

12-1-2009

# The City as a Growth Machine: Reynosa, MX

Victoria Hirschberg

Follow this and additional works at: [https://digitalrepository.unm.edu/ltam\\_etds](https://digitalrepository.unm.edu/ltam_etds)

---

## Recommended Citation

Hirschberg, Victoria. "The City as a Growth Machine: Reynosa, MX." (2009). [https://digitalrepository.unm.edu/ltam\\_etds/15](https://digitalrepository.unm.edu/ltam_etds/15)

This Thesis is brought to you for free and open access by the Electronic Theses and Dissertations at UNM Digital Repository. It has been accepted for inclusion in Latin American Studies ETDs by an authorized administrator of UNM Digital Repository. For more information, please contact [disc@unm.edu](mailto:disc@unm.edu).

Victoria A. Hirschberg

*Candidate*


Community and Regional Planning/Latin American Studies


*Department*

This thesis is approved, and it is acceptable in quality and form for publication:

*Approved by the Thesis Committee:*

 \_\_\_\_\_, Chairperson

 \_\_\_\_\_

 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**The City as a Growth Machine:  
Reynosa, Mexico**

**BY**

**Victoria A. Hirschberg**

**BACHELORS OF ARTS**

**THESIS**

Submitted in Partial Fulfillment of the  
Requirements for the Degree of

**Master of Community and Regional Planning  
Master of Arts in Latin American Studies**

**MCRP/MA**

The University of New Mexico  
Albuquerque, New Mexico

**December, 2009**

©2009, Victoria A. Hirschberg

## **DEDICATION**

I would like to dedicate this endeavor and research to Wade Baker, who I love and who always believed I could do this. I could not have done this without you.

## ACKNOWLEDGMENTS

I would like to acknowledge first and most importantly my family —mom, dad, Jennifer and Marc— for all your love and support. None of my life and achievements would have been possible without all of you. I'd like to thank my thesis chair and advisor Dr. David Henkel, as well as my committee members Dr. Susan Tiano and Dr. Timothy Imeokaparia for always pushing me to do better, to ask more questions and all of their thoughts and comments on these drafts. Thank you for your guidance and support.

I also would like to thank Michael Furze for visiting me at Old Navy, a fun three years and many more and Melody Zagami, a great friend who made the ABQ so much better and me healthier. I'd like to say *mil gracias* to Kileen Mitchell for those trips to the border and cups of coffee; Jerusha Daniels for beverages and porch discussions; and Aaron Sussman for his academic insight and friendship. I have to pay respects to my long distance friends who always supported me: *mi mejor amiga para siempre* Sarah Ovaska, Anna Jolly (my other news girl), and Jessica Canale (yeah, could not do this without you and Verizon). I owe my gratitude and admiration to Martin Medina because without his poems, text messages and company, I could not finish this thesis. He taught me that thesis research and friendship is more important than a disappeared truck in Reynosa.

I owe special thanks to the Tinker Foundation, Latin American Studies and Iberian Institute and the Office of Graduate Studies for your generous funding to pursue research in an area I treasure so much. And finally to the people of the Rio Grande Valley and Northern Mexico, thank you for always sparking my interest and welcoming me back to do good work for you all.

**The City as a Growth Machine: Reynosa, Mexico**

**BY**

**Victoria A. Hirschberg**

ABSTRACT OF THESIS

Submitted in Partial Fulfillment of the  
Requirements for the Degree of  
**Master of Community and Regional Planning**  
**Master of Arts in Latin American Studies**

The University of New Mexico  
Albuquerque, New Mexico

**December, 2009**

**The City as a Growth Machine: Reynosa, Mexico**

by

**Victoria A. Hirschberg**

**B.A., Journalism and Latin American Studies, State University of New York at  
Plattsburgh, 2003**

**Master of Community and Regional Planning/ Master of Arts in Latin American  
Studies, University of New Mexico, 2009**

**ABSTRACT**

As cities grow in size and population and focus on job creation, their leaders face the challenge of balancing economic development and providing citizens with services. The city of Reynosa, Mexico, located on the border across from McAllen, TX, has experienced rapid population growth, increased commercial and manufacturing sectors, this positioning itself on the global scale. However, development officials in McAllen also facilitate this growth by assisting Reynosa in the recruitment of maquiladoras, or export-processing plants.

The purpose of this study is to examine the relationship between economic development and planning practices in Reynosa. The study aims to discuss how Reynosa administrations have promoted economic development, but have failed in ensuring its burgeoning population has housing, services and infrastructure. The research uses quantitative data and interviews from officials in Reynosa and McAllen to show this relationship. Overall, this study indicates that in order for Reynosa to position itself as a city prime for economic development at the global scale, it must find a more balanced approach to planning for its population.



## TABLE OF CONTENTS

<b>LIST OF MAPS and Images</b> .....	<b>ix</b>
<b>LIST OF TABLES</b> .....	<b>x</b>
<b>CHAPTER 1 INTRODUCTION</b> .....	<b>1</b>
<b>CHAPTER 2 LITERATURE REVIEW</b> .....	<b>13</b>
The Production of Space.....	13
Capitalist Strategies .....	14
Industrialization and Urbanization.....	18
The Role of Urban Planning .....	19
The City as a Growth Machine .....	20
<b>CHAPTER 3 METHODOLOGY</b> .....	<b>24</b>
<b>CHAPTER 4 THE STORY OF REYNOSA</b> .....	<b>29</b>
Planning Policy in Mexico.....	50
<b>CHAPTER 5 CHARACTERIZING THE GROWTH MACHINE</b> .....	<b>64</b>
Growth in all Sectors .....	64
Land Use .....	69
Housing.....	72
Infrastructure .....	74
Marketing the Growth Machine.....	76
The McAllen Growth Machine.....	78
<b>CHAPTER 6 CONCLUSIONS</b> .....	<b>81</b>
<b>BIBLIOGRAPHY</b> .....	<b>93</b>

## LIST OF MAPS

Map 1.1. U.S.-Mexico Border .....	3
Map 1.2. Regional Crossings/Industrial Parks-Hidalgo County/Reynosa.....	7
Map 4.1. U.S.-Mexico Border .....	53
Map 5.1 Footprint of the City of Reynosa .....	70
Map 5.2 Reynosa Zoning Map .....	3

## LIST OF IMAGES

Image 4.1 Colonia Nopalina .....	29
Image 4.2 Colonia Nopalina .....	29
Image 4.3 Dr. Mora in Reynosa .....	61
Image 5.1 Carl's Jr. in Reynosa.....	66
Image 5.2 Plaza Periférico .....	66
Image 5.3 Housing signs in industrial parks .....	73
Image 5.4 New housing in Reynosa .....	74
Image 5.5 New housing in Reynosa .....	74
Image 6.1 Border Wall .....	87
Image 6.2 Citizens Day.....	90

## LIST OF TABLES

Table 4.1 Reynosa's total population & gender, 1950-2000.....	31
Table 4.2 Number of <i>Maquiladoras</i> & workers in Reynosa, 1973-2006.....	38-39
Table 4.3 Number of Workers Employed by sector, Reynosa-Rio Bravo, 1960-90 .....	44
Table 4.4 Changes in Drainage, Public Water & Electric Energy, 1970-2005 .....	58
Table 4.5 Number of <i>Maquiladoras</i> in Matamoros, Juarez, Reynosa, 2000-06 .....	60-61
Table 5.1 Place of origin for Reynosa residents, 1990 and 2000 .....	65
Table 5.2 Economic Activity by sector in Reynosa. Dec. 2007 .....	68
Table 5.3 Population Growth in McAllen, 1990-2005 .....	79

## CHAPTER ONE: INTRODUCTION

The traffic on Boulevard Miguel Hidalgo slowly moves on a weekday afternoon. This boulevard serves as the main connector between the Hidalgo-Reynosa International Bridge and downtown to the western and southern edges, as well as the main highway to Monterrey.<sup>1</sup> The cars feature an array of license plates —Texas, the Mexican state of Tamaulipas, Veracruz and Nuevo León. The lines at the international bridge connecting the cities of Reynosa, Tamaulipas and Hidalgo, Texas sometimes stretch in either direction for more than six miles causing traffic bottlenecks on this road. Music blasts from a nearby *Super Colchones* furniture store and cars turn into the parking lot of H.E.B., a San Antonio, TX-based grocery store that has expanded into Northeastern Mexico. Amid this traffic, a couple on a wooden cart pulled by a *burro* creeps into the intersection. Their job is to collect garbage and drag it to the dump. People wait for old buses to take them to work and people run between cars, either to sell a newspaper, wash a windshield or get to the other side of a busy road.

Twenty years ago, the city of Reynosa was a much different scene. Most of the retail stores, the hotels such as the Holiday Inn and the overpass that attempts to alleviate traffic on Boulevard Hidalgo did not exist. The new taupe and white townhouses adjacent to this road that cater to the city's new population of professionals with higher incomes only opened in the past five years. The working poor, who spend up to 12 hours a day in a manufacturing plant, often locate in unincorporated or informal settlements on the city's periphery. Residents who have called Reynosa home for years reside in smaller frame homes, near downtown and closer to the numerous plazas.

---

<sup>1</sup> The Hidalgo-Reynosa International Bridge is also known as the McAllen-Reynosa International Bridge. While geographically the bridge connects the cities of Reynosa, Tamps, MX and Hidalgo, TX, USA, the City of McAllen in Texas owns the bridge. The toll collectors are City of McAllen employees.

The purpose of this thesis is to show that in order to continue the city's current economic development goals and plan for future growth, leaders must focus on remaining competitive while ensuring residents can meet their basic needs. Reynosa has rapidly grown since 1990 in part to the global strategy of recruiting global manufacturers, but in order to sustain the growth, city leadership must develop a more balanced approach to economic development and planning, especially given the ever-changing economic climate on the U.S.-Mexico border.

*The U.S.-Mexican border es una herida abierta (is an open wound) where the third world grates against the first and bleeds. It hemorrhages again, the lifeblood of two worlds merging to form a third country, a border culture. (Anzaldúa 1987, p. 3)*

This quote from Chicana borderlands scholar Gloria Anzaldúa describes her perspective of the shared space along the approximate 2,000-mile United States and Mexico border. This shared territory suddenly included a political line of division after the Mexican-American War of 1848 and the Treaty of Guadalupe Hidalgo despite well-established cultural, economic and social connections. These connections and divisions, in spite of the political dividing line, have created a space with unique characteristics. For these reasons the U.S.-Mexico border represents a space rich with inquiries as its physical, social and economic dimensions cross borders, but retain qualities specific to the United States and Mexico. The 25 counties in the United States and 38 municipalities in Mexico located along the border illustrate unity through economics and social networks, yet reflect division and difference in power and influence. Brown (1997) offers this description about the U.S.-Mexico Border:

*It has its own history, culture; language, architecture, and cuisine. Its food and architecture have, in fact, recently become immensely popular beyond*

*its frontiers...And yet it has ni voz ni voto (neither voice nor vote) in its own future. It is divided by a political boundary administered by outsiders, and those who control its destiny rarely know and even more rarely seem to care about its problems or its promise. (p. 106)*

Border cities have emerged as places where different languages, peoples and cultures merge together, but politics and economics both unite and divide the two countries. At the international junction between El Paso, TX and Ciudad Juárez, the U.S. side features a university, master planned subdivisions and a historic downtown influenced by styles such as Neo-Classical Revival and architecture from the early 20<sup>th</sup> century.<sup>2</sup> In Ciudad Juárez, the area near the border appears disorganized with smaller, older homes and dilapidated housing structures on the periphery. Knopp and Kearney (1995) equate the development and governance of this area to that of a dysfunctional child torn between quarreling parent nations (p. 239).

**Map 1.1**  
**U.S.-Mexico Border**



Source:  
Reynosa  
Industrial Map,  
July 2008

<sup>2</sup> The City of El Paso Web site ([www.elpasotexas.gov](http://www.elpasotexas.gov)) features a list of the historic structures and buildings. Many architects used the works of Frank Lloyd Wrights and other modernists to create structures in this border city.

This thesis evaluates how economic development, explicitly the recruitment and expansion of the *maquiladora* sector, has influenced the city's ability to follow processes and address the rapid growth and development in the Mexican city of Reynosa, Tamaulipas since 2000.<sup>3</sup> Academic literature and studies about the recruitment and development of the *maquiladora* sector along the U.S.-Mexico border and its effects on urban processes have examined economic rationality and social exploitation. The research for this thesis stems from the hypothesis that the border city of Reynosa in Mexico has become part of binational growth machine focused primarily on economic pursuits, therefore ignoring planning principles and the urban challenges found within the city.

I began initial fieldwork to explore this relationship during summer 2008 when an employee behind the desk in Reynosa's *Desarollo Urbano y Ambiente* (Urban Development and Environment) department at city hall indicated that staff in the economic development office would have to answer questions about planning, growth and development within Reynosa. This occurrence led me to consider that an interdependent relationship might exist between economic development and planning and if the former was driving the latter. Prior to this research, I worked as a newspaper reporter for *The Monitor*, based in McAllen, a Texas city across from Reynosa in the United States, from June 2003 to August 2006. As a business and Mexican affairs reporter, I covered issues ranging from fluctuations in Reynosa's *maquiladora* sector, cross-border business trends and various political and economic policies along the U.S.-

---

<sup>3</sup> *Maquiladoras*, or export-processing plants, utilize tariff regulations that allowed the re-importation of unfinished goods assembled in Mexico and operated duty free (Sklair, 1989, 1992).

Mexico border. This professional work provided background information on policy changes in the city, business ventures and new developments.

This research looks at the city of Reynosa, the largest city in the state of Tamaulipas, and its relationship with cities located within Hidalgo County, TX. Both Hidalgo County—which had a 2008 population of about 727,000—and Reynosa are situated along the Río Grande.<sup>4</sup> Geographically, Reynosa shares a border with the City of Hidalgo. This Texas city had a 2007 population of about 11,600 and is one of the smaller cities in Hidalgo County. However, Reynosa’s relationship with McAllen, a city about 10 miles north of the river and Hidalgo, represents a key player within this binational growth machine. McAllen, which had a 2007 population of about 127,000, shares numerous social and economic connections with Reynosa—more than any other city in Hidalgo County. However, the entire Rio Grande Valley of Texas attempts to build relationships and connections with the border cities in Tamaulipas.<sup>5</sup> The U.S. side of the region has several small international and regional airports; two foreign trade zones; an international produce terminal and several industrial parks (2007 McAllen MSA Industrial Map, p. 8-9, See Map 1.2). Numerous customs brokerage firms that facilitate importation of cargo between the countries, along with warehousing facilities, have located within McAllen. The U.S. city also is home to the twelfth Foreign Trade Zone, a import/export produce terminal that the U.S. government certified in 1970 and many of the administrative and distribution offices of companies with plants in Reynosa. The City of McAllen also owns the majority of the bridge between Hidalgo and Reynosa which serves non-commercial

---

<sup>4</sup> Population amounts and estimates for the United States come from the U.S. Census at [www.census.gov](http://www.census.gov). These statistics in Mexico comes from the Instituto Nacional de Estadística y Geografía (INEGI) at [www.inegi.org.mx](http://www.inegi.org.mx).

<sup>5</sup> The Rio Grande Valley consists of the counties of Starr, Hidalgo, Cameron and Willacy in the southeastern tip of Texas.

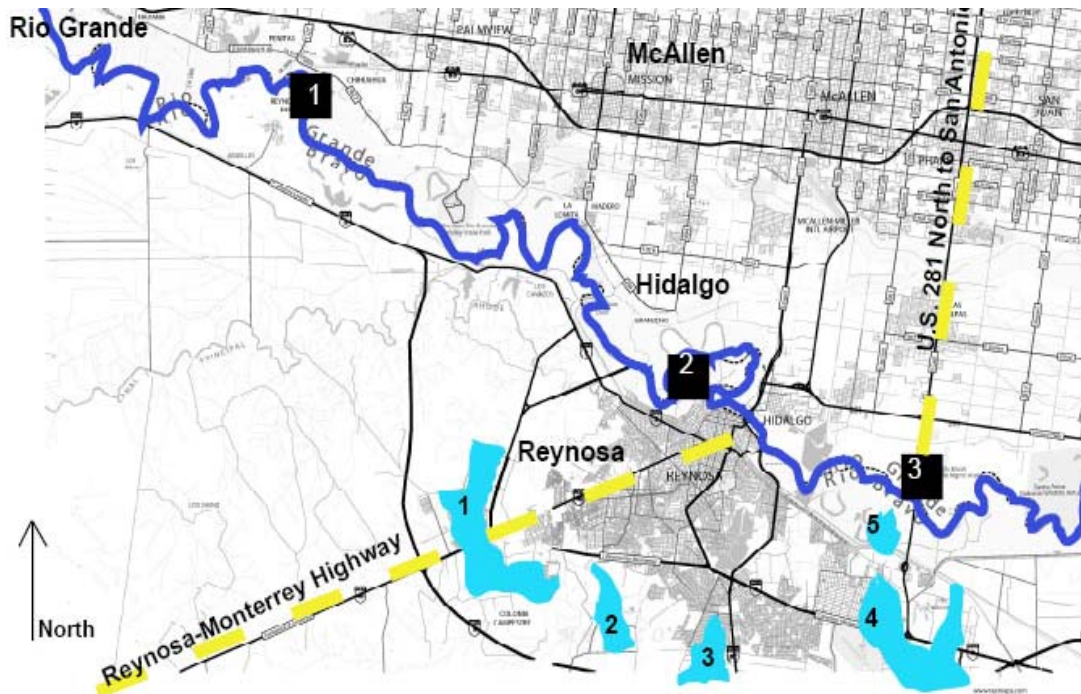


vehicular and pedestrian traffic. Further east, the Pharr-Reynosa International Bridge serves commercial and truck traffic between Reynosa and Pharr, a small city east of McAllen and Hidalgo. Two more international bridges are slated to open during 2009 and 2010. The Anzalduas Bridge, set to open late 2009, connects Reynosa's southwest area to the Texas city of Mission, just west of McAllen. The Alliance International Bridge between Donna, Texas and Río Bravo, Tamaulipas, is scheduled to open during the first quarter 2010 (Holeywell 2008).

**Map 1.2**

**Regional Crossings/Industrial Parks- Hidalgo County/Reynosa**

Source: Texasmaps.com and Reynosa Industrial Map, July 2008



- |   |  |
|---|--|
| <p><b>1</b> Villa Florida Industrial Park<br/>Intermex Industrial Campus<br/>Del Norte Industrial Park</p> <p><b>2</b> Moll Industrial Park<br/>American Industries Kimco<br/>Reynosa Industrial Park</p> <p><b>3</b> Stiva Industrial Park<br/>Landus Industrial Park</p> <p><b>4</b> Reynosa (North) Industrial Park<br/>Reynosa (South) Industrial Park<br/>Pharr Bridge Prologis Park<br/>Colonial Industrial Park<br/>Ridge Commerce Center<br/>El Puente Industrial Park<br/>Verde Pharr Bridge Industrial Park</p> <p><b>5</b> Reynosa Industrial Center</p> | <p><b>1</b> Anzalduas International Bridge</p> <p><b>2</b> McAllen-Hidalgo International Bridge</p> <p><b>3</b> Pharr-Reynosa International Bridge</p> |
|---|--|

Reynosa represents a city influenced by two cultures, two governments and two countries. Given the relationship between Reynosa and McAllen, development strategies and policies have impacted these cities in part because economic development officials from both cities work together to pursue job growth and company recruitment, despite a political border. Due to this growth defined by export-processing plants, a service and industrial sector has burgeoned in Reynosa. These processing plants, or *maquiladoras*, employ workers to produce items such as automobile stereos, small electronics and candy-canes.<sup>6</sup> *Maquiladoras* are processing plants located along Mexico's northern border, often owned by foreign companies, which produce goods for exportation to another country (Sandoval 2003). U.S. Customs law permits the set-up of these plants by permitting Mexico to import goods and only taxing the value-added to the semi-finished product, not the entire item. Over time, external policies and events such as such the North American Free Trade Agreement (NAFTA) in 1994; peso devaluations in 1982 and 1994; and China materializing as a production giant in the industrial sector have challenged this interdependent economic relationship between McAllen and Reynosa. These challenges have caused the two cities to react collectively and separately in order to overcome these uncontrollable situations at the local level.

Throughout Reynosa's growth and development, industry—whether it was agriculture or oil refining—has played a central role in defining the city. During the middle of the 20<sup>th</sup> century, economic restructuring in Latin America and the switch from import substitution industry policy to programs that encouraged competition within the global marketplace began to reshape the form and development of Reynosa. Since the

---

<sup>6</sup> See the complete list of *maquiladoras* in Reynosa at the Web site of the McAllen Economic Development Corporation at [www.medc.org](http://www.medc.org).

1980s, political leaders of Reynosa, with assistance from officials in McAllen, have promoted the *maquiladora* sector as the model for economic growth and strived to transform both cities as destinations for profitable industrial activity.

During the 1960s, Mexico's federal government implemented national policy in order to increase the profitability of development along its northern border. In terms of dollars and cents, Mexico's northern border has always economically performed and provided jobs compared to other regions of the country (Tamayo-Flores 2001). In 1961, the Mexican government initiated the *Programa Nacional Fronterizo* (PRONAF) that aimed to attract foreign dollars, visitors and people to the border through tourism and economic development. In 1963, the United States Congress approved Tariffs 806.3/807, which only taxed the value-added on any item produced outside of the United States and then sent back to the U.S. for export. When goods were transferred from a *maquiladora* in Mexico through U.S. Customs, these tariff laws only levied taxes on the value-added on the final product.<sup>7</sup> These tariffs allowed companies to set up plants outside the United States, but remain integrated into the U.S. economy. These tariffs laid the groundwork for Mexico's industrialization program two years later in 1965.

In 1965, the Mexican government spearheaded the promotion of the *maquiladora* program, known as the Border Industrial Program (BIP) —a component of PRONAF. Leaders hoped to stimulate national profits, increase the country's competitiveness at the global scale and create jobs for its people by opening its northern border to foreign industrial investment. The influx of *maquiladoras*, which began under the BIP, brought significant changes to Reynosa over time. The population greatly increased as workers moved to the city to seek employment; industrial parks replaced agricultural and ranch

---

<sup>7</sup> Tariffs 806/807 are now the U.S. tariff schedule provision known as "9802" post-NAFTA.

land; and informal housing settlements appeared along canals, ditches and any available land near the industrial parks.

Many residents of Reynosa and scholars have said this economic growth was inevitable under a global, capitalist agenda. As multi-national corporations (MNCs) pushed for greater economic accumulation under capitalism, many corporate entities shifted location of the assembling and processing operations to Mexico's northern states along the shared border with the United States. This shift led to great excitement amongst government and city officials on both sides of the U.S.-Mexico border. Since the 1960s, leaders boasted about new jobs, increasing square footage of industrial space and new economic opportunities in Mexico and the United States. As industry moved south of the Río Grande, local and national leadership began to promote this binational region as a strategic location for assembling-type production and export. At the same time, residents and leaders in the Rust Belt of the United States accused Mexican *maquiladoras* of stealing American manufacturing jobs (Greenhouse 2002).<sup>8</sup> Local leaders on the border spoke of growth and new local and regional jobs thanks to the *maquiladora* program (Perkins 2008).

The rise and ensuing expansion of the *maquiladora* sector has left Reynosa in a quandary —economic growth and city expansion, but a deficiency in the provision of housing and services to the booming population. The wave of workers to staff the *maquiladoras* increased the need for affordable housing. Increased commercial truck and vehicular traffic increased the need for additional capacity on roads and highways throughout the city. Large industrial parks rapidly replaced private ranch and agriculture

---

<sup>8</sup> The Rust Belt refers to former industrial and manufacturing areas of the United States. Regions within the Rust Belt are typically the states of Pennsylvania, Ohio, Illinois, Michigan and Indiana.

land causing the need for the extension of infrastructure and services to outlying sections. In Mexico, federal, state and local statutes mandate that municipal administrations organize and facilitate actions related to planning and development. With the strong push for economic development and the resulting rapid growth, planning in Reynosa became a game of catch-up rather than a process to guide the city's future in an organized fashion. City administrations devise municipal plans that outline goals and development strategies, but economic initiatives and policies have eclipsed these actions and benchmarks. As economic growth gained priority on the city's agenda, Reynosa emerged as a key player in a binational growth machine—a city within a region that has pursued growth at all costs.

Examining and applying the theory of a growth machine (Molotch 1976), this thesis further investigates social and economic policies, and the conditions of Reynosa while providing insight into the federal, state, and local planning framework. To better understand how Reynosa has arrived in its current state, the historical context of economic development in the city and national economic policies are presented in this case study. Residents, officials and other primary sources furnish observations about changes in the urban environment. The second chapter provides the theoretical progression of how I arrived at growth machine theory to explain Reynosa's current conditions. It also provides a review of the literature based on spatial production, capitalism, industrialization and urbanization, planning and growth machine theory. The third chapter provides an explanation of the methodology and how I collected and analyzed the data. Chapter four provides a narrative of Reynosa's historical and current context regarding economic development and changes in the urban form. The research

elaborates how Reynosa fits into the greater economic objectives of Mexico and the binational region, as well as the federal, state and local requirements to plan and provide for the citizens. Then, using Molotch's indicators of a growth machine, chapter five shows how this theory applies empirically to Reynosa. Chapter six offers theoretical debates about the future and recommendations.

## CHAPTER TWO: LITERATURE REVIEW

Industrialization along the U.S.-Mexico border during the latter part of the 20<sup>th</sup> century has created an environment of change given the rapid development associated with this economic process. This analysis places Reynosa as a city and space within the context of the global economy through a review of literature focused on spatial, social and economic policy. This section considers the themes of the production of space, capitalism, industrialization and urbanization and essentially, the idea of a city as a growth machine.

### THE PRODUCTION OF SPACE

The idea of space and interactions within this space started the analysis of economic development literature. Lefebvre (1974) claims that space represents a social construct which offers insight into a society's mode of production. Numerous geographers have used Lefebvre's analysis of space to further examine economic and social practices. Unwin (2000) uses a Marxist perspective to describe how spatial production characterizes the "shape" of the society and how this expresses the current economic ideology.<sup>9</sup> Smith (1990) contends that while spatial relations are logical, human activity such as economic development and urbanization brings conflict and contradiction to the space. Soja (1989) writes that the flexible nature of capitalist accumulation further complicates spatial relations as shifts in capital flows to achieve greater profits use space. Soja builds upon Lefebvre to assert:

[Capitalism] was built upon the creation of an increasingly embracing instrumental, and socially mystified spatiality, hidden from critical view under thick veils of illusion

---

<sup>9</sup> For more information about Karl Marx, see *The Capitalist System: A Radical Analysis of American Society*, 1972.



and ideology. What distinguished capitalism's gratuitous spatial veil from the spatialities was its peculiar production and reproduction of geographically uneven development via simultaneous tendencies toward homogenization, fragmentation, and hierachization... (p. 50).

Uneven geographical development explains how capitalism has transformed space and has exploited inequalities in societies and space. Merrifield (1993) asserts that capitalism transforms social space to a *force of production* due to capital's domination over society through money, power, technology and property. As a process, global capital flows build upon unevenness found within the spatial and social constructs of a society and place.

## **CAPITALIST STRATEGIES**

Smith (1990), drawing on Lefebvre and Harvey, argues that uneven development results from inherent contradictions within capitalism. After investment and improvement of the means of production in one area, capital-driven operations will move elsewhere in order to increase profits and productivity. MNC's utilized Mexico's northern border because the Mexican government incentivized this space for industrialization during the 1960s in order to compete in a globalizing economy.<sup>10</sup> Companies located within this region because of limited to no labor controls, pools of low-wage labor, lack of unions, tax breaks and government policies aimed at achieving greater profits such as PRONAF and BIP.

During the 1970s and 1980s, most Latin American nations were indebted to international banks and in danger of defaulting on foreign loans. The International

---

<sup>10</sup> See Stopford (1998-1999) article *Multinational Corporations* in *Foreign Policy*, published by Carnegie Endowment for International Peace, p. 12-24.

Monetary Foundation (IMF) dictated a series of structural adjustment policies aimed at fixing national economic strategies.<sup>11</sup> Global development was occurring at uneven rates and at uneven scales. Smith (1990) states, “uneven development is social inequality blazoned into the geographical landscape, and it is simultaneously the exploitation of that geographical unevenness for certain socially determined ends (p. 155).”

Because uneven development under capitalism represents a process, there are different ways to view the ensuing development. Uneven development could represent expansion, which occurred in Latin America in terms of job growth and the increase of the manufacturing sector due in part to restructuring and government policy. At the same time, uneven development represents decline, evident in the loss of jobs and plant closures in areas like the Rust Belt in the United States (Smith 1990). Uneven development can be viewed as exploitative or as a competitive advantage. It has led to economic slowdowns in some areas while shifting resources and jobs elsewhere. Some view the *maquiladoras* as exploitative because wages are well below those of U.S. workers. However, these plants have brought growth and development to areas in the United States and Mexico, forming new industrial regions.

In the late 1970s, the economic strategy of neoliberalism, which many governments and economists embraced, gained strength as a solution to the global economic crisis. Great Britain and the United States began promoting neoliberalism as an economic solution. Harvey (2005) defines this capitalist strategy:

*Neoliberalism is in the first instance a theory of political-economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms*

---

<sup>11</sup> More information on the IMF is available at [www.imf.org](http://www.imf.org). For a critical perspective of the IMF and its policies, see Kapur (1998) *The IMF? A Cure or a Curse?* in *Foreign Policy*, published by the Carnegie Endowment for International Peace, p. 114-129.

*and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. (p.2)*

Under neoliberalism, the free market rules and individuals have the right and power to achieve greater wealth. However, despite the neoliberal ideology that the market should be the exclusive regulator of the economy, in actuality the government plays a crucial role in ensuring that this freedom exists for people, as well as businesses.

Neoliberalism builds the strong connection between the state and business for greater economic growth and wealth. Governments provide “regulatory infrastructure” for industrial growth under neoliberalism (Brenner and Theodore 2002). This infrastructure reflects the reconfiguring of institutional frameworks and the urban form in order to permit expansion of neoliberal policies, as seen in the IMF’s restructuring of Latin American economies during the 1980s. This role of the state under neoliberalism often leads to uneven development as capitalism controls and exploits sectors of the landscape. During times of capitalist crisis, uneven development “threatens to undermine normalized patterns of accumulation and social reproduction...” (p. 9). Harvey (2005) attributes the quick adoption of neoliberalism to the “coercive influence of the United States,” adding that this policy represented another version of colonization by the United States (p. 9). The United States conducts considerable trade with Latin America, and neoliberal policies helped restructure the southern economics for more trade and exportation in the north.

During the late 1970s and into the 1980s, Mexico had high unemployment, which depleted resources and created a dependency on imports that officials hoped to curtail

under ISI. This situation caused Mexico to declare bankruptcy in 1982. When Mexico and the rest of Latin America found itself in massive debt due to borrowing funds to subsidize projects during earlier decades, neoliberalism seemed to be a solution.

However, Harvey (2005) writes:

the uneven geographical development of neoliberalism, and its frequently partial and lop-sided application from one state and social formation to another, testifies to the tentativeness of neoliberal solutions and the complex ways in which political forces, historical traditions and existing institutional arrangements all shaped why and how the process of neoliberalization actually occurred. (p. 13)

The idea presented by Harvey indicates that neoliberalism worked to its own advantage, not to improve cities and societies. Due to inherent economic differences such as wages, available labor force and land and government influence, neoliberalism applied in different regions in order to take advantage of the uneven qualities in a place. Due to the Latin American debt crisis of the 1980s, many of these countries had to adopt neoliberal ideals in order to pay off foreign debt and survive as a country. Latin America was the guinea pig for forced neoliberalism during this era (Harvey 2005).

While many governments and leaders applauded neoliberalism during the 1970s and 1980s, many critiqued the strategy, as well. Because neoliberalism became the capitalist strategy adopted by many powerful nations, it became synonymous with “best practice” in terms of economic development (Leitner, Sheppard, Sziarto, Maringanti 2007, p. 1). The elites and political parties in control preferred the global approach of neoliberalism over small-scale economic development strategies. Leitner, et al. (2007), criticize using the political economy lens to view neoliberalism as it reinforces the top-down nature of the strategy and emphasizes its hegemonic status— fortifying the uneven nature of this economic approach.

## INDUSTRIALIZATION AND URBANIZATION

Within cities, space represents a commodity for MNCs to use to make greater profits. Space also represents the physical manifestations configured by MNCs, government and citizens, causing new agendas for physical and economic planning. Land use and zoning not only become tools of organized growth, but also can dictate the future investment and profitability of a space. Smith (1990) asserts that different societies throughout history have used and organized space to best fit the needs of the people. However, the current urban context of many cities show that the spatial form of a capitalist city does not always meet the needs of the society. The private sector and business officials often drive development, which is often subsidized and incentivized by the state (Roberts 1989). The relationship that emerges becomes a hybrid of public-private partnership, which often leads to increased foreign investment, deregulation and rapid urbanization linked to economic development. The state becomes an agent for economic development and supporting private investment.

To ensure that neoliberalism works, proponents push for the reduction of social welfare and environmental programs and the elimination or silencing of labor unions and grass-roots organizations, while controlling alterations of the built environment (Peck and Tickell 2002). The neoliberal message is that these actions are for the public good and will improve rapidly urbanizing cities and societies. Advocates of neoliberalism use positive connotations about the policy and spin positive messages to further this economic-political practice. However, neoliberalism has proved uneven in terms of social and geographical features and has resulted in numerous sociopolitical consequences (Brenner and Theodore 2002). Cities have materialized at the forefront of this strategy. In

the abstract sense, neoliberalism and the concept of a globalized economy have broken down spatial and political boundaries as companies and governments operate at the global scale. Neoliberal policies push places and cities such as those along the U.S.-Mexico border into the global marketplace as borders are undefined. The urban restructuring that resulted from neoliberalism led to uneven spatial development within and between cities at varying scales (Brenner and Theodore 2002).

## **THE ROLE OF URBAN PLANNING**

The survival of capitalism and its corresponding neoliberal strategy depends on space, time, workers and government policies that support this economic approach. City planning, specifically land-use and development, emerges as a crucial tool for sustaining capitalist industries and pushing the urbanization process to keep up with economic growth. Harvey (1978) argues that investment in the built environment was to create a landscape for “purposes of production, circulation, exchange and consumption (p. 113).” Castells (1977) attributes the growth of planning and intervention at the state level to the fact that the market system cannot efficiently and effectively sustain the needs of the working class while maintaining capitalism. Capitalism utilizes the means of production—land, streets, sewers, roads, highways, transportation networks, sidewalks—to increase profit, efficiency of the workforce and continue growth and profitability. Planning served as the vehicle to continue and improve this process although Roweis (1981) argues that it is impossible to remove the political and state influence when it comes to social and economic relations. As capitalism progressed, the job of “planners” has expanded to deal with issues such as economic stability and avoiding capitalist crises. Roweis states that many urban planning issues such as housing sometimes remain low on the city’s agenda

as long as there is no disruption of the social order. If the business climate is good and if social demands do not result in any “dangerous consequences” for the economy, Roweis finds that these issues receive nothing more than lip service.

## **THE CITY AS A GROWTH MACHINE**

Roberts (1989) claims that “economies were no longer just internal machines” after the economic restructuring that occurred in Latin America during the 1980s. Economies and development policies extended to the global scale and cities and local governments began to engage in the international marketplace. It becomes clear that cities within this situation emerge as growth machines. Within this machine, city governments began to function more as entrepreneurs (Harvey 2005).

Molotch (1976) introduces the theory of the city as a growth machine. According to this perspective, cities will use political and economic influence to create growth in terms of population, land use, values of land, profit and jobs. Molotch does not apply this theory in the Latin American context; instead it looks at trends such as urbanization, migration and economic restructuring which occurred in cities throughout the United States. These trends transpired in Latin America during the 1970s and 1980s, about 20 years after they occurred in the United States. This theory places the concept of creating growth in the hands of the elite, or those with money or influence, to serve their own interests while appearing to care about the greater urban settlement. The decision makers also control land use and dictate the highest and best use of a parcel, influencing future development. The top priority is the future financial benefit linked to the assignment of certain uses to parcels and allowing for congruent land uses. Land use represents a critical component of the growth machine because these decisions impact the urban form

of a city and its ability to compete for business and investment. As a city emerges as a growth machine, Molotch indicates that “good planning” policies are not synonymous with limited growth or conservation. Corporations could greatly affect how a government or planner might zone or assign land use, thereby affecting the character of place.

Governments typically offer corporations access to infrastructure, and they may help to control labor costs and/or decrease tax rates (Molotch 1976). Those players behind the growth machine use the urban form and city to achieve their idea of growth. In Mexico’s case, the government laid the groundwork for the *maquiladora* program under the BIP in 1965 by allowing foreign ownership of plants, and offering land, infrastructure, and limited taxes (Sklair 1989). Then private investors, land owners and economic officials began the development of industrial parks and recruitment of export-processing companies to Mexico’s northern border. The government also touted the large pool of labor available within border towns, another important aspect to the growth machine theory. Molotch (1976) indicates that in order to sustain the growth machine, government and local authorities need to gain buy-in from the workers by convincing them that growth equals jobs. Despite this claim about new job growth and employment opportunities within the growth machine, Molotch argues that growth in terms of population, urban area and corporations does not create jobs; it distributes them. He writes the “labor force is essentially a single national pool: workers are mobile and generally capable of taking advantage of employment opportunities emerging at geographically distant points” (320). This leads to migration, which fuels population growth and ignites the growth machine. Ultimately, local growth involving “job creation” does not alter unemployment rates. In the case of Mexico, research reveals that the



*maquiladora* sector did not affect the unemployment rate because this industry drew in more women and teenage workers, two groups that were previously not in the workforce.

<sup>12</sup> However, the *maquiladoras* have provided other sources of growth and employment in other sectors such as retail and service given the population boom in cities like Reynosa.

Along with these influences found within capitalist ideology and the growth machine, Merrifield (1993) contends that capitalism adds more to the character of place than just industry. It allows for political conflicts and socio-economic differences that manifest within a space, thus creating a place (1993). He writes, “place is not *tabula rasa* just left for capitalism, it is shaped by everything else going on” (p. 522). This is why it is critical to understand the other components and relationships found within a place to further understand how capitalism and industrialization influence city processes. Using a 2000 report from the World Commission entitled *World Report on the Urban Future 21*, Jessop (2002) indicates that “cities are clearly regarded as engines of economic growth, key centers of economic, political, and social innovation, and key actors in promoting and consolidating international competitiveness” (p. 118). The cityscape has emerged as a central ingredient in the capitalist strategy. Molotch (1984) writes that “...the factory — the city— has become a kind of module which is plugged into an international production apparatus and which can be replaced by another module if necessary” (p. 486). This realization speaks to the reality of capitalism. While Molotch revisits his initial thesis in 1999, he maintains the theoretical underpinnings he explored in 1976. He emphasizes that the local production of space still remains critical to the application of the theory, especially under the guise of globalization. Molotch (1999) maintains that cities that “run

---

<sup>12</sup> See Leslie Sklair (1989) and Susan Tiano (1994) for analysis about the feminization of the *maquiladora* workforce.

like a business” actually implies “being run *for* business” (emphasis by Molotch) (p. 258).

Yet the growth machine, as Molotch (1976) points out, has its failures. Because specific players push the growth machine forward, outcomes usually benefit a small segment of the local population. He predicts the eventual downfall of a growth machine due to political awareness and social resistance from those citizens who have the capacity to do so— a “sophisticated” middle class, activists and those “free from an entrenched machine” (p. 327). While Latin American cities possess the characteristics Molotch describes as a growth machine, many of these places are still in the midst of their urbanization and capitalist growth and not at the point of resistance. Molotch and Logan (1984) re-evaluate the growth machine theory given economic restructuring in the United States under President Ronald Regan and the international shift of corporations, or the “growing international concentration of capital” (p. 483). Within the United States, this concentration challenged the growth machine as multiplier effects at the local level decreased and the face of the corporation, particularly the owners, no longer was situated in one location.

This thesis adopts the idea that given the economic pursuits and policies within Reynosa since 2000, the city has taken on the form of a growth machine. However, Reynosa does not exist as a completely autonomous growth machine in its economic development as officials in McAllen also drive policy and development in this Mexican border city. Because of the nature of the economic relationship and influence from McAllen, these two cities operate as one growth machine in a binational context.

## CHAPTER THREE: METHODOLOGY

This thesis evaluates how the recruitment and expansion of the *maquiladora* sector has influenced city processes linked to growth and development since 2000, specifically the provision of housing, infrastructure and land use. The organization of this research reflects the contention that Reynosa's leaders have aggressively pushed economic development, leading to rapid population growth and the expansion of the urban form. Economic development efforts have contributed to the lack of housing and infrastructure that numerous city administrations have attempted to deal with in order to find solutions. To explain this account of Reynosa, I adopt the theoretical lens of the city as a growth machine.

The contention of this thesis stems from my previous knowledge of Reynosa's economic development, its connection to the McAllen Economic Development Corporation (MEDC) and from personal observations made during numerous visits to the city from 2003 to 2009. I include a narrative about the growth and development of Reynosa, and looked at the city as one case to explain economic policies, cross-border relationships and the ensuing debates linked to the city's future. I employ several methods to evaluate my initial contention, including the use of secondary sources such as maps, past and current city planning documents and census data. Other secondary sources include journal articles, narratives and books.

To augment information found in secondary sources, I began field research to gather primary data and interviews for this thesis during the summer of 2008 in Reynosa and continued intermittently throughout January 2009. Also, I conducted formal interviews using a series of initial questions, observations, and a review of documents

and literature. I conducted several interviews during fieldwork with people in Reynosa and throughout the Rio Grande Valley. To examine the policy side of the research question, I selected people to interview who were directly involved with the creation of economic and city strategies. To evaluate my hypothesis, I relied upon the people selected—including the current mayor, planning staff and economic development specialists in Reynosa and McAllen — to offer insight into the *maquiladora* recruitment process and the ensuing impacts on the city over the past 20 years. The interview questions for each interviewee initially focused on three themes: how the city looks and how it has changed since 1980; what factors caused these changes; and expectations for the future of Reynosa. While the interviews were dynamic and led in many directions, these three themes permeated the interview process.

In order to reflect composition of the city more broadly, I conducted interviews with workers and community leaders in the non-governmental sector. I wanted to gain a perspective about the everyday living situation in Reynosa but I did not initially identify all of the subjects to answer the interview questions. I used the snowball approach and relied upon referrals to additional informants suggested by initial contacts in order to find various people working and living in Reynosa. During summer 2008, I partnered with a local reporter from *The Monitor* who was working on a story about the death of a Reynosa community organizer. Through the personal connection I had with the reporter, I met and interviewed a police spokesman, a lead organizer for several *colonias*, or communities on the city's periphery, and a *lideresa*, or a local organizer, who discussed the murder but also provided insight about the rapid growth of the city, issues between the new and established residents of the city and everyday interactions. Many of the

people I interviewed in the non-governmental sector had a link to the *maquiladora* sector through community or personal relationships. To further realize the impact of economic development on the city and to validate or invalidate information provided by city officials, I felt these alternate perspectives were necessary.

From the interview data, I wanted to tell a narrative of the city, which included the impetus and process to attract *maquiladoras* as the main form of economic development and how this impacted the daily life of people in Reynosa. People working within the non-governmental sector, community organizers and residents offered accounts of their work and daily life in Reynosa. These interviews were less formal, but the themes remained the same. For an academic perspective, I interviewed a borderlands historian and professor from the University of Texas at Brownsville-Texas Southmost College in Brownsville, Texas and a researcher from *Colegio de la Frontera* in Matamoros, Tamaulipas, Mexico, who also studies the historical and current growth of the *maquiladora* sector along the U.S.-Mexico border. These academic sources do not live in Reynosa, but have researched and written about the city. Various reports composed by students and researchers at the University of Texas-Pan American and its Center for Border Economic Studies also provided scholarly perspectives on Reynosa.

In order to verify information from my interviews, I turned to quantitative resources such as the Federal Reserve Bank of Dallas, the *Instituto Nacional de Estadística y Geografía* (INEGI) and published economic reports by U.S. and Mexican economists. Also, I utilized other qualitative and observatory studies that could speak to the information gathered during interviews. Other secondary sources include federal, state, and local laws from the Republic of Mexico, the State of Tamaulipas and the city of

Reynosa. I conducted a content analysis of these documents also helped evaluate if economic development had eclipsed the basic planning principles outlined in these documents.

The content analysis of existing documents ranging from city maps to newspaper articles helped to provide a more complete picture of Reynosa in terms of the current economic direction and its strength as a growth machine. Historical accounts of Reynosa published in Mexico by local historians (versus a U.S. account of the city's history) showed changes in the city's economy through the 20<sup>th</sup> century. Reynosa's planning department provided current land use maps, development and economic plans and several maps showing zoning and future land use. Other pieces of information stemmed from the current administration's news releases, as these reflected a specific perspective on events and actions, while illustrating the city administration's overall message.

I used quantitative data, anecdotal evidence and strategic actions presented from the current administration and from Reynosa's municipal plans and economic development plans from 2000 until the present to explore the hypothesis that Reynosa has become part of a binational growth machine given its economic pursuits, therefore overlooking planning principles and the urban challenges found within the city. The data from Reynosa's municipal plans provided information about changes and objectives for the urban environment and strategic actions for the city to reach its goals. It provided insight into the administration's formal intentions for the city, and offered an internal narrative about how the administration viewed the needs and how they were performing for the citizens. However, contemporary planners in Reynosa said they have no access to maps, plans or information from previous administrations. The 2005-2007 municipal plan

remains online, but a search using various Internet search engines for Mexico proved unsuccessful in retrieving previous city documents. Current staff in Reynosa's planning office indicated that the previous administrations have cleared out computers, furniture and most city documents. It is difficult to see if this is common or uncommon after an administration changes, but the lack of actual plans represented a weakness because most past planning documents were unavailable. Therefore, the research relied on various qualitative data and secondary sources

To bridge this data gap, I relied more on qualitative data from people who have lived in Reynosa and narrowed the period of research from 2000 to present-day. When conducting interviews with people who have lived or worked in Reynosa, I asked specific questions related to the past so it would be possible to show the city's conditions prior to years when there was substantial available qualitative and quantitative data. From these interviews, I learned when city officials commissioned major construction and infrastructure projects, where the growth had concentrated through the years and where people lived during different time periods. While this information was personal to the interviewee, it helped provide a more complete picture of Reynosa before 1990.

## CHAPTER FOUR: THE STORY OF REYNOSA



**Image 4.1**  
Elva's house in Colonia Nopalina. She painted her name on the front so people can easily find her in the colonia. June 2008.



**Image 4.2**  
Water buckets and storage units outside a house in Colonia Nopalina. June 2008.

About 200 people have set up houses on the banks of a drainage canal that runs through the city on Reynosa's east side. Ten years ago, most of these residents lived in states such as Nuevo León, San Luis Potosí, or Veracruz. Community organizer, or *lideresa*, Elva said the majority of people living in this place have migrated to Reynosa

for *maquiladora* jobs (personal interview, June 2008). Several industrial parks are located a few miles east of the colonia.

Elva left her home state of Nuevo León for Matamoros about 30 years ago for a *maquiladora* job but then settled in Reynosa

where she found a job assembling television parts in a plant. When she arrived with her family, money was tight so they settled in *Colonia Nopalina*, an informal settlement between two canals, close to the Pharr-Reynosa International Bridge and the east-side industrial parks. Numerous houses are constructed of cardboard and metal scraps. The



few exceptions are small, frame homes that missionaries from the United States have built in the *colonia* through the years. Residents store whatever clean water they can claim in buckets outside their home. The water in the canal is dangerous and unsuitable for drinking or cleaning. Besides water, the *colonia* lacks electricity and paved roads. Years of traffic entering and exiting the *colonia* have carved out two dirt roads in the banks of the canal.

*Colonia Nopalina* is one of 400 several informal settlements that have emerged due to a lack of affordable housing and rapid population growth (Lopez, personal interview, June 2008). People locate on whatever available land they can find because they say wages from *maquiladoras* do not help workers afford a home (Quintero, personal interview, August 2008). City officials say people living in squatter settlements on canals and flood plains represent a hazardous change to land use, but recognize this reality as the city's population has increased nearly 49-percent between 2000 and 2005 (INEGI Population Estimates, 2000 and 2005). Elva often engages with the political parties and leaders in order to gain services and recognition from the city in order to receive services and infrastructure, but said change is slow and difficult (personal interview, June 2008). This chapter outlines the historical and current conditions of the city of Reynosa.

Within the binational region of McAllen and Reynosa, there are some noteworthy realities of poverty, employment, housing and urbanization. During February 2009, more than 320,000 autos crossed from Reynosa into Texas, as well as more than 119,000 pedestrians (February 2009 Business Barometer, Rio Grande Valley Partnership). Within this binational region, some people live in large mansions surrounded by gates in both

cities, while others are relegated to land near the landfills, canals and *colonias* outside the city. In Reynosa, communities of shacks and cardboard houses have emerged. People are poor, conditions are unsanitary and housing is limited if not unavailable. At the same time, Reynosa continues to grow at numerous scales, including population and the amount of foreign investment, and emerge into a hub for production plants.

**Table 4.1**  
**REYNOSA'S TOTAL POPULATION AND GENDER, 1950-2005**

	Population	Men	Women	Percentage of Change
1950	69,428	35,984	33,444	
1960	134,868	67,932	66,937	94 %
1970	150,786	74,575	76,212	12 %
1980	211,412	103,487	108,005	40 %
1990	282,667	139,778	142,889	34 %
2000	420,483	208,769	211,694	49 %
2005	526,888	263,360	263,528	25 %

Source: INEGI/ Cited by Quintero, unpublished, p. 4

Reynosa, which was settled in 1749, has struggled through war, fluctuating boundaries, various industrial periods and policies derived from the Spanish Crown and then the Mexican government. During the early part of the 20<sup>th</sup> century, railroads, irrigation and the first international suspension bridge between Reynosa and Hidalgo transformed Reynosa into a hub for agricultural products, particularly cotton (Kearney and Knopp 1995). Agriculture remained critical to Reynosa's economy and development at this time, as reflected in the increasing acres of irrigated land up until the 1950s. In 1930, there were 91,000 acres irrigated; 131,000 in 1940 and about 442,000 by 1950 (Lorey 1999). The city administration initiated the construction of the Anzalduas Canal in the 1930s to aid cotton farming and began organizing flood plains around the city (Herrera 1998).

Reynosa became a place for American tourists during Prohibition in the United States.<sup>13</sup> While Reynosa Historian Octavio Herrera (1998) claimed that U.S. tourists in search of prostitution and alcohol went to other cities border such as Matamoros and Tijuana, the landscape of Reynosa began to change during this era. The cross-border connections began to influence policies and the built environment, leading to the “Americanization” of Reynosa (Herrera 1998). More signs appeared in English. Bars and restaurants boosted names such as “McAllen Saloon” and “El New York Bar.” The city developed *Las Zona Rosas*, a district with restaurants, bars and shops near the international boundary that catered to American tourists. Also, the city administration built the first *Plaza de los Toros* or bull ring in 1927 (Herrera 1998).

During the 1930s and 1940s, Mexico and the majority of Latin American nations, adopted policies of import-substitution industrialization (ISI). The intention of this insular policy, adopted by Mexico’s President Lazaro Cárdenas, was to enable Mexico to produce its own goods for local consumers and decrease dependency on manufactured items from other nations, especially the United States (Baird 1979). The theory behind ISI was that countries that adopted this economic strategy would create their own industries and decrease dependence on world markets, especially in the wake of the 1929 market crash (Cardoso and Helwege 2000). National governments sought to manage the flow of commodities, reestablish control of natural resources and limit what foreign companies could own under ISI. Foreign companies could only own up to 49-percent in specific industries under ISI in Mexico.

---

<sup>13</sup> The United States government passed Prohibition in 1933 with the 18<sup>th</sup> amendment, which banned the selling, consumption and manufacturing of alcohol. The 21<sup>st</sup> amendment, passed in 1933, repealed the previous law and ended Prohibition.

Ultimately, ISI did not generate the positive economic effects the Mexican government and supporters hoped for. Many countries like Mexico lacked the technological capacity to fully develop and, as Baird argued, further pushed these countries into a more dependent relationship with global corporations. Baird stated, "...the bourgeoisie (sic) strategy of 'import substitution' supposedly designed to keep the hungry wolf away from the door, had in fact invited him to the dinner table" (p.77). By the 1960s, governments began to recognize the need for a new economic strategy. Fernandez (1977) described the situation by writing that ISI's policies "...were pronounced dead. ISI failed in its goals, and economic conditions had become, if anything, worse than before" (p. 109-110).

In 1942, the United States and Mexico entered into the Bracero Program, an agreement that permitted Mexican workers to legally enter and work within the United States to fill the employment void during World War II (Ngai 2004). While this program impacted all of Mexico, it was the northern border cities that bore the brunt of this agreement when it ended. The United States terminated the Bracero Program in 1964, leaving Mexico with high unemployment because of the large number of unemployable braceros that returned to border cities (Baird 1979).

Amid the creation of the Bracero Program in the early 1940s, Reynosa experienced its own economic jolt. In 1944, the state-owned petroleum producer PEMEX (*Petróleos Mexicanos*) opened a refinery on the periphery of Reynosa's central business district. By 1949, PEMEX opened three more processing plants and formed the Northeast Border District with local administrative headquarters in Reynosa (Herrera 1998). The presence of PEMEX within Reynosa began to transform this city from an agrarian hub to

a city positioned within the national oil economy. Many workers from southern Mexican states migrated to Reynosa for PEMEX jobs, which was crucial to the local and state economy. Herrera, in his historical account of the city on its 250<sup>th</sup> anniversary, wrote:

*The influence of PEMEX in the development of Reynosa has been very significant, as much in the design of its urban structure...as in its economic special local tax, through pay to its workers and in the stimulus to the services, construction and the commerce. Its facilities originally were constructed in a site outside of the city, today the urban footprint remarkably exceeds the location of the refinery. (p.3)*

Within two decades of PEMEX's arrival in Reynosa, the Mexican government began to push a new economic model on its northern border that would result in significant changes to the city's industry, urban form and policies. Between 1955 and 1966, four export-processing plants opened in Reynosa (Herrera 1998). During this time, the Mexican government was dealing with a series of challenges such as high unemployment and rapid migration, which led to rethinking the national economic strategy. Given the strategic location of the northern border, the government began to initiate economic programs aimed at this region. This new economic policy aimed at the north hoped to decrease unemployment levels in border states.

The 1960s proved challenging for Mexico and its border states in part because many of the workers returning from the United States chose to seek employment in these border cities. Upon termination of the Bracero Program, 50,000 Mexicans in Tijuana applied to work in the United States (Baird 1979). The Border Industrialization Program (BIP) started as a program to help ex-braceros find jobs in Mexico, but studies indicate this did not happen (Martin 2006). While employment in the *maquiladoras* steadily increased throughout the decades, most of the workers were female, not the mostly male

ex-braceros. Adding to these challenges was the fact that the increased mechanization of agriculture in Texas required less human labor, which typically was Mexican or Mexican-American (Kearney and Knopp 1995).

In 1961, the Mexican government initiated the *Programa Nacional Fronterizo* (PRONAF), which aimed to capitalize on Mexico's economic connections to the north while establishing a place for the border region within the national economy (Dillman 1970). The approach was two-pronged in that it first addressed tourism and beautification of the border cities, and then explored industrial options to increase trade and investment (Dillman 1970). Arreola (1996) pointed out that tourism in Mexican border cities primarily was linked to military men seeking evening activity. The Mexican government wanted to change this and used this program to promote family-friendly tourism (Arreola 1996). The government subsidized infrastructure improvements and hotel construction to make these cities appealing to diverse groups of American tourists (Kearney and Knopp 1995). Local leadership clustered bars, restaurants, souvenir shops and other services catering to tourists into districts while they pushed adult entertainment to the outskirts (Arreola 1996). Overall, PRONAF did not help tourism despite the government's involvement and financial support. The program ultimately did not lure large crowds of tourists and failed to increase profits given the investment (Kearney and Knopp 1995).

Implemented in 1965 by the Mexican government as the second prong to PRONAF, the BIP aimed to develop the northern border as a place for industry. The BIP permitted foreign corporations to set up shop along a 12.5 mile strip along the border and retain 100-percent control of the operation with limited or no taxes due to Mexico (Baird 1979). Gradually, corporations began to open processing operations in several Mexican

border cities. The first industrial parks in Mexico opened in Juárez and then Nogales (INEGI 2007, p. 5). Within this era, Mexico felt the repercussions of several other actions and policies. The U.S. Congress passed the Immigration and Nationality Act of 1965 which abolished national-origin quotas and limited the number of visas it granted to people (Ngai 2004). The bleak economic reality after the failure of ISI and high unemployment within border cities forced Mexico to revisit their development strategy. Martínez observed, “The border towns were faced with a pressing need to find other outlets for employment and new plans for winning elusive prosperity” (1978). Exacerbating the impetus for the BIP was the fact that ISI began to transform Mexico from a country with a strong agricultural base to one focused on manufacturing. This led to the wide scale migration of peasants from the country to the city, adding to the swelling numbers of people already concentrated on the border. In addition to the ex-braceros, these peasants needed work and added to the large population of unemployed workers along the border. Baird (1979) found this conglomeration of people represented a part of the process of capital accumulation given the forceful push of the peasants in the country into the urban wage labor market. Baird indicates that with the BIP, President Gustavo Diaz Ordaz instituted a new kind of bracero program, with Mexican workers working at multi-national corporations along the border rather than immigrating to the United States.

Upon implementation of the BIP in Mexico, the government offered incentives and subsidies to construct industrial parks along its border, advertised cheap rents, lower electricity and water rates and pushed the development of infrastructure such as roads, highways and transportation facilitation (Baird 1979). Also, the Mexican government

promised a “controlled low-paid work force,” a critical cost-saving measure that attracted many corporations to locate outside the United States (p. 6). These actions clearly reflect how the political powers pushed for more capital accumulation, further feeding uneven development within Mexico.

Knopp (personal interview, July 2008) has observed that cities on the United States side of the border supported Mexico’s push for export-processing industrialization. U.S. municipalities hoped this program would augment development in their communities. Overall, officials on both sides believed that northern Mexico and the southern United States represented an attractive region for the *maquiladora* model. The economic picture on the U.S. side slightly mirrored its Mexican neighbor — a cotton bust, loss of agricultural jobs and unemployment. Knopp indicated that industrial development in Mexico through the BIP led to gradual, yet new development in the binational border region (personal interview, July 2008). While industrial and *maquiladora* operations were slow to develop in Reynosa, its neighboring city in Tamaulipas, Matamoros, was one of the first cities along the border to experience impacts from the plants. In 1965, several *maquiladoras* opened in Matamoros, a new major street paving project was completed and a new, larger customs house opened (Kearney and Knopp 1995).

The decade of the 1970s brought new economic challenges for Mexico and the greater international community. By the early-to-mid 1970s, the United States found itself in the midst of an economic recession which led to the slowing of industrialization along the U.S.-Mexico border (Baird 1979). By 1974, four processing plants had closed in Reynosa and plans for 15 new businesses had fallen through (Herrera 1998). Because



there were fewer plants in Reynosa during this time as compared to larger border cities, four plant closures represented a large reduction in this sector. After a peso devaluation and government-backed stimulus packages that encouraged *maquiladora* expansion on the border, business began to increase. Several new plants opened throughout Tamaulipas, which helped to alleviate the unemployment in northeastern Mexico (Herrera 1998).

**TABLE 4.2**  
**Number of *Maquiladoras* and Workers in Reynosa, 1973-2006<sup>14</sup>**

Year	Number of <i>Maquiladoras</i>	Number of Workers
1973	8	600
1974	2	180
1975	11	1,255
1976	9	1,381
1977	8	1,258
1978	9	2,897
1979	13	4,237
1980	17	5,450
1981	17	7,848
1982	17	9,259
1983	19	10,660
1984	22	13,867
1985	27	12,761
1986	29	15,887
1987	34	16,948

<sup>14</sup> The number of *maquiladoras* and workers in Reynosa slightly varied from numerous sources. The sources used to gather the data come from INEGI reports in and 1991; Sklair (1989) on page 132; and an unpublished paper by Quintero.

<b>1988</b>	<b>43</b>	<b>19,785</b>
<b>1989</b>	<b>60</b>	<b>23,938</b>

<b>1990</b>	<b>59</b>	<b>22,363</b>
<b>1991</b>	<b>69</b>	<b>29,056</b>
<b>1992</b>	<b>78</b>	<b>32,233</b>
<b>1993</b>	<b>78</b>	<b>34,258</b>
<b>1994</b>	<b>82</b>	<b>39,375</b>
<b>1995</b>	<b>80</b>	<b>40,051</b>
<b>1996</b>	<b>90</b>	<b>42,437</b>
<b>1997</b>	<b>94</b>	<b>48,882</b>
<b>1998</b>	<b>103</b>	<b>52,741</b>
<b>1999</b>	<b>116</b>	<b>63,593</b>

<b>2000</b>	<b>122</b>	<b>64,877</b>
<b>2001</b>	<b>136</b>	<b>65,468</b>
<b>2002</b>	<b>135</b>	<b>69,593</b>
<b>2003</b>	<b>139</b>	<b>72,492</b>
<b>2004</b>	<b>138</b>	<b>81,361</b>
<b>2005</b>	<b>132</b>	<b>90,616</b>
<b>2006</b>	<b>136</b>	<b>96,105</b>

During the 1980s, Mexico and most of Latin America was tied up in debt and restructuring policies dictated by the IMF. In order to pay off its national debt, Mexico had to agree to enforce certain policies and programs to rectify its financial situation (Moody 1995). Moody (1995) wrote that toward the end of the decade, Mexico's president Carlos Salinas de Gortari and the IMF redesigned Mexico into an

export-orientated neoliberal project. Mexico emerged as largely privatized, deregulated and structurally readjusted, forcing large numbers of unemployed workers and farmers who no longer could afford their land to seek work (Moody 1995).

*Maquiladora* activity was limited in Reynosa during the 1970s and 1980s despite the presence of a Foreign Trade Zone in McAllen, which facilitated cross-border trade.<sup>15</sup> Trade zone status offered companies several breaks on importing goods from outside the United States and then distributing them. However, most of the *maquiladora* plants and jobs in Tamaulipas at were concentrated in Matamoros (Sklair 1989). Much of the initial investment in Reynosa stemmed from small enterprises, many focused on textiles (Quintero unpublished). The industrial composition of Reynosa began to change in 1977 when Zenith opened a 250,000-square foot plant for assembling of television components (Sklair 1989). The *maquiladora* workforce almost doubled between 1977 and 1978 (See Table 4.2). Most of the companies that then began to locate in Reynosa focused on electronics, piano components, auto components such as air conditioners, and some garment assembly (Sklair 1989). The 1980s also increased the recognition of “lean” production and the importance of “just-in-time delivery” in order for companies to remain competitive globally. These concepts emphasized the need for efficient production, including labor, assembling techniques and rapid distribution of the product to its finished market in less time and with less money than a competitor could. Between 1983 and 1987, the number of *maquiladora* plants in Reynosa increased from 19 to 34 and the workforce increased from 10,660 to about 17,000 (Quintero unpublished).

Toward the latter part of the decade, particularly post-1988, Reynosa began to see an

---

<sup>15</sup> The McAllen Foreign Trade Zone was the first non-seaport trade zone in the United States and opened in 1970. In its first year of operation, the McAllen FTZ processed about 4,000 tons of goods with a total value of about \$2.5 million (Sklair 1989).

economic surge in the *maquiladora* sector —more than two decades after the inception of the industrialization program in Mexico.

The unique aspect of Reynosa's industrial change is that the push for *maquiladora* growth in Reynosa during the late 1980s did not come directly from Reynosa's leadership or citizens — rather officials in McAllen began to promote the city. Cirilia Quintero, researcher at *Colegio de la Frontera* in Matamoros, has found that the partnership and arrangement between McAllen and Reynosa officials showcases a unique dynamic of border relations because officials in the United States drove the economic strategy in Mexico (personal interview, August 2008). Knopp said McAllen was one of the more organized and forceful cities in the Rio Grande Valley when it came to promoting its Mexican twin city as a place for global industry. In turn, this forceful promotion led to the growth and vigor of Reynosa's *maquiladora* base (personal interview, July 2008).

During the 1980s, McAllen experienced its own economic decline and sluggish growth period. Hurricane Allen swept through the Lower Rio Grande Valley in 1980, causing damage region-wide and within McAllen. The following year, a December frost destroyed the South Texas citrus crop, causing major profit losses and damage to the crops. For decades, citrus production in McAllen and the greater Rio Grande Valley had represented a critical aspect of the regional economy. This 1981 frost had devastating long-term effects on the citrus industry as acres were forever lost. During the latter years of the decade, another frost and peso devaluation negatively affected business on both sides of the border. Industry slowed, Mexican currency lost value and fewer Mexicans crossed the border to shop in McAllen's stores and utilize the city's services. The overall decline of agriculture in the Rio Grande Valley caused disrupted the local economy.

Tourism decreased in McAllen as the frost and peculiar weather pattern deterred Winter Texans, or seasonal visitors from throughout the United States and Canada, from spending colder months in McAllen (Keith Patridge, personal interview, December 2008).

By 1988, McAllen officials realized a drastic change was necessary to jumpstart the city's economy. Keith Patridge, current president/CEO of the MEDC, described the situation:

*We started looking at our area. We were talking about...why would anyone want to invest in McAllen? It was pre-NAFTA. There was no airport (really). Nobody was coming to McAllen. We started to analyze what there was to offer (but) we were far away, had a low educational attainment. Retail was down. Agriculture was down. Winter Texans were down...Americans were not competing against China; American companies were competing against the Asian tigers for cheap products At this time, Mexico didn't know what economic development was. (personal interview, December 2008)*

At this time, the McAllen Chamber of Commerce headed up local economic development, but targeted small businesses. The chamber's strategy did not include business ventures in Mexico. However, a small group from MEDC convinced the city's leadership in the late 1980s to allocate city funds to promote business in Reynosa as a method to improve the local economy.<sup>16</sup> With the approval of using city tax dollars for this purpose, MEDC switched its focus to cross-border development and manufacturing on both sides. Then MEDC President/CEO Mike Allen, along with Patridge, who was then executive vice president, contacted Reynosa's Mayor Ernesto Gómez Lira, a rancher, in an attempt to create a binational economic arrangement.<sup>17</sup> At this time, large

---

<sup>16</sup> The McAllen Economic Development Corporation is a not-for-profit and receives part of its funding from the City of McAllen.

<sup>17</sup> Ranching remained a viable economic activity in Reynosa during the 1980s.

tracts of land zoned for ranching and agriculture still covered sections of Reynosa and its periphery. Allen used the following persuasive argument to broker an arrangement: “We need each other. You (Reynosa) need local business. We (McAllen) need a hook for investment. We want to be your economic development corporation,” (personal interview, August 2008).

From that point on, the cities of McAllen and Reynosa have shared a formal, yet unofficial agreement that the MEDC would promote the region, recruit companies to locate in the United States and in Mexico side and work with these companies on the legal stipulation of conducting business south of the Río Grande. MEDC’s goals have been and remain the creation of jobs in McAllen through the recruitment and expansion of new and existing companies to the region, which includes Reynosa.<sup>18</sup> To pursue this goal, MEDC promoted and marketed the region as the best place for business along the U.S.-Mexico border. The local administrations in Reynosa worked with the companies to provide adequate infrastructure and transportation access. MEDC staff would travel to strategic cities such as Detroit, Long Island, NY and throughout Illinois and Ohio to pitch Reynosa as a place to do business based on cheap labor costs and available land. MEDC advertised the city in trade magazines throughout the United States.

As *maquiladora* plants began to open, investors and companies bought former ranch and agriculture land to develop industrial parks and processing plants. Much of this land was located near the international crossings or with access to the burgeoning road system. The highway between Reynosa and Monterrey was completed in the late 1980s (Arq. J. Cruz Ruíz Negrete, personal interview, January 2009). A second international bridge between Pharr and Reynosa opened in 1994 to serve the heavy commercial traffic

---

<sup>18</sup> Visit the McAllen Economic Development Corporation Web site at [www.medic.org](http://www.medic.org).

that travels from the industrial parks located adjacent to this crossing in Reynosa. (See Map 1.2)

**Table 4.3**  
**Number of Workers Employed by Sector, Reynosa-Rio Bravo, 1960-1990**

Year	Agriculture	Industry	Commerce	Services
1960	23,096	4,343	5,435	6,530
1970	14,957	11,211	7,204	13,231
1980	11,594	14,386	10,999	16,489
1990	11,280	34,886	17,933	34,013

SOURCE: Decennial Census Data, Censos de Población y Vivienda/ Cited by Alarcón 2000, p. 212

This economic strategy between Reynosa and McAllen created new issues for Reynosa’s leadership. As the *maquiladora* sector expanded in Reynosa, the demand for services and infrastructure increased. Given the nature of the agreement between McAllen and Reynosa for economic development, Patridge told Reynosa’s administration that “companies need sewers, streets, security, electrical sources...and houses (personal interview, December 2008).” As long as Reynosa could provide these services crucial to businesses, MEDC would promote and support the *maquiladora* sector.

This economic strategy sparked rapid growth in Reynosa’s population. Since 1950 and 2005, the city’s population spiked twice: first between 1950 and 1960, and between 1990 and 2000 (See Table 4.1). These are the two time periods when migration to Reynosa increased due to the location of PEMEX and then the *maquiladoras*. Reynosa saw an almost 50-percent increase between 1990 and 2000, the time period after the aggressive recruitment of *maquiladoras*. Mexico’s census puts Reynosa’s 2005 population at about 600,000, but many Reynosa and McAllen officials believe the actual

number is closer to 1 million because of the unrecorded migration into the city for jobs. Mexico, like the United States, conducts a decennial census.

In the late 1990s, Reynosa's municipal government created its own economic development office to recruit and maintain the city's industrial, service and tourism sectors. However, MEDC staff continued as key brokers in the recruitment and retention of *maquiladoras* in Reynosa. MEDC assists potential companies with setting up logistical operations on both sides of the border, as most plants have offices and distribution operations in McAllen. The idea of "twin-plants" represents an attractive selling point for companies as they can utilize two labor forces, two governments and still provide quick turnaround because they assemble in Mexico, ship to the operations over the border in the United States and distribute the final products by truck or air.

In 2003, Toyota announced it would open a manufacturing plant in San Antonio, TX to build Tundra pick-up trucks. This news sparked excitement among *maquiladora* managers, auto suppliers and business officials in Reynosa and the Rio Grande Valley (Hirschberg 2003). The plant in San Antonio, located about 250 miles north of the McAllen/Reynosa border region, presented a business opportunity for Reynosa's plants that produced and supplied auto components. Business officials in Reynosa and the Rio Grande Valley agreed that the ability to ship components and finished products "just-in-time" would keep Mexico's border region competitive. When Toyota announced plans for its Texas factory, a spokeswoman from Delphi, an auto-electronic producer with more than 50 manufacturing facilities in Mexico, was quoted in the McAllen newspaper as saying, "We try to do things regionally if we can because that lowers the cost of



shipping.”<sup>19</sup> In 2003, a Toyota spokesman said that access to the NAFTA (North American Free Trade Agreement) corridor and the lower tariffs represented reasons why the company selected a South Texas city to open a production plant (Hirschberg 2003).

The recruitment of global companies such as Panasonic, Black & Decker and Motorola to Reynosa and McAllen has spurred international investment and the creation of a new footprint within the city of Reynosa. Each border city represents a strategic business location depending on profitability, labor costs, access to labor and the final destination of the final product (South 1990). Most of the products processed in Nogales, a small city in the Mexican state of Sonora, are shipped to the Midwest and East coast. In Tijuana, many *maquiladoras* process televisions and other electronic parts that go to Asia. Given this route, many electronics companies have located in western Baja California. In Reynosa’s case, Quintero believed its location further east made it an ideal site for auto manufacturing because it offers easy access to the Midwest markets and major cities such as Detroit and Chicago (personal interview, August 2008).

In 1994, the governments of the United States, Mexico and Canada entered into the North American Free Trade Agreement (NAFTA). This agreement aimed to promote trade between the three nations. NAFTA advocates believed this tri-lateral trade agreement would augment the flow of goods and capital; encourage more multi-national corporations (MNCs) to locate in Mexico; and make the global market more efficient (Tamayo-Flores 2001). Industrialists seeking to move production ‘off-shore’ to cheaper labor markets supported the agreement. However, many disagreed with NAFTA, especially trade unionists and those invested in the industrial regions of the United States. In 1991, the secretary-treasurer of the AFL-CIO Union was quoted as saying, “A free

---

<sup>19</sup> See the Delphi Web page at [www.delphi.com](http://www.delphi.com).

trade agreement will only encourage greater capital outflows from the U.S., bring about an increase in imports from Mexico, reduce domestic employment...,” (Moody, 1995, p 95).<sup>20</sup> Moody describes NAFTA as bringing “shantytown industrialization” in the south and “ghost town deindustrialization” in the north (p. 96). Mike Allen, former MEDC president, commented:

NAFTA was right in the middle of this. [Then president] Clinton broke with his party and pushed NAFTA through. He brought the Democrats to vote for it. It was a good thing. Big politicians, (former president Jimmy) Carter, secretaries of state, George Bush Sr... it was really a big push. I was over in Germany trying to drum up some business over there and was told NAFTA passed at 3 a.m... Really, free trade and a duty-free environment was already occurring with the *maquiladora* program... in a sense what NAFTA did was publicize the economic relationship (personal interview, August 2008).

Allen was pleased that NAFTA passed as it signified another avenue that could bring additional economic development to northern Mexico and South Texas. Mexico’s president from 1988 to 1994, Carlos Salinas, advocated a free trade agreement because “Freer trade means more jobs and higher wages in Mexico, which will mean fewer migrants to the U.S. We want to export goods, not people (Martin, et al. 2006, p. 40).” The northern border offered an advantage compared to Mexico’s southern states because communication and transportation costs were cheaper as these cities were adjacent to the United States—the main market for most goods. Northern Mexican states began to rapidly develop and emerged as power players with more wealth and economic value than other states in Mexico, widening the divide between the rich and poor in Mexico and the hierarchy of economic development within the country (Tamayo-Flores 2001).

---

<sup>20</sup> The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) represents 56 U.S.-based and international labor unions.

Actual outcomes of NAFTA continue to be a source of uncertainty. In a 2001 Federal Reserve Bank of Dallas report, economists William Gruben and Sherry Kisser agreed that while statistics show an increase in the number of plants that opened post-1994, the underlying reasons for this growth existed prior to the free trade agreement. Patridge believes NAFTA does not represent a huge change to policies and practices at the border. He believes that industrialization would have flourished along the border in spite of the 1994 trade agreement because of the natural progression of competitive manufacturing (personal interview, December 2008).

The changes in population and industry led to great changes in how local governments planned for its spatial and human growth. As per federal, state and local statutes, a formal framework of laws, regulations and benchmarks drives planning, which is the rational tool to address growth and development. Several constitutional articles and laws address planning and development at the national, state and municipal levels. In general terms, each article describes the task of the national government and how it relates to the responsibilities of the private sector and citizens in regards to planning and development and how these bodies work together to promote the highest and best use of land in Mexico while adhering to the best interest of the population. Based in Nuevo Laredo, *Colegio de la Frontera* researcher Humberto Palomares León (2003) has characterized recent planning as reactive to state and federal intervention about current economics and demographics. He said planning efforts support economic growth, which improves urban efficiency by paying attention and constructing infrastructure.

While Mexico has its own approach to national, state and local planning, its northern neighbor, the United States, has a different framework. This is evident in border cities as economic policies cross over from the United States and Mexico, but there is no authority for one municipal authority to impose plans or projects on a neighboring international city or implement any agreements. Border cities, especially larger and rapidly-growing cities such as Reynosa, present interesting cases as much of the activities in the city transcend the political boundary and overlap with the United States. For example, Reynosa and McAllen work on economic development together and many cities hold several cross-border festivities.<sup>21</sup> While Reynosa and McAllen work together in terms of economic development and the recruitment of companies, there is no legally binding or constitutional agreement to formalize this relationship. Peña (2002) described how the laws and regulations regarding physical and economic planning in one country do not legally account for activities on the other side. The International Boundary and Water Commission (IBWC) represents a formalized agency between Mexico and the United States, solidified by an international treaty that outlines the relationship and the responsibilities, and uses parallel political structures. It is nearly impossible to raise economic or environmental planning issues on one side of the border within the IBWC context without mentioning its counterpart across the political boundary.<sup>22</sup> Reynosa and McAllen, as well as the City of Hidalgo which geographically separates the two other cities, engage in festivities and social events, but cannot enter into any formalized agreements upheld by either country's constitution or legal framework. This could be

---

<sup>21</sup> The cities of Hidalgo and Reynosa celebrate BorderFest while Brownsville and Matamoros hold Charro Days.

<sup>22</sup> See *Shared Space* (2000) edited by Lawrence Herzog for further detail of environmental concerns on the US-Mexico border.

problematic when addressing regional and cross-border planning issues such as transportation and environmental quality.

## **Planning Policy in Mexico**

Mexico has developed its own framework that uses planning tools to create a strategic vision and plan to provide services to residents. In terms of planning and land use, Mexico's Constitution details responsibilities at the federal, state and municipal levels. Article 25 calls for the State to “plan, conduct, coordinate, and orient national economic activity, and will carry out the regulation and the promotion of activities.” In addition, Article 26 states that the state, through the federal government, must create and coordinate democratic planning policies linked to cultural and economic growth that includes input from the citizens (Peña 2002). Article 27, which researchers and planners have scrutinized because of its land use implications for private and public property, allows the federal government to use eminent domain and transfer ownership of property from the nation to private entities or other “particulars” under the guise of public interest. To coordinate planning and development at the federal, local and state level, Article 73, Section XXIX-C grants power at the federal level to “make laws by which the federal government, state and municipalities agree, in the limits of their respective jurisdictions, on matters of human settlement.”

Municipalities also play an important role in the planning and development, as indicated by Article 115. Within this article, local governments have the ability to regulate land use and create zoning it deems adequate for the municipality. Also, the local government has the responsibility to provide:

- drinking water, drainage, sewage, waste water treatment
- street lighting

- cleaning, collection, transfer, treatment and final disposal of waste
- markets and supply centers
- cemeteries
- public walkways
- streets, parks and gardens

Article 115 is one of most crucial laws related to planning in Mexico. This puts the responsibility to provide public services to citizens and to formulate, approve and administer a municipal development plan under local city government (Palomares 2003). Peña (2002) attributes the creation of local planning entities bodies such as the *Instituto Municipal de Planeación* (IMPLAN) and initiatives to Article 115. IMPLAN represents a quasi-governmental yet independent of the political party that works with municipalities and states throughout Mexico, as well as citizens and consultants to provide planning services. While the organization and services provided depend on the location, IMPLAN typically provides demographics and map information, urban design recommendations and planning processes. Reynosa currently lacks this office, but current planning staff has indicated, as well as the current municipal plan, that an IMPLAN office would help the city maintain a level of consistency through administration changes.<sup>23</sup> Because this entity is not linked to any one political party or administration, an entity like IMPLAN could provide that sense of consistency and long-term planning for future growth and development. The *Instituto Metropolitano de Planeación del Sur de Tamaulipas* provides planning services and development guidance in the areas around the capital of Ciudad Victoria.

---

<sup>23</sup> IMPLAN currently has an office in Matamoros, Tamaulipas and throughout Mexico. The Web site is [www.implanmatamoros.gob.mx](http://www.implanmatamoros.gob.mx). Each office has an individual site specific to the municipality it serves.

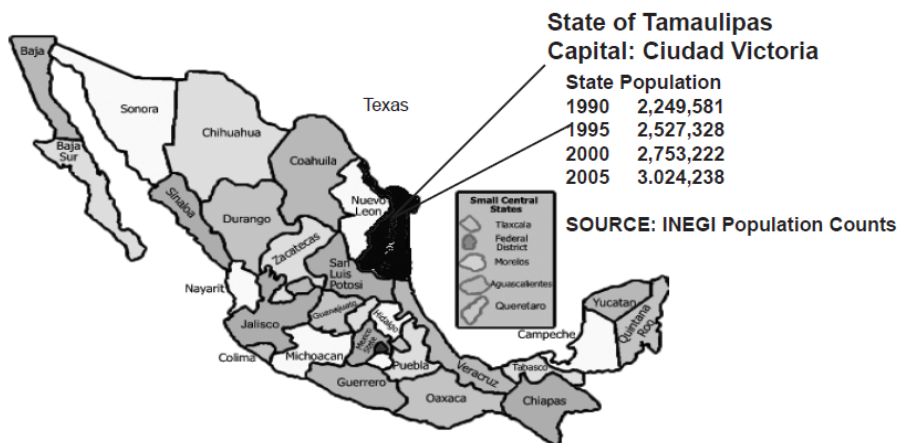
In addition to the articles found within Mexico's constitution, several laws such as the 1976 *Ley General de Asentamientos Humanos* (General Law of Human Settlements) supports planning efforts. This law discusses the coordination between the three levels of government for the order and regulation of settlements within Mexico; the establishment of basic rules to plan and regulate land use and the conservation, improvement and growth of population centers; defines the principles that determine provisions and uses of areas and properties; and determines the base for social participation in creating these settlements. Peña describes the LGAH law and its standards as a "one size-fits all approach" (2002, p. 13), which often fails to address specific needs and desires of individual communities in regards to physical and economic planning. In 1983, Mexico's Congress passed the *Ley de Planeación* (Law of Planning) which also addresses the strategic and sustainable development and improvement of the country and its communities. This law discusses providing resources to meet the basic needs of all citizens, improving the quality of life, and guaranteeing an environment to develop the population in order to have a more egalitarian society. This law emphasizes the need for rational order, the protection of resources and the natural environment and the inclusion of all social groups for a more comprehensive planning structure.

Because planning in Mexico stems from a top-down structure, each Mexican state has individual laws and plans. Reynosa is located within the state of Tamaulipas and during past decades, state officials have passed several specific planning laws that address what they perceive as the area's needs. The Tamaulipas Congress under Governor Dr. Emilio Martínez Manautou approved the *Ley Estatal de Planeación* (State

Planning Law) in 1984.<sup>24</sup> This initial 14-page law contains 64 articles divided between eight chapters with the headings:

- general dispositions
- state system of democratic planning
- social participation in planning
- plans and programs
- coordination, concentration and induction
- responsibilities
- economic and social advice

**Map 4.1**  
**State of Tamaulipas in Mexico**



This law intends to further integrate planning goals set forth at the federal level and strives to include the voices of the area’s diverse social groups and fit them in at the municipal level. The intent and spirit of the law, like Mexico’s Constitution, is preserving order and protecting the interests of the citizens. This state law sets the framework by stating the plan should serve as the “effectual engagement of the State’s responsibility about integral development, and should have the ability to get at the political, social,

<sup>24</sup> State legislators reformed the initial 1984 law in 1996, 2004 and 2007.



economic and cultural objectives, contained in the constitution of the United States of Mexico and the constitution of the state” (2007, p. 2). Article Two provides a general outline of what planning in Tamaulipas should and should not do:

- To strengthen the national autonomy in terms of the political, economic and cultural realms;
- To preserve and improve the representative regime set forth by the state and federal constitutions and to strengthen the Democratic way of life, which allows for the improvement of the economic, social and cultural ways, while allowing for active community participation in planning and government;
- To attend to the basic needs of the population and improve all aspects linked to one’s quality of life to ultimately achieve a more equitable society;
- To respect individual guarantees, liberties, social and political rights;
- Strengthen the connection at the Federal and Municipality level to achieve equitable development from the States; and
- Balance the production factors that protect and promote employment, which indicates economic and social stability (2007, p. 2-3).

Subsequent articles outline the hierarchy of development and the enforcement of the state planning law. State government has the authority to dictate planning and development initiatives while municipalities have these responsibilities at the local level although they must adhere to the state law and local code. The law includes a public participation requirement to conduct planning, but places the control of the process within the hands of the executive branch (Articles 4-8, p. 3). The State of Tamaulipas issues a five-year development plan that outlines goals, strategies and priority projects. Municipal governments develop strategic plans for a three-year period, coinciding with

the election of new local leadership.<sup>25</sup> However, the local plan must correlate with the themes and objectives set forth in the state planning law.

Palomares (2003) contends that a gap exists between economic development and planning in northeastern Mexico. Border cities, Palomares states, always developed an urban structure that facilitated business, trade and economic relations with other cities. *Maquiladoras* offered additional aggregate value within cities such as Reynosa, allowing economic development to dictate the urban structure. The presence of *maquiladoras* intensified land use and expanded into the urban fringe and outside of the urban core. Palomares (2003) observed that the intense use of space and land in these border cities often leads to inefficient infrastructure, making it more difficult to obtain a functional productive sector. As long as there is a lack of cohesiveness between urban efficiency and the function of the productive sector in Mexico's border cities, administrations will have limited power in dictating urban growth policy because the private sector will influence the decisions.

*The problem is that economic growth is put to be the purpose of the serious planning and it would be prudent to incorporate economic performance into the urban perspective of the cities and the matters that modify or serve to support the expansion.*  
(2003, p. 15)

When border began to boom in part to the *maquiladoras*, Kearney and Knopp noted the cities dealt with this reality: “[the] traditional problems of unemployment, lack of sanitary conditions, absence of basic services, and the existence of sprawling slums intensified” (1997, p. 249). Lorey commented, “Rapid growth, combined with the lack of a robust tax base, outpaced the ability of border communities to provide urban services,

---

<sup>25</sup> Mayors in Mexico only can serve one three-year term and cannot run for re-election. No elected official, including the president, can serve more than one term.

housing, and social programs to incorporate new migrants,” (1999, p. 130). Every municipal administration creates a three-year plan to outline its strategic approach to planning, development and urban growth. The 2008-2010 Municipal Development Plan focuses on these themes:

- *ensuring Reynosa is the safest city in the north* by improving conditions and quality of life of police officers, increase public participation in the development of a new culture of civil protection and stressing the importance of prevention;
- *growth with orderly urban development* facilitated by a new IMPLAN office, identify catalyst projects, emphasize phased development and improve public transportation;
- *quality public services that promote social cohesion* through maintenance of the existing infrastructure system, promotion of a culture of water and water savings, and the identification of financing techniques;
- *growth with justice and social development* through the identification of cultural programs, granting of scholarships, improvement of public health and the inclusion of women and youth;
- *make Reynosa a competitive city* by improving transportation and connections, increase tourism opportunities and coordinate with federal and state officials to improve productivity;
- *sustainability* by modernizing the solid waste treatment system and creating an ecological reserve and an environmental agency within the city;
- *supportive, efficient and sensible government close to the citizens* by streamlining city processes, optimizing investments and guarantee transparency and;
- *a commitment to citizen participation* through the creation of a liaison position between government and citizens and the protection of people’s fundamental rights (p. 26-66).

The 2008-2010 Municipal Plan outlines the two sides of Reynosa: one part is a global dynamic city with industrial strength and increasing economic capacity, while the other side features social inequalities and a population whose basic needs often go unmet. The great challenge, which every plan hopes to address, is how to eliminate marginalization, provide services, and encourage orderly growth while remaining an economically competitive city. The plan discusses Reynosa's economic situation and how workers, *maquiladoras* and the city's foundation in agricultural and oil have kept Reynosa on a positive development path during the past 50 years. The plan also points out that it was the vision of past politicians that saw potential in the promotion of the northern border as an economic strategy. Due to this vision of past politicians, the plan states that Reynosa now serves as an important link along the export chain in the global marketplace. The city maximized its competitive advantage, which was geography and labor, to develop its industrial sector and create jobs— two measures of the city's success. On the other side, the plan also acknowledges that the city has problems — for example, almost 51,000 residents lived without drainage in 2005 and less than half of the school-age population attended high school or beyond.<sup>26</sup> Many streets remain unpaved and the city must extend services to meet the needs of its growing population.

The city of Reynosa offers a complex story with chapters about growth and progress, fluctuating economic strategies, global and local connections and migration and poverty. So where does planning fit into the story of Reynosa? The fact of the matter is that the practice of planning has not always fit into this story given the rapid changes and growth in Reynosa. While the city must plan for growth and development according to

---

<sup>26</sup> The latest census data came in 2005.

various laws, economic development strategies have pushed this agenda to the backburner.

**Table 4.4  
Changes in Drainage, Public Water and Electric Energy, 1970-2005**

	1970	1980	1990	1995	2000	2005
	<b>Total Population: 150,786</b>	<b>Total Population: 211,412</b>	<b>Total Population: 282,667</b>	<b>Total Population: 337,053</b>	<b>Total Population: 420,483</b>	<b>Total Population: 526,888</b>
<b>% of population with drainage</b>	56	54	64	78	82	90
<b>% of population with potable water</b>	76	77	91	95	93 *	95
<b>% of population with electric energy</b>	77	83	83	88	96	97

\* This percentage differs between the 2005-2007 and 2008-2010 municipal plans. The number included on the chart was used in the 2008-2010 plan.

SOURCE: INEGI/ 2005-2007 and 2008-2010 Reynosa Municipal Plans

Table 4.4 indicates that city administrations have made progress in providing services to its residents. However, this information does not capture the informal settlements or the people living on the urban periphery. Also, most people in Reynosa and McAllen believe that the current population is severely undercounted and is closer to 1.2 million people. Numbers also differ between INEGI (Mexico's census) and the numbers offered by the city in the 2008-2010 municipal plan. While Table 4.4 shows improvement, it does not account for the rapidly increasing population that has occurred since the 2000 census. Elva of Colonia Nopalina said that she is trying to have her *colonia* counted during the 2010 Census in order to receive services and official recognition from the city.

According to the 2008-2010 *Proyecto de Pavimentación de Reynosa* (Reynosa's Paving Project), only 60-percent of city streets are paved. An interactive map on Reynosa's Web site shows the proposed paving, repair and asphalt projects necessary for the city to have 100-percent. The paving plan indicates that unpaved and unrepaired roads have caused contamination and public health concerns. The dust and pollution problem is further exacerbated during heavy rains and heavy drought. To fund and complete this large-scale paving project, Reynosa's administration partnered with the North American Development Bank (NADBANK) and the State of Tamaulipas.<sup>27</sup> The streets proposed for paving and improvements include major connectors to the Pharr-Reynosa International Bridge, as well as small neighborhood streets.

People like Elva, who are living and working in Reynosa, have indicated that the economic push has impacted the city and despite planning law and promises, local administrations have failed to keep up. City officials recognize their deficiency in providing services such as water and paved roads, but also point to incredible economic and job growth. Even *maquiladora* managers and officials have expressed concerns to Reynosa's mayor that the city must improve the drainage system, public security, public lighting and the overall appearance of the city (García 2008). Accounts from two men living and working in Reynosa represent the two sides of the expansion of the city's *maquiladora* sector. Derly Rivas Pérez works for the city as an industrial specialist in the economic development office. The new city administration hired Rivas in 2008 to focus on the *maquiladora* sector. He speaks about industrial growth and impressive employment numbers all made possible by the city's expanding *maquiladora* sector. He

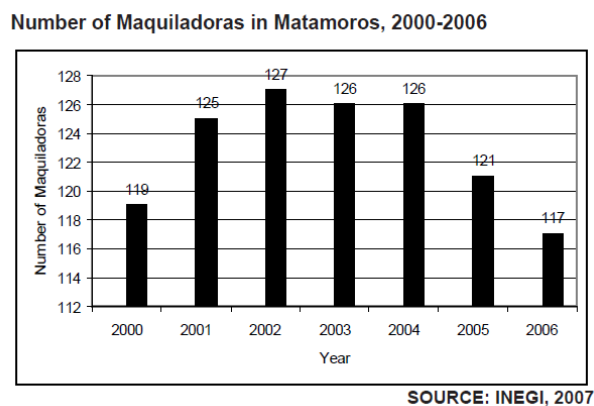
---

<sup>27</sup> The North American Development Bank, which began under NAFTA, is designed to address environmental concerns in the United States and Mexico border region through financing to private and public entities. NADBANK is based in San Antonio. Visit [www. Nadb.org](http://www.Nadb.org).

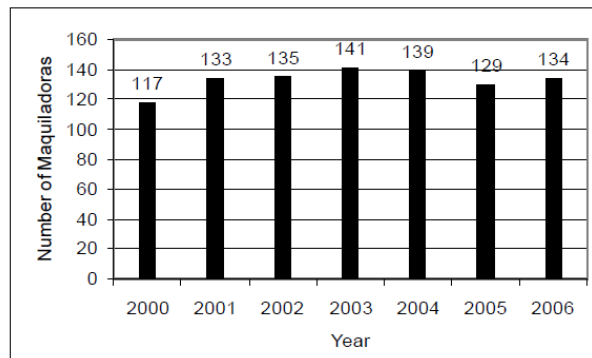
talks about McAllen and how he closely works with the economic development corporation. He refers to statistics showing an increase in Reynosa's *maquiladora* sector while growth in other cities has slowed. He mentions that *maquila* workers in Reynosa lead quality lives, better than other options they might or might not have had. Those who come to the city looking for jobs can afford a small house in Reynosa from wages paid at a *maquiladora*. Overall, Rivas said the *maquiladoras* have offered many Reynosa residents and new residents a higher quality of life (personal interview, June 2008).

Through the years since the Border Industrialization Program, Reynosa has ranked relatively low compared to other border cities in terms of the number of plants and workers. Ciudad Juárez always had the highest number of plants and employment. While that still remains true, the graphs shown in Table 4.5 indicate that Reynosa has remained more stable and sustained its processing plants in recent years while other border cities have not. Ciudad Juárez has had more dramatic fluctuations in the amount of plants compared to Reynosa in the time period between 2000 and 2006. This point could show that Reynosa could be more resilient in times of economic crisis, especially given the city's recent growth of the sector.

**Table 4.5**  
**Number of *Maquiladoras* in Matamoros, Ciudad Juarez and Reynosa, 2000-2006**

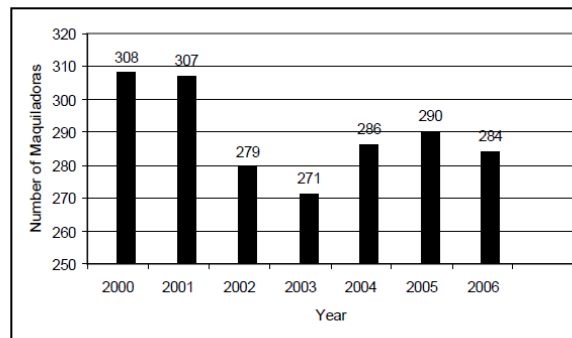


Number of Maquiladoras in Reynosa, 2000-2006



SOURCE: INEGI, 2007

Number of Maquiladoras in Ciudad Juarez, 2000-2006



SOURCE: INEGI, 2007

While Reynosa has not experienced large fluctuations in its *maquiladora* sector, there are still issues to contend with. Patricio Mora serves as the president of the union



**Image 4.3**  
**Martin Medina (left) of McAllen, TX helps Patricio Mora, president of the Veracruzano union in Reynosa, collect donated clothes. July 2008**

representing *maquiladora* workers in Reynosa from the state of Veracruz. Almost half of the workers who arrive in Tamaulipas for work hail from Veracruz, which borders Tamaulipas to the south. Mora, who has lived in Reynosa for more than a decade but makes frequent trips to Veracruz, tells

a different narrative about the life of workers. He maintains that most workers live in



poverty and have no money to buy a house, as is reflected in the increase of informal settlements located on the city's periphery where many *maquiladora* workers reside. As union president, Mora assists Veracruzanos navigate through Reynosa's web of services and assists them in finding a house or a *terreno*, a plot of available land. Mora drives around the city seeking donations of food or clothes, as these are the primary reasons workers come to him (personal interview, June 2008). Most workers make no more than \$10 a day so living in the informal *colonias* near the plants represents the only viable housing solution. Besides, he says, most of the housing available to workers is a rip-off and lacks basic services. Mora attributes many of the problems to rampant corruption and inconsistency in government at all levels.

Improving the lives of the workers, amongst other urban challenges such as air pollution due to unpaved roads, are on the city's radar. City administrations have created paving plans, scheduled public forums and established *colonia* outreach programs. Reynosa's administrations — the leaders responsible for planning and improvements to the city— have implemented some changes but have failed at finding the means to meet the basic needs of its citizens and have not provided what is mandated by law. Mora maintains the system is corrupt and broken (personal interview, June 2008). Planning for service provision in a large city requires accurate population counts, stability in citizen participants and consistency in government. Because local administrations change every three years in Mexico, long-term planning represents a difficult challenge. Adding to this challenge is that many local officials on the U.S.-Mexico border feel that the federal government of both countries ignores or forgets the border region. Palomares (2003) argues it was impossible for the federal government to realize the consequences because

the northern border was a distant place from the capital of Mexico City. Officials from U.S. cities along Mexico's border invoke a similar argument and often claim that policymakers in Washington, D.C. lack the understanding of binational connections in this region.

## CHAPTER FIVE: CHARACTERIZING THE GROWTH MACHINE

The 2005-2007 and 2008-2010 municipal plans for Reynosa state that the city faces challenges — residents lack basic services such as water, the transportation system fails to meet the needs of the population and funding to address these concerns is limited. Both municipal plans highlight unprecedented growth linked to the *maquiladora* sector and stress the importance of the industry, while maintaining that the recruitment of *maquiladoras* remains a top priority. Molotch (1976) offers several ways to characterize the organization and strength of the growth machine. He points to population increase, growth in sectors such as retail and services, intensified land use and job creation. This chapter will discuss the characteristics of the binational McAllen and Reynosa growth machine.

### GROWTH IN ALL SECTORS

*The clearest indication of success at growth is a constantly rising urban-area population— a symptom of a pattern ordinarily comprising an initial expression of basic industries followed by an expanded labor force, a rising scale of retail and wholesale commerce, more far-flung and increasingly intensive land development, higher population density, and increased levels of financial activity (Molotch 1976, p. 310).*

Molotch (1976) defines growth as all the events and associated activities that are triggered by population growth, increased financial activity and intensified land use. In 1980, Reynosa has about 211,000 residents. Ten years later, in 1990, Matamoros still was the largest city in Tamaulipas, surpassing Reynosa and the state capital of Ciudad Victoria. The population distribution among the cities in Tamaulipas began to change around 2000. By 2005, Reynosa had about 508,000 residents while the population of Matamoros only hit about 423,000. The past three decades represent the fastest and

largest period of expansion for Reynosa’s population. City officials and researchers credit the influx of *maquiladoras* as the main thrust behind the population explosion. In addition to the population growth, Reynosa’s median age slightly increased from 21 in 1990 to 24 in 2005. The municipal plan attributes these recent population trends to the availability of industrial jobs and the migrants who travel to Reynosa for “better labor opportunities” (p. 23). Between 2000 and 2005, about 41,000 people from other Mexican states or countries came to live in Reynosa. The majority come from the northern Mexican states of Nuevo León, Veracruz and San Luis Potosí (See Table 5.1).

**Table 5.1**  
**Place of origin for Reynosa residents, 1990 and 2000**

1990		2000	
Place of Birth	No. of residents residing in Reynosa	Place of Birth	No. of residents residing in Reynosa
Nuevo León	22,831	Veracruz	62,195
Veracruz	14,004	Nuevo León	22,181
San Luis Potosí	12,862	San Luis Potosí	17,873
Coahuila	7,035	Coahuila	7,615
Guanajuato	6,849	Another Country	6,853
Another Country	5,701	Distrito Federal	6,579
Distrito Federal	4,135	Guanajuato	6,228
Zacatecas	3,339	Zacatecas	2,945
Jalisco	2,886	Jalisco	2,867
Durango	2,822	Durango	2,782

SOURCE: INEGI 1990 and 2000

As the *maquiladora* sector expanded and the population increased, Reynosa emerged as a major city in northeastern Mexico. This spurred additional foreign investment in non-industrial sectors. U.S.-based service companies such as Carl's Jr, H.E.B. and Home Depot, began opening stores in Reynosa. Along Reynosa's west side, a U.S.-style mall called Plaza Periférico, features trendy coffee shops, a Sorianna department store and an upscale movie theater.<sup>28</sup> Much of the new commercial, industrial and residential development in the western and southern regions of Reynosa has materialized in the past five years— a testament to the recent growth Reynosa has experienced. Many of the chain hotels have built near *Parque Villa Florida* and *Del Norte* industrial parks to capture spin-off business from the *maquiladoras*. Moreno, the city's current planning director, compared present-day Reynosa to Monterrey during the 1980s.<sup>29</sup>



**Image 5.1 and 5.2 (L-R)**

Carl's Jr, a U.S.-based fast food restaurant, opened around 2005 across from the international bridge in Reynosa, July 2008. Next, inside Plaza Periférico, July 2008. These images show some of the new investment in Reynosa in recent years. While *maquiladora* workers probably do not shop or eat here, the foreign investment and population growth has led to expansion of the service and retail sectors.

<sup>28</sup> Many people refer to Sorianna as the Mexican Wal-Mart.

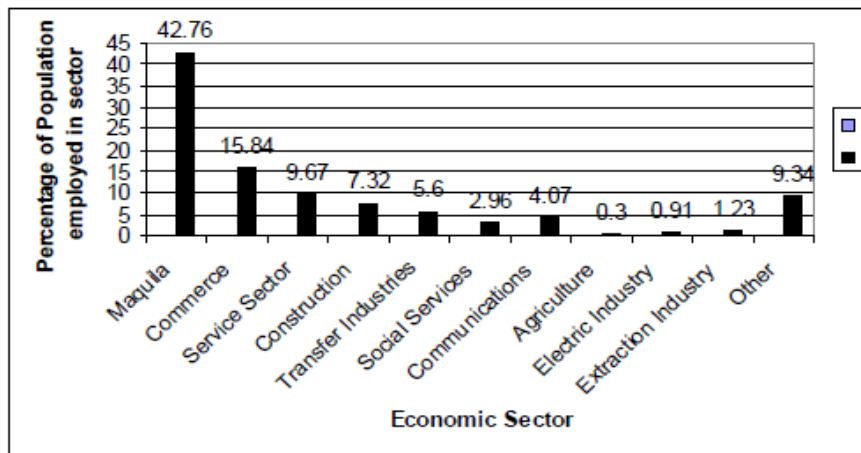
<sup>29</sup> Monterrey is Mexico's third largest city and arguably one of the most sophisticated and technologically advanced. It is about three hours south of Reynosa.

Reynosa's city administration, with support from the MEDC, actively recruited multinational manufacturing firms as a way to foster job creation and investment on both sides of the border. In order to focus the 2008-2010 administration's economic strategy for Reynosa, the current economic development plan focuses on:

- *employment and productivity* through generating investment, serving as a nexus between the private and governmental sectors and building capacity;
- *industry and commerce* through the creation of an economic data base, the development of small-business incubators and offering programs that build vocational skills;
- *tourism* by marketing the city, its tourist routes, hotels and restaurants in Texas and the Rio Grande Valley, as well as establishing a Convention and Visitors Bureau; and
- *the promotion of agriculture* with fairs featuring local products, using available government programs and the installation of a rural business incubator and Biodiesel plants (p. 24-35).

As of 2007, the *maquiladora* sector employed almost 43-percent of Reynosa's labor force (2008-2010 Economic Development Plan). The remainder of the workforce is in the service, construction and commercial sectors, though a small percentage works in transportation and agriculture.

**Table 5.2**  
**Economic Activity by sector in Reynosa, December 2007**



SOURCE: 2008-2010 Reynosa Economic Plan

During the 1980s, 30-percent of Reynosa’s population worked within the tertiary sector, which includes jobs linked to services and commerce. About 23-percent worked within the secondary sector, encompassing jobs in industrial manufacturing, water, construction and electricity. Less than 10 percent worked in the primary sector (2005-2007 Reynosa Municipal Plan). By 1990, the municipal plan indicated that about 50 percent of Reynosa’s population was in the tertiary sector, while about 42 percent of people worked in the secondary circuit. The number of people employed in the primary sector decreased in 1990. In 2000, the percentage of people employed in the secondary sector increased to about 49 percent, while the percentage of people in the tertiary sphere decreased from about 50 percent in 1990 to about 45 percent. Most *maquiladora* jobs fell within the secondary sector as manufacturing jobs was the main focus.

These economic development strategies and realities greatly influenced land use, housing and infrastructure in Reynosa. Since 2000, the population increase has led to the growth of Reynosa’s urban area (Moreno, personal interview, January 2009). This expansion has meant intensified land usages focused on clustering industrial, housing and

commercial; as well as the extension of infrastructure and services to the increasing amount of people living in and outside of the city. Typically, migration into urban areas has made it difficult to find a good job and adequate housing (Roberts 1989).

## **LAND USE**

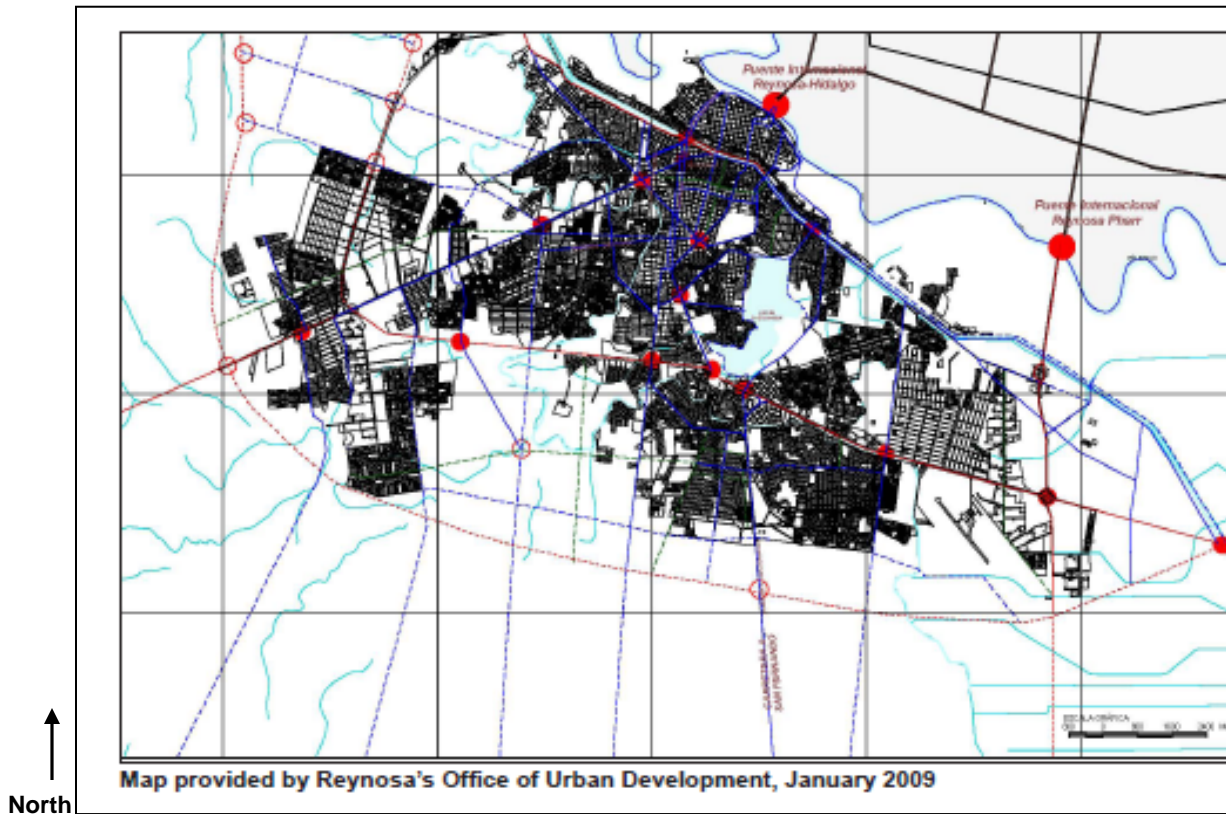
The use of land and who decides the usage of parcels represents a key factor of the growth machine, according to Molotch. Up until the late 1980s, Reynosa's land use pattern still included vast agricultural and ranching tracts, some sparse industrial parks on the city's periphery, the historic urban core and intermittent pockets of housing. Older, larger homes sit near the present-day Hidalgo-Reynosa International Bridge, close to the river and around the city center.<sup>30</sup> Smaller frame homes surround the PEMEX plant, which caused the first wave of migration of workers to Reynosa during the 1940s. Clusters of run-down shacks and dilapidated homes line the area near the railroad tracks and the city's cemetery.

---

<sup>30</sup> There tends to be confusion about the name of this international bridge because while it connects the cities of Reynosa and Hidalgo, the city of McAllen owns most of it. Toll collectors on the U.S. side are City of McAllen employees.



**Map 5.1**  
**Footprint of the City of Reynosa, 2009**

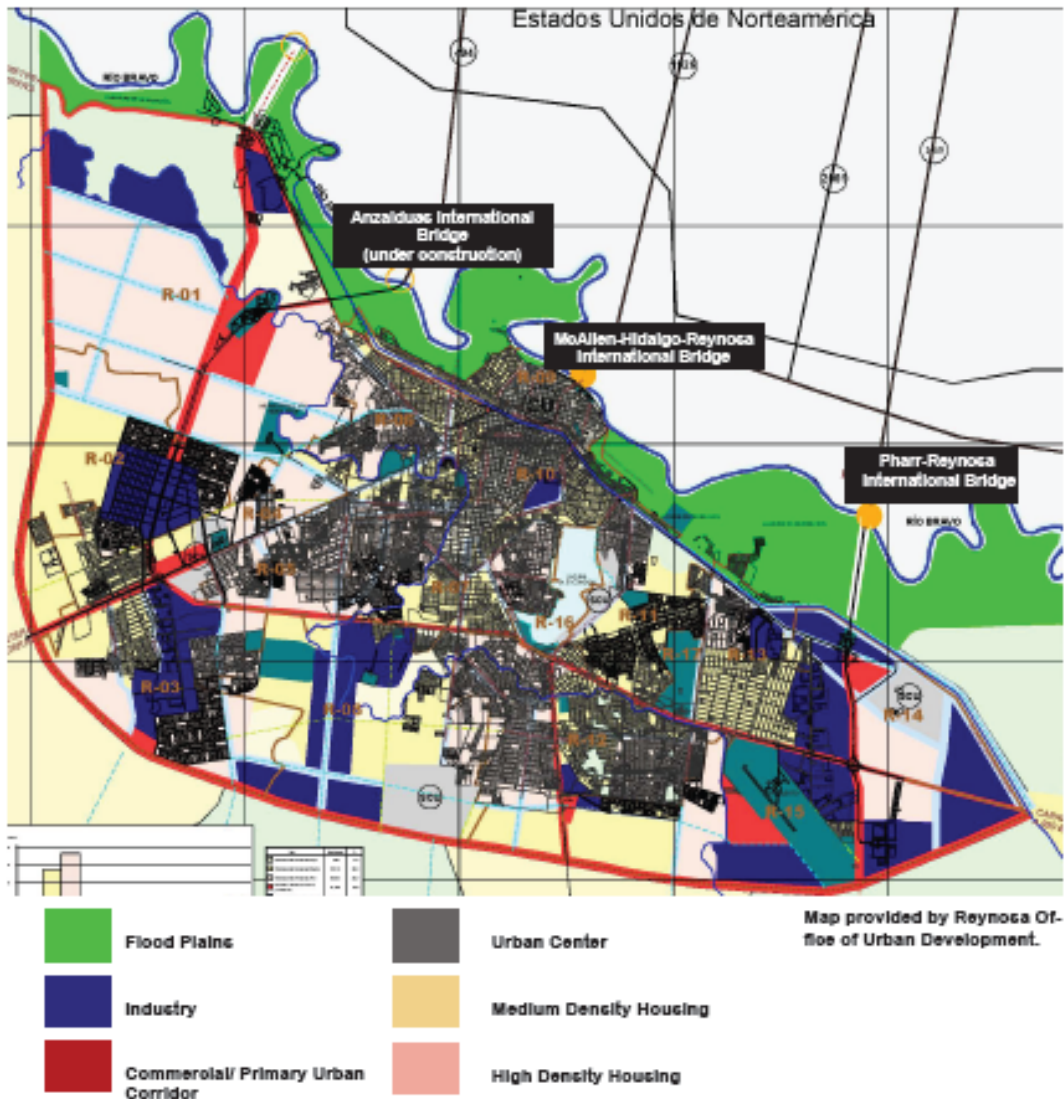


This map shows the overall size and form of Reynosa in 2008. The original urban core, which includes city hall, the cathedral and main plaza, is located across from the Hidalgo-Reynosa International Bridge. From there, the city has expanded in all directions, but is bounded on the east by the small city of *Río Bravo*. The *maquiladora* parks are located to the extreme east, west and south of the city (See Map 5.2). The industrial expansion has led to additional housing in this vicinity and has further increased Reynosa's urban footprint. Economic development officials in the city have worked with developers to ensure land near the highways and with access to the international bridges has been zoned industrial in order to maximize its value. Many of the industrial parks in the city's southwest quadrant have opened after 2000, the same

period of growth for the *maquiladora* sector. The current city administration hopes to further expand west and its future land use plan indicates this expectation of growth.

### Map 5.2 Reynosa Zoning Map, 2009

Reynosa Zoning Map, 2009



This map indicates the current land use for the city of Reynosa. Industrial and medium density housing and high density housing represent the largest land use sectors in the city. Most of the high density is housing slated for the area near the Anzalduas

International Bridge that is currently under construction and slated to open late 2009. J. Cruz Ruíz Negrete, an architect in Reynosa's urban development office, said this new community will feature medium-to-high density housing, a hospital, a recreation complex and new industrial parks and services (personal interview, January 2009). The city delineates three levels of housing zones: high density, medium density and low density. Investment in higher-end housing will help diversify the city and attract professionals and business people into the city (Moreno, personal interview, January 2009). Moreno, director in Reynosa's urban development office, hopes this investment will lead to a population with a range of income levels while diversifying and improving the city's appearance and housing stock.

## Housing

While *maquiladoras* have brought the city economic benefits and increased population, they also have created the need for more affordable housing as these processing plants also have attracted thousands of new workers and their families. Several development and real estate companies that build Reynosa's industrial parks also build small housing units near the park, but Mora said this housing is often inadequate and overpriced. Some *maquiladoras* used to provide housing for their workers, but most companies no longer do this in Reynosa (Patridge, personal interview, December 2008).

Mexico's national housing program for workers, *El Instituto del Fondo Nacional de la Vivienda para los Trabajadores* (*The Institute's National Housing Fund for Workers*) or INFONAVIT is charged with providing affordable housing and financing for home construction for the workers of Mexico. Recently, INFONAVIT has come under scrutiny in Reynosa. In 2008, several worker unions, along with the city administration,

alleged that INFONAVIT houses were poorly constructed, too small for families and flooded during Hurricane Dolly in summer 2008 (Guerra 2008). One Reynosa union leader said that INFONAVIT housing had cracked walls, leaky roofs, lacked services such as electricity and sanitation and often was located in flood zones. In addition, the complaint alleges that INFONAVIT constructed the houses with little to no supervision or guidance from the city about standards and adequate housing (Guerra 2008).

Much of the city's housing attempts to serve the lower income level, creating a stock of lower quality homes, but many workers settle within illegal *colonias*. The reality that workers settle in areas such as flood plains does not escape the city administration, but Moreno said it's difficult to manage given the low incomes of the workers in Reynosa



**Image 5.3**  
Sign advertising housing and sale of lots in a Reynosa industrial park. August 2008

(personal interview, January 2009). Throughout many industrial parks, signs advertising houses for rent or sale are seen hanging from fences and poles, indicating that *maquiladora* workers represent potential customers.

As Reynosa gained economic momentum and its population increased, new neighborhoods and gated subdivisions proliferated along the city's southwest quadrant, near many new industrial parks after the year 2000. Many of these

developments have names such as *Loma Linda* and *Brasa Desarrollo* and advertise in several cross-border publications about the *maquiladora* industry. The new subdivisions advertise drainage, security, modern amenities, green space and a selection of floor plans.

These developments have created a new residential sector in Reynosa that aims to serve middle to higher income professionals

(Moreno, personal interview, January 2009). These subdivisions have a similar look and feel to many of the new master-planned communities in the United States.

In 2008, Reynosa Mayor Oscar Luebbert



Gutiérrez held a joint meeting with Mayor Buddy de la Rosa of Weslaco, TX.<sup>31</sup> The two mayors announced that Reynosa would adopt the International Code of Municipal Construction in order to improve the city’s urban development and standardize building practices (news release, Oct. 6, 2008). Reynosa’s mayor offered Weslaco as an example of a city with an effective code and system that encompasses construction, electric, energy, gas and flood protection, allowing for a variety of housing styles within this U.S. city. Luebbert hoped to mirror this style of uniform styles and construction found in Weslaco.



**Images 5.4 and 5.5  
Photos of the new housing  
developments on the  
southwest area of Reynosa.  
This subdivision is gated.  
January 2009.**

## INFRASTRUCTURE

*Each locality, in striving to make these gains, is in competition with other localities because the degree of growth, at least at any given moment, is finite...Localities thus compete with one another to gain the preconditions of growth. (Molotch 1976, p. 312)*

<sup>31</sup> Weslaco, TX is located about 15 miles east of McAllen and has a population of 35,000. While McAllen and Reynosa maintain the closest business relationship, most cities in the Rio Grande Valley attempt to build some connection with Reynosa either through news conferences, non-binding agreements or social events.

The preconditions of growth that Molotch references above include the ways in which cities prepare for and attract business and investment. The physical infrastructure, including roads, streets, drainage, water, are crucial preconditions of growth. These elements are essential for a city to recruit, entice and sustain businesses and allow for future growth. Alarcón (2000) indicated there are two specific reasons why Reynosa exists as it does and lacks infrastructure: the absence of an overall idea about order—common in most border cities and projects— and the experience of rapid population growth after the 1940s. The rise in residential, commercial and manufacturing sectors has also led to rapid changes and modifications of the urban infrastructure (Palomares 2003). Palomares defines infrastructure as a component of the city that allows access to economic exchanges within a region and provides public services to serve the marginalized parts of the city. Using this definition, infrastructure is the link between a city's economic sector and the social aspects of the population. Infrastructure should be available to the businesses and corporations within a city, as well as the rich, the poor and new residents.

Reynosa's development plan recognizes the city's failure to provide adequate infrastructure to meet the needs of its residents, visitors and businesses. The state or government often is the "main enemy...through its failure to provide adequate housing and other infrastructure (Roberts 1989, p. 684). The current Reynosa administration recognizes their shortfalls when it comes to providing 100 percent of their residents with affordable housing options, quality infrastructure and services. They find themselves in a never-ending situation where companies choose to locate in the city, which leads to

population growth and an increasing number of lower-income workers integrated into the city. At the same time, the city must create an environment apt with employment options and *maquiladoras* have proved an easy option for employment. Population growth, everyday international and local traffic and an expanding industrial sector have overburdened the already stretched infrastructure system. While the city does not provide 100 percent of the infrastructure necessary for *maquiladoras* or industrial parks, it usually meets the private developer halfway so the new entity or park can hook into city services (Moreno, personal interview, January 2009). In addition, Reynosa's Mayor Lubbert points blame at Mexico's federal government for not providing substantial support and funds to border cities in order to fix inadequate infrastructure. The mayor added that part of the wear and tear on the infrastructure comes from people coming to Reynosa to cross the international border (personal interview, January 2009). Quintero also has found that border cities carry an extra burden because of activity linked to the international bridges, even though most of the money from the tolls is routed to Mexico City, not the municipalities (personal interview, August 2008).

## MARKETING THE GROWTH MACHINE

*This is the general outline of the coalition that actively generates the community "we feeling"... that comes to be an influence in the politics of a given locality. It becomes manifest through a wide variety of techniques. Government funds support "boosterism" of various sorts: the Chamber of Commerce, locality-promotion ads in business journals and travel publications, city-sponsored parade floats, and stadia and other forms of support for professional sports teams carrying the locality name. (Molotch 1976, p. 314-315)*

Since 1996, Reynosa and Rio Grande Valley residents can find a copy of *Maquila Reynosa* or *Maquila El Valle de Texas* at chambers of commerce, city halls and economic development offices every month. This newspaper, dubbed “El Medio Informativo de la Industria” (The Informative Media of the Industry), highlights new companies, management changes and provides features about social happenings within the *maquiladoras* and the binational business community. High-end hotels and chain motels located on both sides of the border advertise alongside ads bought by commercial and residential developers and industrial parks. In the December 2008 edition, one brief article highlights a meeting between Reynosa’s Mayor Luebbert and Reynosa’s Association of *Maquiladoras* and Manufacturers where the elected official revealed development plans related to traffic control, public transportation improvements, infrastructure improvements and a new highway project that will direct traffic from the city’s two international bridges directly to the north-south and east-west highways. This represented good news for the *maquiladora* managers and the workers, according to the association’s president, because it will make the city more competitive (Rocha 2008). The city has put forward plans to accommodate traffic linked to its industrial sector, as well as investing in new projects to attract more business and money to Reynosa.

Every three years, Reynosa’s citizens elect a new local administration as Mexican law does not permit consecutive terms at any level. This means that every three years, the new city administration unveils a new Web site, a new slogan, along with an entirely new administration pushing a different agenda. Reynosa’s new Web site features music, a list of ongoing projects and the daily schedule of the mayor. City staff wear shirts that say “Todos somos Reynosa” (We are Reynosa) versus the shirts that read “Vive al cambio”



(Live the change) during the previous administration. From 2002-2004, Reynosa's slogan was "Unida y Activa" (United and Active). While federal law mandates term limits, the short three-year term served by local officials hurts the consistency of planning and forging an identity of the city. Also, administrations have a short amount of time to deal with big problems and often lack the capacity to complete projects.

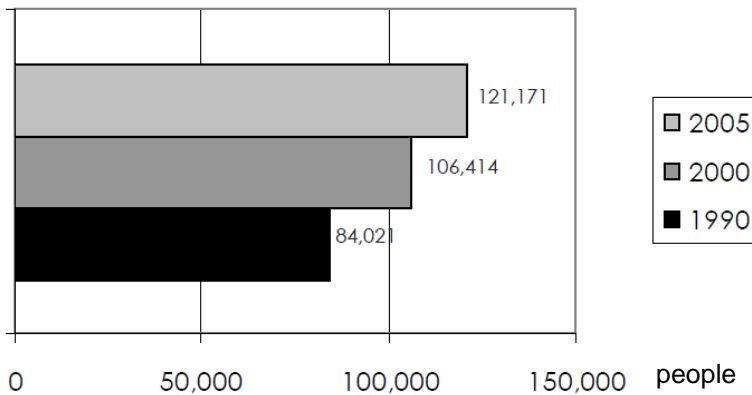
### **The McALLEN GROWTH MACHINE**

Due to the ever-changing political scene in Reynosa, the MEDC has provided some level of consistency in economic development. Leaders of McAllen have spent money, labor and time to promote Reynosa as a place for industry as the way to drive its own growth. And like Reynosa, McAllen has experienced its own rapid growth in the past decade. Since 1988, MEDC has promoted Reynosa, negotiated with investors, reviewed construction plans and instilled a sense of confidence to potential clients (Allen, personal interview, August 2008). Allen found that this work paid off as suppliers, warehousing and companies located in McAllen. The McAllen Foreign Trade Zone (FTZ) started with about 157,000 square feet of business. Now the FTZ has about 600,000 square feet for lease and no longer relies on city funds for its operation (Allen, personal interview, August 2008). Allen, who retired from the MEDC, said McAllen residents have begun to realize the importance of a strong relationship with Reynosa. He stressed how the ultimate goal of MEDC's economic strategy with Reynosa was to improve human capacity, educational opportunities and attract new companies to McAllen while building a support system to ensure long-term success (personal interview, August 2008). In 1994, South Texas Community College —Hidalgo County's first community college— opened in McAllen and offered coursework in import-export,

trucking and technical training linked to the supply-side of the *maquiladora* model in the United States.<sup>32</sup>

**Table 5.3**  
**Population Growth in McAllen, 1990-2005**

Population Growth in McAllen, 1990-2005



SOURCE: U.S. Census Bureau, 1990, 2000, and population estimates for 2005-2007. Found at [www.census.gov](http://www.census.gov).

In 1980, McAllen's population was about 65,000 and it has continuously increased since that decade. McAllen's actions and policies have played a large role in the emergence of this binational growth machine. Unlike other border cities, Reynosa and McAllen have enjoyed a binational economic relationship where officials in both cities view economic development on one side as a driver for growth on the other side. Because there is no formally recognized agreement that permits this arrangement, the binational collaborative effort has been important to the growth in these cities. MEDC was and has remained at the forefront of negotiations with MNCs moving to Reynosa. They created marketing campaigns about Reynosa, worked to maintain a stable business climate and recruited new companies. In the early 1990s, two labor unions in Reynosa began arguing

<sup>32</sup> In 2003, South Texas Community College became South Texas College and transitioned to offer several four-year degrees. Visit [www.southtexascollege.edu](http://www.southtexascollege.edu).

about dues, eventually going on strike and causing a breakdown in the city's *maquiladoas*. MEDC fought this by calling the governor of Tamaulipas to convey the message that if he did not fix the situation, MEDC would buy a full-page ad in the *Wall Street Journal* saying companies should no longer locate in Tamaulipas (Mike Allen, personal interview, August 2008). Shortly after, the state government got involved and ended the fighting between unions. McAllen and Reynosa needed an environment favorable to the flow of capital and industrial expansion. Knopp attributed the lack of powerful unions in Reynosa to the steady increase in the *maquiladora* sector during the past 20 years while other cities lost plants (personal interview, July 2008). Little to no union activity represents a strategic advantage for investors who do not want to deal with union uprisings, strife and movements. Matamoros has a longer history of union organizing in the *maquiladoras*, which might have contributed to the decrease of its industrial sector (Knopp, personal interview, July 2008).

## CHAPTER SIX: CONCLUSIONS

In the city of Reynosa, planning —as defined by Mexican laws— and economic development strategies has led to an uneven relationship between them. Peña (2002) writes, “...planning becomes the instrument to balance the private and the public interest,” (3). If this statement holds true, all cities would be profitable and still have the resources to provide equal services and access to its private investors as well as its residents. Reynosa represents an interesting case study as it has proven its profitability to investors and global corporations; however, lacks the capacity to provide for its residents. While Mexican laws related to planning indicate what local administrations must provide and plan for, the governments at the local, state and even federal level set the agenda for economic growth. The story of Reynosa illustrates the reality when the economic agenda does not correlate with the planning requirements as reflected in the city’s lack of affordable housing for workers and inadequate infrastructure. Since 2000, Reynosa’s population has increased, as has the number of *maquiladoras* located in the city. All of these changes have put additional strain on city resources.

The city’s 2008-2010 municipal plan states that the goal of the economic agenda is, “orientated toward freeing of the capacity for community cooperation and the vocational productivity of all to combat poverty, reduce the instances of marginalization and elevate the capacity of the state to distribute available resources to all citizens of Reynosa” (Secretaría de Desarrollo Económico y Empleo 2008-2010, p. 4). The ultimate vision for Reynosa’s economic development plan is, “to obtain a city with a favorable environment for the investor, businessperson, tourist, rancher and farmer so that the economic activity overflows in a city with a high quality of life for its residents and make

Reynosa a world-class competitive city” (p. 17). These objectives indicate that Reynosa’s administration view economic development as a method to reduce poverty in the city. At the same time, officials want investment in Reynosa, specifically linked to the *maquiladora* sector. Yet the growth of this economic sector has exacerbated many of those aforementioned problems. This illustrates the importance of balancing planning for specific land uses and the provisions of housing and infrastructure for the population, with a diverse economic sector.

Reynosa’s economic plan also calls for increased human capacity, additional socioeconomic programs linked to other state agencies and the creation of jobs within the private sector. Also, the municipal plan explicitly states that an important goal is the retention and recruitment of *maquiladoras* and establishing Reynosa as *the city* for business in Tamaulipas (2008-2010 Municipal Plan). The administration wants to increase global awareness about Reynosa and its attractive business climate. Officials hope to use its industrial and *maquiladora* sector to drive growth and greater global. Companies based in Canada, Spain, Korea and Germany already have invested in Reynosa operations.

While Reynosa’s municipal and economic development plans outline strategies to build human capacity and encourages small business enterprises, strengthening the *maquiladora* sector remains the top priority as it adds the most jobs and attracts foreign investment. However, the plan does not address the underlying debate about the sustainability of the *maquiladora* sector. As an economic model, administrations must consider the fact that *maquiladoras* require the movement of capital at a global scale to maintain profitability (Quintero 2004). These processing plants require certain social and

physical conditions at a given period of time in order to be profitable. Given that capital is fluid and that companies must remain competitive in the global marketplace, corporations relocating or opening new plants require a strategic location, low transportation costs, available infrastructure and labor. The U.S.-Mexico Border during the later half of the 20<sup>th</sup> century has emerged as a place for efficient production processes and has integrated Mexico into the global marketplace (Tamayo-Flores 2001).

While economic and city officials in Reynosa and McAllen remain optimistic about the future of the local industrial sector, history could indicate otherwise. Capitalism is not only cyclical, as Smith (1990) has pointed out, it is progressive and found within the landscape and space. During the 19<sup>th</sup> and 20<sup>th</sup> century, capitalism has increasingly shifted from the local to the global; workers have crossed oceans and borders; and jobs have relocated from the north to the south. The cyclical nature of capitalism has constantly changed landscapes and spaces, configuring it to the needs of companies at that time. Those involved with the *maquiladora* sector speak of the “China threat” and the reality that many companies have already left Mexico’s northern border and have headed to Asia where wages are even lower (Allen, personal interview, August 2008).

Sargent (2003) suggests that processing plants along Mexico’s northern border could lose standing because of circumstances such as an overvalued Mexican peso or rising wages for workers. An increase in workers’ wages represents a philosophical switch of the Mexican government which once viewed *maquiladoras* as a project to create jobs to “an industrial sector that should pay its so-called ‘fair-share’ of taxes,” along with China joining the World Trade Organization (p. 2).<sup>33</sup> Sargent, who has studied

---

<sup>33</sup> The World Trade Organization is the United Nations agency that facilitates and governs international trade. Visit [www.wto.org](http://www.wto.org).

*maquiladoras* in Reynosa for more than 10 years, found that these events signal “a semi-permanent or perhaps even permanent shift in the overall attractiveness of Mexico as a production location for MNCs serving the US market” (2003, p. 3). Former Mexican President Vicente Fox stated that the model that once supported *maquiladora* production—low wages and low valued-added production— had come to an end and a transition to a manufacturing model based on high technology, skilled workers and innovation would best support the industry (Sargent 2003, p. 6.)

Overall, Quintero (2004) argues that economic development has not always led to a higher quality of life or enabled workers to meet their basic needs. Many global companies relocate to countries like Mexico to take advantage of the lower labor costs, making a living wage a nonexistent part of the equation.<sup>34</sup> Past and current presidents of the MEDC have tried to recruit more stable ventures. Allen, former MEDC president, said, “We didn’t go after cheap companies (like) textiles —companies that required no skills just labor to make the product. Send those elsewhere. We wanted to preserve the labor for the higher tech companies,” (personal interview, August 2008). When Mexico implemented industrialization programs along its northern border, and when it found itself in a debt crisis during the 1980s, the government directed policies toward quick solutions dependent on foreign interest and investment. Castells and Leserna (1989) have argued that despite rapid growth and economic development, Latin America still “suffers from a technological gap, but also suffers the burden of old forms of financial and political dependency” (p. 543) Castells and Leserna indicated that it was difficult to bargain for more favorable policies from MNCs when the country was in debt and facing

---

<sup>34</sup> Wages fluctuate throughout border cities and companies. Sklair (1993) wrote that companies could pay wages of less than \$1 to workers in Mexico compared to U.S. wages.

economic crisis. They explained that U.S. companies easily entered the Latin American market because of political influence and the dire need for investment. In Mexico's case, the government provided a favorable geographic location, low wages and export-regulations, but also set up the conditions of a dependent relationship (Castells and Leserna 1989). Through the years, *maquiladoras* have provided jobs and led to rapid growth at many levels in Reynosa. Quintero of COLEF said of this situation: "Reynosa has urban problems and this development has not improved the quality of life. They have not been compatible – development and quality of life" (personal interview, August 2008).

In the past 10 years the population of Reynosa has nearly doubled, fueling the need for additional housing and while the number of jobs has increased, the availability of affordable housing has not. Mora said many Veracruzano workers ask him to find available land to settle on illegally or find any type of residence they can afford on their wages. Many use their social networks such as families and friends who also migrated from other states to find housing (Mora, personal interview, June 2008). The 2008-2010 administration hopes to move forward on housing projects, infrastructure improvements and transportation plans and to provide an attractive city that offers a high quality of life to its residents and businesses. However, this could prove challenging as the economic recession of 2008 and into 2009 has forced many companies in cities such as Reynosa to consolidate or close.

From the collection of data from gathered from interviews, statistics and other published reports, it became apparent that economic development, especially the recruitment and expansion of the *maquiladora* sector, has influenced Reynosa's



processes linked to growth and development. Officials have marketed the city and worked with the private sector to inform land usage that drives job creation and economic capacity. This realization led to the idea that Reynosa had the characteristics that Molotch (1976) described as a growth machine. However, Reynosa does not represent an autonomous city in this growth machine; McAllen plays a crucial role in the economic development and promotion of this Mexican city. While Reynosa or McAllen are not the only two cities facing challenges such as the lack of infrastructure, it does lead to the contention that Reynosa represents a part of a binational growth machine, where economic development unevenly influences city processes and policies.

During 2008 and 2009, the United States entered into an economic recession that some pundits refer to as the second Great Depression. These slow times have challenged the economic model that has fueled the capitalist mode of production. Brenner and Theodore (2002) believe that capitalism “continually renders obsolete the very geographical landscapes it creates and upon which its own reproduction and expansion hinges.” The neoliberal “settlement” is now surely more, not less, vulnerable to systematic crisis (Peck and Tickell 2002). While this recession has translated into high foreclosure rates, millions of jobs lost and thousands of bankrupt businesses within the United States and throughout the world, Reynosa officials thought it was time to reemphasize its competitive advantages for manufacturers. According to a press release from Nov. 2, 2008, city officials met with union members to discuss plans that would capture the interest of companies that might consider relocating to Reynosa. Some of the plans and projects included investment for a new thoroughfare to alleviate traffic, paving of roads and modernization of the urban infrastructure.

As global companies restructure to be more efficient and survive, a new mode of capitalist production will emerge. Reynosa is preparing. On Jan. 2, 2009, the city administration boosted its “Electronic Cluster” of *maquiladoras* and its push for new jobs in the electronics and biomedical fields in the face of a United States recession. The news release also indicates that the recession might force companies to relocate production lines to Northern Mexico. During summer 2009, LG Electronics and Panasonic announced plans to consolidate operations into Reynosa. The news release from LG said the company wanted to “maximize efficiency and competitiveness” (Gaffney 2009). To do so, LG closed its plant in Mexicali and expanded the Reynosa operation. In August 2009, Panasonic reported that it would close its Knoxville, Tenn. plant and integrate the division into existing operations in McAllen and Reynosa (Kimball 2009).

Reynosa continues to face many issues that will challenge its growth machine. A



**Image 6.1**  
**Photo of the border wall under construction in Hidalgo, TX. January 2009.**

wall is under construction near most of the major U.S. and Mexican border cities in order to curtail illegal immigration and smuggling as part of a Homeland Security initiative supported by the United States government. Drug-related violence has increased in 2008 and 2009, particularly in

Ciudad Juarez, and Mexico’s current president Felipe Calderón has sent thousands of military troops to patrol the border cities and attempt to stop the murders. Reynosa

residents took to the streets protesting the large military presence in their city as part of the government's plan to curb violence along the border linked to the drug cartels. To show their sentiment against the military, protestors blocked traffic from entering and leaving Mexico on the city's two international bridges, causing a bottleneck of workers, consumers, visitors and people who daily cross in either direction for services (Gaffney, Ley, Roebuck 2009). Residents have sporadically protested the military presence for months, but few of those protests have affected life as directly as the recent demonstrations. The closures have had a temporary but far-reaching impact both socially and economically as two distant governments dictate policy about this binational region that make people uncomfortable and thwart trade on both sides of the border.

Given the current global recession, Mexico surely will suffer its own economic shortcomings. Roweis (1981) suggests that planning in capitalist societies could have the most impact during times of crisis. Economic changes disrupt land use in the urban core and create "anarchic and unregulated utilization of urban land and infrastructure" and lead to hardships that include housing shortages, congestion and a further division between the rich and poor, working class residents (p. 173). However, Reynosa appears to have reached an almost crisis state in terms of planning as administrations continuously play catch-up to balance the population and urban needs with those linked to economic development. Roweis paints a bleak picture for the increased role of planning, in good or bad economic times: "Urban planning remains locked within definite constraints, and its achievements, in terms of social rationalization of urban life, cannot stretch beyond the limits imposed by the capitalist order of which urban planning is an integral part" (p. 174). This statement captures the current situation in Reynosa. The

reality of the situation is that Reynosa and McAllen needed jobs, so a private-public coalition recruited export-processing plants. The need for jobs ultimately has led to a needs gap in Reynosa as many workers and residents lack resources to meet basic needs such as housing and access to services and infrastructure. Decisions from the local administration and the state and federal governments have favored the idea of growth connected to job creation. This situation is not per say unique; however, Reynosa represents a city pressured from two governments, two administrations and two cultures. The binationality of the planning and development creates a unique situation as legally the two countries and administrations don't have the authority to make decisions. Despite a federal, state and local planning framework that outlines goals and strategies to fill the needs gaps, Reynosa's economic development goals from the U.S. and Mexico have overshadowed these requirements.

If Reynosa plans to pursue international investment and global corporations aggressively, current and future administrations will have to contend with these issues that challenge the growth machine. This research proposed the idea that Reynosa has grown and emerged as part of a binational growth machine because of its economic agenda; therefore leaders have ignored planning principles and the urban challenges within the city. While the city has worked to provide services to more residents and increase the quality of life, poverty still pervades the city and people from throughout Mexico still need jobs. The *maquiladoras* represent one source of available jobs—for now, but urban planning in Reynosa and the framework set forth by Mexican law could help Reynosa to systematically approach its economic development, as well as to address its urban deficiencies. During times of crisis, when companies restructure and relocate,

planning could serve as the vehicle for consistency and informed decisions about land use, infrastructure provisions and housing.

Every Monday morning, a sizable crowd gathers under tents in Reynosa's main plaza for Citizens' Day. During this weekly gathering, residents have the opportunity to converse and voice complaints and



**Image 6.2**  
Citizens gather under the tent on Reynosa's main plaza in front of City Hall on a Monday morning, January 2009

suggestions directly to city officials, including the mayor. Every city department has a representative on the plaza who responds to questions ranging from job opportunities to road improvements. Many community organizers, or *lidereas*, arrive at the plaza to advocate for their *colonia* and fight for services such as light, paved roads and city water. Citizens Day is just one step the current and previous city administrations have taken in order to improve urban efficiency and solidify the link between economic development and city planning.

While some of Reynosa's challenges stem from federal, state and global policies, the local administration must tackle the realities of trade agreements, international traffic while creating a quality and equitable city. Economic development and the recruitment of *maquiladoras* bring jobs and investment to an area during a point in time; however, the city must consider diversification of this sector within its overall economic picture. City

officials could consider pursuing new and more hi-tech manufacturing, or more sustainable sectors linked to increasing educational attainment and innovation. Since the Border Industrialization Program started in 1965, the products manufactured in these plants have changed depending on the needs of the market, making it difficult to specialize and sustain long-term.

Reynosa's 2008-2010 economic development and municipal plan calls for the creation of an IMPLAN office, which will help facilitate consistency of planning and projects in Reynosa, a reality that has hindered past efforts. Because elected officials only serve one term in office, the lack of consistency has greatly hurt the city's ability to plan and improve the quality of the city (Ruíz, personal interview, January 2009). This reality causes several challenges for the city's population as administrations come in and set new agendas and priorities for their short time in office. Administrations have a short amount of time to deal with big problems and often lack the capacity to complete projects. Many of these administrations promote job growth and will often facilitate projects that align with their economic goals, not the long-term goal of improving the quality of life and place. Economic development may look different, but improving the lives of residents is required by Mexican law.

Molotch (1999) offers the following to consider, which represents an applicable theory for Reynosa city officials to consider when making decisions about future economic development and urban growth:

*More ambitiously, place regimes (and/or their opponents) can keep track of exactly what is being gained or lost in attracting capital. For some places, it will even make sense to let the local population decline in size or even watch incomes fall - rather than, for example, sacrificing public resources to attract new businesses that will hire in-migrants. It is better to be poor and breathe good*

*air than be poor(er) and breathe bad air. It is better to wither with intelligence and dignity than to grow absurdly. (261-262)*

## Bibliography

- Alarcón Cantú, E. (2000). *Estructura Urbana En Ciudades Fronterizas: Nuevo Laredo-Laredo, Reynosa-McAllen, Matamoros-Brownsville*. Tijuana, MX: El Colegio de la Frontera Norte
- Anzaldúa, G. (1987). *Borderlands: The new mestiza = La frontera*. San Francisco: Spinster/Aunt Lute.
- Arreola, D.D. (1996). "Border-City Idee Fixe." *Geographical Review*, 86(3), 356-369. Retrieved from JSTOR.
- Baird, P., and E. McCaughan. (1979). *Beyond the border: Mexico & the U.S. today*. New York: North American Congress on Latin America.
- Brenner, N. and N. Theodore. (2002). "Cities and the Geographies of 'Actually Existing Neoliberalism'". In N. Brenner & N. Theodore (Eds.), *Spaces of neoliberalism: Urban restructuring in North America and Western Europe* (pp. v-32). Malden, Mass: Blackwell.
- Brown, T.C. (1997) "The Fourth Member of NAFTA: The U.S.-Mexico Border". *Annals of the American Academy of Political and Social Science*, 550, 105-121. Retrieved from JSTOR.
- Cardoso, E., and A. Helwege. (2000). Import Substitution Industrialization. In J. Frieden, Pastor and Tomz (Eds.), *Modern Political Economy and Latin America: Theory and Practice* (pp. 155-164). Boulder, CO: Westview Press
- Castells, M., and R. Leserna. (1989) "The New Dependency: Technological Change and Socioeconomic Restructuring in Latin America." *Sociological Forum*, 4(4), 535-560. Retrieved from JSTOR.
- City of Reynosa. *Plan Municipal de Desarrollo* (Reynosa Municipal Plan) 2005-2007. [www.reynosa.gob.mx](http://www.reynosa.gob.mx)
- City of Reynosa. *Plan Municipal de Desarrollo* (Reynosa Municipal Plan) 2008-2010. [www.reynosa.gob.mx](http://www.reynosa.gob.mx)
- City of Reynosa (Nov. 2, 2008). *Reynosa, Frontera Del Desarrollo: Trabajo coordinado de gobiernos y sindicatos*. News release. [www.reynosa.gob.mx](http://www.reynosa.gob.mx)
- City of Reynosa (Oct. 6, 2008). *Se Integrará el primer código de construcción municipal*. News Release. [www.reynosa.gob.mx](http://www.reynosa.gob.mx)
- City of Reynosa (Jan. 2, 2009). *Reynosa es un polo de desarrollo y equilibrio*. News Release. [www.reynosa.gob.mx](http://www.reynosa.gob.mx)



Dillman, C.D. (1970). "Urban Growth along Mexico's Northern Border and the Mexican National Border Program." *The Journal of Developing Areas*, 4(4), 487-508. Retrieved from JSTOR.

Fernandez, R.A. (1977). *U.S.-Mexico Border*. Indiana: University of Notre Dame Press

Foglesong, R.E. (1986). "Planning the Capitalist City." In S. Campbell and S.S. Fainstein (Eds.), *Readings in Planning Theory, Second Edition* (pp. 102-107). Oxford, UK: Blackwell

Gaffney, S. (2009, July 8). "Electronics giant to 1,200 jobs in Reynosa." *The Monitor*. <http://www.themonitor.com/articles/reynosa-28334-add-electronics.html>

García, G. (2008, July). "Analizan Necesidades del Parque Industrial Reynosa." *Maquila Reynosa*.

Greenhouse, S. (2002, December 26). "City Feels Effects Of Plant Closing in 2004." *The New York Times*. <http://www.nytimes.com/2002/12/26/us/city-feels-early-effects-of-plant-closing-in-2004.html>

Gruben, W., and S. Kisser (2001, June). "NAFTA and *Maquiladoras*: Is the Growth Connected?" *The Border Economy*. Federal Reserve Bank of Dallas.

Guerra, A. (2008, Aug. 19). "Acorralan a INFONAVIT en Reynosa." *Hoy Tamaulipas*. [http://www.hoytamaulipas.net/index.php?v1=notas&v2=48835&tit=Acorralan\\_a\\_INFO\\_NAVIT\\_en\\_Reynosa](http://www.hoytamaulipas.net/index.php?v1=notas&v2=48835&tit=Acorralan_a_INFO_NAVIT_en_Reynosa)

Harvey, D. (2005). *A brief history of neoliberalism*. Oxford: Oxford University Press.

Harvey, D. (1978). "The Urban Process under Capitalism: A Framework for Analysis." In N.R. Fyfe & J.T. Kenny (Eds.), *The Urban Geography Reader* (pp. 111-120). Oxfordshire: Routledge

Herrera, O. (1998). *Visión Histórica de Reynosa*. Reynosa, MX: RR Donnelley & Sons Company/ Impresora DONNECO 1998

Hirschberg, V. (2003, October 17). "Toyota Factory could help Valley." *The Brownsville Herald*. [http://old.brownsvilleherald.com/ts\\_comments.php?id=54443\\_0\\_10\\_0\\_C](http://old.brownsvilleherald.com/ts_comments.php?id=54443_0_10_0_C)

Holeywell, R. (2008, March 5). "GSA releases details on Donna Bridge." *The Monitor*. [http://www.themonitor.com/articles/bridge\\_9649\\_\\_\\_article.html/donna\\_project.html](http://www.themonitor.com/articles/bridge_9649___article.html/donna_project.html)

INEGI (Feb. 2007). *Industria Maquiladora de Exportación*.

Jessop, B. (2002) Liberalism, Neoliberalism, and Urban Governance: A State-Theoretical Perspective. In N. Brenner and N. Theodore (Eds). *Spaces of Neoliberalism: Urban*

*Restructuring in North America and Western Europe* (pp. 105-125). Massachusetts: Blackwell Publishers Ltd.

Kearney, M., and A.K. Knopp. (1995). *Border cuates A history of the U.S.-Mexican twin cities*. Austin, Tex: Eakin Press.

Kimball, S. (2009, Aug. 4). "Panasonic to move division headquarters to McAllen." *The Monitor*. <http://www.themonitor.com/news/mcallen-29234-division-headquarters.html>

Lefebvre, H., and D. Nicholson-Smith. (1974). *The production of space*. Oxford [u.a.]: Blackwell.

Leitner, H., J. Peck, and E. S. Sheppard. 2007). *Contesting neoliberalism: Urban frontiers*. New York: Guilford Press.

### *Ley Estatal de Planeación*

Lorey, D. E. (1999). *The U.S.-Mexican border in the twentieth century A history of economic and social transformation*. Wilmington, Del: Scholarly Resources.

Martin, P. L., S. F. Martin and P. Weil (2006). *Managing migration: The promise of cooperation*. Lanham, MD: Lexington Books.

Martínez, O. J. (1978). *Border boom town: Ciudad Juárez since 1848*. Austin: University of Texas Press.

McAllen MSA Industrial Map, Industrial Community Publications, LLC. 2007

Merrifield, A. "Place and Space: A Lefebvrian Reconciliation." *Transactions of the Institute of British Geographers, New Series*, 18(4), 516-531. Retrieved from JSTOR.

Molotch, H. (1976). "The city as a growth machine: Toward a political economy of place." *The American Journal of Sociology*, 82(2), 309-332. Retrieved from JSTOR.

Molotch, H. and J. Logan. (1984) "Tensions in the Growth Machine: Overcoming Resistance to Value-Free Development." *Social Problems*, 31(5), 483-499. Retrieved from JSTOR.

Molotch, H. (1999). "Growth Machine Links: Up, Down, and Across." In Jonas, A. E. G., and D. Wilson. *The urban growth machine: Critical perspectives two decades later* (pp. 247-265). Albany, N.Y.: State University of New York Press.

Moody, K. (1995). "NAFTA and the Corporate Redesign of North America." *Latin American Perspectives*, 22(1), 95-116. Retrieved from JSTOR

Ngai, M. M. (2004). "Impossible subjects: Illegal aliens and the making of modern America." *Politics and society in twentieth-century America*. Princeton, N.J.: Princeton University Press.

Palomares León, H. (2003). *Crecimiento, estructuración y planeación intraurbana en ciudades intermedias del noreste de México*. San Antonio del Mar, B.C., México: El Colegio de la Frontera Norte.

Peck, J. and A. Tickell. (2002) "Neoliberalizing Space." In N. Brenner & N. Theodore (Eds.), *Spaces of neoliberalism: Urban restructuring in North America and Western Europe* (pp. 33-57). Malden, Mass: Blackwell.

Peña, S. (2002) "Land Use Planning on the U.S.-Mexico Border: A Comparison of the Legal Framework." *Journal of Borderlands Studies*, 17(1), 1-20. Retrieved from the University of Texas-El Paso. <http://utminers.utep.edu/spena2/jbs%202002.pdf>

Perkins, S. (2008, March 31). "Thanks, NAFTA: The treaty is responsible for the Valleys latest growth spurt." *The Monitor*.  
[http://www.themonitor.com/articles/mcallen\\_10412\\_\\_\\_article.html/valley\\_mexican.html](http://www.themonitor.com/articles/mcallen_10412___article.html/valley_mexican.html)

Quintero Ramírez, C. (2004). "Unions and Social Benefits in the *Maquiladoras*." In K. Kopinak (Ed.), *The Social Costs of Industrial Growth in Northern Mexico* (pp. 284-308). La Jolla, Calif: Center for U.S.-Mexican Studies, UCSD.

Quintero Ramírez, C. (unpublished). "Crecimiento industrial y calidad de vida en Reynosa, Tamaulipas." El Colegio de la Frontera Norte. Given to author August 2008

Rio Grande Valley Partnership (2009, February). "Monthly Business Barometer"  
[www.valleychamber.com](http://www.valleychamber.com)

Roberts, B.R. (1989). "Urbanization, Migration, and Development." *Sociological Forum*, 4(4), 665-691. Retrieved from JSTOR.

Rocha, A. (2008, December). "Celebra RAMMAC Encuentro con Alcalde Oscar Luebbert."  
*Maquila Reynosa*, No. 136, p. 7

Roebuck, J., S. Gaffney and A. Ley (2009, Feb. 18). "Bloody Reynosa: At least five killed in street battle." *The Monitor*,  
[http://www.themonitor.com/articles/reynosa\\_23348\\_\\_\\_article.html/bloody\\_.html](http://www.themonitor.com/articles/reynosa_23348___article.html/bloody_.html).

Roweis, S.T. (1981). "Urban Planning in early and late capitalist societies: outline of a theoretical perspective." in M. Dear and A.J. Scott (Eds). *Urbanization and urban planning in capitalist society* (pp. 159-177). New York: Methuen & Co., Ltd

Sandoval, D. (2003). "Maquiladora along the Mexico-US Border: Past, Present, and Future." *EDGE: Poverty and Global Development*.

Sargent, J. (2003). "Charter Evolution in *Maquiladoras*: A Case Study of Reynosa, Tamaulipas." Working Paper #2003-16. University of Texas-Pan American. Center for Border Economic Studies.

Secretaría de Desarrollo Económico y Empleo 2008-2010. "Economic Development Presentation."

Sklair, L. (1993). *Assembling for development: The maquila industry in Mexico and the United States*. U.S.-Mexico contemporary perspectives series, 5. San Diego: Center for U.S.-Mexican Studies, University of California.

Smith, N. (1990). *Uneven development: Nature, capital and the production of space*. Oxford: B. Blackwell.

Soja, E. W. (1989). *Postmodern geographies: The reassertion of space in critical social theory*. London: Verso.

South, R.B. (1990). "Transnational *Maquiladora* Location." *Annals of the Association of American Geographers*, 80(4), 549-570. Retrieved from JSTOR.

Tamayo-Flores, R. (2001). "Mexico in the Context of the North American Integration: Major Regional Trends and Performance of Backward Regions." *Journal of Latin American Studies*, 33(2), 377-407. Retrieved from JSTOR.

Taylor, J. (2009, January 6). "Local leaders dispute media reports on Anzalduas Bridge." *The Monitor*.  
[http://www.themonitor.com/articles/mcallen\\_21764\\_\\_\\_article.html/anzalduas\\_media.html](http://www.themonitor.com/articles/mcallen_21764___article.html/anzalduas_media.html)

Unwin, T. (2000) "A Waste of Space? Toward a Critique of the Social Production of Space." *Transactions of the Institute of British Geographers*, 25(1), 11-29. Retrieved from JSTOR.

### **Personal Interviews**

Mike Allen, August 2008, via telephone, Albuquerque, NM

Tony Knopp, July 2008, Brownsville, TX

Fortino Lopez, June 2008, Reynosa, Tamps, MX

Oscar Luebbert Gutiérrez, January 2009, Reynosa, Tamps. MX

Patricio Mora, July 2008, Reynosa, Tamps. MX

Keith Patridge, December 2008, McAllen, TX

Elva Yolanda Quintero, June 2008, Reynosa, Tamps. MX

Cirila Quintero Ramírez, August 2008, Matamoros, Tamps., MX

Derly Rivas Pérez, July 2008, Reynosa, Tamps. MX

J. Cruz Ruíz Negrete, January 2009, Reynosa, Tamps. MX

Jorge Gilberto Moreno Ibarra, January 2009, Reynosa, Tamps. MX