

Roberto Zepeda*

U.S.-Mexico Relations Interdependence And Paradiplomacy

The economic integration of Mexico and the United States has facilitated other forms of cooperation among subnational actors. Subnational governmental actors' international activities, also known as paradiplomacy, constitute forms of governance in North America around various issues that range from free trade to climate change and international cooperation in science, technology, and education.

The Mexico-U.S. Relationship

Relations between the two countries have been close since the end of the twentieth century when they signed the North American Free Trade Agreement (NAFTA). The context of the link between the two has changed drastically in two decades of growing economic integration, but certain shifts in demographics and important cultural influences have united them even more.

They have sought cooperation to face and resolve issues of common interest. With a 2,000-mile border and fifty-five land ports of entry, bilateral relations have a direct impact on millions of U.S. Americans regarding issues as varied as trade and economic reform, educational exchange, public security, drug controls, migration, people smuggling, entrepreneurial spirit, innovation, energy cooperation, and public health. The scope of these interactions covers broad trade, cultural, and educational ties;

* Roberto is a researcher at the Center for Research on North America, National Autonomous University of Mexico; you can contact him at rzepeda@unam.mx.



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daily transactions between the two countries come to US\$1.7 billion; and, in normal times, hundreds of thousands of people cross the border legally every day. In addition, 1.6 million U.S. Americans live in our country, which is also their main destination for travel abroad.¹

Generally speaking, the relationship between Mexico and the United States is cordial, although certain issues do cause friction, such as migration, security, and, recently, the imposition of tariffs and other trade barriers. After concluding the negotiations that gave rise to the USMCA in July 2020, President Andrés Manuel López Obrador traveled to Washington, D.C. to meet with President Donald Trump launch the agreement.²

Complex Interdependence

It is practically impossible to carry out tasks such as promoting economic growth and prosperity, fighting climate change, containing weapons of mass destruction, combatting pandemic diseases, among other global problems in an isolated manner. Countries are forced to work together and trust in collective efforts and energies. This

network of relations has created what Keohane and Nye define as “complex interdependence,” wherein countries are more likely to cooperate and integrate when close trade relations and other economic links exist.³ In short, relations are more harmonious between countries that enjoy free trade between them.

This can be applied to Mexico-U.S. relations, since this kind of interdependence is very clear. Factors such as trade agreements, increased U.S. investment in Mexico, the growing number of Mexicans in the United States, among others, have contributed to the consolidation of this type of link. In addition, economic, political, social, and cultural interactions in the border region illustrate the existence of multiple channels of communication among state and non-state actors.

In this dynamic, Mexico has become the United States’ second most important trade partner and is among the first three destinations for exports from 29 of its states. At least five million jobs there depend on their relationship with our country, something that is very evident in California, Texas, New York, Florida, and Illinois.⁴ Some industries have created integrated supply chains, so that the success of manufacturing in the United States depends and is closely connected to that of Mexico and Canada, and this creates a manufacturing platform that combines the three partners’ competitive advantages.

The USMCA area includes a population of 480 million people; the region produces 30 percent of the world’s goods, and, in fact, is the world’s largest free trade area. Huge numbers of jobs depend on this economic, institutional structure: about fourteen million in the United States, ten million in Mexico, and a little over three million in Canada.

Bilateral trade is even more intense in the border area and is an essential part of the overall relationship. As mentioned above, Mexico has been the foremost destination for exports from California, Arizona, New Mexico, and Texas, which represent a little over half the country’s total exports. In addition, these states facilitate the storage and transport of Mexican goods into the United States, among other logistical services.⁵

California is key, since it has the largest economy of all the states in the country and represents the world’s sixth largest economy. It exports mainly computers and electronic products; its imports depend on China and it imports mainly automobiles. In addition, California and Baja California enjoy wide-ranging collaboration, as do

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San Diego and Tijuana, through a series of cross-border cooperation agreements. In addition, exports from California to Mexico have increased 311 percent since 1994 when NAFTA opened up; 6.9 million Mexicans visit California every year, and 692,000 California jobs depend on trade with Mexico.

Mexico is also the first trade partner of Texas, the world’s thirteenth largest economy and also the most outstanding state in Mexico-U.S. relations. This is due, among other things, to the fact that it exported goods worth US\$92 billion to Mexico, more than it exported combined to the ten countries with which it has trade agreements. In addition, its imports from Mexico came to twice those from China; its exports created more than a million jobs. The main exports are oil, computers, and other electronic equipment, while it imports above all crude oil. Texas is the state that sells the most goods abroad, and those exports come to approximately 16 percent of the state’s GDP, the highest percentage in the nation.

Mexico is also Arizona’s first trade partner. The state mainly sends us minerals, among them copper concentrates, as well as electronic circuits, dashboards, and control panels; while Mexico sends it mainly electronic components, agricultural products, machinery and equipment, and minerals. Bilateral trade between the two comes to US\$15.5 billion and 90,000 of its jobs are closely linked to trade with Mexico.

Complex interdependence does not simply refer to the mutual benefits of trade, but also to the importance of other transnational actors who challenge the dominance of sovereign states. Global politics is no longer a scenario exclusively for national states, as it was under the Westphalian system. Keohane and Nye underline the importance of other actors, such as interest groups, multinational corporations, and non-governmental organizations. Subnational entities have also become important actors in global politics.⁶

Paradiplomacy

Paradiplomacy is the participation of subnational states in international activities to promote their own interests. The most important aspect they promote is their economic interest, including exports and imports, tourism, and the specialization of productive activities to attract foreign investment. In this context, subnational governments seek to create an international presence to attract foreign investment and international companies to their region and explore new markets.⁷

Cross-border regional paradiplomacy refers to institutional, cross-border, formal, and informal contacts between neighboring subnational entities. These interactions happen through a series of forums, conferences, and cooperation plans. The border strip between Mexico and the United States has a combined population of about fifteen million people. Local cooperation includes coordination between state and local authorities on cross-border infrastructure, transportation and security planning, and collaboration with institutions that deal with migration, natural resources, the environment, and health.

The multi-institutional Binational Bridges and Border Crossings Group meets three times a year to foster joint initiatives to improve the efficiency of crossings and coordinate their planning. All ten border states participate actively.⁸

The Border Governors Conference is a permanent forum for communication among the ten states involved. Other examples of cooperation are the Arizona-Mexico Commission, the Border Legislative Conference, the New Mexico-Chihuahua and New Mexico-Sonora border commissions, and the Commission of the Californias. The most outstanding of these is the Arizona-Mexico Commission: for six decades, its efforts have helped construct a cross-border community that brings together representatives of both industry and the professions.

Some of the benefits of governance promoted by subnational actors are greater coordination among customs authorities in Sonora and Arizona, agreements to strengthen tourism in the region through the Lukeville-Puerto Peñasco and Puerto Peñasco-Sonoyta safe corridor, and reducing wait times for truckers crossing the border. All this is the result of the coordination in the framework of the Arizona-Mexico Commission.

The trade, political, and cultural interaction of public, private, and social actors of both countries has fostered

the design of a regional governance to deal with common security, migration, health, and environmental challenges. In the first half of 2021, Mexican workers were vaccinated against COVID-19 in San Diego as a result of coordination between California and Baja California authorities. The United States has shared 16.9 million doses of vaccine free of charge since May 2021, all donated through bilateral agreements: 3.5 million shots of Moderna vaccine; 1.3 million of Johnson & Johnson; and 12 million of AstraZeneca.

Final Comments

The economic integration of Mexico and the United States has facilitated cooperation between subnational and non-state actors in different ways. A series of economic and trade factors — but also productive factors, through integrated supply chains — became a huge encouragement for these actors to establish a closer relationship in a variety of areas. This is particularly true of subnational bodies with a high level of economic relations.

Paradiplomacy is even more intense in border regions, such as the case of Mexico and the United States. More than barriers, borders become bridges of communication for seeking solutions to security, migration, and environmental problems, but also for creating economic prosperity and development. **NM**

Notes

1 U. S. Department of State, “U. S. Relations with Mexico,” United States Government, <https://www.state.gov/u-s-relations-with-mexico/>, accessed in January, 2021.

2 Clare R. Seelke, “Mexico: Background and U.S. Relations,” Congressional Research Service, Washington, D. C., January 7, 2021.

3 On the other hand, interdependence is not always associated to a tendency toward peace, cooperation, and integration. It can be asymmetrical, in which case it can lead to domination and conflict. See Robert Keohane and Joseph Nye, *Power and Interdependence* (Glenview, Illinois: Scott, Foresman & Company, 1989); and Andrew Heywood, *Global Politics* (New York: Palgrave Macmillan, 2014).

4 Chris Wilson, “Growing Together: Economic Ties between the United States and Mexico. Final Report,” Mexico Institute, Woodrow Wilson Center for International Scholars, March 20, 2017.

5 Ibid.

6 Keohane and Nye, op. cit.

7 André Lecours, “Political Issues of Paradiplomacy: Lessons from the Developed World,” report, Netherlands Institute of International Relations, Clingendael, December 17, 2008.

8 U.S. Department of State, op. cit.