

# Border Region Economic Development: The Context

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# The US-Mexico Border Region is

- Dynamic
- Heterogeneous
- Complex
- Asymmetric



Source: CIA Handbook

# The US Mexico Border Region

- In 2020, 24 percent of US population and 18.3 percent of Mexico population lived in a border state
- Huge trade flows:
  - 2019 Goods and Services \$683 billion (Exports \$289B)
  - US deficit with Mexico approx. \$104 billion
- Large decrease in both imports and exports in 2020
  - Total trade =\$583
- Pedestrian and truck traffic down by more than 50% in 2020

# Transborder Interaction:

- Social
- Cultural
- Political
- Economic
- Historical context



# Regional Economic Interaction:

## Only four types

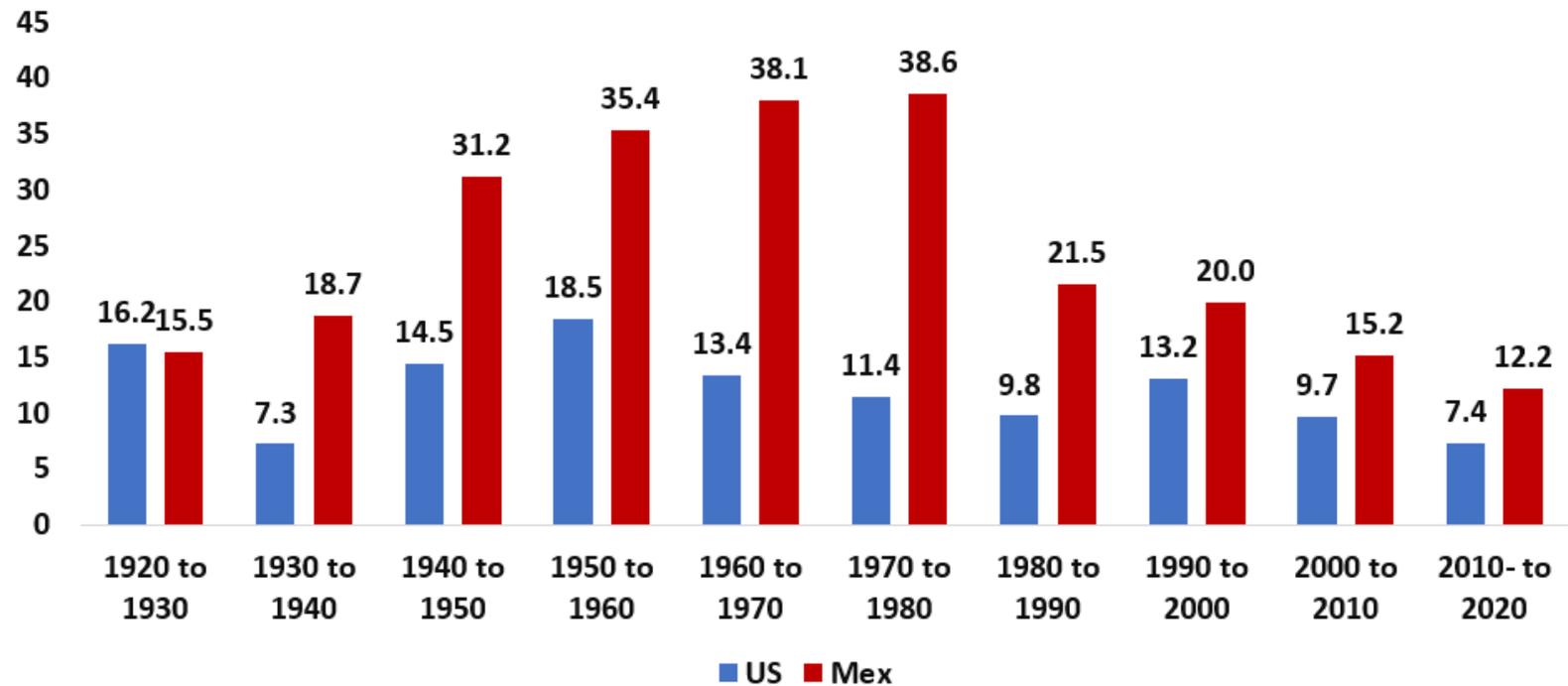
- Trade flows
- Capital Flows
- Migration Flows
- Differential effects of national policies

## Three key variables

- Population
- Employment
- Income

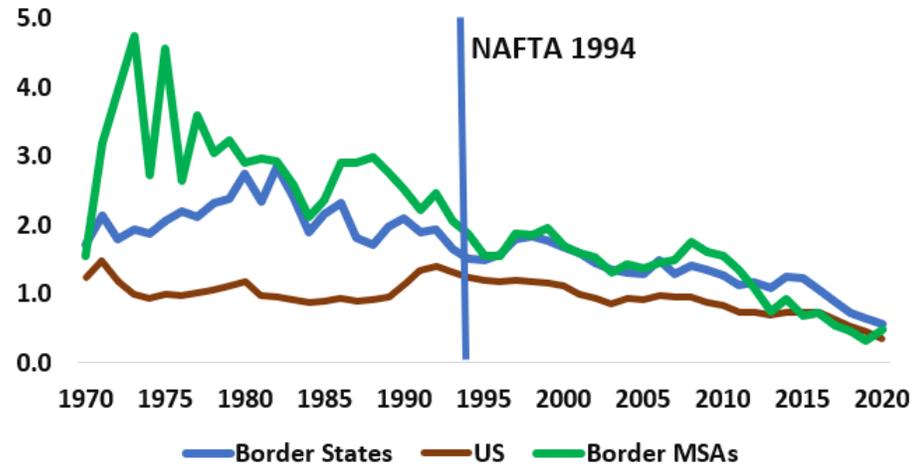
# Population

US and Mexico Population: Percent Change by Decade



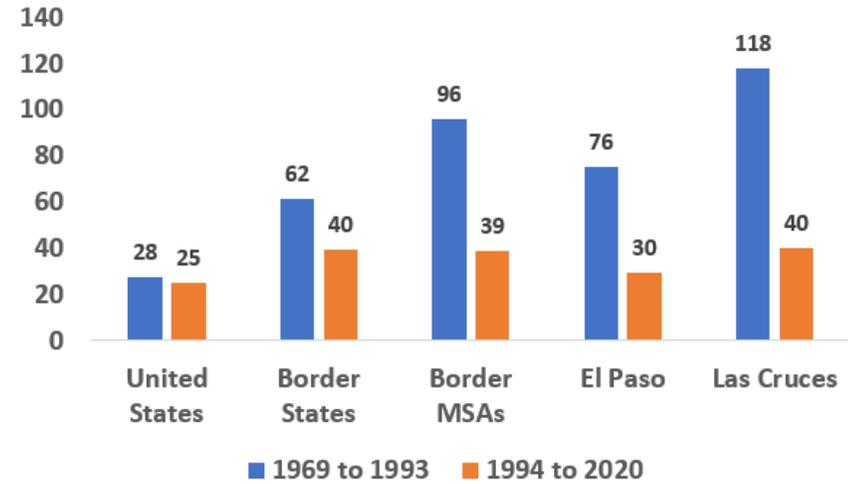
Source: US Census Bureau and INEGI

### Annual Percent Change in Population: US, Border States, and Border MSAs



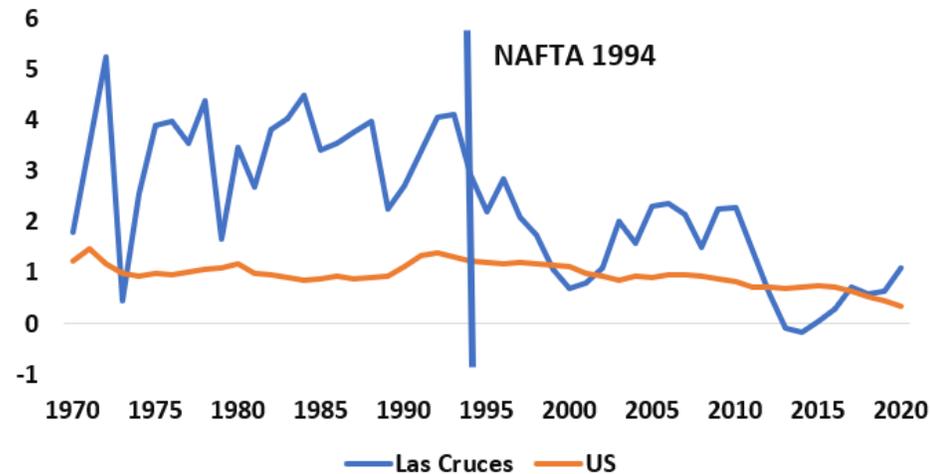
Source: Bureau of Economic Analysis and Census

### Percent Change in Population Before and After NAFTA

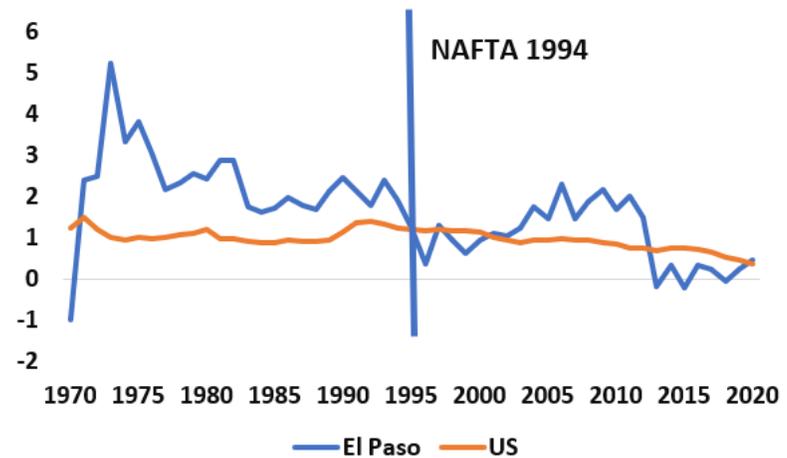


Source: Bureau of Economic Analysis and Census

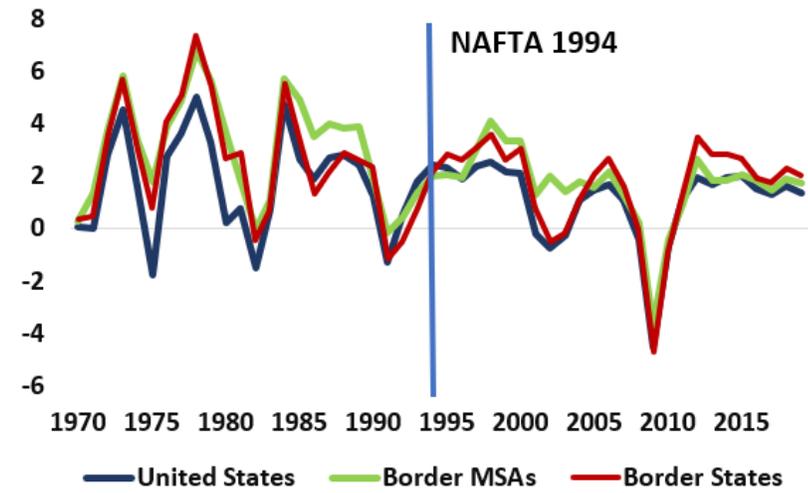
### Annual Percent Change in Population: US and Las Cruces



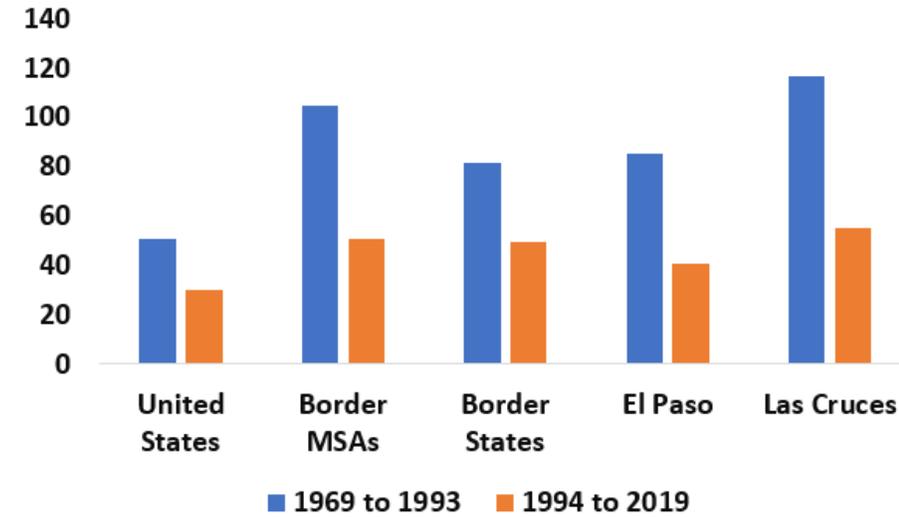
### Annual Percent Change in Population: US and El Paso



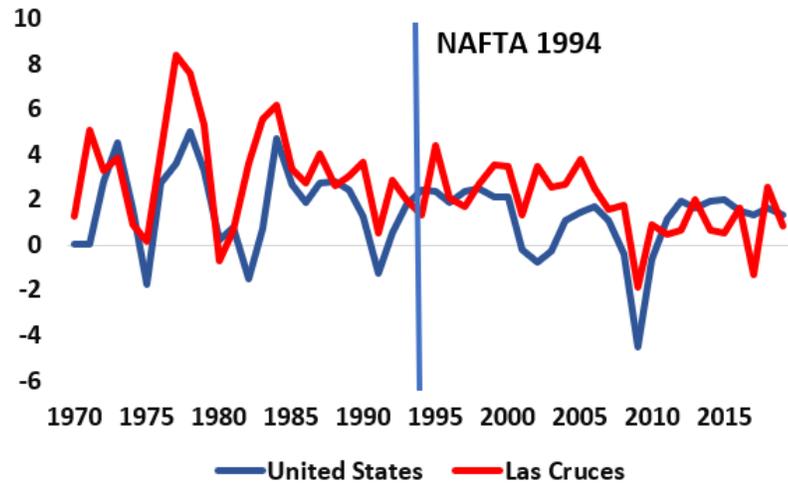
**Annual Percent Change in Wage and Salary Employment  
1970 to 2019**



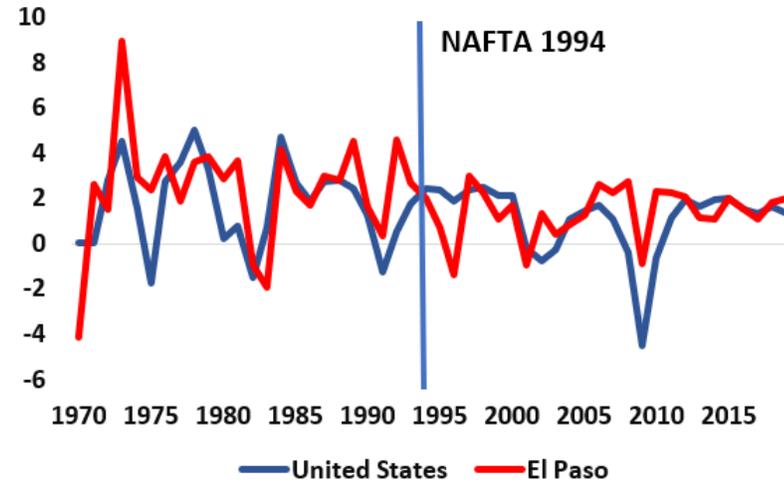
**Percent Change in Wage and Salary Employment  
Before and After NAFTA**



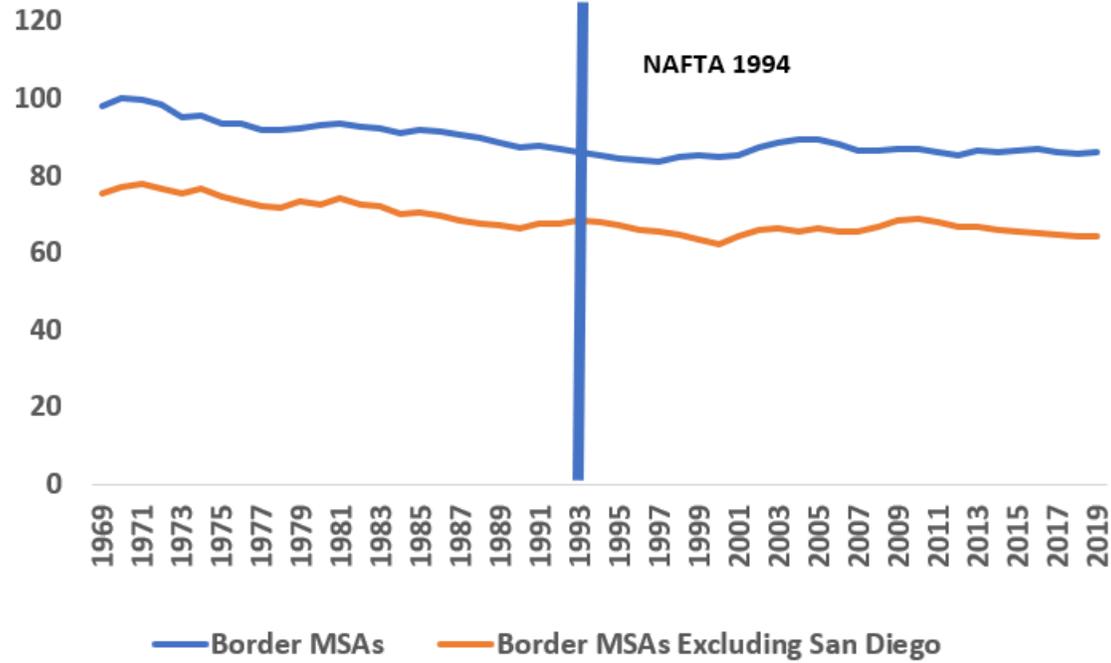
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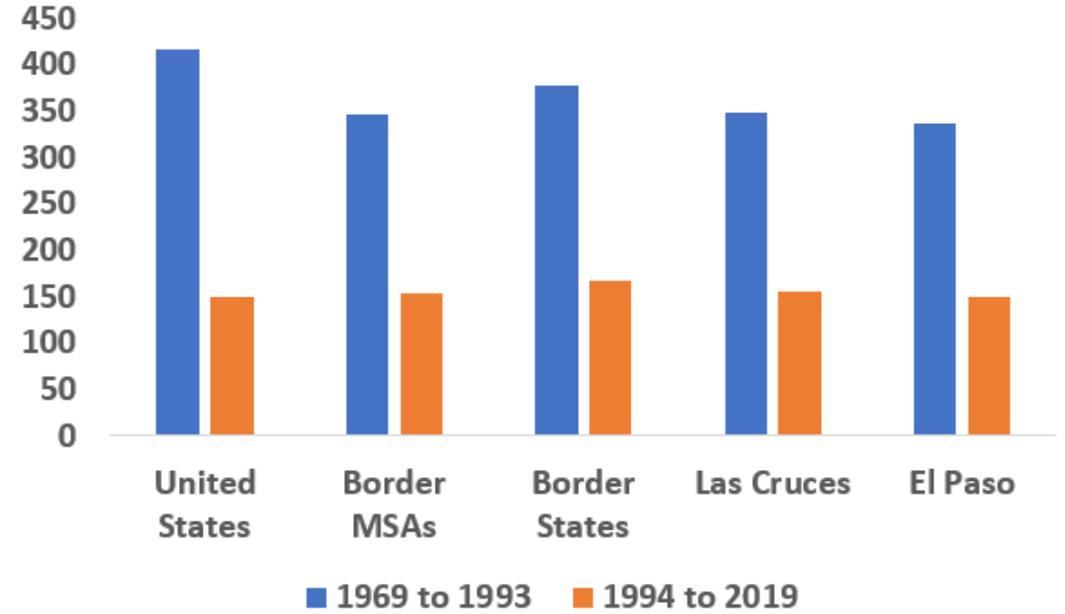
**Annual Percent Change in Wage and Salary Employment  
1970 to 2019**



**Per Capita Income as Percent of US per capita Income: 1969 to 2019**



**Percent change in per capita income: Before and after NAFTA**





# Challenges and Opportunities

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- Vaccination rates
- Reopening the borders
- The post-pandemic economy?
  
- Population aging
- Cross-border environmental and health issues
- The energy transition
- Infrastructure
- Income inequality