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**TRANSNATIONAL AND LOCAL "LEARNING" IN AUTOMOBILE COMPONENTS
SUPPLY COMPANIES:**

**RELATIONS BETWEEN MAQUILADORA COMPANIES AND SMALL AND
MEDIUM SIZE ENTERPRISES IN NORTHERN MEXICO**

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Ever since the Mexican government allowed Maquiladoras in northern Mexico in the 1960s, the manufacturing industry has grown very rapidly in the border towns. Maquiladora plants import parts especially from the USA, assemble them and export the products back to the USA. Automobile components supply companies use this Maquiladora system particularly in Ciudad Juárez and have initiated an enormous process of growth in the region.

For a decade, the economic growth of the border towns has been connected with a structural change of the Maquiladoras. These are no longer to be seen only as branch plants completely dependent on their parent companies and employing only unqualified workers. On the contrary, these manufacturing companies require qualified employees, such as technicians and engineers.

This paper discusses the question as to what extent transnational processes of learning can be identified in Maquiladora companies in Ciudad Juárez, and how learning influences the regional structure. Small and medium size enterprises play an important role in this process of regional, or local, learning. Ciudad Juárez is the largest of the Maquiladora towns, concentrating on automobile components supply companies. If we look at these Mexican plants that are controlled by foreign parent companies located in the USA, Canada, Europe

and Asia, the processes of learning must be understood in this context. Learning in the Maquiladora plants is strongly influenced by the head offices, and thus the hierarchy in the transnational corporations. Furthermore, the Maquiladoras are part of global value chains. The ends of most of these chains are the markets in the USA. Both the hierarchy in the global companies and also the global value chains themselves influence the processes of learning in the plants in Ciudad Juárez. In the context of transnational processes of learning, the paper will discuss interrelations in the value chain of knowledge between Europe and Mexico, too.

The analysis of plants of transnational corporations for the regional economy has a long tradition in economic geography. The main roots of this approach are studies about multinationals and branch plant economies in the 1970s and 1980s. New studies on the subject of value chains are mainly discussed in the context of systems or networks of production. On this basis, economic geography focusses on the division of competences in global value chains.

The empirical study was conducted in 2001 in Ciudad Juárez. The results are based on case studies in 12 companies of the automobile components supply industry (interviews with managers, technical trainers, employees in human resources, and engineers), and in 8 other production plants in different economic sectors, as well as on expert interviews in technical training centres, the chamber of industry, associations, especially the AMAC (Asociación de Maquiladoras de Ciudad Juárez), the local interest group of the Maquiladoras, and in public administration. The interviews were inspired by methods of qualitative social research.

The paper is mainly the result of a research project on “Know-how intensive networks in the manufacturing industry: the integration of Ciudad Juárez, Mexico, in transnational processes of ‘learning’?” completed in 2001. The results will be supplemented by insights from a new project about the “International division of knowledge intensive functions in transnational companies: the electronic components suppliers to the automotive industry“. Both projects are supported by the Volkswagen Foundation.