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San Antonio's Key to Economic Success: Immigrants.

The city demonstrates how to leverage foreign partnerships.

The typical view of an immigrant in this country is not far removed from the image of thousands of people pouring in to Ellis Island in the early 1900s — people with little money to their names and big dreams of making their fortunes in America. That view is still true in many ways, but it's also true that many of today's immigrants are well-to-do international elites. For instance, in Miami — long associated with Cubans arriving by raft — there are now a lot of rich South Americans. West Coast cities like Seattle and San Francisco have many affluent East Asians. Houston has wealthy Indians, New York City many Russian tycoons, and so on. These immigrants bring financial and human capital. But are cities leveraging their immigrants, and their broader connection with certain countries, to generate growth locally?

The answer varies, but one successful example has been the relationship between San Antonio and Mexico. Their ties run deep; Texas was a part of Mexico until its independence in 1836. Since then, San Antonio has attracted Mexican immigrants. But as crime has risen in Mexico in recent years, there's been a professional-class exodus of Mexican nationals to affluent northern San Antonio.

The influx also has to do with long-existing business partnerships that have been actively encouraged by San Antonio's political establishment. The relationship really blossomed in 1981, when Henry Cisneros was elected as the first Hispanic mayor of a major U.S. city. Cisneros wanted to connect local San Antonio businesses with Mexican consumers. So he established a relationship with the Mexican president, further bolstered existing sister city partnerships, promoted tourism and attended Mexico's trade fairs.

The relationship has grown ever since — getting a strong boost from the signing of the North American Free Trade Agreement in 1992. NAFTA made San Antonio a prominent stop on the Mexico-to-Canada trade route. All this has combined to spur growth in San Antonio, which according to the Milken Institute is one of America's best-performing cities economically. Various Mexican institutions, such as Cemex concrete and the University of Mexico, have opened branches there. According to the local Hispanic Chamber of Commerce, San Antonio exports more goods and services to Mexico than 42 U.S. states combined. Such commerce has encouraged the residential growth of Mexican nationals. "San Antonio is a platform for Mexicans and Mexican companies that want a halfway step [into the U.S.]," says Cisneros. "It's culturally comfortable; business is conducted in multiple languages."

San Antonio, which is 63 percent Hispanic and has been called "Mexico's northernmost city," may be an extreme example of this local-foreign alignment. But the concept is applicable elsewhere. It is common, after all, for municipal officials to travel nationwide recruiting companies and building partnerships. In cities with business-savvy immigrants and existing foreign ties, there is the potential to create lucrative international partnerships that generate growth locally.

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