen-San Benito, and the McAllen-Edinburg-Mission metropolitan area. These regions are located along the shortest routes between the Midwest and North East regions in the United States, and Mexico's key industrial regions of Monterrey, Guadalajara and Mexico City. It is the growth in these distant regions that is responsible for increasing trade flows and traffic through the border region. Crossborder cooperation is largely concentrated on the improvement of physical infrastructures, including the building of a new international bridge, and improvements to Interstate Highway I-35 connecting Dallas and San Antonio with the border at Laredo. Like elsewhere along the U.S.-Mexico border, the economic base of the U.S. border communities is dominated by trade and services, which to a great extent serve the population south of the border, and thus depend on fluctuation of the exchange rate. The economic base of Mexico's side of the border region is dominated by the maquiladora industry, which provides jobs but creates limited linkages with the local economy. In combination with limited local resources, this situation profoundly affects options for economic development of the region.

SUMMARY

A combination of factors affects crossborder cooperation and the integration of transnational regions in the North American borderlands: increasing interregional competition, changing roles of government in regional economic development, the NAFTA framework, and a growing awareness that cooperation in areas of common interest increases benefits for all participants. In the absence of common institutional and financial frameworks, each region carves its own strategy.

Selected examples from U.S.-Canada and U.S.-Mexico borderlands illustrate different stages of a transborder cooperation process, from small clusters of institutions to a formal strategy of regional economic development.

It is difficult to quantitatively measure the real effects of cooperative relationships on regional economic development. It is equally difficult to precisely delineate the spatial extent of the emerging transborder regions or to comprehend a full range of spatial implications. These are some of the areas that need to be explored as the geographies of North American borderlands rapidly change.

ENDNOTES


2. Interestingly, it was the Washington Post editor, Joel Garreau who in his 1981. book, The Nine Nations of North America, covered the United States, Canada and Mexico within North America and mapped the regions transcending borders both in the north and south (Mex-America).
3. The recently established North American Development Bank (NADB), under the side agreement of NAFTA, has a specific and limited mandate to foster private investment for community adjustment needs related to NAFTA implementation, mainly in regions suffering environmental and employment impacts. It started with an authorized capital of $3 Billion contributed in equal shares by Mexico and the United States. Until now, the activity of NADB has been basically oriented to potential funding of projects for improvement of sanitary infrastructure in the U.S.-Mexico border urban areas.

4. In the 1996 (No. 3) issue of the *Annals of the Association of American Geographers*, Patchell proposed a model of regional economic development based on a theory of cooperation. Although he did not address transnational regions specifically, some of the general propositions of his model are applicable to borderlands and transnational contexts.

5. The U.S.-Mexico boundary was established after the war of 1848 in which Mexico lost a large territory of today’s Texas, New Mexico and Arizona to the United States. The boundary was finalized with the so-called Gadsden Purchase of 1853 by which the United States acquired southern Arizona.


7. Because the international boundary between U.S.-Canada stretches over land, lakes and oceans, there is no clear understanding which states and provinces have a true border location. The selection of states and provinces for the purpose of this article was made based on a criterion of direct land crossing between two countries. Exceptions were made in case of Pennsylvania and Nova Scotia.

8. These figures represent the so-called "State of Exporter" series, which more closely depict the exported manufacturing goods that are actually produced in the state, and thus, these figures are lower than the "State of Origin" series, which depict exports from a state based on the last port of shipment regardless of whether it was produced in this state. The latter figures exaggerate the exports because they count a portion of manufactured goods produced in another state.

9. Note that figures for 1995 reflect the negative impact of the devaluation of the Mexican peso by 40 percent during December 1994-February 1995, which significantly reduced Mexico’s ability to import consumer goods.


11. Although there has been a development of the so-called second generation maquiladoras, which are involved in complex production, such as auto industry, the majority of the industry is still largely assembly type operation.


14. This section is based on the "Regional Profile: Rocky Mountain West" prepared by L. Swanson for the Conference *Transnational Regional Economic Development in North America: Problems, Challenges & Solutions in the 1990s*, held in Tucson, Arizona, May 9–11, 1996.

15. CAMREAL stands for Camino Real, one of the Royal Roads from Mexico’s colonial era (16 to 18th century) that connected Mexico City via today’s Ciudad Juarez-El Paso area with Santa Fe in the north.

16. CANAMEX was derived from the envisioned Canada-Arizona-Mexico linkage.

17. This section is based on the "Regional Profile of Northern Plains-Mid Continental Region" prepared by R. Nelson for the Conference *Transnational regional economic Development in North America: Problems, Challenges & Solutions in the 1990s*, held in Tucson, Arizona, May 9–11, 1996.

18. This section is based on the "Regional Profile of San Diego-Tijuana Region" prepared by N. Clement and S. Rey for the Conference *Transnational Regional Economic Development in North America: Problems, Challenges & Solutions in the 1990s*, held in Tucson, Arizona, May 9–11, 1996.


20. More than thirty years ago the governors of these two states established the Arizona-Mexico Commission and its sister organization, Comisión Sonora-Arizona to promote friendship, commerce and cultural ties between people of the two states.

22. Based on regional profiles "Laredo-Nuevo Laredo Region" and "Rio Grand Valley Region" prepared by B. Mann for the Conference Transnational Regional Economic development in North America: Problems, Challenges & Solutions in the 1990s, held in Tucson, Arizona, may 9–11, 1996.

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SAŽETAK

Suvremeni procesi u graničnim područjima Sjeverne Amerike: integracija, kooperacija i transnacionalne regije

Vera Kočić-Pavlaković

U američkoj regionalnoj literaturi pojam Sjeverne Amerike obično obuhvaća Kanadu i Sjedinjene Američke Države, dok se Meksiko tretira kao dio Latinske Amerike. Usprkos bogato dokumentiranim procesima intenzivnih prekograničnih interakcija i razvoja dvokuturne regije uzduž meksičke granice i SAD, većina društveno-geografskih i ekonomskih karata Sjeverne Amerike sugeriira oštru među između ova dva prostora. Međutim, nedavno potpisan ugovor o slobodnoj trgovini između Kanade, SAD i Meksika, počinje mijenjati ustaljeni regionalni koncept Sjeverne Amerike.
V. Koči-Pavlaković: The Changing North American Borderlands: Integration, Cooperation and Transnational Regions

U novije vrijeme pojavilo se i nekoliko regionalnih pojmova koji još nisu našli mjesto u stručnoj literaturi, kao što su CANAMEX, Camino Real Economic Region, Rocky Mountain West Region, Pacific Northwest Economic Region, Cascadia, i slične "regije". Djelomično odraz novih funkcionalnih veza između sjevera i juga, a djelomično i proizvod vijizia lokalnih političara i planera, ovi novi regionalni koncepti odražavaju novi trend u regionalnom ekonomskom planiranju.

Fored uvodnog dijela, članak je organiziran u tri glavna dijela. U prvom dijelu pod naslovom "Integracija, kooperacija i transnacionalne regije", raspravlja se o pojmovnim razlikama između integracije i kooperacije, te primjene Patchellovog (1996) modela regionalnog razvoja za razumijevanje formiranja suvremenih transnacionalnih regija. Iako su procesi integracije i kooperacije usko povezani, pojmovno se razlikuju. Integracija predstavlja proces u kojem se postaje dio cjeline, u kojem postoji uska ovisnost o ostalim komponentama sistema i področnosti zajedničkog, višem nivou odlučivanja. Nasuprot tome, proces kooperacije podrazumijeva principi jednakosti i samostalnosti među učesnicima. Time kooperacija a priori predstavlja mogućnost zajedničke akcije samo u izabranim sferama zajedničkog interesa, te kao takva postaje privlačan okvir za suradnju u kontekstu različitih političkih, ekonomskih i kulturnih sistema.


Važno je naglasiti da model kooperacije podrazumijeva istovremeno postojanje konkurencije, kontrole, sukoba i reprezentacije u prostoru, te da se regija od regije razlikuje po prostorno specifičnoj kombinaciji gore navedenih procesa. Gospodarski dinamičke regije su one u kojima prevladava kooperacija, tj. razmjena informacija, korištenje zajedničkih resursa i servisa u cilju ubrzanja inovacija i tehnološkog napretka.

Uvjeti i motivi za kooperaciju postaju složeniji u internacionalnom kontekstu. Opsežna literatura ističe primjere nekoliko grupa faktora, koji ili pospešuju ili ograničavaju interakcije među graničnim prostorima, kao što su povijesni i kulturni razvoj, zajednički jezik, gospodarske veze, razlike i sličnosti u političkim sistemima, te fizičko-geografske osobine grana. Za razvoj suvremenih transnacionalnih regija u Sjevernoj Americi također je važno uzeti u obzir noviji trend u pristupu regionalnom gospodarskom razvoju. U očistu konkurencije za svjetska tržišta regionalno gospodarsko planiranje prestaje biti domena profesionalnih planera, regionalne i lokalne vlasti udružuju se s privatnim sektorom (vlasnicima kapitala) i vrlo često, sa sveučilišnim centrima sa ciljem utvrđivanja najvijetaljih gospodarskih grana i prostora kao nosilaca razvoja koji osigurava konkurentnu poziciju cijele regije. Sjeverno-američki trgovinski ugovor (NAFTA) pojačao je motive za prekograničnu suradnju, a istovremeno otvorio i formalne uvjete za njezinu provođenje. Pojava transnacionalnih regija u velikoj mjeri odražava reakciju na pojačanu svjetsku konkurenciju, ali i konkurenciju unutar samog sjevero-američkog prostora.

Pojmovno, transnacionalna regija se razlikuje od granične regije, iako oba pojma implicitno uključuju funkcionalne veze između prostora s obje strane internacionalne grane, granična regija nastaje prvenstveno na osnovi potreba i veze između lokalnog stanovništva, poduzeća i lokalnih institucija neposredno uz granicu. Nasuprot tome, transnacionalna regija obuhvaća šire područje, a glavni nosioci su obično predstavnici zajedničkih centara. S obzirom na tradiciju prekograničnih veza, poznавanja kulture susjeda s druge strane, zajedničko povijesno iskustvo i druge elemente granične regije mogu postati jezgro transnacionalnih regija, iako se motivi, koji potiču na formiranje transnacionalnih regija ne moraju uvijek u potpunosti poklapati s potrebama i motivima lokalnog graničnog stanovništva.

Statistički podaci o uvozu i izvozu jedan su od najboljih pokazatelja gospodarske integracije i međusobne ovisnosti. Kanada izvozi oko 80 posto vanjske trgovine u SAD, Meksiko oko 70 posto. Nasuprotno tome, SAD kao jedan od najvećih svjetskih izvoznika, u znatno manjoj mjeri ovisi o tržištu i Kanadi (20 posto od ukupne vanjske trgovine) i Meksiku (10 posto).

Dominantna uloga graničnih država u trgovinskoj razmjeni između tri zemlje je vidljiva iz podataka u tablicama 2 i 3, te slikama 2, 3 i 4. Obim i struktura uvoza i izvoza između Kanade i SAD odražava razmjenu između dvije gospodarstveno razvijene zemlje. Trgovinska razmjena s Meksikom u velikom je dijelu rezultat tzv. maquila industrije unutar koje se američki proizvodi sastavljaju u Meksiku i nakon toga se kao gotovi ili polugotovi proizvodi vraćaju u SAD.
