ABSTRACT
Since the passage of the 1993 North American Free Trade Agreement (NAFTA), there has been a great deal of economic activity in border regions of the United States and Mexico. Much of this activity has occurred in regions with twin cities in bi-national areas, with one city on the U.S. side of the border and one city on the Mexican side of the border. This paper examines the role of the nonprofit sector in the changing dynamics of the largest of bi-national metropolitan areas, that encompassing San Diego and Tijuana. The paper will examine the shifting social, political, and economic dynamics within the region that have facilitated much of that development of the nonprofit sector. It will also explore how the sector is responding to some of the pressing challenges faced as the two major cities on each side of the border begin to move closer towards developing regional economic infrastructures. Finally, it will close with a prescriptive analysis of potential direction for the sector’s evolution within this bi-national region.

INTRODUCTION
In 1993, after several years of negotiation, the North American Free Trade Agreement (NAFTA) was signed by the United States, Canada, and Mexico with a goal of facilitating a closer working relationship between the three nations in trade matters.
Underlying much of the growth and development of NAFTA is a theoretical concept of free trade as a partial elixir for economic growth and development in a region. While NAFTA has brought with it a number of social, environmental, and political opportunities in all of the partner nations, it has been estimated by some (Rose, McDarney and Salomon 1993; Smith and Malkin, 1997; Herzog, 2000a) that the largest opportunities and challenges are found in the communities on each side of the U.S.-Mexican border.

Many of the factors related to the development of these opportunities and challenges stem from the tremendous population growth in many of the border regions. Ganster (2000) for example notes that border counties and municipalities were estimated to have had a total population of 10.6 million people in the year 2000. By 2020, he estimates the border population will grow by an additional 14 million people.

Traditionally, while the majority of activity resulting from this change has fallen within the scope for public and private sector actors, the nonprofit sector has increasingly played a role in addressing many of the challenges in post-NAFTA border communities. A few of the examples of third sector organizational activities in the border regions include helping social service deliverers on both sides of the border come to shared understandings of some of the common indicators of social and economic change, working with institutions to help facilitate enhanced civic participation, and working to ensure a safe passage for those who choose to make the often unsafe journey across the border.

This paper will examine the evolving role of the nonprofit sector in the San Diego/Tijuana region. This area, composed of the city of Tijuana on the Mexican side,
and San Diego city and county on the U.S. side, is one of border regions undergoing tremendous change. The number of people living in the region is rapidly increasing. There are a number of shared environmental concerns developing and economic disparities within each of the regions are widening. At the same time, the disparities between the regions are gradually narrowing.

The paper will begin with a presentation of the historic relationship between San Diego and Tijuana as an extension of the relationships between the United States and Mexico. Then, I will identify some of the economic, political, and social issues that are facilitating growth of the non-profit organizations within the region during the post-NAFTA era. The paper will provide a brief analysis of philanthropic support going to nonprofits in the target area, highlighting the changing face of the nonprofit sector in the San Diego/Tijuana border region. Finally, the paper will conclude with a brief prescriptive analysis of strategies that might be undertaken to further the growth of the sector within this bi-national metropolitan area.

SAN DIEGO AND TIJUANA REGION

The San Diego/Tijuana region is comprised of San Diego county and the eighteen cities that make-up the San Diego metropolitan area on the U.S. side, and the city of Tijuana on the Mexican side of the border. The relationship between the two areas has traditionally followed the framework established by federal actors in both nations. Attitudes in Washington and Mexico City shaped the role of relations between the two nations. According to Dominguez (2001), this relationship was shaped as one in which “each of the two governments, deliberately or inadvertently, invested little effort in
improving the quality of bilateral relations or deepening the opportunities for institutionalized collaboration.”

Over the past several years the cities of Tijuana and San Diego have acknowledged the existence of the other, yet there has been little in terms of joint planning on issues of economic or social infrastructure development. Due to the historic lack of planning within the region, there have been calls in recent years from several organizations for enhanced cross border planning efforts. In 1993, the mayors of Tijuana and San Diego began convening regional meetings to explore joint planning efforts. For several years the San Diego Association of Governments (SANDAG) began to explore further means of regional governmental collaboration with neighbors on the southern side of the border. Finally efforts such as the San Diego Dialogue, a regional think-tank on governance and other regional issues, have attempted to explore further means for regional planning across the border.

Aside from attempts to engage in regional planning, San Diego and Tijuana find themselves integrated with one another by a number of factors. They mark what has been referred to as the world’s busiest land crossing in the world. Daily over 57,000 vehicles and 130,000 people cross the borders between the two areas daily.

The region is also heavily integrated by a manufacturing industry known as the maquiladora industry, which began to evolve in the mid 1960’s. These types of organizations are engaged in cross border manufacturing. They consist of twin plants, from a number of different nations with one plant on the U.S. side of the border, and another on the Mexican side of the border. The plant on the U.S. side, prepares components of a product for assembly. The plant on the Mexican side of the border

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1 For much of this paper refers to San Diego as the area that comprise the nineteen cities.
engages in the more labor-intensive assembly of the production process. After the products are manufactured, they are returned to the United States where they are shipped for market distribution.

SAN DIEGO

Much of San Diego’s growth during the twentieth century was related to its role as an anchor for the U.S. military. During the Second World War, San Diego found itself home to the Army’s Camp Kallen and Camp Elliot, the Marine Corps Recruit Depot and Camp Pendleton, and the Navy’s Naval Training Center and Miramar Naval Air Station. Following the war, many of the veterans settled in the San Diego area and helped to fuel the growth of the region’s defense and aerospace industries.

Between the 1960s and 1990s, as the aerospace and defense industries fluctuated in strength, the region experienced a number of shocks to its economic bearing. Most prevalent in terms of impact was the economic recession of the 1990s. The advent of a burgeoning bio-technical industry, however with the seeded support of the Salk Institute in LaJolla and a strong bio-technical division of the University of California at San Diego helped to diversify the industrial base of the region. Later additions in the forms of high tech and telecommunications industries also helped to soften the impact of the aerospace industry loss. The majority of job growth, however, has taken place in the low-paid tourism and retail sectors.

Today, San Diego is confronted with the challenges of excessive success in the development of new industries on one hand, and limited land for development (and a resulting major housing shortage) on the other. Challenges of housing and disparities
between those with access to the higher technical skills and resulting salaries and those without such access in the region are indicators of a widening economic gap in society.

**Tijuana**

Much of Tijuana’s growth can be traced to the era of prohibition, which helped re-established tourism for the border cities during the 1920’s. As Lorey (1999) notes, “restrictions on gambling and night life provided the impetus for development of Mexican border-town economies based on the sale of liquor, on gambling, and on other services that could not be obtained legally or inexpensively in the United States” (45). The option of crossing the border to Mexico for opportunities that were not available in the United States was prominent in border cities. Prohibition encouraged the owners of bars, casinos, and other illegal activities due to prohibition to move to Tijuana. Mexico continued gaining from the tourism boom until the end of prohibition in 1933.

Revenue gained from prohibition helped finance city projects in the border region. These economic enhancements significantly improved the development, although there were a few projects that remained incomplete. Prohibition did not provide for long-term economic enhancements for Mexico in the industrial sector. Changes took place in the Southwest United States where agriculture boomed during the 1920’s and allowed agricultural workers from border regions to work in the U.S.

Throughout the twentieth century Tijuana’s reputation as a city of escape for many of those interested in travelling across the border continued. With the growth of the maquiladora industry in the mid 1960s, there was an increase in the activities that Tijuana was able to engage in terms of factory and other means of production. This industry
continued to have tremendous impact upon the region even in recent years. In 1997, for example, there were 135,000 workers in Baja California employed in over 690 maquiladora plants. In the last five years, one million Mexicans have moved to the border region, due largely to the increased wages and numbers of jobs that the maquilas have provided.

**North American Free Trade Agreement**

The signing of the North American Free Trade Agreement (NAFTA) represented on the United States’ side an acknowledgement of the importance of its southern neighbor in terms of economic potential. In Mexico, the passage of NAFTA represented a latter-stage shift in many of its policies related to trade and protectionism. For nearly three decades prior, there had been small steps to alter what had been perceived as protectionist policies that kept Mexico out of much of the economic spectrum. In the mid 1960’s the maquiladora initiatives were set up to link Mexico into manufacturing initiatives, particularly within the United States. In 1986, Mexico’s entry into the GATT represented a further shift away from some of the protectionist policies that had been in existence. Formally signed in 1994, NAFTA represented one of the latter stages of major economic reform that the Mexican government underwent.

The movement towards the passage of NAFTA was not without its points of debate. Much of the controversy leading up to NAFTA during the 1990’s focused attention on the seriousness of environmental problems in the area as well as on labor concerns. Various environmental advocacy organizations proposed that NAFTA would lead to increased environmental degradation in the area (Drieling and Wolf, 2001).
Other concerns stemmed from the issue of how to handle some of the demographic shifts that were projected to occur with the passage of NAFTA. Particularly on the Mexican side of the border, elements of concern arose as to how to ensure that the flow of individuals to many of the border regions where the establishment of various maquiladoras was projected to occur, would not overburden the region’s resources.

Finally, from the U.S. side, there was a great deal of concern related to the impact by the flow of jobs out of the United States into Mexico that might stem from NAFTA. During the 1992 Presidential campaign, candidate Ross Perot referred to a “giant sucking sound” due to NAFTA’s drawing of jobs to the South. A 1992 Wall Street Journal/NBC News poll found that those with an opinion of NAFTA strongly opposed it by nearly two-to-one (Davis 1992).

**SOCIAL CONCERNS EMERGING IN A POST NAFTA ERA**

In the years following NAFTA a number of social concerns have surfaced to help frame some of the areas of activity for organizations in the nonprofit sector. With the creation of new jobs, economic issues have developed due to expansion of NAFTA. NAFTA has also contributed to the political and social changes occurring in the border region. Many non-profit organizations have been developed to provide resources for those living in the region.

Key challenges to the border regions that nonprofit organizations have begun to respond to can be linked into three areas, including factors of population growth on quality of life, environmental issues, and healthcare. A final issue, albeit one that some
people would argue is not a direct result of NAFTA, stems from the matter of services and protection for the movement of illegal immigrants that might flow across the border.

**Population**

Table One presents some of the growth and projected growth in population compiled by Baker (1997) in recent years of San Diego County and the city of Tijuana.

<table>
<thead>
<tr>
<th>Year</th>
<th>Tijuana</th>
<th>San Diego</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>11,000</td>
<td>210,000</td>
</tr>
<tr>
<td>1940</td>
<td>22,000</td>
<td>289,000</td>
</tr>
<tr>
<td>1950</td>
<td>65,000</td>
<td>557,000</td>
</tr>
<tr>
<td>1960</td>
<td>166,000</td>
<td>1,033,000</td>
</tr>
<tr>
<td>1970</td>
<td>341,000</td>
<td>1,358,000</td>
</tr>
<tr>
<td>1980</td>
<td>462,000</td>
<td>1,862,000</td>
</tr>
<tr>
<td>1990</td>
<td>747,000</td>
<td>2,498,000</td>
</tr>
<tr>
<td>2000</td>
<td>1,200,000</td>
<td>2,911,000</td>
</tr>
</tbody>
</table>

Source: Baker, 1997

In Tijuana, this population growth with the combination of poverty and lack of government planning and infrastructure provision has produced squatting communities, open areas and tremendous pressure on the educational and other social systems. In San Diego, it has resulted in an affordable housing crisis as well. Calavita (1993) identifies other vital quality of life indicators such as environmental quality (with an emphasis on
air quality), educational indicators, and public safety that are impacted by population growth.

**ENVIRONMENTAL CONCERNS**

One of the early concerns underlying the debate related to NAFTA was tied into the potential environmental impact from both a production and a population perspective. The San Diego/Tijuana region has begun to experience the impact of such regional environmental concerns. The growth in the number of maquiladoras has resulted in increases in industrial forms of pollution.

Environmental issues due to the maquiladora industries are prevalent throughout the border regions. “The maquiladora sector and national industry emit large quantities of a variety of pollutants from combustion of fuel and fugitive emissions from industrial processes” (88 Ganster). The border region experiences poor air quality due to the rapid urbanization, which has resulted in unpaved roads that contribute to particulate matter in the air. These environmental issues have been a major concern for residents on both sides of the border.

In addition to environmental concerns stemming from the maquiladora industry are environmental issues related to the reality of a large population within a particular geographic area. During the 2001 calendar year, there were at least three sewage spills into the Pacific Ocean resulting from an overburdened sewage treatment system in Tijuana and San Diego. These spills in turn had a devastating impact upon species and habitats.
**Health Issues**

Health concerns in the region have surfaced in two forms. First are the public health concerns about certain diseases. According to Warner (1999), HIV/AIDS is more prevalent in the San Diego/Tijuana area than in any of the other border regions. Other diseases such as tuberculosis also are major concerns in the bi-national area. Of particular concern is a form of drug resistant tuberculosis that results from cases when infected people may have started treatment but may have discontinued it for economic reasons.

In addition to some of the disease and illness concerns in the region, there are issues related to ensuring access to adequate health-care. Immunization is difficult for children living in the border region because of the lack of healthcare benefits. It is also difficult in matters of children’s health to keep adequate immunization records with populations as mobile as those in the region.

Finally, the issue of lack of adequate insurance coverage is a concern that has emerged on both sides of the border. For many Mexican citizens who live and work on the United States’ side of the border there are often numerous barriers to adequate coverage. This is coupled with other concerns related to healthcare insurance deficiencies in place for residents of both countries. In some cases, a unique relationship has developed where the residents of Tijuana go to San Diego for specialty care and residents of San Diego go to Tijuana to purchase medical products and obtain dentistry care for a reduced cost.
FLOW OF ILLEGAL IMMIGRATION

While the flow of illegal immigrants between Mexico and the U. S. has been an ongoing concern within the border region for some time in the San Diego/Tijuana area, it is of vital concern due to the area being one of the largest routes of entry between two nations. Issues related to immigration have changed considerably over the past several years. In the early 1990’s there was a great deal of hostility aimed at various immigrants. Despite increased border patrols and physical barriers between the two countries to deter the flow of illegal immigrants, the number of undocumented border area crossings is still great, and the hazards facing those who choose to cross the border are numerous. The deserts and mountains in the region are hostile environments; those crossing the nations illegally also face the possibility of being caught and returned to Mexico by border control agents.

NON-PROFIT ORGANIZATIONS

While the challenges for non-profit organizations have increased as a result of NAFTA, responses on the U.S. and Mexico side obviously reflect very different political-economic contexts. In the U.S., the context is one based on a relatively weak notion of the family and the state, and a strong third sector. In Mexico, it is in a context of a strong government, a strong cultural context of the family, and a nascent third sector.

Tables two and three present an overview of revenue sources supporting the nonprofit sector in Mexico and the United States from the Johns Hopkins Comparative Nonprofit Sector Project. It should be noted that the data reported does not include
environmental organizations, as the Comparative Nonprofit Sector Project data did not report information on environmental organizations during the target year.

**Table Two: Nonprofit Revenues – Mexico 1995**

<table>
<thead>
<tr>
<th>Field</th>
<th>Government</th>
<th>Philanthropy</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and Recreation</td>
<td>12%</td>
<td>1%</td>
<td>88%</td>
</tr>
<tr>
<td>Education and Research</td>
<td>6%</td>
<td>6%</td>
<td>88%</td>
</tr>
<tr>
<td>Health</td>
<td>1%</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>Social Services</td>
<td>9%</td>
<td>38%</td>
<td>53%</td>
</tr>
<tr>
<td>Development and Housing</td>
<td>--</td>
<td>25%</td>
<td>75%</td>
</tr>
</tbody>
</table>

**Total support for the sector (categories above and other categories).**

|         | 9% | 6% | 85% |

Source: Johns Hopkins Comparative Nonprofit Sector Project

**Table Three: Nonprofit Revenues – United States 1995**

<table>
<thead>
<tr>
<th>Field</th>
<th>Government</th>
<th>Philanthropy</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and Recreation</td>
<td>7%</td>
<td>50%</td>
<td>42%</td>
</tr>
<tr>
<td>Education and Research</td>
<td>20%</td>
<td>15%</td>
<td>65%</td>
</tr>
<tr>
<td>Health</td>
<td>41%</td>
<td>5%</td>
<td>54%</td>
</tr>
<tr>
<td>Social Services</td>
<td>37%</td>
<td>20%</td>
<td>43%</td>
</tr>
<tr>
<td>Development and Housing</td>
<td>37%</td>
<td>20%</td>
<td>43%</td>
</tr>
</tbody>
</table>

**Total support for the sector (categories above and other categories).**

|         | 27% | 21% | 51% |

Source: Johns Hopkins Comparative Nonprofit Sector Project

By comparing these numbers, it can be observed that government and private philanthropy were, at least in 1995, more supportive of the development of the nonprofit sector in the United States than in Mexico. It should also be noted that the sector in the United States has experienced focused support in such areas as housing, health, and
education by large margins from government and private sector sources in the United States, while they have received marginal support in Mexico.

While San Diego has participated in the evolution of the nonprofit sector in the U.S., it should be noted that the emergence and the evolution of the nonprofit sector in San Diego has not been at as accelerated a pace as in other regions of the country. In San Diego the challenges to that growth have been related to the entrepreneurial nature of San Diego County as an area in which there has been great interest in the areas of technological and bio-medical ventures, and limited interest in the growth and development of social service and other areas of nonprofit provision as in other regions. The costs of living in the San Diego region have also limited the growth of the sector, as traditional salaries in the nonprofit sector have not been able to keep up with many of the rapidly increasing costs of living in the region.

In Tijuana, the challenges relating to the lack of a philanthropic infrastructure in the region are several-fold. First, as demonstrated by the values in Tables Two and Three, the national political, social, and economic framework for support of the nonprofit sector is not as strong in Mexico as it is in the United States. Thus Tijuana inherits much of the national political and social infrastructure that fosters the development of the nonprofit sector at a much slower pace in a Mexican context compared to a U.S. context. Within a Mexican and border context, there is the need to facilitate the growth of a philanthropic network and a culture for organized philanthropy. This complication is furthered by still-early mechanisms of supporting the growth of the nonprofit sector within a legal/institutional framework; Mexico lacks a number of laws specific to charities.
Within many of the border regions such as Tijuana, while there are numerous maquiladoras, there is an absence of strong corporate headquarters along the border that has kept the region out of the cycles of corporate foundation support. This lack of a local corporate giving environment is exacerbated by the fact that many of the people who live in Tijuana are what some have characterized as “internal immigrants” meaning that many are transplants who have moved to the region for economic opportunity, but whose allegiance lies elsewhere (Crawford, 1999). Thus, their voluntary support is often targeted outside of the Tijuana area.

One criticism that has surfaced is that NAFTA has not resulted in the further development of a social capital fabric to help sustain the growth and development of various agencies and initiatives. Robey (1999) argues for example that the lack of intermediate groups between the family and the state has contributed to the minimal economic benefit resulting from NAFTA.

Several U.S. grantmakers have been engaged in shaping the development of the nonprofit sector infrastructure in Tijuana. A scan of the Foundation Center’s grants listings, as well as of articles in the Chronicle of Philanthropy between 1996 and 2002 uncovered $844,672 in grants awarded between 1998 and 2001 to projects in Tijuana by U.S. grant makers. Table Four presents an overview of the grants awarded between 1998 and 2001 in Tijuana by the grant makers responsible for this funding.
### Table Four: U.S. Grant Dollars in Tijuana 1999-2001

<table>
<thead>
<tr>
<th>Area</th>
<th>Key Funders</th>
<th>Number of Grants (Percentage of Grants)</th>
<th>Total Funding (Percentage of Funding)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and Culture</td>
<td>International Community Foundation</td>
<td>2 (6.4%)</td>
<td>$16,000 (1.9%)</td>
</tr>
<tr>
<td>Community/Neighborhood</td>
<td>San Diego Foundation, International Community</td>
<td>3 (9.7%)</td>
<td>$28,000 (3.3%)</td>
</tr>
<tr>
<td>Development</td>
<td>Foundation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>International Community Foundation</td>
<td>4 (13%)</td>
<td>$14,000 (1.66%)</td>
</tr>
<tr>
<td>Environment</td>
<td>Hewlett Foundation, International Community</td>
<td>5 (16%)</td>
<td>$269,600 (32%)</td>
</tr>
<tr>
<td>Foundation</td>
<td>Foundation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor Rights</td>
<td>MacArthur Foundation</td>
<td>2 (6.4%)</td>
<td>$130,000 (15.3%)</td>
</tr>
<tr>
<td>Public Health</td>
<td>Compton Foundation, MacArthur Foundation,</td>
<td>5 (16%)</td>
<td>$226,132 (27%)</td>
</tr>
<tr>
<td>Packard Foundation, International Community Foundation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services</td>
<td>International Community Foundation</td>
<td>5 (16%)</td>
<td>$20,500 (2.4%)</td>
</tr>
<tr>
<td>Philanthropic Development</td>
<td>International Community Foundation</td>
<td>5 (16%)</td>
<td>$140,000 (16.6%)</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>31 (100%)</td>
<td>$844,232 (100%)</td>
</tr>
</tbody>
</table>

### Case Profile: The International Community Foundation’s Work on Building a Nonprofit Infrastructure

The San Diego / Tijuana region faces cross border issues that affect the “twin cities” each day. Over the past several years some nonprofit organizations have begun to address some of the challenges in the region. This section briefly profiles the work of one nonprofit that has worked in the region to help to build an infrastructure for a stronger nonprofit role in regional issues pertaining to San Diego and Tijuana.
Founded in 1989, the International Community Foundation (ICF) has been engaged during the past several years in building linkages between the nonprofit sector in Tijuana and San Diego. Initially, the San Diego Foundation formed the ICF with the goal of setting-up a grant-making structure in Mexico. ICF was established with a set of several donor advised funds that ultimately are responsible for the supporting of projects in Mexico, Chile, India, El Salvador, and Ecuador.

In 2000, ICF was instrumental in developing a sister foundation in Mexico, the Fundacion Internacional de la Comunidad (FINCOMUN), which serves as a community foundation focusing its efforts in Tijuana and Baja California. In its inaugural year, FINCOMUN made a total of $182,000 in grants to organizations in Baja California, including Tijuana.

CONCLUSION

While policy analysts debate the social and economic impact of NAFTA, one of the questions that surfaces in many reviews is what might be the role of the nonprofit sector in addressing various societal challenges coinciding with increasing levels of free trade? Currently, there are a number of factors both related to NAFTA and other elements that have impacted the growth of the nonprofit sector in the San Diego/Tijuana region. Issues of the political, social, and economic environments will have a great deal of impact on the direction of the evolution of the sector in both countries, and within their shared space. The future of the nonprofit sector in the San Diego/Tijuana area will require a great deal of coordination of the two regions, as the sector in both communities is still being shaped.
In Tijuana, as in much of Mexico there is still a need for the establishment of a philanthropic infrastructure. This paper has provided a brief overview of some of the factors impacting the development of the sector in the region. This infrastructure must take into account Mexico’s history as a nation with a tradition of a strong government and a strong sense of family and a weak, yet emerging, third sector. It also must take into account the relatively weak links that people have to the city itself, particularly as Tijuana is a city comprised largely of people who have moved there from other regions of Mexico.

San Diego is still in the middle of its own transition from a minimally economically diversified military-driven community to a community with a great deal of diversity in its industrial and economic bases. There is a strong entrepreneurial foundation, which is still in the early stages of shaping local views of the role of the private, public, and nonprofit sectors in the development of means to address social service needs within a community.

Some of the challenges faced by nonprofits in the San Diego/Tijuana border region stem from many of the differences in the bi-national border regions. While the United States has non-profit organizations in place to deal with social services, Mexico is still rapidly developing its infrastructure of organizations. U.S. citizens do their best to use political cohesion to support non-profit organization such as medical facilities, orphanages, and environmental concerns. Unfortunately, Mexican citizens don’t tend to support the necessary political enhancements underlying nonprofit sectoral growth as citizens in the United States have come in many circumstances to do.
The future of the nonprofit sector growth in the San Diego/Tijuana region is also marked by the possibility of future challenges on both sides of the border. The first major challenge is one of uncertainty over the impact from NAFTA in the long term. There is still a great deal of debate over NAFTA’s impact, particularly in border regions. Some of this debate has been exacerbated by the long and short-term concern over the 1994 devaluation of the Peso and its resulting shock on anticipated economic growth in the years immediately following NAFTA’s passage and initial implementation. The impact debate is one that posits the advocates of market liberalization against those who question the social, human and environmental costs of free trade and liberalization.

A second challenge and area of uncertainty is the impact of labor flows to China and other nations in Asia. Already, many of the maquiladoras in the border area have shut down as companies have moved their production facilities to Asia. As a result many border areas are experiencing an influx in terms of population and resulting need for social infrastructure, yet are also experiencing a slowly increasing vacuum of many of the jobs that were supposed to facilitate regional economic development in several of the bi-national areas.

Third is a challenge of building bi-national communities in a post-September 11th world. Whereas pre-September 11th, there was discussion in many border regions about how to continue building a stronger sense of community in shared or inter-linked space, much of the discussion in a post-September 11th world has been turned to increasing border restrictions and controls.

Finally in reviewing some of the activity related to the development of a shared notion of what a bi-national nonprofit sector might mean for regions such as the San
Diego/Tijuana area, it might be worth drawing upon the initial strategies of regional trade development in the European Union. An important lesson in shaping the trading block in Europe has been related to the development of a social infrastructure agenda as a vital component to regional economic integration. This is a component that many critics note was largely absent from the NAFTA process, where the focus was almost solely on trade. Thus one potential strategy for further trade development and integration might be one that the nonprofit sector could take a role in shaping and formulating, an agenda on economic integration and free trade linked with an agenda for continuing to address social and economic needs within a bi-national metropolitan post-economic integration arena such as the San Diego/Tijuana region.
Works Cited


