

# Temporal and Spatial Dynamics of Economic Development Initiatives in a Context of Global Integration

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College of Urban Planning and Public Affairs  
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A Great Cities Institute Working Paper



**UIC**





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# **Temporal and Spatial Dynamics of Economic Development Initiatives In a Context of Global Integration**

## **Abstract**

This article highlights socio-political implications of local responses to globalization as reflected in their time and space orientations. It illustrates two local responses in El Paso, Texas, to the ongoing integration of the U.S. and Mexican economies. One response concerns an economic strategy promoted by a group of labor advocates in efforts to address social dislocation caused by plant relocations. The other response concerns an economic plan embraced by the local business community in relation to regional infra structural needs for international production. The article explores the developmental implications of these responses in relation to sharp discrepancies among local groups as well as between local and global entities. These discrepancies entail complex socio-political dynamics influencing the allocation of resources not only in terms of local groups but, increasingly, also in terms of international operations. In theoretical terms, the case study provides a vivid illustration of contrasts and changes that suggest tangible new insights about the temporal and spatial dimensions of globalization.



# Temporal and Spatial Dynamics of Economic Development Initiatives in a Context of Global Integration

## Temporal and Spatial Boundaries

The officer of the Department of Economic Development for the city of El Paso, Texas, was sincerely happy this time. In 1991, five years before, the enthusiasm displayed by a colleague of his was less convincing. Then, the number of new jobs, created in new plastic and metal processing plants, did not compensate for massive lay offs taking place in the garment industry. In addition, the polemical arguments surrounding negotiations of the North American Free Trade Agreement (NAFTA) heightened concerns about infrastructure problems related to the maquiladora industry. This time things were clearer and more balanced, at least to a certain extent. The officer's enthusiasm rested on the recent confirmation of a substantial expansion of local operations by a telemarketing company based in Omaha, Nebraska. This expansion meant that this company's local operations, which had opened the previous year with 850 workers, would be increased to two thousand workers the following month. The expansion would also mean a number of related activities, such as building or reconditioning an additional facility and other construction contracts. The officer enthusiastically added in our interview that another telemarketing company had already contacted them about the possibility of starting operations in the city. This company would bring four hundred additional jobs to the city.

The officer attributed the selection of El Paso for these new operations to the North American Free Trade Agreement among Mexico, the United States, and Canada, which went into effect in January of 1994. These companies, he believed, were establishing these local operations to take advantage of the considerable growth in trade that the agreement fosters. Besides its geographical location, right at the center of the U.S.-Mexican border, the city offered these companies an ample labor force highly motivated to work for them, given most other options available. At a \$6.00 per hour wage, in a city with a persistent unemployment rate of 9 to 12 percent, the companies could be selective in choosing their labor force. According to the city official, most of the workers hired in these operations were young high school- and college-educated Latinos. The ethnicity of these workers, in a city in which the ancestry or origin of 69 percent of the population is Mexican, guaranteed their bilingualism and biculturalism, so necessary in the binational operations. Likewise, their schooling level guaranteed their communication skills. Given their available options, these workers very likely welcomed these jobs that paid above the \$4.20 per hour of most starting wages in the city. Their imminent good fortune was further underlined by the contrasting fate of local garment workers, many of whom had been laid off repeatedly in recent years as local factories relocated to other counties or restructured into subcontracting arrangements. Most of the laid-off workers were Latino women who had worked several years as sewing machine operators in garment factories, with little formal education.

The present paper focuses on the time and space dimensions of globalization to illustrate the socio-political and technical dynamics generating this contrasting situation for older and new workers in El Paso. It traces the unfolding of two local strategies aimed at influencing the economic orientation of the city in light of challenges and opportunities posed by its increasingly direct integration into global processes. One response was led by a labor activist, a Chicana born and raised in the city, and the other by a business professor, an Anglo male from the Midwest who came to El Paso because of his academic position. The labor strategy addressed the condition of

workers through a cooperative call to the government, business and community groups of the city to reverse the decline of the garment industry. The entrepreneurial strategy called for concerted efforts to develop a regional industrial base in preparation for the opportunities that NAFTA would bring. Limited local resources made the coordination of the two strategies difficult. This difficulty derives from the magnitude of the discrepancy between local and global capabilities and requirements as well as local discrepancies regarding class, ethnic, and gender dynamics in the city. Ideological factors contributed to this difficulty as the entrepreneurial strategy had the aura of progress attached to newer phases of modernization. In contrast, the labor strategy was associated with a “past” to be left behind in order to make room for the new ventures.

The contrasting temporal and spatial orientations of the two strategies encompassed important socio-political dimensions highlighted in this paper, which traces the development of the two strategies from 1990, when they were first formulated, to 1996, by which point some defined outcomes of their influence had materialized. Time and space constitute critical dimensions of technical and social dynamics in ongoing global changes (Harvey 1989, Giddens 1990, Waters 1995, Spybey 1996). David Harvey describes the prevailing conditions of contemporary life in terms of a “compression” of the two dimensions. In his view, institutional and technological changes have reduced the time required to contact one point of the globe to another or even to interact instantaneously with multiple ones. This briefer communication and transportation span, in turn, is experienced as a shortening of space itself, as distant places become operationally more proximate. This compression, dynamically related to the ongoing economic reconfiguration at the global level, entails a new modality of capitalist accumulation characterized by technical and institutional flexibility (1989:240).

The ethnographic account of this case study highlights concrete socio-political implications of Harvey’s insightful conceptualization of temporal and spatial transformations. It sheds light on tangible manifestations in which the reformulated dimensions are embodied, such as in the hiring preferences of new companies in El Paso based on age, or extended, such as in the networks activated by each strategy. The accelerated pace towards an increasingly integrated world economy occurs through the reconfiguration of production and distribution arrangements in the form of international industrial relocations and trade blocks fostered by the reconfigured temporal and spatial dimensions. In El Paso, this reconfiguration is manifested through the recently enacted NAFTA and the Maquiladora System. Now in its third decade, this system is an export-oriented industrial program established by the Mexican government to attract foreign manufacturing operations to its territory. It consists currently of 1,945 plants, mostly located in the border region.<sup>1</sup> Although these assembly-line plants are in Mexican border cities, U.S. border cities also greatly partake in their operations, as it will be shown below. Most of the maquiladora plants are owned by U.S. companies, but an increasing number are owned by companies from Japan, Germany, and other countries.

Temporal and spatial dynamics strongly condition local economic options for residents of El Paso. The labor strategy, capitalizing on job skills already developed, attends to the situation of older and less educated workers. The entrepreneurial strategy, driven by ongoing innovations, favors opportunities for younger and better-educated workers. The strategies also contrast in spatial terms. The labor strategy emphasized local factors and concerns, while the entrepreneurial strategy emphasized global ones, as it will be illustrated later. This account argues that the temporal and spatial differences of the two strategies are dynamically related to significant discrepancies in resources among local constituencies as well as between local and non-local agents and institutions. It also contends that these sharp discrepancies undermine local efforts to



overcome the subordinate role of the city in its intermediation of international flows of people and products between Mexico and the United States throughout its history. The social implications of subordination are dramatically reflected in the constant fall of the income levels of the city in comparison with the national average in the last fifty years, when the per capita personal income dropped from 99 percent in 1950 to 58.48 percent in 1990.<sup>2</sup> The next section of this paper describes this intermediating role as the context for the two strategies. The strategies are described in the following two sections, respectively. The final section highlights the socio-political implications of the time and space dimensions embedded in each strategy. This article is based on four fieldwork periods conducted between the summer of 1987 and March of 1996. It comprises interviews, observations, and research of newspaper and government archives.

### **A Persistent, Strong Link but a Weak Site**

The North American Free Trade Agreement formalized economic and institutional processes already long established between Mexico and the United States. Trade has been a constant in the interaction of the two countries for more than one hundred and fifty years. Concurrently, exchanges--sanctioned and unsanctioned--of Mexican labor and U.S. investment have been another constant between the two countries. El Paso, the largest border city immediately adjacent to Mexico, has played an instrumental role in these transactions (Sanchez 1993; Garcia 1981). Its geographical location as an international city has led to accelerated demographic growth as the economic exchanges between the two countries intensified since World War II. In this period the population of the city expanded 472 percent, from 130,485 in 1950 to 615,910 inhabitants in 1990. This growth easily surpasses the 220 percent for Texas and 164 percent for the United States.<sup>3</sup> The large concentration of people of Mexican ancestry or origin in the city derives from its immediate proximity to Mexico as well as the long-established intermediary role that the city has played in the economic, cultural, and social exchanges between the two countries. At present, 69 percent of the residents are of Mexican ancestry or origin (1990 U.S. Census).

The current prominence of El Paso in economic exchanges between Mexico and the United States is evidenced in the high concentration of maquiladora plants in its neighboring city, Ciudad Juarez. With more than 155,000 workers in these production plants, Ciudad Juarez concentrates 252 plants and more than a fourth of the total 563 thousand workers employed in this industrial arrangement in Mexico.<sup>4</sup> Entrepreneurs and city officials in El Paso have been instrumental in the development of these industrial operations in Ciudad Juarez, because they provide substantial economic opportunities for local businesses as well as national companies represented in El Paso. These opportunities concern the promotion, expansion, and functioning of the industry in a large array of services and products ranging from banking to janitorial services and the distribution of industrial inputs to office supplies (Ortiz 1993). An estimated two thousand U.S. citizens work in maquiladoras in Ciudad Juarez and reside in El Paso.<sup>5</sup> Many of these employees occupy management positions with high salaries and, increasingly, corporate standing. This economic and technical prominence contributes to their influential presence in both cities.

Preceding the maquiladora industry, the Sun Belt industrialization process brought industrial growth to El Paso as companies from the rust belt relocated operations to areas with low wages within the United States (Abbott 1987). This nationally bound phase of industrial relocations brought prominence to El Paso as an important labor intensive area for garment production from the 1950s to the early 1980s. These relocations were prompted by a readily available and apparently ever-expanding labor supply at comparatively low wages in the city (Coyle et al 1982). This large and inexpensive labor supply tapped by the companies had an ethnic and gendered face, as the overwhelming percentage of workers were women of Mexican ancestry or origin. Some of them, moreover, did not even live in the city but resided in Ciudad Juarez (Mitchell 1955: 80).

After reaching a peak in 1981, the number of workers in the garment industry steadily declined for the following fifteen years, when companies again relocated: this time outside the United States, to countries with lower wages. The detrimental effects of these plant closures were further aggravated by the technical reconfiguration of the garment industry at the national level, in which the organizational distribution of the labor process was fragmented into a pyramid-like chain of contractors and subcontractors. Both developments had very detrimental effects for workers as well as for the overall economy of El Paso. Garment workers were the most affected, many of whom found themselves with few alternative job options after decades of working in garment operations. In many cases the lost jobs were unionized positions that paid wages well beyond the minimum wage and offered adequate employment benefits and working conditions.

Some of the displaced workers found new employment in the new subcontracting shops. However, these new jobs seldom offered the same wages, benefits, or job security of larger factories. Many of these new shops were in no position to provide such employment conditions because of their small size and tenuous standing in the overall industry, which meant a high degree of instability due to dependence on temporary contracts, low profit margins, and administrative inexperience. Because of this instability, along with reduction in wages and deterioration of working conditions, some workers even contended with sudden closures as their new bosses filed for bankruptcy or merely closed shops and disappeared owing wages, rent, and utility bills.

Although changes in the garment industry affected the general condition of the city, their impacts were defrayed by the accelerated growth of the maquiladora industry across the border. This growth meant substantial monetary inflows for El Paso in professional and operational services in the form of custom houses and legal offices as well as the distribution of various products ranging from industrial inputs to office equipment and supplies. Increasingly, as the operation of the

maquiladora industry expanded, these related activities replaced the garment industry as the driving economic force of the city. Initially disdained by many as a proliferation of sweatshops, the maquiladora industry was not widely recognized as a significant local economic avenue for El Paso until 1982, at the onset of its accelerated expansion. This growth derived from a wave of dramatic devaluations of Mexico's currency which started that year. These devaluations meant dramatic cuts in production costs for companies, which paid wages and operational expenses in pesos. Due to these savings, the number of maquiladoras rapidly increased from 586 plants in 1982 to 1641 in 1989.<sup>6</sup>

A victim of its own success, the industry faced the consequences of its accelerated growth as it overtaxed the local infrastructure of Ciudad Juarez, primarily. El Paso was directly affected by some of this accelerated growth, such as in traffic congestions in international crossing points and worsened pollution of the air and water. The infrastructure deficits in Ciudad Juarez directly affected the operations of the maquiladora industry and, it was feared, would hinder its continuation or further expansion. Some of these deficits concerned the availability of functional industrial facilities with an adequate supply of water, electric powerage, telephone lines and streets. There was also the need to solve bureaucratic bottle necking in official procedures such as customs inspections and work permits for maquiladora personnel. These infrastructure problems became a great concern for local business people on both sides of the border, who worried that these deficits would disrupt the "comparative advantages" of the site and companies would relocate to other cities in Mexico or other countries.

Bust and boom periods have been a constant in the history of El Paso (Garcia 1981) and are derived from the city's weak control of its own economy. As a linkage, or international site, the economy of the city has been driven by geopolitical and economic interests of national politics or exchanges controlled by non-local companies. For example, along with the negotiations of NAFTA itself, devaluations of the currency of the Mexican peso or changes in U.S. immigration laws are events which greatly affect the situation of local residents, yet over which they have little, if any, significant control. Likewise, the satellite-like character of El Paso's economy in terms of the ownership and decision-making capability of most of the companies in the city, was well documented in the early 1980s (van de Ende & Haring 1983). This tenuous control over non-local developments has meant the subordination of the well-being of the local population to non-local priorities. This is clearly reflected in the persistent decline of income levels as the city's direct integration to non-local economic circuits has increased in the last fifty years. As previously mentioned, the per capita income for El Paso was 99 percent of the national average in 1950 while it was only 58 percent by 1990.

At this moment of intense international integration, an autonomous or isolated situation is hardly imaginable for any setting, particularly for a border city. However, there are basic degrees of stability and relative control that local populations may strive for, based on the competitiveness of the site in global markets. In El Paso, such relative control would reduce the possibility of massive relocations and despondency. The two strategies discussed in this paper strove to solidify the economic viability of the city in terms of the requirements of international competition. However, each strategy reflected different degrees of immediacy with regard to spatial and temporal dimensions vis-a-vis the residents of the city.

### **The Labor Strategy**

"The garment industry is a thing of the past" was a common statement I heard from local entrepreneurs in El Paso in 1991. Carmen Rocha, the director of La Mujer Obrera (Working

Woman), disagreed.<sup>7</sup> For her and the other members of this labor advocacy group, the immediate task at hand was not the potential relocation of maquiladoras, which concerned the entrepreneurs, but the ongoing relocations of garment factories. Founded in 1982, the group consists of seven permanent staff members and a handful of occasional volunteers. All but one of the personnel are women and, with the exception of two Anglo women, they are Chicanos, two of whom immigrated to the United States as adults from Mexico and worked in the garment industry. It operates mostly on grants from national and international organizations.

La Mujer Obrera designed the strategy to address the disruptive effects of national and international changes in the garment industry among local workers, most of whom are women of Mexican ancestry or origin. These changes meant plant closures due to the relocation of operations to Mexico and other countries, as well as to the restructuring of the industry into subcontracting firms. Alarmed by the social impact of these changes, La Mujer Obrera aimed to generate public awareness of what it perceived as an incongruent economic strategy followed by the city of El Paso, which, they claimed, generated unemployment in El Paso by promoting the maquiladora industry in Ciudad Juarez. In their view, this strategy induced plants in El Paso to relocate operations across the border. The vehemence of the labor advocates was intensified by their outrage over overnight closures of subcontracting shops in which the owners left, owing back wages to workers. According to Rocha, the director of the group, some of the owners of these shops soon reopened and registered them under new names to evade their legal responsibilities toward their previous workers. Requests from the group to local authorities to protect the workers' rights were met with bureaucratic explanations about insufficient resources and personnel to tackle the backlog of complaints. In response to this lack of protection of rights and conditions, La Mujer Obrera initially resorted to confrontational militancy.

The confrontational measures employed by the labor advocates intensified with time. Their initial actions consisted of demonstrations at City Hall and at the entrances of factories with bad labor practices. After these actions brought little results, six women, three workers and three members of *Mujer Obrera*, chained themselves to sewing machines in a small garment shop. The six women were arrested for criminal trespassing and the three activists spent three days in jail because they refused to post bonds for their release. Their refusal aimed to point out to the authorities the incongruence of jailing them for demanding back wages for workers while the bosses who owed the wages were not being persecuted. In this awkward situation, the authorities released the workers despite their refusal to place bonds.<sup>8</sup> Building on this success, the *Mujer Obrera* carried out a seven-day hunger strike to pressure the authorities to expedite solutions to the workers' problems. During that week they held public meetings with the Congressman for El Paso, its District Attorney, and the city council, to ask for their intervention to protect workers' rights. The *Mujer Obrera* also held protests in New York and Los Angeles to pressure the contractors and retailers of the products that had been manufactured with unpaid wages. The International Ladies Garment Workers Organization provided support in these activities.

Aware of the weak technical and financial position of small contractors, *Mujer Obrera* looked for a more cooperative strategy to address the root of the problem: the technical and spatial reconfiguration of the garment industry. The need for such a cooperative strategy was first perceived by the director of the labor advocacy group. In her mid-thirties, college educated, and from a family with a history of involvement in the Chicano Movement of the '60s and '70s, Rocha's views reflected an ample knowledge not only of the social impacts of technological and organizational trends reshaping the garment industry but also of academic and media discussion of these trends. In addition, she had direct exposure to the everyday functioning of the industry, not only in El Paso, but also from contacts with other organizations working on similar issues across the country and Mexico.

The conciliatory position inherent in the group's search for a new strategy, which did not mean an abandonment of occasional militant actions, aimed to appeal to the private and public sectors of the city to formulate a collective plan to revitalize the garment industry. Rocha's initial idea was well received by a mid-level administrator in the local chamber of commerce, who helped in the development and implementation of the project. The receptivity of this administrator, Horacio Garrido, was related to his own background. A Latino in his early forties, Garrido left his native El Paso in his mid-twenties to do graduate work at an Ivy League school toward a doctorate in political science. He returned to gather data for his dissertation and found himself involved in a number of community and city positions that have prevented him from completing his doctorate. Ten years later the inspiration for community empowerment he had drawn from the works of the Brazilian pedagogist Pablo Freire made him receptive to Rocha's idea of exploring creative ideas to revitalize the garment industry in El Paso. Mr. Garrido served as a liaison between the workers' group and individuals in the industry and other concerned business people. A tactful person, Mr. Garrido provided contacts and bureaucratic savvy to make Rocha's idea attractive beyond a "garment industry as a thing of the past" mentality or the concerns of business people about working with "militant activists."

Ms. Rocha's idea received some support from a handful of owners of garment factories, some public officials, and other concerned business people.<sup>9</sup> However, this cooperative attitude was frequently weakened by practical and ideological reasons. Heavy schedules and workloads, as well as a certain amount of distrust, delayed the progress of the meetings for some months. Eventually, they agreed to develop a plan for a concerted effort of the city, the private sector, and workers to

capitalize on the long-established assets of El Paso as a garment production center. The plan, which was presented to city officials as a developmental strategy in October of 1990, proposed the development of the local infrastructure in accordance with the new technologies and processes of the industry.

The initial part of this strategy was the creation of an industrial incubator, the High Fashion Institute, to foster the stability and growth of small firms in the reconfigured industry. The central component of this initial project was assistance to subcontractors in a very competitive environment. In Rocha's words, the aim was to help them become "better bosses" through technical training in bookkeeping, marketing, financial programs, and their legal responsibilities toward workers. The success of these small firms, it was hoped, would represent their increasing specialization into more sophisticated operations in the industry to assure its local stability as well as higher skill and income levels for workers and the city as a whole.

After the presentation of the project to city officials, the initial enthusiasm of the cooperative efforts in promoting the establishment of the High Fashion Institute weakened. Muddled with campaign promises and uncertainties, few concrete actions were taken by local politicians. Eventually, however, the *Mujer Obrera's* mixture of conciliatory and confrontational activities managed to bring results, although slowly and inconclusively. Its denunciations of bad labor practices elicited a two week-long investigation by the Labor Department of local garment factories, which found irregularities in 20 factories, ranging from unpaid wages and wages below the legal minimum to employment of minors. Working conditions in six of the plants also represented safety or health hazards for the workers. The amount estimated in unpaid back wages was \$85,000 dollars.<sup>10</sup> Regardless of these findings, no immediate action was taken by any governmental office. It took nine months of interrupted debate at the state senate to pass an amendment establishing criminal charges for "willful non-payment of wages" as a third degree felony.<sup>11</sup> While the evidence was clear, some legislators opposed the bill on the grounds that it would generate an "anti-business" image and be counterproductive, because companies would be discouraged to relocate to the state.

The High Fashion Institute opened in 1994 with one full-time staff person and two consultants, along with a ten-member advisory board including owners of garment factories and a representative of the largest garment company in the city. The only direct, prevailing connection between the Institute and *La Mujer Obrera*, its original promoter, is the participation of one of the consultants in the two groups. This rather tenuous connection did not seem to concern members of *La Mujer Obrera*, who stated that they never aimed either to incorporate or to be incorporated by the Institute. The Institute surpassed its original goals in both of its two first years of operations. It originally aimed to provide assistance to thirteen companies a year and assure employment to a minimum of 39 workers. Instead, the Institute offered assistance to fifteen companies each year with approximately 290 workers benefiting. The institute offers basic bookkeeping and managerial instruction along with assistance in finding and negotiating contracts with manufacturers. A central aim of the Institute is to promote the diversification in the garment products manufactured locally from mostly denim jeans to other types of operations, catering especially to women's fashion markets. Realizing this goal has been a slow process, given the reluctance of some subcontractors to venture into new operations due to financial, technical, or marketing limitations.

The decline of employment in the local garment industry was reversed from its lowest point in October 1990 with 15,800 workers. The trend reached its highest peak ever in September of 1995, with 21,100 workers. Obviously, this rebound cannot be attributed directly to the Institute's

accomplishments. The magnitude of its operations and slim resources, notwithstanding its constructive vision, could not produce such a major turnaround in such little time. Instead, employment growth can be attributed to expansions made by larger companies in specialized operations, particularly in cutting. In addition, there has been a significant growth in industrial laundries doing stone and acid treatment of fabric for pre-washed jeans. The primarily non-local driven causes of these job gains is clearly manifested by the recurrent fluctuation in employment figures, which again declined by November of 1995 to 20,000 and then increased again to 20,600 the following month.<sup>12</sup> Local observers attributed this contraction to the periodic fluctuations of the industry.

During the first two years after the passage of NAFTA in 1994, members of La Mujer Obrera have concentrated on influencing the administration of Federal funds earmarked at the approval of the trade agreement to assist communities with the expected employment dislocation it would produce. These funds, allocated through the Trade Adjustment Assistance Program, aim to help displaced workers with unemployment benefits, stipends for training costs, job placement, and relocation assistance. The labor advocates have formulated a plan to promote the economic development of the central districts of the city, the areas where most garment industries are located and where many of the city's poor live. An apparent rationale of expanding the focus of their efforts from the garment industry to a spatial scope is the imminent risk brought about by NAFTA-related operations in which residents of downtown areas, as well as near crossing points, would be displaced not only occupationally but even residentially. These areas are inhabited by the constituency most negatively affected by ongoing changes and where the garment industry concentrates. In order to avoid this dislocation, the new plan advocates the promotion of jobs in the central areas through cultural events, housing renewal, community service projects, along with industrial and commercial development.

The new plan aims to develop the capacity of La Mujer Obrera to operate as a “comprehensive bilingual vocational training center for displaced workers.” This center aims to attend to a number of specific needs of the particular characteristics of the population addressed in order to administer some of the federal programs and assure their maximum benefits. The group’s efforts strive to assure the efficient use of these resources, which it seems to perceive as “too little too late.” While maintaining its previous functions, La Mujer Obrera would expand in order also to operate as a one-step training center in which multiple needs of the workers would be attended to, including citizenship classes, leadership development, conversational English, and more technical concerns such as communication and basic computing skills. It emphasizes the need for a “one-stop” service center in which displaced workers and their families can find expedient assistance and prevent additional bureaucratic and transportation burdens on them given that most have little formal education and do not have cars. The plan specifies the need for child care service at the center and emphasizes the need for bilingual assistance and training so that linguistic barriers might be overcome and prevented from undermining the workers’ abilities to take advantage of the orientation and training provided by the program.

The militant actions of the labor group have been left to rest because the growth of the garment industry has improved the situation of the workers. The group’s operations, while constant, have also been affected by the departure of Rocha from El Paso to become a board member of a national foundation based in New York City which promotes community-based projects aiming to advance social justice. Her departure has not meant a termination of her involvement with Mujer Obrera, even though it reduced its immediate input and the degree of energy she could directly commit to local events. In turn, however, her administrative involvement with a national organization represented a new level of relationships for the Mujer Obrera with other groups around the country as well as access to new skills and resources that Rocha has gained. In this respect, the considerably wider reach of corporations from globalization is shared by the Mujer Obrera, through the involvement of Rocha in the many local networks she encounters in her new position. While limited, this enhanced contact among different organizations pursuing their own social agendas relativizes the locally-bound constraints of groups like Mujer Obrera, addressing spatially defined challenges brought about by the reconfiguring impacts of globalization. While the spatial flexibility of entrepreneurs is comparatively greater than for workers and residents, as the next section illustrates, such flexibility is not boundless.

### **The Entrepreneurial Strategy**

As displaced workers denounced their job losses as results of the expansion of the maquiladora industry, promoters of the industry faced problems also derived from the enhanced mobility inherent in globalization: the relocation flexibility of production operations also involves the maquiladora plants in Ciudad Juarez. As mentioned before, the accelerated growth of the industry brought along the risk of its decay, as the local infrastructure base was seriously overtaxed. Numerous deficits ranging from labor shortages to transportation bottlenecks and environmental damage made the growth of the maquiladora industry precarious. This risk of relocations was exacerbated by the passage of NAFTA, which many feared would lead to an exodus of local maquiladora plants to the interior of Mexico.

The majority of local entrepreneurs saw the infrastructure problems only in terms of the short term operational needs of the maquiladora industry. A few others, however, approached the problems with a broader understanding of the situation and advocated a long-term strategy which aimed at the development of the region beyond the maquiladora arrangement. This position was more explicitly articulated by Dr. David Morris, who was until recently the director of a nonprofit institute



promoting the technological development of the area. Sponsored by the state government, the institute was based at the local campus of the state university. Morris, well informed on globalization trends and holding a doctorate in management, displayed great energy in establishing linkages among different business and political groups in the local setting to advocate a “proactive” response to the opportunity that the growth of the maquiladora industry meant for the site. Recognized as a visionary even by people who disagreed with his project, his well-attended public forums initially focused on opportunities offered by the maquiladora industry and later on NAFTA.

Dr. Morris’ strategy was founded on a basic premise: relocation decisions of corporations were decreasingly dependent on wage differentials but increasingly made in terms of the “total cost of business.” In other words, labor costs represented a diminishing factor in relocation decisions as production processes were increasingly automatized. Instead, he argued, other costs and considerations were becoming increasingly important. Some of these operational costs included location advantages, service costs, access to markets, and technical services. Therefore, El Paso’s winning strategy should not be based upon low wages, even at Ciudad Juarez’s levels, but from capitalizing on its premium location and its already established prominence in international production and trade. In this period of “dynamic comparative advantages,” he pointed out, this meant upgrading the region’s technical and infrastructure capabilities. Such improvements would enable El Paso and its surroundings to become “the high-tech manufacturing zone for the North American Common Market,” for which NAFTA was paving the way. This transformation meant the concentration of a layer of high-tech operations integrating less sophisticated operations based in other regions of Mexico at first, and eventually the rest of Latin America.

Responses to Morris’ project varied. Labor and community advocates felt that the strategy failed to directly address the worsening situation of most of the city’s residents. In their view, it did not generate enough jobs to compensate for the dismissals resulting from closures, and the relatively small number of better-paying jobs promised did not compensate for the overall loss for the city. Rocha, the director of La Mujer Obrera, pointed out that some of these new jobs only paid about the same as the union jobs that garment workers lost. She added that the strategy created opportunities for a different constituency than the one being most affected and that the best new jobs would not go to local residents but to newcomers, hired in other cities or regions.

In our interview, Morris responded to these criticisms by pointing out that the problem was the scarce technical integration of the maquiladora industry to the city’s economy in the form of support services which would generate high-paying jobs in sophisticated operations such as plastic injection and metal processing. The lack of these services, he added, inhibited the relocation of more sophisticated maquiladora operations to the region. These operations would have a greater value-added component to local operations, assure their permanence, and induce greater overall economic development. However, Morris agreed that such an industrial base could not be developed relying primarily on local resources. He argued that the development of a trained labor force able to perform according to international standards of quality and reliance took decades for the traditional manufacturing centers of the country to establish. Thus, he recommended promoting the relocation of facilities by well-established firms from other parts of the country to expedite the local readiness for the opportunities at hand before they elapsed or moved away. In addition, Morris felt that non-local capital was required because the very few local individuals with enough capital to invest in developing the industrial base refused to envision El Paso in any other way than the way it already functioned. Solidly based in their traditional business endeavors, they felt no need to risk or apply themselves to new ventures. Capitalizing on the status quo, they were more interested in maintaining their respective prominence in given activities than in reshaping the local

economy. Morris added that small entrepreneurs doing business with maquiladoras lacked the financial and technical capacity to develop the industrial base he proposed. Many of them were new to business, at least in their relation to maquiladoras.

As in the case of La Mujer Obrera, the pressing concerns of entrepreneurs have subsided in recent years given that the maquiladora industry did not leave, as it was feared, as an aftermath of the passage of NAFTA. The number of plants in Ciudad Juarez grew from 255 in 1991 to 304 in 1996.<sup>13</sup> Yet, the risk prevails, latent in the ever-increasing relocation capabilities of economic entities and networks. The persistence of the risk also derives from the rather scarce actual attention paid to the infrastructure needs of the city. This attention has mostly derived from national forces more than local initiatives. Attention to infrastructure and ecological problems in the border region during the NAFTA discussions led to the creation of the NADBANK, a binational economic development bank established to attend to these problems as well as to stimulate investment in regional development along the border region. By March of 1996 the bank had only received one request for funding from El Paso, concerning an environmental project.

### **Conclusion -- Socio Political Implications of Different Temporal and Spatial Orientations**

Characterizing the spatial dimensions of the new modality of capitalist accumulation, David Harvey makes a distinction between *space* and *place*, the former relating to business and the latter to people. His distinction addresses the tension between local and global developments in a world economy characterized by enhanced flexibility in communication and transportation capabilities. According to this distinction, *space* concerns the outlook of profit-oriented strategies in which geographical demarcations are primarily seen as abstract economic factors, to be reformulated in order to efficiently serve increasingly integrated networks of competition and accumulation. For the residents of these territorial extensions, however, geographical demarcations have additional meanings, ranging from emotional attachments to material subsistence. The tension between locally- and globally-oriented developments strives on the fact that residents inhabit *places* instead of merely using *space*, as business strategies pretend (1989:236 & 254).

Harvey's characterization adequately captures the overall divergence of the two strategies described in this paper. The entrepreneurial strategy's main focus is the functionality of the site in terms of the technical requirements of global economic integration (e.g., *space*). In contrast, the labor strategy addresses wider dimensions of the integration process (e.g., *place*). This divergence was clearly manifested by the use of the notion of infrastructure made by the leaders of the strategies. Morris spoke about solutions to infrastructure problems in terms of the conventional meaning of the word, referring to highways, electric power supply, telephone lines, functional crossing points between Ciudad Juarez and El Paso, and, most emphatically, an industrial base. Rocha employed a less conventional use of the term, one which was far more inclusive of social aspects such as training, housing, income, and health considerations.

The differences in focus and emphasis of the two strategies can be partly attributed to the professional arenas of their main advocates. Morris is a professor whose expertise and job expectations concerned the advancement of business. Rocha is a labor advocate whose personal and professional commitments address social concerns. Beyond these professional dimensions, however, the differences between the two strategies reflect time and space orientations of significant socio-political consequences. Regarding space, the focus of the labor strategy is local while the one of the entrepreneurial strategy is regional. The former centers only on El Paso while the latter stretches to include neighboring cities in both countries, including not only Ciudad Juarez but even Ciudad Chihuahua, four hours south, and small towns proximate to El Paso in the states

of Texas and New Mexico.

In geopolitical terms, then, the labor strategy is national and the entrepreneurial one is international. The former emphasized local resources and needs, while the latter stressed the comparative advantages of the city in an ever more integrated world economy. Thus, while Morris pointed to the need for more customs agents to expedite the transportation of materials between the two countries, Rocha pressed for more labor inspectors to improve employment conditions in El Paso. In its efforts to influence the economic orientation of the city, the labor strategy highlighted the discrepancy in the level of resources of local constituencies, while the entrepreneurial strategy pointed to the discrepancy between local and global resources. They also placed different emphases on the character of local participation. One strategy relied on small local businesses while the other disqualified their adequacy, given the magnitude and technical requirements of the proposed project. By insisting on business opportunities for residents, the labor strategy pointed towards a relatively higher degree of direct local control over the city's economy than the entrepreneurial strategy, to the limited extent possible within this period of globalization.

Temporal dimensions also reveal important socio-political aspects differentiating the strategies. The labor activists aimed to rally collective support to revitalize a long established industry in which the acquired skills of residents would remain valuable. These efforts derived from actual closures and restructuring taking place in El Paso. The entrepreneurial strategy also addressed plant relocations and the international competitiveness of the site. However, it responded to potential relocations of maquiladora plants, which, in its futuristic orientation, it saw as an expected occurrence given the enhanced flexibility of capitalism. Following this enhanced flexibility, in a manner which reminds of the notion of "space" pointed out by Harvey, it aimed to position El Paso beyond not only the garment industry but even the maquiladora industry, in preparation for an envisioned North American Common Market that, according to Morris, NAFTA foreshadows. This futuristic orientation also evokes the ideological fascination with progress of modernization strategies, which was emphasized in a frequent statement made by several entrepreneurs in my interviews about "the garment industry is a thing of the past."

The visionary scope of La Mujer Obrera was considerably more restricted because of the pressing needs of laid-off workers. These needs were related to the different employment opportunities promoted by each strategy, in which generational differences among workers were particularly important in social and technical respects. Age characteristics of the workforce affect both the attractiveness of the site for employers and the readiness of the workers to perform on the job. The labor strategy fostered opportunities for older workers with experience in the garment industry. The entrepreneurial strategy favored younger and better-educated workers, given the sophisticated technical character of the operations promoted. More recent trends also suggest that jobs in newly relocated operations favor younger workers, such as the two thousand jobs at the telemarketing company mentioned at the introduction. At the moment, however, the situation of garment workers is relatively stable, given employment expansions in the industry.

Aside from age, other social implications of the time and space orientations of the strategies concerned race, class, and gender. The labor strategy has a stronger ethnic emphasis in terms of the considerable majority of the residents of the city, who are of Mexican ancestry or origin. It advocated for garment workers, residents of downtown areas, and small business people, all groups overwhelmingly Latino. By emphasizing non-local resources, the entrepreneurial strategy's commitment to these groups was more diffuse. However, neither of the strategies advocated an explicit ethnic agenda. In terms of class, one strategy embraced the conditions of workers while at

the same time it accommodated other groups in its strategy, particularly small business people. The other strategy catered to bigger businesses as the promoters of the project, suggesting a “trickle down” logic. In terms of gender, most of the garment workers were women, while most of the technical jobs promoted by Dr. Morris’ strategy are traditionally done by men. However, a number of sales representatives, as well as administrators and office managers of the service industries that this strategy has promoted in El Paso are women.

Different governmental bodies and responses mediated the diversity of emphases and constituencies encompassed by the two strategies. The labor group sought support mostly at the level of city officials and other local representatives of state and federal agencies while the business professor had more direct contact with state and federal authorities, as suggested by the speakers at his forums and the state funds financing the institute he directed until a few years ago. At the local level, the nature of their interactions with authorities also contrasted. While the labor group appealed to and pressured city officials, Morris was regarded by these officials as an expert and source of contacts at state and national levels in both countries. The official responses to the two strategies also differed. Responses to La Mujer Obrera’s appeals for protection of workers’ rights and for its economic plan were sporadic and highly political. A rather insubstantial support given to the High Fashion Institute by local authorities suggests that it was given mostly for publicity concerns. Even when reports were made and new legislation was passed concerning to the situation of workers, little concrete attention was put into the persecution of illegal practices by employers. In contrast, Morris’ strategy had the institutional legitimacy and support systems provided by the university setting. As mentioned earlier, the events organized by his institute were very well attended. Furthermore, the general blueprint of his strategy can still be detected in the activities of the economic development office of the city.

The influence of the entrepreneurial strategy in the official economic promotion of the city did not assure immediate accomplishments or even its implementation in accordance with Dr. Morris’ recommendations. As significant as the discrepancy of resources among local groups, the contrasting magnitude of local and global resources greatly conditioned the capacity of local initiatives to bring about proposed changes, at least in an immediate way, or in the specific ways desired. Thus, while the subsequent growth of the garment and maquiladora industries averted the respective concerns about relocations of both strategies, these developments resulted more directly from corporate decisions than from local initiatives. The employment gains in the garment industry far surpass the significant yet small number of workers who have directly benefited from the High Fashion Institute. The further expansion of the maquiladora industry has taken place mostly because of sharp devaluations of the Mexican currency in recent years and in spite of the further aggravation of infrastructure and ecological problems.

Notwithstanding these limitations, both strategies influenced local conditions. Mujer Obrera accomplished the establishment of the Institute and managed to bring the attention of the authorities to the conditions of workers. Currently, it strives to be involved in the administration of relief and training funds related to the implementation of NAFTA. The entrepreneurial strategy has contributed to the significant local growth in support industries such as plastic injection and tool and die companies.

The significance of the dynamics illustrated in this article is not restricted to the city of El Paso. All U.S. cities have been affected by the ongoing integration of the world economy. Some have experience deindustrialization (Bluestone & Harrison 1982; Ranney 1996) due to plant closures (Perruci and Targ 1988) or restructuring of their economic activities (Sassen 1990). Others have

become sites of direct foreign investment, such as auto production facilities opened by Toyota in Fremont California or the purchase of Paramount Pictures, the gigantic media conglomerate, by Sony in Los Angeles. In addition, all cities have been affected by national policies related to intensified international trade, such as NAFTA. Because of these pervasive impacts, like El Paso, most cities face complex economic decisions concerning short and long term plans with different local and global orientations.

At the same time, the situation of El Paso is peculiar given its border condition, its high poverty rates, and the confluence of the three main economic processes involved in the ongoing integration processes: plant closures in the garment industry, foreign direct investment in the maquiladora industry, and trade blocks in the form of NAFTA. This ethnography shows that, in this moment of intense reconfiguration involving temporal and spatial reformulations, the geographical position of El Paso continues to foster its subordination to non-local geopolitical and economic interests. As mentioned before, this subordination has great social costs for most of its residents. The two strategies illustrated in this paper are presented as alternative local efforts to transcend this subordinated role. Their relative yet complex accomplishments, however, are greatly conditioned by the discrepancies among local groups as well as between local and global entities. In an increasingly integrated world economy, the traditional subordination of the local site of El Paso to non-local processes is being altered in terms of intensity and of manifestation. As the new relocations of telemarketing operations mentioned in the introduction suggest, the intermediary role of the city persists along with its polarizing effects. By highlighting the socio-political implications of these discrepancies, this article illustrates tangible dynamics inherent in Harvey's conceptualization of the temporal and spatial dimensions in the ongoing processes of globalization.

### Notes

<sup>1</sup> Twin Plant News. El Paso Times. January, 1996.

<sup>2</sup> Data for 1950 is from the Census of Population, Part 45 Texas, Vol.2. Data form 1990 is from page five of the report on Demographic information produced by the City of El Paso based on date from the U.S. Department of Commerce.

<sup>3</sup> Calculation made by the author based on U.S. Census data. The population of Texas in 1950 was 7,711,194 and in 1990 was 16,986,510. The population for the United States was 151,325,798 in 1950 and 248,790,873 in 1990.

<sup>4</sup> Twin Plant News. El Paso Times. January, 1996.

<sup>5</sup> Mentioned in the home page of NMSU on frontera ([www.nmsu.edu/-frontera/oct96/1096maq.html](http://www.nmsu.edu/-frontera/oct96/1096maq.html)) under the title "Maquilas continue to create jobs, help economy."

<sup>6</sup> Maquiladora Industry Analysis, CIEMEX-WEFA. V.3 # 2 May 1990. Table 1, p. 29.

<sup>7</sup> All names used in this article are pseudonyms, with the exception of this labor group. Its actual name is provided because of its specific gender and ethnic resonances and because its name is mentioned in the references provided in the paper.

<sup>8</sup> Garment-factory protesters released from jail. El Paso Herald Post B2. 6/30/90

<sup>9</sup> Plan aims to keep garment industry from coming apart at the seams. El Paso Times. 1A, 5/2/90.

<sup>10</sup> Fed probe finds violations in local garment industry. El Paso Herald Post. A1, 8/10/90.

<sup>11</sup> Bill makes non-payment of wages a felony. El Paso Times 6B. 5/28/91.

<sup>12</sup> Data provided by the El Paso office of the Texas Employment Commission.

<sup>13</sup> Data for 1991 is from the home page of UTEP on Juarez ([cs.utep.edu/juarez/maquila.html](http://cs.utep.edu/juarez/maquila.html)) and for 1996 is from the home page of NMSU on frontera ([www.nmsu.edu/-frontera/oct96/1096maq.html](http://www.nmsu.edu/-frontera/oct96/1096maq.html)) under the title "Maquilas continue to create jobs, help economy."

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